

2020 Tern Point AGM – Discussion Document

COMMON LAND INFRASTRUCTURE BOND PROPOSAL

The Roding Bond was introduced to provide a means of covering the costs of damage to Tern Point's roading network because of construction activity. At the 2019 AGM there was an initial discussion about an increase in the bond amount given that our common land is under much more pressure from increased construction activity, and that other assets such as the security gate are also potentially at greater risk due to construction traffic.

The suggestion has been further developed and further discussion is invited at the 2020 AGM on the following proposal:

1. The current Roding Bond which has been set at \$500 for many years to be replaced with a **Common Land Infrastructure Bond**.
2. The new bond would be required for all construction projects that require a permit. The Government has proposed that, from late August 2020, buildings under 30 square metres will no longer require a building permit. This should mean garden sheds and most other small structures could be exempted from this new Infrastructure Bond proposal.
3. A **two-tiered system of major projects and minor projects** would apply, based on the expected duration of the construction project, or alternatively based on the area of the project.
4. As an example, for a **major** residential development taking more than 8 weeks from initial on-site preparation or having a floor area greater than 100 square metres, an Infrastructure Bond amount of \$2000 is proposed.
5. On completion of the major project, subject to the project having caused no identifiable damage to Tern Point common assets, \$1000 will be refunded.
6. The balance of \$1000 will be retained by the Society and added to the Road Investment lodged with Saturn Portfolio. This fund is principally to cover the future costs of resealing Tern Point's private roading network.
7. For a **minor** residential development with a duration of less than 8 weeks or floor area less than 100 square metres, an Infrastructure Bond amount of \$1500 is proposed.
8. On completion of the **minor** project, subject to the project having caused no identifiable damage to Tern Point common assets, \$1000 will be refunded and \$500 retained for the Road Investment.
9. Note that this proposal does not change the requirement that all construction projects be first signed off by the Tern Point Committee, regardless of whether an Infrastructure Bond applies or not.

The underlying logic behind this proposal is that heavier construction traffic places a much higher wear and tear on the road than residential traffic without necessarily causing visible damage which may be immediately apparent. This in effect brings forward maintenance of the road. The scope has been widened since the proposition at the 2019 AGM was to include damage to any part of Tern Point common assets.

August 2020