

PART 4B - FINANCIAL CONTRIBUTIONS

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PART 4B - FINANCIAL CONTRIBUTIONS

This Part of the Plan sets out the objectives, policies, strategies and rules relating to all financial contributions used within the Plan. To assist the user of the Plan, cross-references are made between the rules and policies for financial contributions and the relevant Parts of the Plan where these are or may be applied against particular activities or developments.

4B.1 STATUTORY CONTEXT

The Resource Management Act allows the Council to collect financial contributions in a number of ways for a wide variety of purposes.

Section 108(1)(a) allows the Council to impose a condition on any resource consent requiring a financial contribution for any purpose specified in the Plan. Section 108(9) outlines the various forms such contributions may take. These include:

- Money;
- Land including esplanade reserves or strips;
- Works including tree planting and environmental restoration;
- Services including infrastructure services such as roads and drains; and
- Any combination of these.

While the Council has wide ranging powers to require a financial contribution as part of a development or other form of resource consent, the Act also places various responsibilities on the Council to identify and justify the purposes for which contributions are collected. The Council is also required to spend and administer funds received in a prudent and transparent way.

Section 108(1)(a) requires the Council to identify, in the Plan, the purposes for which financial contributions will be collected. Section 32 of the Act requires Council to adequately justify all its objectives, policies and rules and to evaluate the effectiveness on any policy or rule against alternative means.

Section 108(9) of the Act requires the Council to state either the maximum amount which is required to be paid as a financial contribution or the formula or means by which this amount can be assessed.

Section 111 of the Act requires the Council to spend any money received as a financial contribution for the purposes

for which it was collected and account for this money in the same way as other Council funds.

4B.2 RESOURCE MANAGEMENT OBJECTIVES AND POLICIES

4B.2.1 OBJECTIVE

To make use of financial contributions to remedy or mitigate identified adverse effects on the environment.

Policies

- By identifying adverse effects on the natural and physical resources of the City which may be addressed through the use of financial contributions.
- By selecting an appropriate mix of financial contributions to adequately address each of these identified effects.
- By ensuring that these financial contributions are applied consistently to all developments or resource uses which generate identified effects.

4B.2.2 OBJECTIVE

To ensure that the costs of urban growth are fairly shared between new and existing residents and businesses.

Policies

- By using the programmes and cost estimates outlined in the Strategic Plan to estimate the likely future costs of growth.
- By taking account of new residents' and businesses' contribution to rating base growth in the assessment of the amount of any further direct costs to these groups.
- By using financial contributions to recover from new residents and businesses a fair contribution towards the costs of urban growth.

4B.2.3 OBJECTIVE

To maintain public confidence in and support for the financial contributions policies.



Policies

- By accounting for all cash contributions, collected for various purposes, in separate accounts.
- By applying financial contributions policies consistently across all new developments and activities according to the policies and exemptions provided below.
- By spending the funds collected from financial contributions only on the purposes for which they have been collected and in strict accordance with policies outlined below.
- By reporting the income and expenditure of these accounts in a summary form through the Annual Plan.

4B.3 RESOURCE MANAGEMENT STRATEGY

4B.3.1 MITIGATING ADVERSE EFFECTS

Financial contributions are seen as an important tool for mitigating the various adverse environmental effects generated by development and some activities. The use of financial contributions to mitigate a variety of effects is a key strategy within the Plan.

Often the adverse effects generated by a development or activity are either generated off-site such as with demand for public open space or are difficult to mitigate on-site such as with the provision of parking. If developments or activities generating such effects are to be permitted in a closely settled urban area such as the Isthmus, it is important to have in place certain mechanisms or tools which allow these effects to be mitigated.

Financial contributions will be used as a tool to mitigate identified environmental effects in circumstances where these effects cannot be avoided but may be remedied or mitigated off the site of a development or activity. In some circumstances a choice may be made between on-site remediation and the use of financial contributions to achieve remediation or mitigation off-site.

4B.3.2 PURPOSES OF FINANCIAL CONTRIBUTIONS

Financial contributions will be collected for the following purposes:

- Provision of public open space;
- Provision of pedestrian and other public amenities in

shopping centres including the provision of additional parking areas;

- Provision of additional capacity in network utility services to meet the needs of new development and land uses;
- Environmental and heritage protection including the provision of esplanade reserves.

4B.3.3 BALANCING THE COSTS OF DEVELOPMENT

In determining an appropriate level of financial contribution to be paid by new development in the City, the Council has weighed up a number of factors including the following:

- the need to minimise regulatory costs;
- ensuring that developers and resource users pay the true cost of their activities and are not unduly subsidised by other residents and businesses; and
- finding a fair balance between new and existing residents in meeting the costs of growth.

The Council is aware of the need to minimise the regulatory costs faced by businesses and developers and to ensure that these costs are completely justified. Most financial contributions are however less a cost of regulation than the cost of providing the services and resources which are required from new development.

It is also important to ensure that developers and resource users face the true cost of their resource use or activity. In situations where one party such as a developer is able to shift some of their costs on to other parties such as the Council and local residents, it is possible that excessive demands will be placed on the City's public services and natural resources. A possible consequence of these demands may be increasing congestion and environmental depletion.

The Council acknowledges that there are both costs and benefits arising from urban growth and new development. These costs and benefits can be financial, social or environmental in nature.

In determining how these various costs will be met the Council has given some regard to what is a fair sharing of costs between existing residents and new residents. This matter is not an easy one to resolve for just as new residents and businesses place additional demands on local services and environments, they also contribute to a growing rating base which will fund service expansion and environmental protection. Bearing in mind the contribution that new residents and businesses will make to the City as ratepayers, the Council has required only a small share of the costs of growth from them in the form of financial contributions.



4B.3.4 EXPENDITURE OF FINANCIAL CONTRIBUTIONS

The Act requires the Council to spend funds collected in the form of financial contributions only on the purposes for which they were collected and to account for this expenditure in accordance with the requirements of the Local Government Act.

In order to meet these obligations and to maintain public confidence in the financial contributions policies, the Council will account separately for all the different types of financial contributions collected. Specific policies relating to the collection and expenditure of these contributions are outlined in later sections.

4B.4 RESIDENTIAL DEVELOPMENT FINANCIAL CONTRIBUTIONS

4B.4.1 OBJECTIVES & POLICIES

4B.4.1.1 OBJECTIVE

To provide for the open space needs of new residents.

Policies

- By requiring all residential development and residential subdivision on the Isthmus to contribute to the City's public open space either by way of cash or land.
- By using cash contributions provided for reserve purposes on the purchase and development of reserves both in the locality of the development and elsewhere in the City. By ensuring that land acquisitions made under this policy meet the criteria for the acquisition of reserves (see Clause 9.9.2 PARTICULAR CRITERIA FOR ACQUISITION OF RESERVES).

4B.4.1.2 OBJECTIVE

To ensure that financial contributions are levied fairly on all residential development.

Policies

- By applying financial contributions to all forms of residential development and residential subdivision.
- By assessing financial contributions on the basis of the likely additional demands for public open space generated by a development.
- By providing for exemptions from payment of financial contributions in those circumstances outlined in Clause 4B.4.6 RULES : PAYMENT OF CONTRIBUTIONS.

4B.4.2 EXPECTED OUTCOMES

It is anticipated that the majority of financial contributions will be in the form of cash rather than land.

The revenue generated will be significantly higher than that gathered from residential development under the former Local Government Act requirements. This revenue increase arises because of the application of financial contributions for reserve purposes to all types of residential subdivision including cross leases and unit titles.

While the financial contributions made by residential development is higher, it is not anticipated that this increase will have a measurable effect on the level of residential development within the City. It is possible that these higher charges may impact on the price paid for development land and perhaps on developers' margins. However given the strong demand for infill sites on the Isthmus these impacts, by themselves, are unlikely to result in a decline in the supply of new residential units in the City.

The revenue gained from financial contributions under this policy will be used to both purchase additional areas of public open space in the City and to develop existing reserves more intensively to meet the recreational and open space needs of local residents.

4B.4.3 RULES : APPLICATION OF FINANCIAL CONTRIBUTIONS

Financial contributions shall apply to all new residential development and/or to new buildings which are intended or designed to be predominantly for residential activity. Contributions will apply to all residential development/buildings in all zones whether they are permitted, controlled, discretionary or non-complying activities.

Financial contributions shall be applied in the following circumstances -

(a) New Vacant Sites

A financial contribution for reserve purposes shall be paid for each additional lot, in excess of the number of lots comprised in the land being subdivided that could have been used for residential purposes under this Plan. Contributions shall be calculated on the basis of one residential unit for each additional lot.

(b) Cross Leases that make Allowances for Additional Development

Where cross leases are used as the means of subdivision, a financial contribution shall be required for each additional residential unit provided for in the application, based on the number of vacant restrictive covenant areas. If no such areas are shown, a contribution based on one residential unit shall be levied.



(c) Staged Unit Titles

For staged unit title developments, the financial contribution payable shall be based on the number of residential units shown on the proposed unit plan, less any existing residential units.

(d) New Dwelling Units

A financial contribution is required for each new residential unit unless it has a credit from a subdivision earned under Clauses 4B.4.3(a), 4B.4.3(b) or 4B.4.3(c) above, in which case no contribution will be required from that unit.

A new dwelling which is replacing a residential unit demolished or removed from the site in the previous two years, shall also be exempt from payment of a financial contribution for reserve purposes. (See Clause 4B.4.5 RULES : EXEMPTIONS for details of exemptions.)

4B.4.4 RULES : CALCULATION OF FINANCIAL CONTRIBUTIONS

Financial contributions from residential development for reserve purposes shall be paid in the form of land, cash or a combination of these. The form of payment of contributions may be subject to negotiation but final discretion remains with the Council. Formulae for calculating financial contributions payable on residential development are as follows -

(a) Contribution in Land

In residentially zoned areas, where a financial contribution is to be made in the form of land, the owner shall vest in the Council 30m² of land for each residential unit liable for payment of a contribution under Clauses 4B.4.3(a)-(d) above. In the case of a subdivision, the area of land provided as a reserve shall be of equal value to a financial contribution calculated under Clause 4B.4.4(b) below and subject to the exemptions provided for in Clause 4B.4.5 RULES : EXEMPTIONS.

(b) Contribution in Cash

Where the financial contribution for reserve purposes is to be made in cash, the owner shall pay the Council a sum based on the site value and site area of each residential unit as follows:

$$\text{Site Value (\$)} \times 30$$

Site Area in square metres

“Site value” shall have the same meaning as “land value” as defined by the Valuation of Land Act 1951. The value shall be fixed at or about the day on which the valuation needs to be made for the purposes of ascertaining the contribution to be made under this rule.

A contribution assessed according to this formula shall be applied to each additional residential unit, or, in the case of subdivisions, each equivalent residential unit, as is required in Clauses 4B.4.3(a)-(d) above, subject to the exemptions allowed for in Clause 4B.4.5 RULES : EXEMPTIONS below.

(c) Contribution in Land and Cash

In circumstances where the required financial contribution is made in a combination of land and cash, the contribution shall be assessed in terms of both Clauses 4B.4.4(a) and (b) above.

4B.4.5 RULES : EXEMPTIONS

Exemption to the payment of financial contributions on residential development are provided for as follows -

(a) Amalgamation of Lots

Where there has been a voluntary amalgamation of lots by the owner within the previous ten years, the number of lots so amalgamated will be taken into account when assessing a financial contribution for reserve purposes.

(b) Prior Contributions Paid

Where a financial contribution for reserve purposes has already been paid on a lot or development site in the previous ten years, this contribution will be taken into account when assessing further contributions for reserve purposes.

In general the exemption provided under this clause will be based on the number of additional residential units for which a financial contribution has already been paid. Residential units in addition to those already paid for will be liable to the payment of further financial contributions according to the above rules.

Proof of payment of prior contributions rests with the owner or applicant for an exemption.

(c) Demolition or Removal of Existing Units

As provided for above in Clause 4B.4.3(d) a credit for an existing dwelling can be claimed where a residential unit has been demolished or removed from the development site within the previous five years. In such circumstance the number of residential units for which a financial contribution is payable shall be reduced by the number of units demolished or removed.

This exemption shall apply only to permanent dwellings and not to temporary or accessory household units.

To qualify for this exemption the owner or applicant must provide proof of the demolition or removal of the building(s) within the specified exemption period.



(d) Contribution of Esplanade Reserves

Where an esplanade reserve set aside on subdivision or development of a site zoned for residential activity fails to satisfy the reserves requirement set out in Clause [4B.4.3 RULES : APPLICATION OF FINANCIAL CONTRIBUTIONS](#) the balance owing shall be met either in land or in cash, and assessed on the basis set out in Clauses [4B.4.4 RULES : CALCULATION OF FINANCIAL CONTRIBUTIONS](#) or [4B.4.5 RULES : EXEMPTIONS](#), whichever is relevant to the particular circumstances.

4B.4.6 RULES : PAYMENT OF CONTRIBUTIONS

Financial contributions on residential development shall be paid either at the time of subdivision or before the commencement of building construction.

In the case of cash financial contributions resulting from subdivisions, all contributions shall be paid before the issue of a completion certificate provided under Section 224(c) of the Act.

Where the transfer of land is a condition of a subdivision consent, this land shall be shown on the survey plan as “reserve” and vested accordingly in the Council.

In the case of financial contributions resulting from building activity, all contributions shall be paid before the issue of the necessary building consents under Section 35 of the Building Act.

The bonding of cash contributions will not be permitted.

4B.4.7 POLICIES : EXPENDITURE OF CASH CONTRIBUTIONS

Financial contributions for reserve purposes which have been paid in cash will for accounting purposes be considered separate from Council’s rates and other revenue. These contributions will be accounted for in terms of Council’s responsibilities under Section 111 of the Act and Section 223F of the Local Government Act. In addition a separate report on the income and expenditure of financial contributions paid in cash will be included in the Council’s annual report.

Cash contributions for reserve purposes will be spent both on the purchase of additional land for reserves and on the development of existing reserves for greater use and enjoyment by residents. At least 60% of cash contributions received will be spent on reserve development and acquisitions in the ward in which the contributing development is undertaken. No more than 40% of cash

contributions will be spent on reserves which have City-wide importance.

For commercial reasons the Council will not generally specify individual areas of land which it wishes to purchase for additional reserve land. The Council will however consider any opportunity to purchase additional land whenever and wherever these arise. In determining the merit of any further land purchases for reserves the Council will take account of the following factors:

- The criteria for acquisition of reserves given in Clause [9.9 RECREATION RESERVE STANDARDS](#) of this Plan;
- The level of provision of existing reserves both in the immediate area of a proposed purchase and in the Ward;
- The existing and likely future level of development pressure in the area.

4B.4.8 CROSS REFERENCES

The objectives, policies and rules relating to financial contributions from residential development should be read in conjunction with the various activity and development controls given in Clauses [7.7 RULES : ACTIVITIES](#) and [7.8 RULES : DEVELOPMENT CONTROLS](#) respectively of the Plan and the subdivision rules provided in Clause [11.5 RULES : SUBDIVISION](#).

Policies above relating to the expenditure of financial contributions for reserve purposes and the purchase of reserves should be read in conjunction with the policies and rules in Clause [9.9 RECREATION RESERVE STANDARDS](#).

Requests for exemptions from financial contributions on residential development based on the contribution of esplanade reserves should refer to Clause [4B.8.9 ESPLANADE AREAS](#) below and to [PART 5B - COASTAL](#) relating to coastal management for additional details.

4B.5 BUSINESS DEVELOPMENT FINANCIAL CONTRIBUTIONS

4B.5.1 OBJECTIVE

To ensure that any adverse effects on the public amenities of the City’s shopping centres are remedied or mitigated.



Policies

- By collecting financial contributions from business developments in proportion to their fair share of the costs of remedying or mitigating the identified adverse effects generated by such developments on the standard of or demand for public amenities in the Business 2 and 3 zones where necessary.
- By using these contributions in the centre from which they were collected to remedy or mitigate adverse effects of development on pedestrian amenities, landscaping and signage and quality of public open spaces.
- By following Centre Plans where these exist and by working with business and community groups in planning and undertaking remediation and mitigation works financed by financial contributions and rates.

Note: Refer also to Clause [8.3.4 OBJECTIVE](#).

4B.5.2 EXPECTED OUTCOMES

Council considers that activities in the Business 2 and 3 zones have the potential to generate adverse effects on the environment in the terms of the standard of existing public amenities and demand for additional public amenities.

Financial contributions collected from development in the Business 2 and 3 zones will be used to remedy or mitigate those effects. Where Centre Plans exist these will be used to direct remediation or mitigation works.

It is expected that over time, expenditure of funds received from financial contributions to remedy or mitigate the adverse effects of development on public amenities will avoid a decline in the standard of those amenities. In addition, the improvement works funded by rates may result in an enhanced standard of public amenities.

Public amenities subject to expenditure of funds received from financial contributions will include:

- footpath upgrades and improvements to pedestrian facilities such as seating and landscaping;
- improved signage and lighting incentives where these are identified as required;
- limited purchase of additional public open space where this is warranted and available; and
- works to alleviate pedestrian-vehicle conflicts where these exist.

4B.5.3 RULES : APPLICATION OF FINANCIAL CONTRIBUTIONS

Financial contributions for the purposes of public amenities may be required from any commercial development

undertaken within the Business 2 and 3 zones on the Isthmus. This includes permitted activities and development which complies with the other requirements of the Plan and does not require specific consents. The criteria which will determine whether a contribution is needed from a particular development and, if so, the amount of such contribution are specified below in Clause [4B.5.5 RULES : CRITERIA, EXEMPTIONS AND REDUCTIONS](#).

“Commercial development” and “development” in this context means site works and new building construction which provides additional commercial floorspace.

4B.5.4 RULES : FORM OF AND CALCULATION OF MAXIMUM FINANCIAL CONTRIBUTIONS

Financial contributions for the purposes of public amenities may be paid in land or cash or a combination of these. The criteria for determining whether a contribution is needed for a particular development and, if so, the amount of such contribution are specified in Clause [4B.5.6 RULES : PAYMENT OF FINANCIAL CONTRIBUTIONS](#) below. In any event, no contribution will exceed the maximum allowance specified below.

For the purpose of this rule, the term “estimated value of any building work” means the estimated aggregate of the values, determined in accordance with Section 10 of the Goods and Services Tax Act 1985, of all goods and services to be supplied for that building work.

(a) Contribution in Land

Where the Council requires the financial contribution to be in land, the maximum amount of land the owner shall be required to vest in the Council shall be an area of land of a value equal to no more than 7.5% of the estimated value of any building work.

(b) Contribution in Cash

Where the Council requires the financial contribution to be in cash, the maximum amount of contribution shall be equal to 7.5% of the estimated value of any building work.

(c) Contribution in Cash and Land

In circumstances where the required financial contribution is made in a combination of land and cash, the value of the total contribution shall not exceed a value calculated in terms of either Clause [4B.5.4\(a\)](#) or Clause [4B.5.4\(b\)](#) above.



4B.5.5 RULES : CRITERIA, EXEMPTIONS AND REDUCTIONS

(a) Criteria

The following criteria will determine whether a contribution is required in any given case and if so the amount of that contribution up to the maximum specified in Clause [4B.5.4 RULES : FORM OF AND CALCULATION OF MAXIMUM FINANCIAL CONTRIBUTIONS](#) above.

- i) The extent to which the development will generate a net reduction in the public amenities of the centre in a manner which will detract from the economic viability and commercial function of the centre, including:
 - The adequacy of footpaths;
 - The adequacy of pedestrian facilities such as seating and landscaping;
 - The adequacy of signage and lighting in the centre;
 - The adequacy of public open space in the commercial centre, taking into account any additional open or enclosed spaces being provided as part of the development;
 - The extent to which any pedestrian-vehicle conflicts (other than those that may be addressed by other financial contributions under the Plan) are being exacerbated by the proposal.
- ii) The extent to which works are to be undertaken in and around the development which will provide an improvement in public amenities including:
 - Any open or enclosed spaces within the development that are freely accessible to members of the public visiting the site and employees working on the site for the purpose of rest, recreation or entertainment;
 - The extent to which the design and appearance of the building improves the visual amenity of the centre.
- iii) The extent to which the Council intends to undertake works in the Centre to maintain or improve public amenities.

(b) Exemptions and Reductions

In addition, the following developments will be exempt or receive reductions from the above contributions requirements -

i) Residential development

Residential development in Business 2 and 3 zones will be exempt from financial contributions for public amenity purposes. Residential development in these zones will however be liable for financial contributions for reserve purposes as outlined in Clause [4B.4 RESIDENTIAL DEVELOPMENT FINANCIAL CONTRIBUTIONS](#) above. These residential policies and rules will also apply to refurbishment of commercial properties for residential uses in the Business 2 and 3 zones.

In the case of developments which comprise a mixture of residential and business activities, the liability to pay financial contributions for both reserve and public amenity purposes will be assessed according to the gross floor areas of the respective activities and the relevant assessment formulae provided in Clauses [4B.4.5 RULES : EXEMPTIONS](#) and [4B.5.4 RULES : FORM OF AND CALCULATION OF MAXIMUM FINANCIAL CONTRIBUTIONS](#) above.

ii) Canopies

For the purposes of assessing financial contributions, canopies, including covers over loading areas and service station forecourts, will be excluded from any calculation of gross floor area.

iii) Commercial refurbishment

Minor refurbishment of existing buildings for commercial or business activities will be exempt from financial contributions for public amenity purposes.

Minor refurbishment in these circumstances will not involve any additions to the floor area of the property.

iv) Prior contributions

Any financial contribution payable under Clauses [4B.5.3 RULES : APPLICATION OF FINANCIAL CONTRIBUTIONS](#), [4B.5.4 RULES : FORM OF AND CALCULATION OF MAXIMUM FINANCIAL CONTRIBUTIONS](#) and [4B.5.5 RULES : CRITERIA, EXEMPTIONS AND REDUCTIONS](#) will have credited against it any contribution paid on the subdivision that created the site. Proof of such payment rests with the applicant for an exemption.

v) Reduction in contributions for non-retail developments

A 50% reduction in the maximum amount of the financial contribution calculated under Clause [4B.5.4 RULES : FORM OF AND CALCULATION OF MAXIMUM FINANCIAL CONTRIBUTIONS](#) above will be allowed for non-retail developments within the Business 2 and 3 zones. To qualify for this



reduction the floorspace must not be at street level and must not be able to be used for retailing.

4B.5.6 RULES : PAYMENT OF FINANCIAL CONTRIBUTIONS

Financial contributions for public amenities from development in the Business 2 and 3 zones will be required at the time of development or in the case of a changed activity at the time that the new activity commences.

In the case of new developments, contributions shall be paid before the issue of the necessary building consents under Section 35 of the Building Act. Where a change in activity requires payment of a financial contribution under these policies and rules, such payment shall be made either at the time the Council is notified of a change of use under Section 47 of the Building Act or at the time of issue of a Certificate of Compliance under Section 44 of the Building Act.

The bonding of cash contributions will not be permitted although the bonding of nominated works in lieu of such contributions will be considered by the Council.

4B.5.7 EXPENDITURE OF FINANCIAL CONTRIBUTIONS

Financial contributions for public amenity purposes which have been paid in cash will for accounting purposes be considered separate from the Council's rates and other revenue. These contributions will be accounted for in terms of the Council's responsibilities under Section 111 of the Act and Section 223F of the Local Government Act. In addition a separate report on the income and expenditure of financial contributions paid in cash will be included in the Council's annual report.

Cash contributions for public amenities will be spent on upgrading pedestrian and other public amenities in the commercial centre from which they were collected. These upgrades will be undertaken according to Centre Plans where they exist and will involve the participation of local community and business groups.

4B.5.8 CROSS REFERENCES

The objective, policies and rules relating to financial contributions from commercial / business development in the Business 2 and 3 zone should be read in conjunction with the various activity and development controls, given in [Clauses 8.7 RULES : ACTIVITIES](#) and [8.8 RULES : DEVELOPMENT CONTROLS](#) respectively, of the Plan and subdivision rules provided in [Clause 11.5 RULES : SUBDIVISION](#).

4B.6 INFRASTRUCTURE FINANCIAL CONTRIBUTIONS

4B.6.1 OBJECTIVE

To ensure that the physical infrastructure of the City is able to cater for the needs of new residents and businesses.

Policies

- By adopting a long-term perspective, through the Strategic Plan, to ensure that the City's infrastructure is adequately maintained and redeveloped.
- By providing sufficient resources, through the Annual Plan, to ensure that the infrastructure demands of new development are met in a timely and orderly manner.
- By requiring new development to contribute to upgrades in the capacity of the City's drainage and transport systems through a financial contributions policy.

4B.6.2 EXPECTED OUTCOMES

The City's network utility services, particularly its drainage infrastructure, requires significant levels of investment over the next two decades to ensure that it both continues to provide essential services to the City's residents and businesses and to cater for growth in demand for these services.

As this investment takes place, numerous opportunities will emerge to improve the capacity of this infrastructure to meet the increasing demands brought about by new development and urban growth. The Council is committed, through its Strategic Plan, to undertaking a long-term investment programme for the City's roads and drains to bring this about.

However in some cases the timing of this new investment may not coincide with the requirements of particular development projects for such services as traffic access and sanitary or stormwater drainage. In these circumstances, the developer may be required to make a contribution towards the costs of providing additional infrastructure capacity to their development site. These contributions may take the form of a cash contribution, the undertaking of particular works or the provision of identified services.

The use of financial contributions for funding and providing network utility services will ensure that new development makes some contribution to these costs and that



infrastructure services are available to new development in a timely and orderly way.

4B.6.3 RULES : APPLICATION OF FINANCIAL CONTRIBUTIONS

A financial contribution may be required as a condition of a resource consent to provide for or remedy or mitigate:

- i) effects generated by the permitted activities on the lots comprising a subdivision; or
- ii) effects generated by a development;

to the extent that such effects give rise to additional demand or requirements for network utility services.

A financial contribution may be in the form of cash or works or services or a combination of these, and may be a condition of the following types of consents:

- all subdivision consents;
- discretionary activity consents as outlined in [Clauses 7.7.4.2 GENERAL CRITERIA FOR ASSESSING APPLICATIONS FOR DISCRETIONARY ACTIVITIES](#) and [8.7.3.2 GENERAL CRITERIA FOR ASSESSING DISCRETIONARY ACTIVITIES](#) relating to matters to be addressed for discretionary activities in the residential and business zones;
- non-complying activity consents; and
- Plan Changes.

The Council requires all subdividers and developers to meet both the cost of on-site infrastructure and utility services and the cost of connecting these, at the appropriate locations, to the Council's and other network operators' services. These costs are considered to be an integral part of a development and are not a financial contribution in the terms of this Plan.

Financial contributions for infrastructure will be applied where a subdivision or development either requires or is likely to require additional capacity from existing network utility services which is not available at the time of development. In these circumstances, the developer or subdivider will be required to make a reasonable contribution towards the costs of providing the required additional capacity.

4B.6.4 RULES : ASSESSMENT OF FINANCIAL CONTRIBUTIONS

In order to meet the requirements of Section 108(9) of the Act, either a method of assessing the level of a financial contribution or a maximum level for such a contribution must be given in the Plan. Because the infrastructure requirements of each site and each development are

different, it is difficult to provide a rule, formula or set of criteria for assessing the level of financial contribution required for infrastructure. As a result the Council has decided to set a maximum figure for such contributions rather than rely on formulae or criteria.

The maximum level of contribution required for financial contributions for network utility services will be 5% of the total capital cost of the project or development. Capital cost in this case is taken to include the construction costs and land development costs of a project.

The exact contribution will be considered on a case by case basis through negotiation between the developer/owner and the Council. In such negotiations the following guidelines will apply:

In assessing the amount of a financial contribution, the Council shall take into account the following matters in reducing the maximum amount that may otherwise be payable -

1. Any work in relation to any network utility services which is included in the Council's District Plan, annual plan or asset management plan to be done irrespective of the proposal shall not be the subject of a contribution.

Any work in relation to any other network utility service which the Council intends to undertake may not be the subject of a contribution.
2. The impact of permitted activities, that is the extent to which the effects of the proposal exceed the effects of any permitted development on the site, provided however that where adequate stormwater sewers or other means of stormwater disposal are not available, any requirement for stormwater drainage may be assessed on the basis of the increase of runoff from the total site due to the proposed activities over that which already occurs.
3. Any additional network utility services necessary to serve other property shall not be the subject of a contribution.
4. The availability of existing network utility services to service future permitted development in the vicinity of the proposal.
5. Any network utility service constructed within the previous 10 years which was initiated by a new subdivision or development and which is available to service the proposal and which was paid for either wholly or partly by the Council. In such a case, a financial contribution may be required to the extent indicated by criterion 2 above but not exceeding the amount of the Council's contribution to that network utility service.
6. Any financial contribution which has been made towards network utility services in relation to the site during the previous 10 years.



(a) Roading

Developers and subdividers will be required to remedy or mitigate as far as possible, any adverse effect that their development may have on the traffic flows on adjacent or nearby roads. This may require upgrading of existing formed or unformed public roads to ensure that access to and from the development site is adequate and that the traffic generated by the development does not interfere unduly with the functioning of the existing roading network.

(b) Drainage

The Council may require developers and subdividers to increase the capacity of sanitary sewer and stormwater drains serving their development, where the likely eventual drainage requirements of this development exceeds the capacity of the existing drainage networks.

The Council may also require subdividers and developers to provide sufficient capacity in any upgraded or new drainage systems to meet the future demands from development upstream of the subject development. In these cases, the Council may contribute towards any increased costs of the work.

Where additional drainage capacity has been provided in these circumstances, the Council will require a fair and reasonable contribution towards these costs from developers or subdividers making use of this capacity at some time in the future.

4B.6.5 RULES : EXEMPTIONS

Where a developer or subdivider is required to undertake additional drainage works in order to serve land beyond their development, the Council may contribute towards these increased costs.

4B.6.6 RULES : PAYMENT OF FINANCIAL CONTRIBUTIONS

Contributions paid in cash or provided as works and services, shall be made or completed, to the satisfaction of the Council, before the issue of a completion certificate provided under Section 224(c) of the Act in the case of subdivision consents. In other cases contributions shall be paid before building commences.

Where a bond is accepted as a guarantee of future payment of financial contributions for infrastructure purposes, this bond shall be provided in an acceptable form, to the Council before the issue of either of the above documents.

4B.6.7 EXPENDITURE OF FINANCIAL CONTRIBUTIONS

Financial contributions for public amenity purposes which have been paid in cash will for accounting purposes be considered separate from the Council's rates and other revenue. These contributions will be accounted for in terms of the Council's responsibilities under Section 111 of the Act and Section 223F of the Local Government Act.

Cash contributions made for infrastructure will be paid towards identified infrastructure work or projects. The Council will through a negotiated process give an indication of when this work or project is likely to be undertaken. Delays in undertaking the identified works or projects should not exceed five years.

4B.6.8 CROSS REFERENCES

For determining the circumstances where financial contributions for infrastructure purposes may be required from discretionary activities reference should be made to [Clauses 7.7.4.2 GENERAL CRITERIA FOR ASSESSING APPLICATIONS FOR DISCRETIONARY ACTIVITIES](#) for residential development and [8.7.3.2 GENERAL CRITERIA FOR ASSESSING DISCRETIONARY ACTIVITIES](#) for development in business zones.

Reference should also be made to [Clause 11.5 RULES : SUBDIVISION](#), for information on further Council requirements for subdivision consents.

4B.7 ENVIRONMENTAL OR HERITAGE FINANCIAL CONTRIBUTIONS

4B.7.1 OBJECTIVES & POLICIES

4B.7.1.1 OBJECTIVE

To provide opportunities to safeguard and protect important natural habitats and other environmental qualities and values through the use of financial contributions.



Policies

- By accurately identifying, on a project by project basis, important habitats and other natural features which may be threatened or compromised by a development or inappropriate activity.
- By providing policy mechanisms, such as environmental compensation, which allow developers and subdividers to remedy or mitigate any adverse effects from their proposals through the use of financial contributions.
- By identifying and coordinating environmental protection and enhancement projects which have a reasonably direct relationship with these identified adverse environmental effects.
- By using financial contributions collected against identified environmental effects to fund or contribute towards these related environmental projects.

4B.7.1.2 OBJECTIVE

To provide opportunities to safeguard and protect important heritage qualities and values through the use of financial contributions.

Policies

- By accurately identifying, on a project by project basis, important heritage features which may be threatened or compromised by a development or inappropriate activity.
- By providing an opportunity, through the use of financial contributions, for developers and subdividers to protect important heritage features which may be under some threat from their proposals.
- By using financial contributions collected for heritage reasons for the protection of the heritage features.

4B.7.2 EXPECTED OUTCOMES

Some development projects involve work near or on environmental or heritage features which are important to the City's natural environment or human history. In some circumstances, the proposals by a developer or subdivider pose a direct threat to such features often either altering them substantially or destroying them altogether. In these cases, under the requirements of the Act, the Council will have difficulty approving such applications.

Through the use of financial contributions, a policy mechanism is provided which allows a developer or subdivider to undertake the necessary works or provide a cash contribution for such works, so that environmental or heritage features threatened by their proposals can be protected. In this way a consent can be given to a proposal while at the same time protecting the natural and heritage resources of the City.

Circumstances may also arise where it is very difficult to avoid or remedy the damage to a natural or heritage feature resulting from a development proposal. In these cases the concept of environmental compensation may be a useful way of mitigating the adverse effect or damage and so allowing the development to proceed.

Environmental compensation relies on damage to a particular resource in a particular location being compensated by an improvement to a similar resource in a different location. An example may be the destruction of a coastal habitat in one area being compensated for through enhancement of a similar habitat in a different location.

Environmental compensation may be put into effect through the use of financial contributions.

4B.7.3 RULES : APPLICATION OF FINANCIAL CONTRIBUTIONS

The use of financial contributions as a means of avoiding, remedying or mitigating damage to important natural or heritage features or qualities will be considered on a project by project basis.

It is intended that financial contributions for these purposes may be used as a way of allowing a development or subdivision to proceed while at the same time safeguarding the natural and heritage values of the City. As a result of this opportunity, it is envisaged that both developers and the Council may see the value in such contributions and that developers may offer financial contributions to protect important natural and heritage features as part of their development or subdivision proposal.

Because these policies will be applied on a case by case basis, it becomes difficult to identify, with any precision, where and when financial contributions for environmental and heritage purposes will actually be required. [PART 5 - NATURAL AND PHYSICAL ENVIRONMENT](#) to [PART 5C - HERITAGE](#) of the District Plan however identify those aspects of the City's natural environment and heritage which the Council believes requires protection or at least careful management. These Parts should be referred to in order to gain a good appreciation of the circumstances where these policies may apply.

Financial contributions for environmental or heritage purposes may be required as a condition of consent on any land use and subdivision consent. Such contributions may be required in land, cash or works or a combination of these.

4B.7.4 RULES : ASSESSMENT OF FINANCIAL CONTRIBUTIONS

The Council shall require a fair and reasonable contribution for environmental or heritage purposes based on the land, the



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work or the cost of the work, necessary to avoid, remedy or mitigate the adverse effects or damage in question. Such contributions will be assessed on a case by case, project by project basis.

In assessing the level of contribution required to overcome the identified damages, a number of factors will be taken into account. These include:

- The importance of the environmental or heritage feature in question and in particular its uniqueness to the local area and City;
- The contribution the particular feature makes to an identified set of environmental or heritage values. For example is the feature an important part of a local habitat in the case of environmental values, or important to local heritage character in the case of heritage values;
- The existing condition of the feature in question and whether or not the protection of the feature will enhance its condition;
- Such other factors may be relevant in the particular circumstances of the case.

4B.7.5 RULES : PAYMENT OF CONTRIBUTIONS

(a) Contributions in Land

Where a financial contribution for environmental or heritage purposes is to be in the form of land, the vesting of this land in the Council shall be a condition of any land use or subdivision consent.

In the case of land use consents, transfer of the subject land shall be made before any activity or development commences. Where building consents are required as a consequence of a development proposal, satisfactory arrangement for the transfer of the land shall be made before the issue of the necessary building consents under Section 35 of the Building Act.

Where the transfer of land is a condition of a subdivision consent, this land shall be shown on the survey plan as "special purpose reserve" and vested accordingly in the Council.

(b) Contributions in Cash

Where a financial contribution for environmental or heritage purposes is to be paid in cash, the payment of this contribution shall be a condition of any land use or subdivision consent.

In the case of land use consents, payment shall be made before any activity or development commences. Where building consents are required as a consequence of a development proposal, the contribution shall be paid in

full before the issue of the necessary building consents under Section 35 of the Building Act.

Where payment of the contribution is a condition of a subdivision consent, these shall be paid in full before the issue of a completion certificate provided under Section 224(c) of the Act.

(c) Contributions in Works

Where the contribution is in the form of works, the completion of these works or the bonding of sufficient funds to undertake the work, shall be a condition of any land use or subdivision consent.

In the case of land use consents, the necessary works or placing of an adequate bond shall be undertaken before any activity or development commences. Where building consents are required as a consequence of a development proposal, the works shall be completed or bond in place before the issue of the necessary building consents under Section 35 of the Building Act.

Where the completion of the necessary works or placing of a bond is a condition of a subdivision consent these shall be done before the issue of a completion certificate provided under Section 224(c) of the Act.

4B.7.6 EXPENDITURE OF FINANCIAL CONTRIBUTIONS

Financial contributions for environmental or heritage purposes which have been paid in cash will for accounting purposes be considered separate from the Council's rates and other revenue. These contributions will be accounted for in terms of the Council's responsibilities under Section 111 of the Act and Section 223F of the Local Government Act. In addition a separate report on the income and expenditure of financial contributions paid in cash will be included in the Council's annual report.

Cash contributions received for heritage or environmental protection will only be used on projects against which they have been identified. If these projects do not proceed within five years of the payment of the contribution they will be refunded to the developer.

4B.7.7 CROSS REFERENCES

To gain a good appreciation of where and under what circumstances financial contributions for environmental or heritage purposes will be required, reference should be made to, [PART 5 - NATURAL AND PHYSICAL ENVIRONMENT](#), [PART 5A - NATURAL RESOURCES](#), [PART 5B - COASTAL](#) and [PART 5C - HERITAGE](#) of the Plan.



Where contributions are to be made in land or where they arise as a condition of a subdivisional consent, reference should be made to [PART 11 - SUBDIVISION](#) of the Plan to consider subdivisional rules.

4B.8 PARKING FINANCIAL CONTRIBUTIONS

4B.8.1 OBJECTIVE

To provide opportunities for developers to meet their parking requirements off-site through the use of financial contributions.

Policies

- By requiring payment of a financial contribution for parking purposes where it is not feasible or desirable for a development to provide on-site parking.
- By allowing surplus spaces in existing public parking areas to be leased to businesses operating in developments which have not provided sufficient car parking facilities.

4B.8.2 EXPECTED OUTCOMES

In general it is expected that developments will make provision for parking on site. As outlined in Clause [12.7 PARKING](#) of the Plan it is intended in certain circumstances that the collective provision for parking through such initiatives as separate rating areas and special parking zones will be undertaken.

These expectations suggest that the use of financial contributions to ensure adequate provision of carparking will not be a common place occurrence. Rather the use of such contributions will be made where other alternative means of providing parking are either not available or not desirable.

Through the use of the parking provisions outlined in Clauses [12.7 PARKING](#) and [12.8 RULES : DEVELOPMENT CONTROLS](#) of the Plan, together with the use of financial contributions for parking purposes where this is appropriate, it is expected that adequate off-street parking will be provided throughout the City. This in turn will ensure the on-street parking is kept to a level which does not compromise either the function of major roads or the amenity of neighbourhoods.

4B.8.3 RULES : APPLICATION OF FINANCIAL CONTRIBUTIONS

Financial contributions for the purpose of parking will be required in the following circumstances:

- where it is either not possible for a development to provide sufficient on-site parking, to meet the requirements of Clause [12.7 PARKING](#) ; or
- where it is desirable to provide parking collectively and where the use of separate rating areas is not feasible.

The requirement to provide a financial contribution for carparking purposes may be made as a condition of consent for a discretionary activity. This requirement will be assessed in terms of Clauses [12.9.1.1 RULE : DISCRETIONARY ACTIVITIES](#) and [12.9.1.2 CRITERIA FOR ASSESSING DISCRETIONARY ACTIVITIES](#).

4B.8.4 RULES : ASSESSMENT OF FINANCIAL CONTRIBUTIONS

A financial contribution required for carparking purposes will be assessed on a case by case basis.

Where a contribution is to be used to purchase additional parking spaces off-site, the level of such contributions will not exceed the total land value and the formation costs of the parking spaces concerned.

Where a contribution is to be used to lease existing parking spaces, the level of contribution will be based on the market value of the carparks in the area as assessed by a registered valuer.

4B.8.5 RULES : EXEMPTIONS

Exemptions to parking requirements outlined in Clauses [12.8.1.1 PARKING STANDARDS OTHER THAN IN THE CENTRAL PARKING DISTRICT](#) and [12.8.1.2 LOADING STANDARDS](#) may be considered as part of an application for a consent for a discretionary activity under Clauses [12.9.1.1 RULE : DISCRETIONARY ACTIVITIES](#) and [12.9.1.2 CRITERIA FOR ASSESSING DISCRETIONARY ACTIVITIES](#).

4B.8.6 RULES : PAYMENT OF CONTRIBUTIONS

Financial contributions for parking purposes shall be paid before any activity or development commences. Where building consents are required as a consequence of a



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development proposal, the contribution shall be paid in full before the issue of the necessary building consents under Section 35 of the Building Act.

Bonding of contributions for parking purposes will not be permitted.

4B.8.7 EXPENDITURE OF FINANCIAL CONTRIBUTIONS

Financial contributions for carparking purposes which have been paid in cash will, for accounting purposes, be considered separate from the Council's rates and other revenue. These contributions will be accounted for in terms of the Council's responsibilities under Section 111 of the Act and Section 223F of the Local Government Act. In addition a separate report on the income and expenditure of financial contributions paid in cash will be included in the Council's annual report.

Financial contributions received for parking purposes will be used for the purchase, provision and maintenance of a public carpark in the near vicinity of the site or centre or be used to undertake road works which improve the on-street parking capacity of the centre.

4B.8.8 CROSS REFERENCES

The requirements for financial contributions should be read in conjunction with the parking requirements given in [Clause 12.7 PARKING](#) and the criterion for discretionary activities in [Clauses 12.9.1.1 RULE : DISCRETIONARY ACTIVITIES](#) and [12.9.1.2 CRITERIA FOR ASSESSING DISCRETIONARY ACTIVITIES](#).

4B.8.9 ESPLANADE AREAS

Esplanade reserves and esplanade strips are seen as a form of financial contribution under the provisions of Section 108 of the Act.

The District Plan requires the provision of esplanade reserves or strips when subdivision or development is undertaken on land abutting the coastal marine area. The provision for financial contributions for esplanade reserves are included in [PART 5B - COASTAL](#). Detailed rules relating to the application and assessment of esplanade reserve contributions and of reduction and exemptions for these are provided in [5B.8 RULES : ESPLANADE RESERVES](#).

