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# 11. FINANCIAL CONTRIBUTIONS

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## 11.1 SECTION INTRODUCTION

- 11.1.1 The Council may include conditions requiring financial contributions as defined in Section 108(9) of the Act upon the granting of a resource consent. Financial contributions are imposed for the purpose of achieving the objectives of the District Plan. This section contains general objectives, policies, and rules relating to financial contributions.
- 11.1.2 Financial contributions are imposed so that the costs associated with new development or activity do not fall inequitably upon the entire community. The District Plan uses financial contributions to build into the cost of any new development any physical and environmental costs that can be identified. Contributions are imposed in respect to roads, water supply, storm water, sewerage, reserves, and parking. They are intended to cover a fair share of the cost of expanding the capacity of existing systems to cope with additional demand from new development or activity. They are also intended to impose upon the developer a fair share of the burden of avoiding, remedying, or mitigating the adverse effects resulting from development and new activity.
- 11.1.3 Development in different parts of the district places different costs on Council and different loadings on infrastructural systems. A flat fee across the entire district would be unfair for development in areas where there are low additional costs. Financial contributions will reflect as close as possible the actual costs associated with ensuring positive effects from anticipated development.

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## 11.2 RESOURCE MANAGEMENT STRATEGY

### 11.2.1 *Resource management issues*

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1. Land use activities generating adverse environmental effects as a result of infrastructural systems not being able to cope with additional demand.
2. Depreciation in the quality of service offered to existing users as a result of additional loadings from new development and land use activities.
3. The need for a mechanism to mitigate the adverse effects on the district's natural and physical resources that may result from new development.
4. Lack of reserves and recreation land in areas of new development, and increased demands placed on existing reserves.

### 11.2.2 *Objectives and policies*

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| <b>Objective</b> | 1. To ensure that new development within the District contributes positively and equitably to the sustainability of the environmental and infrastructural resources of the District.   |
| <b>Policies</b>  | <ol style="list-style-type: none"> <li>1.1 To require a financial contribution for subdivision consents and land use consents, and not for permitted activities except as stipulated in this District Plan.</li> <li>1.2 To ensure that any financial contribution required is fair and equitable.</li> <li>1.3 To make provision for a regular review process upon which the financial contributions fees are based.</li> </ol> |
| <b>Objective</b> | 2. To ensure that the infrastructural services continue to operate in an efficient manner where the effects of increased loadings on these systems will not adversely affect the District's natural and physical resources, nor will compromise the quality of service provided to present users.  |
| <b>Policies</b>  | <ol style="list-style-type: none"> <li>2.1 To ensure that new development makes a financial contribution to offset any adverse environmental effects.</li> <li>2.2 To allow for the payment of financial contributions in accordance with the planned staging of any subdivision activity subject to financial and security arrangements being entered into by Council and the developer.</li> </ol>                             |

- 2.3 To require financial contributions from land use activities and developments where these will adversely affect the District's roading, water supply, sewerage, stormwater, and reserves resources.
- 2.4 To require financial contributions for the provision of car parking where this can not be provided by a land use activity or development.

### 11.2.3 *Methods of implementation*

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The objectives and policies of this section will be implemented by the following method:

- 1. Rules

## 11.3 **RULES**

The rules of this section state when financial contributions will be required.

### 11.3.1 *Taking of financial contributions as conditions of consent*

Where a subdivision consent or a resource consent is to be granted a condition may be imposed requiring a financial contribution for:

- i. The mitigation of potential adverse effects arising from the activity.
- ii. Ensuring positive effects on the environment to offset adverse effects.
- iii. Ensuring that infrastructural services within the district continue to operate in a safe and efficient manner.
- iv. Reserve purposes.

### 11.3.2 *Payment of financial contributions*

11.3.2.1 Financial contributions in the form of money as part of a subdivision consent must be paid prior to the issue of a certificate pursuant to Section 224 of the Act. Financial contributions in the form of land as part of a subdivision shall be vested in Council and shown on the deposit of the survey plan.

11.3.2.2 Contributions in respect of land use activities must be paid prior to the uplifting of a building consent. Where no building consent is required the contribution is required before commencement of the activity, or as stated in the conditions of the resource consent.

11.3.3 *Financial contributions for car parking*

11.3.3.1 The requirements for car parking are stated in the Zone Sections of the District Plan. Financial contributions for car parking will be calculated on the basis of car parks required to ensure a positive effect on the environment. The calculation for car parking shall be calculated in the manner below. The calculation incorporates allowance for car parking for the disabled.

11.3.3.2 The financial contribution shall be determined in the following manner:

- i. Determine the minimum area of land required to be allocated for parking spaces. This can be determined from the Zone Standards **13.4.5 PA1, 14.4.5 PA1, 15.4.5 PA1, 16.4.5 PA1, 17.4.5 PA1, 18.4.5 PA1.**
- ii. Deduct from this area, the area of any complying parking spaces that are to be provided on the site of the activity. If the parking spaces to be provided on the site equal or exceed the requirements stated in the Zone Standards then no financial contribution will be required.
- iii. Multiply the resultant number of car parks required for the activity by the cost of forming one car park. **(2002: \$300.00)**

The cost of forming one car park will be based on the following:

- Sealing or metalling
- Kerbing, channelling and paving
- Stormwater treatment
- Signage and car park marking
- Landscaping

All of these components may not be required in every case.

11.3.3.3 Town Centre Zone

A financial contribution will be taken for those activities within the Town Centre Zone. The cash financial contribution will be based on the cost of construction of one car park multiplied by the number of car parks as required by **12.4.5 PA1.**

11.3.3.4 Balance of the district

The financial contribution for parking in all Zones will be calculated in accordance with the relevant Zone Standards, **13.4.5 PA1, 14.4.5 PA1, 15.4.5 PA1, 16.4.5 PA1, 17.4.5 PA1, 18.4.5 PA1** provided that a financial contribution will only be required for parking where the requirements of the Zone Standards can not be provided on-site for the activity concerned.

11.3.4 ***Financial contribution for roading***

11.3.4.1 The developer shall meet the following costs:

1. The cost of formation of all new roads, or internal service roads and footpaths within the development that are to be vested in Council.
2. The cost of formation of access from the site to an existing formed public road.
3. The cost of formation of existing legal but unformed roads which are required as part of the development.
4. Additional work on the carriageway and water tables required as a consequence of any development or subdivision, including any kerbing, channelling, or the construction of stock underpasses.
5. Additional work on the land between the water tables and the boundary of the road reserve, required as a consequence of any development or subdivision.
6. All works shall be to agreed standards as determined by Council.

11.3.4.2 ***Financial contribution for unsealed roads***

The financial contribution shall be determined in the following manner:

$$\text{Contribution} = \left[ \frac{0.5T(D_1 \times R_c \times \text{Inc VPD} + D_2 \times R_c)}{\text{Present VPD}} \right] + y$$

<b>D<sub>1</sub></b>	Distance between existing seal and the mid-point of the subdivision.
<b>R<sub>c</sub></b>	\$per kilometre for seal extension (2002 : \$70 000)
<b>Inc VPD</b>	Increase in vehicles per day to the site (Where 6 vehicle movements per day is the average number anticipated from a residential site - each car trip)
<b>Present VPD</b>	Present vehicle movements per day
<b>D<sub>2</sub></b>	Length of road over which the subdivision stretches
<b>y</b>	Number of years before the section of the road is sealed (As determined by Council's 15 Year Sealing Plan)
<b>T</b>	Time constant 0.5 in year 1 0.8 in year 2 1.0 in year 3 to 15

### 11.3.4.3 *Financial contribution for sealed roads*

The financial contribution shall be determined in the following manner:

$$\text{Contribution} = \frac{[0.5 (D_1 \times R_c \times \text{Inc VPD} + D_2 \times R_c)]}{\text{Present VPD}} + y$$

D <sub>1</sub>	Half the sealed distance of the road.
R <sub>c</sub>	\$per kilometre for future works (2002 : 70, 000)
Inc VPD	Increase in vehicles per day to the site (Where 6 vehicle movements per day is the average number anticipated from a residential site - each car trip)
Present VPD	Present vehicle movements per day
D <sub>2</sub>	Length of road over which the subdivision stretches
y	15 years. (Where 15 equates to one road sealing cycle)

### 11.3.4.4 *Full cost financial contribution for roads*

Presently there are roads in the district that have capacity traffic for their structure. Any further subdivision on these roads will place additional loadings on the resource that would make it non-viable. The financial contribution shall be the full cost to accommodate additional loadings and to bring the road up to Council's standards. The roads to which this applies are:

- i. Rankin Road (All of the road length)
- ii. Old Creamery Road (All of the road length)
- iii. Amokura Road (From the end of the seal)
- iv. Tutaetoko Road (All of the road length)
- v. Pakihi Road (From the intersection of Otara Road East and Pakihi Road)
- vi. Te Waiti Road [Otara] (All of the road length)
- vii. Block Access Road (All of the road length)
- viii. Motu Road (Route position 7.78)
- ix. Whitikau Road (All of the road length)
- x. Takaputahi Road (All of the road length)
- xi. Waiata Road (All of the road length)
- xii. McRaes Road (All of the road length)
- xiii. Redpath Road (All of the road length)
- xiv. Wairata Road ( From the intersection of Redpath Road and Wairata Road)

11.3.5 ***Financial contribution for water supply, sewerage networks, and stormwater treatment.***

11.3.5.1 The developer shall meet the following costs:

1. The cost of the installation of services within any subdivision or development.
2. The cost of connections to Council services, where these are available.
3. Additional works on the water supply, sewerage, or stormwater networks required as a consequence of any development or subdivision.
4. A financial contribution in the form of money will be required toward provision of, or upgrading of, services where the contribution shall be determined in the following manner stated in 11.3.5.2 for residential activities and subdivision, or in 11.3.5.3 for non-residential activities.

11.3.5.2 Residential activities and subdivision

$$\text{Contribution} = N \times (U_c + L)$$

N The number of new lots created by the subdivision.

$U_c$  Upgrade cost of the system as determined by Council

L Number of new lots to be served by the upgrade

11.3.5.3 Non-residential activities

$$\text{Contribution} = N \times U_c$$

N Capacity of the upgrade that will be used by the activity

$U_c$  Upgrade cost of the system as determined by Council

11.3.6 ***Financial contributions for reserves***

Financial contributions for reserves are calculated on the basis of the number of people expected to use the reserve. They take into account the standards for reserves, the additional reserves needed to offset the adverse effects of land use activities and development, and the per household unit cost of acquiring and improving reserves. The calculation takes account of the different reserves in the District, those that are neighbourhood reserves and those that are District reserves.

11.3.6.1 The financial contribution for reserve purposes shall be in the form of money or land, and shall be calculated in the following manner:

$$\text{Contribution} = R_D + R_N$$

$$R_D = \frac{\text{Percentage household increase} \times \text{Total cost of district reserves}}{\text{Present number of households}}$$

$$R_N = \frac{\text{Cost of acquisition and development} \times \text{Additional neighbourhood reserves required}}{\text{Increase in households}}$$

The reserve contribution has been calculated as **\$790.00** (excluding GST) per new allotment created.

Financial contributions for reserve purposes will be taken:

- i. At the time of subdivision.
- ii. At the time of issue of a land use consent for commercial and industrial activities where the contribution will be based on equivalent household units.

## 11.4 STANDARDS

There are no standards for this section of the District Plan.

## 11.5 SUBDIVISION

The subdivision requirements are stated in **Section 10** of the District Plan, and also in the following sections:

Section 12 Town Centre Zone 12.5.

Section 13 Residential Zone 13.5.

Section 14 Mixed Activity Zone 14.5.

Section 15 Industrial Zone 15.5.

Section 16 Rural Zone 16.5.

Section 17 Coastal Zone 17.5.

Section 18 Coastal Residential Zone 18.5.

Section 19 Ohiwa Harbour Zone 19.5.

## 11.6 OTHER METHODS

There are no other methods for this section of the District Plan.



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## 11.7 EXPLANATION

11.7.1 The reasons for the foregoing objectives, policies and methods are stated below.

11.7.2 Financial contributions are required to assist in avoiding, remedying, or mitigating the adverse effects of activities. In order to establish financial contributions, and financial contribution calculations, other documents of Council were used. These other documents provided guidance on costs and capacities of Council resources. Those documents that contributed include:

- Opotiki District Council Strategic Planning documents
- Opotiki District Council Annual Plans
- Opotiki District Council Long Term Financial Strategy
- Opotiki District Council Funding Policy
- Opotiki District Council Asset Management Plans
- Opotiki District Council Sealing Programme
- Opotiki District Council Capital Expenditure Programmes
- Opotiki District Council Reserve Management Plans
- Leisure, Recreation and Sport Plan

11.7.3 The financial contribution for car parking is required to ensure that sufficient car parks are provided for any activity. Where the car parks provided will not adversely affect safety or efficiency of a roadway. Within the Town Centre Zone a car parking contribution will be required in all cases. The contribution will assist in providing a well planned and structured parking area. If activities were to provide their own parking areas within the Town Centre Zone this would result in piecemeal parking and would affect the cohesiveness of the Town Centre.

11.7.4 The financial contribution required for roading purposes is to ensure that activities contribute to the cost of the network. Maintenance and upgrading of roads is based on present vehicle and household figures. The addition of new households, or increase in additional vehicle movements from commercial activities, can have the potential to increase maintenance costs of roads. Activities can depreciate the quality of the road and the service offered by the road. The contributions for unsealed and sealed roads ensure that the adverse effects of the activities can be offset by the financial contribution.

11.7.5 Within the district there are roads that have capacity loadings. These roads do not have the ability to manage further vehicle movements. The financial contribution for roading purposes for these roads is the full cost of works required to ensure that the road can cope with additional vehicle movements. The works required may include major earthworks, shape corrections, sealing, or road realignment.

**11.7.6** As with roading the financial contribution for water supply, sewerage, and stormwater purposes ensures that activities contribute toward the cost of the network. Activities place additional loadings on the water, sewerage, and stormwater networks of the district. While some networks have the capacity to manage the additional loadings others do not. The contribution confirms that activities can offset the adverse effects placed on the reticulation networks.

**11.7.7** Council has a number of reserves throughout the district comprising both district and neighbourhood reserves. District reserves include domains, sportsgrounds, and playing fields. District reserves are used by a wide range of the community. Neighbourhood reserves are open spaces that contribute to community amenity values and include spaces such as playgrounds. The financial contribution for reserve purposes take account of the difference between district and neighbourhood reserves.

**11.7.8** The financial contribution for reserve purposes takes into account a wide number of variables including:

- Projected population increase
- Projected household increase
- Accepted standards of provision
- Reserve quantities required for increase in population
- Land value
- Development cost of reserves

**11.8 ANTICIPATED ENVIRONMENTAL OUTCOMES**

**11.8.1** Environmental outcomes anticipated from the implementation of the objectives and policies of this section are:

- 4 Efficient infrastructural networks that are not adversely affected by additional loadings.
- 4 Sufficient reserves to manage population increases.
- 4 Development that contributes a fair share toward the costs of expanding services.