

FC – Financial Contributions

As further subdivision occurs and new activities are established within the Wairarapa, the existing *infrastructure*, reserves and *community facilities* come under pressure. Financial contributions are a way of ensuring that the adverse effects from subdivision and development on the environment or on community resources are minimised, including ways of offsetting any adverse effects with a contribution toward environmental improvements. Such contributions can be in the form of money, land, works or services and may include the provision of roads and services, vesting of land for reserves or upgrades to community facilities.

Financial contributions for subdivision and land use activities may include the costs of upgrading and expanding community works and services as a result of the proposal, including (but not limited to) roads, water supplies, and the disposal of wastewater and stormwater.

Financial contributions are calculated in accordance with requirements and formulae set out in the District Plan. To ensure financial contributions reflect actual costs, Councils are able to review and update the actual amounts payable for the share cost contributions and district-wide contributions each year through the Long Term Plan or Annual Plan process under the Local Government Act. In setting the actual amounts, the Councils are aware that financial contributions may cumulatively impact on the community because the amounts may be so high as to act as a disincentive to growth. Whilst the Councils' funding policies are based on cost recovery, there needs to be flexibility to cater for situations where the pursuit of such policy is not in the wider community interest and where application of the funding policy is shown not to be fair or reasonable in particular circumstances.

This section of the District Plan sets out the requirements for financial contributions, either as a standard of a permitted activity, or a condition of land use or subdivision consent. If a subdivider or developer did not consider the level of financial contribution was appropriate, they could apply to Council through a resource consent to reduce or waive the financial contribution.

Objectives

FC-O1	<i>Infrastructure</i> meets additional demand
Maintain sustainable and efficient <i>infrastructure</i> , reserves and <i>community facilities</i> to meet the additional demand generated by subdivision and development and to avoid, remedy, or mitigate adverse effects on the environment.	

FC-O2	Servicing subdivision and development
Ensure that subdivision and development is appropriately serviced by <i>infrastructure</i> , reserves and <i>community facilities</i> to provide for the likely or anticipated use of the land and that the costs of this <i>infrastructure</i> , reserves and <i>community facilities</i> is fairly and equitably funded.	

Policies

FC-P1	Full costs for required <i>infrastructure</i> for subdivision and development
Require subdividers and developers to meet the full costs of new water, wastewater, stormwater and transport <i>infrastructure</i> associated with the subdivision and development, including linkages and the costs of local upgrading of <i>infrastructure</i> , where the new <i>infrastructure</i> is required to solely serve the proposed subdivision or activity.	
FC-P2	Proportional costs for existing <i>infrastructure</i>
Require subdividers and developers to contribute towards any previous upgrading of water, wastewater, stormwater and transport <i>infrastructure</i> when a subdivision or development will utilise excess capacity.	
FC-P3	Proportional costs for new <i>infrastructure</i>
Where additional capacity of water, wastewater, stormwater and transport <i>infrastructure</i> is needed to mitigate the adverse effects of a subdivision or development, require subdividers or developers to meet the proportion of these costs generated by the subdivision or development.	
FC-P4	District-wide contribution for <i>infrastructure</i>
Require subdividers and developers to make a fair and equitable contribution towards water, wastewater, stormwater and transport <i>infrastructure</i> to mitigate the cumulative adverse effects on <i>infrastructure</i> to ensure the level of service meets the needs of future occupants and does not adversely affect the level of service for existing users.	
FC-P5	District-wide contribution for reserves and community facilities
Require subdividers and developers to pay a fair and reasonable share of the costs of purchasing land for reserves and <i>community facilities</i> or upgrading existing reserves and <i>community facilities</i> .	

FC-P6	Annual review of district-wide contributions
Provide for an annual review of the level of district-wide water, wastewater, stormwater and transport infrastructure financial contributions through the Long Term Plan or Annual Plan process. This review will consider the actual cost of this <i>infrastructure</i> , and adjustment factor to ensure subdividers and developers pay a fair and reasonable share of the cost of new and upgraded infrastructure.	

Rules

No district-wide infrastructure or reserve financial contributions are payable for the following activities:

- a. Additions and alterations to residential units;
- b. A residential unit replacing one previously on the site;
- c. Accessory buildings;
- d. Boundary adjustment subdivision;
- e. An additional allotment solely for a network utility;
- f. An additional allotment containing land set aside for ecological, historic heritage or cultural protection in perpetuity;
- g. Where a contribution for the same purpose has already been made at the time of subdivision creating that lot; or
- h. Where a development contribution for the same purpose has been made under the relevant Council's Long Term Plan.

FC-R1	Any land use activity or subdivision of land
All zones	1. Activity status: Permitted Where: a. Compliance is achieved with: i. FC-S1; ii. FC-S2; and iii. FC-S3.
All zones	2. Activity status: Restricted discretionary Where: a. Compliance is not achieved with FC-R1(1). Matters of discretion:

	1. The matters of discretion listed against those standards for which compliance is not achieved.
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Standards

Reserve Contributions		
FC-S1	Contribution amount, circumstances, purpose and timing	
All Zones	1. Amount of contribution: a. For subdivision in Residential, Commercial and Mixed Use, and Industrial Zones, a district-wide reserve contribution of 3% of the value of the additional allotments created by a subdivision (plus GST); b. For subdivision in Rural, Open Space and Recreation, and Māori Purpose Zones, a district-wide reserve contribution of 2% of the value of the additional allotments created by a subdivision (plus GST). The maximum amount of the sum of this district-wide reserve contribution and district-wide transport contribution is \$20,000 (plus GST) per allotment. This maximum amount will be adjusted on the 1st July each year based on the BERL Local Government Cost Index. The adjusted maximum amount will be confirmed each year through the Long Term Plan or Annual Plan process and included in the Schedule of Fees and Charges; or c. For land use in all zones, a district-wide reserve contribution of 1% of the value of each additional residential unit (plus GST). 2. Form of contribution:	Matters of discretion: (The Council will have regard to the following matters when assessing a remission or waiver of reserve contribution) 1. The purpose of the contribution and the activity's impacts on the reserve network and the cost to the relevant Council to avoid, remedy, or mitigate these impacts. 2. Measures proposed by the developer to enhance an existing reserve or the open space of the locality. 3. Other methods proposed by the developer to avoid, remedy or mitigate any adverse effects on the reserve network. 4. Whether any contribution had been previously made towards the establishment or upgrade of the reserve network.

	a. Cash or land or both. If the reserve contribution is in the form of land which is acceptable to Council, the value of the land to be vested as reserve shall be established on the basis of a registered valuer's report. Registered valuer's reports shall be produced at the consent holder's cost and be no older than 3 months at the time the contribution is paid. 3. Timing of contribution: a. For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991; b. For land use resource consents, contributions shall be payable as and when required by any condition of that consent; c. For permitted activities involving construction of a residential unit, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the Building Consent. Note: The purpose of these contributions is for purchasing land for reserves and <i>community facilities</i> or upgrading existing reserves and <i>community facilities</i>. Note: Reserve contributions may be imposed in the following circumstances: a. As a condition of subdivision consent; b. As a condition of a land use consent;	
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	c. As a standard of a permitted land use activity for an additional residential unit.	
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Water, Wastewater and Stormwater Infrastructure Contributions		
FC-S2	Contribution amount, circumstances, purpose and timing	
All Zones	1. Amount of contribution: - The full actual cost of the water supply, wastewater and stormwater system to the subdivision or development; and - The full actual cost of all necessary water supply, wastewater and stormwater system within the subdivision or development for each <i>allotment, site or building</i>; and - The full actual cost of connections between the water supply, wastewater or stormwater system in the subdivision or development and the Council's water supply, wastewater and stormwater disposal system; and - The actual cost of upgrading of any existing Council water supply, wastewater or stormwater system to the extent that it is necessary to service the subdivision or development; and - A share of the cost of the existing water supply, wastewater or stormwater system where additional capacity has been created in anticipation of future development. The share will be calculated on the proportion of the additional capacity required to serve the development based on the following formula;	Matters of discretion: (The Council will have regard to the following matters when assessing a remission or waiver of infrastructure contribution) - Whether any allotment or any part of the development is proposed to be connected to water supply, wastewater and stormwater infrastructure. - The effect of the proposed subdivision or development on the infrastructure and the cost to the relevant Council to avoid, remedy, or mitigate these impacts. - Measures proposed by the developer to upgrade any existing infrastructure. - Whether any contribution had been previously made towards the establishment or upgrade of the infrastructure.

	i. Contribution = N x (Uc ÷ L) Where: N = The number of new allotments/residential units created in the subdivision or development Uc = Upgrade cost of the system as determined by Council L = Number of new allotments/residential units to be served by the upgrade Note: These share contributions can be location specific. Where these share contributions have been calculated, these contributions may be included in the Schedule of Fees and Charges in each Council's Long Term Plan or Annual Plan; and f. A share of the cost of new water supply, wastewater or stormwater system or upgraded water supply, wastewater or stormwater system where additional capacity will be required by the cumulative effects of an area's development – the share will be calculated on the proportion of the additional capacity required by the development based on the following formula; i. Contribution = N x (Uc ÷ L) Where: N = The number of new allotments/residential units created in the subdivision or development Uc = New/upgrade cost of the system as determined by Council L = Number of new allotments/residential units to be served by the upgrade Note: These share contributions can be location specific. Where these share contributions have been	
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	calculated, these contributions may be included in the Schedule of Fees and Charges in each Council's Long Term Plan or Annual Plan; and g. A district-wide infrastructure contribution based on the following formula: i. Contribution = $R_{ws} + R_{ww} + R_{sw}$ Where: R_{ws} = \$ Value of water supply asset ÷ Number of rateable units charged the urban water supply rate R_{ww} = \$ Value of wastewater asset ÷ Number of rateable units charged the wastewater disposal rate R_{sw} = \$ Value of stormwater asset ÷ Number of rateable units charged for stormwater rate The formula above is calculated annually based on the latest valuation of the asset and number of rateable units as at 1 July. Council may apply an adjustment factor to provide a discount to the level of contribution charged. The purpose of the adjustment factor is to enable each Council to annually adjust the level of the contribution in response to the level of development activity within the District. The adjustment factor and the contribution amounts are set annually through the Long Term Plan or Annual Plan process and advertised through the Schedule of Fees and Charges. The district-wide infrastructure contribution is to be applied per connection and based on a Residential	
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	Unit Equivalent Unit (RUE), which is the demand from an average residential home. The demand for an RUE is based 1,000L per day of water and 600L per day of wastewater. For residential units, the district-wide infrastructure contribution will be based on following RUE: • Studio and 1 bedroom units = 0.4 RUE • 2 bedroom units = 0.75 RUE • 3+ bedroom units = 1 RUE For non-residential uses, the district-wide infrastructure contribution will be assessed as a proportion of the demand to a RUE. This assessment will depend on floor size, type of business, and demand and intensity of use for infrastructure. 2. Form of contribution: a. Cash or works or both. 3. Timing of contribution: a. For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under Section 224 of the Resource Management Act 1991; b. For land use resource consents, contributions shall be payable as and when required by any condition of that consent; c. For permitted activities involving construction of a building, contributions shall be made prior to the issuance of the Code of	
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	Compliance Certificate for the Building Consent. Note: The purpose of these contributions is to: a. Provide a supply of potable water for the estimated domestic and commercial/industrial consumption, and for firefighting. b. Maintain the health and amenity of inhabitants or occupants and to protect the environment from inappropriate disposal of wastewater. c. Prevent damage to or loss of property or amenity from the run-off of stormwater. Note: Water, wastewater and stormwater infrastructure contributions may be imposed in the following circumstances: a. As a condition of subdivision consent where it connects to Council's water, wastewater and stormwater infrastructure; b. As a condition of a land use consent where it connects to Council' water, wastewater and stormwater infrastructure; c. As a standard of a permitted land use activity where it connects to Council's water, wastewater and stormwater infrastructure.	
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Transport Contributions		
FC-S3	Contribution amount, circumstances, purpose and timing	
All Zones	1. Amount of contribution: - The full actual cost of the roads, accessways, vehicle crossings, parking and loading areas to the subdivision or development; and - The full actual cost of all necessary roads, accessways, vehicle crossings, parking and loading areas within the subdivision or development for each allotment, site or building; and - The full actual cost of connections between roads, accessways, vehicle crossings, parking and loading areas in the subdivision or development and the Council's <i>transport network</i>; and - The actual cost of upgrading of any existing roads, accessways, vehicle crossings, parking and loading areas to the extent that it is necessary to service the subdivision or development; and - A share of the cost of the existing roads, accessways, vehicle crossings, parking and loading areas where additional capacity has been created in anticipation of future development. The share will be calculated on the proportion of the additional capacity required to serve the development based on the following formula; Contribution = N x (Uc ÷ L) Where: N = The number of new allotments/residential units created in the subdivision or development	Matters of discretion: (The Council will have regard to the following matters when assessing a remission or waiver of transport contribution) - The activity's impacts on the <i>transport network</i> and the cost to the relevant Council to avoid, remedy, or mitigate these impacts. - Measures proposed by the developer to improve the existing <i>transport network</i>. - Other methods proposed by the developer to avoid, remedy or mitigate any adverse effects on the <i>transport network</i>. - Whether any contribution had been previously made towards the establishment or upgrade of the <i>transport network</i>.

	Uc = Upgrade cost of the system as determined by Council L = Number of new allotments/residential units to be served by the upgrade Note: These share contributions can be location specific. Where these share contributions have been calculated, these contributions may be included in the Schedule of Fees and Charges in each Council's Long Term Plan or Annual Plan; and f. A share of the cost of new roads, accessways, vehicle crossings, parking and loading areas or upgraded roads, accessways, vehicle crossings, parking and loading areas where additional capacity will be required by the cumulative effects of an area's development – the share will be calculated on the proportion of the additional capacity required by the development based on the following formula; i. Contribution = N x (Uc ÷ L) Where: N = The number of new allotments/residential units created in the subdivision or development Uc = New/upgrade cost of the system as determined by Council L = Number of new allotments/residential units to be served by the upgrade Note: These share contributions can be location specific. Where these share contributions have been calculated, these contributions may be included in the Schedule of	
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	Fees and Charges in each Council's Long Term Plan or Annual Plan; and g. For subdivision in Residential, Commercial and Mixed Use, and Industrial Zones, a district-wide transport contribution of 3% of the value of the additional allotments created by a subdivision (plus GST); h. For subdivision in Rural, Open Space and Recreation, and Māori Purpose Zones, a district-wide transport contribution of 3% of the value of the additional allotments created by a subdivision (plus GST). The maximum amount of the sum of this district-wide reserve contribution and district-wide transport contribution is \$20,000 (plus GST) per allotment. This maximum amount will be adjusted on the 1st July each year based on the BERL Local Government Cost Index. The adjusted maximum amount will be confirmed each year through the Long Term Plan or Annual Plan process and included in the Schedule of Fees and Charges; or i. For land use in all zones, a district-wide transport contribution of 1% of the value of each additional residential unit (plus GST) or value of residential unit equivalent for non-residential activities. 2. Form of contribution: a. Cash, works or land or combination. 3. Timing of contribution: a. For subdivision resource consents, contributions shall be made prior to the issuance of the Certificate under	
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	Section 224 of the Resource Management Act 1991; b. For land use resource consents, contributions shall be payable as and when required by any condition of that consent; c. For permitted activities involving construction of a building, contributions shall be made prior to the issuance of the Code of Compliance Certificate for the Building Consent. Note: The purpose of the transport infrastructure contributions are to provide for a well-connected, integrated, safe and accessible <i>transport network</i>. Note: Transport infrastructure contributions may be imposed in the following circumstances: a. As a condition of subdivision consent; b. As a condition of a land use consent; c. As a standard of a permitted land use activity.	
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