

Chapter 65**FINANCIAL CONTRIBUTIONS****65.1 PURPOSE**

Council's functions under Section 31 of the Resource Management Act include establishing and implementing methods to achieve integrated management of the effects of the use, development, or protection of land and associated natural and physical resources, the control of any actual or potential effect of the use, development or protection of land and the control of subdivision. The charging of financial contributions is an important mechanism in carrying out those functions and ensuring that there are positive effects on the environment which avoid, remedy or mitigate any adverse effect resulting from land development including subdivision.

65.2 RESOURCE MANAGEMENT ISSUES

The following resource management issues have been identified as significant:

65.2.1 New subdivision and development places additional demand on capacity of infrastructural services and the extension of those services.

The effects of subdivision and land development on the environment are significant, arising from the need to dispose of wastewater, stormwater and waste and the need to provide other services such as a water supply, recreational reserves, sports grounds, and community services such as libraries. There is also the very significant impact of additional traffic generated imposing additional pressure upon the existing roading infrastructure and requiring the provision of additional roading.

The integrated management of the effects of development and the effects on infrastructural services is important to ensure the health and safety of the community.

65.2.2 The adverse effect of development on the estuarine environment

An important aspect of any development is the disposal of stormwater in an appropriate manner. Most of Napier's stormwater goes directly into the Ahuriri Estuary which is an estuary of national ecological importance. The avoidance, remediation or mitigation of effects of stormwater discharge to the Ahuriri Estuary is a significant resource management issue.

65.2.3 The provision of a range of reserves in appropriate locations to service the needs of present and future generations

Napier residents currently enjoy good access to parks and reserves and the Council wishes to maintain this level of amenity for the future. New development must be carefully planned and structure plans prepared by Council will indicate to developers the reserves which are required. Financial contributions will ensure that the adverse effects of subdivision and land development on the amenity of the City are mitigated by maintaining the level of reserves currently enjoyed by the community.

65.2.4 Increasing urban density which places additional demand on reserve and recreational facilities

Infill development in existing urban areas leads to reduced section sizes and as a result, increased urban density. This in turn places greater demand on existing open spaces and gives rise to a requirement for a diverse range of reserves.

65.2.5 The need to promote the efficient development and use of existing and new infrastructural services and utilities

Random development is not conducive to the integrated management of land development and the provision of services to that development. In assessing areas for future urban development, Council has commissioned the Napier Urban Growth Strategy 1999 to develop a strategic approach to development based on the principle of sustainable management of resources. The Strategy gave consideration to the availability of services, the effect on existing services and which development options were most sustainable.

65.2.6 Development should pay a fair and reasonable share of the costs of expanding or upgrading services to avoid, remedy or mitigate the effects of such development.

Where infrastructural services are required to meet the demands created by new development, the costs of providing or extending those services should be borne by developers rather than by the existing ratepayer base. Subdividers and developers should pay a fair and reasonable share of the cost of maintaining the present design level of infrastructural services while deferred capital expenditure on the existing infrastructure should be a cost on all ratepayers.

OBJECTIVES, POLICIES AND METHODS

The following objectives, policies and methods apply to all zones throughout the City.

Objective 65.3

To maintain and enhance the health, safety, wellbeing of people and the amenity and cultural values of the City while sustaining physical resources for use and development for future generations.

This objective relates to Issues 65.2.1; 65.2.2; 65.2.3; and 65.2.4

Policies

In order to achieve this objective the Council will:

- 65.3.1 Mitigate the built effects of land uses by means of providing reserve areas, recreational reserves, both active and passive, and facilities.
- 65.3.2 Impose financial contributions at the time of subdivision and/or land development to mitigate any adverse effects on infrastructure, amenity values and provide for people's health, safety and wellbeing.
- 65.3.3 Provide for the integrated management and control of the effects of the use, development and subdivision of land within the City.
- 65.3.4 Adopt provisions consistent with the policies of the Hawke's Bay Regional Policy Statement in regard to land use development and protection.

Methods

- (1) District Plan Rules.

Objective 65.4

To have regard to the efficient use of resources in the delivery of infrastructure to new development through ensuring that fair and reasonable costs are met by new development.

This objective relates to Issues 65.2.1; 62.2.4 and 65.2.6.

Policies

In order to achieve this objective, the Council will:

- 65.4.1 Require the developer to meet the cost of providing all infrastructure within land being subdivided where the benefits accrue directly to the land being subdivided or developed.
- 65.4.2 Require that where existing infrastructure and services outside the land being subdivided or developed are inadequate for the existing development the cost of upgrading or the provision of new facilities shall be shared fairly between the subdivider or developer and the Council if there is deferred capital works of benefit to another area.
- 65.4.3 Subdividers and Developers will be required to construct any utilities, road and open space areas shown on an approved Structure Plan (See Appendices 26-30). The standard specified in the Code of Practice for Subdivision and Land Development, or on any approved Structure Plan, will generally be required to be met and will be required to be vested in Council.

Methods

- (1) District Plan Rules.

Objective 65.5

To ensure that the adverse effects of new land development, including subdivision, on the City's infrastructure are mitigated using financial contributions from new development.

This objective relates to Issues 65.2.1; 65.2.3; 65.2.4 and 65.2.6.

Policies

In order to achieve this objective, the Council will:

- 65.5.1 Require the subdivider or developer to meet their proportionate costs of upgrading existing infrastructure where the development/subdivision will necessitate such upgrading of services.
- 65.5.2 Require the subdivider or developer to meet their proportionate costs for the provision of new infrastructure where the development/subdivision will necessitate such new off-site services.

Methods

- (1) District Plan Rules.

Objective 65.6

To achieve sustainable management of natural and physical resources through the decision making process.

This objective relates to Issues 65.2.1; 65.2.3; 65.2.4 and 65.2.5.

Policies

In order to achieve this objective, the Council will:

- 65.6.1 Ensure that in making resource use decisions that the standard of infrastructure is maintained or improved to avoid, remedy or mitigate the adverse effects of the development on the environment.
- 65.6.2 Ensure the use or development of land does not give rise to effects that may impact on future generations.

Methods

- (1) District Plan Rules.

Principal Reasons for adopting Objectives, Policies, and Methods

The existing amenities, services and utilities represent a major community investment which should be utilised and protected. Promoting the efficient use of the City's network of services, utilities roads and other infrastructural components will help to reduce the environmental costs of development for present and future generations and sustain the future potential of resources. The provision of, and further development of a system of reserves is essential for meeting the recreational, cultural and other requirements of the City, as well as maintaining and enhancing amenity value.

New development can have adverse effects on the existing services, and these effects should be part of the equation of the cost of development. Contributions toward the cost of upgrading these off-site services should be made by the developer.

The process by which the Council has developed its financial contributions has been deliberately transparent. The process was begun by developing a Strategy for the City's urban growth. The Strategy adopts an overall philosophy towards growth, and prioritises areas to meet greenfield development needs, both developed under principles of sustainability.

The Strategy has allowed the Council to successfully identify the servicing requirements to meet the growth needs. Essential Services Development Plans have been formulated to identify the incremental unit costs of the various services involved in land development.

The use of financial contributions imposed through the district plan, have a very real environmental benefit in avoiding, remedying, or mitigating the adverse effects of land uses resulting from development as the contributions are applied directly to that part of the environment which is affected.

65.7 ANTICIPATED ENVIRONMENTAL RESULTS

- (1) A built environment with efficient infrastructural service systems.
- (2) A level of infrastructural services that can protect and sustain existing environmental values for future generations.

RULES

65.8 This chapter contains rules for financial contributions that apply to all subdivision and land development in terms of the Code of Practice for Subdivision and Land Development, throughout the City, unless otherwise stated.

Financial Contributions are established in the following three categories:

- (a) Non Local (off site)
- (b) Local (off site) and
- (c) On site

These three categories are defined in Chapter 68 of this Plan.

The following rules apply only in terms of financial contributions. In addition to these rules, the land use must also comply with the rules for the respective zone in which the land use is sited. The rules in this chapter are primarily in the form of conditions for permitted activities and controlled activities.

DISTRICT WIDE FINANCIAL CONTRIBUTIONS – CONDITION TABLE

CONDITIONS FOR PERMITTED ACTIVITIES AND CONTROLLED ACTIVITIES	Matters the Council will restrict its discretion to for restricted discretionary activities.
<p>65.9 Subdivision</p> <p>1. The following financial contribution conditions shall apply to all subdivisions, except for industrial and/or commercial purposes:</p> <p>a) On every subdivision the financial contribution per lot must be paid to the Council as set out in Table 1 (subject to the calculations referred to in Rules 65.12 and the adjustment as a result of the indexation referred to in Rule 65.13) for each additional lot or certificate of title created by the subdivision.</p> <p>b) This rule does not apply where the subdivision is solely for the purpose of creating a title for an existing dwelling unit.</p> <p>c) Such contributions shall become payable on the granting of the resource consent relating to the subdivision and must be paid prior to a Section 224 Certificate being issued.</p> <p>NOTE: Refer to Rule 65.11 for financial contribution rules applicable to subdivision for industrial and/or commercial purposes.</p>	<p>The Council will restrict its discretion to the following matters:</p> <ul style="list-style-type: none"> - The effects on the city infrastructure. - The effects on the amenity of the receiving environment. - The cumulative effects on the health safety and wellbeing of the community.
<p>65.10 Residential Multi-Unit Development</p> <p>1. The following financial contribution conditions shall apply to all multi-unit developments for residential purposes:</p> <p>a) On every multi-unit development for residential purposes, the financial contribution must be paid to the Council as set out in Table 1 (subject to the calculations referred to in Rules 65.12 and the adjustment as a result of the indexation referred to in Rule 65.13) for the second and each subsequent unit of the development.</p> <p>a) Such financial contributions shall become payable on the granting of the resource consent relating to the development and must be paid before a building consent will be issued. In the event that no resource consent is required the financial contribution shall be paid prior to any building consent being uplifted.</p>	<p>The Council will restrict its discretion to the following matters:</p> <ul style="list-style-type: none"> - The effects on the city infrastructure. - The effects on the amenity of the receiving environment. - The cumulative effects on the health safety and wellbeing of the community.
<p>65.11 Industrial and Commercial Land Development (Including Subdivision)</p> <p>1. The following financial contribution conditions shall apply to all land development for industrial and/or commercial purposes:</p> <p>a) On every land development for industrial and/or commercial purposes, the financial contribution must be paid to the Council as set out in Table 2 (subject to adjustment as a result of the indexations referred to in 65.13) for:</p> <p>i) Each additional lot or certificate of title created by the subdivision.</p> <p>ii) The second and each subsequent unit of development.</p> <p>b) This rule does not apply where the subdivision is solely for the purpose of creating a title for an existing and lawfully established business unit.</p> <p>c) Such financial contributions shall become payable on the granting of the resource consent relating to the land development and</p>	<p>The Council will restrict its discretion to the following matters</p> <ul style="list-style-type: none"> - The effects on the city infrastructure. - The effects on the amenity of the receiving environment. - The cumulative effects on the health safety and wellbeing of the community.

<p>must be paid:</p> <ul style="list-style-type: none"> i) Prior to a Section 224 Certificate being issued in respect of subdivision. ii) Before the building consent will be issued. In the event that no resource consent is required the financial contribution shall be paid prior to any building consent being uplifted. 	
<p>65.12 Calculation of Reserves Financial Contribution Component</p> <p>1. The following formula shall be used when calculating the reserves component of the financial contributions in Table 1.</p> <ul style="list-style-type: none"> a) The reserve requirement must be calculated by multiplying the number of lots/units by 75m² to arrive at the total requirement. b) The areas of land for neighbourhood reserves are established from structure plans appended to this Plan for each area and are fixed for each greenfields area. c) The areas of land to be taken into consideration for walkways will be dependent on the actual route followed as set out in a concept plan or scheme plan. This will be a variable area to be determined once the concept plan or scheme plan has been adopted. d) Reserves financial contributions (Reserves FC) in the form of money will be levied for the difference between the total requirement, the neighbourhood reserve and the area decided upon for the walkways. <p>Lots/Units multiplied by 75m² equals Total Requirement</p> <p>Reserves FC = {Total requirement as in (a) above, less Neighbourhood Reserves as in (b) above, less the Area of Walkways accepted by the Council for the purposes as in (c) above} x \$10.43 = Total Reserves FC</p> <p>Reserves FC per lot/unit = $\frac{\text{Total Reserves FC}}{\text{Lots/Units}}$</p> <p>(As an example, the Reserves FC for 'urban infill' equals 75 x \$10.43 = \$782)</p> <p>NOTE: The Council will not pay for land provided in excess of the requirements of 75m² per lot/unit.</p>	
<p>65.13 Indexation of Financial Contributions</p> <p>1. The following indexation conditions shall apply to all financial contributions:</p> <ul style="list-style-type: none"> a) The financial contributions stated elsewhere in this Chapter are as at 1 July 2005- 30 June 2006 (based on December 2004 PPI values) for Commercial and Industrial financial contributions, and as at 1 July 2012 – 30 June 2013 (based on December 2011 PPI values) The financial contributions are adjusted annually using the corresponding Statistics New Zealand: Producers Price Index (Inputs: EE Construction SQNEE0000) index value for December, effective from 1 July the following year. b) The adjustment will be calculated in accordance with the following example: <p>Using the financial contribution of \$11,740 as the example, and assuming for the purpose of this example that the index for</p>	<p>The Council will restrict its discretion to the following matters.</p> <ul style="list-style-type: none"> - The effects on the city infrastructure. - The effects on the amenity of the receiving environment. - The cumulative effects on the health safety and wellbeing of the community.

<p>December 2004 is 1238 (compared with the index for December 2003 of 1162) the calculation to establish the financial contribution for the following year would be as follows:</p> $\frac{1238}{1162} \times \frac{11740}{1} = \$12,508 \text{ per unit or per lot.}$	
<p>65.14 General Purposes for Use of Financial Contributions</p> <p>1. The following conditions shall apply to all financial contributions:</p> <p>a) Any financial contribution paid to the Council in accordance with this Chapter may be used for one or more of the following general purposes:</p> <ul style="list-style-type: none"> • Water supply. • Wastewater disposal. • Waste disposal. • Sports and Reserves. • Roading and Transportation. • Recreation Facilities. • Stormwater disposal. • Library Facilities. 	
<p>65.15 Exceptions</p> <p>1. The financial contribution conditions elsewhere in this Chapter may be expressly modified and/or excluded where stated by a rule elsewhere in this Plan.</p>	

TABLE 1: RESIDENTIAL AND RURAL FINANCIAL CONTRIBUTIONS

Development Area	Non-Local Off-Site Contributions (\$ per lot/unit unless stated otherwise)	Local Off-Site Contributions (\$ per lot/unit unless stated otherwise)	On-Site Contributions (\$ per lot/unit unless stated otherwise)
INFILL			
Urban Infill	\$17,876	\$1,802(stormwater)	None
Multi-storey Jervoistown: Full Urban ¹	\$15,859 \$17,339	\$45,829 per ha (stormwater) \$68,183	None None
1 This option will only proceed if 75% of landowners in Jervoistown want and agree to pay for full infrastructural services			
RESIDENTIAL			
Citrus Grove ²	\$17,296	\$557 (share of common sewer pumping main)	\$90 (watermain diameter charge)
2 Developers expenses will also include costs for: 1. Infrastructure shown in Appendix 27 (Structure Plan). 2. A stopbank along the Taipo Stream or ground raising with imported fill. 3. Stormwater disposal to Saltwater Creek.			
King/Guppy ³	\$16,535	\$153,508 per ha plus Guppy Road upgrading \$573 per metre, less roading structure plan credit \$383per metre where applicable	Included in local costs
Lagoon Farm ³	\$17,168	\$557 (share of common sewer pumping main)	None
3. Developers expenses will also include costs for: 1. Infrastructure shown in Appendix 27 (Structure Plan).			
Mission Special Character Zone ⁴	\$14,518 (accepts Reserves Contribution in land as shown in Appendix 26B-2)	\$752 (for Puketitiri Road frontage)	None
4. Developers expenses will also include costs for: 1. Connection to the water supply in Church Road. 2. Connection to the sewerage system. 3. Any area of land draining to the Taipo Stream catchment at \$2,317 per hectare of seal and/or residential lot.			
Park Island ⁶	\$17,349	\$557 (share of common sewer pumping main)	None
6. Developers expenses will also include costs for: 1. Infrastructure shown in Appendix 27 (Structure Plan). 2. A stopbank along the Taipo Stream or ground raising with imported fill.			
Te Awa ⁷	\$16,416	\$392,630 per ha, plus \$2,548 per metre of road frontage ⁸	See Note ⁷
7. Developers expenses will also include costs for: a) Infrastructure shown in Appendix 29A-F Te Awa Structure Plan. b) Where a developer needs to increase the size of stormwater, water or sewer mains to provide additional capacity for areas outside of this development in accordance with the Te Awa Structure Plan, a main of sufficient capacity to service the total area that will be serviced by that main must be installed at the developer's cost. When the balance of that area is developed, capital contributions will be required from subsequent developers to recover the additional cost that was incurred by the original developer, to reimburse them. In the case of the Water Supply Ring Main, the Council will reimburse the cost difference between the developer's requirement (150mm diameter) and the upgrading to a 200mm diameter main.			
8. Where lots front onto Kenny Road, Eriksen Road and the new "Middle Road" between Eriksen Road and Willowbank Avenue (net of structure plan drainage reserves) These contributions shall not apply to resource consents for which contributions have already been made			
RURAL			
Poraiti	\$12,012	\$1,377(road)	None
style Character	\$14,518	\$2,017 (stormwater ⁹)	None
9. A contribution is required for those lots/units not connected to a stormwater system discharging above the flood detention dam in Kent Terrace.			
Note:- Jervoistown Rural Infill on next page			

Development Area	Non-Local Off-Site Contributions (\$ per lot/unit unless stated otherwise)	Local Off-Site Contributions (\$ per lot/unit unless stated otherwise)	On-Site Contributions (\$ per lot/unit unless stated otherwise)
Jervoistown: Rural Infill ¹⁰	\$14,027	\$5,891 (Footpath) See Note ¹¹ \$6,874 (Stormwater) See Note ¹² \$87,340 (Stormwater) See Note ^{13 & 14}	None
<p>¹⁰. This refers to subdivision to a minimum of 2500m²</p> <p>¹¹. Applies to the area west of Jervois Road, North of Meeanee Road and South of Burness Road</p> <p>¹². Applies to those properties that drain to the Upper Purimu Drain</p> <p>¹³. Applies to those properties that drain to the Jervois Drain¹⁴</p> <p>¹⁴. This requires the Jervois Drain from Gordon Road to the Upper Purimu Drain and the culvert under Burness Road to be upgraded in accordance with the Code of Practice for Subdivision and Land Development. Engineering approval from the Napier City Council and Hawke's Bay Regional Council will be required prior to commencement of any work being undertaken. Once the developer has funded the upgrade, Council will require local off-site contributions for stormwater for any further development draining to the Jervois Drain as specified in the Financial Contributions Table. This money will then be reimbursed to the developer who funded the upgrade.</p>			
All Other Rural Areas	\$12,012	\$2,247 (Bay View water ¹⁵)	None
<p>¹⁵. A contribution of \$2117 towards Bay View water is required for all new connections per lot/unit to the Bay View water supply scheme.</p>			

NOTES:

1. All figures in the table are as at 1 July 2010 – 30 June 2011 (based on December 2009 indices) and do not include GST. Figures for subsequent years (taking into account indexation) will be shown in Council's Schedule of Fees and Charges, available from 1st July each year.
2. The assessment of the cost of works upon which the contributions are based, was derived from the Essential Services Development Plan 2000.
3. All development areas are defined in Appendix 31.
4. In exceptional circumstances where sites in rural areas obtain connections to the water supply, sewer or stormwater systems, then the charges of such connections will include a contribution towards the general upgrading of the particular service.
5. Refer to Appendix 31A for a breakdown of the 'Non-Local' Contributions set out in the above table.
6. The figures contained in Table 1 and Appendix 31A are, subject to indexation, the maximum financial contributions payable for residential land development. These financial contributions are to avoid, remedy or mitigate the effects of land development. If any particular land development does not give rise to an effect or gives rise to a reduced effect the financial contribution payable may be waived or reduced accordingly.

TABLE 2: COMMERCIAL AND INDUSTRIAL FINANCIAL CONTRIBUTIONS

		Water Supply Contribution Either			Wastewater Contribution Either	Stormwater Contribution	Roads & Transportation Contribution
Non-Residential based		Gross floor area (\$ per m ²)	plus	Pervious land area (\$ per m ²)	Gross floor area (\$ per m ²)	Land area* (\$ per m ²)	Per every new lot/unit (\$)
i	Offices & shops	4.13	plus	1.55	2.88	2.82	6,882
ii	Medical Clinics/Hospitals	5.16	plus	1.55	3.60	2.82	6,882
iii	Warehouses/ Factories/Network Utility Operations	2.07	plus	1.55	1.44	2.82	6,882
iv	Unsealed yards	-		1.55	-	0.72	6,882
v	Churches	\$2066 per church	plus	1.55	\$1441 per church	2.82	6,882
Residential based		Population			Population		
		\$ per head			\$ per head		
vi	Residential Care Facilities	155	plus	1.55	108	2.82	6,882
vii	Travellers' Accommodation	155	plus	1.55	108	2.82	6,882
viii	Day Care Centres	78	plus	1.55	54	2.82	6,882
ix	Educational Facilities	78	plus	1.55	54	2.82	6,882
x	Retirement Complexes	154	plus	1.55	108	2.82	6,882
		OR Equivalent water connection			OR Equivalent wastewater connection		
		Whichever is the greater			Whichever is the greater		

* Stormwater - based on 60% sealed area max. Sealed areas greater than 60% pro rata.

Equivalent Connections							
Diameter mm	15	20	25	40	50	80	100
Water \$	1,033	1,839	2,872	7,345	11,477	29,377	45,904
Wastewater \$	721	1,288	2,011	5,142	8,034	20,564	32,133

Land Development will attract charges for:-

- Water Supply
- Wastewater
- Stormwater
- Roads and Transportation

Except that:

- Water supply, wastewater and/or stormwater components of financial contributions will not be payable where there is no actual or potential relevant connection provided or to be provided to the site.
- The Roads and Transportation component of financial contributions will not be payable where there is no actual or potential impact on the roading system arising from the land development. No actual or potential impact means that the increase in the average number of vehicle movements resulting from the land development does not exceed 8 vehicle movements per day (being the average number of vehicle movements generated by a typical household).

- Where earthworks are for the purpose of ground recontouring or resurfacing existing developed areas, the Roads and Transportation component of financial contributions will not be payable.

NOTES: 1. All figures in the table are as at 31 December 2004 and do not include GST. Figures for subsequent years (taking into account indexation) will be shown in Council's Schedule of Fees and Charges, available from 1st July each year.

2. The assessment of the cost of works upon which the contributions are based, was derived from the Essential Services Development Plan 2000.

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