

8.1 OVERVIEW

Section 108 of the Resource Management Act sets out the requirements for conditions of resource consents and conditions include a financial contribution made for purposes specified in the Plan. Financial contributions are a charge made on development and can be made at the time of subdivision or land use.

Financial contributions are taken for the following reasons:

- To compensate for the situation where development generates demand on existing infrastructure or creates a need for new infrastructure. **(Recouping the cost of services).**
- As a means of avoiding, remedying or mitigating adverse effects of development for example, the demand for additional reserve space is remedied by the provision of land for reserves, including esplanade reserves. **(Dealing with the adverse effects on the environment created by development.)**

In developing financial contribution conditions the following principles have been used.

Reasonable:

- The link needs to be made between the contribution required and the expected works and services necessitated by the new development.
- Where a development has avoided, remedied or mitigated adverse effects the amount of the financial contribution will be reduced accordingly.

Lawful:

- Financial contributions are to be consistent with the purpose of the Act.

Certain:

- Financial contributions must be determined in accordance with the requirements of the Plan.
- The public must know with some certainty that the revenue being taken is

being used for the purpose for which it was taken.

Equitable:

- Ratepayers and developers paying for services should not be subsidising the mitigation of adverse effects created by others.
- Any financial contributions system needs to be applied consistently and fairly across existing and future users.

Efficient:

- The economic argument is that user charges (including financial contributions) promote efficiency as people pay directly.

8.2 ISSUES

- **Demand on Services:**

Development which occurs after subdivision places a demand on servicing including roading, water supply, waste water disposal, power and telecommunications and also creates a demand for land for open space and recreation.

Demand for servicing occurring at the time of subdivision or development can be dealt with in two ways including; developers meeting the actual cost associated directly with the subdivision or development in terms of providing new services; or contributing an appropriate amount toward the upgrading of existing infrastructure. Alternatively developers may find other means of servicing for example, on site effluent disposal.

- **Adverse effects:**

Changes caused by increased development can create effects which need to be dealt with. For example, a large commercial development could threaten an historic building. A financial contribution could be required to mitigate the adverse effects of the large commercial development by requiring the historic building on the site to be protected.

8.3 OBJECTIVE

To avoid, remedy or mitigate any adverse effects created by subdivision and development including demand on services.

8.4 POLICIES

8.4.1 Where upgrading of offsite works and services is required to apply contributions where the work is directly attributable to the development.

Explanation

Development may also create the need to upgrade existing services and where this is a direct consequence of the development the costs will need to be met by the developer. Where additional upgrading work is undertaken beyond that required to meet the needs of the immediate development, the additional cost of this work should be borne proportionally by subsequent developers to the extent that there are clear, direct and quantifiable benefits.

8.4.2 To avoid, remedy or mitigate the adverse effects created by development at the time of subdivision and/or land use on the wider community by contributing toward the provision of open space, recreation and esplanade land.

Explanation:

Where increased development results in increased demand for open space and recreation reserves it is appropriate these effects are mitigated. The Plan contains provisions for esplanade land.

8.5 METHODS

8.5.1 District Rules

- (a) Financial contributions (either cash, land or a combination of cash and land) will be required if the Council is to provide any of the following:
- Roading and roading infrastructure (refer to each zone and Chapter 9, Subdivision and Development).
 - Parking (refer to each zone and Chapter 9, Subdivision and Development).
 - Water supply (refer to Chapter 9, Subdivision and Development).

- Wastewater (refer to Chapter 9, Subdivision and Development).
 - Stormwater and flood protection refer Chapter 9, Subdivision and Development).
 - Other utilities including, street lighting, electricity and telephone (refer to Chapter 9, Subdivision and Development).
 - Earthworks (refer to each zone and Chapter 9, Subdivision and Development).
 - Landscaping (refer to each zone).
 - Protection of heritage and natural areas including native bush areas (refer to each zone and Chapter 13, Natural Environment and Chapter 12, Heritage).
 - Open space, reserves and recreation space (refer to each zone and Chapter 7, Water Margins for esplanade land).
- (b) Develop specific financial contribution requirements for permitted activities. The provisions for housing, other developments and subdivision will be separated as they have different effects.
- (c) Integrate the provisions for the vesting of land for esplanade purposes with financial contribution provisions.
- (d) To ensure that where adverse effects are mitigated by the applicant the amount of the financial contribution is reduced as set out the plan.
- (e) Cross-reference to other relevant plan provisions for example, Chapter 16, Utilities and Chapter 15, Transport.
- (f) Monitor the level of development and the capacity of services.

Reasons

To ensure activities are treated fairly activities with different effects will be charged depending upon the impact of the development and the nature of the adverse effects created.

It is appropriate that recognition is given to development which mitigates adverse effects. In these situations financial contributions can be reduced or waived.

Criteria in other sections of the plan can influence the financial contributions set, for example Chapter 7, Water Margins; Chapter 16, Utilities; Chapter 15,

Transport; and Chapter 9, Subdivision and Development. It is appropriate that all provisions work together to achieve anticipated environmental results.

8.5.2 Annual Plan

- (a) Co-ordinate the maintenance and development of the service network controlled by Council through the annual plan process.
- (b) Ensure there is a transparent financial system to record the amount of money taken as financial contributions and details where the money is being allocated.

Reasons

To ensure an efficient approach is taken to the provision of the council service network, the annual plan will consider an integrated approach to the development and management of infrastructure. In addition environmental effects can be avoided, remedied or mitigated if work is prioritised and undertaken together.

The Council needs to be accountable in terms of where money taken as financial contributions, is being used.

8.5.3 Other Mechanisms

- (a) Rating - for example, special rating districts may be rated specifically to provide for a community project.

Reasons

Other mechanisms for achieving more socially orientated objectives may be achieved through rating mechanisms. Special rating districts enable Council to gather money for a particular reason in a particular community.

8.6 ANTICIPATED ENVIRONMENTAL RESULTS

The implementation of the policies and methods is expected to result in the following outcomes:

- (a) Provision of a network of reserves, open space and esplanade land.
- (b) Maintenance and enhancement of the capacity of the service infrastructure.
- (c) Maintain the quality of natural water (particularly minimising effects on ground water).
- (d) Safe disposal of wastes.
- (e) The protection of heritage resources and significant natural areas.

8.7 DISTRICT RULES

The payment of financial contributions for permitted activities is required in accordance with the rules. For resource consents financial contributions will be set out as standards and terms. The following are the requirements.

8.7.1 PERMITTED ACTIVITIES

- (a) Refer to relevant zones and Part B, District Provisions.

8.7.2 Conditions for Permitted Activities
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Purpose and circumstances: Financial contributions for the provision of on-site works and services will be required if Council is to provide any of the following:.

8.7.2.1 Roads and Service Lanes

Purpose and circumstances: Either for new roads or service lanes, intersection improvements or the upgrading and widening of existing roads including service lanes, private ways and access ways. The contribution is designed to provide adequate access and for the efficient development of the roading network including any necessary road widening.

- (a) For any activity or subdivision the actual onsite cost required to construct and upgrade roads and service lanes required by the subdivision or development (including the value of the necessary land).

- (b) For any activity or subdivision the actual costs of off site works necessary to improve or upgrade intersections and infrastructure at the point of connection to ensure the new development connects safely and adequately to existing networks.

8.7.2.2 Carparking

Purpose and Circumstances: The Plan rules within each area specify that parking associated with any activity be provided on site as specified in Chapter 15, Transport with the exception of permitted activities within existing buildings in the urban commercial zone (refer to section 5.7.2.17).

- (a) The actual cost of providing for car parks as set out in Chapter 15, Transport.

8.7.2.3 Sewage Disposal and Treatment

Purpose and Circumstances: Sewage and stormwater disposal is required to ensure that effects on human health and the environment are avoided. In many instances within the rural area of the District connection cannot be made to the existing public infrastructure.

A financial contribution will not be required where the development cannot connect to the public infrastructure and can meet the requirements for an adequate wastewater and treatment facility on site.

- (a) For any activity or subdivision which cannot connect to the existing public infrastructure the actual on site cost of providing on site disposal and treatment. **(Note: within the urban environment Council no longer permits septic tanks.)**
- (b) For any activity or subdivision which can connect to a reticulated system the actual cost of constructing and/or upgrading the system caused by the subdivision or development (including the value of the necessary land).
- (c) For any activity or subdivision the actual costs of off site works necessary to improve or upgrade infrastructure at the point of connection to ensure the new activity or subdivision connects safely

and adequately to existing works.

Note: No financial contribution for wastewater disposal and treatment will be levied or payable in respect of utility structures where there is to be no human occupation of the site

8.7.2.4 Stormwater Disposal and Treatment

Purpose and Circumstances: Minimise the adverse effects of the uncontrolled discharge of stormwater.

- (a) For any activity or subdivision which can connect to the existing piped outfall the actual cost of providing on site reticulation and control structures within the subdivision or development.
- (b) For any activity or subdivision the actual costs of off site works necessary to improve or upgrade infrastructure at the point of connection to ensure the new activity or subdivision connects safely and adequately to existing works.
- (c) For any activity which cannot connect to the piped outfall the actual cost of providing for disposal of stormwater.

Note: No financial contribution for stormwater disposal and treatment will be levied or payable in respect of utility structures where there is expected to be no stormwater infrastructure required

8.7.2.5 Water Supply

Purpose and Circumstances: In order to ensure that each development has an adequate water supply in terms of being potable for human consumption and available for the needs of other activities including for fire fighting purposes.

- (a) For any activity or subdivision which cannot connect to the water supply system the actual on site cost of providing all necessary reticulation within the subdivision or development.
- (b) For any activity or subdivision which can connect to a reticulated system the actual cost of constructing and/or upgrading the system caused by the subdivision or development (including the value of the necessary land).
- (c) For any activity or subdivision the actual costs of off site works necessary to improve or upgrade infrastructure at the point of connection to ensure the new activity or subdivision connects safely and adequately to existing works.

8.7.2.6 Electricity Supply, Street Lighting and Telephone Supply

Purpose and Circumstances: In order to ensure the health and safety of the community it is necessary to ensure there is a universal electricity supply, telephone connection and appropriate street lighting.

- (a) The actual costs of connection to electricity and telephone supply for any activity or subdivision be met by the applicant. [Note: the supply of electricity and telephone are made by organisations other than the Council.] Any developer would need to negotiate with the supply organisation as appropriate.
- (b) For any activity within the urban environment where new roads or private ways are formed or upgraded the actual costs of providing for street lighting.

8.7.2.7 Earthworks

Purpose and circumstances: Earthworks may be required to be carried out in association with any activity or subdivision.

- (a) For any activity or subdivision the actual cost of carrying out any required earthworks.

8.7.2.8 Landscaping

Purpose and circumstances: Landscaping is required either to maintain and enhance the amenity of the surrounding environment (refer Chapter 3, Rural Industrial; Chapter 5, Urban Commercial; and Chapter 6, Urban Industrial) or as a requirement where existing vegetation has been removed.

- (a) For any activity the actual cost of carrying out and maintaining the landscaping.

8.7.3 ACTIVITIES REQUIRING RESOURCE CONSENT

Refer to Part A, Zoning, for the category of consent required for any activity or subdivision.

8.7.4 Standards and Terms

Financial contributions may be required as a condition of consent.

8.7.4.1 Roads and Service Lanes

Purpose and circumstances: If Council is required to provide either for new roads or service lanes, intersection improvements or the upgrading and widening of existing roads including service lanes, private ways and access ways. The contribution is designed to provide adequate access and for the efficient development of the roading network including any necessary road widening.

- (a) For any activity or subdivision the actual on site cost required to construct and upgrade roads or service lanes required by the subdivision or development (including the value of the necessary land).
- (b) For any activity or subdivision the actual costs of off site works necessary to improve or upgrade intersections and infrastructure at the point of connection to ensure the new development connects safely and adequately to existing networks.
- (c) Where substantial costs are likely to be incurred in providing an extended or upgraded road or service lane that is not exclusively required as a result of the subdivision or activity; the cost to be recouped from individual developers to be the proportion of the total cost of the extension or upgrade equivalent to the proportion of the additional capacity taken up by the development.
- (d) The actual cost of construction and upgrading can include landscape treatment, footpaths and cycle paths, and traffic control facilities.

8.7.4.2 Carparking

Purpose and Circumstances: The Plan rules within each area specify that parking associated with any activity be provided as specified in Chapter 15, Transport. Where a development cannot provide the required number of off street carparks and spaces need to be provided within the vicinity of the site.

- (a) For off site carparking to be provided by the Council within the near vicinity of the site the amount of the contribution will be determined as follows:
 - (i) Cash to the equivalent of the present value of the land required for carparks and the associated costs of construction based on 25m² per carparking space.
 - (ii) The amount of the contribution can be reduced if the applicant provides carparking spaces within 100 metres of the development. The reduction in the financial contribution will be in proportion to the value of the number of carparks provided.

Note: This does not apply to permitted activities within existing buildings in the urban commercial zone (refer to section 5.7.2.17)

8.7.4.3 Earthworks

Purpose and circumstances: Earthworks may be required to be carried out by the Council in association with any activity or subdivision.

- (a) For any activity or subdivision the actual cost of carrying out any required earthworks.

8.7.4.4 Landscaping

Purpose and circumstances: Where the Council is required to provide landscaping either to maintain and enhance the amenity of the surrounding environment or as a requirement where existing vegetation has been removed.

- (a) For any activity the actual cost of carrying out and maintaining the landscaping.
- (b) The amount of the contribution can be reduced if the applicant has provided landscape treatment elsewhere on the site which has effectively reduced the visual impact of the development.

8.7.4.5 Wastewater Disposal and Treatment

Purpose and Circumstances: Wastewater disposal and treatment is required to ensure that effects on human health and the environment are avoided. In many instances within the rural area of the District, connection cannot be made to the existing public infrastructure.

A financial contribution will not be required where the development cannot connect to the public infrastructure and can meet the requirements for an adequate wastewater and treatment facility on site. No financial contribution for wastewater disposal and treatment will be levied or payable in respect of utility structures where there is to be no human occupation of the site.

A financial contribution will be require if Council provides any of the following:

- (a) For any activity or subdivision which cannot connect to the existing public infrastructure the actual on site cost of providing on site disposal and treatment. (Note: within the urban environment Council no longer permits septic tanks)
- (b) For any activity or subdivision which can connect to a the existing public infrastructure, the actual cost of constructing and/or upgrading the system caused by the subdivision or development (including the value of the necessary land).
- (c) For any activity or subdivision the actual costs of off site works necessary to improve or upgrade infrastructure at the point of connection to ensure the new activity or subdivision connects safely and adequately to existing works.
- (d) Where substantial costs are likely to be incurred in providing an extended and/or upgraded stormwater sewerage system that is not exclusively required as a result of the subdivision or activity; the cost to be recouped from individual developers to be the proportion of the total cost of the extension or upgrade equivalent to the proportion of the additional capacity taken up by the development.

Note: No financial contribution for wastewater disposal and treatment will be levied or payable in respect of utility structures where there is to be no human occupation of the site

8.7.4.6 Stormwater Disposal and Treatment

Purpose and Circumstances: Minimise the adverse effects of the uncontrolled discharge of stormwater.

A financial contribution will be required if the Council provides any of the following:

- (a) For any activity or subdivision which can connect to the existing piped outfall the actual cost of providing on site reticulation and control structures within the subdivision or development.
- (b) For any activity or subdivision the actual costs of off site works necessary to improve or upgrade infrastructure at the point of connection to ensure the new activity or subdivision connects safely and adequately to existing works.
- (c) Where substantial costs are likely to be incurred in providing an extended and /or upgraded stormwater disposal and treatment system that is not exclusively required as a result of the subdivision or activity; the cost to be recouped from individual developers to be the proportion of the total cost of the extension or upgrade equivalent to the proportion of the additional capacity taken up by the development.
- (d) For any activity which cannot connect to the piped outfall the actual cost of providing for disposal of stormwater.

Note: No financial contribution for stormwater disposal and treatment will be levied or payable in respect of utility structures where there is expected to be no stormwater infrastructure required

8.7.4.7 Water Supply

Purpose and Circumstances: In order to ensure that each development has an adequate water supply in terms of being potable for human consumption and available for the needs of other activities including for fire fighting purposes.

A financial contribution will be require if the Council provides any of the following:

- (a) For any activity or subdivision which cannot connect to the water supply system the actual on site cost of providing all necessary reticulation within the subdivision or development.
- (b) For any activity or subdivision which can connect to a reticulated system the actual cost of constructing and/or upgrading the system caused by the subdivision or development (including the value of the necessary land).
- (c) For any activity or subdivision the actual costs of off site works necessary to improve or upgrade infrastructure at the point of connection to ensure the new activity or subdivision connects safely and adequately to existing works.
- (d) Where substantial costs are likely to be incurred in providing an extended or upgraded water supply system that is not exclusively required as a result of the subdivision; the cost to be recouped from individual developers to be the proportion of the total cost of the extension or upgrade equivalent to the proportion of the additional capacity taken up by the development.
- (e) The amount of the financial contribution will be waived where the development is not connecting to the public infrastructure and can meet the requirements for an adequate water supply system.

8.7.4.8 Street Lighting

Purpose and Circumstances: In order to ensure the health and safety of the community it is necessary to ensure there is appropriate street lighting.

- (a) For any activity within the urban ward where new roads or private ways are formed or upgraded the actual costs of providing for street lighting.

8.7.4.9 Reserves

Purpose and circumstances: It is important that the open space and reserve provisions for both active and passive recreation are maintained within the District.

A financial contribution in cash or land for reserve purposes may be required:

- As a condition of subdivision in the urban residential and rural environment;

The following criteria will be used in assessing whether the land contribution is appropriate to the particular circumstances:

- Land may be taken as a contribution where the area in which the application is located is deficient in reserves of a particular type and the site subject to the application includes areas of land suitable for that purpose.

- (a) In the urban residential area the amount of the financial contribution shall be calculated as follows:

5% of the land value of a standard urban section (500 m²) multiplied by the number of additional sections created.

- (b) In the rural environment the amount of the financial contribution shall be calculated as follows:

2% of the land value of a minimum rural lot size (3 ha) multiplied by the number of additional sections created.

- (c) If the cash value required exceeds the value of the land offered then the value of the financial contribution may be reduced by the estimated capital cost of providing the land.

- As a condition of a land use consent for residential activity except:

where the contribution has been made at the time of subdivision no contribution will be required for the first household unit.

- (a) For a residential activity the amount of the financial contribution shall be calculated as follows:

In the urban residential area 5% of the land value of a standard urban section (500sq m) multiplied by the number of household units created.

- (b) In the rural environment 2% of the land value of a minimum rural lot multiplied by the number of household units created.

Note: No financial contribution for reserves will be levied or payable in respect of utility structures.

8.7.4.10 Esplanade Reserves and Esplanade Strips

Esplanade land can help mitigate adverse effects by acting as a buffer between the activity and the body of surface water, ensuring public access and maintaining conservation values.

- Where the subdivision is within 20 metres of the margins of the waterways listed in Appendix 7; or the Coast (MHWS).
 - (a) Where an esplanade reserve or esplanade strip is required the actual costs of vesting or contribution including the value of the land or interest in land and the costs of survey and conveyancing.

Note: Where any esplanade reserve or strip is required on any allotment of 4 hectares or more created when the land is subdivided, compensation shall be paid for any interest taken in land unless agreed otherwise (as set out in section 237F of the Resource Management Act,1991)