

20 FINANCIAL CONTRIBUTIONS

20.1	OBJECTIVES	3
20.2	POLICIES	3

20 Financial Contributions

The objectives, policies and rules in this chapter apply across the District. They are grouped together to prevent repetition throughout the Plan.

Financial contributions are a mechanism provided for in the the Act. Paid by developers, financial contributions provide a mechanism for managing the effects of development on the wider community by requiring money or land to be provided for the purpose of avoiding, mitigating, or compensating for adverse effects as a result of land use. Part 2 of the Act outlines the purpose for which financial contributions can be enacted through the District Plan process stating financial contributions must be for the purpose of:

- a. Enabling people and communities to provide for their health, safety and economic, social and cultural well-being.
- b. Sustaining the potential of resources to meet the reasonably foreseeable needs of future generations.
- c. Maintaining the life-supporting capacity of air, water, soil and ecosystems.
- d. Avoiding, remedying and mitigating adverse effects of activities on the natural and physical environment.

In the local context, the impacts of development have the potential to impose a cost on the community in the form of adverse environmental and amenity effects, in addition to the need to provide network infrastructure to service development. Financial contributions provide a mechanism for internalising the costs of development to those who benefit, removing both monetary and non-monetary adverse effects on the wider community.

Council will only apply financial contributions to land use activities and not subdivision, as subdivision is an expected and provided for activity in every part of the District. Council prefers to work with developers utilising tools such as Developer Agreements to attribute infrastructure costs of development appropriately to those who benefit directly.

The consideration of the use of financial contributions as a method of achieving the purpose of Part 2 of the Act however is not limited to mitigating adverse effects on the existing community. Providing for the use of financial contributions in the Plan also benefits the development community by providing certainty and enabling a partnership between Council and developers in providing for the mitigation of adverse effects; maintaining and enhancing the attributes of our town that support livelihoods.

20.1 OBJECTIVES

- 20.1.1** To ensure positive effects on the environment are achieved to offset any adverse effects of development.
- 20.1.2** To provide for the efficient development, maintenance and operation of social and physical infrastructure and services.

20.2 POLICIES

20.2.1 Provision of Infrastructure

Financial contribution to mitigate adverse effects will be in accordance with the following:

- a. The extent that the activity creates an adverse effect that could be offset by a financial contribution to achieve the objectives and policies of this plan.
- b. The extent to which the financial contribution avoids, remedies or mitigates any on-site and off-site adverse environmental effects caused by use or development not anticipated in the relevant zone.
- c. The extent to which the positive environmental effects relating to a type of infrastructure to off-set the adverse environmental effects.

20.2.2 Charging of Financial Contributions

Financial contributions shall be applied in a fair and equitable manner that:

- a. Is financially transparent;
- b. Complements council's other financial management policies; and
- c. Takes into account any costs incurred in taking, holding and allocating the financial contribution.

20.2.3 Purpose of Contributions

- 1. Financial contributions may be considered on a case by case basis to mitigate or remedy adverse effects created by the need to upgrade or extend public infrastructure for the use or development of land not anticipated in the relevant zone or non-compliance with performance standards relating to:
 - a. Infrastructure;
 - b. Outstanding natural landscapes; or
 - c. Built heritage.
- 2. Financial contributions may be taken in the form of cash, land, works or a combination of these in discussion with the applicant.

3. Contributions will only be used to address the specific adverse effects for which they are taken. The Council shall generally ensure that a financial contribution is used to fund mitigation activities as close as reasonably possible to the site where the adverse effects occur, or at one or more similar sites where the adverse effects occur, provided the community of benefit is the generally the same.
4. Financial contributions will not be taken where this would result in a duplication of payments already made for that specific purpose either to the Horizons Regional Council, The New Zealand Transport Agency or Whanganui District Council.
5. Financial Contributions will not be taken for effects related to subdivision.

20.2.4 Level of Contributions

1. Financial contributions to mitigate adverse effects generated on or off-site will be determined following consideration of:
 - a. Any other methods available to address the adverse effects. e.g. redesign;
 - b. The short and long term effects on the existing and future environment, including communities;
 - c. The extent to which the financial contribution avoids, remedies or mitigates any on-site and off-site adverse effects caused by the use or development not anticipated in the relevant zone;
 - d. The proposed positive environmental benefits to be generated by the expenditure of the financial contribution;
 - e. The extent to which any positive environmental effects generated by the activity are likely to offset the adverse effects;
 - f. Any contribution levied already by the Horizons Regional Council or the New Zealand Transport Agency, to mitigate the same or similar effect/s;
 - g. Any development agreement prepared under the Local Government Act;
 - h. The cumulative effects in the calculation of any financial contribution.
2. The level of any financial contribution shall be determined in the manner detailed below, in order to achieve the necessary level of service for the proposed activity by mitigating adverse effects where these relate to:
 - a. The roading network:

- i. Including construction, upgrading or extension of traffic or pedestrian routes including land purchase:

$$\$F * [G/[G+H]]$$

Where F = the assessed total cost of constructing/ upgrading/ improving traffic or pedestrian routes including land purchases; G = the average annual assessed volume of vehicular traffic measured in vehicles per day directly attributable to the development, and; H = average annual assessed volume of vehicular traffic measured in vehicles per day currently using routes that will require constructing/upgrading/improving as a consequence of development.

The funds generated from this formula are to be used to address specific works needed to service the new activity in terms of capacity, safety and or visual amenity.

- ii. Heavy Vehicles:

$$\$[(g)/[(f+(g))]*(h)$$

Where f = the volume of vehicular traffic (measured in equivalent standard axles for a 40 year design period) currently using routes that will require construction, upgrading or earlier renewal as a consequence of development; g = volume of heavy vehicular traffic (measured in equivalent standard axles for a 40 year design period) directly attributable to the development; h = the cost of construction, upgrading or renewal of traffic and pedestrian routes as a consequence of development.

The funds generated from this formula are to be used to address specific works needed to service the new activity in terms of capacity, safety and or visual amenity.

- iii. Shortfall in provision of any on-site carparking or loading spaces:

Contribution = value of land required + cost of construction.

The funds generated from this formula are to be used to address specific works needed to service the new activity in terms of capacity and manoeuvring, safety and or visual amenity.

Council may reduce this contribution where it seeks to encourage collective parking arrangements in the commercial zones in accordance with the WUTS.

b. Water Supply, Wastewater and Stormwater disposal

$$(E+D)-C/(B-A)$$

Where E = actual or estimated cost of upgrading services to serve the potential total number of allotments; D = value of estimated surplus capacity in existing services over that which is required to serve total number of properties currently in the area; C = estimated cost of upgrading required to existing services to serve total number of properties currently in area; B = potential total number of lots likely to be in the area to be served by the upgraded service, when the area is fully developed; A = total number of lots in area which are served by the service.

Alternatively, the developer may directly install the mains, laterals and pump stations required to do this.

The funds generated from this formula are to be used to address specific works needed to service the new activity in terms of capacity or human health requirements.

3. The level of any financial contribution shall be determined in the manner detailed below, in order to mitigate any adverse effects of a proposed activity, where these relate to:

a. Outstanding Natural Landscapes

Contribution = value of land required + cost of mitigation.

The contribution will be advised by an independent natural landscape specialist and tangata whenua.

Contributions may be directed to facilitate or fund river or gully restoration, improved public access or the protection, restoration or enhancement of the values as identified in policy 10.3.1.

b. Heritage Items

- i. The level of contribution shall equate to the cost of replacing or replicating any heritage values or components to be lost if the activity proceeds. The cost of replacement or replication shall be quantified advised by a suitably qualified and experienced heritage expert.

4. In all cases Council may use its discretion to impose a financial contribution equal to or less than the amount identified by the formulas above.