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<u>Sponsor/Group:</u>	<u>General Manager City Growth</u>

Growth Funding Policy

Purpose

1. The purpose of this Growth Funding policy is to:
 - a. direct Council decision-making in respect of growth projects and associated infrastructure where those projects are not aligned with Council's 10-Year Long-Term Plan (LTP), in a manner which has no adverse impact on its 10-Year Plan LTP and long term financial sustainability; and
 - b. align Council decision-making with the purpose of local government as defined in section 10(1)b of the Local Government Act 2002: to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses.

Introduction

2. One of the ways the Council manages and facilitates growth is through its 10-Year Long-Term Plan capital programme ("10-Year Plan LTP"). The 10-Year Plan LTP identifies and sequences the capital projects to be funded by Council during the life of the 10-Year Plan LTP ("Funded Projects").
3. The Council's funding and financial policies, including its revenue and financing policy, and its development contributions policy, establish the main revenue sources for Funded Projects as set out in the 10-Year Plan LTP.
4. In accordance with its financial strategy and the requirements of the Local Government Act 2002, the Council cannot incur significant capital or development operating expenditure in respect of growth-related projects unless they are funded projects provided for in the 10-Year Plan LTP.
5. Occasionally, Council may be requested to provide support or enable developments and the provision of associated public or private infrastructure that are:
 - a. not funded projects; or
 - b. funded projects but which are proposed to commence earlier than the sequencing and timing established in the 10-Year Plan LTP; and/or
 - c. funded projects but which are now proposed to occur beyond the scale, scope and cost prescribed or anticipated for those projects in the 10-Year Plan LTP;
and in these respects, are considered unfunded growth projects ("Unfunded Growth Projects").
6. Council requires a This policy to direct its Council decision-making on how to manage Unfunded Growth Projects. This policy provides that direction.
7. Further, and in response to the National Policy Statement on Urban Development (NPS-UD), Council will consider unanticipated or out-of-sequence development and plan changes where

the development will add significant capacity and contribute to a well-functioning urban environment.

8. Council will collaborate with Infrastructure Funding and Financing Act 2020 (IFF) proposers where the proposal aligns with the private development agreement criteria set out below.

Policy

6.9. Council will enable Unfunded Growth Projects to occur provided an agreement is entered into between Council and the developer(s) responsible for the Unfunded Growth Project ("Private Developer Agreement").

10. All Private Developer Agreements must be approved by the Council and where necessary shall be subject to Council's Annual Plan or 10-Year PlanLTP decision-making processes.

7.

Private Developer Agreements will address the following criteria:

8.11. Alignment with the city and sub-regional growth and land-use strategies:

- a. The development aligns with Council's long-term growth planning, land use and development strategies, including but not limited to the Proposed-Operative District Plan and, Hamilton Urban Growth Strategy and Future Proof; and
- a. The development aligns with the sub-regional strategies, including but not limited to the Hamilton Waikato Metro Spatial Plan, Future Proof; and
- b. The development meets the requirements of the Waikato Regional Policy Statement.

9.12. Integrated and sustainable infrastructure:

- a. All resource consent conditions and designation conditions are, or will, be complied with.
- b. The developer is responsible for the provision of all infrastructure required, regardless of whether it vests in Council or not.
- c. The sizing and design of the development and its associated infrastructure is the most efficient way to deliver on the Council's intended strategic outcomes for infrastructure at a City and Sub-Regional level.
- d. The infrastructure provided by the developer meets the Council's required standards and is integrated with Council's existing and intended infrastructure network.
- e. Any impacts on City infrastructure both within and outside of the development area, including head works and networks, levels of service and utilization of planned network capacity are addressed by the developer.

10.13. Financial neutrality and overall fairness/equity:

- a. Unfunded Growth Projects including the consideration and negotiation of private developer agreements, should not increase Council's expenditure net of new revenue beyond that provided for in the Council's 10-Year PlanLTP and will include consideration of the value to developers created by Council decisions relating to the development proposal.
- b. The Council's capital expenditure programme, revenue and debt parameters and the overall long-term financial sustainability of the City is not compromised.

The extent to which new growth created by the Unfunded Growth Projects or development compromises cost recovery for current and future development contribution debt is adequately mitigated by financial or other offsetting benefits to the Council.

- c. Where IFF funding is available and a proposal requires the Council to incur additional costs such the provision of infrastructure not funded in its LTP, the Council's overall financial position shall not be compromised.
- d. Unfunded Growth Projects which impose, or are likely to impose, financial loss on the Council including those which extend outside the ~~10-Year Plan~~LTP parameters shall be considered from an economic perspective using life cycle cost/benefit analysis.

11.14. Recognition of Benefits:

- a. The Private Developer Agreement shall recognise that development associated with Unfunded Growth Projects brings both costs and benefits to the city.
- b. In addition to the life cycle cost/benefit analysis required under clause ~~412.3.3(d)~~14(e) above, Council will ~~have regard to~~ have regard to:
- 1) the extent that Unfunded Growth Projects improve the social, cultural, economic and environmental wellbeing of Hamiltonians.
 - 2) benefits derived from Council requirements to ring upsizeing of infrastructure to either meet Council's strategic outcomes or accommodate growth unrelated to the development. ~~will be recognised in the Private Developer Agreement.~~
 - 3) benefits of development which contribute to a well-functioning urban environment, ~~is well-connected along transport corridors, and which meets the criteria set out under Subclause (3) of the NPS-UDNPS-UD.~~
 - 4) relevant benefits derived from development associated with Unfunded Growth Projects may be ~~Development associated with Unfunded Growth Projects will create additional demand on city infrastructure and will attract development contributions under Council's Development Contributions Policy. The total calculated Development Contributions may be the subject of~~ recognised in a remission of development contributions under Section 138 of the Development Contributions Policy ~~in recognition of relevant benefits derived from development associated with Unfunded Growth Projects.~~ The value of any remission will be determined by Council and recorded in any Private Developer Agreement.