



# **ATTACHMENTS**

**Ordinary Council meeting  
Separate Attachments 2**

**Monday, 22 April 2024**



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**Attachment 2 – Table of final development contributions charges by catchment**

Table 1. Citywide development contributions				2023/24 Fee excl GST			DRAFT 2024/25 FEE Excl GST		
		Final DC excl GST	Total inclusive		Movement	% Change		Movement	% Change
Residential activity	Large	38,612	44,403	n/a	n/a	n/a	44,820	- 6,208	-13.9%
	3 bedroom	29,701	34,156	30,006	- 305	-1.0%	34,477	- 4,775	-13.9%
	2 bedroom	19,306	22,202	19,504	- 198	-1.0%	22,410	- 3,104	-13.9%
	1 bedroom	14,851	17,078	15,003	- 152	-1.0%	17,238	- 2,388	-13.9%
Retirement Village	Charge per	13,860	15,938				15,125	- 1,266	-8.4%
	\$ per	27,516	31,644				29,838	- 2,322	-7.8%
Business Activities	\$ per 100m2	7,097	8,161	6,259	837	13.4%	7,630	- 533	-7.0%
Low Demand Business	\$ per 100m2	1,862	2,141	1,754	108	6.2%	1,998	- 136	-6.8%
Community Organisation	\$ per 100m2	7,030	8,085	6,083	948	15.6%	7,663	- 633	-8.3%
Table 2 Local development contributions for non-residential development				2023/24 Fee excl GST			DRAFT 2024/25 FEE excl GST		
		Final DC excl GST	Total inclusive		Movement	% Change		Movement	% Change
Papamoa	\$ per hectare	144,631	166,325	131,722	12,909	9.8%	144,311	320	0.2%
Pyes Pa West	\$ per hectare	869,181	999,558	821,514	47,667	5.8%	858,565	10,616	1.2%
Tauranga Infill	\$ per 100 m2	413	475	380	33	8.8%	413	-	0.0%
Te Papa Infill	\$ per 100 m2	7,572	8,708	-	7,572	N/A	6,732	840	12.5%
West Bethlehem	\$ per hectare	591,318	680,015	564,592	26,725	4.7%	596,300	- 4,982	-0.8%

Table 3 Local development contributions		Final DC excl GST	Total inclusive	2023/24 Fee excl GST	\$ Change	% Change	DRAFT 2024/25 FEE excl GST	Movement	% Change
Bethlehem	Per lot	12,889	14,822	12,503	386	3.1%	12,889	-	0.0%
Ohauti	Per lot	11,569	13,305	11,201	369	3.3%	11,569	-	0.0%
Papamoa	Per lot	8,036	9,241	7,444	592	8.0%	8,007	29	0.4%
Pyes Pa	Per lot	7,252	8,340	6,911	341	4.9%	7,252	-	0.0%
Pyes Pa West	Per lot	40,525	46,604	38,121	2,404	6.3%	40,404	121	0.3%
Tauranga Infill	Per lot	3,997	4,597	3,676	321	8.7%	3,997	-	0.0%
Tauriko	Per hectare	363,195	417,674	369,157	- 5,962	-1.6%	360,206	2,989	0.8%
Tauriko - Pond B	Per hectare	436,651	502,149	442,613	- 5,962	-1.3%	433,662	2,989	0.7%
Tauriko - Pond C	Per hectare	411,250	472,937	417,212	- 5,962	-1.4%	408,261	2,989	0.7%
Te Papa Infill (South)	Per lot	8,953	10,296	-	8,953	N/A	8,286	667	8.0%
Te Papa Infill (North)	Per lot	6,058	6,966	-	6,058	N/A	8,286	- 2,228	-26.9%
Wairakei A	Per hectare	585,566	673,401	567,105	18,461	3.3%	595,699	- 10,133	-1.7%
Wairakei B	Per hectare	405,351	466,154	399,944	5,407	1.4%	436,686	- 31,335	-7.2%
Wairakei C	Per hectare	733,578	843,615	657,631	75,947	11.5%	715,479	18,099	2.5%
Welcome Bay	Per lot	9,124	10,493	8,805	319	3.6%	9,170	- 46	-0.5%
West Bethlehem	Per lot	31,011	35,662	30,216	795	2.6%	31,100	- 89	-0.3%
West Bethlehem	Per hectare	418,646	481,443	407,913	10,733	2.6%	419,852	- 1,206	-0.3%



**Development  
Contributions Policy  
2024/25**



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# Development Contributions Policy

2024/25



*Tauranga City*



## 2024/25 Development Contributions Policy

Over the next 10 years Tauranga City Council is projecting to receive approximately \$110 million in revenue from Development Contributions. Development contributions are a fee we charge for new developments to contribute to the costs building the infrastructure that supports them. This revenue is critical in ensuring that Tauranga can provide key infrastructure needed for the growing city.

This policy ensures that Council can continue to charge and use development contributions on an ongoing basis.

The Council's principle of growth pays for growth means that development contributions are one of the preferred sources to fund growth related infrastructure. Each project that forms part of Tauranga City Councils Long-term Plan is reviewed on a case by case basis to determine the fair and reasonable costs that can be funded via development contributions.

This policy document is very detailed in nature so that it meets all of the legal requirements set out in the Local Government Act 2002. It also provides clear, transparent information for developers and those building homes or commercial/industrial buildings who need to understand how the charge is calculated and what their development contribution payments are being used for.

The first two pages of this document provide a more simplistic introduction to development contributions. Other important and useful sections are Section 1 which summarises the fees payable, and Section 2 which details specific rules of when development contribution fees will be required.

The Council reviews and updates this policy on an annual basis to ensure that the growth revenue is maximised, and any changes can be incorporated as needed. Ongoing review work planned to the policy includes:

- Further investigation and development of funding mechanisms in relation to the Te Papa catchment and other infill growth areas
- Review of funding methods and categories used in relation to non-residential development typologies
- Ongoing reviews in relation to the definitions of the term household unit to ensure that these are suitable
- Reviewing the projects in the Transport System Plan to identify if any further costs should be funded using development contributions

Updating the development contributions policy to reflect the outcome of the ongoing water reform process. In its current form, this would mean removing all waters assets from the policy.

Any proposed changes will be included future development contributions policies an consulted on as necessary.

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## Introduction to development and financial contributions

Development and financial contributions are fees payable to Council to fund capital infrastructure required for growth. This infrastructure includes new pipes, roads and parks. These contributions may be required on resource consents (subdivision and land use), building consents and / or service connections in situations where development will have additional impact on infrastructure.

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

The Local Government Act 2002 sets out the provisions for using development contributions and requires Council to adopt a policy on development or financial contributions regardless of whether Council decides to charge development contributions, financial contributions, a mixture of both or neither. Tauranga City Council has adopted development contributions as the primary mechanism to fund growth related infrastructure and only uses financial contributions (instead of development contributions) in a few situations as set out within Section 2.

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

For further information about development contributions or about this policy please read sections 4 and 6 of this policy.

## Types of development contribution charges

Tauranga City Council has two types of Development Contribution charges; local development contributions and citywide development contributions.

Local development contributions fund infrastructure that services the area in which the development is occurring. For the purposes of local development contributions Tauranga City Council has identified catchments known as 'urban growth areas'. The boundaries of the urban growth areas are shown in Section 1. The cost of infrastructure differs within each of these areas, due to factors such as topography, existing infrastructure and timing of expenditure, and therefore the local development contributions can vary significantly between growth areas. Development occurring within each urban growth area will be required to pay contributions applicable to that specific growth area.

Local development contributions would usually be payable on a subdivision consent. They may also be required on land use consent, building consent, authorisation for service connection or certificate of acceptance if they have not already been paid.

Citywide development contributions are fees that contribute towards infrastructure that services the entire city. This is generally large infrastructure assets that tend to be used by everyone in the city regardless of where they live or work. Because all developments benefit from citywide infrastructure these fees are set at the same level across the city.

Citywide development contributions are usually payable at the time the building consent is issued. This reflects that increased capacity for citywide infrastructure is required when residential dwellings and other buildings are built and occupied. Citywide development contributions may also be required on land use consent, authorisation for service connection or certificate of acceptance.

## When development contributions are required

A development contribution may be required if you:

- subdivide
- build, alter, or expand a residential or non-residential building
- change the use of an existing building
- relocate a building to a new site
- connect to Council's water and/or wastewater networks.

The amount that you will be required to pay depends on several factors including the type, size and location of the development.

For example, if you subdivide a property you may be required to pay a local development contribution. The local development contribution depends on which urban growth area the property that you are subdividing is located, the City Plan zoning, the number of lots you are creating and in some cases the size of the lots. The boundaries of the urban growth areas and the local development contribution that applies in each area are shown in Section 1.

Local development contributions are calculated either, on a per lot basis or a site area basis, depending on the underlying zoning and the location in which the development is occurring.

If you are building a new residential dwelling, then you may be required to pay a citywide development contribution. Factors that may influence the citywide development contribution include the number of dwellings, the number of bedrooms and the services required (for example if you are not connecting to Council's wastewater network then you would not be required to pay the contribution towards the wastewater network infrastructure).

Citywide development contributions are charged on a per dwelling basis for residential development and per square metre of gross floor area (GFA) for non-residential development.

In some circumstances, you may be required to pay both a citywide and a local development contribution. For example, if you are building a second (or additional) dwelling on an allotment before or without subdividing. Both types of contributions are also required if you are completing a non-residential development within Tauranga Infill.

# Section 1

## — Definitions, fees & maps



## Section 1. Definitions, fees and maps

Where a word or words is given a defined meaning below, any other grammatical form in respect of such word or words has a corresponding meaning.

**Active Reserves** means large reserves that provide for a wide range of activities, including formal sports, events and casual use, and provide wide open green space within the urban environment.

**Activity** means a good or service provided by the Council (as defined by section 5 of the Local Government Act 2002) and for which development contributions may be collected.

**Aged care facility** means a building or part of a building located in a Retirement village that provides long-term accommodation for aged people and 24-hour on site medical support to residents. For the purposes of this policy a household unit equivalent shall be used as the basis for calculating the citywide development contributions for aged care units. The citywide contribution payable per household unit equivalents for aged care units is specified in Table 1 of Section 1.

**Allotment** means an allotment as defined by Section 218 of the Resource Management Act 1991

**Bedroom** means an area of a household unit that is not:

- a. the kitchen, bathroom(s), laundry and toilet(s),
- b. the dining room or living room (but not both) whether open plan with the kitchen or not,
- c. entrance halls and passageways,
- d. garage, and
- e. any other room smaller than 5m<sup>2</sup> (including any internal wardrobes).

**Business Activity** means the use of land and buildings for business purposes in accordance with the provisions of the Tauranga City Plan or resource consent. It also includes the use of land and buildings for visitor accommodation purposes, or for purposes that are not principally for commercial gain but provide employment (this includes but is not limited to schools and other educational facilities, public hospitals, police and fire stations and not-for-profit or voluntary organisations).

**Citywide Infrastructure** means the bulk services (network infrastructure), reserve land or community infrastructure provided for the development of the whole city, either as additional assets or by increasing the capacity of existing assets required as a result of demand from growth-related development, and which is not specifically provided by a development as part of local infrastructure. Citywide infrastructure may include infrastructure projects that individually do not provide for growth across the whole city but as a network they do provide for growth across the whole city in circumstances where Council has adopted this approach.

**Commercial Zones** means commercial zones as defined in Chapter 3 of the Tauranga City Plan.

**Community Infrastructure** has the same meaning as that used in the Local Government Act 2002. Community infrastructure also means any work or project to which Clause 5B of Schedule 1AA of the Local Government Act 2002 applies.

**Community Organisation** means the use of land or buildings for activities where people congregate on an organised basis for community activities such as recreation, worship or culture. This is limited to religious facilities, not-for-profit sports and social clubs, Marae, museums, art galleries, libraries, community centers and community halls.



**Council Outcomes** are defined in the Long-Term Plan (also referred to as “Community Outcomes”) and are required in accordance with the Local Government Act 2002.

**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.

**Development Contribution** means a contribution –

- a. provided for in a development contribution policy adopted under section 102(1) of the LGA 2002;
- b. calculated in accordance with the methodology set out in schedule 13 of the LGA 2002, and comprising:
  - i. money, or
  - ii. 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
  - iii. both.

**Financial Contribution** has the same meaning as in Section 108(9) of the Resource Management Act 1991.

**Gross Floor Area (GFA)** means the sum of the floor area or floors of a building or buildings measured from the external walls, or from the centreline of walls separating two buildings, including mezzanine floors and internal balconies but excluding car parking.

**Household Unit** means a building or part of a building intended to be used as an independent residence, including, but not limited to, apartments, semi-detached or detached houses, units, town houses, caravans and other mobile forms of accommodation (where used as a place of residence or occupied for a period exceeding six months in a calendar year).

For calculating development contributions, a dwelling with two separate self-contained areas consented for family use only will be treated as one household unit.

This definition excludes units within a retirement village which will be charged under the basis of a retirement unit.

In addition, a secondary independent dwelling unit as defined in the Tauranga City Plan shall not be treated as a household unit for the purpose of calculating local development contributions, but it shall be treated as a household unit for the purpose of calculating citywide development contributions.

To avoid doubt, visitor accommodation units that are separately unit titled shall be considered as household units.

For the purposes of this definition the following activities shall not be assessed as a household unit:

- Caravans and other mobile forms of accommodation located and serviced within an approved camping ground (that is: one that has received a resource consent or has existing use rights under Section 10 of the Resource Management Act 1991).
- Premises or parts thereof complying with the visitor accommodation provisions of the plan, up to and including 30 September 2000, or with resource consent to operate as visitor accommodation in which each unit is not separately unit titled.

**Household Unit Equivalent (HUE)** means a 'unit of demand' that equates to the typical demand for infrastructure by an average household unit. For the purposes of calculating the number of household unit equivalents under this policy for a residential activity that is not a household unit, the household unit equivalent shall be the number of occupants the building is designed or licensed to accommodate, divided by 2.5 persons.

**Industrial Zones** means industrial zones as defined in Chapter 3 of the Tauranga City Plan.

**Large-residential dwelling** means a household unit with more than three bedrooms in total.

**Local Infrastructure** means those bulk services (network infrastructure), reserve land or community infrastructure provided for Tauranga City's Urban Growth Areas, either as additional assets or by increasing the capacity of existing assets required because of demand from growth-related development. A local infrastructure project may provide for the development of multiple urban growth areas although not for development across the whole city.

**Low Demand Business Activity** means the use of land and buildings for the purposes of storage, warehousing, distribution or the operation of utility networks in circumstances where Council is satisfied that the proposed activity will have a relatively minor impact on its water and wastewater network on a per m<sup>2</sup> gross floor area basis relative to the impact of an average business activity as measured on the same basis.

**Multi-unit residential development** means one or more household units on a site over and above any existing household unit and includes two or more comprehensively planned and designed residential dwelling units, a residential activity that is not a household unit or visitor accommodation units.

**Neighbourhood Reserve** means land that primarily provides for use by local communities for casual recreation, play, relaxation, community activity, and links to other areas or quiet open space. Neighbourhood reserves also provide visual contrast in the urban environment.

**Network Infrastructure** means the provision of roads and other transport, water, wastewater and stormwater collection and management, and includes land required for these purposes.

**Ngati Kahu Kaumatua Household Unit** means a household unit of not more than 50m<sup>2</sup> gross floor area erected within the Ngati Kahu Papakainga Zone at West Bethlehem. The household unit must contain no more than three habitable rooms.

**Non-Residential Activity** means any activity that is not defined as a household unit, retirement village unit, aged care unit or residential activity in the Policy. It includes but is not limited to, a business activity, a low demand business activity or a community organisation.

**One Bedroom Dwelling** means a household unit that has not more than one bedroom. This includes studio apartments.

**Planning Period** means the period over which Council expects growth-related infrastructure to be built. This may vary for the different Council-provided activities. Council expects most of the development expected in an area to take place before the end of the relevant planning period.

**Reserves** mean the provision of land for recreation, conservation, amenity and utilities such as stormwater catchment areas. These areas contribute to the open space network which provides community focal points, pedestrian and open space connections, high levels of amenity and feelings of openness, and a range of recreational opportunities.

**Residential Activity** means a building or part of a building that is intended to be lived in that does not meet the definition of a household unit, retirement village unit, aged care unit or visitor accommodation. This includes but is not limited to residential health care facilities where 24-hour on-site medical support to residents is provided, shared accommodation. For the purposes of this policy a household unit equivalent shall be used as the basis for calculating the contribution from a Residential Activity.

**Residential Zones** means residential zones as defined in Chapter 3 of the Tauranga City Plan.

**Retirement Unit** any building or part of a building located within a retirement village that is not within an aged care facility.

**Retirement Village** a managed comprehensive residential development used to provide accommodation for aged people that is registered under section 10 of the Retirement Villages Act 2003.

**Service Connection** has the same meaning as in section 197 of the Local Government Act 2002.

**Two Bedroom Dwelling** means a household unit that has not more than two bedrooms in total.

**Three Bedroom Dwelling** means a household unit with not more than three bedrooms in total.

**Unit of Demand** means the number of household units, household unit equivalents, gross floor area, additional allotment of subdivision, or site area.

**Urban Growth Area** means a part of Tauranga City where residential and/or business growth is expected and in which growth-related local infrastructure projects have been identified. The boundaries of the urban growth areas are shown in Section 1. To avoid doubt, the urban growth areas include the Tauranga Infill area.

**Visitor Accommodation** means land or buildings which are offered for temporary accommodation of persons and includes bed and breakfast establishments, backpackers' accommodation, home stay facilities, motels, hotels, tourist lodges, holiday flats, tourist cabins, motor inns and ancillary workrooms, reception areas and accessory buildings or ancillary activities on the site. This definition does not include activities defined in this policy as household unit or residential activity nor does it include any developments in which each unit is separately unit titled. Each separately unit titled unit will be assessed as a household unit. Visitor accommodation developments are treated as business activities for the purpose of this Policy.

## 1.1 Fees

The fees in this section are applicable from 1 July 2024 and are applied in accordance with circumstances set out in Section 2. All fees shown are exclusive of GST unless otherwise stated.

**Table 1: Citywide development contributions**

Activity	Basis of charge	Water	Wastewater	Stormwater	Transport	Reserves	Community Infrastructure	Total Excl. GST	Total Incl. GST
		\$	\$	\$	\$	\$	\$	\$	\$
Residential activity	Large dwelling	22,373	12,960	0	231	679	2,368	38,612	44,403
Residential activity	3 bedroom dwelling	17,210	9,969	0	178	522	1,822	29,701	34,156
Residential activity	2 bedroom dwelling	11,186	6,480	0	116	340	1,184	19,306	22,202
Residential activity	1 bedroom dwelling	8,605	4,985	0	89	261	911	14,851	17,078
Retirement Village	Charge per unit	8,605	4,985	0	36	52	182	13,860	15,938
Retirement Village	\$ per household unit equivalent	17,210	9,969	0	45	65	228	27,516	31,644
Business Activities	\$ per 100m2 Gross Floor Area	3,938	2,947	0	212	0	0	7,097	8,161
Low Demand Business	\$ per 100m2 Gross Floor Area	984	665	0	212	0	0	1,862	2,141
Community Organisation	\$ per 100m2 Gross Floor Area	4,430	2,566	0	34	0	0	7,030	8,085

**Table 2: Local development contributions for non-residential development in commercial/ industrial zone**

Urban growth area and basis of charge	Per	Water	Wastewater	Stormwater	Transport	Reserves	Community Infrastructure	Total Excl. GST	Total Incl. GST
		\$	\$	\$	\$	\$	\$	\$	\$
Papamoa	\$ per hectare	4,771	11,614	94,031	34,216	0	0	144,631	166,325
Pyes Pa West	\$ per hectare	23,381	136,093	389,340	320,367	0	0	869,181	999,558
Tauranga Infill	\$ per 100 m2 of gross floor area	0	413.42	-	-	0	0	413	475
Te Papa Infill	\$ per 100 m2 of gross floor area	0	-	-	7,572	0	0	7,572	8,708
West Bethlehem	\$ per hectare	12,063	207,728	140,520	231,007	0	0	591,318	680,015

















































































































































































































































































































































































































































































