

(Updated: 2 July 2011)

OVERVIEW

The Act empowers the Council to require a financial contribution as a condition of a resource consent for the purposes specified in the Plan. Financial contributions provide the opportunity and the ability to offset any adverse effects (including cumulative adverse effects) arising from resource use, where it is impossible or unreasonable to avoid, remedy or mitigate those effects. A financial contribution may be required on both land use and subdivision consents.

The Council is also empowered by the Local Government Act 2002 to levy development contributions. Development contributions are levied in accordance with the Development Contributions Policy in the Long Term Council Community Plan. Generally, the Council levies the majority of contributions as development contributions. This chapter of the District Plan outlines the purposes for which financial contributions may also be taken, for matters that fall outside the scope of Local Government Act provisions for development contributions.

In addition to the contributions specified below, financial contributions may also be in the form of cash in lieu for required car parking spaces and paying the full cost of new road signs. These contributions are addressed in Chapter 35 and Chapter 31 respectively.

ISSUE 1	The need generated by new development to expand or upgrade existing infrastructure and services which are provided by the Council.
OBJECTIVE 1	To avoid, remedy or mitigate the adverse effects of new development on the physical infrastructure of the District.
OBJECTIVE 2	To ensure the costs of delivering infrastructure and services that are not recoverable through the Development Contributions Policy under the Local Government Act 2002 are fairly and reasonably borne by new development.

POLICIES

- 1.1** To ensure that where a new development, including subdivision and/or land use activity, necessitates an upgrade or expansion of reserves, network infrastructure or community infrastructure and the cost of that infrastructure or reserves is not being recovered through the Development Contributions Policy under the Local Government Act 2002, then a fair and reasonable proportion of the cost of the reserves and/or infrastructure will be recovered from the development in resource consent conditions as either financial contributions or works and services conditions or both.

- 1.2 To ensure that financial contributions are taken in order to offset or mitigate the adverse environmental effects of development, including impacts on public reserves, network infrastructure and community infrastructure.
- 1.3 To identify methods in the District Plan to ensure financial contributions are calculated in a fair and reasonable manner.

EXPLANATION AND REASONS

New development in the District may generate use of existing services and infrastructure provided by the Council which requires them to be expanded or upgraded. Where expansions or upgrades are anticipated by the Council, provision is likely to have been made for the necessary capital expenditure and works through the Council's Development Contributions Policy under the Local Government Act 2002. Where new infrastructure or upgrades are not anticipated, financial contributions can be used to offset or avoid, remedy, or mitigate adverse effects from new development. Financial contributions can be recovered through conditions on resource consent, either as cash and/or land or as requirement for works or services, so that the community is not indirectly subsidising new development. Double charging will be avoided by taking into account previous contributions made and other revenue sources (e.g. development contributions). Consideration will also be given to ensuring that financial contributions are borne fairly and reasonably by the developer, proportionate to the significance of any adverse effects caused or contributed to by the activity.

RULES

1. Provision of or Financial Contributions Towards Facilities, Works or Services which are Specific to a Proposed Subdivision

Where a proposed subdivision or other activity will create or add to the need for any new or additional works relating to reserves, network infrastructure or community infrastructure, the Council may, as a condition of the resource consent, require such works to be undertaken or an equivalent monetary contribution to be paid.

Provided that:

Prior to imposing such a condition the Council is satisfied that:

- The works are outside any Council-approved development programme for which development contributions are currently being recovered through the Council's Development Contributions Policy; and

- There is a direct relationship between the need for any financial contribution or works and the adverse environmental effects of a proposed activity, including adverse impacts on network and community infrastructure.

Provided further that:

The scope and terms of any such condition shall not exceed the extent to which the required works will serve the proposed activity. Where any additional or residual benefit to other users (either existing or likely in the future) will result from the required works, the proportionate fair share of costs applicable to the proposed activity in question will be calculated in accordance with Rule 2.

2. Calculating Contributions

Table 2.1: Maximum Amount of Contribution

For contributions for reserve purposes	Where a land or cash contribution is required for reserve purposes, the contribution shall be equivalent to a maximum of 7.5% of the current market value of the additional lots created, provided that where agreement between the Council and the applicant cannot be reached, the current market value shall be as assessed by a registered valuer acceptable to both parties, subject to the costs of obtaining such valuation being met by the applicant
For contributions for network infrastructure or community infrastructure, other than reserves	The level of contribution will be up to 100% of the actual or estimated costs, necessary to provide the new, or upgraded, or extended infrastructure.

Note for clarification: the formulas for calculating contributions that are contained in the Council's current Development Contributions Policy may be referred to as a guide in determining actual or estimated infrastructure costs.

The amount and type of the contribution may be reduced or waived by the Council. The reduction will be determined on the facts of each application with particular regard to the following matters:

- The connection between the amount or type of contribution sought and the benefits that the proposed development will enjoy;
- Whether a financial contribution has previously been paid or provided for a development on the site and it can be demonstrated that the purpose of the previous financial contribution was to avoid, remedy or mitigate adverse effects of a similar scale, intensity and nature.
- The extent to which the contributions sought are in reasonable proportion to the level of adverse effects caused or contributed to by the proposed activity;
- The extent to which any positive effects of the activity offset any adverse effects, including:
 - whether or not a benefit will accrue to the wider environment

- whether the heritage values of any listed cultural heritage items are being safeguarded.

3. Timing of payment of contributions

Financial contributions shall be paid prior to the issue of certificate under Section 224 of the Resource Management Act 1991, if subdivision is involved; or, if subdivision is not involved, it shall be paid prior to the uplifting of the necessary building consents under the Building Act 1991. If neither building consent or subdivision consent are involved, financial contributions shall be paid prior to giving effect to the land use consent that contains the condition requiring the financial contribution.

4. Provision of Esplanade Reserves or Strips where subdivision does not occur

Where a proposed activity adjoins a river, lake or the sea and subdivision does not occur, an esplanade reserve or strip may be required as a condition of consent and the provisions of Chapter 31 Section 12.2-12.5 of this Plan will apply. For avoidance of doubt, this clause does not apply within the Lyttelton Port Zone or for port related uses and development within the Port Environs Overlay Area. (Updated: July 2012)