

PART 9

FINANCIAL CONTRIBUTIONS





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PART 9 FINANCIAL CONTRIBUTIONS

9.0 INTRODUCTION

"Financial Contributions" is defined in Section 108(9) of the Act and includes not only cash but also land, works and services. A resource consent for any subdivision or land use consent may include a condition that a financial contribution be made, up to the value of a maximum amount specified in, or determined in accordance with, the Plan.

In this Plan, financial contributions are used for two reasons:

- To provide a fair and efficient way of collecting resources to meet the demand for public facilities that is generated by private development. These facilities typically include roading, sanitary and stormwater drainage, public open space (reserves) and carparks. The concept can be extended to other community facilities such as libraries, swimming pools and community centres. By requiring financial contributions, new developments help provide for the increased demand they place on the infrastructure; instead of all residents paying through rates.
- Financial contributions provide another means to ensure that development proceeds in an orderly and efficient way without detrimentally affecting the natural and physical environment or the community. Contributions combine with market mechanisms to influence development patterns by ensuring the true (public and private) costs of development are faced. This can lead to better use of resources. Communities can also use voluntary contributions, such as special rating areas, to fund specific developments or environmental improvements in their neighbourhoods.

The administration of contributions:

The Resource Management Act requires that the purposes for which the contributions are collected be stated in the Plan, and that they be used in reasonable accordance with these stated purposes.

9.1 OBJECTIVE & POLICIES

The objective and policies for financial contributions state a set of principles aimed at ensuring that financial contributions are fair and reasonable.

9.1.1 OBJECTIVE

To secure contributions on development and subdivisions which represent a fair and reasonable contribution to the public costs generated by any development or subdivision.

Policies

- A. By ensuring that contributions are directly related to the public costs likely to be generated by development.
- B. By administering financial contributions in a transparent and effective way.
- C. By ensuring that financial contributions are generally used to benefit the area within which the development or subdivision is located.

Explanation

Financial contributions paid in the form of cash will be identified separately from general rates revenue.

The specific provisions in this Plan relating to financial contributions are aimed primarily at developments contributing to the cost of public resources, rather than as a tool for influencing development patterns. It is intended that within the next five years, work will proceed on the administrative requirements to enable the scope of such contributions to be widened. Any new proposals will be introduced by way of a Plan Change.

The impacts of subdivision and land use on the Hauraki Gulf Islands are such that it is considered essential to establish a minimum contribution upon development or subdivision. The Council is required to address the impacts arising from visitors to the Islands. Those impacts in many cases may outweigh those arising from residential activities. For that reason, it is considered essential that the capability exists for the Council to address the provision of works, services or secure land and cash to enable land use and subdivision impacts to be adequately addressed.



9.2 FINANCIAL CONTRIBUTIONS - RULES

9.2.1 GENERAL RULES

For any subdivision or land use consent financial contributions can be imposed in accordance with Part II of the Second Schedule of the Act and may be required where necessary to achieve the following outcomes:

- Protecting or enhancing amenities, habitats, ecosystems, landscape features, archaeological and cultural values.
- Mitigating, reducing or avoiding land use activity or subdivision impacts upon sensitive parts of the natural and physical environment.
- Giving public access to coastal areas, reserves, bush areas, or areas of special character.
- Providing public services, roads and utilities, such as community sewage disposal systems.
- Improving the physical and natural environment.
- Creating open spaces, recreation areas, visual buffers and amenity areas.
- Creating a financial resource to be used for any of the above purposes.

9.2.2 PARTICULAR RULES

Financial contributions will be required in accordance with the following rules:

A. FOR SUBDIVISION CONSENTS

Financial contributions may be a combination of any of the options listed below and their total value shall not exceed the maximum cash value specified in Rule 9.2.2.A.(a). Payment of any cash contributions on subdivision shall be made prior to the issue of a certificate pursuant to Section 224(c) of the Act. Where land, works or services form part or all of any contributions, all necessary legal agreements to ensure implementation of such contributions shall be completed before the issue of a certificate pursuant to Section 224(c) of the Act.

- (a) CASH up to a maximum of 10% of the value of the lots created. The amount required shall be determined after considering the best options under Rule 9.2.3; and/or

- (b) Land (maximum amounts and excluding any esplanade reserves or strips required by the Act and this Plan).
- (i) for each lot up to 1 ha in size
- an area of 5% of the lot(s) created or 150m² whichever is the greater.
- (ii) for each lot between 1 ha and 20 ha.
- an area of 2.5% of the lot(s) created or 500m² whichever is the greater.
- (iii) for each lot greater than 20 ha.
- an area of 2.5% of the lot(s) created,

and/or,

- (c) Works having a cash value no greater than the cash value specified in Rule 9.2.2.A (a) which would be imposed if that type of contribution was used; and/or.
- (d) Services having a cash value no greater than the cash value specified in Rule 9.2.2.A (a) which would be imposed if that type of contribution was used.

Exemption

No financial contribution shall be required for a subdivision to create any lot described in Rule 8.5.4.7 -Special Purpose Lots

B. FOR LAND USE CONSENTS

Any financial contribution deemed necessary by the Council in terms of Rule 9.2.2 shall be such that the contribution(s) are sufficient to achieve the outcomes specified in Rule 9.2.1 Financial contributions for land use consents may take the form of cash, land, works or services.

Such contributions shall in no case exceed a total cash equivalent value of 1% of the total value of the development.

9.2.3 DETERMINATION OF FINANCIAL CONTRIBUTIONS

- A. Financial contributions under Rule 9.2.2 above shall be determined at the same time as any subdivision or land use consent application.



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B. Assessment Criteria

When determining appropriate financial contributions the Council shall consider the following matters:

- (a) Whether the proposal will be of local benefit, either to the physical environment or the local and/or wider community; and
- (b) Whether land or cash contributions are proven to be unnecessary or inappropriate having regard to the development patterns and public reserve patterns in the vicinity as well as the objectives and policies for the Strategic Management Area, Land Unit and, where applicable, Policy Area; and
- (c) Whether proposal will lead to enhancement of the physical and/or natural environment; and
- (d) Whether the total outcome of more than one type of financial contribution will facilitate more effective land use management than would otherwise occur through a single financial contribution.

management and sustainable resource management than would otherwise occur through a single type financial contribution; and

- (e) Whether any contribution is necessary having regard to development patterns and land use activities in the area.

9.2.4 APPLICATION TO VARY OR WAIVE FINANCIAL CONTRIBUTIONS

A. Where any subdivision or land use proposal does not comply with the above rules for financial contributions a variation or waiver may be sought by way of a discretionary application.

B. Assessment Criteria

When considering an application for variation or waiver the following matters shall be considered:

- (a) Whether the proposal will be of local benefit, either to the physical environment or the local and/or wider community; and
- (b) Whether land or cash contributions are proven to be unnecessary or inappropriate having regard to the development patterns and public reserve patterns in the vicinity and having regard to the objectives and policies for the Strategic Management Area, Land Unit and Policy Area; and
- (c) Whether the proposal will lead to the enhancement of the physical and/or natural environment; and
- (d) Whether the total outcome of financial contributions and other associated protective instruments will give more effective land use

