Decision Report
Plan Change 18 - Katikati Marshall Road Industrial Structure Plan

Important Note

The Proposed District Plan May 2011 Annotated Version was the current version of the District Plan when Plan Changes 1-27 were notified in November 2011 and this version was therefore used as the base document for preparing the Plan Changes and the Section 32 and Planning Reports.

Since then the District Plan has been made operative (16 June 2012). The Operative District Plan 2012 is now the current version of the District Plan and therefore Plan Changes 1-27 are proposed to change this version only.

For the purpose of understanding how decisions on this Plan Change relate to the Section 32 and Planning Report and to both versions of the District Plan discussed above, this Decision Report is divided into three parts.

Part A contains the decisions made on the topics in the Planning Report and uses the Proposed District Plan May 2011 Annotated Version as the base document.

Part B shows how the full notified Plan Change and subsequent decisions on topics would change the Proposed District Plan May 2011 Annotated Version Base Document.

Part C shows how the full notified Plan Change and subsequent decisions on topics are proposed to change the Operative District Plan 2012.

Advice to Submitters:

Submitters will be familiar with the rule and map numbers from the Proposed District Plan May 2011 Annotated Version and so should refer to Parts A and B of this report to understand the decisions on their submission points.

However any submitter wishing to make an appeal will need to refer to the rule and map numbers of the Operative District Plan 2012 in Part C and reference these in their appeal.

Part A: Decisions on Topics in the Planning Report

Any changes to rules are shown as follows; existing District Plan text in black, proposed changes as included in the Section 32 Report in red, and any changes resulting from decisions on the topics in the Planning Reports in blue.

Topic 1: Whole of Plan Change

Decision
That the Plan Change proceeds and is retained as notified except for the proposed changes to the Financial Contributions Schedule shown below.
That the Proposed Agreement outline be used to guide the process that would be followed to develop agreements relating to the development of infrastructure.

**Katikati Industrial Zone Structure Plan Financial Contributions Schedule - May 2012**

Revisions made to costs R-RD3, and R-RD4

Estimated Consultant Design costs removed

<table>
<thead>
<tr>
<th>Total net developable area</th>
<th>26.52 ha</th>
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</thead>
<tbody>
<tr>
<td>West of old railway line</td>
<td>10.686 ha</td>
</tr>
<tr>
<td>East of old railway line</td>
<td>15.832 ha</td>
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</tbody>
</table>

**Roading: Connectivity**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Unit</th>
<th>Pavement Width</th>
<th>Length</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-RD 3</td>
<td>25m centre Roundabout to connect RRD 2, RRD 4, RRD 5</td>
<td>m</td>
<td>12</td>
<td>100</td>
<td>$670,000</td>
</tr>
<tr>
<td>R-RD 4</td>
<td>Carriage way Dual 8m, in 16m pavement to 2009 Dev Code standard</td>
<td>m</td>
<td>16</td>
<td>130</td>
<td>$790,000</td>
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</table>

Total Cost of Connectivity Roading $1,460,000.00

| Total Area | ha | 26.52 | 26.52 ha |

**Connectivity Roading per square metre rate** $5.47 per m²

**Roading East of old Railway formation**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Unit</th>
<th>Pavement Width</th>
<th>Length</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-RD 2</td>
<td>Carriage way 12m, alternative to 2009 Dev Code standard</td>
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<td>130</td>
<td>$756,000.00</td>
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<tr>
<td>R-RD 6</td>
<td>Roundabout at 12m centre</td>
<td>m</td>
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<td>100</td>
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Total Cost of Eastside Roading $4,106,000.00

| Total Area | ha | 15.832 | 15.832 ha |

**Eastside Roading per square metre rate** $26.93 per m²

**Utilities**

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<th>Sewer</th>
<th>Nominal material</th>
<th>Unit</th>
<th>Quantity</th>
<th>Rate</th>
<th>Cost</th>
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<tr>
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<td>200 dia</td>
<td>UPVC</td>
<td>m</td>
<td>600</td>
<td>$437.00</td>
<td>$262,200.00</td>
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<tr>
<td>NSS2</td>
<td>200 dia</td>
<td>UPVC</td>
<td>m</td>
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<td>$437.00</td>
<td>$122,360.00</td>
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<td>$95,000.00</td>
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**Water Supply**

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<th>Unit</th>
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<tr>
<td>NWS 2</td>
<td>150 dia</td>
<td>m</td>
<td>600</td>
<td>$332.50</td>
</tr>
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<td>NWS 3</td>
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<td>m</td>
<td>450</td>
<td>$332.50</td>
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<tr>
<td>NWS 4</td>
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<td>$332.50</td>
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<tr>
<td>NWS 5</td>
<td>150 dia</td>
<td>m</td>
<td>1420</td>
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<tr>
<td>Connections</td>
<td>LS</td>
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<td>$95,000.00</td>
<td>$95,000.00</td>
</tr>
<tr>
<td>Internal Rider main</td>
<td>m</td>
<td>1050</td>
<td>$85.00</td>
<td>$89,775.00</td>
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</tbody>
</table>

Subtotal $1,295,325.00 $1,295,325.00

*Note: The costs of the interim access roads provided for under Rule 12.4.17.5 are included in (i.e. are not additional to) the total costs of the full structure plans road that they will later be upgraded to.*

*Utilities Sanitary Sewer Item Nominal material Unit Quantity Rate Cost NSS1 200 dia UPVC m 600 $437.00 $262,200.00 NSS2 200 dia UPVC m 280 $437.00 $122,360.00 Pump stations No 2 $95,000.00 $190,000.00 Connections LS 1 $95,000.00 $95,000.00 Subtotal $669,560.00 $669,560.00 Water Supply Item Nominal material Unit Quantity Rate Cost NWS 1 150 dia m 600 $332.50 $199,500.00 NWS 2 150 dia m 600 $332.50 $199,500.00 NWS 3 150 dia m 450 $332.50 $140,625.00 NWS 4 150 dia m 270 $332.50 $89,775.00 NWS 5 150 dia m 1420 $332.50 $472,150.00 Connections LS 1 $95,000.00 $95,000.00 Internal Rider main m 1050 $85.00 $89,775.00 Subtotal $1,295,325.00 $1,295,325.00*
The following submissions are therefore:

<table>
<thead>
<tr>
<th>Submission</th>
<th>Point Number</th>
<th>Name</th>
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<tbody>
<tr>
<td>15</td>
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<tr>
<td>28</td>
<td>3,4</td>
<td>Coltec Family Trust</td>
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<tr>
<td>42</td>
<td>3</td>
<td>Hayes Holdings Limited</td>
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</table>
Accepted in Part

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<th>Name</th>
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<tr>
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<td>1, 2, 5, 6, 7, 9, 10</td>
<td>Tawhiti, Shannon</td>
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<tr>
<td>28</td>
<td>1, 2, 5, 6, 7, 9, 10</td>
<td>Coltec Family Trust</td>
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<tr>
<td>42</td>
<td>1, 2, 5, 6, 7, 9, 10</td>
<td>Hayes Holdings Limited</td>
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Rejected

<table>
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<td>6</td>
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<td>Noble, Alan</td>
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</table>

Reason for Decision

The reason for the decision to proceed with Plan Change 18 is because much of the opposition to the ‘Whole of Plan Change’ has now been resolved by meeting with landowners to discuss their specific submission points and by completing the ‘proposed agreement outline’. This ‘proposed agreement outline’ details the process that would be followed in reaching an individual agreement with the landowner before the development of infrastructure. Any agreement will clearly show what infrastructure is being provided and when.

Those submission points ‘accepted’ were in direct support of the proposed roading and infrastructure layout. Those submission points ‘accepted in part’ were in opposition, however lead to the discussions which in turn lead to the ‘proposed agreement outline’ which resolved that opposition. The submission point that has been ‘rejected’ relates to one submitters opposition to the whole of the Plan Change which has not been resolved.

Topic 2: Development Restrictions

Decision

That the Development Restrictions in Rule 12.4.17.2 be retained as notified.

The following submissions are therefore:

Accepted in Part

<table>
<thead>
<tr>
<th>Submission</th>
<th>Point Number</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>8</td>
<td>Tawhiti, Shannon</td>
</tr>
<tr>
<td>28</td>
<td>8</td>
<td>Coltec Family Trust</td>
</tr>
<tr>
<td>37</td>
<td>22</td>
<td>New Zealand Transport Agency</td>
</tr>
<tr>
<td>42</td>
<td>6</td>
<td>Hayes Holdings limited</td>
</tr>
</tbody>
</table>

Reason for Decision

The decision for the development restrictions to be retained as notified is because traffic modelling has shown that the Carisbrooke extension to Middlebrook Drive allows for 20ha of development without the need for other network improvements, and that the proposed Plan Change is likely to have a no more than minor effect on the State Highway network.

All submission points were in opposition however have been ‘accepted in part’ due to the traffic modelling not being available at the time of making submissions. The traffic modelling has now confirmed that the proposed changes to the development restrictions are appropriate.
Part B: Changes to the Proposed District Plan May 2011
Annotated Version Base Document

Any changes to rules are shown as follows; existing District Plan text in black and changes (being the culmination of the notified Plan Change and subsequent decisions) are shown in red.

That the Katikati Marshall Road Industrial Structure Plan (roading and infrastructure layout) be amended on District Plan Maps U23, U24 and U26 as follows.

That the Katikati Industrial Zone Structure Plan Financial Contributions Schedule May 2012 be added to Appendix 7 as shown as follows.

That Rule 12.4.17 (Katikati South of Marshall Road Industrial Structure Plan) of Section 12 - Subdivision and Development be amended as shown as follows.

That the Proposed Agreement outline be used to guide the process that would be followed to develop agreements relating to the development of infrastructure.
Katikati Industrial Zone Structure Plan Financial Contributions Schedule - May 2012

Revisions made to costs R-RD3, and R-RD4

Estimated Consultant Design costs removed

Total net developable area 26.52 ha
West of old railway line 10.688 ha
East of old railway line 15.832 ha

Roading: Connectivity

<table>
<thead>
<tr>
<th>Item</th>
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<td>$780,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,450,000</td>
</tr>
</tbody>
</table>

Total Cost of Connectivity Roading $1,450,000.00

Total Area ha 26.52 26.52 ha

Connectivity Roading per square metre rate $5.47 per m2

Roading East of old Railway formation

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<td>560</td>
<td>$2,352,000.00</td>
</tr>
<tr>
<td>R-RD 3 - 1</td>
<td>12m carriageway constructed prior to full roundabout</td>
<td>m</td>
<td>12</td>
<td>140</td>
<td>$548,000.00</td>
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<tr>
<td>R-RD 5</td>
<td>Carriage way 12m, alternative to 2009 Dev Code standard</td>
<td>m</td>
<td>12</td>
<td>180</td>
<td>$756,000.00</td>
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<tr>
<td>R-RD 6</td>
<td>Roundabout at 12m centre</td>
<td>m</td>
<td>8</td>
<td>100</td>
<td>$450,000.00</td>
</tr>
</tbody>
</table>

Total Cost of Eastside Roading $4,106,000.00

Total Area ha 15.832 15.832 ha

Eastside Roading per square metre rate $25.93 per m2

Note: The costs of the interim access roads provided for under Rule 12.4.17.5 are included in (i.e. are not additional to) the total costs of the full structure plans road that they will later be upgraded to.

Utilities

Sanitary Sewer

<table>
<thead>
<tr>
<th>Item</th>
<th>Nominal material</th>
<th>Unit</th>
<th>Quantity</th>
<th>Rate</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSS1</td>
<td>200 dia UPVC</td>
<td>m</td>
<td>600</td>
<td>$437.00</td>
<td>$262,200.00</td>
</tr>
<tr>
<td>NSS2</td>
<td>200 dia UPVC</td>
<td>m</td>
<td>280</td>
<td>$437.00</td>
<td>$122,360.00</td>
</tr>
<tr>
<td>Pump stations</td>
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<td>$190,000.00</td>
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Sub total $669,560.00 $669,560.00

Water Supply

<table>
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<tr>
<th>Item</th>
<th>Nominal material</th>
<th>Unit</th>
<th>Quantity</th>
<th>Rate</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>NWS 1</td>
<td>150 dia</td>
<td>m</td>
<td>600</td>
<td>$332.50</td>
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<tr>
<td>NWS 4</td>
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<td>$332.50</td>
<td>$89,775.00</td>
</tr>
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Sub total $1,295,325.00 $1,295,325.00
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<tr>
<th>Item</th>
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<th>Unit</th>
<th>Quantity</th>
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**Summary**

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<thead>
<tr>
<th>West side of old Rail embankment</th>
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<tbody>
<tr>
<td>Roading Connectivity</td>
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<tr>
<td>Utilities</td>
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<td>Westside Total</td>
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<table>
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<th>East side of old Rail embankment</th>
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<tr>
<td>Roading Connectivity</td>
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<tr>
<td>East side Roading</td>
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<tr>
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<td>$21.09</td>
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<tr>
<td>East side Total</td>
<td>$52.49</td>
</tr>
</tbody>
</table>

**Important Note:** The per square metre Financial Contribution in the revised Financial Contributions Schedule – May 2012 relates only to the costs of the infrastructure required within the structure plan area and is exclusive of catchment wide Financial Contributions that would generally be payable by a development per household equivalent e.g. district roading and water (western supply zone). The catchment wide Financial Contributions will not be payable by any development within the structure plan area until Council reviews the catchment related impacts through the annual plan process for effect in the 2013/2014 financial year.
12.4.17 Katikati (South of Marshall Road) Industrial Structure Plan

12.4.17.1 Stormwater

(a) All new subdivisions shall be designed for attenuation of the two year and 100 year floods to pre-development levels.

(b) In the case of the Katikati Structure Plan area consent for stormwater management shall be gained from The Regional Council.

(c) It is anticipated that developers contemplating subdivision or landuse will hold pre-application discussions with Council to clearly determine the overall extent of the stormwater management areas using aerial photographs and matching the Planning Maps to contour plans.

12.4.17.2 Development Restrictions – Intersection Upgrades

(a) No more than a maximum of 12.64ha of the Industrial Zone area shown as yellow on the Structure Plan may be developed before both of the following have occurred:

(i) Either:

Traffic signals have been installed at the Marshall Road/State Highway 2 intersection; or

An alternative upgrade of the Marshall Road/State Highway 2 intersection or an alternative intersection which is consistent with the New Zealand Transport Agency’s network strategy, and provides a similar level of service as signalisation of the intersection, has been completed; and or:

The Carisbrooke Street extension to Middlebrook Drive has been completed; and

(ii) Measures have been put in place along Tetley Road and at the Tetley Road/Rereatukahia Road intersection to reduce the attractiveness of Tetley Road for use by heavy vehicles, as described in Explanatory Note (b) to this Rule.

(b) No more than a maximum of 20ha of the Industrial Zone area shown as yellow on the Structure Plan may be developed before a link road is in place from State Highway 2 through the Industrial Zone to Tetley Road.

Explanatory Notes:

(a) SH2 Intersection Design

The New Zealand Transport Agency (NZTA) is the road controlling authority for State Highway 2. The intersection of the proposed link road with State Highway 2 and any upgrade of the Marshall Road/State Highway 2 or alternative intersection will need to be satisfactory to the NZTA and consistent with the NZTA’s network strategy.
(b) Tetley Road/SH2 Intersection

The Council will adopt the following approach to the management of the Tetley Road/State Highway 2 intersection, being:

Construction of a turning head at the southern end of Tetley Road where it joins Rereatukahia Road and physical works on the section of Tetley Road between Rereatukahia Road and State Highway 2 which would result in a safe operating speed of no more than 50km/h and reduce the attractiveness of that road for use by heavy vehicles (such works to be designed in consultation with Te Rereatukahia Marae Tribal Committee and the wider community). There will be ongoing monitoring of the safety and performance of the Tetley Road/State Highway 2 intersection, including obtaining the impressions of local residents and analysing crash statistics. Such works to be carried out in accordance with Appendix A of the consent memorandum.

12.17.4.3 Limited Access

(a) Access to Tetley Road is limited to vehicle crossings (including the upgrading or relocation of existing vehicle crossings) at minimum 50m spacings. Except that existing entrances already at spacings less than 50m will be permitted.

(b) Existing or proposed access shall meet the minimum sight distance and formation requirements contained in the District Plan and Council’s Development Code, except that where the access is to serve more than 3 lots or activities, the sight distance requirement will default to the next highest in table A (standard drawing W415 of Council’s Development Code).

(c) Privateways:

(i) The rules as set out in (ii) to (v) below only apply to privateways that are not accessed via Tetley or Marshall Roads and shall not apply to “interim access roads” as per rule 12.4.17.5 below.

(ii) New privateways (including the increased use of existing privateways) located along Tetley Rd are not permitted.

(iii) Proposed privateways having access to future Structure Plan roads may have up to 8 lots plus the two additional lot allowance as per Rule 12.4.4.4 (e) (i) of the District Plan, except that, apart from the first activity on each lot, proposed subsequent activities within each lot will be deemed as having the same effect as an additional lot.

(iv) Proposed privateways shall be formed in accordance with section DS4 - 4.14.2 of Council’s Development Code and other relevant sections of that Code, except that the minimum reserve width shall be 8.0m.

(v) Quality assurance documentation shall be forwarded to Council’s officers for approval as part of any section 224 application or in the case of land-use consents, prior to commencement of the activity.
12.4.17.4 Structure Plan Road Requirements

(a) Structure plan roads are to be designed, constructed, supervised and certified in accordance with Council's development code at the time that Council require, except that, pavement widths are to comply with those shown on the Katikati Industrial Zone Financial Contributions Schedule – May 2012.

(b) All Structure Plan roads shall have vertical and horizontal alignments that are capable of being later integrated into other future Structure Plan roads identified on any lots beyond those subject to the development.

12.4.17.5 Interim Access Road Requirements

For the purpose of the rules in (a) to (g) below, interim access roads shall mean pavements or carriageways which are set up as privateways, constructed within the identified Structure Plan road reserve (or alternative alignment as otherwise agreed with Council) for the purpose of allowing full, interim access into developments within the Industrial Zone before the construction of that Structure Plan road is required by Council.

(a) Structure Plan roads may be constructed as interim access roads subject to Council's prior approval.

(b) Interim access roads shall:

(i) Be temporarily set up as privateways.

(ii) Be designed, constructed, supervised and certified in accordance with Council's development code, and in accordance with DS4 Table 1 – Service Lanes, except that the reserve width shall be as per (viii) below, at the time that Council require.

(iii) Be built on sub-grade of a strength and quality that is capable of supporting future Structure Plan roads including all expected traffic loadings for a 25 year design life.

(iv) Have pavement depths which are in accordance with 12.4.17.3 (iv) above but of a material quality and construction that is compatible with and capable of being later integrated into the full Structure Plan road design without major changes.

(v) Be to the dimensions as in 12.4.17.3 (c)(iv) and have a minimum one coat chip seal and may have berm water table drains for the collection and disposal of stormwater in lieu of kerbing.

(vi) Have vertical and horizontal alignments that are capable of being later integrated into the full Structure Plan road design and construction and capable of being later integrated into other future Structure Plan roads identified on any lots beyond those subject to the development.

(vii) Include a reserve width that matches the Structure Plan road reserve width (minimum 20m) but including for intersections, roundabouts and splays.
(viii) Have no limit to the number of lots or activities that can be served by it.

(ix) Be subject to maintenance provisions imposed by way of consent notice on the properties having access to them.

(c) The extension of services within interim access roads shall meet the following:

(i) Stormwater, wastewater, water, power and telecommunications shall be extended into the interim access roads in conjunction with the construction of these.

(ii) These services shall be located vertically and horizontally such that the later upgrading of the interim access roads to Structure Plan roads renders the services in complying positions, except that Council may accept temporary non-compliance in some circumstances (e.g. stormwater to suit the temporary nature of water-tables).

(iii) These services shall be sized to serve the overall Structure Plan catchments when fully developed.

(iv) Stormwater, wastewater and water services shall be protected by easements in favour of Council.

(d) The maximum length of a interim access road shall not exceed the boundary of the property that it services.

(e) At time of either subdivision or development, consent notices shall be imposed on relevant titles requiring the privateway reserve area upon which the interim access road is constructed to be vested in Council at such time that Council requires.

### 12.4.17.6 Reimbursement for Provision of Infrastructure

(a) Council shall reimburse developers for the full costs of providing completed infrastructure that is identified in the Katikati Industrial Zone Financial Contributions Schedule - May 2012. For the purpose of this rule “completed” shall mean infrastructure that is constructed, approved by Council, and vested in Council.

(b) For interim access roads, Council shall reimburse developers for the land within the vested road reserve and the costs of construction for the pavement and underlying sub-grade of the interim access road and utility services that form part of the permanent infrastructure that they have not already been reimbursed for.

(c) Temporary infrastructure that is constructed by the developer to facilitate development will not be considered for reimbursement e.g. temporary power, utility services or vehicle crossings.

(d) The level of reimbursement given for all relevant infrastructure identified in the Katikati Industrial Zone Financial Contributions Schedule - May 2012 shall be based on an agreed engineers estimate presented at the time of design.
(e) Reimbursement shall be paid in accordance with Council’s Annual Plan, and shall not occur until Council has collected sufficient funding from financial contributions from within the Industrial Zone, except that, reimbursement can occur earlier if negotiated as a progress payment with Council.

(f) Council reserves the right to complete any of the works itself to facilitate development.
Plan Change 18 Katikati Marshall Road Industrial Structure Plan

Proposed Agreement Outline

Executive Summary

This document was prepared in response to submitter concerns with issues related to Plan Change 18 Katikati Marshall Road Industrial Structure Plan.

Prior to any works taking place to develop infrastructure within the Structure Plan area, an individual agreement will be drawn up between each landowner and Council.

This report outlines the process that would be followed to develop the agreements.

Any agreement will clearly spell out what is being provided and when. The process toward reaching an agreement is described within this document.

Background

Submitters were concerned with some issues relating to the proposed District Plan Change for the Katikati Industrial Zone. Specifically concerns include:

1. Design issues
   o The road alignment:
     ▪ What is the consequence of changing alignments?
     ▪ Fixing the mid point. The mid point of the road alignment needs to be fixed and levels agreed to ensure design will fit without unwanted engineering problems.
   o Standards: what are to be used?
   o Design approval process: How does that work?

2. Costs identification
   o Public good aspect: Is there a public good aspect?
     ▪ How does this get funded?
     ▪ Will this be staged? For example, will it be completed in say three parts?
       • Full design from Marshall Road to first left hand bend, Indicative design over the rest of the industrial land?
       • Will it include full design for first 100m at Tetley Road end?
   o Will the designs include for all services? There is a need to check practicality, and review alternative waste water designs possibly using a pressure system.
   o How will changes over time be reviewed? i.e. explain how costs will change over time.
   o How will holding costs be minimised?
3. Building process: what is the process?
4. Utility sizing: are these correct? Review for appropriate sizing. Check the storm water pond sizing and how these costs have been assessed.
5. Interim standard: Will this be allowed and be suitable quality? There is a need to allow for temporary roads to be to a rural road standard. Confirm it allows for a chip sealed track.
6. Development plan approval
   o What is the agreed staging?
   ▪ Utilities: where will these start and finish? Can alternative design using pressure system be allowed to work?
   ▪ Roads: Do these need to identify practical start and finish points if necessary?
   ▪ Connections: Are all connections included?
7. Reimbursement of costs
   o Cash offsets. Will these be allowed? Clarify the process of offsetting costs.
8. Certification: Who certifies the final product and how does this happen?
9. Vesting stage: When does this happen?

Council staff reviewed these concerns and then considered other potential deficiencies. These included:

- Buy in costs to the existing infrastructure (water supply headworks, waste water treatment station upgrades). These costs are not clearly identified.
- Clarification on the use of household equivalence (HHE)
  o Average size industrial lot = 1800m2
  o One HHE chargeable per average size lot, or activity per smaller lot.
- Review for utility cost double ups where pipe systems are charged for both within the Industrial Zone Structure Plan area and Residential Zone Structure Plan area.

**General**

This report sets out to address the issues outlined above and confirm the standards required to ensure the development of the Katikati Industrial Zone.

It is our view that most issues will be addressed through the package of plans approach as detailed in the 2009 Development Code and paraphrased in this report. This approach entails:

- A Developer’s concept will be discussed at an initial meeting with all relevant staff. This is considered to be the first stage of the package of plans. This review will then enable more detailed plans to be further developed in stages in confidence.
Each refinement of the plans should be considered as a stage in the package of plans process. Council staff will be available to be involved at each stage to ensure that a consistent approach is maintained, that District Plan and Development Code rules are addressed and that the Developer is not left holding costs due to inappropriate staff advice.

Package of Plans

The package of plans approach generally consists of:
- A rough scheme plan to talk about at an initial meeting between Developer, Consultant (if one already selected) and Council staff. This first meeting is free of charge, while subsequent meetings may result in a charge for staff time.
- Several iterations of a scheme plan. (Note, the number of iterations depends upon many factors such as the complexity of the development, etc.).
- A detailed scheme plan for submission with a resource consent and approval by planners and engineers. These will show staging, lot development, and include all concepts and agreements concluded during previous discussions.
- A detailed engineering plan for approval by Council engineers.
- As built plans (certified by the Developer’s consultant) as part of the vesting and compensation process.

Infrastructure Design Proposal

It is proposed that Council fund the design of the structure plan road network as part of the contribution toward the public good (funded from rates). Note work on this proposal is not complete and will be subject to further discussion within Council. Currently Consultant costs are included in the financial contribution square metre rate and an estimate of costs would be removed from the rate.

Infrastructure would be designed generally in accordance with the 2009 Development Code. It is proposed to complete this work in a series of steps, from preliminary design to final design, to ensure that land owners are kept informed along the process.

Council’s design proposal would:
1. Complete a centre line design for the road, from Marshall Road to Tetley Road. This centre line design would form the preliminary design and would be finalised with the land owners. It would optimise the horizontal and vertical alignment to minimise cuts and fills, while planning the use of land lots which could become isolated.
2. As a first stage, commission the full design of the first section of the road from Marshall Road to the first corner (i.e. approximately 300m) and the first section from Tetley Road, (i.e. approximately 100m).
3. As part of the first stage, complete the full utility services design along with the roading design. While traditionally waste water utility services are traditionally gravity systems, an alternative pressure system would be considered to test for cost savings. Where possible, all services would be designed to be placed within the road corridor. Note, some gravity services would be located outside the corridor, but would generally be located in accordance with the proposed Industrial Zone Structure Plan.

Construction of the agreed infrastructure will be in accordance with Council’s 2009 Development Code, or as agreed to an alternative standard, and be implemented by the Developer, at the Developer’s initial cost.

Financial contributions in accordance with the proposed financial contributions schedule October 2011 (current at the time, and amended as discussed in this paper) will be collected by Council in accordance with current practice, i.e. at the time of 224 certification.

Compensation payable to the Developer for the construction of infrastructure and land costs will be payable as outlined in the 2009 Development Code, Council Development Infrastructure Compensation Policy, and as amended below.

This process will typically follow the steps below.

1. Agreement overview

An agreement will be prepared between the parties.

The agreement will include a schedule of works for which Council is responsible, the amount(s) due, and estimate the timing of the payment(s). The amounts due may be an estimate, but will be confirmed at the time of vesting and payment, as set out below.

The Developer shall:
- Notify Council that compensation may be required. Formal notification shall be delivered at the time of consent application, however the need for an agreement will be discussed as part of the package of plans approach.
- A compensation agreement document shall be prepared. It shall be referenced in an advice note to the resource consent.
- All costs for preparing and completing the agreement for compensation shall be the Applicant’s.
- The agreement documentation shall be completed (except as set out in the Agreement Documentation clauses below) with the Authorised Officer prior to issue of a consent.
2. Agreement Documentation

Agreement documentation shall comprise a schedule of compensation items which includes:

- The value of the land.
  - The value shall be agreed on a per square metre rate. Land cost will be determined on the unimproved value of the land being vested in Council at approximately the date of issue of the consent, as assessed by a registered valuer.
  - In the event that the registered valuation from the developer and the registered valuation from Council could not be agreed the matter will be referred to the President of the Institute of Valuers to appoint a further registered valuer to arbitrate on the value of the land. This valuer will assess the submissions from both valuers employed by the parties. Once the appointed valuer has received the submissions from each valuer and viewed both registered valuations the appointed registered valuer will issue a land valuation binding on both parties.
  - In the event that the land value needs to be referred for arbitration the resource consent will be issued prior to the outcome of the arbitration. The costs of the registered valuation and arbitration process would be shared by both parties.

- The quantity of the land.
  - The quantity shall be estimated from the survey plans, or the development proposal at the time of creating the agreement.
  - The final amount at the time of payment shall be based on an as built survey. In the case of Katikati Industrial Zone, the land in question is that which is required for the road reserve for the structure plan roads and associated infrastructure.
  - It shall be noted, the minimum road layout for the Developer, shall meet the requirements of the Industrial Zone Structure Plan layout.

- The quantity of the works for which Council is responsible.
  - The quantity of the road works for the Industrial Zone Structure Plan area will include all works, necessary to meet the requirements of the structure plan road and utility works.
  - The minimum road works shall generally follow the alignment of the Industrial Zone Structure Plan, but meet the Development Code design requirements for the proposed development.

- An estimate of costs for the works for which Council is responsible.
  - This includes physical works and professional services.
  - Physical works includes all permanent infrastructure and services, with connections at the private property boundary, necessary to create the industrial estate.
  - The value for professional services costs for the construction of the works may be added where these costs can be separately identified.
Where professional services costs can not be separately identified, a fee of up to 10% of the physical works costs may be claimed.

Additional costs for bulk earthworks will not be paid except where these costs are included in Council’s financial contributions calculation. In the case of Katikati, bulk earthworks are included for works within the road reserve, however bulk earthworks on private property outside the road reserve are not included, and are the Developer’s cost.

Costs for any works on private property will be at the Developer’s cost and be clearly separated out.

Financial contributions
- An estimate of likely financial contributions payable is required.
- Where construction costs for infrastructure exceed contributions, the agreement shall detail how holding costs will be minimised, e.g. land costs will not be funded initially.

The timing of the works and consequent payments.
- The timing for completion of the works shall be set out in a programme.
- An estimate of the date at which payment will be required shall be shown on the programme. These dates shall align with known Council programmed works dates. Please note, at the time of developing the draft Long Term Plan 2012, there were no known programmed works affecting infrastructure development in the proposed Industrial Zone Structure Plan area.
- Compensation payment amounts will be estimated in the programme.
- Compensation payments will subsequently be identified in Council’s Annual Plan, or Long Term Plan 2012.

Temporary works.
- Temporary works will be defined in the document as these may be of a lower standard to facilitate development.
- Costs need not be defined in this agreement as these will be entirely at the cost of the Developer.
- Where temporary works are subsequently to be included in the final constructed and vested assets, an estimate of final compensation costs is required.

Signing Agreement
- The agreement shall be signed and dated by Group Manager Engineering for Council, and the Developer or Developer’s appointed representative.

3. Compensation Payments Documentation

All works for compensation payment shall be completed on a competitive tender basis. On completion of the works, a compensation claim may be made, based on the agreement.
Documents to be submitted shall include:

- The Developer’s contract documents with as built works schedules, and with certified invoices.
- Where the Developer’s own forces/plant are used, an equivalent rate and compensation may be negotiated, based on known industry rates.
- Where development is staged as part of the resource consent, compensation will be paid as a percentage of the fully completed development area or on the relevant unit rate, and in accordance with the agreement, as each stage is completed and 224c issued. (Note: vesting of the land and infrastructure is completed only with certification by an appropriately qualified person as part of the 224c process).

4. Payments will be finalised in accordance with the agreement.

The final compensation payment shall not exceed the estimated compensation agreement by more than 10%, unless approved by the Authorised Officer.

Payments will be made on delivery of vested assets in accordance with the agreement.

Payment will not be made for temporary works, or works that the Developer may construct to facilitate their own development.

Where requested, payment of financial contributions may be offset against costs incurred during infrastructure construction. Reconciliation will be completed at the time of 224c application.

5. Timing

Timing for payment will be made in accordance with the Council financial systems, and only after the issue of 224c and vesting of assets. Timing will be detailed in the compensation agreement and as aligned with Council’s LTP or Annual Plan.

Where payment for land is deferred, timing of payments for the land will be identified separately.

6. Uncompleted works

Compensation payment will not be made if uncompleted works are bonded.
7 Finance

Holding costs

Financial contributions are calculated based on the estimated sum cost of all infrastructure shown on the structure plan, divided by the net area of industrial land available. It is acknowledged that this could be less favourable to those who build the road without a clear understanding of when full and final compensation would be paid. However this will be addressed in the agreement.

Currently the process allows for full compensation payment once development has advanced to a stage that Council has collected sufficient financial contribution funds.

Holding costs are therefore defined as the difference in the amount of money between the cost of developing the Industrial Zone Structure Plan infrastructure (identified in the compensation agreement and funded by the Developer) and the income from the financial contributions (paid to Council and then paid to the Developer under the compensation agreement). Where the expenditure is greater than the immediate financial contribution income collected by Council, this may result in holding costs to the Developer.

It is therefore acknowledged some holding costs could be generated with this system.

It is considered that one of three methods could be applied to address holding costs.

- Holding costs could be either carried by the developer who constructed the infrastructure, or
- Holding costs could be included in a financial model and respread across all parties on a net developable area basis, or
- Holding costs could be reduced if land costs were removed for payment until funding became available.

Holding costs were therefore discussed, and it was concluded that land values would be separated out and land compensation paid when Council held a credit balance.

It was also recommended that Council develops a financial model that pays the full compensation amount at the time of vesting. This would not include the land value. All costs (except land) would be included in the model, including Council’s cost of borrowing the money in the model, time risk costs would be with Council. Compensation for land costs would be paid separately.
Change in financial contribution cost policy.

Assuming that the type of industrial activity is a low water use activity, each lot would typically only have residential type connection. It was therefore assumed that costs for off site infrastructure would be included in the financial contributions for the Katikati Residential Zone, as the people who reside in Katikati will be the same people as those who work in the Industrial Zone.

There would therefore be no increase in peak volume due to the Industrial Zone Structure Plan area, only a shift in population from one part of town to the other.

However it is now considered appropriate that the Industrial Zone Structure Plan area be allocated a proportion of the offsite infrastructure costs.

These costs include
- Contribution towards an additional bore
- Contribution towards waste water plant upgrade
- Contribution toward an increase in pipe size to carry increased flows.

A review of these costs is proposed to ensure that an appropriate amount is either included in the unit financial contribution rate, or a separate household equivalent financial contribution be collected to cover these costs. It is proposed that this would be collected based on one household equivalent per 1800m2 industrial lot, or per activity.

8 Development Engineering Plan approval

Documentation submitted for Engineering Plan Approval shall be in accordance with the requirements of the 2009 Development Code or subsequent amendments. Fees for this approval will remain.

Development plans will include Council infrastructure designs, and will focus on how the adjacent lots will address access to the road and utilities.

Council will supply the infrastructure designs in a suitable electronic format (typically ACAD) to enable use by the Developer’s consultant.

The developer’s documentation will clearly show the stage requirements (permanent or temporary) and how the infrastructure will terminate at the stage boundary.

Certification will be in accordance with the Development Code and must be completed by a suitably qualified person.

Vesting of the road reserve will be required at the time of 224 certification.
Part C: Changes to the Operative District Plan 2012

Any changes to rules are shown as follows; existing District Plan text in black and changes (being the culmination of the notified Plan Change and subsequent decisions) are shown in red.

THAT the Katikati Marshall Road Industrial Structure Plan (roading and infrastructure layout) be amended on District Plan Maps U46, U47 and U49 as follows.

That the Katikati Industrial Zone Structure Plan Financial Contributions Schedule May 2012 be added to Appendix 7 as shown as follows.

That Rule 12.4.17 (Katikati South of Marshall Road Industrial Structure Plan) of Section 12 – Subdivision and Development be amended as shown as follows.

That the Proposed Agreement outline be used to guide the process that would be followed to develop agreements relating to the development of infrastructure.
See also Appendix 7

Katikati
2.4 Marshall Road Industrial Area
Katikati Industrial Zone Structure Plan Financial Contributions Schedule - May 2012

Revisions made to costs R-RD3, and R-RD4

Estimated Consultant Design costs removed

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<th>Total net developable area</th>
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<tr>
<td>West of old railway line</td>
<td>10.688 ha</td>
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<td>East of old railway line</td>
<td>15.832 ha</td>
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**Roading: Connectivity**

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<th>Item</th>
<th>Description</th>
<th>Unit</th>
<th>Width</th>
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<th>Cost</th>
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<td>25m centre Roundabout to connect RRD 2, RRD 4, RRD 5.</td>
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**Total Cost of Connectivity Roading** $ 1,450,000.00

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<th>Total Area</th>
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<th>26.52 ha</th>
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**Connectivity Roading per square metre rate** $ 5.47 per m²

**Roading East of old Railway formation**

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**Total Cost of Eastside Roading** $ 4,106,000.00

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**Eastside Roading per square metre rate** $ 25.93 per m²

Note: The costs of the interim access roads provided for under Rule 12.4.17.5 are included in (i.e. are not additional to) the total costs of the full structure plans road that they will later be upgraded to.

**Utilities**

**Sanitary Sewer**

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<th>Item</th>
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<th>Unit</th>
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**Sub total** $ 669,560.00 $ 669,560.00

**Water Supply**

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**Sub total** $ 1,295,325.00 $ 1,295,325.00
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Total Area ha 26.52

Utilities per square metre rate $ 21.09 per m2

## Summary

### West side of old Rail embankment

- **Roading Connectivity** $5.47
- **Utilities** $21.09
- **Infrastructure Costs** $26.55

### East side of old Rail embankment

- **Roading Connectivity** $5.47
- **East side Roading** $25.93
- **Utilities** $21.09
- **Infrastructure costs** $52.49

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**Important Note:** The per square metre Financial Contribution in the revised Financial Contributions Schedule – May 2012 relates only to the costs of the infrastructure required within the structure plan area and is exclusive of catchment wide Financial Contributions that would generally be payable by a development per household equivalent e.g. district roading and water (western supply zone). The catchment wide Financial Contributions will not be payable by any development within the structure plan area until Council reviews the catchment related impacts through the annual plan process for effect in the 2013/2014 financial year.
12.4.17 Katikati (South of Marshall Road) Industrial Structure Plan

12.4.17.1 Stormwater

(a) All new subdivisions shall be designed for attenuation of the two year and 100 year floods to pre-development levels.

(b) In the case of the Katikati Structure Plan area consent for stormwater management shall be gained from the Regional Council.

(c) It is anticipated that developers contemplating subdivision or land use development will hold pre-application discussions with Council to clearly determine the overall extent of the stormwater management areas using aerial photographs and matching the Planning Maps to contour plans.

12.4.17.2 Development Restrictions - Intersection Upgrades

(a) No more than a maximum of 12.64ha of the Industrial Zone area may be developed before both of the following have occurred:

(i) Either:

Traffic signals have been installed at the Marshall Road/State Highway 2 intersection; or

An alternative upgrade of the Marshall Road/State Highway 2 intersection or an alternative intersection which is consistent with the New Zealand Transport Agency’s network strategy, and provides a similar level of service as signalisation of the intersection, has been completed; and or;

The Carisbrooke Street extension to Middlebrook Drive has been completed; and

(ii) Measures have been put in place along Tetley Road and at the Tetley Road/Rereatukahia Road intersection to reduce the attractiveness of Tetley Road for use by heavy vehicles, as described in Explanatory Note (b) to this Rule.

(b) No more than a maximum of 20ha of the Industrial Zone area, may be developed before a link road is in place from State Highway 2 through the Industrial Zone area to Tetley Road.

Explanatory Notes:

(a) SH2 Intersection Design

The New Zealand Transport Agency (NZTA) is the road controlling authority for State Highway 2.
The intersection of the proposed link road with State Highway 2 and any upgrade of the Marshall Road/State Highway 2 or alternative intersection will need to be satisfactory to the NZTA and consistent with the NZTA’s network strategy.

(b) Tetley Road/SH2 Intersection

The Council will adopt the following approach to the management of the Tetley Road/State Highway 2 intersection, being:

Construction of a turning head at the southern end of Tetley Road where it joins Rereatukahia Road and physical works on the section of Tetley Road between Rereatukahia Road and State Highway 2 which would result in a safe operating speed of no more than 50km/h and reduce the attractiveness of that road for use by heavy vehicles (such works to be designed in consultation with Te Rereatukahia Marae Tribal Committee and the wider community). There will be ongoing monitoring of the safety and performance of the Tetley Road/State Highway 2 intersection, including obtaining the impressions of local residents and analysing crash statistics. Such works to be carried out in accordance with Appendix A of the consent memorandum.

12.4.17.3 Limited Access

(a) Access to Tetley Road is limited to vehicle crossings (including the upgrading or relocation of existing vehicle crossings) at minimum 50m spacings. Except that existing entrances already at spacings less than 50m will be permitted.

(b) Existing or proposed access shall meet the minimum sight distance and formation requirements contained in the District Plan and Council’s Development Code, except that where the access is to serve more than 3 lots or activities, the sight distance requirement will default to the next highest in table A (standard drawing W415 of Council’s Development Code).

(c) Privateways:

(i) The rules as set out in (ii) to (v) below only apply to privateways that are not accessed via Tetley or Marshall Roads and shall not apply to “interim access roads” as per rule 12.4.17.5 below.

(ii) New privateways (including the increased use of existing privateways) located along Tetley Rd are not permitted.

(iii) Proposed privateways having access to future Structure Plan roads may have up to 8 lots plus the two additional lot allowance as per Rule 12.4.4.4 (e) (i) of the District Plan, except that, apart from the first activity on each lot, proposed subsequent activities within each lot will be deemed as having the same effect as an additional lot.
Proposed privateways shall be formed in accordance with section DS4 – 4.14.2 of Council’s Development Code and other relevant sections of that Code, except that the minimum reserve width shall be 8.0m.

Quality assurance documentation shall be forwarded to Council’s officers for approval as part of any section 224 application or in the case of land-use consents, prior to commencement of the activity.

12.4.17.4 Structure Plan Road Requirements

(a) Structure plan roads are to be designed, constructed, supervised and certified in accordance with Council’s development code at the time that Council require, except that pavement widths are to comply with those shown on the Katikati Industrial Zone Financial Contributions Schedule – May 2012.

(b) All Structure Plan roads shall have vertical and horizontal alignments that are capable of being later integrated into other future Structure Plan roads identified on any lots beyond those subject to the development.

12.4.17.5 Interim Access Road Requirements

For the purpose of the rules in (a) to (e) below, interim access roads shall mean pavements or carriageways which are set up as privateways, constructed within the identified Structure Plan road reserve (or alternative alignment as otherwise agreed with Council) for the purpose of allowing full, interim access into developments within the Industrial Zone before the construction of that Structure Plan road is required by Council.

(a) Structure Plan roads may be constructed as interim access roads subject to Council’s prior approval.

(b) Interim access roads shall:

(i) Be temporarily set up as privateways.

(ii) Be designed, constructed, supervised and certified in accordance with Council’s development code, and in accordance with DS4 Table 1 – Service Lanes, except that the reserve width shall be as per (viii) below, at the time that Council require.

(iii) Be built on sub-grade of a strength and quality that is capable of supporting future Structure Plan roads including all expected traffic loadings for a 25 year design life.

(iv) Have pavement depths which are in accordance with 12.4.17.3 (c)(iv) above but of a material quality and construction that is compatible with and capable of being later integrated into the full Structure Plan road design without major changes.

(v) Be to the dimensions as in 12.4.17.3 (c)(iv) and have a minimum one coat chip seal and may have berm water table drains for the collection and disposal of stormwater in lieu of kerbing.
(vi) Have vertical and horizontal alignments that are capable of being later integrated into the full Structure Plan road design and construction and capable of being later integrated into other future Structure Plan roads identified on any lots beyond those subject to the development.

(vii) Include a reserve width that matches the Structure Plan road reserve width (minimum 20m) but including for intersections, roundabouts and splays.

(viii) Have no limit to the number of lots or activities that can be served by it.

(ix) Be subject to maintenance provisions imposed by way of consent notice on the properties having access to them.

(c) The extension of services within interim access roads shall meet the following:

(i) Stormwater, wastewater, water, power and telecommunications shall be extended into the interim access roads in conjunction with the construction of these.

(ii) These services shall be located vertically and horizontally such that the later upgrading of the interim access roads to Structure Plan roads renders the services in complying positions, except that Council may accept temporary non-compliance in some circumstances (e.g. stormwater to suit the temporary nature of water-tables).

(iii) These services shall be sized to serve the overall Structure Plan catchments when fully developed.

(iv) Stormwater, wastewater and water services shall be protected by easements in favour of Council.

(d) The maximum length of a interim access road shall not exceed the boundary of the property that it services.

(e) At time of either subdivision or development, consent notices shall be imposed on relevant titles requiring the private way reserve area upon which the interim access road is constructed to be vested in Council at such time that Council requires.

12.4.17.6 Reimbursement for Provision of Infrastructure

(a) Council shall reimburse developers for the full costs of providing completed infrastructure that is identified in the Katikati Industrial Zone Financial Contributions Schedule - May 2012. For the purpose of this rule “completed” shall mean infrastructure that is constructed, approved by Council, and vested in Council.

(b) For interim access roads, Council shall reimburse developers for the land within the vested road reserve and the costs of construction for the pavement and underlying sub-grade of the interim access road and utility services that form part of the permanent infrastructure that they have not already been reimbursed for.
(c) Temporary infrastructure that is constructed by the developer to facilitate development will not be considered for reimbursement e.g. temporary power, utility services or vehicle crossings.

(d) The level of reimbursement given for all relevant infrastructure identified in the Katikati Industrial Zone Financial Contributions Schedule - May 2012 shall be based on an agreed engineers estimate presented at the time of design.

(e) Reimbursement shall be paid in accordance with Council’s Annual Plan, and shall not occur until Council has collected sufficient funding from financial contributions from within the Industrial Zone, except that, reimbursement can occur earlier if negotiated as a progress payment with Council.

(f) Council reserves the right to complete any of the works itself to facilitate development.
Plan Change 18 Katikati Marshall Road Industrial Structure Plan

Proposed Agreement Outline

Executive Summary

This document was prepared in response to submitter concerns with issues related to Plan Change 18 Katikati Marshall Road Industrial Structure Plan.

Prior to any works taking place to develop infrastructure within the Structure Plan area, an individual agreement will be drawn up between each landowner and Council.

This report outlines the process that would be followed to develop the agreements.

Any agreement will clearly spell out what is being provided and when. The process toward reaching an agreement is described within this document.

Background

Submitters were concerned with some issues relating to the proposed District Plan Change for the Katikati Industrial Zone. Specifically concerns include:

1. Design issues
   o The road alignment:
     ▪ What is the consequence of changing alignments?
     ▪ Fixing the mid point. The mid point of the road alignment needs to be fixed and levels agreed to ensure design will fit without unwanted engineering problems.
   o Standards: what are to be used?
   o Design approval process: How does that work?
2. Costs identification
   o Public good aspect: Is there a public good aspect?
     ▪ How does this get funded?
     ▪ Will this be staged? For example, will it be completed in say three parts?
       • Full design from Marshall Road to first left hand bend, Indicative design over the rest of the industrial land?
       • Will it include full design for first 100m at Tetley Road end?
   o Will the designs include for all services? There is a need to check practicality, and review alternative waste water designs possibly using a pressure system.
   o How will changes over time be reviewed? i.e. explain how costs will change over time.
   o How will holding costs be minimised?
3. Building process: what is the process?
4. Utility sizing: are these correct? Review for appropriate sizing. Check the storm water pond sizing and how these costs have been assessed.
5. Interim standard: Will this be allowed and be suitable quality? There is a need to allow for temporary roads to be to a rural road standard. Confirm it allows for a chip sealed track.
6. Development plan approval
   o What is the agreed staging?
     ▪ Utilities: where will these start and finish? Can alternative design using pressure system be allowed to work?
     ▪ Roads: Do these need to identify practical start and finish points if necessary?
     ▪ Connections: Are all connections included?
7. Reimbursement of costs
   o Cash offsets. Will these be allowed? Clarify the process of offsetting costs.
8. Certification: Who certifies the final product and how does this happen?
9. Vesting stage: When does this happen?

Council staff reviewed these concerns and then considered other potential deficiencies. These included:

- Buy in costs to the existing infrastructure (water supply headworks, waste water treatment station upgrades). These costs are not clearly identified.
- Clarification on the use of household equivalence (HHE)
  o Average size industrial lot = 1800m²
  o One HHE chargeable per average size lot, or activity per smaller lot.
- Review for utility cost double ups where pipe systems are charged for both within the Industrial Zone Structure Plan area and Residential Zone Structure Plan area.

**General**

This report sets out to address the issues outlined above and confirm the standards required to ensure the development of the Katikati Industrial Zone.

It is our view that most issues will be addressed through the package of plans approach as detailed in the 2009 Development Code and paraphrased in this report. This approach entails:

- A Developer’s concept will be discussed at an initial meeting with all relevant staff. This is considered to be the first stage of the package of plans. This review will then enable more detailed plans to be further developed in stages in confidence.
• Each refinement of the plans should be considered as a stage in the package of plans process.
• Council staff will be available to be involved at each stage to ensure that a consistent approach is maintained, that District Plan and Development Code rules are addressed and that the Developer is not left holding costs due to inappropriate staff advice.

**Package of Plans**

The package of plans approach generally consists of:

• A rough scheme plan to talk about at an initial meeting between Developer, Consultant (if one already selected) and Council staff. This first meeting is free of charge, while subsequent meetings may result in a charge for staff time.
• Several iterations of a scheme plan. (Note, the number of iterations depends upon many factors such as the complexity of the development, etc.).
• A detailed scheme plan for submission with a resource consent and approval by planners and engineers. These will show staging, lot development, and include all concepts and agreements concluded during previous discussions.
• A detailed engineering plan for approval by Council engineers.
• As built plans (certified by the Developer’s consultant) as part of the vesting and compensation process.

**Infrastructure Design Proposal**

It is proposed that Council fund the design of the structure plan road network as part of the contribution toward the public good (funded from rates). Note work on this proposal is not complete and will be subject to further discussion within Council. Currently Consultant costs are included in the financial contribution square metre rate and an estimate of costs would be removed from the rate.

Infrastructure would be designed generally in accordance with the 2009 Development Code. It is proposed to complete this work in a series of steps, from preliminary design to final design, to ensure that land owners are kept informed along the process.

Council’s design proposal would:

1. Complete a centre line design for the road, from Marshall Road to Tetley Road. This centre line design would form the preliminary design and would be finalised with the land owners. It would optimise the horizontal and vertical alignment to minimise cuts and fills, while planning the use of land lots which could become isolated.
2. As a first stage, commission the full design of the first section of the road from Marshall Road to the first corner (i.e. approximately 300m) and the first section from Tetley Road, (i.e. approximately 100m).
3. As part of the first stage, complete the full utility services design along with the roading design. While traditionally waste water utility services are traditionally gravity systems, an alternative pressure system would be considered to test for cost savings. Where possible, all services would be designed to be placed within the road corridor. Note, some gravity services would be located outside the corridor, but would generally be located in accordance with the proposed Industrial Zone Structure Plan.

Construction of the agreed infrastructure will be in accordance with Council’s 2009 Development Code, or as agreed to an alternative standard, and be implemented by the Developer, at the Developer’s initial cost.

Financial contributions in accordance with the proposed financial contributions schedule October 2011 (current at the time, and amended as discussed in this paper) will be collected by Council in accordance with current practice, i.e. at the time of 224 certification.

Compensation payable to the Developer for the construction of infrastructure and land costs will be payable as outlined in the 2009 Development Code, Council Development Infrastructure Compensation Policy, and as amended below.

This process will typically follow the steps below.

1. **Agreement overview**

An agreement will be prepared between the parties.

The agreement will include a schedule of works for which Council is responsible, the amount(s) due, and estimate the timing of the payment(s). The amounts due may be an estimate, but will be confirmed at the time of vesting and payment, as set out below.

The Developer shall:
- Notify Council that compensation may be required. Formal notification shall be delivered at the time of consent application, however the need for an agreement will be discussed as part of the package of plans approach.
- A compensation agreement document shall be prepared. It shall be referenced in an advice note to the resource consent.
- All costs for preparing and completing the agreement for compensation shall be the Applicant’s.
- The agreement documentation shall be completed (except as set out in the Agreement Documentation clauses below) with the Authorised Officer prior to issue of a consent.
2. Agreement Documentation

Agreement documentation shall comprise a schedule of compensation items which includes:

- The value of the land.
  - The value shall be agreed on a per square metre rate. Land cost will be determined on the unimproved value of the land being vested in Council at approximately the date of issue of the consent, as assessed by a registered valuer.
  - In the event that the registered valuation from the developer and the registered valuation from Council could not be agreed the matter will be referred to the President of the Institute of Valuers to appoint a further registered valuer to arbitrate on the value of the land. This valuer will assess the submissions from both valuers employed by the parties. Once the appointed valuer has received the submissions from each valuer and viewed both registered valuations the appointed registered valuer will issue a land valuation binding on both parties.
  - In the event that the land value needs to be referred for arbitration the resource consent will be issued prior to the outcome of the arbitration. The costs of the registered valuation and arbitration process would be shared by both parties.

- The quantity of the land.
  - The quantity shall be estimated from the survey plans, or the development proposal at the time of creating the agreement.
  - The final amount at the time of payment shall be based on an as built survey. In the case of Katikati Industrial Zone, the land in question is that which is required for the road reserve for the structure plan roads and associated infrastructure.
  - It shall be noted, the minimum road layout for the Developer, shall meet the requirements of the Industrial Zone Structure Plan layout.

- The quantity of the works for which Council is responsible.
  - The quantity of the road works for the Industrial Zone Structure Plan area will include all works, necessary to meet the requirements of the structure plan road and utility works.
  - The minimum road works shall generally follow the alignment of the Industrial Zone Structure Plan, but meet the Development Code design requirements for the proposed development.

- An estimate of costs for the works for which Council is responsible.
  - This includes physical works and professional services.
  - Physical works includes all permanent infrastructure and services, with connections at the private property boundary, necessary to create the industrial estate.
  - The value for professional services costs for the construction of the works may be added where these costs can be separately identified.
o Where professional services costs cannot be separately identified, a fee of up to 10% of the physical works costs may be claimed.

o Additional costs for bulk earthworks will not be paid except where these costs are included in Council’s financial contributions calculation. In the case of Katikati, bulk earthworks are included for works within the road reserve, however bulk earthworks on private property outside the road reserve are not included, and are the Developer’s cost.

o Costs for any works on private property will be at the Developer’s cost and be clearly separated out.

- Financial contributions
  o An estimate of likely financial contributions payable is required.
  o Where construction costs for infrastructure exceed contributions, the agreement shall detail how holding costs will be minimised, e.g. land costs will not be funded initially.

- The timing of the works and consequent payments.
  o The timing for completion of the works shall be set out in a programme.
  o An estimate of the date at which payment will be required shall be shown on the programme. These dates shall align with known Council programmed works dates. Please note, at the time of developing the draft Long Term Plan 2012, there were no known programmed works affecting infrastructure development in the proposed Industrial Zone Structure Plan area.

  o Compensation payment amounts will be estimated in the programme.

  o Compensation payments will subsequently be identified in Council’s Annual Plan, or Long Term Plan 2012.

- Temporary works.
  o Temporary works will be defined in the document as these may be of a lower standard to facilitate development.

  o Costs need not be defined in this agreement as these will be entirely at the cost of the Developer.

  o Where temporary works are subsequently to be included in the final constructed and vested assets, an estimate of final compensation costs is required.

- Signing Agreement
  o The agreement shall be signed and dated by Group Manager Engineering for Council, and the Developer or Developer’s appointed representative.

3. Compensation Payments Documentation

All works for compensation payment shall be completed on a competitive tender basis. On completion of the works, a compensation claim may be made, based on the agreement.
Documents to be submitted shall include:

- The Developer’s contract documents with as built works schedules, and with certified invoices.
- Where the Developer’s own forces/plant are used, an equivalent rate and compensation may be negotiated, based on known industry rates.
- Where development is staged as part of the resource consent, compensation will be paid as a percentage of the fully completed development area or on the relevant unit rate, and in accordance with the agreement, as each stage is completed and 224c issued. (Note: vesting of the land and infrastructure is completed only with certification by an appropriately qualified person as part of the 224c process).

4. **Payments will be finalised in accordance with the agreement.**

The final compensation payment shall not exceed the estimated compensation agreement by more than 10%, unless approved by the Authorised Officer.

Payments will be made on delivery of vested assets in accordance with the agreement.

Payment will not be made for temporary works, or works that the Developer may construct to facilitate their own development.

Where requested, payment of financial contributions may be offset against costs incurred during infrastructure construction. Reconciliation will be completed at the time of 224c application.

5. **Timing**

Timing for payment will be made in accordance with the Council financial systems, and only after the issue of 224c and vesting of assets. Timing will be detailed in the compensation agreement and as aligned with Council’s LTP or Annual Plan.

Where payment for land is deferred, timing of payments for the land will be identified separately.

6. **Uncompleted works**

Compensation payment will not be made if uncompleted works are bonded.
7 Finance

Holding costs

Financial contributions are calculated based on the estimated sum cost of all infrastructure shown on the structure plan, divided by the net area of industrial land available. It is acknowledged that this could be less favourable to those who build the road without a clear understanding of when full and final compensation would be paid. However this will be addressed in the agreement.

Currently the process allows for full compensation payment once development has advanced to a stage that Council has collected sufficient financial contribution funds.

Holding costs are therefore defined as the difference in the amount of money between the cost of developing the Industrial Zone Structure Plan infrastructure (identified in the compensation agreement and funded by the Developer) and the income from the financial contributions (paid to Council and then paid to the Developer under the compensation agreement). Where the expenditure is greater than the immediate financial contribution income collected by Council, this may result in holding costs to the Developer.

It is therefore acknowledged some holding costs could be generated with this system.

It is considered that one of three methods could be applied to address holding costs.

- Holding costs could be either carried by the developer who constructed the infrastructure, or
- Holding costs could be included in a financial model and respread across all parties on a net developable area basis, or
- Holding costs could be reduced if land costs were removed for payment until funding became available.

Holding costs were therefore discussed, and it was concluded that land values would be separated out and land compensation paid when Council held a credit balance.

It was also recommended that Council develops a financial model that pays the full compensation amount at the time of vesting. This would not include the land value. All costs (except land) would be included in the model, including Council’s cost of borrowing the money in the model, time risk costs would be with Council. Compensation for land costs would be paid separately.
Change in financial contribution cost policy.

Assuming that the type of industrial activity is a low water use activity, each lot would typically only have residential type connection. It was therefore assumed that costs for off site infrastructure would be included in the financial contributions for the Katikati Residential Zone, as the people who reside in Katikati will be the same people as those who work in the Industrial Zone.

There would therefore be no increase in peak volume due to the Industrial Zone Structure Plan area, only a shift in population from one part of town to the other.

However it is now considered appropriate that the Industrial Zone Structure Plan area be allocated a proportion of the offsite infrastructure costs.

These costs include
- Contribution towards an additional bore
- Contribution towards waste water plant upgrade
- Contribution toward an increase in pipe size to carry increased flows.

A review of these costs is proposed to ensure that an appropriate amount is either included in the unit financial contribution rate, or a separate household equivalent financial contribution be collected to cover these costs. It is proposed that this would be collected based on one household equivalent per 1800m² industrial lot, or per activity.

8 Development Engineering Plan approval

Documentation submitted for Engineering Plan Approval shall be in accordance with the requirements of the 2009 Development Code or subsequent amendments. Fees for this approval will remain.

Development plans will include Council infrastructure designs, and will focus on how the adjacent lots will address access to the road and utilities.

Council will supply the infrastructure designs in a suitable electronic format (typically ACAD) to enable use by the Developer’s consultant.

The developers documentation will clearly show the stage requirements (permanent or temporary) and how the infrastructure will terminate at the stage boundary.

Certification will be in accordance with the Development Code and must be completed by a suitably qualified person.

Vesting of the road reserve will be required at the time of 224 certification.