



## CHAPTER 14

# FINANCIAL CONTRIBUTIONS

*Ngā Pūtea Whakarite*

## 14 Financial Contributions

### 14.1 OBJECTIVES AND POLICIES

*Objective FC1* *The District's infrastructure is able to meet the demands generated by new land-use, development and subdivision and significant changes in land-use, development and subdivision.*

Policy 1: To avoid, remedy or mitigate the adverse effects of land-use, development and subdivision on roads (excluding state highways), public carparking provision, service lanes, water, wastewater, stormwater and reserves (excluding esplanade reserves), through the imposition of financial contribution conditions on consents for land use, development or subdivision.

Policy 2: A financial contribution will be charged where the adverse effects identified are not otherwise able to be avoided, remedied or mitigated by;

- the availability of an alternative funding mechanism such as development contributions to renew or extend the **infrastructure** listed in Policy 1;
- capital works on-site being undertaken by the developer where the **infrastructure** provided is needed to serve the proposed land-use, development or subdivision in accordance with Council's required levels of service;
- a binding agreement with Council for the provision of the required **infrastructure within a specified time period**; and
- a financial contribution made previously for the same **infrastructure**.

Policy 3: To charge a financial contribution equivalent to the total cost of new or upgraded **infrastructure** delivered to a level of service specified in Chapter 13 Transportation and Services.

Policy 4: To charge the total cost of the new or upgraded **infrastructure** where as a result of land use, development or subdivision planned **infrastructure** is required to be completed earlier than anticipated by the Long Term Plan.

Policy 5: To charge a financial contribution for local reserves assessed as the value of either land, or works, or a combination of the two, to meet the demand created by new land-use, development or subdivision or where there are significant changes in land-use activities, including for coastal reserves, beach access points and other pedestrian and cycling linkages.

Policy 6 To ensure that in the event that land is provided by way of a financial contribution such land shall be suitable for the intended use bearing in mind the community to be served.

### 14.2 RULES

The following, standards and terms apply to Permitted, Controlled and Restricted Discretionary activities and will be used as a guide for Discretionary and Non-complying activities.

#### 14.2.1 General

14.2.1.1 Notwithstanding 14.2.1.2 and 14.2.1.8 below, Council may decline the proposal and all associated **infrastructure** upgrades or extensions;

- a. If the land-use, development or subdivision cannot be adequately serviced, for example, if land-use, development or subdivision is proposed to be located outside an existing serviced area (as defined in Appendix 13.7.3); or
  - b. if **infrastructure** necessary to meet the requirements of the proposed land use, development or subdivision is proposed in **Council's Long Term Plan**, but the proposed land use, development or subdivision requires that the planned works be undertaken earlier than planned for in the Long Term Plan.
- 14.2.1.2 All works and services required by this District Plan to be provided (as part of any land-use, development or subdivision activity in any zone) on or within the site and for the purpose of that land-use, development or subdivision shall be funded entirely as a cost to the developer.
- 14.2.1.3 Where a work or service is required to be upgraded or extended to serve any land-use, development or subdivision to comply with the rules of the District Plan or the conditions of a resource consent and the work or service is not proposed to be upgraded in **Council's Long Term Plan** or **Annual Plan**, the developer shall meet the full cost of any required extensions or upgrading of the service.
- 14.2.1.4 No financial contribution is payable if **infrastructure** upgrades or extensions necessary to meet the requirements of the proposed land-use, development or subdivision are budgeted for in the current Annual Plan.
- 14.2.1.5 No financial contribution is payable if **infrastructure** upgrades or extensions necessary to meet the requirements of the proposed land use, development or subdivision are proposed in **Council's Long Term Plan**, and if the proposed land use, development or subdivision does not require that the planned upgrades or extensions are to be undertaken earlier than provided for in the Long Term Plan.
- 14.2.1.6 No financial contribution is payable for;
- a. **additions and alterations to dwellings;**
  - b. a **dwelling** replacing one previously on the site;
  - c. an approved boundary adjustment;
  - d. an approved subdivision creating a **certificate of title solely for a work or utility;**
  - e. a **business activity** upon application for a building consent where there is no impact on the service network;
  - f. an additional **lot** where such land is set aside for the ecological, heritage or cultural protection in perpetuity; and
  - g. **infrastructure** for which a financial contribution has been made previously.
- 14.2.1.7 Subject to Rule 14.2.1.9, if **infrastructure** upgrades or extensions necessary to meet the requirements of the proposed land-use, development or subdivision are proposed in **Council's Long Term Plan**, but the proposed land-use, development or subdivision requires that the planned works be undertaken earlier than planned for in the Long Term Plan, then **Council** will, subject to 14.2.1.9(a) below, require the developer to meet the full cost of the upgrades or extensions including interest on loans.
- 14.2.1.8 Subject to Rule 14.2.1.9, where **infrastructure** upgrades or extensions, including upgrades or extensions to provide greater capacity, are necessary to meet the requirements of land-use, development or subdivision other than that proposed by the developer, and such other upgrades or extensions are proposed in **Council's Long Term Plan**, **Council** may require the developer to meet the full cost of upgrades or extensions, including interest on loans subject to 14.2.1.9 (c).
- 14.2.1.9 In relation to 14.2.1.7 and 14.2.1.8;

- a. Council may, at its discretion, and guided by its financial strategy, agree to contribute to the funding at the time the infrastructure is required by the proposed land-use, subdivision or development;
- b. agreements shall be made in writing between the developer and the Council, and shall state the amount of the financial contribution and timing of any payments to be made;
- c. in the event that Council does not contribute to the funding at that time, the developer will be reimbursed by Council;
- d. agreed reimbursement will be made no later than at the time the extension or upgrade would otherwise have been undertaken as set out in Council's Long Term Plan; and
- e. reimbursement will not include interest additional to that which would have been payable by the Council, had the upgrades or extensions been undertaken at the time proposed in the Long Term Plan.

14.2.1.10 For subdivision and development in the Shaw/Huna Road Structure Plan area, Council may, at its discretion, and guided by its financial strategy, agree to enter into a development agreement with the developers of the land. The purpose of such an agreement shall be to establish an equitable mechanism for funding off-site stormwater mitigation works. The agreement shall state the amount of any financial contribution to be made and the timing of such payments. Refer to Rule 13.2.28.8(i).

## 14.2.2 Financial Contribution for Roads

14.2.2.1 The total cost of developing new roads (including unformed legal roads) required to service a development or subdivision shall be met entirely as a cost to the developer.

14.2.2.2 Where a development or subdivision will generate traffic effects that require the sealing, widening or upgrading of a road, the financial contribution shall be calculated as the cost of upgrading the road to the required level of service specified in Chapter 13 that is directly attributable to the development or subdivision.

14.2.2.3 Financial Contributions for roading will be calculated in accordance with the following formulae

- a. Financial Contribution for subdivision

Based on number of new lots created:

Contribution = Cost of forming or upgrading road to the nearest Lot boundary of the site + Cost of upgrading road along the frontage of the site

$$C_p = \frac{D_1 \times R_c \times L_g}{L_e + L_g} + \frac{D_2 \times R_c}{}$$

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C<sub>p</sub> = Value of contribution (\$)

D<sub>1</sub> = Length of road (km) required to be upgraded to the closest boundary of the site.

D<sub>2</sub> = Length of road frontage (km) along the application site. If the development is on both sides of the road the length along both frontages shall be added together.

L<sub>e</sub> = Total number of existing Lots fronting to the road to be upgraded measured as D<sub>1</sub>

L<sub>g</sub> = Number of new lots created in the proposed subdivision

R<sub>c</sub> = Cost (\$/km) of improving the affected section of road to the level required as determined by the predicted traffic volume and road hierarchy and as included in Council's Long Term Plan.

- b. Financial Contribution for Land-use and Development

Based on traffic generation:

Contribution = Cost of upgrading road to the nearest boundary of the site times the total traffic to be generated by the proposal + Cost of upgrading road to the nearest boundary of the site times the total traffic to be generated by the proposal

$$C_p = \frac{D_1 \times R_c \times T_g}{T_e + T_g} + \frac{D_2 \times R_c}{2}$$

C<sub>p</sub> = Value of contribution (\$)

D<sub>1</sub> = Length of road (km) required to be upgraded to the closest boundary of the site.

D<sub>2</sub> = Length of road frontage (km) along the application site. If the development is on both sides of the road the length along both frontages shall be added together.

T<sub>e</sub> = Total amount of traffic currently using this road (as vehicles per day, AADT).

T<sub>g</sub> = Total amount of traffic generated by the development (as vehicles per day, AADT).

R<sub>c</sub> = Cost (\$/km) of improving the affected section of road to the level required as determined by the predicted traffic volume and road hierarchy and as included in the Council's Long Term Plan.

14.2.3 *Deleted as per updates on 17 December 2021 - Removal of minimum parking requirements as per National Policy Statement on Urban Development 2020 (section 3.38).*

#### 14.2.4 Financial Contribution for **Service Lanes**

14.2.4.1 Where the District Plan indicates the formation and vesting of land for the purpose of a service lane, a development or subdivision of the land shall include a condition requiring the land to be formed to Council's standards specified in Chapter 13 and vested in the Council as a service lane.

#### 14.2.5 Financial Contribution for **Water, Wastewater and Stormwater Infrastructure**

14.2.5.1 See 14.2.1.

#### 14.2.6 Financial Contribution for **Public Reserves**

14.2.6.1 Every subdivision, or every **additional dwelling** unit, will be assessed in terms of the need it generates for **public reserves** (but not active reserves for sporting codes) either in terms of additional reserve area or whether the demand can be mitigated in terms of improved level of service for existing reserves. Council will assess each subdivision or **dwelling** unit application to determine whether it requires a financial contribution comprising money, land, or works, or a combination of all three.

#### 14.2.7 Financial Contribution Calculation for **Public Reserves**

14.2.7.1 Every new **lot** or **dwelling** unit created shall contribute a one-off, fixed-sum payment (plus any taxes applicable), unless a contribution in land or works is to be made. Cash contributions shall go towards the programmed purchasing, upgrading and development of the District's **public reserves**. The financial contribution per new lot or **dwelling** unit shall be calculated in accordance with the following:

Contribution = Number of new lots created x Financial contribution/lot

$$C_p = N \times F_c$$

C<sub>p</sub> = Value of contribution (\$)

N = Number of new lots created

Fc = Financial contribution per lot identified in Council's Long Term Plan or Annual Plan for the Service Area

## 14.2.8 Contribution of Land

14.2.8.1 The Council will only require a contribution of land as a financial contribution for public reserves within the subdivision in one or more of the following circumstances:

- a. Where more than 8 residential lots are involved;
- b. Where an existing **public reserve** can be enlarged or improved;
- c. Where additional land is needed or is suitable to ensure the protection or enhancement of a site or feature/s of special natural, cultural or heritage value, whether identified in the Subdivision Plan or not;
- d. Where land can be added to a required **esplanade reserve** to enhance or increase its value for the purposes specified in the Resource Management Act;
- e. Where there is a clear deficiency in a locality of a particular type of **public reserve** land which can be provided within the subdivision; and
- f. Where the provision of land will improve community access to natural resources or another **public reserve**

14.2.8.2 Land to be set aside as **public reserve** shall be identified in consultation with the Council and shall;

- a. have road frontage which is adequate for amenity, visual access (community policing) and ease of maintenance purposes;
- b. preferably be north facing to optimise daylight and sunlight receipt;
- c. be capable of performing a variety of functions without major works;
- d. be readily accessible for properties in the locality; and
- e. be topographically situated to allow routine maintenance.

14.2.8.3 Where the Council requires a contribution in land for reserves, that contribution shall;

- a. be not less than 130m<sup>2</sup> of land per additional lot; and
- b. be not less in value than the sum payable under 14.2.7.

## 14.2.9 Contribution as a Combination of Money or Land

14.2.9.1 For some development applications, it may be most appropriate for Council to require a combination of money and/or land as a financial contribution. Where Council requires a combination, that contribution shall be not less in value than the sum payable under 14.2.7, and land that is contributed will generally be located in areas designated in the District Plan for resource purposes.

14.2.9.2 Council may accept land set aside as a Māori reservation under S338 and S440 of Te Ture Whenua (Māori land) Act 1993 as full or partial payment of a reserves contribution.

14.2.9.3 All calculations shall be exclusive of Goods and Services Tax (GST). All financial contributions are subject to GST and all assessed financial contributions shall have GST added to them for payment.

## **14.2.10 Payment of Financial Contributions to be a Condition of Consent**

14.2.10.1 A financial contribution shall be calculated at the time of granting either land-use or subdivision consent as a condition of that consent.

## **14.2.11 Review of Financial Contributions Conditions**

14.2.11.1 Any financial contribution amount specified in a condition of consent shall be reviewed on the anniversary of the consent unless the financial contribution has been paid in full. The review shall take into account any changes in the land value, Construction Price Index, current cost of works or other cost variable used in the assessment of the contribution.

## **14.2.12 Timing of Payment of a Financial Contribution**

14.2.12.1 The payment of a financial contribution shall be made;

- a. in the case of a subdivision consent, before the certification of a subdivision plan pursuant to Section 224 of the Resource Management Act, 1991 or
- b. in the case of a land use consent, before the implementation of the consent.

14.2.12.2 Where contributions are in the form of land, the land shall be shown to be vested in Council on the survey plan for approval under Section 223 of the RMA.