

Council Briefing Meeting Minutes

Date: Thursday, 15 February, 2018
Time: 1:00 p.m.
Location: Council Chamber
Forum North, Rust Avenue
Whangarei

In Attendance	Her Worship the Mayor Sheryl Mai (Chairperson) Cr Stu Bell Cr Gavin Benney Cr Crichton Christie Cr Vince Cocurullo Cr Tricia Cutforth Cr Shelley Deeming Cr Sue Glen Cr Phil Halse Cr Cherry Hermon Cr Greg Innes Cr Sharon Morgan Cr Anna Murphy Cr Greg Martin
Not in Attendance	
Scribe	Jennie Thomas (Democracy Advisor)

Her Worship the Mayor convened the meeting.

1. Apologies

Cr Greg Martin

2. Reports

2.1 Development Contributions Policy

Dominic Kula (Manager – Infrastructure and Development) advised that this was the fourth briefing on the review of the Development Contributions (DCs) Policy in support of the 2018-2028 Long Term Plan (LTP).

Dominic led the presentation and Lynne Dahl (Development Contribution Co-ordinator) was present to answer queries regarding the Policy.

Dominic advised that today's briefing was to provide a recap of the Policy review and to seek endorsement and direction from the Council on the capping of some charges.

The Overarching Considerations of Development Contributions are:

- They are a key funding source
- Must have clear areas of benefit – must be able to link projects to catchments
- The Policy is based on the best available information
- Substitution of projects within an activity/catchment is allowed
- Fairness and equity are important
- Must be administratively efficient
- Considerations around financial management – must be prudent, adequate to meet needs and appropriate (s101)

Development Contributions is a simple concept with DC's being calculated by dividing the value of the growth component of capital works by anticipated growth. In reality, a complex model is used to calculate the charge.

Factors that influence DC charges include:

- The capital projects council includes in the LTP
- Growth rates and distribution
- Interest and inflation rates

The district has experienced a much higher level of growth over the last few years and lower inflation and interest rates.

The changes made to the 2015 Policy after previous briefings are:

- Minor changes to catchment areas – aligning with city zoning for roading
- Marsden and Ruakaka wastewater catchments amalgamated – spreading costs across the one catchment
- A lowered Marsden/Ruakaka wastewater HUE rate to reflect the known ground infiltration
- Further clarification provided on the reduced Marsden/Ruakaka wastewater HUE
- Combined Parks and Reserves land and development charges - to provide flexibility regarding projects in future
- Minor changes to the format of the Policy to improve readability
- Modelling has been completed and schedule/charges updated

The final outcomes of the modelling have generally resulted in lower charges due to growth related charges being spread over more HUEs and lower interest and inflation rates.

Actual changes to charges on developments will be dependent on the combination of services provided within the related catchment.

There was discussion on the Statistics New Zealand's medium growth projections used as an indicator to predict district growth. Due to the high growth rates in the last few years should an assumption of higher rates of growth be considered?

The Whangarei District Growth model was adopted in December 2017. If the growth projection was raised a lower DCs rate would result. An overestimation in growth could result in a large increase in rates in the future. Council endeavours to make the charges as stable as possible.

There was comment made on the requirements to report for the National Policy Statement on Urban Capacity and whether this would tie in with the growth projection for DCs.

Dominic explained to the meeting that the calculated growth has been front loaded for the first few years then levelling off through to the end of the ten-year period.

Council does have the ability to alter the growth projection but this would need to be correlated with Asset Management plans etc. There is some flexibility to amend the policy. A review of the calculations used is undertaken every three years.

There was some discussion on the pros and cons of DC's in relation to growth in the district. If Council were to not recover DCs the funding would need to be collected through other sources such as rates and charges.

Other points raised were that DCs could deter infill housing in central locations.

There was discussion on the costs of development in the green belt vs infill central housing development. Comment was made that DCs was a small percentage of the overall cost of building a dwelling. Intensification in areas can be influenced by the District Plan. The issue of intensification and the development of the city is a policy issue and needs to be considered across a wide range of areas in Council.

Further discussion centred on the importance of green spaces being provided in subdivisions and how this related to Developer's Agreements. Explanation was provided that Developer Agreements were negotiated with asset managers and budgets had to be considered. Parks and Reserves are the only contribution that is capped at 7.5% under the Local Government Act.

There is a Council workshop regarding the Recreational Strategy being held shortly. Further debate regarding provisions for budgets for reserves etc could be addressed at this or other forums. The LTP consultation could provide further direction regarding parks and reserves from the public.

There has been capping of wastewater charges for the Whangarei Heads, One Tree Point, Ruakaka and Langs Beach/Waipu catchments. Charges have been capped at \$21,568 – approximately equivalent to the on-site equivalent disposal system. It was capped at this rate to encourage connection to the network to minimise the impact of onsite systems.

Discussion ensued on growth in the Mangapai area and possible water scheme upgrades.

The general direction from the meeting was to retain the status quo regarding capping i.e. no capping of Mangapai water charges and maintaining the capping of Whangarei Heads wastewater charge.

There was discussion on and agreement made to have the reference to family member from 5.1.2 (b) "Second Dwellings" removed from the policy.

Next Steps:

- Councillor direction and Audit feedback will be incorporated into the Policy
- The Draft Policy and statement of proposal to be adopted for consultation
- There will be consultation alongside the LTP Consultation document

Final DCs will be dependent on the projects in the LTP following consultation.

3. Closure of Meeting - The meeting closed at 2.47 pm