

12 Financial Contributions

Introduction

Section 108(1)(a) as part of a resource consent authorises a condition requiring a financial contribution be made for purposes specified in the Plan.

Section 108 (9) defines financial contribution as -

- (a) *Money; or*
- (b) *Land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Maori land within the meaning of the Maori Land Act 1993 unless that Act provides otherwise; or*
- (c) *A combination of money and land.*

This Chapter contains the requirements for financial contributions which can be imposed for resource consents in all activity areas, subdivision and development of land.

The provisions of this Chapter apply to all activity areas. Activities must also be assessed in terms of the requirements of each activity area, and the requirements of Chapters 11, 13 and 15, to determine whether or not a resource consent is required.

12.1 Issues, Objectives and Policies

12.1.1 Provision of Utility Services and Reserves when land is subdivided or developed

Issue

In the subdivision or development of land it is important that the cost of providing the necessary services and land for reserves are allocated fairly between subdividers or developers and the Council.

Objective

To ensure that subdividers or developers and the Council make fair and reasonable contributions for the provision of utility services and land for reserves.

Policies

- (a) Subdividers and developers should bear the cost of providing all utility services within the land being subdivided or developed where the benefits accrue to the land being subdivided or developed.
- (b) In circumstances where the existing services outside the land being subdivided are adequate but, the proposed subdivision or development will require upgrading or provision of new services and facilities, the subdivider or developer shall pay the full

and actual cost of such upgrading or new utility services and facilities.

- (c) Where Council has provided the necessary utility services in advance of land being subdivided, it is necessary for owners of such land to make a fair and reasonable contribution when the land is subdivided or developed.
- (d) Subdivision or development of land can lead to an increase in demand or need for reserves and open space and have adverse effects on the environment. It is important that subdividers or developers make a fair and reasonable contribution, either in cash or land, so that demand or need can be met and adverse effects can be avoided, remedied or mitigated.

Explanation and Reasons

Subdividers and developers should bear the full and actual cost of providing all utility services, such as roading, footpaths, stormwater and waste water disposal, within the land being subdivided or developed as the benefits accrue directly to the subdivision or development.

In circumstances where Council has provided the necessary utility services in advance of the land being subdivided or developed so as to enable scale economies to be achieved and for the land to be properly developed, owners must reimburse the Council at the time the land is subdivided or developed.

The Plan seeks to ensure that there are adequate reserves and open space to meet community needs and requirements, and that adverse effects on the environment from the subdivision or development of land are avoided, remedied or mitigated. In this respect Council seeks a fair and reasonable reserve contribution, either in the form of land or cash, to assist in offsetting these effects. In general, cash will be taken unless it can be shown that land meets Council's reserve requirements or includes areas of significant natural resources which require conservation.

12.1.2 Traffic Impact

Issue

Large retail activities can have adverse effects on the surrounding roading network. It is important that such adverse effects are managed or mitigated.

Objective

To ensure that adverse traffic effects of large size retail activities are managed or mitigated.

Policy

- (a) To ensure that developers make a fair and reasonable financial contribution to manage or mitigate adverse effects arising from large retail activities.

Explanation and Reasons

Large retail activities can have adverse effects on the surrounding roading network and on pedestrian circulation. In such circumstances it is important that developers contribute to the upgrading or modification of surrounding roads, intersections and footpaths.

12.2 Rules

These rules will not apply to an allotment created for the purposes of a network utility operator where that allotment is unoccupied and has no water or sewerage connection.

12.2.1 Financial Contributions relating to subdivision of land

12.2.1.1 Financial Contributions relating to roads, private ways, service lanes, accessways, footpaths and walkways

- (a) The full and actual costs of providing all new roads, private ways, service lanes, accessways, footpaths and walkways within the land being subdivided.
- (b) Where existing roads, service lanes, accessways, footpaths and walkways outside the subdivision are adequate to serve the existing development but the proposed subdivision will result in such roading facilities being inadequate in terms of specified performance standards the subdivider must pay the full and actual cost for all upgrading and/or any new facilities.
- (c) Notwithstanding (b) above, where the existing road(s), service lane, footpath, accessway and walkway outside the land being subdivided already are not in accordance with the engineering performance standards (see Subdivision Chapter for performance standards) and the increase in traffic, due to the subdivision, requires the existing road, service lane, footpath, accessway and walkway to be upgraded or widened, the subdivider shall make a contribution. The amount the subdivider will have to contribute will be based on the following method:
 - (i) Determine the number of dwelling units or buildings that could be developed in the proposed subdivision.
 - (ii) Using the number of dwelling units or buildings obtained, estimate the number of vehicular and pedestrian trips likely to be generated (including any future growth in traffic) by the proposed subdivision.
 - (iii) Estimate the number of vehicular and pedestrian trips generated by the existing development (including any future growth in traffic) and where appropriate taking into account future development (i.e. vacant land that could be subdivided in the future).
 - (iv) Determine the cost of upgrading the road, footpath, accessways or service lane based on the combined vehicular and/or pedestrian traffic.
 - (v) Divide the cost of upgrading the road, footpath, accessway or service lane by the total vehicular and/or pedestrian trips generated and allocate costs based on (i) and (ii).
- (d) Where in (c) above Council has contributed to the cost of upgrading or the provision of new roading facilities subdividers of such vacant land will pay the full and actual cost involved based on the trips generated and taking into account the time value of money.
- (e) Where Council has upgraded facilities to take into account both vehicular and pedestrian traffic increases from land yet to be developed subdividers of such undeveloped land shall be required to pay the full and actual costs of the upgrading and/or the new facilities based on trips generated by the subdivision and taking into account the time value of money.

12.2.1.2 Financial Contributions relating to road lighting

The subdivider must meet the full and actual cost of providing the necessary road lighting within the land being subdivided.

12.2.1.3 Financial Contributions relating to water supply

- (a) Within the land being subdivided the subdivider must pay the full and actual cost of providing the water supply for the proposed allotments.
- (b) Where the existing water supply capacity and pressure is adequate to serve existing development but the proposed subdivision will result in the capacity and/or pressure being inadequate the subdivider must pay the full and actual costs for all such upgrading and new facilities.
- (c) Where a subdivider is required to provide additional capacity to accommodate future demand beyond the land being subdivided, the Council shall pay the additional cost involved based generally on the following method:
 - (i) Estimate the total number of litres per day in the area to be served by the new facility.
 - (ii) Determine the actual and full cost of providing the new facility.
 - (iii) Determine average cost per litre: $(ii)/(i) = (iii)$.
 - (iv) Multiply (iii) by the development potential of land outside the land being subdivided to obtain the amount the Council has to contribute.
- (d) Where Council provides the necessary water supply facilities for vacant land in advance of land being subdivided either by carrying out the necessary work or through other means such as in (c) above, the Council shall require a contribution from the subdivider when land is subdivided based on the actual cost of providing the service to that land after taking into account the time value of money.

12.2.1.4 Financial Contributions relating to disposal of waste water and stormwater for subdivision of land

- (a) Within the land being subdivided the subdivider must pay the full and actual cost of providing the necessary waste water and stormwater disposal facilities.
- (b) Where the existing waste water and/or stormwater capacity outside the land being subdivided is adequate to serve existing development but the proposed subdivision will result in the capacity being inadequate the subdivider shall pay the full and actual cost for all such upgrading and new facilities.
- (c) Where the Council provides the necessary sewage and/or stormwater disposal system for vacant land in advance of such land being subdivided either by carrying out the necessary work the Council shall require a contribution from the subdivider when such land is subdivided based on the actual and full cost of providing the service to that land after taking into account the time value of money.
- (d) The above provisions shall apply to all staged subdivisions.

12.2.1.5 Financial Contributions relating to electricity, gas and telephone supply

Within the land being subdivided the subdivider must pay for the full and actual cost of providing the necessary electricity, gas and telephone services.

12.2.1.6 Financial Contributions relating to site formation and development works

- (a) The subdivider must pay for the full and actual cost of all site formation and development works within the land being subdivided.
- (b) Where site formation and development works within the land being subdivided require remedial or stabilising work to be carried out on land adjoining or adjacent to the land being subdivided the subdivider must pay the full and actual cost of such work.

12.2.1.7 Financial Contributions relating to reserves

- (a) Where the subdivision results or will result in an increase or an intensification of use of land, whether for residential or commercial or industrial activities, the reserve contribution shall be a maximum contribution in cash or land to an equivalent value equal to 7.5% of the value of each new allotment.
- (b) Council recognises that the maximum reserve contribution is not appropriate in all cases and that each case must be assessed based on the particular circumstances that exist. In determining whether the base maximum should be reduced the following matters will be taken into account:
 - (i) Whether there will be an increase in intensity of use of land which will lead to an increase in demand or need for reserves and open space.
 - (ii) Whether there will be changes to the nature and character of the use of land which will have adverse effects on the environment.
 - (iii) The nature, type and suitability of recreation and open space provisions provided by the development.
 - (iv) The amount, type and distribution of open/recreation space and whether they are adequately meeting community needs and requirements.
 - (v) The nature of the topography, natural features, vegetation, landscape and visual amenity values of the land being developed to meet community open space and recreational requirements and/or to ensure protection of amenity values.
 - (vi) The amount of reserve contribution paid on the land in the last ten years.
 - (vii) The amount and nature of planting or improvements made to new and existing reserves and open space areas.
- (c) In determining whether land, cash or a combination of cash and land will be required the following matters will be taken into account:
 - (i) The size and nature of the proposed open/recreation space.
 - (ii) The ability of the open/recreation areas to be used for the proposed purpose.
 - (iii) The distance and accessibility of the proposed open/recreation space to users.
 - (iv) The cost of maintaining the proposed open/recreation space.
 - (v) The topography of the proposed open/recreation space.
 - (vi) The ability to link the proposed open/recreation space to an existing or future network of open/recreation space and/or community facilities.

12.2.2 Financial Contributions relating to the development of land

12.2.2.1 Traffic Impact Fee - for retail activities in all activity areas and places of assembly in all residential and rural activity areas.

In all activity areas for all retail activities with a gross floor area exceeding 3,000 m², and all places of assembly in Rural and Residential Activity Areas, shall be assessed to determine whether a traffic impact fee is required.

- (a) Where the existing roading network is adequate to serve the current level of development but the proposed retail activity or place of assembly will result in the need to upgrade or provide new facilities due to an increase in traffic generated the developer must pay the full and actual cost of the upgrading or the provision new facilities.
- (b) Where the existing roading network is below specified performance standards the developer shall pay for the upgrading or the provision of new facilities. The amount the developer shall pay will be determined in accordance with the following method:
 - (i) Determine the number of vehicular and pedestrian trips likely to be generated by the proposed development (including any future growth in traffic).
 - (ii) Determine the number of vehicular and pedestrian trips generated by current development (including any future growth in traffic) and where appropriate taking into account future development.
 - (iii) Determine the cost of upgrading the roading network and/or the provision of new facilities.
 - (iv) Divide the cost of upgrading the roading network by the total number of vehicular and/or pedestrian trips generated and allocate costs based on (i) and (ii) above.
 - (v) Discounting the cost of upgrading the roading network, by the cost of completion of any works required, to bring the roading infrastructure up to an appropriate well maintained level for the activity area.
- (c) Council recognises that the impact fee is not appropriate in all cases and that each case must be assessed based on the particular circumstances that exist. In determining whether the base maximum should be adjusted the following matters need to be taken into account:
 - (i) Whether there will be increase in intensity of use of land from that which existed before.
 - (ii) Whether there is a change in nature and character of the use of land.
 - (iii) The subsidies that council may receive from Transit New Zealand.

12.2.2.2 Reserve Impact Fee - for all activities in the business and commercial activity areas

- (a) Where commercial or industrial development results or will result in an increase or intensification of use of land a contribution of money equivalent to 0.5% of the value of the development in excess of \$200,000 is required.
- (b) Council recognises that the maximum reserve contribution is not appropriate in all cases and that each case must be assessed based on the particular circumstances that exist. In determining whether the base maximum should be reduced the following matters will be taken into account:

- (i) Whether there will be an increase in intensity of use of land which will lead to an increase in demand or need for reserves and open space.
- (ii) Whether there will be changes to the nature and character of the use of land which will have adverse effects on the environment.
- (iii) The nature, type and suitability of recreation and open space provisions provided by the development.
- (iv) The amount, type and distribution of open/recreation space and whether they are adequately meeting community needs and requirements.
- (v) The nature of the topography, natural features, vegetation, landscape and visual amenity values of the land being developed to meet community open space and recreational requirements and/or to ensure protection of amenity values.
- (vi) The amount of reserve contribution paid on the land in the last ten years.
- (vii) The amount and nature of planting or improvements made to new and existing reserves and open space areas.
- (viii) The amount of floor area to be used exclusively for public recreation activities.

12.3 Anticipated Environmental Results

It is considered that the implementation of the above objectives, policies and rules will have the following environmental outcomes:

- (a) Developers and subdividers will make a fair and reasonable contribution to the cost of development.
- (b) Adverse effects resulting from development or the subdivision of land will be mitigated.