

80 Financial Contributions

80.1 Introduction

This chapter contains rules relating to financial contributions. The rules apply throughout the District, unless the context otherwise requires. Objectives and policies relating to financial contributions are contained in Chapter 9. Specific references to financial contributions are also included in other chapters.

80.2 Conditions on a Subdivision Resource Consent

80.2.1

Notwithstanding any other provision of the Plan, the Council may impose on every subdivision consent a condition that a financial contribution in money, shall be paid to the Council for:

- a) The purposes, and the parts of the District, and of the amounts set out in Table 80.2.1A; or
- b) The purposes, and the part of the District, as set out in Table 80.2.1.A and according to the formula set out in Rule 80.2.2;

Provided that the amount to be paid shall be the lesser amount of the two methods of calculation, as determined by the Council.

Table 80.2.1 A - Financial Contributions on Subdivision

| Item | Purpose | Part of District | Contribution per Allotment excl. GST |
|------|---------------------------------|---|--------------------------------------|
| 1 | Reserves and community services | Whole District | \$1,600.00 |
| 2 | Sewerage | Whole District where a reticulated system is available, except Langs Beach, McLeods Bay to Urquharts Bay, and Waikaraka to Parua Bay. | \$1,000.00 |
| 3 | Sewerage | Area covered by Langs Beach Scheme. | \$2,280.00 |
| 4 | Sewerage | McLeods Bay to Urquharts Bay Scheme: Area 1. | \$3,121.00 |
| 5 | Sewerage | Waikaraka to Parua Bay Scheme: Area 2. | \$3,146.00 |
| 6 | Stormwater | Whole District where a reticulated system is available. | \$1,000.00 |
| 7 | Water supply | Whole District where a reticulated system is available. | \$1,000.00 |
| 8 | Road network | Whole District. | \$1,000.00 |

80.2.2 Formula for Financial Contributions

Step 1:

Calculate costs of project (service upgrade) attributable to new growth and subdivision.

From total cost of works, deduct the portion of the capital cost that benefits existing residents.

Remainder = costs attributable to new growth and subdivision.

Step 2:

Calculate number of additional residential units that can be serviced within the design capacity of the works.

From design capacity of completed work (e.g. house equivalents), deduct existing houses to be serviced.

Remainder = number of additional residential units that can be serviced.

Step 3:

Calculate cost of growth per additional house.

Divide costs attributable to new growth and development by the number of additional residential units that can be serviced.

Quotient = the financial contribution per lot.

80.2.3

The financial contributions paid, pursuant to Rules 80.2.1 and 80.2.2 and Table 80.2.1A, shall be used by the Council for the following purposes:

- i. Reserves and community facilities: the provision of active and passive open space in the service network;
- ii. Sewage: the provision of sewage services in the service network;
- iii. Stormwater: the provision of stormwater services within the service network;
- iv. Water supply: the provision of water supply services in the service network;
- v. Road network: the provision of roading within the service network.

80.2.4

The financial contributions in Rules 80.2.1A and 80.2.2 shall be paid in respect of each allotment created by the subdivision. No financial contribution shall be payable in respect of:

- i. The existing number of allotments in the land being subdivided;
- ii. Any allotment to be vested in the Council or the Crown;
- iii. Any allotment to be used exclusively for utility, road, reserve or access purposes.

80.2.5

The contribution is only payable where the relevant service is available to the land being subdivided, and is within the part of the District indicated in Table 80.2.1A.

80.2.6

'Whole District' means the area within the Whangarei District boundary. Other localities specified in Table 80.2.1A are defined by reference to the availability and practical catchment areas of the relevant service in that locality.

80.2.7

In assessing the contributions payable under Rule 80.2, the Council, in setting the contribution, shall take into account the value of any works or services already made under Rule 80.4, while ensuring that adverse effects on the environment are avoided, remedied or mitigated.

80.3 Contributions in Land for Reserves

- a) The Council may impose on every subdivision consent, where the subdivision will produce 2 or more allotments, a condition requiring a financial contribution in land within the subdivision, for reserve purposes.
- b) The land comprising the financial contribution shall contain a maximum area equivalent in value to \$1,600.00, multiplied by the number of allotments in the subdivision, excluding allotments mentioned in section 80.2.4.

The value of any land vested as reserve under Rule 80.3 may be deducted from the assessment of the financial contributions to be made under Rule 80.2 for reserves and community services, and where the value of land vested under Rule 80.3 exceeds the financial contribution payable under Rule 80.2.1A "Reserves and community services", the Council will reimburse the subdivider for the difference.

80.4 Conditions on a Land Use Resource Consent**80.4.1**

Where any resource consent is granted, a condition imposing a financial contribution may be imposed according to Section 108(2) of the Resource Management Act 1991, to make provision for associated infrastructure and services, including reserves and community infrastructure. Where a land use resource consent imposes a condition requiring a financial contribution, Council will account for contributions already made under Rule 80.2 for the purpose of avoiding, remedying or mitigating potential adverse affects arising from insufficient infrastructure or services, with respect to the proposed development.

The following are purposes for which a financial contribution may be imposed:

- a) The form or upgrade roads and associated services, including traffic control systems in the vicinity of the proposed development, to the extent required due to the projected increase in traffic.
- b) To develop or upgrade the water supply, stormwater drainage and sewage systems to the boundary of the development site.

- c) To provide for other works or services provided by Council that would otherwise have been required to be provided by the consent holder as a condition of resource consent associated with the development site.
- d) To offset the cost of future capital works, reserves acquisition and anticipated community infrastructure necessitated by and directly associated, with effects of the proposed development, other than financial contributions provided by condition of a subdivision consent.
- e) To offset the cost of capital works, reserves acquisition and community infrastructure necessitated by, and directly associated with, the effects of the proposed development that has been incurred in anticipation of proposed development other than financial contributions provided by condition of subdivision consent.

In undertaking an assessment as to the quantum of any financial contribution that may be required to address the above matters, Council will apply the following principles:

- a) A financial contribution will only be required in circumstances where the proposed development does not effectively provide for development of infrastructure and services directly associated with the proposed development.
- b) A financial contribution will not be required in circumstances where the financial contribution provided for under Rule 80.2 adequately provides for the purpose of avoiding, remedying or mitigating potential adverse effects arising from insufficient infrastructure, or services directly associated with, the proposed development.
- c) A financial contribution will only be used to provide for the provision or upgrading of infrastructure and services associated with effects or impact of that development site and proposed development.
- d) A financial contribution does not provide for the operation and maintenance of infrastructure after establishment.
- e) Financial contribution means a contribution of money or land (including an esplanade reserve or esplanade strip other than in relation to a subdivision consent), or combination of money and land, to an equivalent value.
- f) The calculation of any financial contribution will take into account the extent to which the Council service for which the contribution is being required is funded by other sources, including that required by condition of subdivision consent.
- g) Upon application, Council may waive or discount the financial contribution under this provision, in consideration of relevant matters including:
 - i. Where the infrastructure provided exceeds that required for the proposed development and this is of benefit to the local or wider community;
 - ii. Positive effects created by the enhancement of physical and/or natural environment;
 - iii. Where reserves' acquisition and anticipated community infrastructure is unnecessary or inappropriate.

Note: In the event the proposed development does not proceed and the consent is canceled or lapsed, Council shall refund to the consent holder the unspent component (if any) of the financial contribution (paid under this provision), according to Section 110(1) of the Resource Management Act 1991.

In a situation that Council is confident that a third party effectively providing, or will effectively provide payment towards, the financial contribution, then such payment will be deducted from the financial contribution required under this provision. Determination of the deduction will be established through a negotiated process between the applicant and Council. This determination will be made on a case-by-case basis and not determined retrospectively.

80.4.2

A financial contribution in money shall be paid to the Council where the Council will do some or all of the work or provide land. The amount will be determined as no more than the full cost to the Council to achieve the purpose of the financial contribution, and to the extent to which the works will be required to avoid, remedy or mitigate adverse effects of the subdivision or development on the environment.

80.4.3

A financial contribution in land shall be required where a consent holder is to vest land in a local authority, the Crown, a network utility operator or a heritage protection authority, for the purpose of the financial contribution. The amount and location of the land will be determined as follows:

- a) The land necessary to construct, form, divert, widen or upgrade any new or existing road, where:
 - i. Roads are not available; or
 - ii. Existing roads are of an inadequate width or construction to cater for increased usage caused by the subdivision or development, or
 - iii. Alterations or works to existing roads are required for traffic safety or efficiency, as a consequence of the subdivision or development.
- b) The land necessary to access any other land in the vicinity of the land being subdivided or developed, or adjacent to the road being constructed, widened or upgraded; to provide for the effective future development of the other land or practical access to the other land.
- c) The land necessary for any segregation strips required for the purposes of the financial contribution.
- d) The land required to site any utility required for the purpose of the financial contribution, such as a substation, pumping station or soil conservation reserve.
- e) Any easements necessary to make services available to land within the subdivision or development, or to any land in the vicinity of the land being subdivided or developed; to provide for the effective future development of the other land.
- f) Any land, or interest in land, necessary for the purposes of an esplanade reserve or esplanade strip or access strip.
- g) Any land, or interest in land, necessary for the protection of Significant Ecological Areas.

80.5 Timing of Payment

Where payment of a financial contribution in money is required by a condition on a resource consent, or a rule, it shall be paid in accordance with that condition or rule, or if there is no specific requirement as to timing of the payment, it shall be paid:

- a) Prior to a certificate being issued pursuant to section 224(c) of the Resource Management Act 1991, in the case of a subdivision; or
- b) Prior to commencement of building work, in the case of a building activity; or
- c) Prior to a service connection being made to Council services, in the case of a contribution for water, sewerage or stormwater connection; or
- d) Prior to the commencement of the activity in the case of a contribution for parking.

80.6 Timing of Transfer of Land

A condition in respect of a financial contribution in land, shall be completed as required, by a condition on a resource consent or a rule. If the contribution is the vesting of land as part of a subdivision, this shall be shown on a plan of subdivision.

80.7 Principal Reasons for Rules

Payments on Subdivision

The purposes of financial contributions are described in the objectives and policies in general terms, (Chapter 9) and in the rules more specifically.

The manner of determining the level of contributions in Table 80.2.1A is generally based on the capital works projects stated in the Council's Strategic Plan, which is part of the Council's Long Term Council Community Plan, required under the Local Government Act 2002. Where projects are not contained in the Strategy, then specific estimates of costs will be relied upon in costing the project. Only projects planned for the next 10 years are covered in Table 80.2.1A.

In most cases, the amount in Table 80.2.1.A is lower than the actual costs of providing services. This is because Council has decided to accept that part of the costs attributable to new growth should be met, in part, out of rates.

Every allotment on a subdivision is assumed to be capable of holding one new residential unit. Exceptions are provided in the rules for lots to be used for utility, road, reserve or access purposes, on the basis that these are unlikely to contain a dwelling unit. Commercial and industrial subdivisions will pay the same financial contribution, per lot, as residential subdivisions. However, additional payments to the Council for services may be required at the time of connection to services. The financial contribution, in some cases, has been reduced below the calculated level where the Council has decided to pay part of the costs of new growth from rates, for reasons of fairness or equity.

Contributions for Road Network

Rural subdivision affects roads in several ways. Increasing traffic creates demands for road widening, surface improvement, traffic signs and other works. Stormwater flows in water tables, sumps and culverts may increase significantly, as water from on-site drainage systems often finds its way onto roads following subdivision.

The purposes of the financial contribution are to pay the costs of upgrading the road network, including widening, surface and subsurface improvements, improvements to alignment, levels, sight lines and water control, land purchase and road legalisation.

Resource Consent Conditions

This rule covers activities or effects, within the scope of the objectives and policies, for which financial contributions cannot be quantified in advance. The level of contributions for these purposes will reflect the effects assessed on the environment.

Revision and Sign-off Sheet

| Date Updated | Author | Paragraph | Change description | Decision date |
|--------------|--------|-----------|---|---------------|
| 14/12/10 | FP | 8.01 | Reference to Chapter 1-2 Plan Change 106 consequential changes. | Clause 20A |

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