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# Financial and Development Contributions Policy





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# Introduction

Section 102(2) of the Local Government Act 2002 requires the Council to adopt a policy on development contributions (money or land required from developers under the provisions of the Local Government Act 2002) or financial contributions (money or land required from developers under the provisions of the Resource Management Act 1991 and the Tararua District Plan).

Development Contributions can only be charged to fund the growth-related costs of identified projects. Council cannot charge development for the costs associated with increases in service levels or renewal of existing assets. Council must be able to show that the existing infrastructure does not have the capacity to service additional households and businesses. A Development Contributions Policy (DCP) must also set out the rationale for the charges, the specific locations they apply to, and the growth forecasts that underpin the assumptions of the number of households that infrastructure will be required to service.

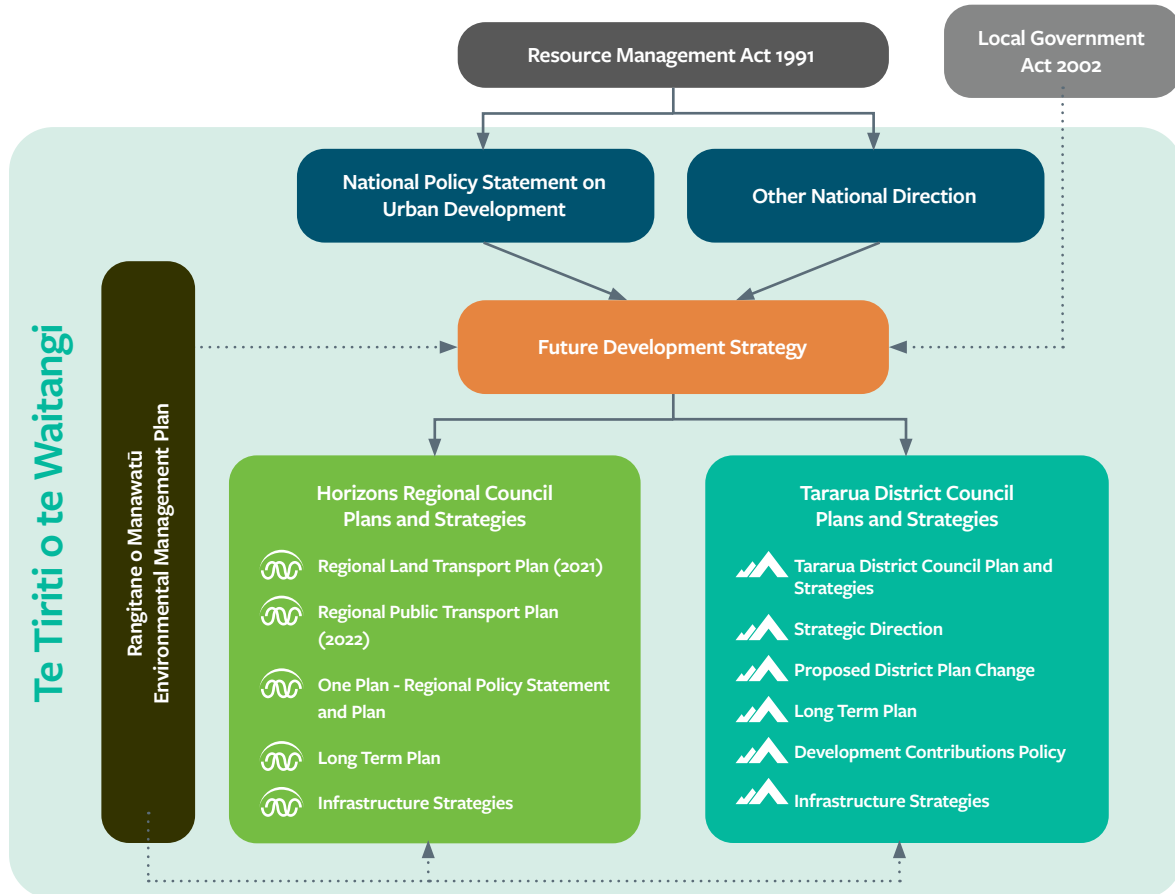
The Resource Management Act 1991 requires the Council to manage the effects of subdivision and development in a manner that promotes the sustainable management of the districts natural and physical resources. Contributions from subdividers and developers provide a means of offsetting, avoiding, remedying, or mitigating the adverse effects of such activities.

Financial contributions (whether cash, land, works or services) may be required from developers where the cost of providing or upgrading the public infrastructure or utility service can be attributed to a development.



# Council policy settings

Tararua has begun to experience increased population growth, with an increased demand for land for private development as evidenced through the subdivision of rural and urban land throughout our District. Therefore, Council have developed an Urban Growth Strategy to establish clear, effective direction for the management of projected residential, commercial and industrial growth within our District over the next 30 years.



We have used population growth predictions based on Statistics NZ and Informetrics. Informetrics is a research company and they have provided detailed analysis of the Stats NZ numbers for our District. We have also used BERL (Business and Economic Research Ltd) to help us predict commercial and industrial growth for our District in the main town centres.

There was a business-as-usual scenario run on the StatsNZ high population growth scenario and an aspirational scenario run on these figures. The aspirational scenario assumes that the Tararua Industries grow by 1% per annum. This scenario assumes that Council is successful in attracting manufacturing, transport and warehouse businesses to locate in Woodville, a potential outcome with the opening of Te ahu a Turanga – Manawatu – Tararua Highway.

The Urban Growth Strategy signals a direction for recommended residential, commercial and industrial re-zonings to accommodate population growth throughout the four main town centres of the District, which will need to be adopted through the Proposed District Plan Review.



# Developing a Development Contribution Policy

Tararua District Council have also engaged Rationale Limited to assess the infrastructure response to the projected growth strategy in the context of the existing infrastructure network alongside the WSP Master Plan work. Unfortunately the timing of this work has not aligned with and is unable to inform the 2024-2034 LTP process. However, once this is completed these two pieces of work will help to inform the long term plan & infrastructure strategies along with the development of a development contributions policy for our Council. In addition, given the legislative uncertainty with RMA and three waters, Council now prefers to wait for clarification and certainty from Central Government before completing this work. TDC will look to amend their LTP in year one to develop a development contributions policy.

Council expects to identify significant investment in network infrastructure and community facilities that will be required to service growth. Requiring developers to pay the actual costs of extending services is considered to be an appropriate method of encouraging an efficient, consolidated, compact pattern of land use. It is recognised that the true costs of service provision for an extended network would include not only the actual cost of the extension, but also a share of the costs that have been invested by the community in the establishment of the existing service network. As a general rule, the Council will use financial mechanisms to ensure that ratepayers do not subsidise land developers who are seeking to extend service networks to serve their subdivisions and developments while there is still spare capacity on the existing network.



# Financial contributions as conditions of resource consents

Under section 5.1.6.3 of the District Plan, contributions (whether cash, land, works or services) may be required as conditions of land use and subdivision consent in relation to the matters below.

The proposed district plan is currently being reviewed to include a financial contribution framework and this will be notified in early 2025.

It should be noted that the amount or value of contributions (if any) will depend upon the circumstances of each resource consent application. The purpose, circumstances, and maximum amount of financial contributions that may be imposed by the Council as a condition of consent is specified below:

**(a) Provision of new roads and streets**

Required where access cannot be provided from existing streets or where capacity of existing roads would be exceeded.

Maximum amount is the actual cost of building the road, including the value of the land.

**(b) Upgrading and widening of existing roads**

Required where development will result in need to upgrade the road.

Maximum amount is the actual cost of the work.

**(c) Private rights of way, accessways, and vehicle crossings**

Construction and sealing may be required to ensure that there is no adverse effect on the roading network.

Maximum amount is the actual cost of the work.

**(d) Off-street vehicle parking/loading spaces**

Where on-site parking cannot be provided, Council may require a financial contribution to provide and maintain nearby public car parks.

Maximum amount is \$2,000 per car parking/loading space.

**(e) Street lighting**

Council may require the upgrading of street lighting where, as a result of a proposed development, it is deemed necessary.

Maximum amount is the actual cost of the work.

**(f) Earthworks**

Where earthworks are required to provide building areas, roads or services, Council may require the work to be carried out to a specified standard.

Maximum amount is the actual cost of the work.

**(g) Water supply**

To ensure that a satisfactory supply of water is provided to a development, Council may require a potable water supply to be established or connection to reticulated services to be made.

Maximum amount is the actual cost of the work.





**(h) Sewage/wastewater disposal**

Council may require either connection to an existing reticulated system, the upgrading of the system, or the establishment of on-site treatment and disposal.

Maximum amount is the actual cost of the work.

**(i) Stormwater**

Council may require drainage facilities to reduce the adverse effects of uncontrolled run-off of stormwater from new developments.

Maximum amount is the actual cost of the work.

**(j) Landscape treatment/fences**

Where it is desirable to reduce the adverse visual effects of a proposed development, or any existing facilities, the Council may require landscape treatment or fences.

Maximum amount is the actual cost of the work.

**(k) Open spaces, reserves, and public recreational facilities**

Where major new developments will generate a significant increase in demand for and usage of facilities, or where there is an opportunity to protect and enhance important natural features or areas, Council may require financial contributions.

Maximum amount is:

- (i) In relation to building development, 0.5% of value of development.
- (ii) In relation to subdivision, 5% of value of additional allotments.

(Note: contributions will only be levied in areas that will be identified as being in need of such facilities in the Council's Recreation and Reserves Strategy).

**(l) Esplanade reserves/strips/accessways**

Where a development is proposed along the margins of watercourses/waterbodies that are identified in the District Plan as priority areas,

the Council may require the provision of an esplanade reserve, strip, or access strip.

Maximum amount is actual cost of vesting 20 metre wide area adjacent to watercourse/waterbody.

(Note: priority areas are still being identified. Until they are, Section 231 of the Resource Management Act applies, which requires a 20 metre wide esplanade reserve where new allotments are created along the bank of any river or lake, or adjacent to the sea.)

