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Have Your Say
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PLAN CHANGE 12 SUBMISSION

Golden Ridge Park Limited, Golden Ridge Farm Limited, Golden Valley Farm Limited, Dart Holdings Limited and Glass Investments Limited are owned by interests associated with the Selwyn Mexted. These companies own significant greenfields/brownfields land holdings within SL1 (Future Urban Growth Area) and Riverlea, Hamilton.

Golden Ridge Park Limited, Golden Ridge Farm Limited, Golden Valley Farm Limited, Dart Holdings Limited and Glass Investments Limited accept that the development community should contribute towards the capital cost of the infrastructure provided by Hamilton City Council (HCC) to service growth, through the charging of fair, equitable and proportional Development Contributions (DCs). We are however concerned that through the proposed introduction of additional Financial Contributions (FCs) in Plan Change 12, greenfields developers are being asked to subsidise costs for those in brownfields areas of the city.

As we understand Plan Change 12 and the proposed changes to the FC provisions of the Hamilton District Plan, from 2024 HCC intends to levy FC's on all development in Hamilton irrespective of location or type of development.

Three types of FC will be levied as follows:

1. Streetscape and amenity enhancement (applies to residential development only) with an estimated 10 year cost of $36 million excluding inflation attributed to it;
2. Waikato River betterment with an estimated 10 year cost of $44.6 million excluding inflation attributed to it; and
3. Local network infrastructure network renewals with an estimated 10 year cost of $2.8 million excluding inflation attributed to it.

Plan Change 12 also establishes a new demand measure based on the assumption that a standalone 3 bedroom house has a Gross Floor Area (GFA) of 100 m2. This assumptions provides for a new demand measure referred to as a "PUD" (Projected Unit of Demand) that has been adopted for all types of development. Each bedroom in a residential house represents 0.33 of a PUD.

The proposed FC charges (excluding inflation and GST) for the three FC categories are as follows:

1. Streetscape and amenity enhancement: $2,998/PUD
2. Waikato River betterment: $1,763/PUD
3. Network Infrastructure renewals: $ 106/PUD

The effects of the proposed FCs (which are in addition to DCs already payable) based on the below examples are as follows:

3-bedroom house	$ 4,850 excl GST and inflation
3,500sqm industrial building	$ 40,187 excl GST and inflation
5,000sqm retail building	$209,895 excl GST and inflation

The way the FC charges have been constructed suggests that HCC does not consider growth resulting from intensification in brownfields areas as growth. HCC's methodology to mitigate the effects of intensification therefore seeks to share the costs of intensification in these brownfields areas with the greenfields areas of Hamilton, despite greenfields areas receiving little or no benefit from these works.

While this may be administratively efficient, the proposed Citywide approach to these charges provides no recognition of the substantial costs that greenfield developments are now required to incur to satisfy resources consent conditions to mitigate adverse environmental effects relative to comparable historical and/or brownfield development. This is achieved either directly through the provision of infrastructure or indirectly through the payment of DCs.

As a consequence, greenfield developments will be paying proportionately higher costs to mitigate adverse environment effects and to provide for betterment than identical developments located in brownfield locations. The result of the proposed FCs in Plan Change 12 is a subsidisation by greenfields development of intensification in brownfields areas of Hamilton.
We are concerned that there is a real risk of HCC unreasonably penalising developers with risk of double dipping and in some cases council also introducing value capture discussions in greenfield area. The costs of this must however be borne by those developments who benefit from this rather than shared with those who are already providing such amenities and mitigation in greenfields areas of the city.

FC's should not therefore be charged in greenfields areas of Hamilton and instead should be fully recovered in brownfields areas where the effects of intensification need to be mitigated and the benefits will be derived.

We also believe there needs to be flexibility in the timing of Financial Contribution payments as up-front payments preconstruction is an unreasonable and a major cash flow hurdle. HCC should allow FC payment post construction during the 223/224c stage to assist cashflows.

Golden Ridge Park Limited, Golden Ridge Farm Limited, Golden Valley Farm Limited, Dart Holdings Limited and Glass Investments Limited do not wish to be heard in support of this submission

Selwyn Mexted Director