

F1/1 Policy for Reapportionment of Developer Outlays

Introduction

The policy aims to alleviate the problem of developers “piggy-backing” on earlier developments when extending infrastructure (water and roading) installed by those developments without having to pay any proportion of the initial cost of infrastructure installation.

Basis of Calculation

A new developer may connect a subdivision to a part of the water or roading infrastructure which another developer has provided. In this circumstance, a reapportionment of capital costs may be made to the original developer by calculating the following:

During the first 5 years the actual cost of the infrastructure extension will be used and for the following 10 years this cost discounted by 10% per annum (ie the discounted value will be zero after year 15) will be used in determining reapportionment.

The reapportionment value will depend on the estimated proportion of the infrastructure to be effectively shared by the new subdivision, taking into account the suitability of size, type and location of the infrastructure in relation to the new developer’s requirements.

The resulting shared value is then apportioned among the developers using the infrastructure. In the event of properties changing hands before the new subdivision takes place, any such refund will be payable to the current owners at the time of the new subdivision.

Administration

For developers to be eligible for refunds on costs from future developers they must lodge receipts of costs of all infrastructure extension work with the Council at the time of applying for a section 224 certificate. An administration charge may be incurred by each developer for the reapportionment process.

The Council reserves the right to make all reapportionment issue decision using its absolute discretion.

Council meeting 24 June 2009