

Policy for Development and Financial Contributions

Background

Sections 102 of the Local Government Act 2002 requires Council to adopt a policy on development and financial contributions. Financial contributions are derived from the provisions of the Resource Management Act 1991 and development contributions from the Local Government Act 2002.

Council's policy on financial contributions is contained within Part 8 of the Buller District Plan (BDP) and is summarised below.

Council has considered the incorporation of a policy for development contributions and decided in May 2004 that the Council does not at this time, wish to introduce development contributions in terms of the Local Government Act 2002. The adoption of this policy has been reconfirmed by Council.

It should however be noted that when levies are being considered for a specific development, Council may only apply one of the policies.

Financial Contributions (Part 8 BDP)

Financial contributions as outlined in Part 8.3 of the BDP may be required on land use and subdivision consents for controlled, discretionary and non-complying activities. Financial contributions under 8.2 of the BDP may be required for permitted activities, which are developments. Esplanade reserves and strips are not defined as financial contributions in terms of Section 108 of the Act where they relate to subdivision consents, and are subject to the provisions of the Act relating to subdivisions. However esplanade reserves and strips can be required as financial contributions on land use consents.

For the purposes of this rule, "development" means:

- the construction, erection or alteration of any non-residential building; or
- the fencing, draining, excavation, filling or reclamation of land or the making of retaining walls in relation to such work; or
- the removal or destruction of vegetation; or
- the arresting or elimination of erosion or flooding; or
- the construction of any tramway or railway.

Permitted activities which involve considerable financing have the potential to greatly benefit the District, but also lead to a strain on resources. Accordingly only activities which are substantial (as determined by their value) require a financial contribution for the development of reserves and facilities. Any development that is defined as a network utility shall be exempt from the development contributions.

Developments of a value of over \$500,000 shall be subject to a financial contribution of up to 0.5% of the value of the development. The financial contribution shall only be spent by Council on the provision and development of reserves, recreational facilities and community facilities within the District.

Financial contributions (whether cash, land, works or services) may be required as conditions of land use and subdivision consent. The contribution being the full and actual cost of ensuring the following:

- Provision of new roads, private ways, access lots, service lanes and accessways.
- Provision for the upgrading and/or widening of existing roads.
- The provision of off-street parking or cash-in-lieu of car parking.
- The carrying out of earthworks including excavation, filling and compaction.
- The carrying out of landscaping, including the revegetation of modified or cleared land and the planting of trees and shrubs, and the provision of street furniture.
- The provision of fencing or screening.
- Provision of water supply.
- Provision for sewerage, drainage or the disposal of sewage.
- Provision for control and disposal of stormwater, including during construction of any works.
- Provision for electricity supply.
- Provisions for street lighting.
- Provision for telephone systems.
- Covenants or caveats for the protection of individual trees or areas of bush.
- Contributions of land for esplanade reserves or an interest in land as an esplanade strip.

Provision of Open Space, Public Recreation or other Reserves

Part 8.4.1.14 of the BDP provides for financial contributions to upgrade public recreational space and other reserves with facilities for public recreation and enjoyment or the protection of conservation values where a subdivision results, or will result, in an increase or an intensification of the use of land, whether by increased resident population or by commercial or industrial activities.

Maximum amount of contribution:

- (i) Where over 10 allotments are created land suitable for development into a reserve to serve the expected population.
- (ii) For each additional allotment of less than 1ha, the amount of a financial contribution shall be 7.5% of the land value.
- (iii) For each additional allotment of 1ha to 5ha, the amount of a financial contribution shall be 5% of the land value.
- (iv) For each additional allotment over 5ha, the amount of a financial contribution shall be 2.5% of the land value of no greater than 10ha of each allotment

Development Contributions

Part 8.4.1.16 of the BDP provides for financial contributions as conditions of land use and subdivision consent for activities which involve considerable financing as these have the potential to greatly benefit the District, but also lead to a strain on resources. Where a development (as defined above) occurs, additional contribution over and above the financial contributions detailed above may be required to provide for the social and recreational needs of the area around which the development is located.

Maximum amount of contribution:

Developments of a value of over \$500,000 shall be subject to a financial contribution of up to 0.5% of the value of the development. The financial contribution shall only be spent by Council on the provision and development of reserves, recreational facilities and community facilities within the District. The value of other financial contributions conditional on the development will be considered with regard to the amount of development contribution required.

Policy Review

This policy is contained within the Buller District Plan and will be considered as part of the District Plan Review. Any policy to be developed must be based on a fair and equitable system of obtaining contributions from developers towards the extension of facilities and services and/or the utilisation of existing facilities and services.

Section 106 of the Local Government Act requires Development and Financial Contributions Policies to:

- Summarise and explain the capital expenditure identified in the long term plan that Council expects to incur to meet the increased demands for community facilities resulting from growth.
- State the proportion of capital expenditure that will be funded by development contributions, financial contributions and other sources of funding.
- Explain why these funding sources are being used (Section 101 (3) of the Act).
- Identify separately each activity or group of activities for which a development or financial contribution will be required and the total amount of funding to be sought by contributions in relation to each group of activities.
- If development contributions will be required, comply with Sections 201 and 202 of the Act
- If financial contributions will be required, summarise the provisions that relate to financial contributions in the District Plan
- If development contributions are required, the full methodology demonstrating how the calculation for those contributions were made must be kept available for public inspection
- If financial contributions are required the provisions of the District Plan relating to financial contributions must be kept available for public inspection