

FREQUENTLY ASKED QUESTIONS DEVELOPMENT CONTRIBUTIONS (NON RESIDENTIAL)

(OUTSIDE IRONGATE & OMAHU INDUSTRIAL CATCHMENTS)

WHAT ARE DEVELOPMENT CONTRIBUTIONS?

Commercial and Industrial growth within the Hastings District is forecast to grow significantly over the next ten years. To ensure the level of service enjoyed by existing industrial and commercial businesses is not compromised, Development Contributions are collected under the Local Government Act 2002 to fund 'growth infrastructure' to meet additional demand.

WHEN IS A CONTRIBUTION PAYABLE?

In the case of non-residential development, a contribution will generally be required from any resource consent that results in the creation of additional lots or a land use change, or from the building of new or extended industrial or commercial buildings.

HOW IS EACH CONTRIBUTION COST DERIVED?

Development Contributions originate from the 10 year capital programme within the councils Long Term Plan. They are simply the cost of all those projects caused by or benefiting growth development divided by the anticipated growth expected to occur.

WHAT DOES MY CONTRIBUTION COVER?

Contributions have been split into various infrastructure 'activities':

ACTIVITY	IMPACT
RETICULATED SERVICES <ul style="list-style-type: none"> Water Stormwater Wastewater 	<ul style="list-style-type: none"> Subdivided lots, a change of use or new or extended industrial or commercial buildings that connect to council's infrastructure will place an increased demand on our services. I.e discharging more wastewater and stormwater or requiring additional water supply. To ensure existing level of service is not comprised, council may need to extend, upgrade services or renew existing services earlier. Contributions are 'catchment based' and are only required where a connection is made to a council maintained network.
ROADING	<ul style="list-style-type: none"> Subdivided lots, a change of use or new or extended industrial or commercial buildings will lead to increased traffic movements on our roading network. To ensure existing level of service is not compromised, council may need to improve, upgrade, extend, or replace earlier, its roading network throughout the entire district. Contributions are paid equally per household or lot, as any development irrespective of location, gives rise to the need for expenditure on our network as a whole.

DOESN'T MY RATES COVER THIS?

Unfortunately not; Rates and Development Contributions fund separate costs.

Rates fund operational costs and the cost attached to providing services for the existing community. Development contributions cover the cost of new infrastructure and services for the 'growth community'.

ACTIVITY	IMPACT	
	RATES	DEVELOPMENT CONTRIBUTIONS
RETICULATED SERVICES <ul style="list-style-type: none"> Water Stormwater Wastewater 	<ul style="list-style-type: none"> Repairs and maintenance (renewal) works to existing infrastructure that services the existing community 	<ul style="list-style-type: none"> New infrastructure or upgrading of existing infrastructure to cater for the increased impact caused by the growth community
ROADING	<ul style="list-style-type: none"> Maintenance and upgrades of existing roading network that services the existing community 	<ul style="list-style-type: none"> New roading networks to cater for the increased traffic movements 'Growth component' of the Cost of resealing roads I.e resealing every 20 years rather than every 25 years due to increased traffic movements

HOW MUCH WILL I PAY?

The amount you will be required to pay depends on:

- The type of activity conducted at the site,
- The size of the additional or new buildings,
- Whether a connection is made to council infrastructure,
- The location of the development taking place.
- (If applicable) Whether any 'credits' exist from any prior subdivision.
- The number of vacant lots created through subdivision.

Please contact the Financial Policy Advisor for an initial estimate. Alternatively an assessment will be issued once the Building or Resource Consent has been granted or Service Connection Authorisation has been approved.



HOW IS MY DEVELOPMENT CONTRIBUTION CALCULATED?

At the building consent stage, all assessments for non residential developments are calculated a gross floor area basis. Every m² of additional or new building is equated back to a household unit equivalence (HUE), and a contribution is payable accordingly.

Equivalences reflect the fact that each type of activity will have a differing impact upon each of our services, i.e;

Statistics from the NZ Trips Database shows that a 100m² restaurant will invariably generate more roading movements than a 100m² warehouse. A higher development contribution for the restaurant would therefore apply.

In summary, the applicant will pay its share towards the developments 'perceived infrastructural impact' upon each service.

SUBDIVISION OF LAND; HOW MUCH WILL I HAVE TO PAY?

At the subdivision stage, an assessment of 1 HUE per activity per vacant lot would be required. This will give the applicant "credits" against any future building consent. A further assessment will be carried out at the time of building consent where demand is known but will only be payable if the assessment exceeds those 'credits' from a previous assessment. As per the existing policy, no charge will apply to sites with existing buildings as they already have an existing impact.

MY PROPOSAL IS NOT LIKELY TO HAVE THAT MUCH IMPACT. DO I STILL GET ASSESSED FOR DEVELOPMENT CONTRIBUTIONS?

YES. The assessment is based on demand being averaged across all developments of that type so a contribution will apply. Council accepts that actual demand may vary from application to application, but averaging the cost of growth across all developments is seen as the fairest means available to council.

Council also only has one opportunity to collect contributions. Whilst the 'perceived impact' may arguably be less than assessed, the development may have the potential to impact infrastructure in the future, i.e;

Future growth could lead to the future employment of new staff or increased productivity which would impact council infrastructure.

WHEN WILL I NEED TO PAY THE ASSESSMENT?

Payment of any development contribution required can be made at any time up to application for Code Compliance Certificate in the case of a Building Consent Application, service connection authorization in the case of a service connection, or application for 224(c) in the case of a Resource Consent Application.

Please contact the Financial Policy Advisor on 06 8715012 to request an invoice.

WHAT HAPPENS IF I DO NOT PAY MY ASSESSMENT?

If payment of a development is not received, under Section 208, council may:

- Withhold a certificate under Section 224(c) of the Resource Management Act 1991
- Prevent the commencement of a resource consent under the Resource Management Act 1991
- Withhold a code compliance certificate under Section 94(4) of the Building Act 2004
- Withhold a service connection to the development
- In each of the above cases, register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which a development contribution was required.

CAN I REQUEST A REVIEW OR MAKE AN OBJECTION TO MY ASSESSMENT?

A request for council to reconsider the development contribution must be made in writing within 10 working days of the notice being made in accordance with those processes outlined under Section 7.1 in the Development Contributions Policy.

A formal objection must be made in writing within 15 working days of the notice being made in accordance with those processes outlined under Section 7.2 in the Development Contributions Policy.