

## APP7 - FINANCIAL CONTRIBUTION

Advisory note: ~~The Council's Financial Contributions Policy, which is in the Revenue and Finance Policy and part of the Council's Long-Term Plan contains additional information on financial contributions funding.~~<sup>1</sup>

### 1.0 Water, Stormwater, Wastewater and Roading

1. The following financial contributions are required for the purpose of avoiding any adverse effects of a development on Council's water supply, stormwater, wastewater systems or Council's road infrastructure/network ~~and to avoid, remedy or mitigate adverse effects on the natural and physical environment.~~<sup>2</sup>
2. The financial contribution shall be payable when:
  - a. the proposed development is intending to connect to a Council owned or operated water supply, stormwater or wastewater system; and
  - b. ~~in respect of stormwater, the proposed discharge to the Council stormwater system does not comply with the requirements of the District Plan's Stormwater Management chapter; and~~<sup>3</sup>
  - c. additions or modifications to the existing water supply system, stormwater system or wastewater system are required to manage the expected adverse effects of development on that network; or
  - d. additional capacity has been created in the water supply system, stormwater system or wastewater system in anticipation of future development; or
  - e. a development will adversely affect any aspect of Council's road infrastructure/network to the extent that changes, modifications or strengthening is required to be made to comply with the District Plan, any relevant adopted Council road design manual, or expert technical advice.
3. The financial contribution shall be payable to ~~Timaru District~~ Council when:
  - a. for a subdivision, before a certificate under section 224 of the RMA is issued; and
  - b. for a building, before the building consent is issued; and
  - c. for an activity with no building, before the activity commences; and
  - d. for a building that does not need a building consent, before the building is occupied.
4. The financial contribution payable shall be:
  - a. ~~the full actual cost of any new infrastructure~~<sup>4</sup> additions or modifications to the existing water supply system, stormwater system, wastewater system or road infrastructure/network that are required to mitigate the expected effects of the development minus the value of any benefit of those additions or modifications that will accrue to the public or other properties as determined by ~~Timaru District~~ Council, including as set out below under clauses 6, 7 and 8;<sup>5</sup> or
  - b. ~~Where changes, additions~~<sup>6</sup> or modifications have been made to the existing water supply system, stormwater system, wastewater system or road infrastructure/network in anticipation

<sup>1</sup> Rooney Holdings Limited [174.63], GJH Rooney [191.63], Rooney Group Limited [249.63], Rooney Farms Limited [250.63], Rooney Earthmoving Limited [251.63], and Timaru Developments Limited [252.63]

<sup>2</sup> Kāinga Ora [229.55], [229.56] to give effect to new FC-P4

<sup>3</sup> Clause 10(2)(b) consequential amendment resulting from the revised stormwater chapter which requires a Council issued certificate to connect to the Council's network or obtain a resource consent

<sup>4</sup> TDC [42.68]

<sup>5</sup> Kāinga Ora [229.55], [229.56]

<sup>6</sup> TDC [42.68]

of future development, an equitable share of the cost of these changes/modifications as prescribed in Council's fees and charges and as set out below under clauses 6, 7 and 8,<sup>7</sup> unless otherwise agreed with Council:<sup>8</sup>

- i. ~~W~~hen calculating the cost of the financial contributions payable under clause 4 (b), the Council will consider the matters set out under clauses 6, 7 and 8 and:<sup>8</sup>
  - a. ~~T~~he total cost of the changes/modifications divided by an equitable share of those costs having regard to the site's development potential as a percentage of the catchment, or the actual or potential demand from the activity for the service; and
  - b. ~~A~~ny part of the cost of any changes/modifications to the existing water supply system, stormwater system, wastewater system or road infrastructure/network that should be borne by Council or other parties, and whether the development benefits the present residents of the community or District to a degree that some or all the costs of the existing network need not be charged.
- c. ~~T~~o cover the increase in costs which will have taken place between the time the financial contribution is calculated and the time the contribution is payable, the financial contribution will be subject to:
  - i. the Statistics New Zealand Producer Price Index for Construction Outputs, in respect of financial contributions for wastewater, water and stormwater infrastructure; or
  - ii. the ~~NZTA Waka Kotahi~~ Construction Index for Roading Contributions, in respect of financial contributions for road infrastructure~~–~~
- d. ~~E~~for any costs associated with the following in relation to a and b, which arise due to the development:<sup>9</sup>
  - i. ~~D~~esign, surveying and consenting;
  - ii. ~~A~~quisition of land;
  - iii. ~~C~~onstruction of or changes to the water supply system, stormwater system, wastewater system;
  - iv. ~~C~~onstruction roads, private ways, accessways, slip lanes, turning areas, splay footpaths/walkways, cycleways, shared pathways, streetscape improvements, parking, service lanes, median strips, berms, road gardens, fences, lights, crossing, lights, traffic management devices and electronic/EV charging stations;<sup>10</sup>
  - v. ~~S~~ignage;
  - vi. ~~S~~treet furniture; and
  - vii. ~~C~~ompliance with other acts or regulations.

5. The financial contribution shall be paid to ~~Timaru District~~ Council in the form of cash or land at the Council's discretion.

## 6. Stormwater systems for urban areas<sup>11</sup>

- a. 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:
  - i. A system for the disposal of stormwater; and
  - ii. Connections between the reticulation in the subdivision or development and the existing stormwater drainage network utility system; and
  - iii. All necessary reticulation and control structures within the subdivision or development; and

<sup>7</sup> Kāinga Ora [229.55], [229.56]

<sup>8</sup> Kāinga Ora [229.55], [229.56]

<sup>9</sup> TDC [42.68]

<sup>10</sup> Clause 16(2) to align APP7 with FC-P2

<sup>11</sup> Kāinga Ora [229.55], [229.56]

iv. A stormwater connection for each allotment, site or building.

b. 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:

- i. 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 subdivider. The Council's proposals for the basis of cost sharing will be made available to the subdivider in broad terms, i.e. rate of levy on defined areas, basis of adjustment and details of services proposed.
- ii. 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.
- iii. 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.
- iv. 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.
- v. 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.
- vi. The contribution is to be applied on the basis of the catchment envisaged in the defined area referred to under Rule 6.b.i 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.
- vii. 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.
- viii. The levied amount shall be made a condition of subdivisional 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.
- ix. Where agreements such as set out above exist they shall continue to be applied to further development within the specific catchment.

c. 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:

- i. All necessary reticulation in the subdivision or development and a stormwater connection for each allotment, site or building; and
- ii. Connections between the reticulation in the subdivision or development and the existing stormwater network utility system; and
- iii. 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.

d. At Gleniti (as set out in DEV2 - Gleniti Residential Development Area Plan) and Broughs Gully (as set out in DEV1 Broughs Gully Development Area Plan), 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**

e. For development and activities within the ~~Washdyke Industrial Expansion Area Outline Development Area Plan~~ (as set out in DEV3 Washdyke Development Area Plan) where stormwater utility services are able to be delivered to the development, 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 clause 6(b). Council shall advise the amount of contribution at the time of development.

f. This provision shall apply to all land use development in the ~~Washdyke Industrial Expansion Area Outline Development Area Plan~~ (as set out in DEV3 Washdyke Development Area Plan).

### **Performance standards for stormwater**

g. Where a financial contribution is taken in the form of works or services the design criteria in the Council's Timaru Infrastructure Design Standards shall be complied with.

## **7. Sanitary Sewer System<sup>12</sup>**

a. 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:

- Providing a sanitary sewerage system for the subdivision, development, or building; and
- All necessary reticulation within the subdivision or development for each allotment, site or building.

b. 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.

c. The cost of the sewage system in Rule 7.b shall be shared equitably between the lands served and calculated as follows:

- Treatment plant capital and operating:
  - In proportion to Biological Oxygen Demand (BOD)kg/day
  - Suspended Solids (SS) kg/day
  - Volume m<sup>3</sup> day
  - All equally weighted
- Pumping installations capital and operating:
  - In proportion to Volume m<sup>3</sup> /day
  - Peak flow rate/sec
  - All equally weighted

<sup>12</sup> Kāinga Ora [229.55], [229.56]

iii. Reticulation

1. See criteria in Rule 6.b.

d. 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:

### Washdyke Industrial Expansion Area

e. Development and activities within the Washdyke Industrial Expansion Area Outline Development Area Plan (as set out in DEV3 Washdyke Development Area Plan), 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. 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.

f. 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 7.d of this District Plan. Council shall advise the amount of contribution at the time of development.

g. This section shall apply to all land use development in the Washdyke Industrial Expansion Area Outline Development Area Plan (as set out in DEV3 Washdyke Development Area Plan).

### Performance standards for sanitary systems

h. Where a financial contribution is taken in the form of works or services the design criteria in the Council's Timaru Infrastructure Design Standards shall be complied with.

## 8. Roading<sup>13</sup>

<u>Circumstances, maximum amount and general purposes of Financial Contributions</u>	
<u>1 The provision of roads, private ways, access ways and service lanes including all future and/or indicative roads, access ways and service lanes:</u>	
<u>Circumstances:</u>	<u>Where new allotments are intended for human habitation or occupation.</u>
<u>Maximum amount of contribution:</u>	<p><u>The full and actual cost of providing for all roads, private ways, access ways and service lanes to and within the land being subdivided and/or developed, including but not limited to:</u></p> <ul style="list-style-type: none"> <li>• <u>the value of the necessary land; and</u></li> </ul>

<sup>13</sup> Kāinga Ora [229.55], [229.56]

	<ul style="list-style-type: none"> <li>• <u>the provision of access ways, service lanes and fences; and</u></li> <li>• <u>the formation and grassing of road berms; and</u></li> <li>• <u>the provision of road gardens, median strips, road name plates and road furniture; and</u></li> <li>• <u>road splays, turning bays and slip lanes; and</u></li> <li>• <u>footpaths/walkways, cycleways, shared pathways; and</u></li> <li>• <u>streetscape improvements, parking berms, fences, lights, traffic management devices and electronic/EV charging stations, signage; and</u></li> <li>• <u>road drainage and road crossing; and</u></li> <li>• <u>actual road construction costs.</u></li> </ul>	
<p><b><u>General purposes for which the financial contribution may be used:</u></b></p>	<p><u>To provide safe and efficient vehicle and pedestrian access to and within the subdivision and/or development, to mitigate the adverse effects of roading development, to enhance streetscape and general amenity values and to maintain, improve and develop the roading network.</u></p>	
<p><b><u>Rural Lifestyle Zone Residential (Brookfield Road) Zone:</u></b></p>	<p><u>The up-grading of the intersection of Landsborough/Coonoor/Fairview Roads for the purpose of safe vehicle movement up to a maximum of 25% of the actual construction costs. The upgrading of the single lane bridge on Brookfield Road to a two lane bridge – to a maximum of 50% of the total construction costs.</u></p>	

NOTE: For the purposes of this rule, a financial contribution can be in the form of the payment of money, land, works or a combination of any of these forms including all future roads, access ways and service lanes.

a. In the Broughs Gully Outline Development Area Plan area (as set out in DEV1 Broughs Gully Development Area Plan), a financial contribution for roading shall be payable in accordance with the following cost share agreement:

- i. The cost of all future and indicative roads within the Outline Development Area Plan will be determined and summed to give the total cost of future and indicative roads; and
- ii. The direct benefit that each property receives from the roading on its land is determined and subtracted from the actual cost of the roading on its land. This could be a positive or negative value. The direct benefit shall be determined by assessing the

potential new allotment yield for each existing allotment and multiplying this by the typical amount of road per allotment in recent developments. This is then multiplied by a square metre rate for new road to give a benefit value; and

- iii. The sum of all the benefit costs determined in 8.a.ii is subtracted from the total cost of all future and indicative roads determined in 8.a.i. This residual cost represents the catchment wide benefit that each property receives from adjoining and surrounding properties developing; and
- iv. The residual cost determined in 8.a.iii is apportioned to all properties in the catchment in accordance with their developable area; and
- v. For each property, the cost of the direct benefit (determined in 8.a.ii) plus the property's share of the apportioned residual cost (determine in 8.a.iii) equals the total cost of that property's financial contribution. If the actual cost of roading on that property is greater than the financial contribution, then the property receives from Council a financial contribution credit (in the form of cash). If the actual cost of roading on that property is less than the financial contribution, then the property pays Council a financial contribution (in the form of cash).

NOTE: The Council's proposals for the basis of cost sharing will be made available to the subdivider in broad terms, i.e. rate of levy on defined areas, basis of adjustment and details of services proposed.

#### Transportation of harvested trees

- 5. A financial contribution may be required where vehicle transportation of harvested trees requires upgrading of legal roads or such usage will result in a significant deterioration in roading infrastructure.
- 6. A financial contribution may be required where vehicle transportation of harvested trees requires upgrading of legal roads or such usage will result in a significant deterioration in roading infrastructure.

#### Roading wear and tear

- 7. A financial contribution may be required where vehicle usage will result in a significant deterioration in the roading infrastructure at the points of entry onto the public roading system and on the public roads to the full cost of restoring any damage.

## **2.0 Open Space & Recreation**

1. The following financial contributions are required for the purpose of funding:
  - a. the open space and recreation facilities that Council provides across the ~~the~~ District; and
  - b. the purchase and/or development of the off-road walking and cycling<sup>14</sup> tracks ~~at~~ on the Geraldine Downs identified by the Geraldine Downs walking and cycling tracks specific control area in Appendix 1<sup>15</sup>; and
  - c. the planting and maintenance of indigenous vegetation in the roadside areas in the Rural Lifestyle ~~z~~Zone located ~~at~~ on the Geraldine Downs and the development of a planting plan and ecological assessment to coordinate and direct the planting; and
  - d. the Neighbourhood Reserve and the defined cycleways/walkways of the Temuka North West Outline Development Plan (as set out in DEV4 – Temuka North West Residential Development Area Plan).<sup>16</sup>

<sup>14</sup> Clause 16(2)

<sup>15</sup> Kāinga Ora [229.55], [229.56]

<sup>16</sup> Kāinga Ora [229.55], [229.56]

2. The financial contribution shall be payable to Council when a development is a:
  - a. subdivision resulting in additional allotments for residential purposes; or
  - b. a residential unit (other than a replacement of an existing residential unit); or
  - c. a visitor accommodation (other than a replacement of an existing visitor accommodation).
3. The financial contribution shall be payable to Timaru District Council when:
  - a. for a subdivision, before a certificate under section 224(c) of the RMA is issued; or
  - b. for a residential unit or a visitor accommodation, before building consent is issued.
4. Where an allotment is proposed as part of a subdivision and intended to accommodate a new residential unit, a financial contribution shall be payable to Timaru District Council for 4% of the registered valuation of an allotment except where:
  - a. any allotment has an existing residential unit, the financial contribution is not payable; and
  - b. any allotment that is more than 1,000m<sup>2</sup> in area, the valuation of this allotment will be only based on the value of a 1,000m<sup>2</sup> of land around where the residential unit will be located; and
  - c. the consent authority may reduce this amount, or waive the requirement, if the development is providing public open space or recreation facilities as part of the development that will be vested to Council; and
  - d. the valuation must be undertaken by a registered valuer no longer than 6 months prior to the section 224 certificate application being lodged.

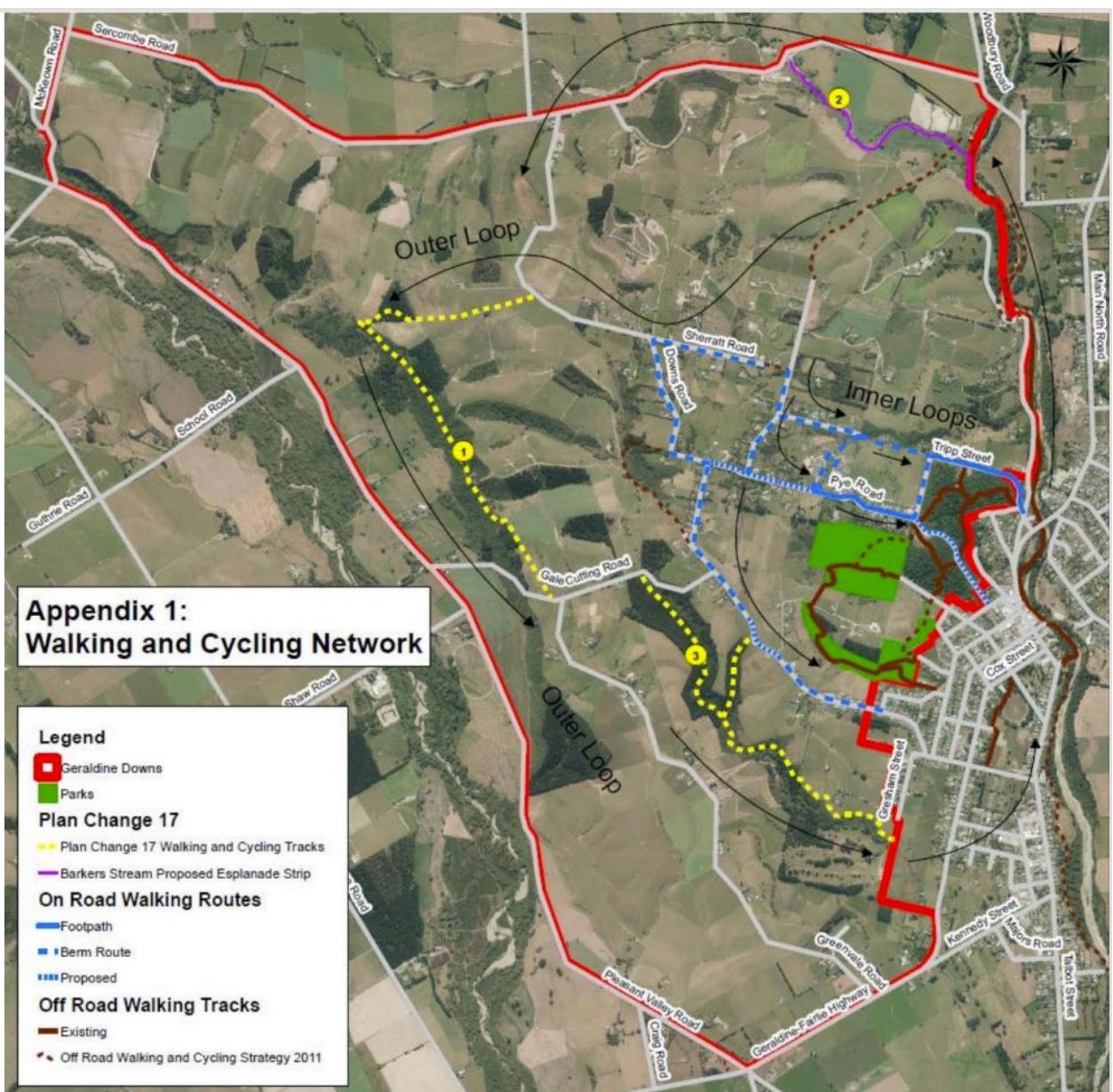
5. For residential units including or<sup>17</sup> visitor accommodation, a financial contribution shall be payable to ~~Timaru District~~ Council for 4% of the registered valuation of the site (land value only) for each residential unit except where:

- this is the first residential unit and the open space and recreation financial contribution for this site has been paid as part of the subdivision that created this site; or
- the site is more than 1,000m<sup>2</sup> in area, the valuation of this site will be only based on the value of a 1,000m<sup>2</sup> of land immediately surrounding the proposed residential unit; and
- it is a replacement unit of an existing residential unit; and
- the valuation must be undertaken by a registered valuer no longer than 6 months prior to the building consent being lodged; or
- the site is within Geraldine Downs (see Appendix 1), in which case the financial contribution shall be the higher of 4% or the following:<sup>18</sup>

	<u>Tracks</u>	<u>Natural Habitat</u>
<u>New Household residential Unit or new allotment that will accommodate a new household residential unit</u>	\$3,000	\$2,000
<u>Extensions &amp; additions that increase the footprint of existing household units by 50% or more</u>	\$500	\$500
<u>New commercial development or new allotment that will accommodate a new commercial development</u>	\$3,000	\$2,000
<u>New non-residential buildings</u>		
<u>Extensions &amp; additions that increase the footprint of existing commercial development by 25% or more</u>	\$500	\$500
<u>Additions to non-residential buildings with an increase in gross floor area over 50m<sup>2</sup></u>		
<u>Note:</u> Where the land to be subdivided or developed contains part of the off-road walking and cycling tracks identified in <b>Appendix 1</b> below being the tracks and esplanade strip numbered 1, 2 and 3, the financial contribution shall be in the form of land (or an interest in that land) up to the level determined by the table above or 4% whichever is the greater.		
<u>In circumstances where further land is required to complete the track alignment within the property to be developed that is in excess of the financial contribution, such land shall only be acquired by negotiation and agreement between the parties, with appropriate compensation paid.</u>		

<sup>17</sup> Clause 16(2) as visitor accommodation occurs in a residential unit

<sup>18</sup> Kāinga Ora [229.55], [229.56]



6. The Council may decide to require an esplanade reserve or esplanade strip in lieu of any financial contribution required under any other part of the District Plan.<sup>19</sup>

<sup>19</sup> Kāinga Ora [229.55], [229.56]