

APPENDIX 2 – MARKED UP VERSION FOLLOWING HEARING

Key

Grey – altered by submission 1

Underlined – altered from operative text

2 DEFINITIONS

Financial contribution: Financial Contributions has the meaning set out in section 108 (9) of the Resource Management Act 1991 or its amendments.

Section 108(9) states:

In this section, financial contribution means a contribution of –

- (a) money; or
- (b) land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993 unless the Act provides otherwise; or
- (c) A combination of money and land

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 within the RMA 1991 (the Act). Essentially, 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 the:

- i. Enabling people and communities to provide for their health, safety and economic, social and cultural well-being.
- ii. Sustaining the potential of resources to meet the reasonably foreseeable needs of future generations.
- iii. Maintaining the life-supporting capacity of air, water, soil and ecosystems.
- iv. 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.

Whanganui District 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 within the Whanganui District 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.

Section 108 of the Resource Management Act 1991 specifies the types of conditions that may be imposed on resource consents. Section 108(2)(a) provides that financial contributions may be required in relation to subdivision

and development. Section 108(9), as amended by the Resource Management Amendment Act 1997, defines that a “financial contribution” means a contribution of money, land, or a combination of both. Clause 3, Part II of the Second Schedule to the Act (also as amended by the Resource Management Amendment Act 1997) allows District Plans to state:

- a. the circumstances when a financial contribution of money or land may be imposed;
 - b. the manner in which the level of the contribution that may be imposed will be determined; and
 - c. the general purposes for which the contribution may be used.
- Although the Second Schedule states that District Plans may state the above matters, Section 108(10) of the Act states that no financial contributions can be imposed as a condition of any resource consent unless the above matters are specified in the Plan.
- The imposition of financial contributions need not be limited to conditions of resource consent. Plans may also specify that financial contributions are payable in respect of permitted activities (refer to definition of “permitted activity” in Section 2 of the Act). For example, this plan requires financial contributions for specified developments regardless of whether a resource consent is required.

20.1.1 On-site and connection costs related to subdivision and development.

The following requirements relating to on-site development and connection costs are to be paid in total by subdividers and developers:

- a. Provision of roads, private ways, access lots, service lanes and accessways.
 - b. Any earthworks, including excavation, filling and compaction.
 - c. Landscaping.
 - d. Provision of water supply or water supply connection.
 - e. Provision of sewerage drainage connections or the disposal of sewage on-site.
 - f. Provision of stormwater drainage connections or the disposal of stormwater on-site.
 - g. Provision for the supply of electricity.
 - h. Provision for the supply of reticulated gas.
 - i. Provision for the supply of telecommunications services.
 - j. Provision of street lighting.
 - k. The protection, preservation or restoration of any significant natural, cultural and/or heritage resource.
- In relation to infill subdivision, connections to existing infrastructure networks (and all costs associated with this) shall be the responsibility of those persons developing the site.
- Note: In relation to water supply connection, sewerage drainage connections and stormwater drainage connections a capital contribution will be charged at the time of connection.

~~These connection fees shall reflect a proportionate share of anticipated infrastructure upgrading costs if appropriate and/or a share of existing surplus capacity consumed.~~

20.1.2 Financial Contributions for Subdivisions.

~~In respect of subdivisions, financial contributions in money shall be paid to the Council in the circumstances outlined below:~~

~~Upgrading and/or widening of existing roads~~

~~a. Circumstances when financial contribution will be required:~~

~~i. where existing roads, footpaths, berms and related facilities are of inadequate width or construction to cater for the increased traffic that will be generated by the use of new allotments created by the subdivision; or~~

~~ii. where Council has upgraded a road in response to other subdivisions (and with partial contributions from the previous subdividers) and a proposed subdivision will generate additional allotments along such road.~~

~~b. Manner in which the amount of financial contributions is determined.~~

~~The amount of financial contribution required may be up to 100% of the actual cost of upgrading to meet the required standard plus, where appropriate, the value of any land required for road widening. In determining the actual contribution in each case, the extent to which the upgrading is required solely for the subdivision, and the extent to which others may also benefit will be taken into account. GST is payable on financial contributions.~~

~~c. General purposes for which these financial contributions will be used.~~

~~Financial contributions will be used to provide safe and adequate road access to the subdivision and to maintain the safe and efficient operation of the roading network in the vicinity.~~

20.1 OBJECTIVES

20.1.1 To ensure positive effects on the environment are achieved to offset any adverse effects of ~~subdivision or 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 any subdivision, 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. Compliments council's other financial management policies
- 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 subdivision, 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 shall-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 shall-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 subdivision, 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:

$$\frac{\$[(g)/(f+(g))]}{1}*(h)$$

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 ~~determined~~ advised by an independent ~~ly by a~~ 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 10.3.18 [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.