

# FINANCIAL CONTRIBUTIONS

A financial contribution is defined in Section 108(9) of the Act and includes not only money, but also land, works and services for the purposes specified in the Plan. A resource consent for any subdivision or land use may include a condition that a financial contribution be made up to the value of a maximum value specified in, or determined in accordance with, the Plan.

## FC 1.2 OBJECTIVE

- (a) **Financial contributions that assist the Council to achieve the purpose of the Act and in particular to contribute to and/or meets the cost of avoiding, remedying or mitigating adverse effects and/or ensuring positive effects on the environment to offset any adverse effects arising from activities, and to provide for the Community's wellbeing, health and safety.**

## FC 1.3 POLICIES

- (a) **To require fair and reasonable financial contributions to avoid, remedy or mitigate and/or offset adverse effects of the use, development, protection and subdivision of land and to provide for the Community's wellbeing, health and safety.**
- (b) **Without limiting the generality of Policy FC 1.3(a), to require as a condition of any resource consent a financial contribution that is consistent with Objective FC 1.2(a) with respect to the following:**
- (i) **infrastructure**
  - (ii) **earthworks**
  - (iii) **parking, and**
  - (iv) **landscaping**
- (c) **To require that esplanade reserves and esplanade strips be provided which are consistent with the provisions of this Plan when a resource consent is granted.**
- (d) **To determine the extent and value of any particular financial contribution in accordance with the following:**
- (i) **The value shall not exceed that authorised by the Act.**
  - (ii) **The extent that the activity created a need for a financial contribution to achieve the objectives and policies of this Plan.**
  - (iii) **The proportional share of the cost of the avoidance, remedying, mitigation or offset measure that can reasonably be attributed to the activity.**

- (iv) **The extent to which the financial contribution provides some compensation/relief to the community for an adverse environmental effect caused by the activity.**
- (v) **The extent to which the positive environmental effects of the activity offset the adverse environmental effects.**

### **Explanation of Policies**

The test of the reasonableness of a financial contribution is fundamental to the implementation of Section 108(9) of the Act.

The provisions of this Plan should ensure that activities which significantly adversely affect the environment, which cannot be adequately avoided, remedied or mitigated, do not proceed.

Where possible, quantifiable adverse effects will have been dealt with by conditions for permitted activities in the appropriate section of the Plan (e.g. noise) and developers will have to comply with established standards except as provided for under resource consents for controlled, discretionary (restricted), discretionary and non-complying activities.

The policies develop a framework whereby a financial contribution will fair by and reasonably be determined.

## **FC 2.0 RULES**

### **FC 2.1 Permitted Activities**

Where this Plan does require a financial contribution as a permitted activity condition or rule, the purpose of that financial contribution shall be determined in accordance with the purpose of the permitted activity condition or rule, and the maximum value of that financial contribution shall be the actual cost of fulfilling the requirement of that permitted activity condition or rule.

### **FC 2.2 Specific Financial Contributions**

Specific financial contributions shall be determined in accordance with the following criteria:

#### **FC 2.2.1 Infrastructural Assets to Service Proposed Subdivisions and Developments**

In this section of the Plan infrastructural assets means all utilities and assets, whether they be in public or private ownership, necessary to service and provide a full range of amenities to a proposed subdivision or development, and include:

- (a) Roading (including kerb and channel, berms, corner rounding and the like),
- (b) Street furniture such as lighting,
- (c) Footpaths,
- (d) Pedestrian and cycle ways,
- (e) Service lanes,
- (f) Driveways,
- (g) Sewer reticulation, pipes, connections, pumping stations, and treatment plants,

- (h) Water reticulation, pipes, rising mains, connections, pumping stations, fire hydrants, and treatment plants,
- (i) Stormwater reticulation, pipes, connections, pumping stations, and treatment plants,
- (j) Right of Ways and Access Lots, and
- (k) "As Built" Plans".

**(A) Circumstances and Purposes**

As a condition of a resource consent the Council may require a financial contribution to avoid, remedy, mitigate and/or offset the adverse effects of the proposed subdivision or development by requiring a financial contribution to:

- (1) provide new infrastructural assets to service a development or each additional site proposed in a new subdivision, and including future planned stages of subdivision or development;
- (2) contribute to recovering the cost of existing public infrastructural asset provided at the Council's expense that serve the land in a subdivision or development;
- (3) upgrade the existing infrastructural assets to enable a subdivision or development to be adequately serviced, and
- (4) achieve the purpose of the Act.

**(B) Type of Financial Contribution**

- (1) Any financial contribution may, in the Council's discretion, take the form of works, money, land or services, or a combination thereof.
- (2) Subject to the maximum values prescribed in FC 2.2.1C the financial contribution in respect of any infrastructural asset may consist of:
  - (a) Work
    - (i) To provide each site proposed or the development with sewage and stormwater disposal, water supply and roading systems, and to connect those systems with the existing or new infrastructural assets, as required; and/or
    - (ii) To provide the subdivision or development with any other infrastructural assets necessary to service the subdivision or development.
  - (b) Money
    - (i) The total value of work referred to in (a)(i) or (a)(ii); and/or
    - (ii) Such contribution that the Council considers fair and reasonable towards recovering the costs of upgrading any existing infrastructural assets, or providing new infrastructural assets, that will serve the land in the subdivision, including future planned stages of subdivision, or serve the development; and/or

- (iii) Such contribution that the Council considers fair and reasonable towards the recovery of the cost of existing infrastructural asset provided at the Council's expense that will serve the land in the subdivision, or serve the development. Where such a value of money is required, the actual value paid shall be based on the cost involved in the original capital, including the cost of servicing any financial debt incurred for the capital works all adjusted for inflation, and taking into account depreciation, and/or
  - (iv) Such a contribution the Council considers fair and reasonable to recover any legal cost actually and reasonably incurred by the Council with respect to the provision of infrastructural assets; and/or
  - (v) Such a contribution the Council considers fair and reasonable to recover any cost actually and reasonably incurred by the Council in the design and management of the provision of infrastructural assets.
- (c) Land
- (i) The vesting of land in the Council's name as "road"; and/or
  - (ii) The transferring to the Council of other land reasonably necessary for, or associated with, the provision of infrastructural assets associated with the subdivision or development.
- (d) Services
- (i) The granting and reserving of easements in favour of the Council or any other party; and/or
  - (ii) The production of "as built" plans of new or upgraded infrastructural assets.

**(C) Maximum Value**

With respect to any resource consent the maximum value of any financial contribution to be required shall be one or more of the following, at the discretion of the Council:

- (1) The value of work referred to in FC 2.2.1(B) (II)(a)(i) and/or (ii) or the actual cost of the work; and/or
- (2) The total cost of the new or upgrading work referred to in FC 2.2.1(B) (II)(b)(ii), provided that the value shall not exceed, in the case of a public infrastructural asset the extent to which the works serve or will serve the land in the development or subdivision; and/or
- (3) The value referred to in FC 2.2.1(B) (II)(b)(iii); and/or
- (4) The value referred to in FC 2.2.1 (B)(II)(b)(iv) and/or (v), and/or
- (5) The fee simple or vesting of the land as referred to in FC 2.2.1(B) (II)(c), and/or

- (6) Any actual and reasonable cost incurred by the Council with respect to FC 2.2.1(B)(II)(d).

**FC 2.2.2 Earthworks**

- (1) As a condition of a resource consent the Council may require, as a financial contribution, that earthworks be undertaken, including:
- (i) design,
  - (ii) management,
  - (iii) construction, metalling and stabilisation,
  - (iv) contouring, and
  - (v) reinstatement
- (2) The maximum value of the contribution shall be the actual cost of the earthworks, including the costs of works, services and land.
- (3) The circumstances in which a financial contribution for earthworks may be imposed and the purposes for which a financial contribution will be required are to:
- (a) avoid, remedy or mitigate the adverse effects of land instability; and/or
  - (b) avoid, remedy or mitigate the adverse effects of the proposed subdivision or development, including, but not limited to, the following effects:
    - (i) noise,
    - (ii) on amenity values,
    - (iii) visual, and
    - (iv) contamination; and/or
  - (c) provide for stormwater management required as a result of the subdivision or development; and/or
  - (d) provide for roading and access required as a result of the subdivision or development; and/or
  - (e) achieve the purpose of the Act.

**FC 2.2.3 Landscaping**

- (1) As a condition of a resource consent the Council may require, as a financial contribution, landscaping to be undertaken, including:
- (i) design,
  - (ii) management,
  - (iii) construction, and
  - (iv) reinstatement
- (2) The maximum value of the contribution shall be the actual cost of the landscape design, including the costs of works, services and land.
- (3) The circumstances in which a financial contribution for landscaping may be imposed and the purposes for which a financial contribution will be required are to:
- (a) avoid, remedy or mitigate the adverse effects of land instability; and/or

- (b) avoid, remedy or mitigate the adverse effects of the proposed subdivision or development, including, but not limited to, the following effects:
  - (i) noise,
  - (ii) on amenity values, and
  - (iii) visual; and/or
- (c) provide for stormwater management required as a result of the subdivision or development; and/or
- (d) achieve the purpose of the Act.

#### **FC 2.2.4 Parking**

- (1) As a condition of a resource consent, when the relevant off street parking requirements contained in this Plan cannot be met on site either in part or full, the Council may require as a financial contribution:
  - (a) the formation of parking spaces off the site of the proposal being up to the number of carparks which are deficient from that required by this Plan, and/or
  - (b) the payment of money, being a cash contribution in lieu of providing the required on-site parking spaces
- (2) The maximum value of the contribution shall, as appropriate to the circumstances, either be:
  - (a) the actual cost of acquiring (if necessary), constructing, forming, finishing, marking and landscaping for the deficient number of parks as required in the Rules of this Plan to an equivalent standard, including the costs of works, services and land; and/or
  - (b) a cash contribution for the actual cost of acquiring land, constructing, forming, finishing, marking and landscaping the same number of parks as required in the Rules of this Plan to an equivalent standard, including the costs of land (if necessary), legal expenses (if any), works and services calculated on a maximum area of land of 26m<sup>2</sup> per parking space that cannot be provided on the site of the proposal.
- (3) The purpose of the parking is to:
  - (a) avoid, remedy or mitigate the adverse effects of the proposed subdivision or development, including, but not limited to, the following effects:
    - (i) traffic conflict
    - (ii) noise,
    - (iii) on amenity values, and
    - (iv) visual; and/or
  - (b) achieve the purpose of the Act.
- (4) Cash in lieu of parking contributions will be used for the purposes of the provision of future carparking in the area and/or township the contribution was taken from.

**FC 2.2.5 Esplanade Reserves, Esplanade Strips, and Beds of Lakes and Rivers**

In the circumstances set out in this Plan, and in particular contained within the “Riparian Management and Public Access” Chapter, the Council may impose a condition of approval on a resource consent requiring an esplanade reserve, esplanade strip or vesting of the bed of a lake or river as a financial contribution.

The maximum value of the financial contribution shall be determined in accordance with the Act, and in particular Sections 237E, 237F, 237G and 237H. The purpose for which the financial contribution is taken shall be for esplanade reserves, esplanade strips and vesting of the beds of lakes and rivers are:

- (1) as set out in Section 229 of the Act; and/or
- (2) as set out in the “Riparian Management and Public Access” Chapter of this Plan.

**FC 2.3 General Financial Contributions**

**(A) Circumstances**

- (1) In a resource consent the Council may require a general financial contribution for the purposes set out in FC 2.3B. General financial contributions may be used in addition to, or instead of, specific financial contributions.

**(B) Purpose**

- (1) The purposes for which general financial contributions may be required are to achieve the purpose and principles of the Act including, but not exclusively, the following outcomes:
  - (i) To avoid, remedy or mitigate and/or offset adverse effects caused or likely to be caused by the development on the natural or physical environment; and/or
  - (ii) To avoid, remedy or mitigate and/or offset the adverse environmental effects of activities which impinge, or are likely to impinge, on the ability of people and communities to provide for their social, economic and cultural wellbeing and their health and safety; and/or
  - (iii) Protect (to offset adverse environmental effects) natural features, outstanding landscapes, significant indigenous vegetation and significant habitats of indigenous fauna; and/or
  - (iv) Protect wetlands; and/or
  - (v) Preserve the margins of lakes and rivers; and/or
  - (vi) Protect the heritage values of sites, buildings, places or areas; and/or
  - (vii) Offset any adverse environmental effects on the community or any group within the community (including minorities, children and disabled).

**(C) Type of General Financial Contribution**

Any general financial contribution may, at the Council's discretion, be required in the form of works, money, land or services, or a combination thereof.

**(D) Maximum Value**

The general financial contributions shall be determined in accordance with the following criteria:

- (1) The value of the financial contribution shall be determined on the justifiable proportion test.

**Justifiable** - The financial contribution must directly relate to avoiding, remedying or mitigating adverse effects on the environment and/or contribute to a positive effect which provides some compensation/relief from an adverse effect on the environment caused, or likely to be caused, by the activity.

**Proportion** - The value of the contribution shall take into account:

- (a) The significance of the adverse environmental effect, and
- (b) The extent to which the activity causes, or is likely to cause, the identified adverse environmental effect, and
- (c) The positive effects of the activity on the environment.

The environmental effects of an activity shall include both quantifiable and non quantifiable effects.

- (2) The maximum value of a general financial contribution shall not exceed 100% of the value of the financial contribution required to achieve the purposes of the general financial contribution or the value determined in accordance with the justifiable proportional test set out in this Plan.
- (3) The extent to which the positive environmental effects of the activity offset the adverse environmental effects.
- (4) The value of the financial contribution shall be directly related to avoiding, remedying or mitigating and/or offsetting adverse environmental effects resulting from the activity which requires the resource consent. When a new resource consent is sought following the expiry of the original consent, a further financial contribution to avoid, remedy or mitigate and/or offset adverse effects shall only be required for adverse environmental effects caused by the continuation of the activity.

**Principal Reasons for Adopting the Objective, Policies and Methods**

The principal reasons for adopting the objective, policies and methods are to recover a fair and reasonable proportion of the costs of avoiding, remedying, or mitigating adverse effects and/or ensuring positive effects on the environment to offset any adverse effect arising from subdivision and land use activities, thereby ensuring the Community's social, economic and cultural wellbeing and health and safety. As such the Plan sets out the circumstances in which a financial contribution may be taken on a development and how that contribution will be determined. The Council considered it was desirable to have the ability to require a financial contribution for the reasons set out in the objective, policies and methods, and the objective, policies and methods set out how this will be achieved.

Specific financial contributions have been specified where such contributions can reasonably be anticipated. In determining the maximum value of the contribution the Council has been mindful that only those costs directly associated with a land use or

subdivision should be borne by the development. If costs previously have been incurred by the Council providing infrastructural assets, provision has been made for the recovery of a fair and reasonable contribution to those costs from the developer to ensure appropriate stewardship of public funds.

Provision has also been made for the requiring of general financial contributions in circumstances whereby a financial contribution will achieve the purpose of the Act but the specific circumstances surrounding the requiring of a financial contribution and its form cannot be reasonably anticipated.

The Council is mindful that where, in relation to the subdivision, use or protection of the land and associated natural and physical resources, the purpose of the Act cannot be achieved the activity should not proceed.

### **FC 3.0 CROSS REFERENCES**

As a guide only, and person referring to the above should also refer to the parts of the District Plan addressing the following issues:

- Information Requirements
- District Rules
- Rural Zone
- Residential High Zone
- Residential Medium Zone
- Residential Low Zone
- Commercial Zone
- Industrial Zone
- Urban Settlement Zone
- Protected Areas Zone
- Maori Land
- Subdivision
- Signs
- Hazardous Substances
- Indigenous Vegetation and Habitats of Indigenous Fauna
- Riparian Management and Public Access
- Relocatable Buildings
- Utilities
- Special Activities
- Surface of Water
- Natural Hazards
- Heritage



