Development Contributions Policy 2024

Kāpiti Coast DISTRICT COUNCIL
Me Huri Whakamuri, Ka Titiro Whakamua

Contents

Development Contributions Policy

Introduction to this Policy

The Introduction is for guidance and is not part of the policy itself.

1. The development contributions policy is a funding policy for planned capital expenditure on network infrastructure and community infrastructure within the district. The policy gives the Council a method of assessing and collecting contributions to fund new infrastructure and upgrades to existing infrastructure required as a result of growth. The policy:

    - summarises and explains the anticipated capital costs over 30 years that the Council expects to incur to meet the increased demand for network infrastructure (roads, water, wastewater and stormwater collection and management) and has incurred with respect to community infrastructure, resulting from growth;
    - states the proportion of the total cost of capital expenditure that will be funded by development contributions;
    - explains the rationale for using development contributions as the funding mechanism (as distinct from other mechanisms such as financial contributions, rates, or borrowings);
    - specifies the level of contribution payable in different parts of the district;
    - specifies when a development contribution will be required;
    - prescribes the conditions and criteria for the reconsideration, postponement and refund of development contributions; and,
    - provides a link to the Council's Development Contributions Limited Remission Policy, that details the Council's approach in determining the circumstances where the Council may remit in part or to the full extent possible under the policy, development contributions levied and required from a specified type of developer or development.

2. This development contributions policy has been developed as required by the Local Government Act 2002 (LGA). Where possible, the Council has used plain English in this policy. However, there are parts of this policy where the specific phrasing in the legislation is critical to the meaning, and in those places, the Council has used the language from the Act. All references to sections and clauses of legislation in this policy refer to the LGA and its amendments unless otherwise specified.

Calculations and requirements – what's the difference?

3. This policy talks about two different kinds of sums – calculations and requirements.

4. In this policy, calculations are Council's financial mathematics to work out how much the development contribution will be for each unit of demand, in each funding service area. Calculations are part of the policy.

5. The Council makes assessments of the amount required to be paid when someone applies for resource consent or a building consent, a certificate of acceptance, or a new water or wastewater service connection. An assessment works out how many 'units of demand' apply to a specific development, at a specific time, and therefore, how much is required to be paid in development contributions.

Development Contributions Policy 2024

6. This document sets out the Council's policy on development contributions under the Local Government Act 2002 (LGA). The Council is required under section 102(2) of the LGA to adopt a policy on development contributions or financial contributions. This policy has been prepared, and should be read, in conjunction with the Council's 2024-34 Long Term Plan and 30-year Infrastructure Strategy.

7. The policy applies solely within the territorial boundaries of the Kāpiti Coast District Council.

Introduction: development and financial contributions

8. Development contributions are fees payable to Council to fund capital infrastructure that is required to enable growth to occur. This infrastructure can include new reticulation and treatment assets for water, wastewater and stormwater, roads, and community assets. (Contributions toward parks and reserves and associated facilities are collected under the Council's Financial Contributions provisions in the District Plan). Development contributions may be required on resource consents (subdivision and land use), building consents, and service connections in situations where development has the effect of requiring new or additional assets, or assets of increased capacity and, as a consequence, the Council incurs capital expenditure to provide roads and other transport amenities, water, wastewater, and stormwater collection and management, and for community infrastructure.

9. Financial contributions can be used to mitigate the effects of development on natural and physical resources of the district in accordance with provisions of the Resource Management Act 1991 (RMA).

10. The LGA sets out the provisions for using development contributions and also requires the Council to adopt a policy on development or financial contributions regardless of whether the Council decides to charge development contributions, financial contributions, a mixture of both, or neither.

11. The Council has adopted development contributions under the LGA as the primary mechanism to fund growth related network and community infrastructure, and financial contributions under the RMA as the primary mechanism to fund new reserves and the upgrading of existing reserves to accommodate growth.

12. The provisions relating to financial contributions do not duplicate contributions required under this policy.

13. Under this policy, the Council will require contributions for:

    - roading
    - stormwater
    - water
    - wastewater
    - community facilities (where costs have already been incurred).

14. If the Council did not use development or financial contributions, this would generally result in ratepayers subsidising the cost of development.

15. The Council is considering whether to include development contributions for reserves and associated community infrastructure in its next review of this Policy. This would involve removing financial contributions for reserves from the Kāpiti Coast District Plan.

Commencement and review

16. This policy will take effect from 1 July 2024.

17. The policy will be reviewed at least once every three years, and it may be amended at other times.

18. This policy and the Development Contributions Limited Remission Policy are available on the Council's website. The Council's financial contributions policy is contained within the Kāpiti Coast District Plan and is also available on Council's website.

Definitions

19. In this policy, unless the context otherwise requires, the following definitions apply:

allotment	has the meaning given to it in section 218 of the Resource Management Act (RMA) and 'lot' has the same meaning.
ancillary	means an activity or development that provides support to and is subsidiary to the primary activity or development on the subject site.
community facilities	means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 199 of the LGA.
community infrastructure	means: • land, or development assets on land, owned or controlled by the Council for the purpose of providing public amenities; and • includes land that the Council will acquire for that purpose (as defined by section 197(2) of the LGA).
development	means: • any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure, but • does not include the pipes or lines of a network utility operator (as described in paragraphs (a) to (m) of the definition of network utility operator in in section 166 of the RMA).
development contribution	means a contribution: • provided for in a development contribution policy of a territorial authority; and • calculated in accordance with the methodology; and • comprising - – money; or – land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Māori Act 1993, unless that Act provides otherwise; or – both.
gross floor area	means the sum of the gross area of all floors of all buildings on a property, measured from the exterior faces of the exterior walls or from the centre lines of walls separating two buildings. Gross floor area also includes covered yards and areas covered by a roof but not enclosed by walls. The gross floor area of a building shall not include: • uncovered stairways; • floor space in terraces (open or roofed), external balconies, breezeways or porches; • roof carparking, lift towers and machinery rooms on the roof having a floor area of not more than 200m; • car parking areas; and • floor space of interior balconies and mezzanines not used by the public.
one-bedroom	means a one-bedroom residential unit (including a studio apartment but

residential unit	excluding visitor accommodation which is not temporary residential rental accommodation) that has not more than two rooms excluding a kitchen, laundry, bathroom, toilet or any other room used solely as an entranceway, passageway or garage. Note: One-bedroom Residential Unit is a sub-category of Residential Unit.
network infrastructure	means the provision of roads and other transport, water, wastewater, and stormwater collection and management.
non-residential development	means retail, commercial, industrial (excluding extractive industries), service, and community land uses, and visitor accommodation which is not temporary residential rental accommodation).
residential activity, residential use and residential development	means the use of premises for any domestic or related residential purpose by persons living in the premises alone or in family or non-family groups, including retirement home units, emergency and refuge accommodation (whether any person is subject to care, supervision or not), and temporary residential rental accommodation, but does not include home occupations, visitor accommodation, or business activities.
residential building	means a building, part of a building, or residence (whether temporary or permanent), including a minor residential unit or mobile home (e.g. caravan, motor home, house truck and campervan) or retirement home unit that is capable of, or is, being used for the purposes of residential activities (excluding visitor accommodation other than temporary residential rental accommodation) and includes kitchen and bathroom facilities. Note: For further clarification refer to the definition of residential activity, one-bedroom residential unit and two-bedroom residential unit.
residential unit	means a building(s) or part of a building that is used for a residential activity exclusively by one household, or as a retirement home unit, and must include sleeping, cooking, bathing and toilet facilities. For the purposes of this definition: • one residential unit has one kitchen and at least one bathroom. If two kitchens and more than one bathroom are present, there will be two residential units, except where a second kitchen is associated with and required for a home occupation being carried out on the lot, this shall be deemed one residential unit; • a residential unit may consist of one primary residential building and any accessory buildings; and • a building used for emergency or refuge accommodation shall be deemed to be one residential unit so long as the above requirements are met. Note: For further clarification refer to the definitions of residential activity, residential building, one-bedroom residential unit and two-bedroom residential unit.
residential unit equivalent (RUE)	means demand for Council services equivalent to that produced by a nominal household in a standard residential unit.
retirement accommodation	means premises (including any land and associated buildings) within a complex of premises for occupation as residences predominantly by persons who are retired and any spouses or partners of such persons.

service connection	means a physical connection to a service provided by, or on behalf of, the Council.
shared and group accommodation	means residential activities where residents share facilities on the same site. Shared facilities may include (but are not limited to) kitchens, bathrooms, laundries, outdoor living spaces and internal living rooms. Sharing accessways, driveways, parking areas, letter boxes and other service areas is not considered to be sufficient sharing of facilities for the purposes of this definition. This definition includes boarding houses but does not include visitor accommodation, temporary residential rental accommodation, or family living and flatting arrangements.
two-bedroom residential unit	means a two-bedroom residential unit (that has not more than three rooms excluding a kitchen, laundry, bathroom, toilet or any other room used solely as an entranceway, passageway or garage.) Note: Two-bedroom Residential Unit is a subcategory of Residential Unit.
temporary residential rental accommodation	means use (whether intermittently or in an ongoing manner) of a residential building to accommodate visitors, offered at a daily (or similarly specified time) tariff. For the avoidance of doubt, temporary residential rental accommodation includes baches and holiday homes, but does not include visitor accommodation. Except where otherwise specified, temporary residential rental accommodation is a residential activity and not a commercial activity.
visitor accommodation	means land and/or buildings used for accommodating visitors, subject to a tariff being paid, and includes any ancillary activities.

Overview of development contributions

20. The purpose of development contributions is to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

21. As required by section 198(2A) of the LGA, development contributions required by the Council will be consistent with the policy in force at the time that the application for a resource consent, building consent, or service connection was submitted accompanied by all the required information.

When a development contribution may be required

22. The LGA provides for the Council to require a development contribution to be made to the Council when an individual development proposal (an application for resource consent, building consent, certificate of acceptance or authorisation for a service connection) is granted, and the following criteria are met:

- the effect of the development, either alone or cumulatively with other developments, is to require new or additional assets, or assets of increased capacity;
- the Council, as a consequence of the increased demand incurs capital expenditure to provide appropriately for:
  - reserves;
  - network infrastructure; or
  - community infrastructure; and

- the development contribution policy provides for the payment of a development contribution in the given circumstance.

23. The Council has decided to take development contributions only for network infrastructure (the provision of roads and other transport, water, wastewater, and stormwater collection and management and) community infrastructure.

24. The Council may require a financial contribution under the Kāpiti Coast District Plan for additional demand for new reserves or upgrades to existing reserves generated by a development. The District Plan can be viewed at https://eplan.Kāpiticoast.govt.nz.

25. The Council will collect development contributions to fund:

    - a fair, equitable and proportionate portion of the total cost of capital expenditure for community infrastructure that the Council expects to incur as a result of growth; and
    - capital expenditure that the Council has already incurred in anticipation of growth.

26. The Council has adopted a limited remission of development contributions, either wholly or in part, for certain types of development as set out in its Development Contributions Limited Remission Policy. Any remission of payment will be covered from the Council's general rates income and is not added to or shared across contributions paid on other developments.

Funding principles

27. The Council has decided that 100% of the cost of capital expenditure on network infrastructure and community infrastructure that is needed solely to meet growth needs is to be funded by development contributions.

28. For a project that is required to provide for the needs of the existing population and for growth, the development contribution required is calculated based on the cost of capital expenditure on network infrastructure and community infrastructure for that part of the project that is for growth needs only. The cost of the project that is required to provide for the needs of, and will benefit, the existing population will be funded through other sources.

29. For certain types of development, the Council may approve limited remission the development contributions payable, either wholly or in part, as set out in its Development Contributions Limited Remission Policy. These remissions will be funded through rates to better align the costs and (public good) benefits of these developments.

When a development contribution is not required

30. Pursuant to section 200 of the LGA, Council cannot require a development contribution if:

    - the Council has imposed a condition on a resource consent in relation to the same development for the same purpose under section 108(2)(a) of the RMA; or
    - the developer will fund or otherwise provide for the same network infrastructure or community infrastructure in agreement with Council. All other applicable development contributions will still apply; or
    - the Council has already required a development contribution for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance, unless the further development contribution is required to reflect an increase in the scale or intensity of the development since the original contribution was required; or
    - a third party has funded or provided, or has undertaken to fund or provide, the same network infrastructure or community infrastructure.

31. The exemptions set out in section 200 of the LGA do not prevent the Council from:

    - accepting from a person, with that person's agreement, additional contributions for network infrastructure; or
    - requiring a development contribution if:

- income from the following is being used or will be used to meet a proportion of the capital costs of the network infrastructure for which the development contribution will be used:
  - rates;
  - fees and charges;
  - interest and dividends from investments;
  - borrowings; and
  - proceeds from asset sales; or
- a person required to make the development contribution is also a ratepayer in the territorial authority's district or has paid or will pay fees or charges in respect of the facilities.

Exemptions

32. The following are exempt from the payment of development contributions:
    - accessory buildings as set out in the Kāpiti Coast District Plan;
    - surplus farm buildings as set out in the Kāpiti Coast District Plan;
    - new buildings within school grounds; and
    - the Council's own developments.
33. Any development by a Council organisation, a Council-controlled organisation or a Council-controlled trading organisation is not exempt from development contributions.

What development contributions may be used for

34. The Council will only use development contributions that it has taken for, or towards, capital expenditure on the infrastructure activity for which the contributions have been required, and in the funding service area they have been charged for under this policy.
35. Where a development contribution has been collected for a project that is now changed, the development contribution may be applied to assets for the same general function and purpose within the same development contribution funding service area.
36. Where the Council receives a development contribution for capital expenditure that has already been incurred by Council in anticipation of development, Council will have met its obligations under the LGA that relate to the use of the development contribution, unless a refund is due.

Rationale for funding growth through Development Contributions

37. The Council has a significant role in providing infrastructure where it cannot be provided effectively, efficiently and equitably by individuals, the community, the private sector, or central government. This role includes Council's obligations to the district, including:
    - vision and guidance;
    - prudent stewardship;
    - sustainable development;
    - growth management; and
    - regulatory functions, to ensure development outcomes meet safety and quality standards.
38. The Council plans to provide infrastructure in a timely and affordable manner so that:
    - growth on the Kāpiti Coast is predominantly within existing urban areas, with intensification around town centres and public transport centres; and
    - the capital expenditure for growth will be affordable for the Council, the community

and those undertaking developments.

39. In delivering infrastructure for growth, the Council will incur significant costs, often before the growth occurs and in order to meet its obligations under the National Policy Statement on Urban Development. Development contributions enable Council to provide the infrastructure on which developments depend.

40. The Council has decided that development contributions are the best way to fund a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service the effects or cumulative effects of growth over the long term for network infrastructure and community infrastructure. The Council has decided to continue using financial contributions under the RMA for the funding of a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service the effects or cumulative effects of growth over the long term on reserves and open spaces, including increased demand for additional reserves and open space.

41. Section 106(2)(c) of the LGA requires the development contributions policy to explain why the Council has determined to use development contributions as a funding source by reference to matters referred to in section 101(3) of the LGA. Council has considered each activity for which development contributions funding has been sought in terms of section 101(3) of the LGA. This consideration is summarised below.

- Each activity is assessed under section 101(3) of the LGA through the cost allocation methodology which identifies the total growth-related capital expenditure that may be funded through development contributions for each activity. The Council has reviewed the data from the cost methodology and has determined whether some or all of the development contribution growth costs should be subsidised by other funding sources.
- Section 101(3)(a)(i) – the community outcomes to which the activity primarily contributes. The Council has determined that development contributions, as a dedicated growth funding source, offer more secure funding for community outcomes that are affected by growth.
- Section 101(3)(a)(ii) – the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals. Council considers that development contributions allocate costs to the growth community and new residents or occupants who will benefit from the new assets, or the assets of additional capacity, that are funded out of the contributions.
- Section 101(3)(a)(iii) – the period in or over which those benefits are expected to occur. The Council considers that development contributions allow development related capital expenditure to be apportioned over time so that the partners associated with new developments pay only for the portion of infrastructure capacity they consume.
- Section 101(3)(a)(iv) – the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity. The Council considers that development contributions are a fair source of funding for each of these activities because they allow the capital costs of the activity to be allocated to those that create the need for capital expenditure (i.e. the developer and new residents / businesses to whom development contributions may be passed on).
- Section 101(3)(a)(v) - the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities. Each of the activities funded through this policy comprises a major part of the Council's overall capital expenditure and each is fundamental for new development. The benefits of distinctly and transparently trying to fund a portion of the capital costs of each activity with development contributions, outweighs the costs of doing so and the potentially high costs that may fall to the ratepayer body if development contributions are not required. Development contributions send clear signals to developers and the growth community about the true cost of growth to the Council

and its community.

42. These considerations are further addressed below.

Community outcomes to which the activity primarily contributes

43. The Council has a statutory role in promoting the achievement of its community outcomes. The Council's outcomes for the community are:

- **Place**: Ensuring that our place is resilient and liveable for current and future generations.
- **People**: Tangata/people are supported to live, work and play in the Kāpiti District.
- **Partnership:** We partner with others to connect, facilitate, and advocate for the good of all in Kāpiti.
- **Working with our mana whenua partners:**
  - We are committed to our partnership with mana whenua, and ensuring we address and prioritise issues of importance for our iwi partners. Appointed mana whenua representatives have a seat at our governance table, and we work together in mana-enhancing ways for our community.

44. These outcomes are described in more detail in the Council's 2024-34 Long Term Plan.

45. Development contributions under this policy are consistent with Council's community outcomes. The Council considers that requiring an appropriate level of development contributions from development, applied alongside other funding tools, is the best overall solution to achieving community outcomes while balancing the costs and benefits in terms of funding between the community, the Council and those undertaking developments.

46. The Council requiring development contributions for roading, stormwater, wastewater, water and community facilities, contributes to supporting resilience and agreed growth projections and achieving an effective response to climate change in Kāpiti. The use of development contributions to fund growth, rather than through rates, will also assist the Council to improve its financial position against financial constraints.

Funding of operating and maintenance costs

47. The Council generally provides public infrastructure for growth before growth occurs and once built this infrastructure will generally require annual operating costs that need to be funded as well.

48. While operating costs are funded through rates and user charges, many of these operating costs will still need to be met whether or not new ratepayers arrive. If new development does not materialise, this cost will fall to the existing ratepayers.

49. Growth projections and capital spending for growth must be closely aligned and monitored to ensure infrastructure is provided only where and when it is required. The Council's growth modelling is conservative to reduce the risk of the Council providing infrastructure that is not required. The District Plan ensures that development does not take place in locations where infrastructure is insufficient to cope with increased demand. Council recognises the potential implications of under-recovery of growth spending on the ratepayer body as a whole and will regularly monitor the rate of development to manage this risk.

50. The main issues for the ratepayer body as a whole are for:

- parties to growth generally paying for the costs of growth; and
- the rating effect of growth infrastructure to be managed by the Council.

Distribution of benefits from Council growth-related capital expenditure

51. The benefits of the infrastructure to which this policy relates accrue primarily and largely to those who undertake development. In the first instance, developers benefit from the infrastructure that enables their developments to occur, and from the higher prices they get

for serviced developments. The benefits of additional infrastructure capacity are then passed to the new owners of housing and commercial property who will use the additional capacity.

52. However, the Council recognises that in some instances existing residents and the community as a whole may benefit from growth-related assets provided, or to be provided, by the Council. Cost allocations used to establish development contributions have therefore been determined according to, and in proportion to, the persons who will benefit from those assets (including the community as a whole) as well as those who create the need for the assets.

Period within or over which benefits are expected to occur

53. The benefits of capital expenditure to accommodate the effects of growth are likely to accrue beyond the 30-year timeframe of the capital expenditure identified in the development contributions policy, given the longevity of roads and wastewater and water supply networks.

Extent to which individuals or groups contribute to the need for the activity

54. New development within the district creates the need for the Council to invest in additional capacity in its community infrastructure and network infrastructure to accommodate the new development and the population growth that comes with it.

55. Generally, existing residents and businesses do not create the demand for the additional capacity and in the absence of growth, it would not have been provided. Therefore, they should not be required to fund through rates the addition of capacity to networks that already adequately meet their needs. However, the Council acknowledges that in some instances, existing residents, and the community as a whole, will benefit from new infrastructure to be provided, or the upgrading of existing infrastructure. Where that is the case, those benefits are identified in the calculation of the amount required to be paid through development contributions and the amount payable through rates, or other funding sources.

Costs and benefits of funding the activity distinctly from other activities

56. The benefits of funding additional infrastructure capacity resulting from development growth through development contributions include greater transparency and allocative efficiency. The use of funding service areas aids transparency and efficiency in allocation by signalling variations in the cost of providing infrastructure in different funding service areas. The use of funding service areas also aids transparency by indicating that the cost of providing infrastructure will vary depending on the characteristics of the locality and the works required to provide for growth.

57. Allocating expenditure to very small funding service areas creates administrative complexity and costs, so funding service areas need to take account of administrative burdens. District-wide contributions are also appropriate when infrastructure operates as a network (e.g. roading and some stormwater).

58. Existing residents and businesses, however, generally gain no direct benefit from, and should not be required to fund through rates, the addition of capacity to existing networks that already adequately meet their needs and provide an acceptable level of service. However, it is likely that they will benefit when the upgrade or new facility provides greater or better service to them, through:

- the benefits of infrastructure provided by the current community - Existing residents and businesses benefit from the community infrastructure that has been provided for their needs, so they should meet the costs of maintaining or improving levels of service; and
- equity considerations - Funding the cost of providing increased capacity in the district's infrastructure through development contributions, rather than by debt that is serviced by rates, promotes equity between existing residents and newcomers. If the Council did not use separate funding for network infrastructure and community infrastructure to meet the needs of the growth community, the funding burden would largely fall on ratepayers. The impact on ratepayers would be unfair and, in many cases, unaffordable.

59. It is appropriate that development contributions fund additional capacity in water supply, wastewater, stormwater, and roading that is required to accommodate growth and new development. The benefits of this additional capacity accrue to new households and businesses generating demand for that capacity. Development contributions paid by developers are likely to be passed on through section and building prices to the residents of new households and businesses.

Overall impact of any allocation of liability for revenue on the social, economic, environmental and cultural wellbeing of the community

60. The Council has taken into consideration the:

- cost implications of its infrastructure funding decisions on development and the challenges developers face in getting their products onto the ground;
- potential implications of under-recovery of growth spending on the ratepayer body as a whole;
- costs and hurdles that existing residents and businesses face trying to develop and the effects on levels of service if barriers are too high;
- desirability of development contributions supporting the Council's community outcomes and other objectives; and
- effects of contribution prices on incoming residents and businesses trying to establish themselves in Kāpiti.

Significant assumptions

61. Section 201(1)(b) of the LGA requires the Council to set out the significant assumptions underlying the calculation of the schedule of development contributions, including an estimate of the potential effects, if there is a significant level of uncertainty about the scope and nature of the effects.

62. The significant assumptions are that:

- growth occurs as modelled in the Council's growth projections;
- growth occurs in locations identified for growth and land is available for growth;
- growth is affordable;
- third party contributions are received as expected; and
- methods of service delivery will remain substantially unchanged.

63. These are further outlined in Table 1, with further information on the significant assumptions that underlie this policy is contained in Table 15.

Population and household forecasts

64. The population and dwelling growth forecasts for the Kāpiti Coast District were updated in early 2023 to inform the 2024-34 Long Term Plan. The forecasts are provided by Sense Partners and outline projected growth for the district for the 2024 – 2054 period[1].

65. The forecasts are based on a range of demographic factors driving population and household change including migration, birth rates, death rates and household formation and is based on data gathered from Census 2018 and other central government databases.

66. A range of development assumptions are used to identify where overall growth is likely to be distributed across the district. These include considerations reflecting actual and estimated changes in accessibility and connectivity from completion of the Expressway and Transmission Gully, historic areas of growth and areas enabled for growth under the District Plan.

[1] Population and housing forecasts for smaller unit areas are provided across the 2023 – 2053 period.

Table 1 Assumptions for calculation of the development contribution

Infrastructure Category	Assumption
Water	Growth assumptions were calculated based on planned capacity to provide for growth and Sense Partners[2] population and housing capacity forecasts
Wastewater	Growth assumptions were calculated based on planned capacity to provide for growth and Sense Partners population and housing capacity forecasts
Roading	Growth assumptions are based on the population forecast undertaken by infrastructure planning modelling and Sense Partners population and housing capacity forecasts
Stormwater	Growth assumptions are based on the increased pipe size to accommodate growth and Sense Partners population and housing capacity forecasts
Community infrastructure	For Community infrastructure funded retrospectively, Growth assumptions are based on the population projections in place when the infrastructure was incorporated into the development contributions policy. For anticipated Community Infrastructure projects, growth assumptions are based on current population projections

Cost of individual items of capital expenditure

67. The Council has used the best information available at the time of developing this policy to estimate the cost of individual items of capital expenditure on water supply, wastewater, stormwater, and roading that will be funded in whole or in part out of development contributions. It is likely that actual costs will differ from estimated costs due to factors beyond the Council's ability to predict, such as changes in the price of raw materials, labour etc., and the timing of capital works.

68. The Council will review its estimates of capital expenditure at least every three years when it reviews this policy.

Funding service areas for development contributions

69. Some parts of the district have a greater range and standard of infrastructure services (e.g., water supply or wastewater system) than other parts. Council has decided to use funding service areas to define the areas in which development contributions may be required. This balances practical and administrative efficiencies with considerations of fairness, equity and the distribution of benefits among the various funding sources, including ratepayers and developers.

70. The funding service areas for development contributions depend on the type of infrastructure, the type of development and the impact of that development.

71. Each capital expenditure project will be assigned to only one funding service area. A development within any funding service area may be required to pay the development contribution applicable in that funding service area.

72. The funding service area for each activity is defined in the maps to the policy. Funding service area boundaries reflect current and planned future service provision areas, and they do not necessarily conform to Council's Ward boundaries.

[2] Since 2021, Kāpiti Coast District Council has used Sense Partners Population and Dwelling Forecasts which provide a shared set of forecasts to councils across the region to support regional and district planning and investment processes.

73. The funding service areas for development contributions are listed in Table 2.

Table 2 Funding service areas for development contributions

Service	Funding Service Area	Funding Service name	Map Reference
Roading & Transport	Districtwide	Roading and Transport - Districtwide	RD
Water treatment	Waikanae, Paraparaumu, Raumati	Water Treatment – Waikanae/ Paraparaumu/Raumati	W3
	Ōtaki	Water Treatment - Ōtaki	W1
Water Services	Paekākāriki	Water treatment & Reticulation	W2
Water reticulation	Waikanae	Water Reticulation- Waikanae	W4
	Peka Peka	Water Reticulation- Peka Peka	W5
	Paraparaumu, Raumati	Water Reticulation- Paraparaumu/ Raumati	W6
	Ōtaki	Water Reticulation - Ōtaki	W1
Wastewater treatment	Waikanae, Paraparaumu, Raumati	Wastewater Treatment - Waikanae/ Paraparaumu/Raumati	WW2
	Ōtaki	Wastewater Treatment - Ōtaki	WW1
Wastewater reticulation	Paraparaumu, Raumati	Wastewater - Reticulation Paraparaumu, Raumati	WW4
	Waikanae	Wastewater - Reticulation Waikanae	WW3
Stormwater Collection and management	Districtwide	Stormwater - Districtwide	SWD
	Ōtaki	Stormwater collection and management Ōtaki	SW1
	Waikanae	Stormwater collection and management Waikanae/Peka Peka	SW2
	Paraparaumu, Raumati	Stormwater collection & management Paraparaumu/ Raumati	SW3
	Paekākāriki	Stormwater collection and management Paekākāriki	SW4
Community infrastructure	Districtwide	Community Infrastructure-District wide	CID

Transitional provisions

74. A limited set of community infrastructure projects will continue to be funded on a district-wide basis. This applies only to projects that meet all of the following criteria—

- The infrastructure was constructed on the basis of funding from district-wide development contributions;
- The infrastructure was constructed prior to the introduction of this policy; and
- Council has not yet received the full level of development contributions to fund the growth proportion of the infrastructure.

75. The Council's view is that growth communities in smaller funding service areas should not be obliged to be the sole funders of growth infrastructure that might not have been constructed to the same extent, capacity, or scale, if the 2014 amendments to the LGA had been in place at an earlier time.

Roading and transport

76. The funding service area for roading is the district.

77. The district's roading network comprises the major routes and local roads including related bridges, walls and embankments, footpaths, walkways and cycleways, parking facilities, and lighting. The network is characterised by interdependent components where development growth adversely impacts other areas of the network if new capacity is not constructed.

78. All communities in the district, regardless of where they live, use parts of the network for access to employment and education, to purchase goods and services, and for community activities. The district's roading network comprises the major routes and local roads including related bridges, walls and embankments, footpaths, walkways and cycleways, parking facilities, and lighting.

79. The network is characterised by interdependent components. This interdependence creates the need for integrated management of these components undertaken with network-wide supply and demand issues in mind. For the purposes of development contributions, the roading network is an unrestricted system, which means that the roading network can be accessed by anyone at any time in the district.

80. The Kāpiti Traffic Model is used to identify areas of stress on the network and where new works will need to be planned to cater for increasing traffic numbers. The model is updated with district-wide growth information.

Water supply

81. The Council provides three urban water supply schemes (Ōtaki, Waikanae/ Paraparaumu/ Raumati, and Paekākāriki).

82. The Ōtaki and Paekākāriki schemes serve single, distinct communities and each one will be a separate water supply funding service area under this policy.

83. The sources and treatment plant for the Waikanae water scheme serve communities in Waikanae, Peka Peka, Paraparaumu and Raumati. The costs of meeting demand for additional treated water capacity will be funded equitably by having a single funding service area covering those communities for water treatment, limited to those properties that may be connected to the service now or in the future.

84. There are distinct reticulation networks based on funding area serving the communities at:

- Waikanae and Peka Peka; and
- Paraparaumu and Raumati.

85. Demand for additional capacity in Waikanae is expected to be quite different from the increased demand from Paraparaumu and Raumati. The costs of network upgrades to meet the additional demands will be funded equitably by having two separate funding service areas, for:

- Waikanae and Peka Peka; and
- Paraparaumu and Raumati.

86. The Peka Peka water supply is a trickle feed which means connected properties must have 24-hours' worth of onsite storage. The upgrading of the Peka Peka supply to an on-demand supply is dependent on a number of other upgrades being completed first.

87. The Council has a rural trickle feed water supply scheme at Hautere. This system is a capped supply, and it will not have a development contribution associated. Any conversion of trickle feed to full pressure supply should be covered by development agreement.

Wastewater

88. The Council provides two wastewater schemes, one at Ōtaki, and one in Paraparaumu.

89. The Ōtaki scheme serves a distinct community and is a separate funding service area under this policy.

90. The Paraparaumu wastewater scheme has a single treatment plant located in Paraparaumu, and reticulation networks serving the communities at Waikanae, Paraparaumu and Raumati.

91. The costs of additional capacity upgrades at the Paraparaumu plant will be funded equitably by having a single funding service area for wastewater treatment, limited to those properties that may be connected to the service now or in the future.

92. Demand for additional capacity in Waikanae is expected to be quite different from the increased demand from Paraparaumu and Raumati. The costs of reticulation capacity upgrades will be funded equitably by having two separate funding service areas, for:

- Waikanae; and
- Paraparaumu and Raumati.

Stormwater collection and management

93. The Council provides stormwater collection and management services for the benefit of the whole district, and specific funding service areas in particular. If stormwater flows are not contained and managed for public and environmental health and safety, then flooding damages property and prevents safe access to parts of the district.

94. There are two related processes for stormwater collection and management: onsite collection and management for individual lots. While individual lots may have onsite collection of peak flows and be hydraulically neutral within the site, the Council is responsible for design and management of stormwater flows when they leave the site. Therefore, although a development may be hydraulically neutral, the Council may charge development contributions as those developments create a need for infrastructure to manage stormwater flows when they leave the site because:

- all devices (ponds, soak pits, swales etc) used to capture flows are designed for specific rain events. If consecutive events occur or if the duration of the event exceed the storage or soakage capacity of the device the resulting overflow will impact on the downstream network.
- rising ground water levels impact the soakage. There is sufficient evidence to prove rising ground water levels in many areas in Kāpiti.
- it is virtually impossible to restrict all flows from a new impervious surface (driveways, yards etc) so not all flows are captured. Some flows will discharge directly into the stormwater network and will impact on the downstream network (open waterways and piped network).

95. Flooding has occurred in the past in many parts of the district, and the stormwater network also needs additional capacity to meet future growth needs. The lack of sufficient pipe capacity, and the resulting need to provide stormwater collection and management works across the district is seen as one of the most significant impacts of continued development. The impact on growth is considered at the design stage of every project, and the development contributions have been calculated on the basis of extra capacity to accommodate growth, discounting the cost of any capital works required to remedy existing level of service deficiency.

Community infrastructure

96. The Council provides community infrastructure projects to benefit the whole district and individual communities.

97. The only community infrastructure projects in this policy are assets that were built prior to 2015, partly to meet anticipated growth demands. The development contribution component of those projects was funded on a district-wide basis, and the Council has decided to continue to charge development contributions for those projects.

98. The inclusion of new community infrastructure projects in the future will be incorporated under either a district-wide funding area, or a separate, localized, funding service area as appropriate for the scale and anticipated catchment of the infrastructure being provided.

Capital costs already incurred in anticipation of growth

99. Development contributions will be required from development to meet the cost of infrastructure capacity that the Council has already provided partly in anticipation of development, where legislation allows. See Table 3 for details.

Roading and transport

100. Development growth increases the local roading network by adding new kilometres of local road and increasing traffic volumes on the existing network. This has an impact on traffic flows and road safety with the need to keep the roads in good condition. To maintain the current level of service for a growing population, additional works are required across the network. These works comprise medium to large capital upgrade projects (e.g. construction of roundabouts or a new link road) but also many small capital upgrade projects (such as intersection safety improvements and pedestrian crossings) right across the district over a 30-year period. Upgrade works are timed using traffic and safety assessments as well as the Kāpiti Traffic Model, or approximately match expected growth, to ensure cost-effective use of the Council's resources and assets.

101. Development contributions will be required to fund these district-wide upgrade works to meet growth needs. The roading and transport projects funded by this policy are listed in the schedule to the policy.

102. To assess the impact of growth, the district-wide traffic generation proportion is applied to part of the capital works programme (new assets/upgrades). If traffic volumes are expected to grow by 10% then 10% of the cost of future capital projects (new assets/upgrades) is met by development contributions.

Water supply

103. When new households and non-residential activities are connected to the system, the water pressure and flow service standards for other households in the network are reduced. To meet growth needs, and maintain the level of service, Council must provide additional capacity for water sources, treatment and water supply networks. The work may be programmed as a specific upgrade, or it may be timed to coincide with the renewal programme.

104. The Council plans to provide additional supply infrastructure for Ōtaki, Paraparaumu, Waikanae, and Raumati to meet growth needs and serve existing users. The Waikanae water treatment plant will also need expanded capacity to meet growth. New households and non-residential growth are assumed to occur in the existing urban areas. No provision has been made to service growth in rural or rural residential zones.

105. Development contributions will be required for capital works to provide additional source, treatment, storage and network capacity for specific funding service areas to service growth. The water supply growth projects funded by this policy are listed in the schedule to the policy. The works to serve existing users that are not required as a direct result of growth will be funded from rates.

Wastewater

106. When new households and non-residential activities connect to the system any available capacity of the existing system to convey and treat wastewater is reduced or may be exceeded. To meet growth needs, and maintain the level of service, the Council must provide additional capacity for collection networks and treatment. The work may be programmed as a specific upgrade, or it may be timed to coincide with the renewal programme.

107. The Council plans to provide additional treatment capacity for Ōtaki, Paraparaumu, Waikanae, and Raumati to meet growth needs and serve existing users. New households and non-residential growth is assumed to occur in the existing urban areas. No provision has been made to service growth in rural or rural-residential zones.

108. Development contributions will be required for capital works to provide additional collection network and treatment for specific funding service areas. The wastewater projects funded by

this policy are listed in the schedule to the policy. Works to serve existing users that are not required as a direct result of growth will be funded from rates.

Stormwater collection and management

109. The Council plans to invest in substantial stormwater collection and management works over the next 30 years. Development contributions will be required where the purpose of those works is to meet demand for additional capacity in the network of pipes and streams arising from growth that make up the stormwater system. The stormwater collection and management projects funded by this policy are listed in the schedule to the policy.

Community infrastructure

110. The Council will continue to collect development contributions for capital expenditure on the following community assets, because they were constructed based on district-wide development contributions as well as ratepayer funding.

Table 3 Community infrastructure assets that the Council has already built

Project	Total Costs ($)	Allocated to growth ($)	Growth share (%)	Collected ($)
Paraparaumu library	5,600,000	1,848,000	33%	1,230,845
Ōtaki Library	1,100,000	275,000	25%	183,161
Coastlands Aquatics	17,300,000	5,709,000	33%	3,802,431
Improved Civic Administration	7,565,000	1,513,000	20%	1,007,721
TOTAL	**31,565,000**	**9,345,000**		**6,224,158**

Future assets for which development contributions will be required

111. Table 4 shows, for each activity, the:

- planned capital expenditure 2024-54 that Council expects to incur to meet the increased demand for network infrastructure resulting from growth;
- total amount of development contribution funding sought for that activity; and
- proportion of the capital expenditure that will be funded by development contributions and other sources of funding.

112. Where the Council anticipates funding from a third party, such as the Waka Kotahi New Zealand Transport Agency (NZTA), or the infrastructure Acceleration Fund (IAF) for any part of the growth component of the capital expenditure budget, this proportion is excluded from the costs used to calculate development contributions.

Table 4 Summary of total cost of capital expenditure to be funded by development contributions

	Pre 2023 actual spend and 2023/24 forecast spend				2024-34 LTP and 2034-54 capital expenditure included in the Infrastructure strategy			
	Capital Expenditure ($) already incurred	Capital Expenditure ($) already incurred funded by other sources	Capital Expenditure ($) already incurred (net)	Capital Expenditure ($) incurred to meet growth (net)	Planned Capital Expenditure ($) expected to be incurred	Planned Capital Expenditure ($) expected to be funded by other sources	Planned Capital Expenditure ($) expected (net)	Planned Capital Expenditure ($) expected to be incurred to meet growth (net)
Access Roading & Transport	33,553,022	(13,071,378)	20,481,644	4,767,141	137,418,471	(55,334,849)	82,083,622	13,145,113
Community Facilities	9,344,999	-	9,344,999	9,344,999	-	-	-	-
Stormwater	53,479,969	-	53,479,969	5,599,576	110,777,342	-	110,777,342	11,077,734
Wastewater	13,444,139	142,239	13,586,378	7,104,152	47,937,013	(11,428,810)	36,508,203	19,034,986
Water	64,820,993	-	64,820,993	30,661,421	59,268,713	(4,291,383)	54,977,330	32,167,774
Grand Total	**174,643,122**	**(12,929,139)**	**161,713,983**	**57,477,289**	**355,401,539**	**(71,055,043)**	**284,346,497**	**75,425,607**

Notes:

1 Some of the growth works planned over the next 30 years will provide capacity beyond the 30-year planning horizon of this policy.

2 The Council does not use financial contributions under the RMA to fund any of the expenditure contained in the Table above.

Units of demand – the residential unit equivalent (RUE)

113. The units of demand used in this policy are referred to as RUEs (Residential Unit Equivalents). The RUE is a composite unit of measurement based on the demand for services created by a single residential unit. The RUE incorporates roading, water, stormwater, community facilities and wastewater use.

114. The Council has developed its scale of RUEs on a consistent and equitable basis, having considered the:

- need to separate residential and non-residential activities because of the different demands they place on the Council's community facilities;
- complexity of trying to make the policy account for every different development type;
- availability of data to support differentiating units of demand rates for various types of developments;
- the administrative efficiency of having multiple units of demand.

115. In order to estimate the demand from developments for roading, water and wastewater, the Council's growth model converts population to residential units using the district-wide average of 2.2 people per residential unit, in line with the significant forecasting assumptions for the 2024-34 Long Term Plan.

116. To estimate the growth component of stormwater infrastructure the Council calculates the number of future lots that will benefit from increased stormwater capacity. This calculation is based on the total area of vacant residential land within each funding service area, divided by an 'average' lot size. The 'average' lot size for this calculation is higher than the actual average lot size, in order to take account of the impacts of contour and roading which reduce the number of lots that may actually be created on vacant land.

Residential Development

117. In general, the number of RUEs charged is one per new allotment or residential unit created, although lower assessments can apply in certain cases, as outlined below.

One- and Two-bedroom Residential Units

118. The Council will permit lower assessments for one- or two-bedroom residential units, as outlined in Table 5 below.

Table 5 Residential Unit RUE Assessment Guidance

	One-Bedroom Residential Unit	Two-Bedroom Residential Unit	Standard Residential Unit
Number of Bedrooms	1	2	3 or more
RUE Discount (all services)	50%	25%	-
Proportion of RUE Payable for all charges	0.5	0.75	1

119. Should additional bedrooms be proposed to a one- or two-bedroom residential unit that has been assessed under this section, the Council will require additional Development Contributions in line with Table 6.

Table 6 One or Two-Bedroom Residential Unit Extension RUE Assessment Guidance

Type of extension	Indicative Top up proportion required	Total proportion required
Extend a one-bedroom to a two-bedroom residential unit	0.25	0.75
Extend a one-bedroom to a standard residential unit	0.5	1
Extend a two-bedroom to a standard residential unit	0.25	1

120. The development contributions payable where a minor or small residential unit has been extended will be set at the level required to match the total development contributions payable for that unit type in the current DC policy. By way of example:

    a. If an additional bedroom is added to a one-bedroom residential unit that was previously assessed at 0.7 RUE, additional payment of 0.05 RUE is required in order meet the total proportion of 0.75 RUE payable for a two-bedroom residential unit.

    b. If an additional bedroom is added to a two-bedroom residential unit that was assessed at 1 RUE, no further payment is required.

121. For further information regarding extensions to residential units, see the Credits section at paragraph 165.

Retirement accommodation

122. Each residential unit as part of a retirement accommodation complex will be assessed at 0.6 RUE. This recognises that retirement accommodation generates a lower demand for some types of infrastructure than larger residential units and is consistent with the requirements for minor residential units.

Shared and group accommodation:

123. Shared and group accommodation recognises that residents share facilities on the same property and is usually calculated on the maximum number of people it accommodates, rather than residential units. The number of RUEs is calculated by using a household conversion factor. Given that an average residential unit is assumed to be 2.2 people, each person is equivalent to 45% of a residential unit, and so the conversion factor for shared and group accommodation would be 0.45. For example, the RUE arising from shared and group accommodation catering for a maximum of 30 people would be 13.5 RUEs.

Rural land uses

124. Residential developments in the rural area are treated the same way as in the urban environment.

125. Each rural allotment will be assessed as having 1 RUE per residential unit on the property. Each additional or new residential unit on a rural allotment will be assessed as for residential land.

126. Farm sheds and buildings associated with rural activities, which do not place additional demand on infrastructural services, will not incur a development contribution.

127. Industrial or commercial developments located in the rural area will be assessed for a development contribution in accordance with non-residential developments.

128. Where the property is not planned to be connected to the water supply or wastewater network infrastructure no contributions will be required for those activities. However, if at a future time the property is to be connected it will attract a development contribution at building consent or at service connection.

Partition of Māori Land

129. The Māori Land Court can make an order to partition Māori land. There are generally two types of partition:

- full partition, where parcels will not be held by members of the same hapū and must be partitioned in accordance with the RMA subdivision requirements. The Development Contribution will be assessed at the time of application for subdivision consent.
- hapū partition, where freehold Māori land may be partitioned for members of the same hapū without requiring a subdivision consent. In this case the development contribution will be assessed at the building consent stage or at the time of service connection.

Non-residential developments

130. Every 450m^2 of Gross Floor area or a non-residential development is assessed at one RUE. The estimation method is shown in Table 7.

Table 7 Non-residential units of demand estimation

Explanation	Formula
At 2.2 people per household, one resident = 45% of one RUE.	1 / 2.2 = 45%.
One employee working a 40-hour week generates about half the demand of a household resident for roading, water, wastewater and stormwater.	1 employee = 0.5 residents 45% x 0.5 = 22%
Allow an average of 100m^2 per employee (because the district's employment profile is mostly in industries that are not office-based).	22% = 100m^2
If one employee generates demand that is roughly equal to 20% of a RUE, then five employees generate one RUE.	100% / 22% ≈ 4.5
Four and a half employees at 100m^2	4.5 x 100m^2 = 450 m^2

131. The district is part of a large commuting corridor that extends to the north and south of the district. Many people commute to work outside the district, while others commute from beyond the district to work inside it. The same is true for shopping and recreation activities, although the commuting patterns will be different. Because of the intensity of commuting patterns across the district and beyond its boundaries, it is not reasonable to assume that all employees are also residents. Therefore, the Council has a discrete demand estimation for employees.

Developments that involve a combination of activities

132. In determining the final number of RUEs that apply to a particular development, a combination of the general measure of a RUE, the residential and non-residential

measure of RUEs and the visitor accommodation measure of RUEs may be used to recognise the specific composition of a particular development. Examples would be a retirement village that includes a combination of retirement accommodation and visitor accommodation that includes a combination of fully serviced units, hostel accommodation and a manager's unit.

Design capacity (capacity life)

133. The design capacity of each project indicates the number of intended or expected additional units of demand that each project will provide for development. Identifying the design capacity of each project helps the Council to ensure that it is not building additional infrastructure too far in advance of it being needed, and so that it can estimate when further additional capacity may be required. This information is also used to enable the Council to allocate funding on an equitable basis. In general, a project with a 30-year design capacity should be funded over 30 years, assuming that growth occurs as projected.

Cost allocations

134. The Council allocates capital expenditure projects in the Long Term Plan, plus those projects planned for 2044-54 including capital expenditure projects already delivered by the Council in anticipation of growth. Average costs are generally applied to the allocation of capital expenditure between existing and new RUEs. In most cases, calculating the marginal or incremental costs is a complex exercise, and average costs reflect a fair allocation of capital infrastructure costs to newcomers.

135. For each capital expenditure project or programme of works, the Council allocates costs according to the reasons for the expenditure:

- renewals
- to meet or increase the specified level of service
- growth.

136. In estimating the cost proportion of additional growth-related capacity included in renewals and upgrades, the Council has assumed that:

- capacity increases are designed to reflect the overall level of growth in RUEs expected over the next 30 years; and
- average cost is a reasonable proxy for the incremental cost of additional capacity. The cost of additional capacity for development growth installed during renewal projects is limited to the appropriate proportion of materials costs as all other costs are deemed to relate to the renewal of the asset.

137. Growth for capacity planning purposes is estimated after consideration of projections of population, households and employment prepared by Sense Partners and based on census data.

138. The methodology uses an Excel-based model which lists projects and programmes under each activity and funding service area. The full model is available from the Council.

Summary of methodology for calculating development contributions

139. Section 201(1)(a) of the LGA requires the development contributions policy to include, in summary form, an explanation of and justification for the way each development contribution in the schedule to the policy is calculated. The methodology for calculating development contributions is summarised below.

A. Determine expected growth and demand for infrastructure for the district:

- Determine the expected growth in new lots and residential and non-residential activities likely to be created within specified service areas in the district over the next 30 years, using data from BERL and work undertaken in accordance with the National Policy Statement on Urban Development August 2020. Determine the level of infrastructure that will be required to service the expected growth.

B. Define funding service areas:

- Define the funding service areas for development contributions for each infrastructure activity, based on the services provided in each area, and the expected growth profile.

C. Identify costs:

- Allocate planned capital expenditure costs to one or more of renewals, level of service and growth, taking account of design capacity of the works that will be provided for growth within each funding service area. Do not include operating and maintenance costs, subsidies, grants, third party funding (to the extent it can be assumed) and the costs of works that Council expects to recover from other sources.
- Add up the cost of capital expenditure for the growth allocations for each project identified through the Long Term Plan 2024-34 and in this Policy for the next 30 years by funding service area:
  - add up the cost of capital expenditure that is expected to be necessary to meet growth needs over the next 30 years;
  - add up the cost of capital expenditure that has already been provided to meet growth needs over the next 30 years;
  - convert growth projections to units of demand for each infrastructure type, for residential developments, and non-residential developments;
  - adjust the cost of capital to take account of borrowing and debt servicing to yield the total cost of capital expenditure; and
  - calculate the development contribution per unit of demand (RUE).

D. Calculate contributions:

- For each activity in each funding service area, divide the (total) cost of capital by the expected growth in RUE to calculate the development contribution per unit of demand (RUE).

Increases in development contributions

140. The Council may increase a development contribution without reviewing the policy, or without consultation, provided that the increase does not exceed the result of multiplying together the:

- rate of increase (if any) in the Producers Price Index (PPI) Outputs for Construction provided by Statistics New Zealand since the development contribution was last set or increased;

- proportion of the total costs of capital expenditure to which the development contribution will be applied that does not relate to interest and other financing costs.

141. An increase under this provision will only take effect after the Council has made the following information publicly available:
    - the amount of the newly adjusted development contribution; and
    - how the increase complies with these requirements.
142. The payment of any development contribution is made in accordance with the schedule of development contribution charges in Table 8 (plus any PPI adjustments) applicable at the time of assessment or reassessment.

Summary of development contributions

143. The development contributions that will be required for each unit of demand, in each funding service area are listed in Table 8.

Table 8 Development Contributions required per demand unit by service area

Purpose	Funding Service Area	Development Contribution per RUE (GST incl.) ($)
Roading	Roading & Transport - Districtwide	2,610
Water	Water Reticulation - Paraparaumu - Raumati	1,833
	Water Reticulation - Ōtaki	1,154
	Water Reticulation - Peka Peka	6,412
	Water Reticulation- Waikanae	6,412
	Water Treatment - Ōtaki	4,740
	Water Treatment - Waikanae/Paraparaumu/Raumati/Peka Peka	7,104
Waste	Wastewater - Reticulation Paraparaumu/Raumati	1,415
	Wastewater - Reticulation Waikanae	1,366
	Wastewater - Reticulation Ōtaki	3,378
	Wastewater Treatment - Ōtaki	2,511
	Wastewater Treatment – Waikanae/Paraparaumu/Raumati	749
Stormwater	Stormwater - Districtwide	300
	Stormwater collection & management Paraparaumu/Raumati	851
	Stormwater collection and management Ōtaki	456
	Stormwater collection and management Paekākāriki	86
	Stormwater collection and management Waikanae	426
	Stormwater collection and management Peka Peka	426
Community Infrastructure – District Wide	Community Infrastructure-Districtwide	1,841

Operational policy

The trigger for a development contribution

144. The Council will assess the development contribution that is required when it first receives an application for a:
    - building consent or a Certificate of Acceptance under the Building Act 2004; or
    - resource consent for subdivision or other land use consent under the RMA; or
    - service connection or connection authorisation.

Assessment basis and timing

Initial threshold test

145. The Council will assess any subdivision or other development that generates a demand for infrastructure and community facilities for a development contribution where the effect of the development, including its cumulative effect with another development, is to require new or additional assets, or assets of increased capacity.

Resource consent for subdivision, unit title and cross-lease

146. The Council will assess the development contributions required in respect of a resource consent being granted under the RMA for the fee simple subdivision of land, including, unit title and cross lease developments when the subdivision consent application is received by the Council.

147. The Council will initially assess the subdivision at one RUE per developable lot on all sites. The Council may make a further assessment when it receives any subsequent application for resource consent, building consent or service connection, where additional demand is generated.

148. Where a subdivision consent provides for its implementation in stages, the Council has sole discretion for apportioning any development contribution to a relevant stage.

Resource consent for land use

149. The Council will assess the development contributions required in respect of a resource consent for land use under the RMA when it receives the application accompanied by all required information.

150. The Council will assess the development on the basis of RUE's in the development that are approved by the Council. Where a consent is amended by any subsequent decision (including any appeals to the Environment Court), the Council may reconsider the assessment.

Building consent

151. The Council will assess the development contribution required for a development when it receives a building consent, or a certificate of acceptance application accompanied by all required information. Non-residential buildings will be charged pro rata at a rate of 0.002 RUE per m2, less any RUE credits remaining from previous stages of development on the site.

152. The stormwater component of the contribution is only applicable to the greatest number of RUEs on any floor in non-residential or multi-unit residential developments. For example, a four- storey residential development with three residential units on one floor and two residential units on each other floor would be assessed on the basis of three RUEs for stormwater.

Service connection

153. If a development only requires a service connection and development contributions have not been assessed for that development, the Council will assess the development contribution when it receives the application for a service connection accompanied by all required information.

Changes to development

154. The amount of development contribution that is payable may be re-calculated, and a further contribution required, at the Council's sole discretion, following any change to a subdivision, land use or building consent or application for a certificate of acceptance or new service connection that results in increased demand.

Assessment and requirement for payment of development contributions

155. Applications received by the Council will be assessed by applying the following steps:

a) confirm whether the application is for a “development” as defined in section 197 of the LGA;

b) if the answer to (a) is yes, determine whether the proposed development has an effect, either individually or cumulatively with other developments, of requiring new assets, additional assets, or assets of increased capacity;

c) if the answer to (b) is yes, determine if, as a consequence, the Council will incur (or has it already incurred) capital expenditure to provide appropriately for network infrastructure or community infrastructure;

d) check whether the Council is prohibited from requiring a development contribution under section 200 of the LGA;

e) verify whether the policy provides for development contributions to be required in the circumstances of this development;

f) identify the catchments in which the proposed development is located;

g) calculate how many RUEs represent the impact attributable to the demand by activity for the relevant catchments;

h) identify what credits are applicable, by activity;

i) deduct the credit RUEs from the demand RUEs to obtain the net increase in demand by activity for the development;

j) determine the charge for each activity by applicable catchment from the schedule of charges;

k) total the results for each activity;

l) add GST.

New connections

156. If the Council receives a service connection application for an existing development that was not connected to a district water or wastewater scheme as at 1 July 2005, it will assess and may require a development contribution, because the connection creates demand for additional capacity.

Building consent, certificate of acceptance or land use resource consent without subdivision

157. The Council will assess and require contributions at the building consent, certificate of acceptance or land use resource consent stage where there are additional units of demand created in the absence of subdivision (e.g.an additional house on a lot).

Residential subdivision

158. For residential development, the Council will generally assess contributions at the subdivision consent stage, for the following reasons:
    - practicality of implementation;
    - economies of scale in implementation costs;
    - fairness;
    - best available knowledge for projections and allocating budgets.
159. The Council is not prevented from assessing and requiring development contributions at a subsequent stage where for any reason it has not assessed and required development contributions to be paid at the subdivision stage.
160. While development contributions will be assessed and required at the time of issue of the resource consent, the invoice will not typically be generated until application is made for the RMA section 224(c) certificate (for the Council approval that all conditions of the subdivision consent have been met). This avoids the Council charging consent holders for subdivisions that do not proceed.

Non-residential subdivision

161. For non-residential development, the Council will require contributions at the subdivision consent stage (one per additional allotment created). It will assess whether further contributions are required at the building or land use consent stage. A credit may apply for any contributions that have been paid for the property at the subdivision stage. This staging is necessary because the demand created by non-residential development varies depending on the characteristics (such as size) of the building or other activity, and these characteristics are generally not known until the building or land use consent stage.
162. While development contributions will be assessed and required at the time of issue of the resource consent, the invoice will not typically be generated until application is made for the RMA section 224(c) certificate (for the Council approval that all conditions of the subdivision consent have been met). This avoids the Council charging consent holders for subdivisions that do not proceed.

Works undertaken or land set aside

163. When assessing development contributions, the Council will take into account any capital infrastructure works that have been undertaken and/or land set aside as a result of an agreement with Council.

Credits for existing development

164. In assessing the units of demand for a development, the Council will apply credits where, and to the extent that:
    - there is pre-existing demand on an allotment. The total RUEs of a development will be reduced by the level of pre-existing demand from a development; or
    - development contributions have already been paid for the same development and for the same activity. This includes development contributions paid at the subdivision stage, applied as a credit towards subsequent building activity.
165. Credits will be expressed in RUEs, rather than specific dollar amounts, even if the schedule of charges payable per unit in the policy has changed between applications relating to the same development.

166. Credits will not be refunded and can only be used for developments on the same site and for the same activity for which they were granted.

167. Credits cannot be used to reduce the number of units of demand to less than zero.

Table 9 Examples of credits

Current development (pre-existing demand)	New development	Assessed number of RUEs	Credit	Development contribution to be paid
One allotment, which had paid DCs for 1 RUE	Infill residential fee simple subdivision into 3 fee simple allotments	3 RUEs	1 RUE credit for the original allotment	2 RUEs for the additional allotments
One-bedroom residential unit, which had paid DCs for 0.5 RUE	Addition of 1 bedroom	0.75	0.5 RUE credit for the original development	0.25 RUE for the extension
Commercial development with gross floor area of 1,000 m^2, which had paid DCs for 2 RUE	Covert 500 m^2 into four one-bedroom residential units	4 RUEs	1 RUE for half of the original commercial development	3 RUEs for additional residential units

Timing of payment

168. Development contributions must be paid by the due dates set out in Table 10.

Table 10 Payment Due Dates

Application Type	Payment Due Date
Building consent	60 days following the issue of the invoice
Certificate of acceptance	Prior to issue of the certificate of acceptance
Resource consent for subdivision	Prior to release of the certificate under section 224(c) of the RMA
Resource consent (other)	60 days following the issue of the invoice
Service connection	Prior to issue of the connection approval

169. Pursuant to section 208 of the LGA, until such time as a development contribution has been paid or made, Council may:

- in the case of a development contribution required under section 198(1)(b), withhold a code of compliance certificate under section 95 of the Building Act; or
- in the case of a development contribution required under section 198(4A), withhold a certificate of acceptance under section 99 of the Building Act; or
- in the case of a development contribution required under section 198(1)(a), withhold a certificate under section 224(c) of the RMA; or
- in the case of a development contributions required under section 198(1)(c), withhold a service connection to the development.

170. In each case, the Council may register the development contribution as a charge on the title of the subject land.

Refunds

171. The development contribution policy provides for projects which have an extensive funding period and construction phase for many years and extend beyond the current Long Term Plan. However, all development contribution projects have to be identified in the Long Term Plan.

172. The refund of money will occur in accordance with Section 209 of the LGA 2002, if:

- a resource consent lapses under section 125 of the RMA 1991, or is surrendered under section 138 of that Act; or
- a building consent lapses under section 52 of the Building Act 2004; or
- the development or a building in respect of which a resource consent or building consent was granted does not proceed; or
- the Council does not provide any network infrastructure or community infrastructure for which a development contribution was required.

173. Any refunds will be issued to the current consent holder for the development for which they apply.

174. The amount of any refund will be the contribution paid, less any costs already incurred by the Council in relation to the development or building and its discontinuance but may include any interest earned depending on the circumstances of the case.

Liability should construction not commence within two years

175. If construction of a development does not commence within two years of being granted a resource or building consent, the ability to seek a reconsideration under section 199A of the LGA shall no longer apply, and all contributions will be fully payable for the development.

176. Commencement of construction will be deemed to have occurred when the activity for which a resource consent and building consent were issued, has commenced.

Reconsiderations and objections

Reconsiderations

177. If the Council requires a person to make a development contribution, that person may request Council under section 199A of the LGA to reconsider the requirement if they have grounds to believe that the:

- development contribution was incorrectly calculated or assessed under the Council's development contributions policy; or
- the Council incorrectly applied its development contributions policy; or
- information used to assess the person's development against the development contributions policy, or the way the Council has recorded or used it when requiring a development contribution, was incomplete or contained errors.

178. A request to reconsider must be made within 10 working days after the date on which the person lodging the request receives notice from Council of the amount of development contribution that the Council proposes to require.

179. A person may not apply for reconsideration of a requirement if the person has already lodged an objection to that requirement under section 199C and Schedule 13A of the LGA.

180. A request for reconsideration may be made either:

- on the Council's Development Contribution Reconsideration form which is available on Council's website kapiticoast.govt.nz; or

- via email, providing the request includes all the same information as if it was made using the form.

181. The Council will acknowledge receipt of the reconsideration request within three working days by responding in writing or by email.

182. The Council may, within 10 working days of receiving the request for reconsideration, request further information from the requester to support the grounds stated in the reconsideration.

183. Once the Council has received all the required information relating to the request or the applicant has advised that they will not provide any further information, the Council will reconsider the assessment and advise the applicant of the outcome within 15 working days.

184. The Council will follow the process below in assessing a request for a reconsideration:

a) Staff will prepare a provisional report undertaking a full review of the original assessment considering:

- the grounds on which the request for consideration was made including any new information;
- the purpose and principles of development contributions under sections 197AA and 197AB of the LGA;
- the provisions of the development contributions policy; and
- any other relevant matters.

b) The reconsideration request and provisional report will be reviewed by the relevant Group Manager, in line with their financial delegation.

c) The applicant will be advised of the outcome of the request within 15 working days after the date the:

- application for reconsideration is received if all required information is provided in that application; or
- application for reconsideration is received if the applicant refuses to provide further information; or
- further information is received from the applicant.

d) The Council may charge an administration fee for reconsidering the development contributions it has assessed, at its sole discretion. The fee may be refunded if the reconsideration results in the Council requiring a reduced development contribution.

e) A person may lodge an objection to the outcome of the reconsideration process in accordance with section 199C of the LGA.

Objections

185. This section summarises the relevant provisions of the LGA and especially sections 199C – 199P. Anyone who wishes to object to a development contribution required under section 198 is advised to refer to the LGA for more details, and especially schedule 13A, which provides the procedure for development contribution objections.

186. A person may object to the assessed amount or the reassessment amount of the development contribution that the Council has required from them under certain circumstances.

187. An objection may be made only on the ground that the Council has:
    - failed to properly take into account features of the objector's development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the territorial authority's district or parts of that district; or
    - required a development contribution for community facilities that is not required by, or related to, the objector's development, whether on its own or cumulatively with other developments; or
    - required a development contribution in breach of section 200 of the LGA; or
    - incorrectly applied its development contributions policy to the objector's development.
188. Objections are decided by development contribution commissioners, who are appointed by the Minister of Local Government. The Council selects not more than three commissioners for an objection's decision as soon as practicable after receiving the objection. Commissioners may not be board members, shareholders, owners, employees, or contractors of the objector. If an objection requires specialist skills and knowledge, the Council may seek to have a specialist approved by the Minister of Local Government for the relevant objection.
189. A hearing is not mandatory.
190. The commissioners must fix the date, time, and place of the hearing (if any), and advise the parties at least 10 working days before the date on which the hearing commences.
191. Witness fees and allowances are met by the party that calls the witness.
192. The Council may recover its actual and reasonable costs in respect of the objection for:
    - selecting, engaging and employing the development contributions commissioners; and
    - providing the secretarial and administrative support for the objection process; and
    - preparing for, organising, and holding the hearing.
193. When a development contribution objection is lodged, the Council may still require the development contribution to be made but must not use it until the objection has been determined. If the Council does not require a development contribution to be made pending the determination of an objection, it may withhold certificates or permissions in accordance with section 208 of the LGA until the objection has been determined.

Development agreements

194. A development agreement is a contractual agreement voluntarily entered into between a developer(s) and the Council. The relevant requirements are set out in sections 207A-F of the LGA.
195. Development agreements provide developers and the Council with flexibility and certainty to proceed with a development that may not align with the Council's infrastructure provision timeframe. Development Agreements enable Council and developers to opt out of the requirement for development contributions and instead find agreed solutions tailored to meet particular development and infrastructure requirements while ensuring private and public outcomes are met.
196. Section 207C of the LGA enables development agreements to be used for a wide range of development related matters. This may include, without limitation, providing, supplying or exchanging infrastructure and paying money to provide network

infrastructure and works, providing for staged development, timing of any payment, or where a developer provides infrastructure. Development agreements provide developers and the Council with flexibility and certainty to proceed with a development that may not align with the Council's infrastructure provision timeframe.

197. A developer may wish to enter into a development agreement when their proposed development requires strategic infrastructure within a timeframe not aligned with the Council's plans, or where the infrastructure is of a larger scale than that contemplated in the Council's Long Term Plan, or where a private development provides infrastructure that has a public benefit that has not been contemplated in the Long Term Plan.

Process for a development agreement

198. A development agreement is a legally enforceable contract and anyone considering requesting a development agreement is advised to consider sections 207A-207E of the LGA before making a request.

199. Either a developer or the Council may request a development agreement. Any requests must be in writing.

200. When the Council receives a written request from a developer to enter into a development agreement, it must consider the request without unnecessary delay. The Council may accept the request in whole or in part subject to any amendments agreed to by both the Council and the developer, or the Council may decline the request. The Council must provide the developer with written notice of its decision and the reasons for its decision.

201. If there is any conflict between the content of a development agreement and the application of a relevant development contributions policy in relation to that agreement, the content of the development agreement prevails.

Contents of a development agreement

202. Any development agreement must be in writing and clearly record:

- the legal name of the territorial authority and the developer that will be bound by the agreement;
- a description of the land that the agreement will relate to, including its legal description and, if applicable;
  - the street address of the land; and
  - other identifiers of the location of the land, its boundaries, and extent; and
  - details of the infrastructure that each party to the agreement will provide or pay for.

203. A development agreement may also include, without limitation, information relating to all or any of the following:

- a description of the development to which the agreement will relate;
- when infrastructure will be provided, including whether it will be staged;
- who will own, operate, and maintain the infrastructure being provided;
- the timing and arrangements of any vesting of infrastructure;
- the mechanism for the resolution of disputers under the agreement;
- the arrangements for, and timing of, any transfer of land between the territorial authority and the developer;
- the nature, amount, and timing of any monetary payments to be made between the parties;
- the enforcement of the development agreement by a suitable means in event of a breach.

Schedule to the policy

204. Paragraphs 205 to 211 of this policy form the schedule to the policy required by section 201(2) of the LGA.

205. The schedule sets out the development contributions that may be charged for each activity and within each funding service area. In accordance with sections 201A and 202(1) of the LGA the schedule specifies:

- the assets for which development contributions will be used;
- the event and circumstances that will give rise to a requirement for payment of a development contribution;
- the development contributions payable in the district or local service area by development for capital expenditure for growth-related services for network infrastructure (water supply, wastewater, stormwater, transportation) and community infrastructure, as a dollar ($) amount; and
- further assumptions underlying the detailed calculation of the development contribution where these help to explain the calculation or methodology.

206. The methodology used to calculate development contributions is summarised at paragraph 139 of this policy. The full methodology that demonstrates how development contributions are calculated is available from the Council's offices at 175 Rimu Road, Paraparaumu.

207. The event and circumstances that will give rise to a requirement of payment of a development contribution are set out in the operational policy section above. How the Council determines the units of demand is contained in paragraphs 145 -167 of this policy.

208. The explanation of and justification for the way each development contribution is calculated is set out in paragraphs 60 -112 of the policy.

209. The Council may make changes to the schedule of capital projects at any time without consultation or further formality, but only if the change:

- is being made to reflect a change of circumstances in relation to an asset that is listed in the schedule or is to be added to the schedule; and
- does not increase the total or overall development contribution that will be required to be made to the territorial authority.

Total cost of capital to meet growth needs

210. The Council has used the best information available at the time of developing this policy to estimate the cost of individual items of capital expenditure that will be funded in whole or in part out of development contributions. It is likely that actual costs will differ from estimated costs due to factors beyond Council's ability to predict, such as changes in the price of raw materials and labour, and the timing of capital works. The Council will review its capital expenditure estimates every three years when reviewing this policy, and as part of its Long Term Plan.

211. The following items are excluded from the development contributions calculations:

- operating and maintenance costs, subsidies and grants; and
- the costs of works to be funded by developers and third parties, the costs of any other works that the Council will not pay for, and the cost of works that Council expects to recover from financial contributions.

212. The ‘Cost of Capital’ spreadsheets show the:

- funding service area for the project;
- activity;
- project name;
- growth proportion of the project;
- design capacity (in units of demand) for the growth component of the project;
- expected timing of the project;
- estimated cost (at today’s prices);
- expected and actual funding, showing expected revenue sources; and
- expected cost of capital for any component that will be funded by debt.

Table 11 Schedule of financial contributions under the Kāpiti Coast District Plan

Plan	Purpose/activity	Can the Council require a financial contribution if the development is:	
		exempt from development contributions?	liable for development contributions?
Kāpiti Coast District Plan	Reserves/open spaces	Yes	Yes
	Infrastructure beyond development site	Yes	No
	Heritage and ecological features	Yes	Yes
	Riparian margins	Yes	Yes

Schedule of indicative development contributions by area

213. Table 12 lists the indicative development contributions per unit of demand payable for each area in the district. It is important to note however that the specific charge for each unit of demand will be driven by which map each property is located within for each service area.

Table 12 Indicative development contributions by area (GST Inclusive)

	Ōtaki ($)	Paekākāriki ($)	Paraparaumu-Raumati ($)	Waikanae ($)	Peka Peka ($)
Community Infrastructure - Districtwide	1,841	1,841	1,841	1,841	1,841
Roading & Transport - Districtwide	2,608	2,608	2,608	2,608	2,608
Stormwater - Districtwide	300	300	300	300	300
Stormwater collection & management	456	86	851	426	426
Wastewater - Reticulation	3,378	-	1,415	1,366	-
Wastewater Treatment	2,511	-	749	749	-
Water Reticulation	1,154	-	1,833	6,412	6,412
Water Treatment	4,740	-	7,104	7,104	7,104
Total development contributions levy (GST Inclusive)	**16,988**	**4,835**	**16,701**	**20,806**	**18,691**

Capital projects to be funded by development contributions

214. Table 13 lists the community infrastructure project that have already been built, and for which development contributions may still be required. It shows the capital expenditure incurred, and the amount to be recovered through development contributions.

Table 13 Community infrastructure transition projects

Funding service area	Community infrastructure project	Capital expenditure on projects already constructed ($)	Expenditure to be recovered from development contributions ($)	Expenditure to be funded from other sources ($)
District	Paraparaumu library	5,600,000	1,848,000	3,752,000
District	Ōtaki Library	1,100,000	275,000	825,000
District	Coastlands Aquatic Centre	17,300,000	5,709,000	11,591,000
District	Improved Civic Administration	7,565,000	1,513,000	6,052,000
Total		**31,565,000**	**9,345,000**	**22,220,000**

215. Table 14 lists all of the Council's past and future assets and programmes of work that have a development contribution funding component.

Table 14 Schedule of past and future capital projects by development contributions (DC) (in $)

	Pre 2023 actual spend and 2023/24 forecast spend				2024-34 LTP and 2034-54 capital expenditure included in the Infrastructure strategy			
	Capital Expenditure ($) already incurred	Capital Expenditure ($) already incurred funded by other sources	Capital Expenditure ($) already incurred (net)	Capital Expenditure ($) incurred to meet growth (net)	Planned Capital Expenditure ($) expected to be incurred	Planned Capital Expenditure ($) expected to be funded by other sources	Planned Capital Expenditure ($) expected (net)	Planned Capital Expenditure ($) expected to be incurred to meet growth (net)
Community Infrastructure-District wide	**9,344,999**	**-**	**9,344,999**	**9,344,999**	**-**	**-**	**-**	**-**
COASTALANDS AQUATIC CENTRE/LIBRARIES ŌTAKI/PARAM/CIVIC ADMIN BUILDING	9,344,999	-	9,344,999	9,344,999	-	-	-	-
Roading and Transport – Districtwide	**30,195,081**	**(11,332,408)**	**18,862,673**	**4,443,676**	**137,293,475**	**(55,271,101)**	**82,022,374**	**13,132,863**
1790A CWB	2,127,839	(733,397)	1,394,443	53,736	-	-	-	-
17911 STRATEGIC PROPERTY PURCHASES	200,011	(176,329)	23,682	4,852	-	-	-	-
1791T CWB NEW PATH DEVELOPMENT	339,277	(183,953)	155,324	36,168	-	-	-	-
17929 ROAD RECONSTRUCTION	1,669,549	(735,413)	934,136	56,395	21,467,913	(83,465)	21,384,448	4,276,890
1792D NZTA PAVEMENT REHABILITATION	1,935,213	(1,045,326)	889,886	14,287	33,568,357	(17,119,862)	16,448,495	-
1792R NZTA TRAFFIC MODELLING	389,223	(137,891)	251,332	21,146	-	-	-	-
1792V CWB USER SURVEYS	-	(3,918)	(3,918)	(980)	-	-	-	-
1792X CWB NEW CAPITAL	93,010	-	93,010	9,301	-	-	-	-
1793A NZTA MINOR SAFETY IMPROVEMENTS	7,401,377	(3,892,553)	3,508,824	589,261	52,087,986	(26,564,873)	25,523,113	5,104,623
1794N LOCAL AREA CONNECTOR RAUMATI CORRIDOR	1,023,801	-	1,023,801	153,570	-	-	-	-
1794P LOCAL AREA CONNECTOR ARAWHATA TRAFFIC SIG	329,820	-	329,820	49,473	-	-	-	-
17950 MAJOR COMMUNITY CONNECTOR UPGRADES	1,404,166	(852,547)	551,619	137,905	7,705,446	-	7,705,446	1,541,089
1795A MAJOR CONNECTORS NGA MANU ROAD	1,748,372	-	1,748,372	1,748,372	-	-	-	-
1795C NZTA EAST WEST CONNECTORS	6,727,030	(3,417,042)	3,309,988	813,020	22,125,000	(11,283,750)	10,841,250	2,168,250
RESIDENTIAL AND COMMERCIAL ROADING UPGRADES/CWB NETWORK	4,203,000	-	4,203,000	697,698	-	-	-	-

1794L FOOTPATHS	3,957,458	(1,893,008)	2,064,450	382,936	-	-	-	-
179W2 IAF ROADING UPGRADE ANZAC ROAD	3,876	-	3,876	-	463,770	(282,900)	180,870	54,261
Stormwater – Districtwide	**4,117,552**	**-**	**4,117,552**	**443,447**	**18,343,654**	**-**	**18,343,654**	**1,834,365**
18416 MINOR STORMWATER PROJECTS	1,227,099	-	1,227,099	40,627	-	-	-	-
18418 MAJOR STORMWATER PROJECTS	608,434	-	608,434	(253)	-	-	-	-
18425 MINOR PROJECTS PARAPARAUMU	677,120	-	677,120	67,712	8,597,770	-	8,597,770	859,777
18426 MINOR PROJECTS WAIKANAE	17,878	-	17,878	1,788	4,637,756	-	4,637,756	463,776
18427 MINOR PROJECTS ŌTAKI	-	-	-	-	2,938,996	-	2,938,996	293,900
18428 MINOR PROJECTS PAEKAKARIKI	8,077	-	8,077	808	2,169,132	-	2,169,132	216,913
18446 MINOR WORKS REN	1,138,944	-	1,138,944	112,765	-	-	-	-
CHRYSTALLS BEND FLOOD PROTECTION	440,000	-	440,000	220,000	-	-	-	-
Stormwater collection & management Paraparaumu/ Raumati	**35,318,330**	**-**	**35,318,330**	**3,536,270**	**32,346,371**	**-**	**32,346,371**	**3,234,637**
184A7 MAJOR PROJECTS PARAPARAUMU	31,399,607	-	31,399,607	3,139,961	32,346,371	-	32,346,371	3,234,637
184B2 CATEGORY E - DOWN STREAM CONSTRAINTS	649,340	-	649,340	64,171	-	-	-	-
38146 PARAPARAUMU - PRIORITISATION - NEW ASSETS	160,992	-	160,992	16,099	-	-	-	-
3817D KENA KENA SWPS UPGRADE	173,331	-	173,331	22,533	-	-	-	-
381C4 LOCAL CATCHMENTS	453,684	-	453,684	45,368	-	-	-	-
381D2 RAUMATI BEACH CBD STORMWATER UPGRADE	2,388,829	-	2,388,829	238,883	-	-	-	-
381D6 MAZENGARB MAPS/PROJECTS	92,548	-	92,548	9,255	-	-	-	-
Stormwater collection and management Ōtaki	**8,893,319**	**-**	**8,893,319**	**1,089,088**	**23,563,148**	**-**	**23,563,148**	**2,356,315**
18414 MAJOR PROJECTS ŌTAKI	3,163,212	-	3,163,212	316,321	23,563,148	-	23,563,148	2,356,315
58131 ŌTAKI - PRIORITISATION - NEW ASSETS	1,148,413	-	1,148,413	114,841	-	-	-	-
58133 ŌTAKI BEACH SWPS	4,581,695	-	4,581,695	657,926	-	-	-	-
Stormwater collection and management Paekākāriki	218,775	-	218,775	21,877	7,063,380	-	7,063,380	706,338

Stormwater collection and management Waikanae	**4,931,994**	**-**	**4,931,994**	**508,893**	**29,460,789**	**-**	**29,460,789**	**2,946,079**
18445 MAJOR PROJECTS WAIKANAE	3,238,957	-	3,238,957	323,896	29,460,789	-	29,460,789	2,946,079
184B4 CATEGORY A - HABITABLE FLOOR FLOODING	201,778	-	201,778	20,178	-	-	-	-
48135 WAIKANAE - PRIORITISATION - NEW ASSETS	555,970	-	555,970	55,597	-	-	-	-
48138 KAKARIKI SH1 AND AWANUI	412,346	-	412,346	41,240	-	-	-	-
481C1 CHARNWOOD GROVE	522,943	-	522,943	67,983	-	-	-	-
Wastewater - Reticulation Paraparaumu, Raumati	**158,345**	**-**	**158,345**	**12,732**	**3,184,513**	**-**	**3,184,513**	**2,592,578**
18957 GRAVITY MAIN UPGRADE	8,038	-	8,038	1,608	377,725	-	377,725	75,545
18960 COLEMAN WWPS UPGRADE PSP91	94,508	-	94,508	9,451	2,508,072	-	2,508,072	2,508,072
18962 HINEMOA WWPS UPGRADE PSP90	55,799	-	55,799	1,674	298,716	-	298,716	8,961
Wastewater - Reticulation Waikanae	**5,672,843**	**-**	**5,672,843**	**5,666,843**	**2,199,910**	**-**	**2,199,910**	**2,199,910**
18958 WAIKANAE RISING MAIN	395,795	-	395,795	395,795	2,199,910	-	2,199,910	2,199,910
4773R WAIKANAE DUPLICATE RISING MAIN – ADVANCED	2,743,098	-	2,743,098	2,743,098	-	-	-	-
48835 RAUPARAHA PS UPGRADE	2,533,950	-	2,533,950	2,527,950	-	-	-	-
Wastewater Reticulation - Otaki	**443,095**	**-**	**443,095**	**108,031**	**26,796,725**	**(11,428,810)**	**15,367,915**	**9,809,202**
18944 ŌTAKI GRAVITY MAIN	-	-	-	-	6,828,038	-	6,828,038	6,828,038
18967 MATENE ST UPGRADE OSP07	-	-	-	-	485,666	-	485,666	228,263
18961 NEW RISING MAIN OTAKI	108,031	-	108,031	108,031	-	-	-	-
18971 IAF WASTEWATER	335,064	-	335,064	-	17,582,785	(11,428,810)	6,153,975	2,030,812
18969 COLEMAN RISING MAIN	-	-	-	-	1,900,236	-	1,900,236	722,090
Wastewater Treatment – Otaki	**4,441,776**	**-**	**4,441,776**	**666,456**	**4,640,948**	**-**	**4,640,948**	**833,531**
58811 ŌTAKI WW TREATMENT PLT OXIDATION LAGOON DE	1,138,668	-	1,138,668	287,913	-	-	-	-
18911 ŌTAKI WWTP LDTA	416,753	-	416,753	21,570	1,562,314	-	1,562,314	156,231
18947 ŌTAKI WWTP UPGRADES	2,004,363	-	2,004,363	230,285	3,078,634	-	3,078,634	677,299
18951 PARA AERATION SYSTEM	881,992	-	881,992	126,688	-	-	-	-

Wastewater Treatment - Waikanae/Paraparaumu/Raumati	**2,728,079**	**142,239**	**2,870,318**	**650,090**	**11,114,917**	**-**	**11,114,917**	**3,599,764**
18950 PARA WWTP INLET WORKS	557,332	-	557,332	142,287	3,112,007	-	3,112,007	1,026,962
18952 PARA RAS PUMP STATION 1 UPGRADE	71,438	-	71,438	19,288	509,732	-	509,732	137,628
18953 PARA A RECYCLE PP UPGRADE	138,404	-	138,404	37,369	713,624	-	713,624	192,678
18954 PARA BIOREACTOR RECONFIGURATION	9,488	-	9,488	3,131	372,230	-	372,230	122,836
18955 PARA SECONDARY HYDRAULIC UPGRADE	72,651	-	72,651	19,616	696,699	-	696,699	188,109
18956 PARA WWTP UV UPGRADE	29,488	-	29,488	7,962	1,278,455	-	1,278,455	345,183
18965 PARA POLY MAKEUP SYSTEM	-	-	-	-	184,705	-	184,705	184,705
3882A JOINT WASTE TREATMENT CAPEX	416,826	-	416,826	104,207	-	-	-	-
47745 WW TREATMENT PLT DISSOLVED AIR FLOATATION	538,104	-	538,104	80,535	-	-	-	-
SLUDGE TREATMENT	743,000	-	743,000	185,750	-	-	-	-
18959 WAIKANAE PONDS	151,348	142,239	293,587	49,945	4,247,465	-	4,247,465	1,401,663
Water Reticulation – Otaki	**280,105**	**-**	**280,105**	**121,801**	**4,767,650**	**(2,109,643)**	**2,658,007**	**1,895,141**
18862 NETWORK UPGRADE ŌTAKI	252,953	-	252,953	121,801	-	131,152	131,152	-
188A2 IAF WATER NETWORK	8,188	-	8,188	-	3,656,650	(1,718,626)	1,938,025	1,453,518
188A5 IAF WATER PUMP STATION	18,964	-	18,964	-	1,111,000	(522,170)	588,830	441,623
Water Reticulation- Paraparaumu/Raumati	**3,569,000**	**-**	**3,569,000**	**1,427,600**	**2,538,418**	**-**	**2,538,418**	**1,988,418**
18874 NETWORK UPGRADES PARAPARAUMU	-	-	-	-	338,418	-	338,418	338,418
PIPE UPGRADES	3,569,000	-	3,569,000	1,427,600	-	-	-	-
188G3 WAIKANAE RESERVIOR	-	-	-	-	2,200,000	-	2,200,000	1,650,000
Water Reticulation- Waikanae	**303,897**	**-**	**303,897**	**230,131**	**16,719,452**	**-**	**16,719,452**	**13,293,098**
18873 NETWORK UPGRADES WAIKANE	-	-	-	-	5,664,940	-	5,664,940	5,664,940
48340 TUI HL RESERVOIR UPGRADE	247,434	-	247,434	197,947	-	-	-	-
4841L STRATEGIC TRUNK NETWORK UPGRADES	56,464	-	56,464	32,184	-	-	-	-
188H2 WAIKANAE PIPELINES	-	-	-	-	2,254,512	-	2,254,512	1,578,158

188G2 WAIKANAE RESERVIOR	-	-	-	-	8,800,000	-	8,800,000	6,050,000
Water Treatment – Otaki	**9,515,061**	**-**	**9,515,061**	**6,750,295**	**4,642,000**	**(2,181,740)**	**2,460,260**	**1,845,195**
DRINKING WATER STANDARDS UPGRADES ŌTAKI	772,000	-	772,000	193,000	-	-	-	-
188A4 IAF WATER BORE	-	-	-	-	1,611,000	(757,170)	853,830	640,373
18864 IAF WATER RESERVOIR	8,743,061	-	8,743,061	6,557,295	3,031,000	(1,424,570)	1,606,430	1,204,823
Water Treatment - Waikanae /Paraparaumu / Raumati	**51,152,929**	**-**	**51,152,929**	**22,131,594**	**30,601,193**	**-**	**30,601,193**	**13,145,922**
18863 WAIKANAE RRWG BORE UPGRADE	-	-	-	-	8,222,640	-	8,222,640	8,222,640
18872 WAIKANAE TREATMENT PLANT UPGRADE	15,014,988	-	15,014,988	3,303,297	22,378,553	-	22,378,553	4,923,282
48426 WAIKANAE RRWG BORE UPGRADE	30,865	-	30,865	30,865	-	-	-	-
48471 WAIKANAE WATER TREATMENT PLANT UPGRADE	1,181,943	-	1,181,943	212,750	-	-	-	-
484E1 WPR WATER SUPPLY PROJECT	10,873,086	-	10,873,086	10,578,470	-	-	-	-
484E8 WATER METERING PROJECT	8,378,066	-	8,378,066	2,094,516	-	-	-	-
484E9 WATER SUPPLY LAND CAPEX	2,473,982	-	2,473,982	618,495	-	-	-	-
PARAPARAUMU/WAIKANAE SUPPLEMENTARY WATER SUPPLY	13,200,000	-	13,200,000	5,293,200	-	-	-	-
Grand Total	**174,643,122**	**(12,929,139)**	**161,713,983**	**57,477,289**	**355,401,539**	**(71,055,043)**	**284,346,497**	**75,425,607**

Significant assumptions

216. The following significant assumptions underlie this policy and the calculations in the schedule of this policy.

Table 15 Significant Assumptions

Significant assumptions	Significance of the level of the uncertainty	Scope and nature of the uncertainty	Effect of the uncertainty
Growth occurs as modelled in the Council's growth projections.	**Moderate** Moderated by- • Development contribution policy review • Long Term Plan • District Plan monitoring and review • National Policy Statement review • Census	Growth is lower than projected in all or some areas at any point in time.	Demand for infrastructure will occur later than expected.
			Demand for infrastructure may require less substantial infrastructure than expected.
			The lag between the Council making capital expenditure and the Council receiving DC may be greater than expected.
		Growth is greater than projected in all or some areas at any point in time.	Demand for infrastructure will occur earlier than expected.
			Demand for infrastructure may require more substantial infrastructure than expected.
That growth occurs in the locations identified for growth and that land is available for growth	**Low**	Growth within the Kāpiti Coast District will primarily take place within and in close proximity to existing urban areas, with intensification in and around town centres and public transport centres.	Insignificant over the period until this policy is next reviewed (2027).
	Low	The Council has sufficient land for the expected population growth over the next 20 years.	Insignificant over the period until this policy is next reviewed (2027).
That growth is affordable	**Moderate**	That growth can be managed affordably (location, timing, volumes) for the Council, and the Council can fund its share of capital expenditure mainly via debt and supported by development contributions, while also	The Council is mindful of the need to balance infrastructure management with investment planning to ensure that growth continues to be affordable for the Council and its communities.

Significant assumptions	Significance of the level of the uncertainty	Scope and nature of the uncertainty	Effect of the uncertainty
		maintaining the Council's core business.	
		Future revenue from rates will be sufficient to meet the future operating costs resulting from capital expenditure.	The Council is mindful of its investment planning to ensure that growth continues to be affordable for the Council and its communities.
Third party contributions are received as expected, and all NZTA subsidies will continue at present levels and eligibility criteria will remain unchanged.	**Moderate**	Central government policy changes may not be predictable over the long term (e.g. Waka Kotahi NZTA funding policy).	The Council could face substantially increased costs for some projects.
Methods of service delivery will remain substantially unchanged.	**Low**	Technological innovations may lead to substantial changes in infrastructure requirements.	The Council monitors service delivery trends so that it can make informed choices about the options for its communities. New technology investment may be required. There may be efficiency gains to be had.

Other assumptions

Planning horizon

217. The Council has used a 30-year planning horizon for this policy, and a 10-year planning horizon for the Long Term Plan 2024-34, although some of Council's asset management planning uses much longer planning horizons. Using longer horizons may result in larger capital expenditure for some projects but also means the costs are shared over a greater number of developments.

218. Therefore, the regular update and assessment of growth projections are a key component of planning future infrastructure requirements.

Growth assumptions

219. Growth projections are subject to significant uncertainties as to the quantum, timing and location of growth.

220. The Kāpiti Coast population has been growing steadily for decades, and future growth is expected to be particularly affected by the regional pattern of growth in employment and industry, and the aging population.

221. Kāpiti Coast District's Population and Dwelling Forecasts provided by Sense Partners, takes a range of factors into account including international, national, regional population and labour market changes, and how that influence the location and nature of growth in the Kāpiti Coast District. Projected and actual growth influences the extent and scale of the Council's capital expenditure projects, which then affects the contributions that newcomers will be required to pay.

222. If growth forecasting is over-optimistic, the capital expenditure programme will cause the Council to over-invest or invest too early for some developments. This will result in higher prices in both contributions cost in the medium term and rates cost in the short to medium term, which would be unattractive for current and potential new residents and ratepayers. Therefore, the district's capital expenditure projects need to be closely aligned to growth.

223. The challenge is to have a transparent, consistent, and equitable basis for funding the additional infrastructure that new developments demand. The costs of growth need to be correspondingly and fairly balanced given the limited sources of funding available to the Council.

Population and household growth

224. Sense Partners Population and Dwelling Forecasts 2023 identify growth from 58,744 to 80,924, an increase of more than 22,000 from 2023 to 2053. As well as growth in families and young persons, an increasing proportion of the district's population is expected to be over 65 years of age. This demographic is a particular factor reflected in a smaller average household size across the district. This affects the 'residential equivalent unit' (RUE), which is a metric that councils use to standardise units of demand for infrastructure. A residential unit equivalent of 2.2 people has been used for the 2024-34 Long Term Plan identified from Sense Partners 2023 Population and Dwelling Forecasts.

225. The 2023 forecasts provide for a lower outlook for growth than those provided in the last Long Term Plan. This is primarily a reflection of the impacts of Covid-19 and restrictions on people's ability to move. Since The 2023 forecasts were made, Statistics NZ data shows migration has already risen significantly more than previous estimates (available at the time of the 2023 update), as people start to move again as COVID-19 restrictions ease. If higher migration levels continue, growth levels for the district are likely to return towards those higher levels indicated in the 2021-41 LTP.

The availability of Census 2023 data, expected towards mid-2024, will help update and inform growth forecasts and assumptions.

226. Note that any subdivision or development in areas with no expected growth, will require development contributions towards costs that are funded on a district-wide basis (roading, stormwater, community infrastructure), unless the development qualifies for a reduction due to being the first house on a lot created prior to 30 July 1999.

Impact of growth

227. These three related types of growth - population, household, and employment – all create demand for new infrastructure assets or additional capacity in the existing assets:

- an increased population will need and use more transport, water, and wastewater services. They will benefit from stormwater management services, and they will also need additional community facilities – parks, reserves, pools, libraries, sports facilities, etc;
- growth in the number of residential or non-residential lots, or rating units increases the demand for network infrastructure (roads, water, wastewater, and stormwater networks) to serve those properties; and
- an increase in the number of jobs in the district will increase the:
  - number of traffic movements per day within the district
  - demand for commercial and industrial space with infrastructure services.

228. Each of these forms of growth generates a requirement for the Council to invest in additional capacity in its transport, water supply and wastewater facilities, stormwater collection and management, and community infrastructure, on top of the infrastructure already in place in the district.

Housing and Business Assessment of Development Capacity 2023

229. The Council prepared its most recent Housing and Business Development Capacity Assessment (HBA) in September 2023. Given its timing, the assessment was based on the Sense Partners Population and Housing Forecasts 2022 and the notified version of Plan Change 2 Intensification (August 2022), reflecting intensification requirements from the National Policy Statement on Urban Development 2020 and Medium Density Residential Standards.

230. The assessment identified a feasible and realisable development capacity for 32,673 dwellings across residential, mixed use, urban centre and future urban zones.

231. The HBA 2023 assessed both greenfield and brownfield sites for development capacity. Greenfield sites included any site over five hectares in size zoned for residential development (including mixed-use areas and urban centres) and any areas zoned for future development. Sites less than five-hectares in size and provide for residential development (including mixed-use areas and urban centres) are assessed for infill and redevelopment options.

232. The HBA 2023 analysed the potential for development, infill and redevelopment across a range of housing typologies (standalone housing, terrace housing or apartments) for each site to identify any development capacity that was both feasible and realisable to develop. Table 16 below identifies the realisable capacity identified across different parts of the district.

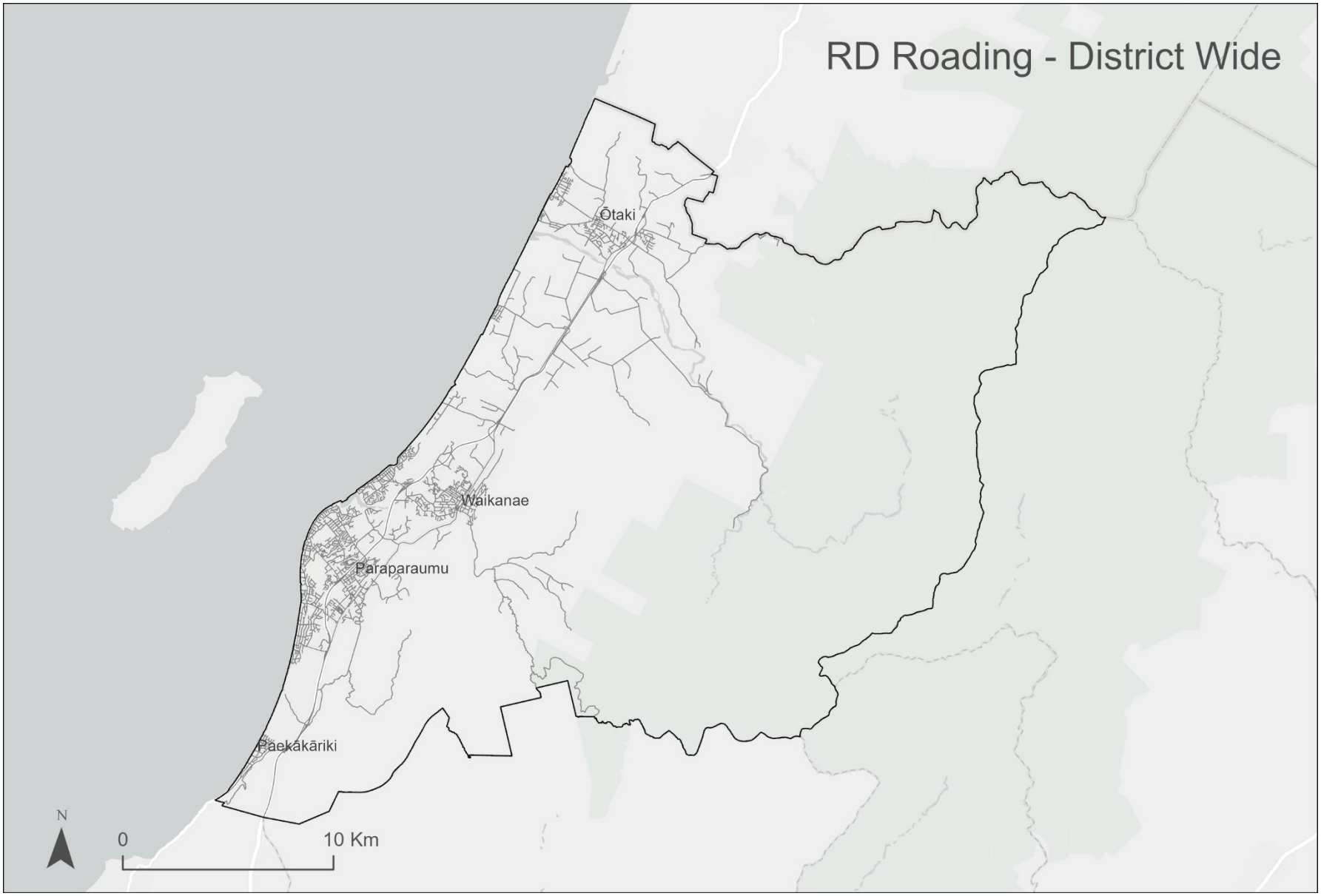
Table 16 Total supply of realisable residential development capacity by typology and housing area 2023

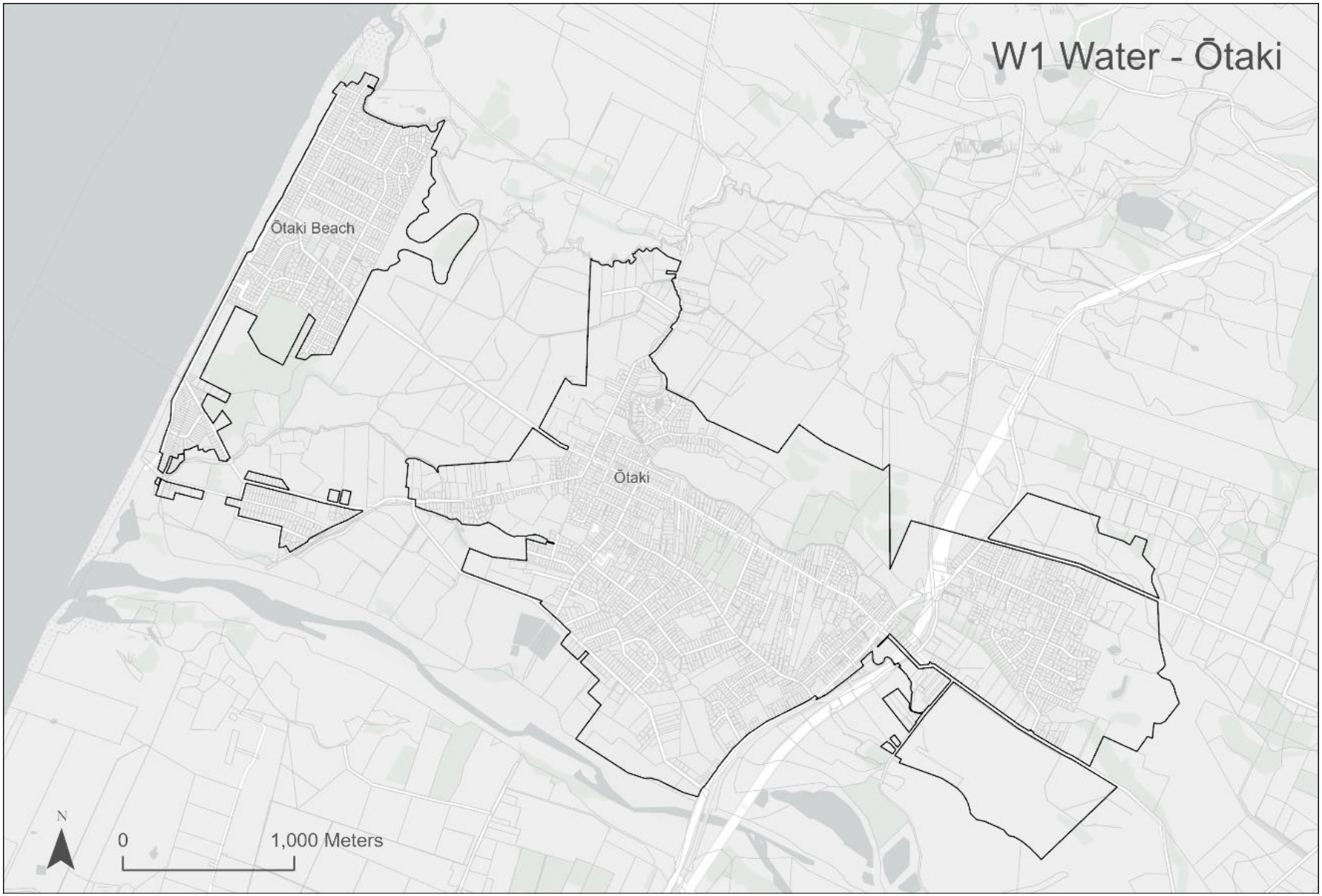
	Redevelopment and Infill			Greenfield			
Housing area	**Stand-alone Housing**	**Terraced housing, flats**	**Apart-ments**	**Stand-alone Housing**	**Terraced housing, flats**	**Apart-ments**	**Total**
Paekākāriki	854	592	0	0	0	0	**1,446**
Raumati	3,691	1,948	42	239	0	0	**5,920**
Paraparaumu	5,105	2,942	471	69	288	0	**8,875**
Waikanae	5,014	3,401	0	2,003	376	0	**10,794**
Ōtaki	983	882	0	1,584	0	0	**3,449**
Other	570	1,440	0	179	0	0	**2,189**
Total	**16,217**	**11,205**	**513**	**4,074**	**664**	**0**	**32,673**

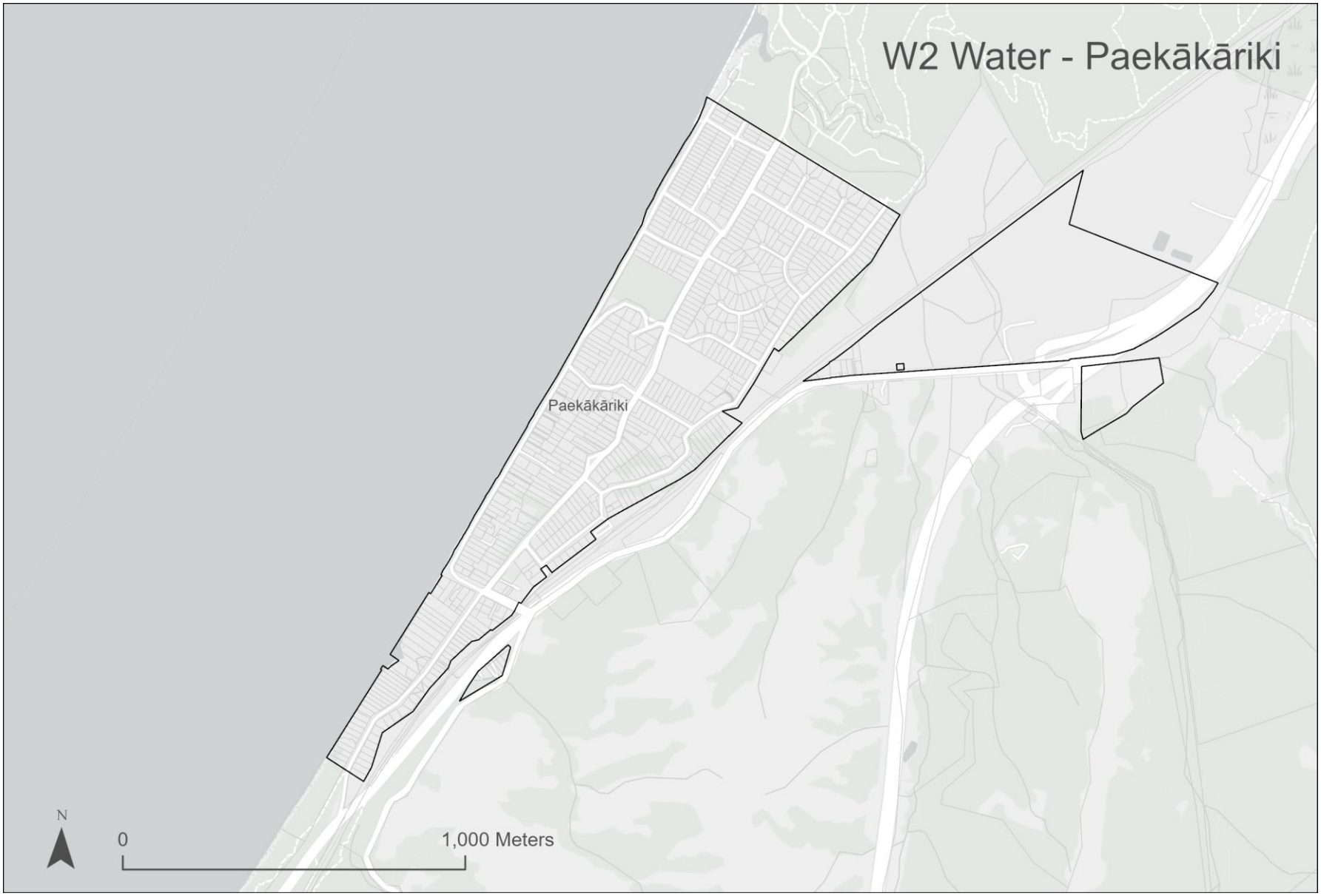
Maps

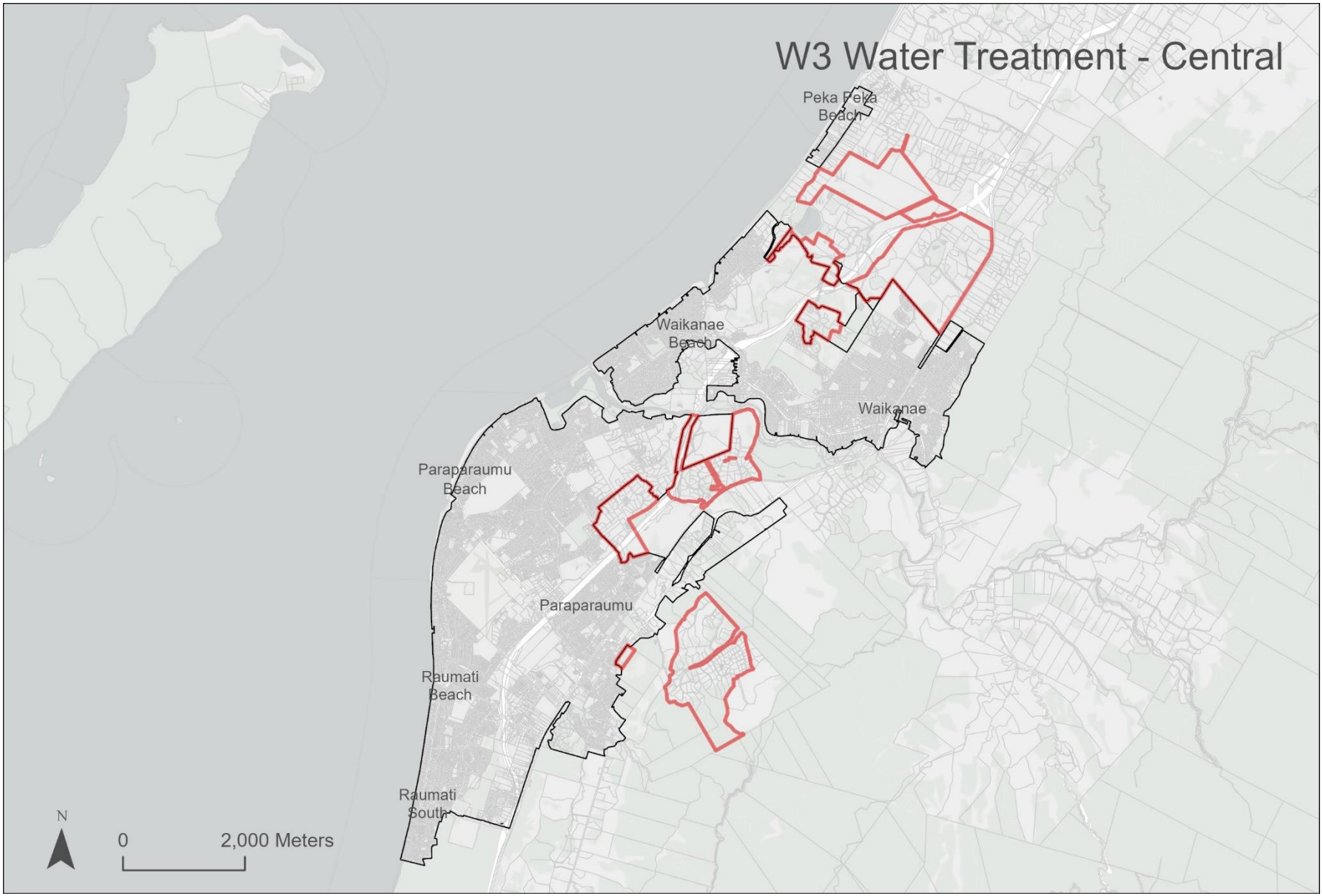
Table 17 Maps by funding service area

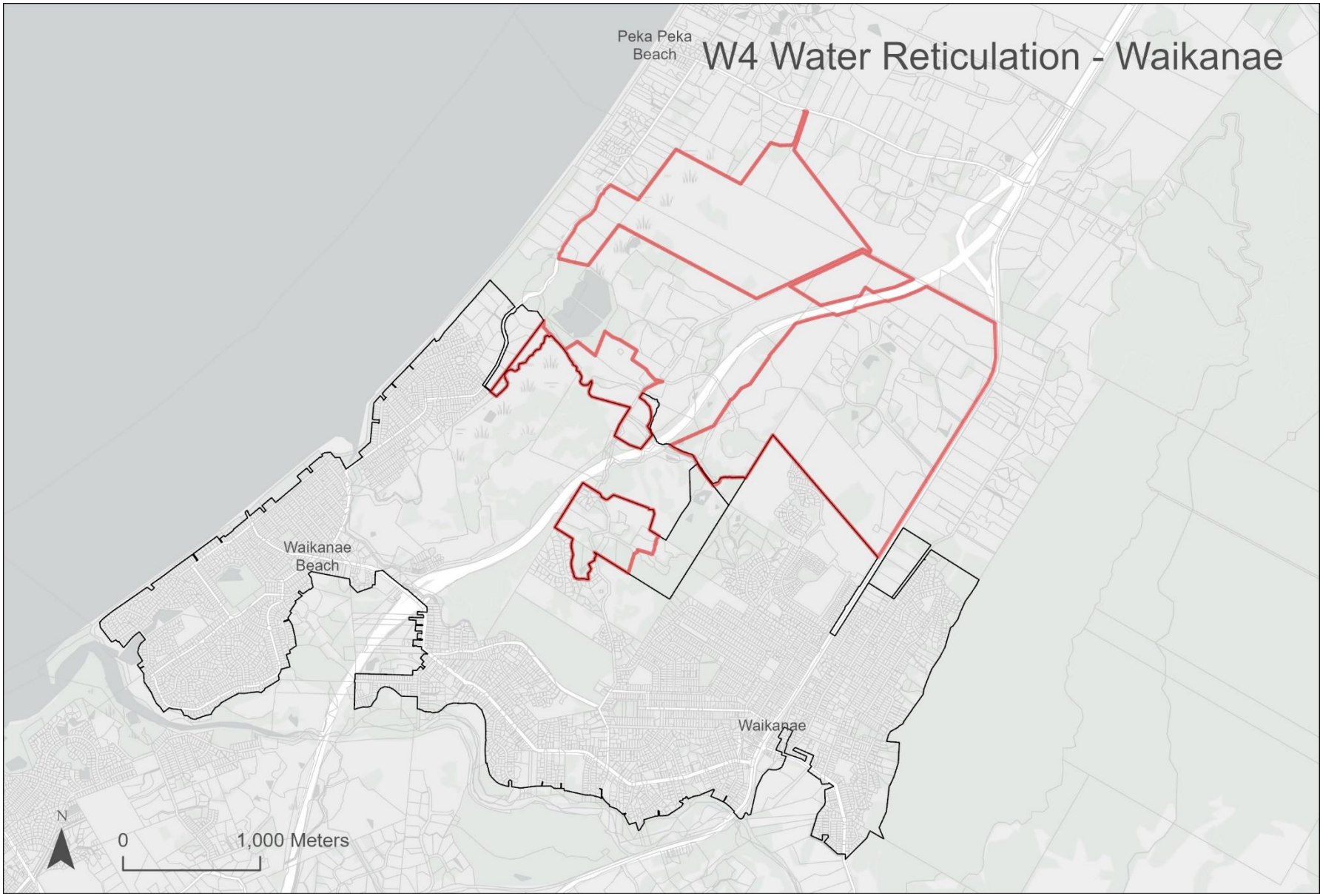
Funding service area name	Map No.
Roading and Transport - Districtwide	RD
Water Treatment - Ōtaki	W1
Water Reticulation - Ōtaki	
Water Services - Paekākāriki	W2
Water treatment - Central - (Waikanae/Paraparaumu/Raumati)	W3
Water Reticulation - Waikanae	W4
Water Reticulation - Peka Peka	W5
Water Reticulation - Paraparaumu/Raumati	W6
Wastewater Treatment - Ōtaki	WW1
Wastewater Treatment - Central -Waikanae/Paraparaumu/Raumati)	WW2
Wastewater - Reticulation Waikanae	WW3
Wastewater - Reticulation Paraparaumu, Raumati	WW4
Stormwater - Districtwide	SWD
Stormwater collection and management - Ōtaki	SW1
Stormwater collection and management - Waikanae/Peka Peka	SW2
Stormwater collection and management - Paraparaumu/ Raumati	SW3
Stormwater collection and management - Paekākāriki	SW4
Community Infrastructure-District wide	CID

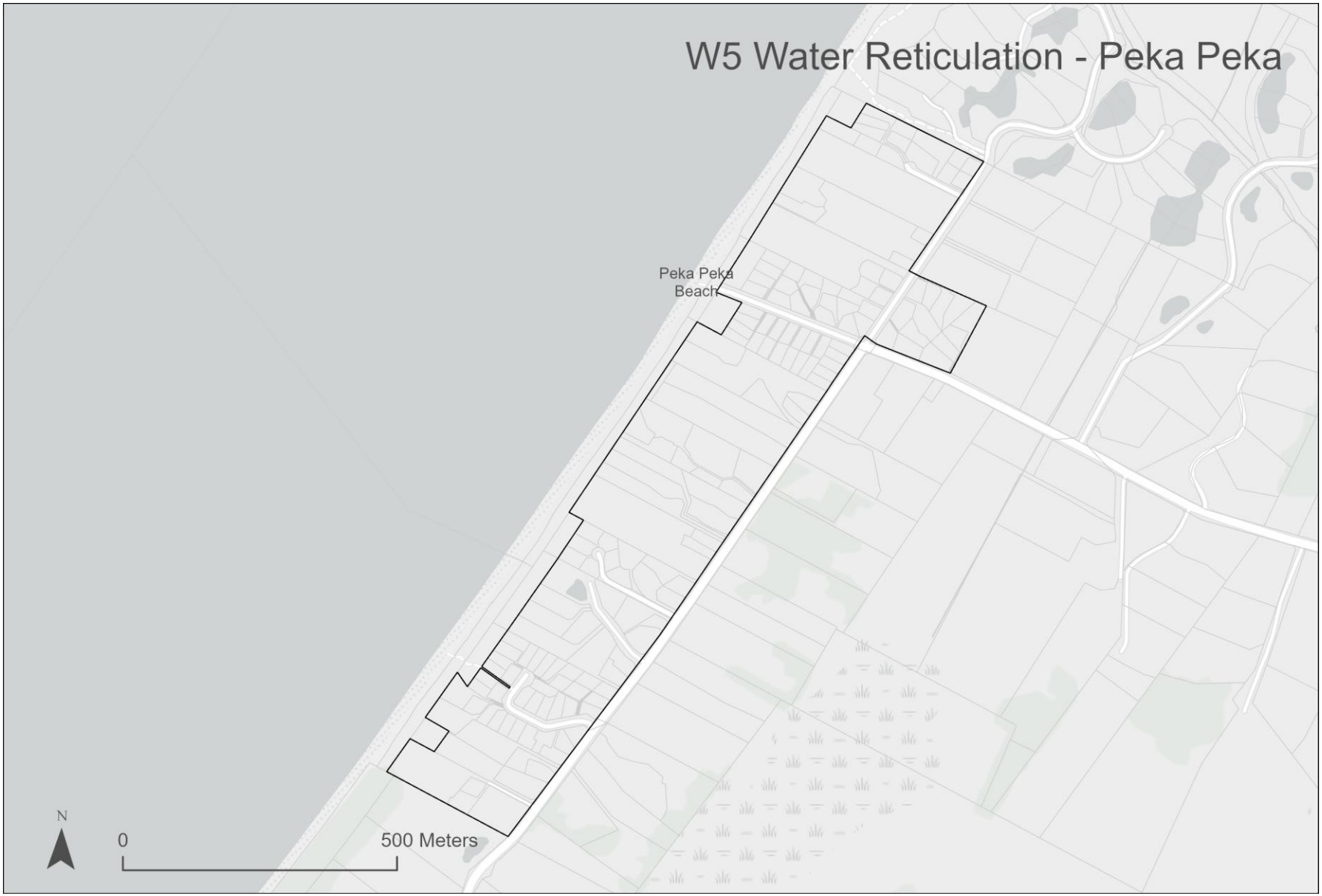

RD Roading - District Wide
Ōtaki
Waikanae
Paraparaumu
Paekākāriki
N
0
10 Km

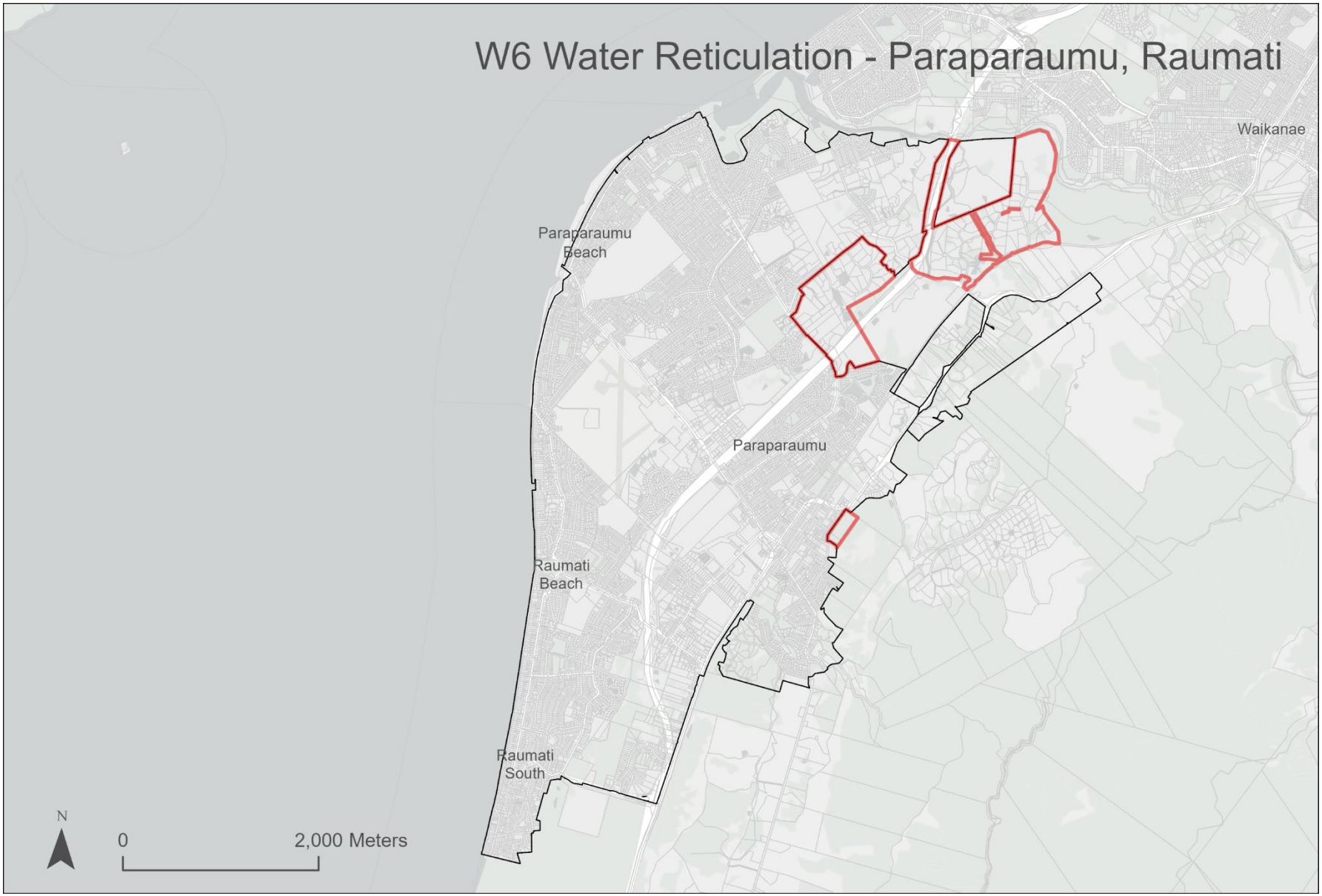

W1 Water - Ōtaki
Ōtaki Beach
Ōtaki
N
0
1,000 Meters

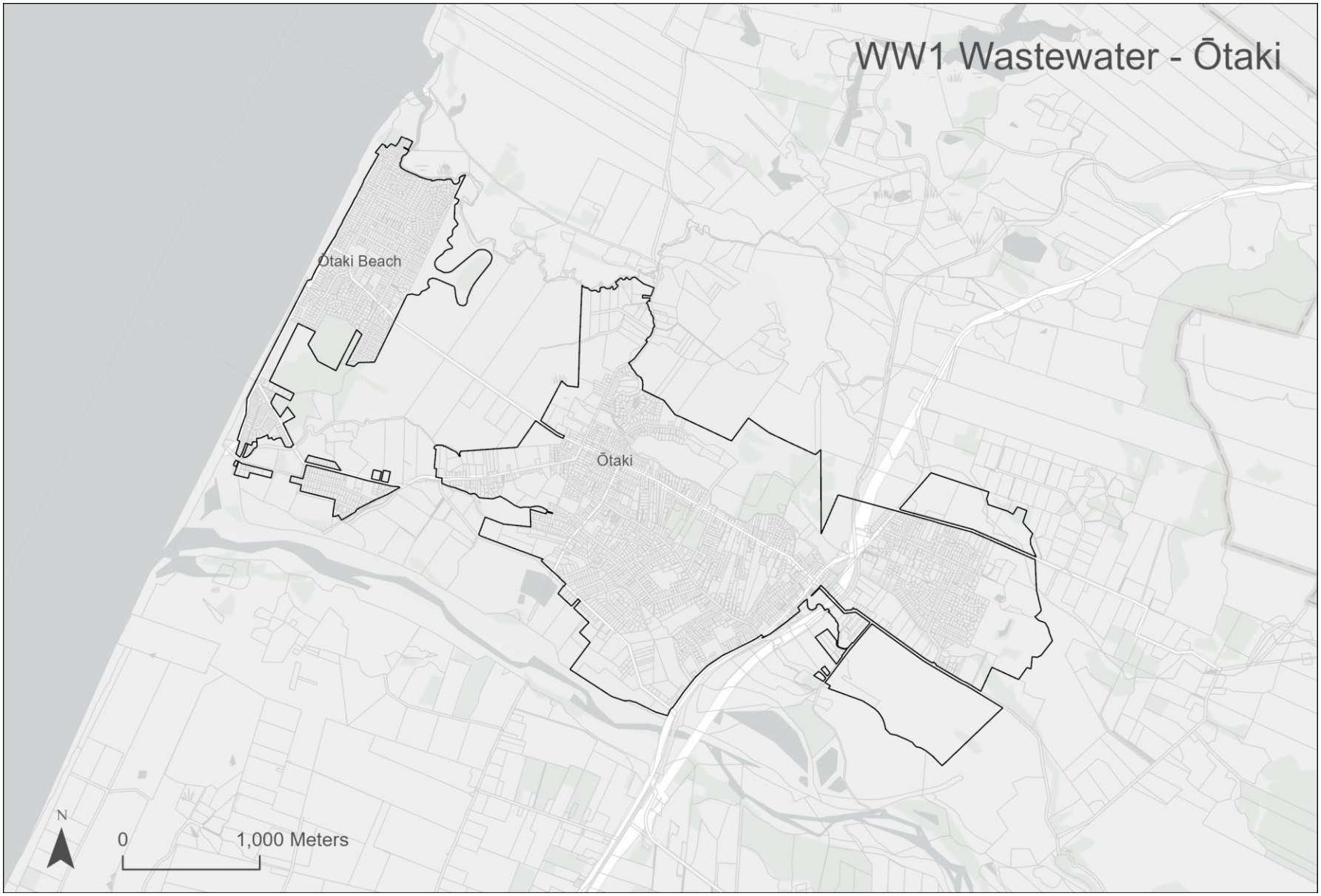

W2 Water - Paekākāriki
Paekākāriki
N
0
1,000 Meters

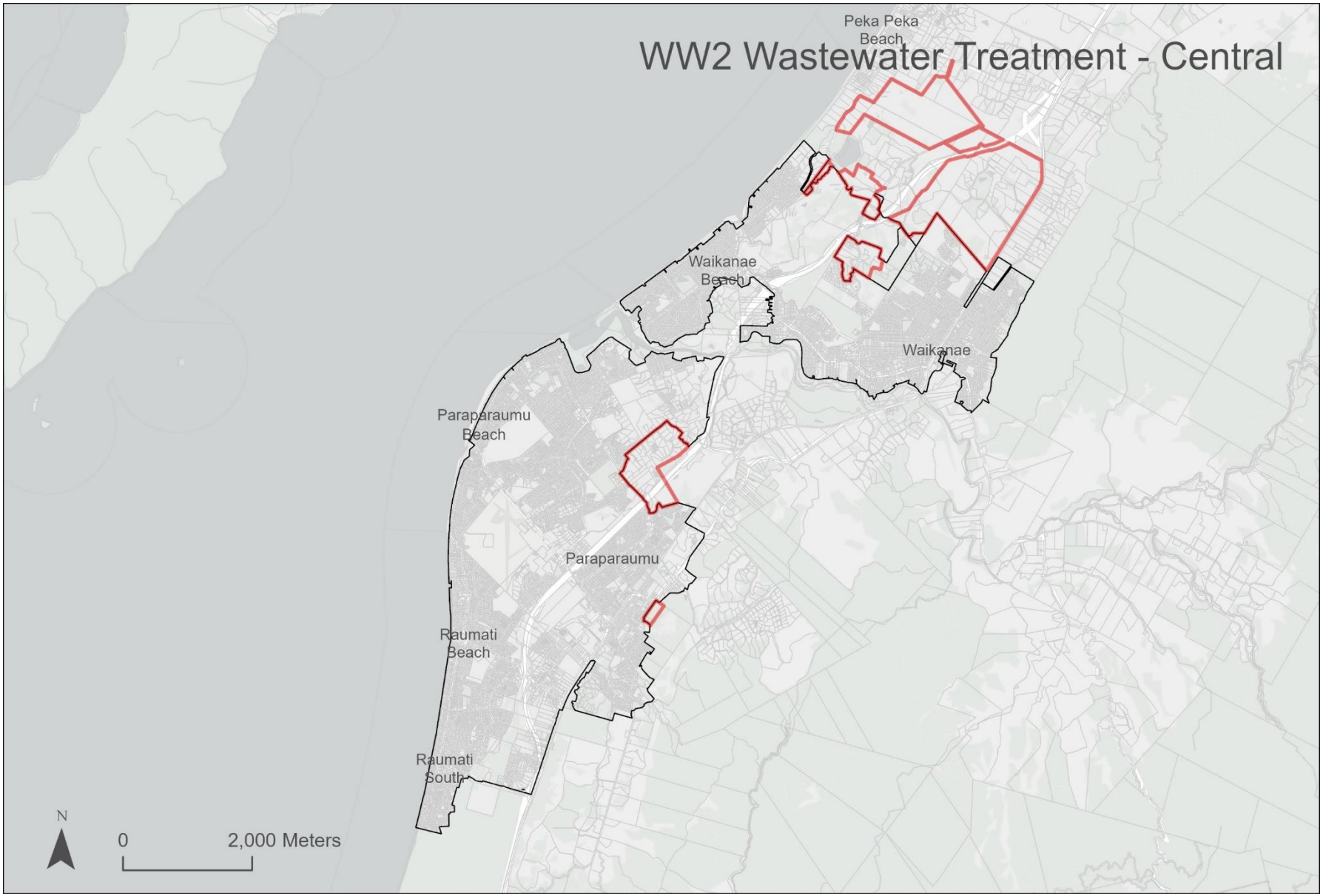

W3 Water Treatment - Central
Peka Peka Beach
Waikanae Beach
Waikanae
Paraparaumu Beach
Paraparaumu
Raumati Beach
Raumati South
N
0
2,000 Meters

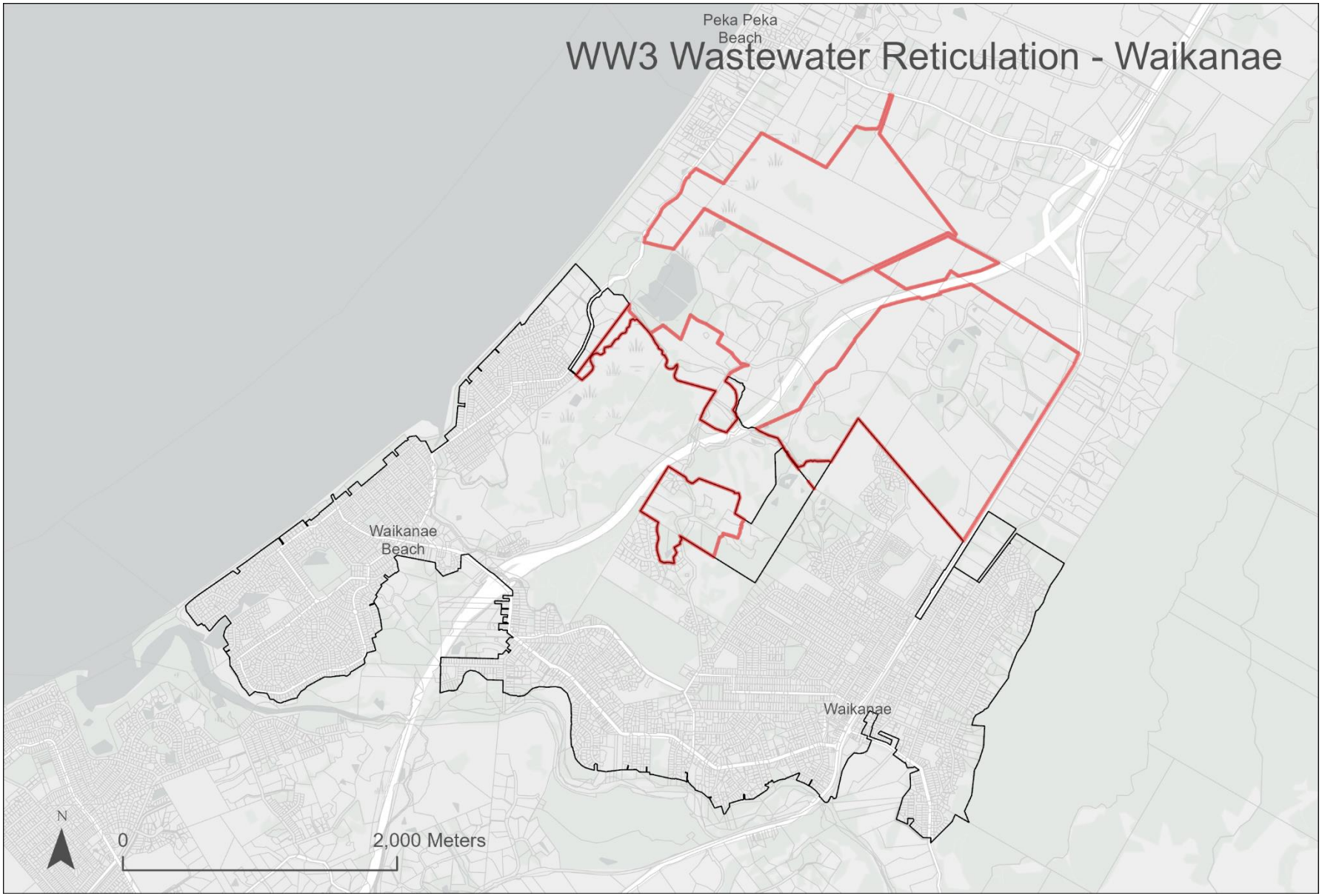

W4 Water Reticulation - Waikanae
Peka Peka Beach
Waikanae Beach
Waikanae
N
0
1,000 Meters

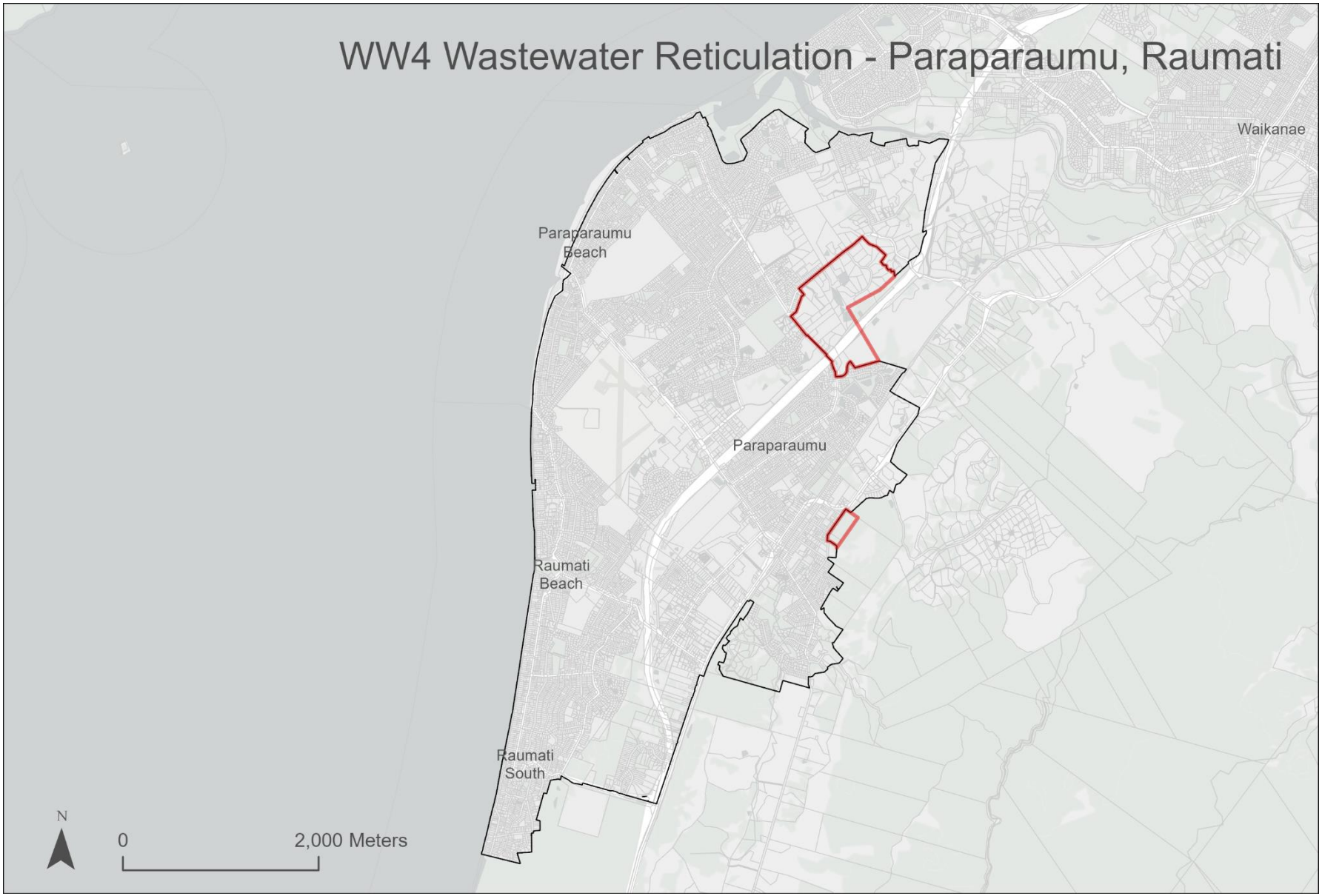

W5 Water Reticulation - Peka Peka
Peka Peka Beach
N
0
500 Meters

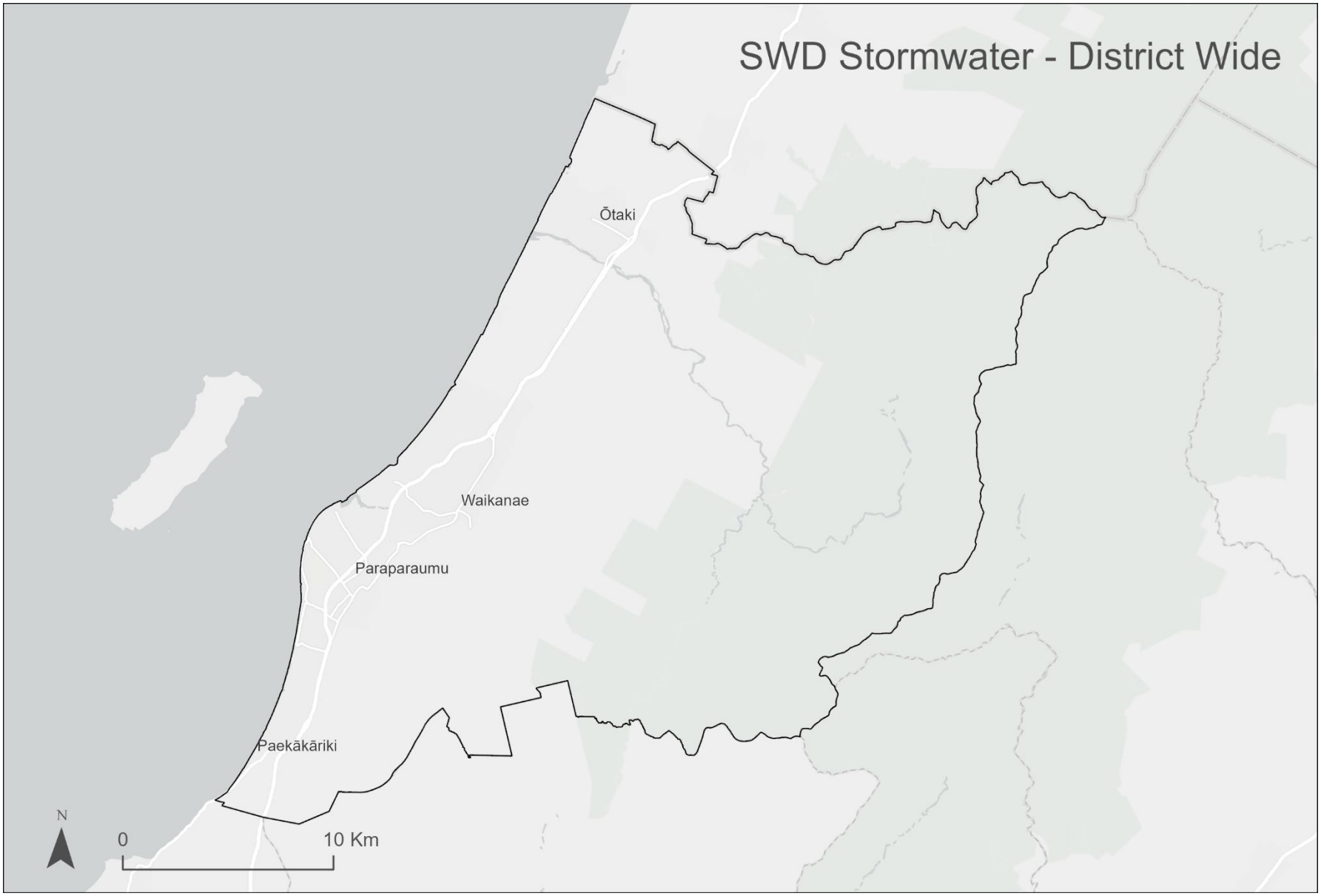

W6 Water Reticulation - Paraparaumu, Raumati
Waikanae
Paraparaumu Beach
Paraparaumu
Raumati Beach
Raumati South
N
0
2,000 Meters

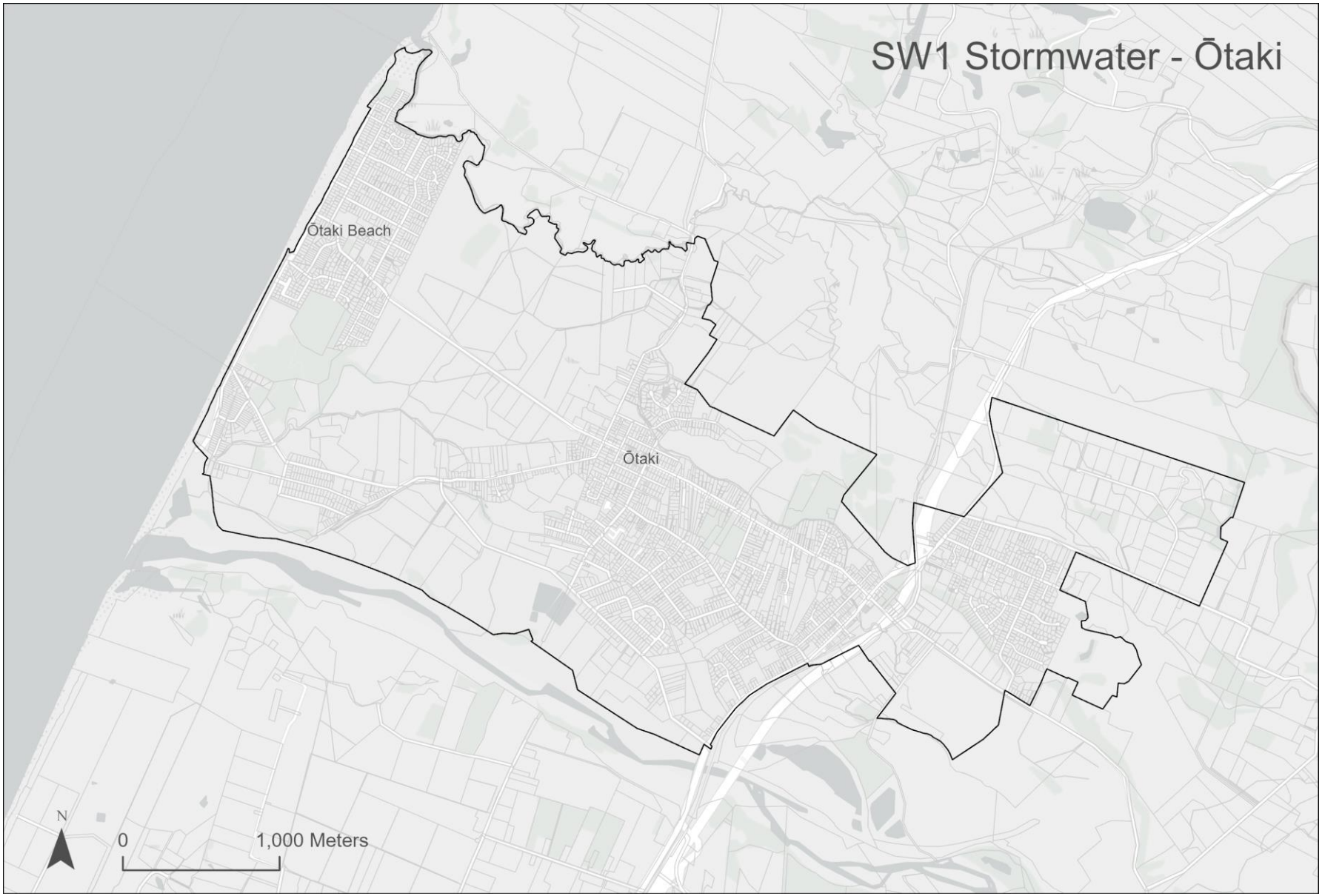

WW1 Wastewater - Ōtaki
Ōtaki Beach
Ōtaki
N
0
1,000 Meters


WW2 Wastewater Treatment - Central
Peka Peka Beach
Waikanae Beach
Waikanae
Paraparaumu Beach
Paraparaumu
Raumati Beach
Raumati South
N
0
2,000 Meters

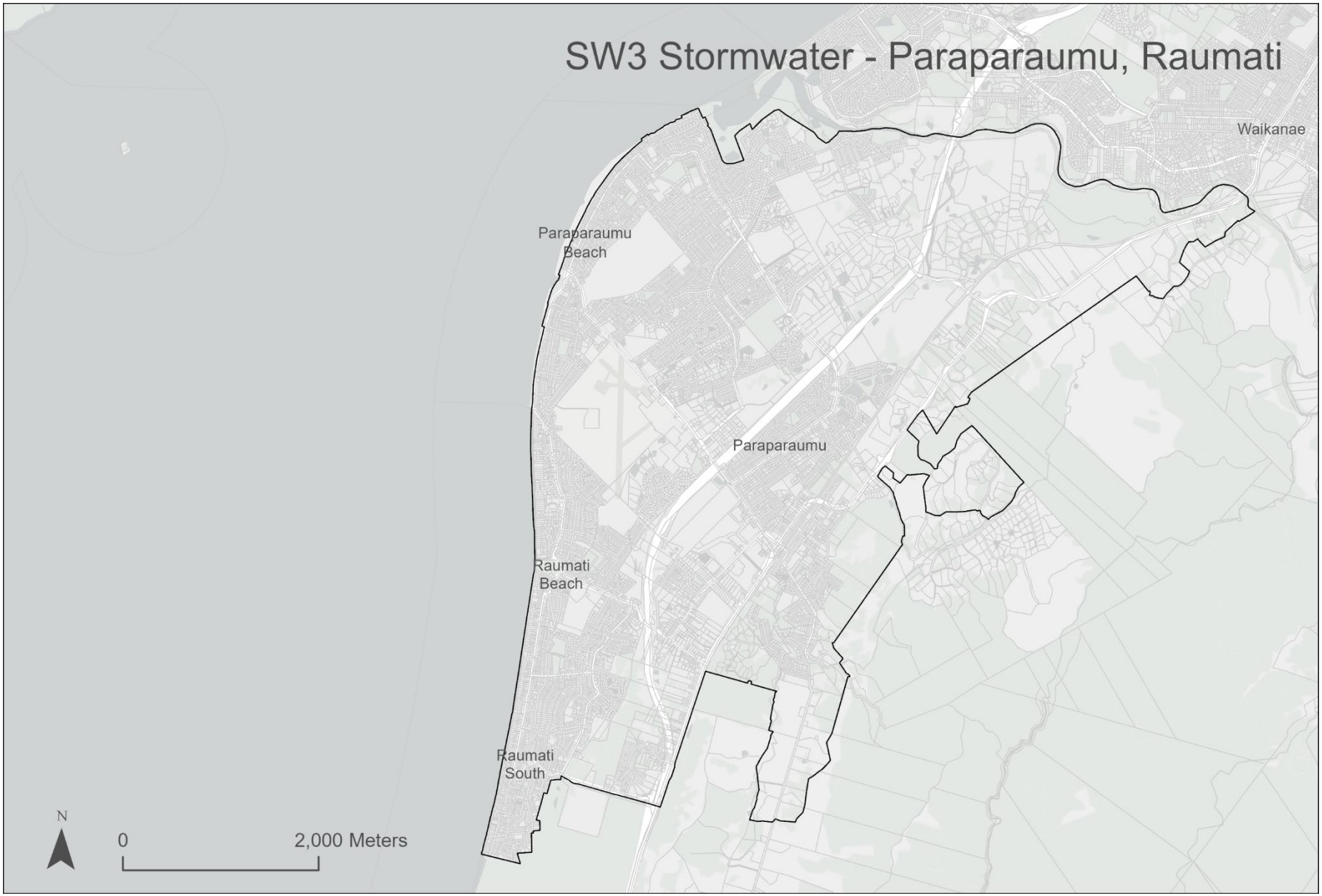

Peka Peka
Beach
WW3 Wastewater Reticulation - Waikanae
Waikanae
Beach
Waikanae
N
0
2,000 Meters

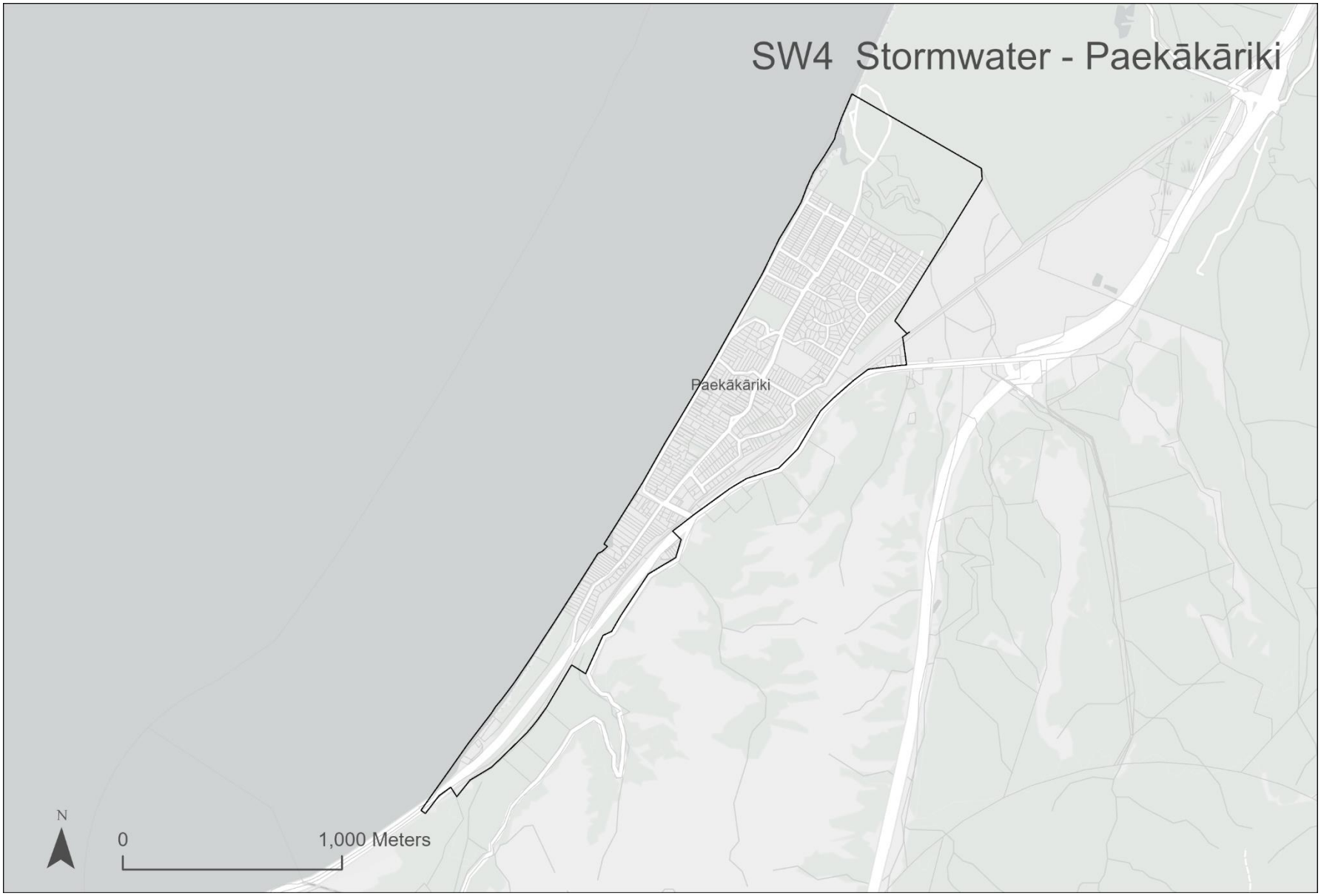

WW4 Wastewater Reticulation - Paraparaumu, Raumati
Waikanae
Paraparaumu Beach
Paraparaumu
Raumati Beach
Raumati South
N
0
2,000 Meters

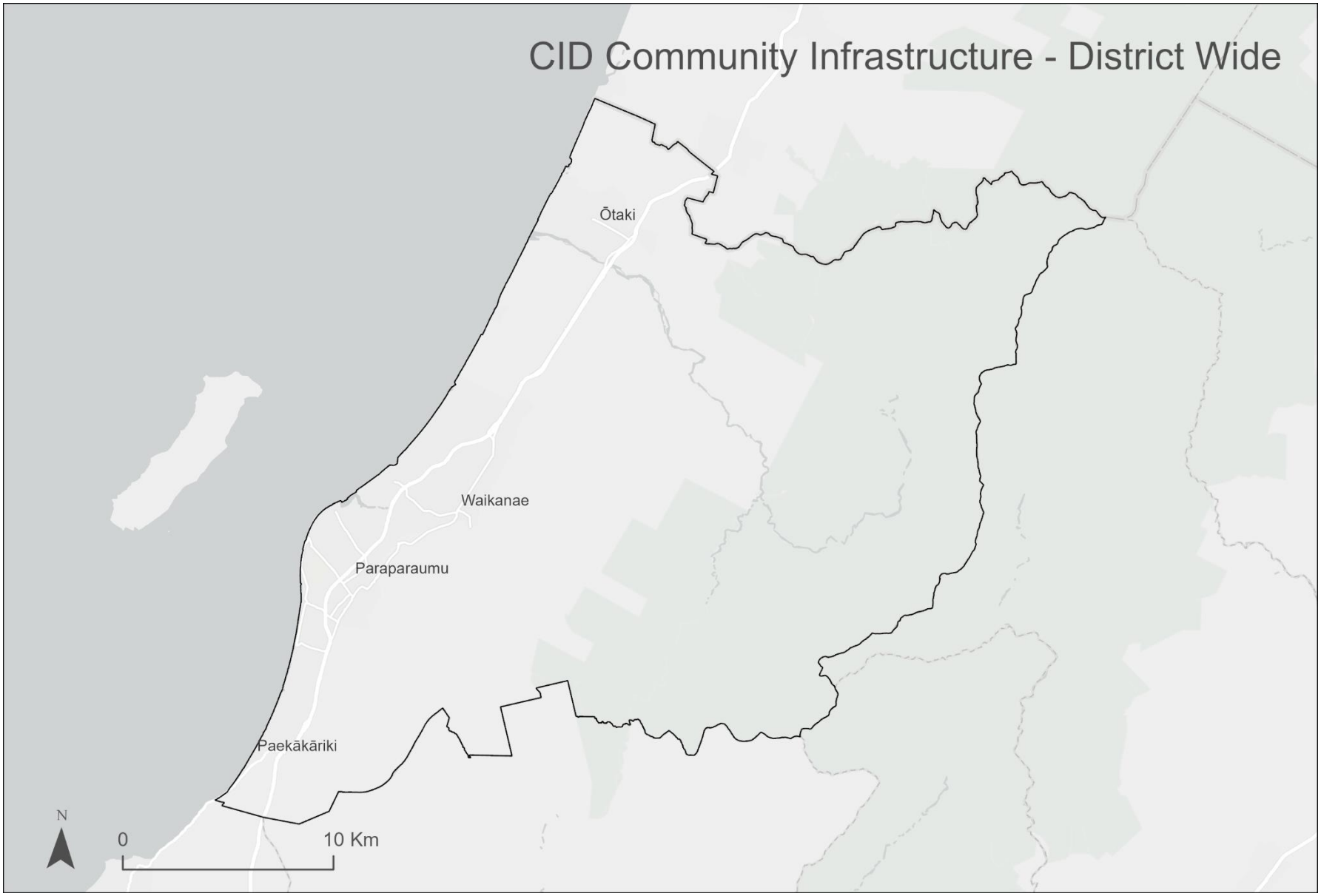

SWD Stormwater - District Wide
Ōtaki
Waikanae
Paraparaumu
Paekākāriki
N
0
10 Km


SW1 Stormwater - Ōtaki
Ōtaki Beach
Ōtaki
N
0
1,000 Meters


SW2 Stormwater - Waikanae, Peka Peka
Peka Peka Beach
Waikanae Beach
Waikanae
N
0
2,000 Meters


SW3 Stormwater - Paraparaumu, Raumati
Waikanae
Paraparaumu Beach
Paraparaumu
Raumati Beach
Raumati South
N
0
2,000 Meters


SW4 Stormwater - Paekākāriki
Paekākāriki
N
0
1,000 Meters


CID Community Infrastructure - District Wide
Ōtaki
Waikanae
Paraparaumu
Paekākāriki
N
0
10 Km