

STATEMENT OF PROPOSAL

Proposed Amendments to the Policy on Development Contributions

Proposal

In accordance with section 102 (4) (b) of the Local Government Act 2002 (LGA), the Queenstown Lakes District Council (QLDC or Council) has begun consultation on amendments to the Policy on Development Contributions. The reason for the amendment is to update the contribution amounts as a result of the capital programme adopted within the Long Term Plan 2021-31. As well as the annual update of contribution levels, the additional proposed amendments are intended to simplify and clarify certain areas of the policy. Many of the proposed changes involve the introduction of clearer definitions and simpler assessment methodologies as well as amendments of contributing areas to include extensions.

The proposed amendments to the Policy on Development Contributions include:

1. Updated format of the Development Contributions Policy with the inclusion of a Table of Contents and a Glossary of Terms
2. Change of contribution name from 'Community Facilities' to 'Community Infrastructure'
3. Amend the average residential dwelling size to 180m²
4. Reclassification and expansion of Industrial and Commercial land use categories and removal of land use categories: Country Dwelling; Country Dwelling Flat; CBD Commercial; CBD Accommodation; Home Occupation; Primary Industry
5. Change of method of assessing development contributions for visitor accommodation
6. Updated and simplified the Policy differentials and inclusion of the basis of the differentials in the policy
7. Inclusion of parameters by which to guide Special Assessments

8. Change to the reserve land calculation methodology
9. Updated average land values for Wānaka and Wakatipu Areas
10. Updated capital costs for both recent actual capital expenditure and the forecast capital expenditure in 2021 Long Term Plan
11. Updated Contributing Area Maps

Consultation Timeline

The LGA allows Council to amend the Policy on Development Contributions at any time in accordance with section 102 (4) (b) of the Local Government Act 2002. The consultation undertaken must be in accordance with section 82 (Principles of Consultation). There is no requirement to use the Special Consultative Procedure (SCP), however, we do intend to handle the consultation in a similar manner:

18 March 2021	Approval to commence consultation
19 March 2021	Commence consultation
19 April 2021	Consultation ends
10 & 11 May 2021	Hearing of submissions
30 June 2021	Final decision on proposal

Submissions can be made through the following channels:

- > **Online:** complete the online submission form at letstalk.qldc.govt.nz
- > **Email:** send your submission to letstalk@qldc.govt.nz with the subject line 'Ten Year Plan submission'
- > **Post:** to 'Ten Year Plan submission', Queenstown Lakes District Council, freepost 191078, Private Bag 50072, Queenstown 9348
- > **In person:** drop your written submission into a Council office or library in the Queenstown Lakes District

PROPOSED CHANGES TO THE POLICY SUMMARY OF PROPOSED AMENDMENTS TO DEVELOPMENT CONTRIBUTIONS

The following changes are proposed to the Policy on Development Contributions in order to provide greater clarity around certain aspects of the policy. The overarching objective is to make the policy administration more efficient and effective.

It is proposed that these changes will apply to any application for resource consent, building consent or application for service connection lodged on or after 1 July 2021.

Amendment 1 – Updated Format of the Development Contributions Policy

The purpose of the amendments is to highlight key changes between the existing Policy (2018) and the new Policy (2021).

The Policy has an updated format and includes a table of contents and include of glossary of terms.

The purpose of the contents section at the front of the policy is to ensure that the users of the policy are aware to find information within the document and that the document is user-friendly.

The purpose of the glossary of terms provides a list of terms that are commonly used as part of development contribution assessments. This is to ensure that the policy is accessible to users.

Amendment 2 – Change of contribution name from ‘Community Facilities’ to ‘Community Infrastructure’

The change from ‘Community Facilities’ to ‘Community Infrastructure’ brings the Policy into alignment with terms used within the Local Government Act 2002 (LGA).

Amendment 3 – Amend the average unit size to 180m².

Within current policy the average unit size is 140m². Based on rates information and the latest data available to Council, the average unit size is proposed to increase to 180m². This is reflective of the average unit size within the District.

Amendment 4 – Reclassification and expansion of industrial and commercial land use categories – removal of other land use categories

The current industrial and commercial land use categories within the Policy currently results in several special assessments due to the nature of the proposed activities which are going to take place on a site. As a result of this, Council is proposing to introduce two industrial categories, being 'industrial – dry' and 'industrial – wet'. Currently, developments such as a large storage warehouse and a separate activity such as a car wash are both considered to be industrial activities. The 'dry' and 'wet' categories are proposed to be introduced in response to a rising number of special assessments requested for industrial activities where is evident demand differences between such an industrial activities. Likewise, the existing commercial activity has been split into 'general commercial' and 'large format retail'. Currently, general retail activities as well as offices are considered to be commercial activities along with much larger commercial activities such as 'big box' retail. The reclassification of commercial activities to 'general commercial' and 'large format retail' will allow commercial developments to be assessed on a more fair and equitable basis.

Retirement units have also been split into one, and two or more bedroom units. The reason for this is to reflect the lower demand created by a smaller 1 bedroom unit or apartment, relative to a larger 2 bedroom of more retirement villa or house.

Proposed table 3.4.2 matches up land use categorised described in the Proposed District Plan with Development Contribution Categories. This will allow developers to see which category they fall into when undertaken a development. This table is below:

3.4.2. LAND USE CATEGORIES

PDP Category	Definition	DC Land Use Category
Industrial Activity (includes Rural Industrial)	Means the use of land and buildings for the primary purpose of manufacturing, fabricating, processing, packing, or associated storage of goods	Industrial - wet ; e.g. Car wash facilities, laundromats, manufacturing, processing
		Industrial - Dry; Storage, warehouses
Day Care Facility	Means land and/or buildings used for the care during the day of elderly persons with disabilities and/or children, other than those residing on the site.	Child-care centres
Elderly care home	Means a facility providing rest home care within the meaning of the Health and Disability Services (Safety) Act (2001), or a home for the residential care of older persons and/or any land or buildings used for the care of older persons within a retirement village.	Retirement units –
Retirement Village	Means the residential units (either detached or attached) and associated facilities for the purpose of accommodating retired persons. This use includes as accessory to the principal use any services or amenities provided on the site such as shops, restaurants, medical facilities, swimming pools and recreational facilities and the like which are to be used exclusively by the retired persons using such accommodation.	either 1 bedroom unit 2 or more bedroom unit
Office	Means any of the following: a. administrative offices where the administration of any entity, whether trading or not, and whether incorporated or not, is conducted; b. commercial offices being place where trade, other than that involving the immediately exchange for goods or the display or production of goods, is transacted; c. professional offices.	General commercial
Commercial Recreational Activities	Means the commercial guiding, training, instructing, transportation or provision of recreation facilities to clients for recreational purposes including the use of any building or land associated with the activity, excluding ski area activities.	
Retail Sales / Retail / Retailing	Means the direct sale or hire to the public from any site, and/or the display or offering for sale or hire to the public on any site of goods, merchandise or equipment, but excludes recreational activities	
Service Station	Means any site where the dominant activity is the retail sale of motor vehicle fuels, including petrol, LPG, CNG, and diesel, and may also include any one or more of the following: a. the sale of kerosene, alcohol based fuels, lubricating oils, tyres, batteries, vehicle spare parts and other accessories normally associated with motor vehicles; b. mechanical repair and servicing of motor vehicles, including motor cycles, caravans, boat motors, trailers, except in any Residential, Town Centre or Township Zone; c. inspection and/or certification of vehicles; d. the sale of other merchandise where this is an ancillary activity to the main use of the site. Excludes: panel beating, spray painting and heavy engineering such as engine reboring and crankshaft grinding, which are not included within mechanical repairs of moto	
Showroom	Means any defined area of land or a building given over solely to the display of goods. No retailing is permitted unless otherwise specifically provided for in the zone in which the land or building is located.	

3.4.2. LAND USE CATEGORIES		
PDP Category	Definition	DC Land Use Category
Residential Visitor Accommodation	Means the use of a residential unit including a residential flat by paying guests where the length of stay by any guest is less than 90 nights. Excludes: Visitor Accommodation and Homestays.	MU-Visitor accommodation
Large Format Retail	Means any single retail tenancy which occupies 500m ² or more of GFA. Refer definition of GFA.	Large format Retail
Bar (Hotel or Tavern)	Means any part of a hotel or tavern which is used principally for the sale, supply or consumption of liquor on the premises. Bar area shall exclude areas used for storage, toilets or like facilities and space.	Restaurant/bar
Restaurant	Means any land and/or buildings, or part of a building, in which meals are supplied for sale to the general public for consumption on the premises, including such premises which a licence has been granted pursuant to the Sale and Supply of Alcohol Act 2012	
Visitor Accommodation	<p>Means the use of land or buildings to provide accommodation for paying guests where the length of stay for any guest is less than 90 nights; and i. Includes camping grounds, motor parks, hotels, motels, backpackers' accommodation, bunkhouses, tourist houses, lodges, timeshares and managed apartments; and ii. Includes services or facilities that are directly associated with, and ancillary to, the visitor accommodation, such as food preparation, dining and sanitary facilities, conference, bar recreational facilities and others of a similar nature if such facilities are associated with the visitor accommodation activity. The primary role of these facilities is to service the overnight guests of the accommodation however they can be used by persons not staying overnight on the site. iii. Includes onsite staff accommodation. iv. Excludes Residential Visitor Accommodation and Homestays</p> <p>Visitor accommodation developments will be assessed on a 'per stay unit' basis. That is, the DCN will be assessed based on the maximum number of separately bookable/occupied units. Residential units that are used for visitor accommodation purposes (mixed use accommodation) will not be assessed as per stay units.</p>	Visitor Accommodation
Hotel	Means any premises used or intended to be in the course of business principally for the provision to the public of: a. lodging; b. liquor, meals and refreshments for consumption on the premises	
Camping Ground	Means any area of land used, or designed or intended to be used, for rent, hire, donation, or otherwise for reward, for the purposes of placing or erecting on the land temporary living places for occupation, or permanent tourist cabins, by 2 or more families or parties (whether consisting of 1 or more persons) living independently of each other, whether or not such families or parties enjoy the use in common of entrances, water supplies, cookhouses, sanitary fixtures, or other premises and equipment; and includes any area of land used as a camping ground immediately before the commencement of the Camping Ground Regulations 1985.	

3.4.2. LAND USE CATEGORIES

PDP Category	Definition	DC Land Use Category
Airport activity	Means land used wholly or partly for the landing, departure, and surface movement of aircraft, including: d. terminal buildings, hangars, air traffic control facilities, flight information services, navigation and safety aids, rescue facilities, lighting, car parking, maintenance and service facilities, fuel storage and fuelling facilities and facilities for the handling and storage of hazardous substances	Other
Education Activity	Means the use of land and buildings for the primary purpose of regular instruction or training including early childhood education, primary, intermediate and secondary schools, tertiary education. It also includes ancillary administrative, cultural, recreational, health, social and medical services (including dental clinics and sick bays) and commercial facilities.	
Health Care Facility (includes Aged Care Facility)	Means land and/or buildings used for the provision of services relating to the physical and mental health of people and animals but excludes facilities used for the promotion of physical fitness or beauty such as gymnasias, weight control clinics or beauticians.	
Hospital	Means any building in which two or more persons are maintained for the purposes of receiving medical treatment; and where there are two or more buildings in the occupation of the same person and situated on the same piece of land they shall be deemed to constitute a single building.	
	A residential flat for the purposes of this policy is a residential building or part of a residential building that is used, or can be used as independent residence containing its own kitchen, living and toilet bathroom facilities that is secondary to the main residence. Note: the definition of a kitchen comes from the District Plan.	Residential Flat
	Any development that involves the development of three or more residential units/apartments within a single site, with at least one shared wall. This does not include additions, alterations or accessory buildings.	Multi-Unit Residential
	Any development that involves the redevelopment of an existing residential dwelling unit, flat or multi-unit residential apartment that is converted to short or long term visitor accommodation. When assessing the number of dwelling equivalents for mixed use accommodation, the assessment will be done using the gross floor area of the development and the mixed use accommodation differentials shown in the dwelling equivalent calculation table. Credits will be based on the existing demand as per the table of credit types. This method more clearly defines the impact of redevelopment from residential to visitor accommodation.	Mixed Use Accommodation

Amendment 5 – Change of method of assessing DCs for visitor accommodation

Currently visitor accommodation is simply split into visitor accommodation (e.g. hotels) and mixed use accommodation (the use of residential dwellings for visitor accommodation purposes). Visitor accommodation are hotel, motel, and backpacker type developments with common facilities such as conference centres and also include amenities such as internal restaurants and bars. Currently calculated on the gross floor area of the development, a development contribution for these developments will in the new policy be assessed on a per stay unit basis (individually occupied/booked room) and will not incorporate a gross floor calculation of any associated facilities – provided these facilities are accessory to the stay unit visitor accommodation development. Mixed use accommodation assessments will continue to be based on a gross floor area calculation.

Amendment 6 – Updated Policy differentials – including bases of differentials into the policy

The policy differentials have been updated based on the change of average size of a dwelling equivalent and data provided from Standards NZ which encourages sustainable infrastructure development and modern design. Trip generation (transportation) information has been provided from the Abley Design Paper. The bases for the differentials proposed in the Policy have also been included in the body of the Policy for transparency and accessibility rather than in a separate supporting document as has previously been the case. There has also been a move to a district wide approach for differentials, instead of a ward based approach. A table of the updated policy differentials is found below:

3.4.1. DWELLING EQUIVALENT CALCULATION TABLE

Units (per...) Land Use Category	Water Supply (GFA)	Wastewater (GFA)	Stormwater (per 100m ² ISA)	Transportation (GFA)	Community Infrastructure	Local/ neighbourhood reserve land	Premier Sportsfield reserve land	Reserve improvements
Per lot/house								
Residential	1.00	1.00	1.00 per lot/house	1.00	1.00	1.00	1.00	1.00
Per stay unit								
Visitor accommodation	0.33	0.50	0.38	0.33	0.33			
Per retirement unit (apartment/villa/house)								
2 or more bedrooms	0.60	0.58	0.38	0.29	0.65	0.41		0.41
1 bedroom	0.40	0.38	0.38	0.19	0.43	0.27		0.27
Per 100m ² GFA								
Multi-unit Residential	0.56	0.56	0.38	0.56	0.56	0.56	0.56	0.56
Residential flat	0.56	0.56	0.38	0.56	0.56			0.56
MU-Visitor accommodation	0.62	0.73	0.38	0.62	0.62			
MU-Commercial	0.46	0.47	0.38	0.92				
Industrial - dry	0.09	0.13	0.38	0.44				
Industrial - wet	0.30	0.41	0.38	1.00				
General Commercial	0.16	0.22	0.38	2.00				
Large format Retail	0.09	0.13	0.38	1.33				
Restaurant/bar	1.49	2.03	0.38	2.00				
Child-care centres	0.55	0.74	0.38	3.58				
Other/unusual developments	To be individually assessed at the time of application							

Amendment 7 – Inclusion of parameters by which to guide Special Assessments

The current policy does not set clear parameters for special assessments and results in Council receiving a relatively high number of special assessments when persons believe that the original development contribution, as assessed under the policy, was too expensive. The new policy acknowledges that some developments sometimes generate a significantly different demand on infrastructure that what is anticipated under the land use categories. As such, a set criteria has been established that Council will use to evaluate the need for a special assessment where Council considers that:

1. The development is likely to have less than half or more than twice the demand (excluding the peak factor multiple) for a water, wastewater or transportation activity for that development type; or
2. A non-residential development does not fit into not fit into an industrial – dry, industrial – wet, general commercial, large format retail, restaurant/bar, childcare centre or visitor accommodation, land use and must be considered under another category (as identified within Table 5 of the proposed policy); or
3. Where the gross floor area of a non-residential development is less than 30% of the net

Council may require additional information from the applicant if a special assessment is sought and may also carry out its own assessment for the development.

Amendment 8 – Change to the reserve land calculation methodology

Previously residential developments have been required to provide 27.5m² of land for reserve land or the cash equivalent. The current policy gives consideration as to whether this is required if a development is within 600 metres of an existing reserve. This has resulted in developers claiming older and relatively small reserves that were established as part of older residential developments were fit for purpose to accommodate large new residential developments. This is leading to undesirable outcomes throughout the District. Council has also reviewed its Parks and Open Spaces Strategy with the aim to ensure high quality reserves are provided as part of residential developments. The proposed policy has aligned with this strategy and it is now clear when reserve land is required. With larger subdivisions this will encourage developers to incorporate adequate open space and parks into these developments. The current definitions of Brownfield and Greenfield also have been problematic, especially as large areas of land are being rezoned for residential development and these land parcels more often than not always originally have one residential dwelling unit.

As such, the policy now requires some residential developments to provide 17.5m² of open space for community and local parks throughout the District. Existing developed urban areas identified within the reserve land maps as 'Area A' will not be required to provide or pay this. Land that has been zoned for residential development will be subject to providing this 17.5m² of land per lot or dwelling unit equivalent created.

Within the Wakatipu Area, an extra 5m² (cash contribution only) will be added to all developments (including developments within exiting developed urban areas) to specifically contribute toward a new premier sportsground.

Amendment 9 – Change to reserve land values

Within current policy, the following categories of land are use with their respective values:

CATEGORY OF LAND	LAND VALUE*
Wakatipu Ward	
Urban	\$615/m ²
Township	\$270/m ²
Wanaka Ward	
Urban	\$470/m ²
Township	\$255/m ²

*Land values are GST exclusive

One primary issue arising from this category of land within current Policy is that the footnotes on page 210 of the 2018 Development Contributions Policy refers to zones within the Operative District Plan. There are new zones that have been created through the Proposed District Plan which are not detailed within this footnote.

APL have undertaken land valuations for the average price of land in locations within the Wānaka area and the Wakatipu area. All cash contributions will be based on these valuations as it has been determined that these values are the average price for land within each location. This removes the requirement for urban and township categories and provides a level of certainty to developers what their reserve land contribution will be.

The reserve land values are shown below:

Wakatipu Area:

- Queenstown, Fernhill, Sunshine Bay, Kelvin Heights, Frankton, Arrowtown \$721/m²
- Eastern Corridor (Shotover Country, Lake Hayes Estate, Bridesdale & Ladies Mile) \$657/m²
- Southern Corridor (All land between the new Kawarau Bridge and Lakeside Estate including Coneburn, Jacks Point, Homestead Bay, Hanley Farm) \$657/m²
- Glenorchy & Kingston \$278/m²

Wānaka Area:

- Wānaka, Hāwea & Albert Town \$631/m²
- Luggate, Cardrona & Makarora \$242/m²

Where Local/Community Park reserve contributions are required outside of the valued areas in this section, the land value will be based on the valued area closest in distance to the development.

Amendment 10 – Updated capital costs in the 2021 Long Term Plan

The capital costs for both recent actual capital expenditure and the forecast capital expenditure in 2021 Long Term Plan have been updated leading to updates to the dollar value of Community Facilities per dwelling equivalent (DE) in contributing areas. The schedule of development contributions per DE required by contributing areas is found below:

SCHEDULE OF DEVELOPMENT CONTRIBUTIONS PER DWELLING EQUIVALENT REQUIRED BY CONTRIBUTING AREA (EXCLUDING GST)										
Contributing area ⁴	Water Supply	Wastewater	Stormwater	Reserve Improvements	Premier Sportsground - Reserve land contribution	Community Infrastructure	Transportation	Transportation - EAR ⁵	Total Cash Contribution	Local/Community Reserve Land
Queenstown	\$4,464	\$6,267	\$3,670	\$1,233	\$500	\$3,648	\$3,437	\$763	\$23,982	17.5m ² /DE in applicable areas ⁶
Frankton Flats	\$4,464	\$6,267	\$4,883	\$1,233	\$500	\$3,648	\$3,437	\$763	\$25,195	
Arrowtown	\$3,908	\$3,345	\$446	\$1,233	\$500	\$3,648	\$3,437		\$16,517	
Glenorchy	\$10,688	^	\$434	\$1,233	\$500	\$3,648	\$3,437		\$19,940	
Lake Hayes	\$4,464	\$4,013		\$1,233	\$500	\$3,648	\$3,437		\$17,295	
Shotover Country	\$4,464	\$1,966		\$1,233	\$500	\$3,648	\$3,437		\$15,248	
Arthurs Point	\$1,867	\$6,267		\$1,233	\$500	\$3,648	\$3,437		\$16,952	
Kingston Township # %	\$9,516 #	^	^	\$1,233	\$500	\$3,648	\$3,437		\$18,334	
Kingston - KVL zone *%	\$1,977	\$2,719	\$1,388	\$1,233	\$500	\$3,648	\$3,437		\$14,902	
Ladies Mile	\$4,464	\$2,781	^	\$1,233	\$500	\$3,648	\$3,437		\$16,063	
Southern Corridor	\$4,464	\$6,267		\$1,233	\$500	\$3,648	\$3,437		\$19,549	
Wānaka	\$6,854	\$5,795	\$2,119	\$2,383		\$3,744	\$1,873		\$22,768	
Hāwea	\$5,542	\$16,942	\$403	\$2,383		\$3,744	\$1,873		\$30,887	
Albert Town	\$6,854	\$5,795	\$350	\$2,383		\$3,744	\$1,873		\$20,999	
Luggate	\$6,490	\$5,795	\$295	\$2,383		\$3,744	\$1,873		\$20,580	
Cardrona	\$8,490 #	\$15,850 #		\$2,383		\$3,744	\$1,873		\$32,340	
Cardrona – MCS zone *	\$7,920	\$12,420		\$2,383		\$3,744	\$1,873		\$28,340	
Other Wakatipu				\$1,233	\$500	\$3,648	\$3,437		\$8,818	
Other Wānaka				\$2,383		\$3,744	\$1,873		\$8,000	
* Different contributions payable in Mount Cardona Station zone and Kingston Village Limited (KVL) Zone as per PDA										
% In Kingston a Targeted Rate of \$1,025 will also be charged for all 3-waters. This will be indexed each year at 2.5%p.a.										
# Includes 20% funding from small townships scheme										
^ Development contribution to be confirmed when final planning, design and costing has been completed										

Amendment 11 – Updated contributing area maps

Due to ongoing rezoning through the District Plan review and expansion of urban areas, the contributing maps have been updated. It is noted that where a development is connecting into Council services but is located outside one of these map areas, they are still required to pay a development contribution.

There have also been minor amendments to the Contributing Area Maps with regard to extensions to the 3-waters network that have been approved by Council over the period 2018-2021. These are reflected in the updated maps contained in the supporting document. Some contributing areas within the Wakatipu area have been 'grouped' into the Queenstown water supply and wastewater network. This is to highlight that some contributing areas have been linked and therefore pay the same development contribution as other contributing areas.

Water Supply 'Grouping': Queenstown; Frankton Flats; Lake Hayes; Shotover Country; Quail Rise; Ladies Mile; Southern Corridor

Wastewater 'Grouping': Queenstown; Frankton Flats; Arthurs Point; Quail Rise; Southern Corridor

Please refer to the Contributing Area Maps Supporting Document.

