# Section Contents

# Financial Contributions

## 11. Financial Contributions

## Explanatory Statement

Growth in the *District* needs to be supported by *infrastructure* provided at appropriate levels of service. If growth is not managed in an integrated manner, including the provision of *infrastructure*, the levels of service may fall short of the needs of growth or *Council* funds may need to be spent in an unplanned, ad hoc and inefficient manner.

Integration of the *Council's* funding strategy with growth management is critical to make certain that funds are spent in the most effective manner possible. Part of the funding strategy is to also ensure that those who require the expenditure pay accordingly. Financial contributions from *development* are seen as a key part of that strategy to make sure that new *development* is not subsidised by existing ratepayers.

While it is acknowledged that *development* in the *District* has positive effects, it also has the potential to adversely affect the environment (including people and communities) in a number of ways. Some of these effects cannot be adequately avoided or mitigated on a site by site basis. Rather, they need to be addressed through the provision of new or improved *infrastructure*. In some parts of the *District*, the community has already provided *infrastructure* ahead of *development*, and measures to avoid or mitigate future effects are thus already in place.

The types of adverse effects on the environment associated with new *development* that are best addressed through integrated provision of *infrastructure* include:

1. Wastewater – effects on the environment including property, people and their health, amenity, social and cultural values through pollution of soil, ground and surface water, and the coastal area including beaches and seafood; and through odour.

2. Stormwater – effects on property, human life and health, and amenity and cultural values through flooding, siltation, erosion, and pollution of waterways and coastal water.

3. Water Supply – effects on health, fire safety, amenity, economic and cultural wellbeing through adequacy and quality of supply.

4. Transportation - effects on access, mobility and safety, and social, cultural and economic wellbeing through inadequate standards for the level of use.

5. Recreation – effects on wellbeing of people and communities and cultural and amenity values through inadequate or inappropriate provision of open space and facilities.

New *development* may also have adverse effects on indigenous vegetation and habitats of indigenous fauna through inadequate protection of and provision for biodiversity.

*Infrastructure* financial contributions are calculated in accordance with approved development programmes. For some these will be established through *structure plans* which include schedules of works that list work to be undertaken, timing, and funding (particularly developer versus *Council*). These schedules are contained in Appendix 7. For areas not covered by *structure plans*, there are schedules of works for the respective *infrastructure* and these are contained in the respective Asset Management Plans and *Annual Plan* and/or *LTP* including development projects on the State Highways. The relevant details from the schedules are the inputs to the formulae contained in the District Plan to calculate the financial contributions.

The financial contributions for ecological protection are figures which can only be reviewed through a change to the District Plan.

Other financial contributions are calculated in accordance with formulae set out in the District Plan. The schedules of works, and hence the actual amounts payable, are able to be updated each year through the *LTP* and/or *Annual Plan* process under the Local Government Act. This is to reflect up-to-date costs, including actual expenditure, and any necessary changes in timing due to actual changes in the timing or patterns of growth. Financial contributions can also be reviewed through a plan change under the *RMA*.

A financial contribution can be imposed as a condition of a resource consent. The rules specify the level of financial contribution based on a residential or rural *lot* or *dwelling*. For other activities requiring consents, the *Council* may require that a financial contribution be paid as a specific condition of consent. The basis for determining the appropriate level of contribution will generally be the '*household equivalent'*. *Household equivalent* is a derived figure for the purposes of calculating financial contributions. It is based on a 'typical' *dwelling* and what impact it will have on *infrastructure* requirements such as water use and vehicle movements per day. For Commercial and Industrial Zones it is based on a typical *lot* size.

Financial contributions imposed as a condition of consent at the time that a resource consent for a subdivision, *development* or new activity is granted are paid directly to the *Council* as the relevant condition of consent provides. The potential for a time-lag between the imposition of a financial contribution condition and the payment of the contribution (up to eight years for a subdivision) can mean a significant reduction of the actual amount of the contribution because of the effect of inflation and cost escalations on the value of land and the schedules of works, unless the amount is able to be adjusted to reflect actual values and costs at the time of payment.

It is the time of giving effect to the resource consent that is relevant to *Council* as this is the time when the consented activity has an impact on the *infrastructure*. To ensure that the financial contributions collected reflect the actual costs of *infrastructure* provision, contributions which are not paid in full within two years from the commencement of the consent will be adjusted in accordance with current values and the updated schedules of works. This is to reflect the actual inputs to the formulae for financial contributions applicable at the time of payment, and will be those as stipulated in the *Annual Plan* current at the time of payment.

*Council* is aware that financial contributions may cumulatively impact on the community because the levy(s) may be so high as to act as a disincentive to growth. Whilst *Council's* funding policy is based on cost recovery, there needs to be flexibility to cater for situations where the pursuit of such policy is clearly not in the wider community interest and where application of the funding policy is shown not to be fair or reasonable in particular circumstances.

To provide flexibility in dealing with such situations, as part of its *Annual Plan* process the *Council* may resolve to reduce or waive any particular financial contribution that would normally be charged during that year. Similarly *Council* may use the plan change process under the *RMA*. Challenges to the application of the formulae (such as the applicability of the *household equivalent*, *passenger car equivalent* or *capacity consumption* calculation to a particular application) will be addressed through the resource consent process. Challenges of a philosophical nature need to be directed to *Council* as a matter of policy (such as an affordable housing development). Applicants have the ability under the former to lodge an objection under the *RMA*, and on the latter to approach the appropriate policy committee of *Council*.

Policy UG 4A of the Bay of Plenty Regional Policy Statement states that greenfield development in urban growth areas shall achieve an average net yield of 12 dwellings or more per hectare from 1 July 2012, rising progressively to 15 dwellings or more per hectare by 1 July 2037. Within the *District,* Waihi Beach, Katikati, Omokoroa, and Te Puke are defined as urban growth areas. The infrastructure to accommodate the required yield is funded through financial contributions. The method of assessing developable land to calculate net yield is defined in the Regional Policy Statement.

# 11.1 Significant Issues

1. Subdivision and the associated intensification of *development* and land use activity have the potential to adversely affect the environment. This can be particularly significant when cumulative adverse effects are created over time.

2. Growth in the form of new *development* and new activities creates the need for the provision of new or upgraded *infrastructure*.

3. The potential exists for the costs of providing new or upgraded *infrastructure* to be allocated in a manner disproportionate to the benefits received by the existing community and new end users.

4. Full cost recovery of *infrastructure* may act as a disincentive to growth in a manner detrimental to existing communities.

5. There may be pressure for *development* to occur ahead of the *Council's* ability to provide *infrastructure*.

6. Delays in the payment of financial contributions set through the resource consent process can impact on the funding of *infrastructure*.

7. *Council* may not achieve the required average net yield of 12 *dwellings* per hectare.

8. *Council* may not recover *infrastructure* costs in urban growth areas if an average net yield of 12 *dwellings* per hectare is not achieved.

# 11.2 Objectives and Policies

## 11.2.1 Objectives

1. Protection of the natural and physical environment and the social, economic and cultural wellbeing of people and communities from the potential adverse effects of new or intensified *development*.

2. The provision of adequate funding for and efficient utilisation of the *District's infrastructure*.

3. A financial contributions strategy which ensures that financial contributions are charged on the basis of covering the community's costs of providing *infrastructure*.

4. A financial contributions strategy which is responsive to the social, environmental and economic needs of the community.

5. Timing of *development* commensurate with the ability to make appropriate provision for *infrastructure*.

### 11.2.2 Policies

1. Actual or potential adverse effects on the natural and physical environment which would otherwise be created by new or intensified *development* should be avoided, remedied or mitigated through the use of financial contributions and other appropriate measures.

2. The effects of new and intensified *development* on *infrastructure* in the *District* should be mitigated through expenditure of financial contributions.

3. The costs of *infrastructure* should be allocated in an equitable manner over both existing and new users so as to ensure that such costs are not borne unfairly by the wider community.

4. Calculations to assess *infrastructure* requirements should be based on the level of service needed to meet peak demand.

5. Calculations shall not seek to do more than recoup costs actually incurred in respect of expenditure to provide *infrastructure* to deal with the effects of growth including, where appropriate, the costs of financing such *infrastructure* over time.

6. Where appropriate, contributions should be levied differentially to reflect the particular circumstances applying to different parts of the *District*.

7. Provision should be made for the updating of inputs to the calculation of financial contributions through the consent and *Annual Plan* and/or *LTP* process to reflect actual and up-to–date estimated costs of the provision of *infrastructure*.

8. The actual or potential effects of applying financial contributions should be regularly reviewed and where an identified wider community detriment or a detriment to a particular sector of the community would be created, the particular financial contribution that would otherwise be payable should be reduced or waived (as appropriate).

9. Where appropriate, financial contributions that would otherwise be payable should be reduced or waived in recognition of specific environmental protection or enhancement measures proposed to be undertaken.

10 Where appropriate, consideration will be given to the reduction or waiver of financial contributions for recreation and leisure that would otherwise be payable in recognition of a historic oversupply of recreation and leisure land.

11. Provide a mechanism whereby a financial contribution can be taken to address or offset localised effects outside any approved development programme, or in lieu of works that would otherwise be undertaken by a consent-holder.

12. The full costs of required infrastructure and services should be paid when subdivision and *development* requires such provision outside an approved development programme.

13. Developers who fund *infrastructure* ahead of time in an approved development programme should be refunded only at the time that development funds become available.

# 11.3 Application of Financial Contributions

(a) Financial contributions shall not apply in the following circumstances:

(i) where the need for the activity to obtain a resource consent arises solely from the provisions of Sections 5, 6 and 7 of the District Plan.

(ii) where the subdivision or *development* of an *infrastructure* or *network utility* site will not create any effects on *Council's infrastructure* networks and do not require connection to *Council's* wastewater, stormwater or water supply;

(iii) where there is no ability to connect (in accordance with *Council's* Development Code 2009) to a specific *infrastructure* (excluding roading) and the provision for such *infrastructure* is not included in any relevant *structure plan* or *LTP*.

(iv) where financial contributions have already been paid:

- during a previous subdivision or land use consent based on a per net developable hectare as per Rule 11.5.2 and a density of 15 *dwellings* per hectare (in the Residential Zone) is not exceeded, or
- for stormwater in the Commercial and Industrial Zones as per Rule 11.6.4.

(b) Unless specified otherwise in the rule to which a particular contribution relates, financial contributions will be charged in respect of:

(i) Additional *lots* created by subdivision which will qualify for the erection of a *dwelling*, as per Rule 11.5.

All additional *dwellings* created will be charged as per the calculations included in Rule 11.5.

(ii) Additional *lots* created by subdivision within Commercial or Industrial Zones and all additional activities created will be charged as per the calculations included in Rule 11.6.

(iii) A land use consent application for an additional or significant expansion of an existing consented land use activity that will impact on existing *infrastructure* (significant expansion is an increase of more 0.5 of a *household equivalent* for services). Financial contributions will be assessed using *household equivalents*. Specific formulae are contained in Rules 11.4, 11.5 and 11.6.

(iv) Land use consent applications for discretionary or non-complying land use activities where it is more appropriate to charge a financial contribution for:

- water, wastewater, stormwater and recreation and leisure based on a specific assessment;
- for transportation that is based on *passenger car equivalents (PCEs)* or specific assessments.

Specific formulae are contained in Rule 11.7.

(v) Boundary adjustments (under Rule 12.3.3) deemed to create an independently usable title which did not previously exist or to significantly increase the usability of an existing title.

(vi) Land use consent applications for significant expansions in the Post Harvest Zone.

(c) With regard to any resource consent which is granted subject to a condition imposing a financial contribution, that condition shall provide for the amount of any financial contribution to be set as follows:

(i) The resource consent condition shall specify a financial contribution amount in dollars that may be paid in full within two years of the date of commencement of the consent;

Provided that:
Contributions not paid in full within two years of the consent commencing shall be subject to Rule 11.3(c)(ii) below.

(ii) Any financial contribution which is not paid in full within two years from the date of commencement of the consent shall be adjusted so that the amount of the financial contribution required by the resource consent shall be the amount calculated in accordance with the relevant formulae in Rules 11.4, 11.5 and 11.6 and the updated inputs to those formulae as set out in *Council's Annual Plan* current at the date of payment.

(d) Reductions and waivers

(i) In accordance with Objective 11.2.1.4 and Policies 11.2.2.8, 11.2.2.9 and 11.2.10, *Council* may reduce or waive in part or in whole for a specified period or for a particular activity, any financial contribution (including a particular part(s) of the formula contained in Rules 11.4 11.5 and 11.6) that would otherwise be charged in order to avoid or mitigate an identified detriment to the wider community or an identified detriment to a particular sector of the community that warrants attention in the better fulfilment of the *RMA*'s purpose.

Assessment criteria include:

- The quantum of the contribution(s) and the market's ability to pay;

- Significant increases in the contribution(s) from one period to the next (or through the introduction of a new or revised financial contribution) that may create inequities or hardship;

- The extent that any specific environmental protection or enhancement measure requires recognition, including measures under Rule 11.4.3.

Any such reduction or waiver shall be implemented through the *Annual Plan* process or the plan change process under the *RMA*.

(ii) With regard to specific applications for resource consent for additional *dwellings* on multiple owned Maori land, consideration will be given to the following criteria in addition to those listed in (i) above with respect to the recreation and leisure financial contribution:

- Size and cost of the *dwelling* being constructed;
- Location of the property and the associated land value, extent of previous undertakings, or gifting of land or other tangible assets;
- Applicability of the *LTP* outcomes.

(iii) With regard to specific applications for resource consent where:

A financial contribution for recreation and leisure is payable under Rule 11.4, and an historic oversupply of reserve land is shown by the applicant to have occurred in relation to the same applicant or their successor in title, consideration shall be given to a reduction or waiver of the financial contribution as assessed having regard to the following criteria:

- The suitability of the excess land contributed for meeting *Council's* current recreation and leisure requirements for the catchment;
- The land value of the excess recreational and leisure land calculated at the time of granting the resource consent;
- The quantity of financial contributions for recreation and leisure assessed under Rule 11.4 at the time of granting the resource consent.

<u>Provided that:</u>

This discretion shall only be considered where:

(a) The applicant supplies conclusive evidence that:

- They are the successor in title in respect of the parent land contributing the excess land;

- The amount of excess land contributed for recreation and leisure purposes exceeds 1ha as assessed at the time of the application.

(b) The application is made within ten years of the commencement of the initial consent that created the excess.

(iv) Reductions may be considered where the application of the *household equivalent* or *passenger car equivalent* methods of calculation are considered to be inappropriate.

Such consideration will be through the resource consent process on a case by case basis.

# 11.4 The calculation of Financial Contributions as included in Council's Fees and Charges

### 11.4.1 Determining a Household Equivalent

(a) Financial contributions are based on a *household equivalent*.

(b) During the *Annual Plan* and/or *LTP* process, *Council* uses the formula in Rule 11.4.1(c) to set the;

- catchment financial contribution amounts;

- values applied to the variables within the formula;

- timing of the capital projects.

(c) The formula used to determine the household equivalent (HHE) for Recreation and Leisure, Transportation, Water Supply, Wastewater, and Stormwater financial contributions for all zones (as appropriate) is as follows:

$$\frac{(CP\text{-}S) - (EP\text{-}S) + I}{L} = \text{financial contribution per } \textit{household equivalent}$$

Where:

CP = value of development projects for capital works within a specific catchment, including land, required to meet the needs of the existing and future community during the planning period;

EP = value of development projects within a specific catchment for that portion of the capital works required to meet the existing level of service for existing ratepayers;

S = the subsidies to be received for the specific infrastructure within the planning period;

L = *dwellings* and *household equivalents* estimated during the planning period;

I = Interest cost based on capital expenditure less revenue from financial contributions.

**Explanatory Note:**
The inputs to the formula will be updated annually through the *Annual Plan* and/or *LTP* process to reflect changes in costs and timing. Any financial contribution that is not paid in full within two years of the commencement of the resource consent shall be subject to adjustment under Rule 11.3(c)(ii).

### 11.4.2 Council's infrastructure network to which financial contributions apply

**(a) Transportation**

(i) Except for the activities included in Rule 11.6.1, these contributions shall be levied on subdivision and land use consents as may be applicable. The contribution is applied on the basis of the following catchments in the *District*:

- Rural and minor settlements - this is a single catchment and includes the Rural and Lifestyle Zones and all minor settlements not classified as urban catchments below.

- Urban catchments - there are separate catchments for the urban zoned areas of Waihi Beach, Katikati, Omokoroa (including the whole of the Stage 2 Structure Plan area), and Te Puke.

- Strategic Transportation - this is *District*-wide.

**(b) Water and Wastewater**

(i) These contributions shall be per connection and shall be levied on any subdivision or land use consent that is in a catchment served by *Council* water and wastewater systems or future water and wastewater infrastructure identified in a structure plan.

(ii) Except in the Commercial and Industrial zones, where the *household equivalent* for water is based on the connection size (see Rule 11.6.2), the *household equivalent* for water is measured at $0.6m^3$ per day.

(iii) The *household equivalent* for wastewater is measured at $0.5m^3$ per day, which is calculated at a factor of 0.85 of the water usage.

(iv) The *household equivalent* for water and wastewater is equal to one (1) except for the following activities where the number of *household equivalents* will be determined by specific assessment:

- *Service stations* with car wash facilities;
- *Accommodation facilities* and recreational facilities including hotels, motels, community centres and Marae;
- Process manufacturing including coolstores and packhouses;
- Garden centres and nurseries;
- Butcheries;
- Drycleaners and laundromats;
- Education facilities;
- Hospitals and laboratories;
- Crematoriums and mortuaries;

- Concrete plants and yards;

- Any development in the Rural Zone that requires a water connection to a *lot* that exceeds 20mm;

- Waste handling facilities.

(v) *Household equivalents* are assessed on the basis of peak demands rather than average use.

(vi) The determination of the number of *household equivalents* for *accommodation facilities* will be based on the capacity of the facility.

**(c) Stormwater**

(i) These contributions shall be levied on a subdivision and/or land use consent that is in a catchment served by a *Council* stormwater system or future stormwater infrastructure identified in a *structure plan*.

(ii) Financial contributions may be reduced taking into account pre-development stormwater levels and the extent to which stormwater is managed on-site. The on-site management proposal has to be approved through the resource consent process.

(iii) Financial contributions may be increased through the resource consent process by means of a special assessment where the:

- average *lot* size is less than the minimum *lot* size provided in 13.4.2, or
- net land area per *dwelling* is less than that included in 13.3.2(a).

(iv) Financial contributions will not be charged where the activity is not using public *infrastructure*, including open watercourses

**(d) Recreation and leisure**

(i) Financial contributions for recreation and leisure apply to all subdivision and land use consents that enable the development of dwellings, minor dwellings and *accommodation facilities*.

(ii) Except for the development of dwellings, minor dwellings and *accommodation facilities*, development in the Commercial and Industrial Zones shall not pay a financial contribution for recreation and leisure as per Rule 11.6.5.

(iii) With a land use consent for *accommodation facilities*, the financial contribution will be one *household equivalent* per facility.

(iv) Activities in the Post Harvest Zone shall not pay a financial contribution for recreation and leisure.

(v) Financial contribution for recreation and leisure shall be a land or monetary contribution or combination thereof. The *Council* shall retain full discretion as to whether to accept money or land as payment of the required financial contribution.

(vi) The *Council* shall consider a Maori Reservation set aside under Sections 338 and 440 of the Maori Land Act 1991 (Te Ture Whenua Maori) in lieu of a reserves contribution.

### 11.4.3 Ecological protection

(a) Financial contributions for ecological protection shall be charged on;

- subdivisions in the Rural, Rural Residential, Lifestyle, Future Urban, Residential and Medium Density Residential Zones;
- land use consents for additional dwellings or minor dwellings

(b) Financial contributions for ecological protection and or enhancement shall be a monetary contribution of $501 + GST (2015/16) per *lot* or *dwelling* as determined by the circumstances set out hereunder, such contribution to be adjusted annually in accordance with the Consumer Price Index through *Council's Annual Plan* and Budget:

<u>Except that:</u>

The ecological financial contribution shall be doubled for a subdivision or land use consent within the Park Road East Esplanade in Katikati.

(c) *Council* may consider the reduction or waiver of these financial contributions where legally binding environmental protection or enhancement measures have already been or are proposed to be undertaken on the property concerned in conjunction with the principal activity. In such cases the principal activity (subdivision or land use) shall be deemed to be a Restricted Discretionary Activity in respect of the environmental protection or enhancement measures concerned. Such measures shall be the subject of a report and recommendations from an appropriately qualified independent person acceptable to *Council*.

## 11.5 Calculation of Financial Contributions for dwellings and minor dwellings

(i) The rules included in 11.5 do not apply to *dwellings* in the Commercial and Industrial Zones that are above ground floor. See Rule 11.6 for the calculation for these activities.

(ii) The rules included in 11.5 apply to the Rural, Rural Residential, Lifestyle, Future Urban, Residential, Medium Density Residential and Commercial Transition Zones and relate to:

- Subdivision;
- Land use consents for additional *dwellings* or *minor dwellings*.

(iii) Financial contributions are based on a *household equivalent*.

(iv) One *household equivalent* is equal to one additional *lot* or *dwelling*.

### 11.5.1 Subdivision or additional dwellings outside urban growth areas

(i) The rules in this section apply to a subdivision or land use consent for an additional *dwelling* in the following zones:

- Rural
- Future Urban
- Rural-Residential
- Lifestyle
- Residential, except in the urban growth areas of Waihi Beach, Katikati, Omokoroa, and Te Puke.

(ii) Financial contributions for recreation and leisure, transportation, water supply, wastewater, stormwater and ecological protection will be charged in respect of:

a) Additional lots created by subdivision which will qualify for the erection of a *dwelling*.

b) A land use consent for an additional *dwelling* or *minor dwelling*.

(iii) Each additional *lot* or *dwelling* shall be charged one *household equivalent*.

### 11.5.2 Subdivision or additional dwellings inside identified urban growth areas

**Explanatory Notes:**

a) For the purpose of calculating average *lot* size to determine financial contributions, the following area(s) shall be excluded from the *lot* size calculations; provided that no *dwelling* is constructed in the area:

(i) area(s) that are within a natural hazard identified in Section 8 of the District Plan, or

(ii) as part of a resource consent, areas identified as unsuitable for the construction of a *dwelling* by a suitably qualified and experienced geotechnical engineer or equivalent.

b) Where a balance *lot* is created for future subdivision or residential development, a financial contribution equal to one *household equivalent* only will be charged at this time. A financial contribution based on an average *net lot area* of 625m² will only be applied to that *lot* once future subdivision or land use consent is applied for.

(i) The rules in this section apply to a subdivision or land use consent for an additional *dwelling* in the following zones;

- Residential
- Medium Density Residential
- Commercial Transition

within the following urban growth areas;

- Waihi Beach
- Katikati
- Omokoroa
- Te Puke

(ii) Each additional *lot* or *dwelling* shall be charged a financial contribution for ecological protection equal to one *household equivalent*.

(iii) The financial contribution calculations for recreation and leisure, transportation, water supply, wastewater, and stormwater in urban growth areas are based on an average *lot* size. One *household equivalent* is equal to a *net lot area* of $625m^2$, and all *lots* will pay a financial contribution proportional to this figure.

(iv) A density of 15 *dwellings* per hectare equates to an average *net lot area* of $500m^2$. In the Residential Zone, financial contributions for a subdivision with an average *net lot area* smaller than $500m^2$ shall be determined by a special assessment.

(v) The financial contribution for a land use consent for an additional *dwelling* is based on the size of the *dwelling envelope*. As in the case of a subdivision, one household equivalent is equal to a *dwelling envelope* of $625m^2$. In the Residential Zone, the *dwelling envelope* shall not have a minimum average less than $500m^2$.

(vi) The minimum financial contributions for an additional lot or additional *dwelling* in the Residential, Medium Density and Commercial Transition Zones are 0.5 of a *household equivalent*.

### 11.5.3.1 Land use consent for a minor dwelling

(i) *Minor dwellings* in all zones shall be charged a financial contribution for recreation and leisure, transportation, water supply, wastewater, stormwater and ecological protection equal to 0.5 of a *household equivalent*.

### 11.5.3.2 Land use consent for a retirement village

(i) *Retirement village dwellings* and *retirement village independent apartments* shall be charged a financial contribution for recreation and leisure, transportation, water supply, wastewater, stormwater and ecological protection equal to 0.5 of a *household equivalent* for 1 and 2 bedroomed dwellings/apartments.

(ii) The financial contributions for facilities other than *retirement village dwellings* or *retirement village independent apartments* shall be done by specific assessment.

# 11.6 Subdivision and land use consent in the Commercial, Commercial Transition and Industrial Zones

This section deals with the calculation of financial contributions for transportation, stormwater, wastewater, water and recreation and leisure in:

- Commercial Zones
- Industrial Zones,
- Activities other than a *dwelling* in the Commercial Transition Zone (see Section 11.5.2 for *dwellings* in the Commercial Transition Zone).

## 11.6.1 Transportation

(i) Financial contributions as calculated by *household equivalent* apply to transportation in the Te Puna Business Park Zone, except for the following activities where the number of *household equivalents* will be determined by an *Integrated Transport Assessment*:

- *Warehousing and storage*
- *Building and construction wholesalers and retailers*
- *Depots*

(ii) All other activities in the Commercial, Commercial Transition and Industrial Zones are exempted, except for the following activities where the number of *household equivalents* will be determined by an *Integrated Transport Assessment*:

- *Warehousing and storage*
- *Building and construction wholesalers and retailers* that exceeds a *gross floor area* of 2,500m².
- *Depots*
- *Service stations*
- Coolstores and packhouses
- *Accommodation facilities*

(iii) The comprehensiveness of the *Integrated Transport Assessment* shall reflect the scale and effects of the proposed activity and address the following:

- The existing traffic environment;
- How the activity will impact on that environment;
- Any proposed mitigation measures.

### 11.6.2 Water Supply

(i) Except for activities listed in Rule 11.4.2(b)(iv), the financial contribution in the Commercial, Commercial Transition and Industrial Zones shall be based on the size of the water connection.

(ii) The relationship between connection size and *household equivalent* are as follows:

| Connection size(mm) | Household Equivalent |
|---|---|
| 20 | 1 |
| 25 | 1.56 |
| 40 | 4 |
| 50 | 6.25 |
| 100 | 25 |
| 150 | 56.25 |

### 11.6.3 Wastewater

(i) Except for *dwellings* and activities listed in Rule 11.4(b)(iv), financial contributions on wastewater for all activities in the Commercial, Commercial Transition and Industrial Zones, are calculated as follows:

One (1) *household equivalent* is equal to:
- A lot size or *gross floor area* of 600m² in the Commercial Zone.
- A lot size or *gross floor area* of 1,800m² in the Industrial Zone.

(ii) Wastewater financial contributions for a *dwelling* in the Commercial and Industrial Zones are calculated as follows:

- 0.5 of a *household equivalent* for a *dwelling* with a *gross floor area* of not more than 60m².
- 0.75 of a *household equivalent* for a *dwelling* with a *gross floor area* of more than 60m² and less than 95m².
- One *household equivalent* for a *dwelling* with a *gross floor area* that exceeds 95m².

(iii) The financial contributions for the activities listed in Rule 11.4(b)(iv) shall be determined by specific assessment.

**Explanatory Note:**
These activities may operate seasonally or operate for a variable part of the week or year. For such activities the operational time (OTF) needs to be specifically reported on and assessed.

OTF is the proportion of a full year that any enterprise may operate and is calculated as follows:

$$\frac{\text{Actual operating days per year}}{365} \quad \text{x}100$$

### 11.6.4 Stormwater

(i) In the Commercial, Commercial Transition and Industrial Zones, one *household equivalent* is equal to 300m² of developable land (developable land is any land that has potential to be used for building, hard stand and parking or access purposes for that activity).

### 11.6.5 Recreation and leisure

(i) Financial contributions for recreation and leisure only apply to *dwellings* and *accommodation facilities* in the Commercial and Industrial Zones.

(ii) The financial contributions for *dwellings* are calculated as follows:

- 0.5 of a *household equivalent* for dwellings with a *gross floor area* of not more than 60m².
- 0.75 of a *household equivalent* for dwellings with a *gross floor area* of more than 60m² and less than 95m².
- One *household equivalent* for dwellings with a *gross floor area* that exceeds 95m².

(iii) With a land use consent for *accommodation facilities*, the number of *household equivalents* will be determined by specific assessment

## 11.7 Financial Contributions and Infrastructure works for Discretionary and Non-complying Land Use Activities

11.7.1 An assessment of capacity, adequacy of pavement, and safety shall be made of the actual impact of the activity on the specific *infrastructure*. The impact shall be remedied or mitigated by one or more of the following:

(a) Where existing spare capacity is available to accommodate the proposed activity, a financial contribution shall be payable based on the amount of capacity to be used (see 11.7.2).

(b) Where the existing *infrastructure* is inadequate in terms of capacity and safety for the proposed activity, the *infrastructure* shall be upgraded by the applicant at their cost to accommodate the expected demand. This will be imposed as a condition on any resource consent granted.

(c) Where the activity will consume all of the currently available spare capacity as well as require an upgrade of the existing *infrastructure*, both (a) and (b) above shall apply.

<u>Except that:</u>
A contribution shall not be payable under (a) where any upgrading required under clause (b) above results in the existing level of spare capacity being maintained or exceeded.

(d) Where a required *infrastructure* upgrade will provide a greater level of capacity than that needed to accommodate the proposed activity, the following shall apply:

(i) If the upgrade is included in the *LTP*, the cost of the spare capacity created will be refunded to the consent holder at the time stipulated in the *LTP*;

(ii) If the upgrade is not included in the *LTP*, there shall be no refund.

11.7.2 For 11.7.1 (a), (c), and (d) the impact shall be converted into *household equivalents* and applied in accordance with the following:

(a) **Recreation and Leisure**

This will be charged in accordance with Rules 11.4.2(d) and 11.5 for *dwellings*, *minor dwellings*, *retirement villages* and *accommodation facilities* excluding seasonal worker accommodation.

(b) **Transportation**

(i) Capacity consumption

**Explanatory Notes:**

1. This rule shall apply to the specific roads that provide access from the State Highway to the activity.

2. The width of the existing road is to be determined by actual measurement or by reference to *Council's* RAMM (Road

Assessment and Maintenance Management) database.

3. The average annual daily traffic volume (AADT) for the existing road is to be determined by actual measurement or by reference to *Council's* RAMM database. For the purposes of converting the AADT into *PCE VM's*, where actual figures are not available it shall be assumed that 10% of the volume comprises heavy commercial vehicles (HCV's). The proposed road activity shall be converted to daily *PCEs*.

4. Road width and *road capacity* (existing and required) is to be determined by reference to the relevant table in rule 12.4.4.2. The capacity of the road is represented by the upper limit traffic volume for a road of the applicable standard (carriageway width and length).

5. The current cost of $1m^2$ of rural road pavement' will be set annually through *Council's LTP* and *Annual Plan* processes under the Local Government Act 2002.

Calculation methodology

(a) Determine the proposed route from the subject site to the nearest State highway (or *District* boundary).

(b) Determine the capacity of the existing road (in terms of daily *PCE VM's*), given its current standard of construction.
This is "A".

(c) Determine the standard of road (width) required to accommodate both existing and proposed daily *PCE VM's*.
This is "B".

A sliding scale shall be used to assess the theoretical width required.

(d) Determine the value of the length of affected road. This is calculated from the

depreciated replacement cost for the existing road (and deductions made for any subsidies received)
This is "C".

(e) Determine the proportion (%age) of the capacity of the road consumed by the proposal's predicted traffic volume.

This is calculated as (the number of *PCEs* as proposed by the applicant)/(the capacity (*PCE*) of the existing road).
This is "D".

(f) Applicable financial contribution for *Capacity Consumption* = $(C x D).

(ii) Pavement Consumption

The purpose of the following calculation is to determine the effect of additional HCV's generated by the proposed new activity on the life of the existing road pavement. The calculation shall be undertaken by a Chartered Professional Engineer (CPEng) or other suitably qualified person specifically approved by *Council*.

(a) Collect all available data for the road on which the proposed out of zone activity will take place. Base data can be found in RAMM and dTIMs (dTIMS is a software package developed by Deighton Associates Ltd, and used by Road Controlling Authorities for the predictive modelling of pavement deterioration).

(b) Assess existing pavement design, and determine its residual life. The effective residual life of the existing pavement can be obtained from the dTIMs pavement deterioration model output, or back calculation from existing pavement data. This data will be produced annually.

(c) Determine the design axle loads for the existing pavement.

(d) Calculate the additional axle loads as a result of the proposed activity. Determine the effect of the additional axle loads on the existing pavement, by determining the year when the existing pavement will reach the end of its design life, i.e. when the life of the pavement is consumed.

(e) Determine the reduction in life (number of years) of the existing pavement caused by the additional axle loads.

(f) Assess the current cost of renewing the pavement, given both the existing and new traffic loadings.

(g) Assess the incremental cost of bringing the pavement renewal works forward. (Complete a net present value calculation, using the cost of finance provided annually in *Council's Annual Plan*).

This is the financial contribution payable for Pavement Consumption.

(iii) Strategic Transportation

One *household equivalent* shall be paid for each activity.

(c) **Water Supply and Wastewater**

(i) Financial contributions for water supply and wastewater shall be charged in accordance with Rule 11.4.2(b).

(ii) In the Commercial and Industrial Zones financial contributions shall be charged in accordance with Rules 11.6.2 and 11.6.3.

(iii) For all other zones, a specific assessment shall be made.

(d) **Stormwater**

The financial contributions for stormwater in all zones shall be determined by specific assessment.

(e) **Ecological Protection**

The financial contributions for ecological protection shall be in accordance with Rule 11.4.3.

# 11.8 Additional financial contributions that apply to specific Structure Plan Areas

**(a) Rangiuru Business Park**

The equitable provision and funding of *infrastructure* and the need for full recovery of *infrastructure* costs (as set out in the financial contributions schedules) is a key driver for the Rangiuru Business Park. For Rangiuru Business Park the *infrastructure* required is anticipated to be built and funded by private developers as opposed to *Council*. Accordingly, full recovery of financial contributions by *Council* to refund the entities which build/fund that work (in order of construction) is appropriate.

Financial contributions will be calculated on the basis of available areas able to be developed as opposed to actual site utilisation or building area, and notwithstanding that different activities place different actual demand on *infrastructure* networks. The *infrastructure* costs contained in Appendix 7 are able to be updated annually through the *Annual Plan* and/or *LTP* as set out below.

As outlined in Chapter 12, *infrastructure* for the Rangiuru Business Park will be constructed generally in accordance with the designs specified in Appendix 7. Where *Council* identifies a more cost effective means of delivering future *infrastructure* for the park, the future *infrastructure* cost for that line item may be used as replacement *infrastructure*. Where the cost of *infrastructure* is lower than the anticipated cost, only the lower amount can be recovered.

Developers wishing to occupy land within these areas must make their decisions on location in full awareness that financial contributions are payable on the basis of site area without refinements for specific proposals.

(i) As set out below, financial contributions shall be payable for subdivision and *development* in the Rangiuru Business Park to pay for trunk *infrastructure* as identified in the *Structure Plans* and the associated financial contribution schedule in Appendix 7;

Where any circumstances exist that mean these provisions are inconsistent with the general provisions then this section shall prevail.

(ii) With regard to any resource consent which is granted subject to a condition imposing a financial contribution for Rangiuru Business Park, that condition shall provide for the amount of any financial contributions.

(iii) Any financial contribution which is not paid in full within two years from the date of commencement of the consent or any subsequent two year period shall be adjusted so that the amount of the financial contribution required by the resource consent shall be the per square metre amounts as set out in the Rangiuru Financial Contributions Schedule in Appendix 7 using the inputs to that schedule as updated annually through the *Annual Plan* and/or the *LTP* process, as detailed below.

(iv) The financial contribution shall be in accordance with the Rangiuru financial contribution schedule in Appendix 7 (specified dollar amount per square metre of site area so used), adjusted annually to reflect updated construction cost estimates or completed actual construction costs, and the financing costs (based on the New Zealand Official Cash Rate plus 1.5%).

(v) The financing costs are to be charged quarterly in arrear on the last day of March, June, September and December in each year on the actual capital expenditure at the start of the quarter as approved in the Rangiuru financial contribution schedule less the financial contributions received during the quarter.

(vi) The costs in the financial contribution schedule in Appendix 7 including the financing costs are indicative only as they are based on [August] 2015 costs and will be updated annually through the *Annual Plan* and/or *LTP* process to reflect up-to-date estimated costs (based on the rate of movement of the Cost of Construction Index) and/or actual costs of the provision of *infrastructure* and the financing costs (based on the New Zealand Official Cash Rate plus 1.5%).

(vii) The actual financial contributions payable will reflect the completed actual construction costs and the financing costs (based on the New Zealand Official Cash Rate plus 1.5%) to be determined at the time resource consents commence, as listed in the financial contributions schedule in Appendix 7 and updated through the *Council's Annual Plan* and/or *LTP*.

(viii) Actual financial contributions may also be payable based on updated construction cost estimates in order to fairly contribute towards the funding of trunk *infrastructure* as identified in the *Structure Plans* and the associated Rangiuru financial contribution in

Appendix 7 (for example, part funding of trunk *infrastructure* identified as part of a future stage).

(ix) If any developed or agency elects not to recover the cost of trunk *infrastructure* which has been identified in the *Structure Plans* and the associated financial contribution schedule in Appendix 7, it may notify the Council accordingly and the relevant line item in the financial contribution schedule will be updated to reflect the lower amount to be recovered through the *Annual Plan* and/or *LTP* process.

(x) Discretionary and non-complying activities shall pay financial contributions on a full per square metre basis as set out on Appendix 7.

(xi) 'Site area':

- Excludes the areas set aside for trunk *infrastructure* as identified on the *Structure Plan*, such as local purpose reserves (stormwater), local purpose reserves (amenity), pedestrian/cycle access, collector and entrance roads, areas for treatment of water and/or wastewater and the Tauranga Eastern Link interchange.

- Includes the area of all local and private roads and other *infrastructure* not specifically required by the *Structure Plans*.

- The total net developable area is 148ha.

In respect of *development*, 'site area' relates to the total area of the *lot* or the total area of the tenancy area in which the *development* is located.

For the Seeka site being Lots 1 and 2 DPS 3521 the sites are excluded from the developable area.

(xii) The financial contribution is payable at the time of subdivision or *development*, whichever happens first. Where a financial contribution has already been paid at the time of subdivision in respect of the total area of the *lot*, there shall be no further contributions payable at the time of *development*. Where a financial contribution has already been paid at the time of *development* in respect of any land, there shall be no further contributions payable for the same land at the time of any subsequent subdivision;

(xiii) Financial contributions at the time of subdivision are payable at subdivision completion stage (i.e. Section 224 application). Financial contributions at the time of *development* are payable at building consent stage or at the time land is used for Rangiuru Business Park purposes;

(iv) In respect of the Rangiuru Business Park, where *Council* does not expect to be able to fund much of the trunk *infrastructure* needs for the foreseeable future, financial contributions from developers or agencies shall be collected by *Council* and paid directly to any prior developer or agency (in the order of investment) which has funded trunk *infrastructure* services in accordance with the financial contribution schedule and the *Structure Plans*.

**(b) Te Puke West Industrial Area**

(i) In addition to the financial contributions payable pursuant to Rule 11.3.3, excluding roading and stormwater, financial contributions shall be payable for subdivision and *development* in the Te Puke West Industrial Area to pay for *infrastructure* as identified in the Te Puke West Schedule of Financial Contributions contained in Appendix 7;

(ii) The Te Puke West financial contribution shall be in accordance with the Schedule (specified dollar amount per square metre of site area), adjusted annually to reflect updated construction cost estimates or completed project costs, and the financing costs (based on the 90 day bank rate [BKBM FRA rate] plus 2%);

(iii) The financing costs are to be charged quarterly in arrear on the last day of March, June, September and December in each year on the actual capital expenditure at the start of the quarter as approved in the schedule less the financial contributions received during the quarter;

(iv) In addition further financing costs based on the 90 day bank rate (BKBN FRA rate) plus 2% resulting from the assumed average delay of three years between the setting of financial contributions and their receipt are to be charged annually on 1 July on:

- The capital expenditure as approved in the Schedule;

- And the financing costs calculated as in (ii) and (iii) above.

(v) Where, in lieu of payment of financial contributions, a developer constructs any of the *infrastructure* referred to in the Te Puke West Industrial Area Financial Contributions Schedule and that constructed *infrastructure* will also serve land within the Te Puke West Industrial Area beyond the land under *development* at the time, *Council* will collect financial contributions from subsequent developers benefiting from such previously established *infrastructure* in accordance with the Te Puke West Industrial Area Financial Contributions schedule contained in Appendix 7. The contributions collected shall then be paid directly to the prior developer concerned.