

## Section 18 - Financial Contributions

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### 18.1 Introduction

- 18.1.1 The financial contributions provisions in this Plan deal with conditions imposed on resource consents. Financial contributions are used as a mechanism for achieving the Plan's objectives and are distinct from, and in addition to, Council's Development Contributions Policy (DCP); which provides Council with an alternative method to obtain contributions to fund infrastructure required as a result of growth. Where financial contributions are imposed, development contributions will not be used for the same purpose.
- 18.1.2 In the context of new development and subdivision, this Plan uses financial contributions to build into the cost of the development or subdivision any physical, environmental, or social costs that can be identified. It does this by ensuring that the developer avoids, remedies, mitigates, or compensates for any adverse effects.
- 18.1.3 In this Plan, financial contributions are used for the following reasons:
- (a) To provide a fair and reasonable contribution to finance the extension or development of bulk services or other infrastructure costs as a result of a development or subdivision; and
  - (b) Along with other provisions, to provide a mechanism to avoid, remedy, or mitigate and/or offset adverse effects on the environment; and
  - (c) For assessing and quantifying the likely adverse environmental effects of any development or subdivision undertaken in the Waipā District on adjoining districts, cities, towns, and communities outside the District to enable contributions to be collected and made towards the mitigation of those adverse environmental effects.
- 18.1.4 Financial contributions are intended to offset the cost of future capital works, and the cost of capital already incurred where a development consumes that capacity; together with other related costs necessitated by new development or subdivision. Fees will vary between areas of the District and also for different types of development or subdivision.
- 18.1.5 A Heavy Vehicle Impact Fee (HVIF) may be required where heavy vehicle traffic movements from a development are likely to cause an accelerated reduction in the useful life of the local road network that was not reasonably anticipated when the relevant roads were constructed.

Advice Notes:

1. All Financial contribution calculations are exclusive of Goods and Service Tax (GST). GST will apply to all Financial Contributions at the prevailing rate.
2. Refer to Section 15 - Infrastructure, Hazards, Development and Subdivision for rules related to vesting land in Council ownership, and Section 16 - Transportation, for cash in lieu of car parking.

### 18.2 Resource Management Issues

- 18.2.1 New development or subdivision can result in adverse effects on natural and physical resources, and can result in inequities in cost sharing.
- 18.2.2 The provision of adequate infrastructure and services is an essential part of the development or subdivision process.

## 18.3 Objectives and Policies

*Please also refer to the objectives and policies of Part C, Part D and Part E, as relevant.*

### **Objective - Planned, financed growth**

- 18.3.1 To ensure that the adverse environmental effects on the District's network infrastructure are addressed in order to cater for the additional demand generated by new development or subdivision.

*Policy - Early recognition of costs*

- 18.3.1.1 The adverse environmental effects of development or subdivision that can be addressed by requiring a financial contribution, shall be clearly identified at the planning and consenting stage of the development or subdivision.

*Policy - Planned growth*

- 18.3.1.2 To ensure that planned growth is adequately financed by taking financial contributions up to 10 years in advance of Council undertaking infrastructure works for Council provided infrastructure.

*Policy - Recovering historical costs*

- 18.3.1.3 In circumstances where Council has already undertaken capital expenditure on its infrastructure networks, the capacity of those infrastructure networks which is consumed by a proposed development or subdivision shall be recovered by taking financial contributions.

### **Objective - Equitable sharing of costs**

- 18.3.2 To ensure that there is a fair and reasonable share of the costs of upgrading or providing new infrastructure to meet demands generated by the development or subdivision, and to enable future growth.

*Policy - Costs to developers*

- 18.3.2.1 Requiring payment of the total cost of new and off site infrastructure associated with the development or subdivision; including linkages, where the additional infrastructure is required solely to serve the proposed development or subdivision.

*Policy - Contribution to consumption of installed infrastructure capacity*

- 18.3.2.2 Requiring a contribution towards any previous upgrading of off site infrastructure when a new development or subdivision will utilise installed infrastructure capacity.

*Policy - Costs relating to effects*

- 18.3.2.3 Ensuring that the amount of financial contribution required reasonably reflects the cost of avoiding, remedying or mitigating the adverse effects.

### **Objective - Heavy vehicle impact fee**

- 18.3.3 To ensure the community is adequately protected from any unpredictable adverse effects of heavy vehicles on the District's road network due to land use activities.

*Policy - To make provision for a heavy vehicle impact fee*

- 18.3.3.1 A heavy vehicle impact fee will be required where a development creates adverse effects on the District's road network which:
- (a) Requires the construction or upgrading of any routes or other infrastructure for vehicles and pedestrians off the site; and/or
  - (b) Generates increases in heavy traffic which are likely to lead to infrastructure renewal being required earlier than planned in Council's Long Term Plan.

## **18.4 Rules**

*These rules apply to any activity requiring a resource consent under parts D, E and F of this Plan; and for the avoidance of doubt, the rules also apply to any activity requiring a resource consent due to failing to comply with any performance standard of this Plan.*

*These rules specifically relate to financial contributions towards the provision and future operation of network infrastructure owned and/or operated by Waipa District Council, a Council Controlled Organisation, or for roading and transport; any adjoining Territorial Local Authority and/or the New Zealand Transport Agency (NZTA).*

*Financial Contributions shall be determined in accordance with the provisions of these rules, and Council may require the payment of financial contributions as a condition of consent.*

### **18.4.1 Activity Status Tables**

*There are no activity status tables.*

### **18.4.2 Performance Standards**

#### **Reticulated water services**

*The following rules apply to development and subdivision that seeks to connect to Council's reticulated water services.*

#### **Rule - Circumstances when financial contributions may be taken**

- 18.4.2.1 Council may require the payment of a Financial Contribution where a development or subdivision located outside Council's water supply area seeks to connect, and Council approves such connection.

#### **Rule - Determination of the maximum amount of financial contribution**

- 18.4.2.2 The maximum amount of Financial Contribution that may be taken for connection to a water supply system in a Council reticulated water supply area shall be the greater of:

#### **EITHER**

$$\$A \times [B / [B + C]]$$

#### **where:**

- A = the replacement value of the specific water reticulation system after adjustment for capital expenditure in this activity at the time the connection is sought.
- B = the number of residential equivalent connections to be added to that reticulation system where:

≤ 20mm nb diameter connection = 1 residential equivalent connection

32mm nb dia connection = 3 residential equivalent connections

50mm nb dia connection = 10 residential equivalent connections

75mm nb dia connection = 14 residential equivalent connections

100mm nb dia connection = 25 residential equivalent connections

150mm nb dia connection = 56 residential equivalent connections

C = the total number of existing connections to that water reticulation system.

**OR**

The total assessed cost of providing additional water supply capacity (including the additional cost of abstraction, treatment, storage and reticulation) in the water reticulation system needed to service the development or subdivision.

**Rule - Timing of calculation and payment**

18.4.2.3 A Financial Contribution under Rules 18.4.2.1 and 18.4.2.2 shall be calculated, either at the time of:

- (a) Subdivision, in which case a financial contribution calculated shall be paid prior to Council issuing any certificates under either Section 223 or 224 of the Act; or
- (b) Resource consent, in which case a financial contribution calculated shall be paid as a condition of that consent, and prior to the activity commencing.

Advice Notes:

1. The replacement value of a Council reticulation system in a reticulated water supply area is the valuation reported in or supporting the most recent Council Annual Report.
2. The financial contributions for reticulated water services will not be levied on Council funded growth cells identified in this Plan or development or subdivision located within Council's reticulated water supply areas.
3. The financial contributions for reticulated water services exclude the cost of connection to a water reticulation system or the cost of water reticulation within the development or subdivision.
4. Once a development or subdivision is physically connected to a Council water reticulation system, it is deemed to be part of that water reticulation system.

**Wastewater collection services**

*The following rules apply where a development or subdivision seeks to connect to Council's wastewater collection services.*

**Rule - Circumstances when financial contributions may be taken**

18.4.2.4 Council may require the payment of a financial contribution where a development or subdivision located outside any of Council's wastewater service areas seeks to connect, subject to Council having wastewater disposal capacity.

**Rule - Determination of the maximum amount of financial contribution**

18.4.2.5 The maximum amount of financial contribution that may be taken for connection to a service network system in a Council wastewater service area shall be the greater of:

## EITHER

$$\text{\$A} \times [\text{B} / [\text{B} + \text{C}]]$$

### where:

A = the replacement value of the specific wastewater system after adjustment for capital expenditure in this activity at the time the connection is sought.

B = the number of residential equivalent connections to be added to that reticulation system where:

≤ 100mm nb diameter gravity connection = 1 residential equivalent connection

150mm nb dia gravity connection = 3 residential equivalent connections

200 mm nb dia gravity connection = 10 residential equivalent connections

C = the total number of existing connections to that wastewater system.

## OR

The total assessed cost of providing additional wastewater system capacity (including the additional cost of storage, pumping, transportation, processing and disposal) to the wastewater system needed to service the development or subdivision.

### Rule - Timing of calculation and payment

18.4.2.6 A Financial Contribution under Rules 18.4.2.4 and 18.4.2.5 shall be calculated, either at the time of:

- (a) Subdivision, in which case a financial contribution calculated shall be paid prior to Council issuing any Certificates under either Section 223 or 224 of the Act; or
- (b) Resource consent, in which case a financial contribution calculated shall be paid as a condition of that consent, and prior to the activity commencing.

#### Advice Notes:

1. The replacement value of a Council wastewater system in a wastewater service area is the valuation reported in or supporting the most recent Council Annual Report.
2. The financial contributions for wastewater services will not be levied on a Council funded growth cells identified in this District Plan, or development or subdivision located within a Council wastewater service area.
3. The financial contributions for wastewater services exclude the cost of connection to a wastewater system or the cost of sewerage within the development or subdivision.
4. Once a development or subdivision is physically connected to a Council wastewater system, it is deemed to be part of that wastewater system.

### Stormwater services

*The following rules apply where a development or subdivision seeks to connect to Council's consented stormwater services.*

### Rule - Circumstances when financial contributions may be taken

18.4.2.7 Council may require the payment of a Financial Contribution where a development or subdivision located immediately outside any of Council's stormwater systems seeks to connect, subject to Council having the necessary resource consent to discharge.

### **Rule - Determination of the maximum amount of financial contribution**

18.4.2.8 The maximum amount of Financial Contribution that may be taken for connection to an existing Council stormwater system shall be the greater of:

#### **EITHER**

$$I \times [J / [J + K]]$$

#### **where:**

I = the replacement value of the relevant stormwater system after adjustment for capital expenditure in this activity at the time the connection is sought; and

J = the gross area of the development measured in hectares; and

K = the gross area served by the relevant stormwater system excluding the activity.

#### **OR**

The total assessed cost of providing additional stormwater system capacity (including the additional cost of stormwater retention, pumping, transportation, processing, disposal and resource consent variation costs) needed to service the activity.

### **Rule - Timing of calculation and payment**

18.4.2.9 A Financial contribution under Rules 18.4.2.7 and 18.4.2.8 shall be calculated, either at the time of:

- (a) Subdivision, in which case a financial contribution calculated shall be paid prior to Council issuing any Certificates under either Section 223 or 224 of the Act; or
- (b) Resource consent, in which case a financial contribution calculated shall be paid as a condition of that consent, and prior to the activity commencing.

#### **Advice Notes:**

1. The replacement value of a Council stormwater system is the valuation reported in or supporting the most recent Council Annual Report.
2. The financial contributions for stormwater services exclude the cost of physical connection to a stormwater system or the cost of stormwater infrastructure within the development or subdivision.
3. Once a development or subdivision is physically connected to a Council stormwater system, it is deemed to be part of that stormwater system.

### **Road corridor services**

*The following rules apply to development or subdivision that gives rise to increases in vehicular and/or pedestrian traffic.*

### **Rule - Circumstances when financial contributions may be taken**

18.4.2.10 Council may require as part of a subdivision or development the payment of a financial contribution. A financial contribution may be payable where infrastructure for vehicles and pedestrians that is located off the site of the activity that is subject to consent:

- (a) Requires construction, upgrading or improving; and
- (b) The funding of the required works has not, for any reason, been fully or adequately provided for by other funding instruments available to Council; and

- (c) Where a development or subdivision will, or is likely to, adversely effect existing or proposed public roads managed by a road controlling authority other than Council, financial contributions may at Council's sole discretion and with appropriate justification, and in consultation with the appropriate road controlling authority, be assessed and used as though the road controlling authority was Council.

#### **Rule - Determination of the maximum amount of financial contribution**

- 18.4.2.11 The maximum amount of financial contribution for road corridor services that may be taken shall be determined on the basis of the following formula:

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

#### **where:**

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

#### **Rule - Timing of calculation and payment**

- 18.4.2.12 A financial contribution under Rules 18.4.2.10 and 18.4.2.11 shall be calculated, either at the time of:
- (a) Subdivision, in which case a financial contribution calculated shall be paid prior to Council issuing any certificates under either Section 223 or 224 of the Act; or
- (b) Resource consent, in which case a financial contribution calculated shall be paid as a condition of that consent and prior to the activity commencing.

#### **Advice Notes:**

1. The assessment of traffic volumes will be based on traffic models acceptable to Council following consultation with the relevant road controlling authority.
2. The financial contributions for Road Corridor Services will not be levied on development located within any funded growth cells identified in this Plan.
3. The financial contributions for Road Corridor Services exclude the cost of physically connection to traffic or pedestrian routes or the cost of providing traffic and pedestrian services within the development or subdivision.
4. Once a development or subdivision is physically connected to the road controlling authority or Council's traffic or pedestrian routes, it is deemed to be part of those traffic or pedestrian routes.

#### **Heavy vehicle impact fee**

*The following rules apply to development that gives rise to increases in vehicular and pedestrian traffic, and constructing, upgrading or early renewal of traffic and pedestrian routes.*

#### **Rule - Circumstances when financial contributions may be taken**

- 18.4.2.13 Council may require as part of a subdivision or land use consent the payment of a financial contribution where:

- (a) Routes and other infrastructure for vehicles and pedestrians off the site subject to consent requires construction or upgrading; and/or
- (b) Increases in heavy traffic are likely to lead to infrastructure renewal; and/or
- (c) Construction or upgrades are required earlier than expected; and/or
- (d) Where the effects of the development adversely affect public roads managed by other agencies, any financial contribution taken may be used by those agencies to upgrade those roads.

**Rule - Determination of the maximum amount of financial contribution**

18.4.2.14 The maximum amount of financial contribution for traffic and pedestrian routes that may be taken shall be determined on the basis of the following:

$$\$(G)/[(F) + (G)] \times (H)$$

**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 the development.

G = the 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 the development.

Advice Notes:

1. The fee will be charged as a lump sum where the activity is expected to continue for less than three years. Where the development activity is expected to continue for longer than three years, the fee may by agreement be allocated on the basis of a unit rate related to the materials transported.
2. In respect of the Significant Mineral Extraction Zone only - Council, at its sole discretion, may accept any monetary value of financial contribution required, as a supply of aggregate for Council use up to the equivalent monetary value at the market rate at time of calculation.

**Rule - Timing of calculation and payment**

18.4.2.15 A financial contribution under Rules 18.4.2.13 and 18.4.2.14 shall be calculated, either at the time of:

- (a) Subdivision, in which case a financial contribution calculated shall be paid prior to Council issuing any certificates under Section 224 of the Act; or
- (b) Resource consent, in which case a financial contribution calculated shall be paid as a condition of that consent and in the manner set out by any condition of that consent.

**18.5 Assessment Criteria**

*There are no assessment criteria*