EXTRAORDINARY MEETING OF COUNCIL

MINUTES OF AN EXTRAORDINARY MEETING OF THE HAURAKI DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, WILLIAM STREET, PAEROA ON WEDNESDAY, 10 JUNE 2020 COMMENCING AT 9.00 AM

PRESENT
D A Adams (His Worship the Mayor), Cr P A Milner (Deputy Mayor), Cr P G Anderson, Cr R D T Broad, Cr P D Buckthought, Cr C A Daley, Cr R G E Garrett, Cr B J Gentil, Cr R Harris, Cr S Howell, Cr D Smeaton, Cr A M Spicer, Cr J R Tilsley and Cr R L Wilkinson

IN ATTENDANCE
Messrs L D Cavers (Chief Executive), A de Laborde (Group Manager - Engineering Services), D Peddie (Group Manager - Corporate Services), P Thom (Group Manager - Planning & Environmental Services), S B Fabish (Group Manager - Community Services and Development), Ms C Mischewski (Strategic Planner) and C Black (Council Secretary)

KARAKIA TIMITANGA

The Mayor opened the meeting with a karakia at 9.00am.

APOLOGIES

There were no apologies.

DECLARATIONS OF INTEREST

Cr Garrett declared a conflict of interest and advised he would not take part in the deliberations on the policy.

BUSINESS:

CONSIDERATION OF FEEDBACK TO DRAFT DEVELOPMENT CONTRIBUTIONS POLICY 2020 AND DELIBERATIONS (2769237)

Appendix A: Feedback received via Facebook.
Appendix B: Summary of other written feedback to the draft Development Contributions Policy 2020.
Appendix C: Draft Development Contributions Policy 2020 (as amended).

RESOLVED

THAT the report be received.

C20/233 Adams/Wilkinson CARRIED

SUBMITTERS SPEAKING

Submission #6: Katherine Lucas

Katherine Lucas was in attendance and was invited to speak to her submission.

Ms Lucas stated she would like Council to consider exemptions for only non-profit organisations, which function for the good of the community and serve every sector of the community.
Ms Lucas suggested that if exemptions are not considered for Non-Profit Organisations, each development must submit a reasonable, and possibly independently reviewed, at their cost, expected waste account for the development stage and subsequent occupation stage and that the development contribution must cover each of these waste stages.

The meeting adjourned for a tea break at 9.20am
The meeting reconvened at 9.30am

**DELIBERATIONS ON ALL SUBMISSIONS RECEIVED**

**SUBMITTERS WRITTEN**

Submission #1: Duncan Shearer

**Summary of Submission**

The Respondent fully supports Council’s proposal to re-introduce development contributions and feels that the Council has struck the right balance between the existing ratepayer’s contributions and the increased demand brought to our district from new development. The Respondent also supports clause 4.2 that accounts for past spending on infrastructure.

*Seeks that Council adopts the Policy.*

**Response to submitter was discussed:**

The Council has worked through the rationale for the introduction of the draft Development Contributions Policy over several months. The Council has weighed the pros and cons of various options and decided it is time to reintroduce development contributions. The District has experienced significant growth over the past five years and the Council now faces demands on the District infrastructure. If growth costs are not paid for either by developers or through Government subsidies, they are paid for by ratepayers. The Council decided it is not fair for the existing community to be burdened with the cost of growth. The cost of infrastructure to support growth should be funded by those who cause the need for it, in a fair and equitable way.

Submission # 2: Mr G

**Summary of Submission**

The Respondent thinks that the Council already charges enough in terms of resource consents and building permits and that any additional charges will only drive already inflated property prices up further.

*Asks Council does not adopt the Policy.*

**Reason for Staff Recommendation:**

Developers all around New Zealand have to pay development contributions and the proposed Hauraki District charges are still less than other Councils. It is common place for developers to have to factor in development contributions when assessing the financial viability of a project. It is the market that dictates how much sections and other development can be sold for, not the reintroduction of development contributions.

The District has experienced significant growth over the past five years and the Council now faces demands on the District infrastructure. If growth costs are not paid for either by developers or through Government subsidies, they are paid for by ratepayers. The Council decided it is not fair for the existing community to be burdened with the cost of growth.
Submission # 4: Robin Davey

Summary of Submission
The Respondent thought this was always the policy of Council and is of the opinion that it should have been charging development contributions already.

Reason for Staff Recommendation: 
While the Council has not had a development contributions policy in place since 2015 it has been able to collect financial contributions through the District Plan for the local impacts of new development, for example for local footpaths. This approach was appropriate at the time when there was limited growth in the District and sufficient capacity in our core services, such as our wastewater treatment plants. This is no longer the case and the reintroduction of development contributions allows the Council to charge for the wider impacts of development on our infrastructure and fund projects such as wastewater treatment plant and water treatment plant upgrades.

Recommends does not adopt.

Submission # 4: William Wilson

Summary of Submission
The Respondent is of the opinion that development contributions have had an adverse effect on development in the past. If developing does not work financially, developers move to another town where the rules are more flexible or where the costs are not as prohibitive. The Respondent is in favour of costs being passed on to the developer, but suggests that such costs should be determined on a case by case basis and that any development costs should be determined in line with the perceived advantage that the development will bring to town or city concerned.

Reason for Staff Recommendation: 
It is commonplace for developers to have to factor in development contributions when assessing the financial viability of a project. Developers all around New Zealand have to pay development contributions and the proposed Hauraki District contribution charges are still less than other Councils, including our neighbouring Districts.

The Council has made some exceptions where development contributions will not be charged, for example for farm buildings. The Council may also consider funding in whole or in part, any development contribution payable by applicants whose development is expected to provide a significant public benefit. This consideration will be carried out on a case-by-case basis and the Council shall ensure alternative sources of funding are obtained to meet any resulting development contributions shortfall. There are also rights to reconsideration of the development contributions charged as stated in section 199A and 199B of the Local Government Act 2002.

Recommends does not adopt.

Submission # 5: Mrs B

Summary of Submission
The Respondent is of the opinion that charging development contributions makes good sense due to additional pressures that residential development can put on the infrastructure. They want development to continue, but not necessarily at the expense of existing ratepayers.
Reason for Staff Recommendation:
The rationale for the introduction of the draft Development Contributions Policy has been worked through by the Council over several months. The Council has weighed the pros and cons of various options and decided it is time to reintroduce development contributions as the District has experienced significant growth over the past five years and the Council now faces demands on our infrastructure. If growth costs are not paid by either developers or through Government subsidies, they are paid for by ratepayers. The Council decided it is not fair for the existing community to be burdened with the cost of growth. The cost of infrastructure to support growth should be funded by those who cause the need for it, in a fair and equitable way.

Recommends does not adopt.

Submission #6: Katherine Lucas

Reason for Staff Recommendation:
The draft policy (clause 4.9.2) allows the Council to consider funding in whole or in part, any development contribution payable by applicants whose development is expected to provide a significant public benefit. This consideration will be carried out on a case-by-case basis and the Council shall ensure alternative sources of funding are obtained to meet any resulting development contributions shortfall. Some non-profit organisations will likely fall into this category, however staff believe this still needs to be considered on a case-by-case basis to ensure there is significant public benefit from the development.

Recommends does not adopt.

Katherine Lucas

Reason for Staff Recommendation:
The Council has weighed the pros and cons of various options and decided it is time to reintroduce development contributions as the District has experienced significant growth over the past five years and the Council now faces demands on our infrastructure. If growth costs are not paid by either developers or through Government subsidies, they are paid for by ratepayers. The Council decided it is not fair for the existing community to be burdened with the cost of growth. The cost of infrastructure to support growth should be funded by those who cause the need for it in a fair and equitable way.

Recommends does not adopt.

Submission #7: John Lewis

Summary of Submission
The Respondent commends Council on this proposal. He is of the opinion that while the new property owners will contribute ultimately by way of rate payments, the developers only make a small contribution by way of consents, as opposed to making a substantial untaxed capital gain and in many cases damaging the environment & creating discord among affected neighbouring property owners. The Respondent believes that this strengthens Councils proposal for a development contributions policy, which will benefit the Hauraki Community as a whole in terms of infrastructure development.

Reason for Staff Recommendation:
The Council has weighed the pros and cons of various options and decided it is time to reintroduce development contributions as the District has experienced significant growth over the past five years and the Council now faces demands on our infrastructure. If growth costs are not paid by either developers or through Government subsidies, they are paid for by ratepayers. The Council decided it is not fair for the existing community to be burdened with
the cost of growth. The cost of infrastructure to support growth should be funded by those who cause the need for it in a fair and equitable way.

*Recommends does not adopt.*

**Submission # 8: Andrew Wharry**  
**Summary of Submission**  
The Respondent is disappointed that Council is proposing to reintroduce development contributions in the current situation in New Zealand due to Covid-19. The Respondent mentioned that Council will play a major role in any recovery in the District and that Council should either postpone or cancel the Development Contributions Policy to help stimulate growth.

*Reason for Staff Recommendation:*  
When growth costs are not paid by either developers or through Government subsidies, they are paid for by ratepayers. The Council considered the effects of COVID-19 and decided it is now even more unfair to burden existing ratepayers with growth related capital expenditure when they are not the cause of the required work. The cost of infrastructure to support growth should be funded by those who cause the need for it. The Council believes it has done this in a fair and equitable way. Developers all around New Zealand have to pay development contributions and the proposed Hauraki District charges are still less than other Councils. It is common place for developers to have to factor in development contributions when assessing the financial viability of a project.

*Recommends does not adopt.*

**Submission #9: HDC – Adrian de Laborde**  
**Summary of Submission**  
The staff of the Hauraki District Council would like to correct a number of points contained within the draft Development Contributions Policy 2020 to vary the financial information for two roading projects resulting in changes to Appendix G: Schedule of assets and Table 1: Schedule of development contributions and Table 2: Capital expenditure in the draft policy. The roading projects are Bradford Street Extension, Waihi – Roading|32246 and Parry Palms Slipway Extension, Waihi – Roading|31901.

*Reason for Staff Recommendation:*  
The Council must produce an accurate list of capital projects for which it will be collecting development contributions. This includes accurate information on subsidies received for a project so the Council does not charge developers more than is legally permitted. The Council cannot ‘double-dip’ or charge twice for the same development.

*Recommends that prior to adoption, the Council amend Appendix G: Schedule of assets of the draft Development Contributions Policy.*
Submission # 10: HDC – Adrian de Laborde

Summary of Submission

The staff of the Hauraki District Council would like to add a definition for ‘commencement’ in the draft Development Contributions Policy 2020 as follows: ‘for the purposes of this policy, [commencement] means the date on which any activity, authorised by the granting of a resource consent for land use, physically commences on the consented site’.

Reason for Staff Recommendation:

Council staff whom implement the policy would like a definition of ‘commencement’ included in the glossary as this will provide greater clarity on when staff need to invoice a development contribution under section 5.1.6a) of the policy.

Recommends that a definition for ‘commencement’ be included in the glossary of the draft Development Contributions Policy 2020, prior to adoption.

Submission # 11: Devin Civil – Matt Devlin

Summary of Submission

The Respondent is currently working through due diligence for a proposed affordable housing development in Kerepehi and is firmly against the proposed development contributions policy because development contributions will make housing more unaffordable. Development contributions cost developers substantially more than the actual amount received by the District Council simply due to the cost of borrowing for developments.

The Respondent is of the opinion that:
• Local Government needs more support from central government for funding new Infrastructure; and
• another way to make housing more affordable is to only charge rates on the title once it is purchased from the developer because that title is unproductive until that time.

Reason for Staff Recommendation:

The District has experienced significant growth over the past five years and the Council now faces demands on the District infrastructure. If growth costs are not paid for either by developers or through Government subsidies, they are paid for by ratepayers. The Council decided it is not fair for the existing community to be burdened with the cost of growth. The cost of infrastructure to support growth should be funded by those who cause the need for it, in a fair and equitable way. The Council has stated it wants to continue to attract people, business and development to the District, but in a way that is fair to exiting ratepayers.

While affordable housing projects are needed and supported in the District, it is common place for developers to have to factor in development contributions when assessing the financial viability of a project. Developers all around New Zealand have to pay development contributions and the proposed Hauraki District contribution charges are still less than other Councils, including our neighbouring Districts. Council staff could investigate if there is any central government funding available to subsidise affordable housing developments in the District. The Council could then assess the development contributions amount to be charged at the time, in light of any support offered by central government.

The draft policy (clause 4.9.2) allows the Council to consider funding in whole or in part, any development contribution payable by applicants whose development is expected to provide a
significant public benefit. This consideration will be carried out on a case-by-case basis and the Council shall ensure alternative sources of funding are obtained to meet any resulting development contributions shortfall. Staff believe this still needs to be considered on a case-by-case basis to ensure there is significant public benefit from the development.

Recommend that the Council adopt the draft Development Contributions Policy 2020, and that that staff investigate whether there are any potential subsidies or grants that could be applied for from central government for affordable housing developments.

RESOLVED

THAT the written feedback from Horticulture New Zealand be received.

C20/234 Broad/Smeaton CARRIED

RESOLVED

THAT all written feedback received to date on the draft Development Contributions Policy 2020 be received.

C20/235 Daley/Tilsley CARRIED

Noted: Cr Garrett abstained from the decision making process.

Cr Phillip Buckthought inquired how you determine where you waive contributions. The Council does have the autonomy to differentiate as per Clause 4.9.2.

Cr Broad – COVID-19 is not a material effect on the Development Contributions policy.

The Group Manager – Engineering Services commented that farm sheds historically have not been charged development contributions.

Cr Spicer asked if Council should look into definition of farm building for next reiteration, there is the concern about effects of greenhouses having an impact on road and wastewater.

Cr Harris – the forestry industry have a large impact on roading how does Council charge them. Can Council charge financial contributions or rate the road differently. Can maintenance issues be dealt with separately?

Farm shed issue – financial contributions can be used if activity has a large effect on infrastructure.

Developers are charged an administration fee per hour for calculations of development contributions.

Cr Harris questioned cost to administrate the policy.

Cr Broad commented developers across the country have to pay contributions and considered that HDC’s are not high.

RESOLVED

THAT the Council considers all written and verbal feedback, and feedback providers be thanked for their participation in the process and responded to accordingly, and

THAT Council in accordance with sections 102(1) and 106 of the Local Government Act 2002 adopts the Development Contributions Policy 2020 with changes as attached.

C20/236 Broad/Howell CARRIED
RESOLVED
THAT the Council delegates the responsibility for reviewing and deciding on reconsideration requests to the Hearing and Judicial Committee of Council and that the Delegations Manual is updated accordingly.

C20/237 Wilkinson/Smeaton CARRIED

RESOLVED
THAT the Draft Development Contributions Policy 2020 will come into effect on 1 July 2020.

C20/238 Broad/Tilsley CARRIED

Deliberations concluded at 10.20am.

Cr Milner closed the meeting with a karakia at 10.25am.

CONFIRMED

D A Adams
Mayor

24 June 2020