

Financial Contributions Policy

Introduction

Council is required to adopt a Development or Financial Contributions Policy under section 102 of the Local Government Act 2002 (the Act).

Development Contributions provide Council with a method to obtain contributions to fund infrastructure required due to growth. The Timaru District Council does not intend to implement a Development Contributions Policy as outlined in Section 106 of the Act.

Timaru District Council has an operative Financial Contributions Policy as set out in Part D, Section 6 of the Timaru District Plan. The existing Financial Contributions Policy allows the Council to apply a charge for water, sewer, stormwater and open space and recreation.

The financial contribution is a contribution from developers of cash or kind, or a mix of these. Financial contributions are provided for under the Resource Management Act 1991 and are used to offset or mitigate any adverse impacts on the natural and physical environment including utilities, services or a new development.

Minor amounts of the capital expenditure budget for parks and recreation have been identified as coming from financial contributions. Amounts to be funded from financial contributions for water supply, sewer and stormwater services will be determined from Council decisions at the time of development.

Financial Contributions Policy

A summary of the existing Financial Contributions provisions under the Timaru District Plan is included below. The full provisions can be found in the District Plan document under Section D: General Rules - 6.5: Water, Sewer, Stormwater and Open Space and Recreation Contributions.

6.5.1.2 WATER SUPPLIES: RULES FOR FINANCIAL CONTRIBUTIONS FOR WATER SCHEMES

1. Within the boundaries of an urban water scheme

Where proposed allotments, sites or buildings are intended for human habitation or occupation within the boundaries of an urban water scheme (Timaru, Temuka, Geraldine,

Pleasant Point) the following contributions are payable:

- a. Where water from a water network utility service is able to be delivered to the subdivision or land concerned from an existing water network utility:
 - i. *the full actual cost of all necessary reticulation within the subdivision or development for each allotment, site or building; plus*
 - ii. *the full actual cost of connections between the reticulation in the subdivision or development and the existing water network utility system; plus*
 - iii. *the full actual cost of any additions or modifications to the existing water network utility system that are required to provide for the expected effects of the subdivision, development or building on that utility system; plus*
 - iv. *an equitable share of the cost of the existing water network utility system where additional capacity has been created in anticipation of future development to a maximum value of \$3,000 for each allotment.*
- b. When calculating (a)(iii) and (iv) above, the Council shall give consideration to whether any part of the cost of any additions or modifications to the existing network should be borne by Council or other subdividers or developers, and whether the subdivision or development benefits the present residents of the community or District to a degree that some or all of the cost of the existing network need not be charged.
- c. The contribution may be in cash or kind or a mix of these, but in all cases the amount to be paid shall be based on an analysis of actual costs and be able to be substantiated by Council.

2. Within the boundaries of a rural water scheme

- a. The Council shall not grant its consent to any subdivision application which identifies a Rural Water Supply Scheme as its source of water without evidence of approval by the water supply authority for that connection.
- b. Completion of the required connection works shall be achieved prior to sealing the survey plan.
- c. Where a source of water supply other than a Rural Water Supply Scheme is identified a consent notice shall be placed on the title of each allotment stating that the

provision of water to the site is the owners responsibility on a continuing basis.

[NOTE: Rural water supply schemes have capital contributions for new connections, additional water, the cost of connecting from the existing pipe work to the tank or property connection, and upgrading of mains upstream of the consumer to enable connection to be made. Connection to the rural water supply is not possible without approval from the water supply authority. The appropriate capital contribution will be advised when approval is given].

3. Controlled Activity

The following are controlled activities subject to complying with all the Performance Standards for the zone and the General Rules with the exercise of Council's discretion restricted to the matter(s) specified.

Development and activities within the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4), where water from a water network utility service is able to be delivered to the development. All such development and activities are a controlled activity in respect to financial contributions.

A financial contribution in the form of cash, land or a combination of both shall be payable. The costs shall be calculated in accordance with Section 6.5.1.2 (1) of this plan. Council shall advise the amount of contribution at the time of development.

6.5.2 OPEN SPACE AND RECREATION: RULES FOR OPEN SPACE AND RECREATION

1. Subdivision for Residential Activities

For subdivisions resulting in additional allotments for residential purposes, a fee of \$500.00 shall be payable for each additional allotment, except where any additional allotment has an existing household unit.

2. Household Units

- a. At the time of uplifting a building consent for a household unit, a payment of \$500.00 shall be made, except where this is the first or will be the only household unit on the site. This fee may be reduced by up to 50% if the household unit is part of a complex or

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institution where specific community and recreational facilities are provided on the site.

- b. Where there are existing household units on a site to be replaced by new household units, the total fees for the new household units are to be reduced by \$500.00 for each existing household unit being replaced.
- c. A contribution of land or payment of cash shall be required for any development solely or principally for multi-unit residential purposes. This contribution shall be \$500.00 for each unit, except for the first unit.
- d. Allotments over two hectares in area, subdivided after 7 October 1995, shall be subject to a contribution of \$500.00 when a household unit is placed on the site.
- e. If the household unit is of a relocatable construction and caters for dependent relatives a refund will be available if the building is removed within 10 years. This refund will reduce by 10% of the original fee paid per annum up until year 10 when no refund will be given.

3. Discretionary Activity

Any application to have General Rule 6.5.2.2.1 or 6.5.2.2.2 varied or waived is a discretionary activity.

4. Residential 6 Zone - Proposed Neighbourhood Park

The new Proposed Neighbourhood Park and all stormwater swales identified on Appendix A - Gleniti Indicative Development Plan shall be vested in the Timaru District Council at the time of subdivision in lieu of open space and recreation contributions payable at the time of subdivision on the land described as Lot 1 DP 53112, Lot 19 DP 334402, Lots 6 and 8 DP 342480, Lots 6 and 7 DP 346964, and Lot 20 DP 334402 as at 1 December 2006.

6.5.3.2 STORMWATER SYSTEMS FOR URBAN AREAS: RULES ON FINANCIAL CONTRIBUTIONS

1. At the time of subdivision, consideration shall be given to taking a financial contribution in the form of cash, land, works or services (or a combination of these). Council shall advise the amount of the contribution at the time of the subdivision consent.
2. Where a financial contribution has not been taken at the time of subdivision Council may require a financial contribution to be taken as a condition of land use.

3. Where a connection to an existing stormwater drainage network utility system is not available to serve the subdivision or development the maximum amount of the financial contribution should be the full and actual cost of providing:
 - a. A system for the disposal of stormwater; and
 - b. Connections between the reticulation in the subdivision or development and the existing stormwater drainage network utility system; and
 - c. All necessary reticulation and control structures within the subdivision or development; and
 - d. A stormwater connection for each allotment, site or building.
4. When calculating the financial contribution and to avoid disproportionate costs falling on developers at the lower end of catchments a cost sharing system shall apply as set out below:
 - a. Each area affected by the need for a cost sharing arrangement will be defined and treated separately to determine the share of costs to be borne by subdividers. The Council's proposals for the basis of cost sharing will be made available to the subdividers in broad terms, ie rate of levy on defined areas, basis of adjustment and details of services proposed.
 - b. The contribution is to be based on estimated costs of providing the services, the estimates to be prepared on the basis of present day costs and supported by detailed engineering plans and formal detailed costing procedures for each service in each catchment area; costs are to include design fees. The date of the estimates is to be stated.
 - c. The contribution shall be allocated by spreading the estimated cost of each service for the catchment on an area basis over the land in that catchment and the contribution charged as it is subdivided. The result to be a levy per hectare for stormwater and main drains.
 - d. Although the contribution is to be calculated on an area basis, it shall be adjusted to allow for the direct benefit to be obtained by any one land owner. For example: the reticulation necessary in a subdivision is reduced considerably where a main drain goes right through that subdivision. In contrast the fringe areas do not

receive such a benefit as the main drain comes only to the boundary. The method of adjustment is to be a deduction from the gross cost for the catchment of an estimate of the direct benefit pertaining throughout the catchment before determining the contribution per hectare.

- e. Where a subdivision is to receive a direct benefit the estimated amount is to be added back to the basic levy. The direct benefit received by any subdivision will reflect the projected load due to anticipated land use. This applies where a catchment has land which is zoned for different purposes. The direct benefit shall be calculated on the estimated cost of providing the necessary services for that subdivision ie a certain size drain.
 - f. The contribution is to be applied on the basis of the catchment envisaged in the defined area referred to under Rule 6.5.3.2(4)(a) above, even if the final link for that subdivision is to services in another catchment. This provision is to ensure equity between different parts of the catchment.
 - g. The contribution rate per hectare will be updated according to the most recently published quarterly figure of the Works Construction Cost Index (WCCI) to cover the increase in costs which will have taken place between the time the estimate is prepared and the subdivision approval given.
 - h. The levied amount shall be made a condition of subdivision approval. Payment to be required or a suitable bond entered into before the plan is sealed with such levy not subject to escalation during the period of approval.
 - i. Where agreements such as set out above exist they shall continue to be applied to further development within the specific catchment.
5. Where an existing stormwater drainage network utility system is available to serve the subdivision or development the maximum amount of the financial contribution shall be the full and actual cost of:
 - a. All necessary reticulation in the subdivision or development and a stormwater connection for each allotment, site or building; and

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- b. Connections between the reticulation in the subdivision or development and the existing stormwater network utility system; and
 - c. Any upgrading of the existing network utility system that is required to provide for the expected effects of the subdivision, development or building on that utility system.
6. At Gleniti, where open drainage channels are to be established and managed as stormwater swales (with or without associated detention dams) as part of a comprehensive stormwater management system, financial contribution shall be calculated in accordance with all of the above provisions.

Washdyke Industrial Expansion Area

7. Controlled Activity

The following are controlled activities subject to complying with all the Performance Standards for the zone and the General Rules with the exercise of Council's discretion restricted to the matter(s) specified.

Development and activities within the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4), where stormwater utility services are able to be delivered to the development. All such development and activities are a controlled activity in respect to financial contributions.

A financial contribution in the form of cash, land or a combination of both shall be payable. The costs shall be calculated in accordance with Section 6.5.3.2 (4) of this plan. Council shall advise the amount of contribution at the time of development.

8. Rules no. (2) to (5) in this section shall apply to all land use development in the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4).

6.5.4.2 SANITARY SEWER SYSTEMS: RULES ON FINANCIAL CONTRIBUTIONS

1. At the time of subdivision, consideration shall be given to taking a financial contribution in the form of cash, land, works or services (or a combination of these). Council shall advise the amount of the contribution at the time of the subdivision consent.
2. Where a financial contribution has not been taken at

the time of subdivision, Council may require a financial contribution to be taken as a condition of land use.

3. Where a connection to an existing sewerage system is not able to be made to the subdivision or development the maximum amount of the financial contribution shall be the full and actual cost of:
 - a. Providing a sanitary sewerage system for the subdivision, development or building; and
 - b. All necessary reticulation within the subdivision or development for each allotment, site or building.
4. Where a subdivision creates the need for a sanitary sewage system and adjoining land or buildings are discharging sanitary or trade wastes which are adversely affecting the environment then the sewage system constructed shall service both the land subject to the resource consent and the other lands.
5. The cost of the sewage system in Rule 6.5.4.2(4) shall be shared equitably between the lands served and calculated as follows:
 - a. Treatment plant capital and operating:
 - i. *In proportion to Biological Oxygen Demand (BOD) kg/day*
 - ii. *Suspended Solids (SS) kg/day*
 - iii. *Volume m³ day*
 - iv. *All equally weighted*
 - b. Pumping installations capital and operating:
 - i. *In proportion to Volume m³/day*
 - ii. *Peak flow rate/sec*
 - iii. *All equally weighted*
 - c. Reticulation
 - i. *See criteria in Rule 6.5.3.2(4).*
6. Where a connection to an existing sanitary sewerage network utility is available to serve the subdivision or land use the maximum amount of the financial contribution shall be the full and actual cost of:
 - a. All necessary reticulation within the subdivision or land use for each allotment, site or building.
 - b. Connections between the reticulation in the subdivision or development and the existing sanitary sewerage network utility system.

- c. Any upgrading to the existing sanitary sewerage network utility system that is required to provide for the expected effects of the subdivision, development or building on that utility system.
- d. An equitable share of the cost of the new sanitary sewerage utility systems or upgraded (sewerage utility) systems, including design costs, where additional capacity will be required by the cumulative effects of the development of an area. The share will be calculated by dividing the cost of the work by the new or upgraded system.

Washdyke Industrial Expansion Area

7. Controlled Activity

8. The following are controlled activities subject to complying with all the Performance Standards for the zone and the General Rules with the exercise of Council's discretion restricted to the matter(s) specified.
9. Development and activities within the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4), where sanitary sewer utility services are able to be delivered to the development. All such development and activities are a controlled activity in respect to financial contributions.
10. A financial contribution in the form of cash, land or a combination of both shall be payable. The costs shall be calculated in accordance with Section 6.5.4.2 (6) of this plan. Council shall advise the amount of contribution at the time of development.
11. Rules no. (2) to (6) in this section shall apply to all land use development in the Washdyke Industrial Expansion Outline Development Plan area (as set out in Appendix 2 of Part D4).