

## 9. FINANCIAL CONTRIBUTIONS

### 9.1 Introduction

Financial contributions are contributions of money or land, or a combination of the two. The purpose of financial contributions is to avoid, remedy or mitigate adverse effects of an activity on the environment where that avoidance, remediation or mitigation cannot be achieved by another condition of consent or where imposition of a financial contribution is a more efficient and effective means to address that adverse effect. This includes contributing to the cost of providing and maintaining community recreational facilities and infrastructure. Financial contributions may also be required to ensure positive effects on the environment to offset any adverse effects of an activity.

### 9.2 Issues

The significant resource management issues for determining the need for financial contributions are:

- (1) The manner and degree in which land use activities place demands on stormwater, foul sewage and water supply reticulation networks and storage, including headworks, treatment and disposal.
- (2) The manner and degree in which land use activities place demands on streets, roads, footpaths, and pedestrian and road safety and efficiency.
- (3) Large scale commercial and industrial developments can give rise to adverse effects that are sometimes difficult to avoid, remedy or mitigate.

### 9.3 Objective

- (1) To require financial contributions, in appropriate circumstances, for the purpose of offsetting adverse effects of subdivision and development.

### 9.4 Policies

- (1) A financial contribution may be required as a condition of a land use or subdivision consent:
  - (a) To connect to, upgrade or install public network utilities inclusive of sewerage, water, stormwater, and lighting systems.
  - (b) To connect to, upgrade or develop roading systems.
  - (c) To provide, relocate or upgrade public utilities and public roads.
- (2) A financial contribution may be required to offset the adverse effects of large scale commercial or industrial development.
- (3) Financial contributions shall be assessed on a case by case basis of a proportion that is fair and reasonable, taking into account:
  - (a) The nature and extent of adverse effects being generated.

- (b) The extent the design avoids, remedies or mitigates the adverse effects.
  - (c) Private agreements between resource user and affected parties.
  - (d) The positive effects on the environment.
  - (e) The adverse effects on public utilities and roading systems.
  - (f) Other funding sources available that reduce the cost of any works to the community, for example, grants or subsidies.
  - (g) The benefit to the general public from the upgrading or construction of the particular public utility or infrastructure.
  - (h) Any payments or financial contributions previously paid in relation to that property.
  - (i) The timing in allocating and spending of any financial contribution received.
  - (j) In instances where there are adverse effects on public roads:
    - (i) the percentage increase in traffic volumes along the affected portion of the road
    - (ii) the cost of rectifying any existing deficiencies the roading network
    - (iii) the opportunity cost of undertaking works earlier than otherwise anticipated
  - (k) Any costs incurred in the taking, holding and allocating the financial contribution.
- (4) To provide an esplanade strip of 10 metres in width adjacent to the Mataura River when land is subdivided.
  - (5) The regime for the payment of financial contributions shall be determined prior to exercising any land use activity or consent.

### 9.5 Methods of implementation

- (1) Rules setting the maximum levels for financial contributions to avoid, remedy or mitigate the adverse effects of activities on the quality of the environment, public utilities and transportation routes, together with policies to guide the determination on a case by case basis of a fair and reasonable level of contribution.
- (2) Information and education.

### 9.6 Principal reason

- (1) Financial contributions are needed to offset adverse effects of subdivision and development.

### 9.7 Anticipated environmental results

- (1) Adverse effects of subdivision and development will be avoided, remedied or mitigated.

## 9.8 Monitoring

In relation to financial contributions, Council will monitor:

- (1) The number of resource consents approved and compliance with resource consent conditions.
- (2) Sufficiency of financial contributions.
- (3) The allocation of financial contributions.

## 9.9 Rules

### (1) Parking within the Gore Commercial and Mixed Use Area

The following provisions apply to activities on land zoned Commercial and Mixed Use within the Gore township.

(a) Circumstances when financial contributions may be taken

The Council may require, or an applicant may propose, that some or all of the on-site parking spaces, required to be provided under Rule 5.9.2(1) in connection with a proposed activity or development, are to be 'provided' by way of a financial contribution in lieu thereof.

Contributions shall be determined, paid and used in accordance with the provisions of this section.

(b) Determination of the maximum amount of financial contribution

The maximum amount of financial contribution in lieu of parking that may be taken shall be determined on the basis of the following:

**Within the Commercial Area**

$$\$(a) \times [25(b) + (c)] + \text{GST}$$

**Within the Mixed Use Zone** between Main Street and River Street

$$0.50 \times \$(a) \times [25(b) + (c)] + \text{GST}$$

where:

(a) = the number of parking spaces required under Rule 5.9.2(1).

(b) = the average estimated market land value of 1m<sup>2</sup> of land suitable for car parking purposes and 25 is the area in square metres required for each parking space including the required manoeuvring area.

(c) = the cost of constructing and marking each parking space.

(c) Timing of calculation and payment

A financial contribution under this section shall be calculated in the case of an activity requiring resource consent, at the time of granting consent and it shall be identified as a condition of that consent.

A financial contribution calculated under this section shall be paid as a condition of that consent and prior to the activity commencing.

(d) Purposes for which financial contributions will be used

(i) Any financial contributions taken by the Council in lieu of on-site parking shall be used to provide, upgrade or extend off-street public parking on land or in buildings in or adjacent to the Gore Commercial Area and Gore Mixed Use Zone.

(ii) The Council may, at its discretion, use such financial contributions to:

- provide public parking in Council owned land or buildings; or
- secure parking within private developments or private land that will be available for public use; or
- lease long term privately owned parking spaces to provide for parking requirements associated with a development; or
- repay loans for public parking already provided; or
- enter into joint ventures for the provision of public parking.

### (2) Reserve contributions

The following provisions apply to activities as described below:

(a) Circumstances when financial contributions may be taken

The Council may require payment of a reserves contribution in the following circumstances:

(i) When land zoned Residential is being subdivided for the purpose of creating additional allotments to be used for residential purposes.

(ii) When more than one residential unit is being erected on land zoned Residential.

(iii) When allotments of less than 4 hectares are being created on land zoned Rural.

Contributions shall be determined, paid and used in accordance with the provisions of this section.

(b) Determination of the maximum amount of financial contribution

The maximum amount of financial contribution for reserve contributions that may be taken shall be determined on the basis of the following:

(i) When land zoned Residential is being subdivided for the purpose of creating additional allotments to be used for residential purposes:

7.5% of the land value of the new allotments created, plus GST.

- (ii) When more than one residential unit is being erected on land zoned Residential:

$[\$10\%(d) / (e)] + \text{GST}$

where:

(d) = the land value of the property on which the dwelling is located.

(e) = the number of residential units on the site following erection of the residential unit subject to the financial contribution.

- (iii) When allotments of less than 4 hectares are being created on land zoned Rural, to be held in a separate certificate of title and are capable of having a residential unit erected thereon:

$[\$7.5\%(d) / 10] + \text{GST}$

where:

(d) = the per hectare land value of the property being subdivided.

(c) Timing of calculation and payment

A financial contribution under this section shall be calculated, either at the time of:

- (i) subdivision, in which case a financial contribution calculated under this section shall be paid prior to Council issuing any Certificates under either section 223 or 224 of the RMA;
- (ii) resource consent, in which case a financial contribution calculated under this section shall be paid as a condition of that consent and prior to the activity commencing; or
- (iii) building consent, in which case a financial contribution calculated under this section shall be paid prior to the issuing of any building permit.

(d) Purposes for which financial contributions will be used

- (i) Any financial contributions taken by the Council as a reserves contribution shall be used to provide, maintain, upgrade or extend recreational facilities within the Gore District.
- (ii) The Council may, at its discretion, use such financial contributions to:
  - provide, maintain and upgrade recreation facilities either within the general location of the site from which a financial contribution is received, or at such other site where there is benefit to the general public; or
  - repay loans associated with the provision of recreational facilities.

**(3) Commercial and Industrial Development Contributions**

The following provisions apply to activities as described below:

(a) Circumstances when financial contributions may be taken

The Council may require payment of a Commercial and Industrial Development Contribution where a commercial or industrial activity is being established, and the cost of the development (including buildings, plant and associated site works) exceeds a value of \$500,000.00.

Contributions shall be determined, paid and used in accordance with the provisions of this section.

(b) Determination of the maximum amount of financial contribution

The maximum amount of financial contribution for Commercial and Industrial Development Contribution that may be taken shall be 0.5% of the cost of the development, plus GST.

(c) Timing of calculation and payment

A financial contribution under this section shall be calculated, either at the time of:

- (i) resource consent, in which case a financial contribution calculated under this section shall be paid as a condition of that consent and prior to the activity commencing; or
- (ii) building consent, in which case a financial contribution calculated under this section shall be paid prior to the issuing of any building permit.

(d) Purposes for which financial contributions will be used

- (i) Any financial contributions taken by the Council as a Commercial and Industrial Development Contribution shall be used to provide, maintain, upgrade or extend recreational facilities within the Gore District.
- (ii) The Council may, at its discretion, use such financial contributions to:
  - provide, maintain and upgrade recreation facilities either within the general location of the site from which a financial contribution is received, or at such other site where there is benefit to the general public; or
  - repay loans associated with the provision of recreational facilities.

**(4) Constructing or upgrading of traffic and pedestrian routes**

The following provisions apply to subdivision and development that gives rise to increases in vehicular and pedestrian traffic.

(a) Circumstances when financial contributions may be taken

The Council may require as part of a subdivision or land use consent the payment of a financial contribution where routes and other infrastructure for vehicles and pedestrians off the site subject to consent requires construction or upgrading.

Contributions shall be determined, paid and used in accordance with the provisions of this section.

(b) Determination of the maximum amount of financial contribution

The maximum amount of financial contribution for traffic and pedestrian routes that may be taken shall be determined on the basis of the following:

$$\$[(g) / [(f) + (g)]] \times (h) + \text{GST}$$

where:

- (f) = the volume of vehicular traffic currently using routes that will require construction or upgrading as a consequence of the subdivision or development.
- (g) = the volume of vehicular traffic directly attributable to the subdivision or development.
- (h) = the cost of construction or upgrading of traffic and pedestrian routes as a consequence of the subdivision or development.

(c) Timing of calculation and payment

A financial contribution under this section shall be calculated, either at the time of:

- (i) subdivision, in which case a financial contribution calculated under this section shall be paid prior to Council issuing any Certificates under either section 223 or 224 of the RMA; or
- (ii) resource consent, in which case a financial contribution calculated under this section shall be paid as a condition of that consent and prior to the activity commencing; or
- (iii) building consent, in which case a financial contribution calculated under this section shall be paid prior to the issuing of any building permit.

(d) Purposes for which financial contributions will be used

- (i) Any financial contributions taken by the Council under this rule shall be used for the purpose of constructing or upgrading traffic or pedestrian routes affected by the subdivision or development.
- (ii) The Council may, at its discretion, use such financial contributions to:
- construct new roads and footpaths; or
  - upgrade existing roads and footpaths, including widening and sealing or intersection improvements; or
  - install lighting, seating or other street furniture.
- (iii) Where the effects of the subdivision or development adversely affect public roads managed by other agencies any financial contributions taken may be used to upgrade those roads.

**(5) Infrastructure**

The following provisions apply to activities that seek to connect to Council's reticulated water, sewerage and storm water services. Such services are provided with the townships of Gore, Mataura and Waikaka.

(a) Circumstances when financial contributions may be taken

The Council may require a financial contribution where subdivision or development will utilise Council's water, sewerage and storm water services.

Contributions shall be determined, paid and used in accordance with the provisions of this section.

(b) Determination of the maximum amount of financial contribution

The maximum amount of financial contribution for infrastructure that may be taken shall be determined on the basis of the following:

(i) Where

- land within the serviced areas of Gore, Mataura or Waikaka is subdivided the financial contribution for each new allotment shall be determined on the basis of the formula below:
- any land use activity or allotment outside of the serviced areas of Gore, Mataura or Waikaka connects to any reticulated infrastructure operated by the Council the financial contribution for that allotment shall be determined on the basis of the formula below:

$$\$ (i) / (j) + \text{GST}$$

where:

- (i) = the asset value of reticulated system to which a connection is sought.
- (j) = the number of connections made to that reticulated system.

(ii) Where a property or activity requires volumes of water greater than what can be supplied by way of a standard domestic connection

$$\$ [(i) / (j)] \times (k) + \text{GST}$$

where:

- (i) = the asset value of reticulated system to which a connection is sought.
- (j) = the number of connections made to that reticulated system.
- (k) = the degree to which the volume of water exceeds that associated with average residential use on that reticulated system.

(iii) Where motels, hotels and multi-unit development is undertaken on a property within the serviced areas of Gore, Mataura and Waikaka

$$\$[(i) / (j)] \times (k) + \text{GST}$$

where:

- (i) = the asset value of reticulated system to which a connection is sought.
- (j) = the number of connections made to that reticulated system.
- (k) = 1 where there is one dwelling, motel unit or hotel room on the site;
- 1.8 where there are two dwellings, motel units or hotel rooms on the site;
- 2.4 where there are three dwellings, motel units or hotel rooms on the site;
- 2.8 where there are four dwellings, motel units or hotel rooms on the site;
- 3.0 where there are five or more dwellings, motel units or hotel rooms on the site.
- (iv) Where camping grounds locate on a property within the serviced areas of Gore, Mataura and Waikaka

$$\$[(i) / (j)] \times (l) + \text{GST}$$

where:

- (i) = the asset value of reticulated system to which a connection is sought.
- (j) = the number of connections made to that reticulated system.
- (l) = 1 where the number of toilets and showers on the site is one or two;
- 1.8 where the number of toilets and showers on the site is three or four;
- 2.4 where the number of toilets and showers on the site is five or six;
- 2.8 where the number of toilets and showers on the site is seven or eight;
- 3.0 where the number of toilets and showers on the site exceeds eight.
- (v) Except as provided for in (ii) – (iv) above, where a property or activity generates sewage from industrial, manufacturing or commercial processes (other than from staff and visitor facilities)

$$\$[(i) / (j)] \times (m) + \text{GST}$$

where:

- (i) = the asset value of reticulated system to which a connection is sought.
- (j) = the number of connections made to that reticulated system.

(m) = the degree to which the volume of sewage exceeds that associated with average residential use on that reticulated system.

(c) Timing of calculation and payment

A financial contribution under this section shall be calculated and paid prior to the issuing of any building permit.

(d) Purposes for which financial contributions will be used

- (i) Any financial contributions taken by the Council for infrastructure purposes shall be used to maintain and upgrade infrastructure within serviced areas.
- (ii) The Council may, at its discretion, use such financial contributions to:
- Undertake repair and maintenance to infrastructure; or
  - Upgrade or extend existing infrastructure; or
  - Repay loans associated with the provision of such services.

**Notes:**

1. The level of payment required by the formulae contained in this section of the Plan shall be included in the Council's Annual Plan.
2. All inputs in the calculation of a financial contribution under Rule 9.9 shall be exclusive of Goods and Services Tax (GST). All financial contributions are subject to GST under the Goods and Services Tax Act 1985.

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