Independent Hearing Panel Recommendation
Tracked Changes to the Operative Hamilton City District Plan

The Independent Hearing Panel's recommended amendments to the Operative Hamilton City District Plan are set out below.

Key
Text additions proposed by Council or submitters that the Panel has accepted are shown underlined.
Text deletions proposed by Council or submitters that the Panel has accepted are shown ~~struck-through~~.
Further text additions or deletions that the Panel has made following the hearing of evidence and submissions are identified with grey shading.
Text that is not underlined or struck-thorough is original Operative Hamilton City District Plan text.

Appendix 18: Financial Contributions

18-1 Financial Contributions: Calculation methodology for Te Ture Whaimana ~~and Residential Amenity~~

The financial contribution charge is calculated by first identifying the total projected cost of relevant spending over 10 years. All residential developments will be required to pay financial contributions for Te Ture Whaimana ~~and residential amenity~~.

Residential FCs
The basis for a financial contribution charge for residential development is the number of residential units with a reduced charge for studio, single and two bedroom residential units. This ensures that larger developments which have a greater effect on the physical and natural environment will pay a larger contribution.

Residential units within the Peacocke Precinct Area will not require financial contributions for Te Ture Whaimana unless the activity does not comply with one or more of the following standards established through Plan Change 5:

a. MRZ–PREC1-PSP: R34 Maximum site coverage
b. MRZ-PREC1-PSP: R35 Permeable Surfaces
c. MRZ-PREC1-PSP: R36 Landscaping
d. Rule 25.13.4.2 Stormwater
e. Rule 25.13.4.5 Water Conservation Measures

~~be given an automatic 50% discount on financial contributions. This deduction recognises that, to an extent, the residential amenity and Te Ture Whaimana purposes have been incorporated in the Peacocke Structure Plan at the expected densities~~.

Projected Unit of Demand Cost
The projected unit of demand (PUD) is a standard of unit used in a very similar way to the household unit equivalent (HUE) adopted in the DC Policy. It is necessary to combine the residential and non-residential demand into a single value for calculation so that the sum of the 10-year costs of activities

identified under each contribution can be distributed across all types of development. The PUD is this combined unit, where a standard residential unit is considered a residential unit of demand, and a non-residential 100m2 GFA development is a non-residential unit of demand.

PUD's have been developed specifically for financial contributions so that they are distinguishable from development contributions.

Residential Units and non-residential GFA projections for the next 10 years are derived from the NIDEA 10-year projections (high) and the 2018 Waikato Integrated Scenario Explorer (WISE) forecasts. Current modelling projects 26,801.71 units of demand over the next 10 years, as broken down in Table 1.

Table 1**:** Dwelling projections for the next 10 years.

Demand Type	**Projected Units of Demand (PUD)**
Residential Units	12011.00
Non-residential (100m2 GFA)	14,790.71
Total	**26801.71**

The financial contributions are calculated differently to acknowledge that non-residential development also has an effect on the Waikato River. As such, for Te Ture Whaimana, the total capital spending over 10 years is split equally across all PUDs over the same period to calculate the PUD Cost.

~~For residential amenity, the total capital spending over 10 years is split across all residential PUDs over the period to calculate the PUD cost. The calculations for the base charge are as follows.~~

The cost per PUD in order to give effect to TeTure Whaimana objectives is derived by the following formula:

$$\frac{Total\ Te\ Ture\ Whaimana\ \$}{Total\ PUD} = Te\ Ture\ Whaimana\ \$\ per\ PUD$$

This formula is exclusive of GST and the inflation factor.

The cost to give effect to Te Ture Whaimana objectives sum to a total of $53.3M over 10 years. The financial contribution charge is based on 50% of this total cost being allocated to growth. $26,650,000 is required from both residential and non-residential developments. The cost per unit of demand is derived by dividing this amount by the total estimated residential and non-residential units of growth as follows:

$$\frac{26{,}650{,}000}{26801.71} = 994.40$$

This means that the Te Ture Whaimana contribution is $994.40 per PUD.

~~The cost per PUD for residential amenity enhancements is derived by the following formula:~~

$$\frac{Total\ residential\ amenity\ \$}{Total\ residential\ PUD} = Residential\ amenity\ \$\ per\ PUD$$

~~This formula is exclusive of GST and the inflation factor.~~

~~The cost for residential amenity enhancements sum to a total of 41M over 10 years. The cost per unit of demand is derived by dividing this amount by the total estimated residential units of growth as follows:~~

$$\frac{41{,}000{,}000}{12011} = 3413.53$$

~~This means that the residential amenity contribution is $3413.53 per PUD.~~
~~To calculate the total PUD cost for a residential development, both contributions are added together.~~

~~*Residential amenity cost + Te Ture Whaimana cost = PUD Cost*~~

Inflation Factor

The inflation factor adjusts the financial contribution on an annual basis to account for inflation of project costs.

The inflation factor will be based on the Producer Price Index Outputs rate provided by Statistics New Zealand.

Adjustments

The following adjustments to the below calculation methodology are to be made:

a. A residential unit with a single bedroom or a studio unit will be charged at 0.33 of a PUD.
b. A two-bedroom residential unit will be charged at 0.66 of a PUD.
c. Residential units within the Peacocke Precinct be given an automatic 50% discount on the total PUD cost.

A discount factor to reduce the total amount of financial contributions required to be paid may still be considered in addition to these adjustments.

The Calculation Methodology

The contribution any development might be required to pay is calculated based on the following components.

Step 1 Number of PUDS

The number of Projected Unit of Demand (PUDs) including bedroom-based adjustment.
The formula to calculate the number of projected units of demand including the bedroom-based adjustment is:

(Total number of studio and one bedroom residential units x 0.33)+(Total number of two-bedroom residential units x 0.66)
+(Total number of three or more bedroom residential units or new vacant residential Lot's x 1) = Number of PUDs

Step 2 PUD Cost

Calculate the total PUD cost for the development. This is ~~the sum of the two project types (Te Ture Whaimana and Residential Amenity)~~ the Te Ture Whaimana contribution of

$994.40 per PUD ~~+ $3413.53 = $4407.93~~

Step 3 Inflation Factor

Determine the Inflation Factor based on Producer Price Index.

~~**Step 4 Peacocke Precinct adjustment**~~
~~Determine if the site is located within the Peacocke Precinct in order to apply a 50% discount.~~

Step ~~5~~4
The final financial contribution is calculated using the following formula:

[Number of PUDs] × [PUD Cost] × [Inflation Factor] ~~× (0.5 for Peacocke Precinct adjustment).~~

This formula is exclusive of GST.

Step ~~6~~5
Calculate development specific charge. Where determined applicable, add to the base charge up to 100% of the actual or estimated costs, or land necessary to offset the adverse effects of subdivision and development on infrastructure in line with provision 24.4.2d.