# FC — Financial Contributions

Financial contributions in the District Plan and development contributions in the Council's Development and Financial Contributions Policy are separate tools that Council uses to fund growth related infrastructure and services.

Financial contributions can be required under the RMA in line with provisions in the District Plan. For example, financial contributions are required under this Chapter for reserves and where individual developments give rise to capital expenditure that is not planned and recovered via development contributions. In these cases, Council may impose a financial contribution for a permitted activity or through a resource consent.

Development contributions are used to help fund planned and budgeted capital expenditure related to growth for the activities and assets listed in the development contributions schedule of assets in the Development and Financial Contributions Policy.

The Council takes development contributions to fund growth-related infrastructure and services in most circumstances rather than financial contributions. The exception is financial contributions for reserves which are always required through the District Plan.

Outside reserves contributions, other financial contributions will generally only be required where the Development and Financial Contributions Policy does not apply or where the Development and Financial Contributions Policy does not address the type of adverse effects generated by the development or activity.

A financial contribution may also be required when an applicant proposes to off-set or provide compensation for any adverse effects generated by the development or activity.

This Chapter sets out where financial contributions may be required by Council, as well as how they are to be calculated and collected.

## Objectives

| FC-O1 | Financial contributions |
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| Subdivision, use and development contributes equitably towards the costs of upgrading or providing services, reserves, and infrastructure, as well as avoiding, remedying, mitigating, offsetting, and compensating for any adverse environmental effects. | |

## Policies

| FC-P1 | Fairness and equity |
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| Apply financial contributions in a fair and equitable manner that:<br>1. Complements Council's other financial management policies, including development contributions,<br>2. Recognises that different types of development may place different demands on services, reserves, and infrastructure,<br>3. Is proportionate to the actual demand of a development on those services, reserves, or infrastructure, including accounting for cumulative effects from other developments, and<br>4. Is in the form of money, or land, or a combination of both. | |
| **FC-P2** | **Providing sufficient services and infrastructure** |
| Require financial contributions where necessary to avoid, remedy, mitigate, offset, or compensate for the adverse effects of subdivision or development, including:<br>1. The full and actual costs of upgrading or providing new services or infrastructure where required solely to serve the new subdivision or development,<br>2. A contribution towards upgrading or providing new services and infrastructure that is proportionate to the demand created by the new development or subdivision,<br>3. A contribution towards existing services and infrastructure that is proportionate to its demand created by the new subdivision or development, accounting for cumulative effects from other developments, or<br>4. A contribution towards costs associated with maintaining and improving residential amenity. | |
| **FC-P3** | **Reserves contributions** |
| Require financial contributions for reserves for subdivision, residential development, commercial development, industrial development and other non-residential development that lead to an increase in demand or need for reserves and open space. | |

| FC-P4 | Reserves contributions in form of land |
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| Ensure that land within a subdivision which is proposed as a reserve contribution is located, sized, and designed to provide a quality contribution to the open space network and is consistent with the Council's reserve and open space acquisition and investment policy and strategy. | |
| **FC-P5** | **Retirement villages** |
| Recognise that the demand for services, reserves, and infrastructure associated with retirement villages are expected to be less than those from typical residential development on a per unit basis due to the age and mobility of older residents, on-site amenities, and operational efficiencies. | |

# Rules

| FC-R1 | Subdivision that creates any additional allotments |
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| **All zones** | 1. **Activity status:** Permitted<br><br>Where:<br>a. A financial contribution is provided in compliance with:<br>i. FC-S1: Purpose of financial contributions,<br>ii. FC-S2: Nature and timing of financial contributions,<br>iii. FC-S3: Amount of financial contributions — Reserves, and<br>iv. FC-S4: Amount of financial contributions — Services and infrastructure, and offsetting and compensation.<br>No financial contribution is required for the following:<br>1. An additional allotment solely for a network utility where the allotment is unoccupied and has no water or sewerage connection.<br>2. An additional allotment containing land set aside for ecological, historic heritage or cultural protection in perpetuity.<br>3. Except for a financial contribution for reserves, where a development contribution has been paid under the relevant Development Contribution Policy for planned infrastructure projects that includes a special assessment under the Development Contribution Policy for unplanned infrastructure projects.<br>4. The conversion of an existing residential unit development into unit titles, where this does not create any additional residential units that did not exist on the date of public notification of the Proposed District Plan. |
| **All zones** | 2. **Activity status:** Discretionary<br><br>Where:<br>a. FC-R1.1 is not complied with. |
| **FC-R2** | **Any land use activity** |
| **All zones** | 1. **Activity status:** Permitted<br><br>Where:<br>a. A financial contribution is provided in compliance with:<br>i. FC-S1: Purpose of financial contributions,<br>ii. FC-S2: Nature and timing of financial contributions,<br>iii. FC-S3: Amount of financial contributions — Reserves, and<br>iv. FC-S4: Amount of financial contributions — Services and infrastructure, and offsetting and compensation.<br>No financial contribution is required for the following:<br>1. Non-residential activity for which a building consent is required and that either is less than $20,000 exclusive of GST in value or has a GFA of less than 10m$^2$, unless the building consent is for a change of use.<br>2. In relation to any residential unit, the replacement, development, repair or renovation work generates no additional demand for reserves or infrastructure.<br>3. Where a contribution for the same purpose has already been made at the time of subdivision creating that lot.<br>4. Except for a financial contribution for reserves, where a development contribution has been paid under the relevant Development Contribution Policy for planned infrastructure projects that includes a special assessment under the Development Contribution Policy for unplanned infrastructure projects.<br>5. Where a development agreement between the applicant and Council provides that no financial contribution is required. |

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| **All zones** | 2. **Activity status:** Discretionary<br><br>Where:<br>a. FC-R2.1 is not complied with. |

## Standards

| FC-S1 | Purpose of financial contributions |
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| **All zones** | A financial contribution may be required for the following purposes:<br>1. Providing and/or upgrading services and infrastructure.<br>2. Providing and/or upgrading reserves.<br>3. Ensuring positive effects on the environment to offset or compensate any adverse effects that cannot otherwise be avoided, remedied or mitigated. |
| **FC-S2** | **Nature and timing of financial contributions** |
| **All zones** | 1. Financial contributions must be paid to Council by the following due dates:<br>a. For permitted activities where there is no resource consent, either:<br>i. Prior to issue of the code compliance certificate under the Building Act 2004, or<br>ii. At issue of the certificate of acceptance under the Building Act 2004.<br>b. For resource consent for subdivision, prior to release of the certificate under section 224(c) of the RMA for each stage.<br>c. For resource consent for land use, as and when required by any condition of that consent.<br>d. For service connection, at issue of the connection approval.<br>2. Financial contributions will be in the form of money, land, works or a combination of land, money and works, calculated in accordance with FC-S3 unless otherwise stated in a resource consent condition. |
| **FC-S3** | **Amount of financial contributions - Reserves** |
| **All zones** | 1. For residential development or subdivision, the financial contribution for reserves shall be the lesser of:<br>a. A contribution of an equivalent value equal to 7.5% of the total value of each additional allotment (plus GST). Value of the land is to be established on the basis of a registered valuer's report. Registered valuer's reports are to be produced at the applicant's cost and be no older than 3 months at the time the contribution is determined.<br>b. A contribution amount of $12,500 (plus GST) per additional allotment or residential unit.<br>2. For non-residential development or subdivision, the financial contribution for reserves shall be the lesser of:<br>a. A contribution of money equivalent to 0.5% of the value of the development (plus GST) in excess of $200,000.<br>b. A contribution amount of $12,500 (plus GST) per additional allotment created in Residential Zones, Commercial and Mixed Use Zones, Industrial Zones and Special Purpose Zones, or $7,500 (plus GST) per additional allotment created in Rural Zones.<br>**Note:**<br>Council may reduce the amount of a financial contribution that is required under this standard. FC-Table 2 lists the assessment matters for reducing the amount of financial contributions for reserves and determining the nature of the contribution, including whether land, cash, or a combination of land and cash will be required as the reserve contribution. |
| **FC-S4** | **Amount of financial contributions — Services and infrastructure, and offsetting and compensation** |
| **All zones** | 1. The amount of contribution shall be up to 100% of the actual or estimated costs, or land necessary to provide for the "Reasons for Financial Contribution" specified in FC-Table 1.<br>2. The estimated or actual cost of financial contributions, whether provided or constructed by the Council or otherwise shall be calculated in accordance with the matters for consideration set out in FC-Table 1.<br>3. The amount of financial contribution shall include any associated costs including but not limited to:<br>a. The reimbursement of legal costs incurred by Council in providing easements, encumbrances, covenants and the like. |

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| | b. The reimbursement of fees charged to Council by Government departments, local authorities and the suppliers of public utilities and infrastructure.<br>c. Survey work.<br>d. Any fees incurred by an adjoining local authority or network operator in processing the application.<br>e. Goods and Services Tax (GST). |

## FC-Table 1 — Financial Contribution Amount for Services and Infrastructure

| Purpose of financial contribution | Reasons for financial contribution | Matters for consideration in determining amount and/or nature of financial contribution |
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| Water supply | • Where an existing Council supply is available, the cost of connection with the existing system.<br>• Where an existing Council water supply is available, but the capacity and pressure of the system is inadequate to meet the additional generated demand by the proposed subdivision or development, the costs of connection and capacity upgrading of the existing system to meet the additional generated demand.<br>• Where an existing Council supply is not available, the cost of providing for the supply of water. | • Whether the new infrastructure/ upgrade/extension is already contained in the Development Contributions Policy.<br>• Whether other funding sources apply.<br>• The quality and quantity of the supply or disposal.<br>• The effect any additional connections may have on the existing system, its users, and/or on the quality and quantity of the supply or disposal.<br>• The age and value of the existing infrastructure. |
| Stormwater disposal services | • Where the existing Council stormwater infrastructure is available, the cost of connection with the existing stormwater system.<br>• Where the existing Council stormwater infrastructure is available, but the capacity of the system is inadequate to meet the additional generated demand by the proposed development or subdivision, the cost of connecting and capacity upgrading of the stormwater system to meet additional generated demand.<br>• Where the existing Council stormwater infrastructure is not available, the cost of providing a stormwater system. | |
| Wastewater disposal services | • Where an existing Council wastewater system is available, the cost of connection to it.<br>• Where an existing Council wastewater system is available, but its capacity is inadequate to meet the additional generated demand by the proposed development or subdivision, the cost of connecting and capacity upgrading to meet additional generated demand.<br>• Where an existing Council wastewater system is not available, the cost of providing it. | |
| Transport network infrastructure | • The costs of specific works needed to service the use, subdivision or development and/or mitigate the effects on safety, efficiency and function of the transport network. | • Whether the new infrastructure/ upgrade/extension is already contained in the Development Contributions Policy.<br>• Whether other funding sources apply.<br>• The current standard and estimated carrying capacity of the transport network the subdivision, development or land use will connect to.<br>• The current number of users of the transport network and the estimated increase in |

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| | | number of users as a result of the subdivision, development or land use.<br>• The sensitivity and location of activities adjoining the transport network adjacent to the subject site.<br>• Sight distances and the presence of blind spots within the adjacent transport network and the standard and adequacy of intersections.<br>• The need to improve the transport network to accommodate additional traffic generated (taking into account both type and numbers of traffic generated) by the subdivision, development and/or land use.<br>• The benefit to the subdivision or land use arising from the improvement to the transport network relative to the benefit to existing users and other members of the public.<br>• The estimated number of future users of the transport network, assuming degrees of development and growth anticipated by the standards in the District Plan.<br>• The likely route from the site to key locations in the City. |
| Offsetting and compensation of adverse effects | • The amount of money or land or both needed to offset or compensate for any adverse environmental effects that cannot otherwise be avoided, remedied or mitigated. | |

## FC-Table 2 — Financial Contribution Amount and Nature for Reserves

| Purpose of financial contribution | Matters for consideration in determining amount and/or nature of financial contribution |
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| Reserve contributions | 1. In determining whether the amount of the financial contribution for reserves should be reduced the following matters will be taken into account:<br>a. Whether there will be an increase in intensity of use of land which will lead to an increase in demand or need for reserves and open space.<br>b. Whether the development generates lower levels of demand or need for reserves and open space per residential unit than the average (e.g. retirement villages).<br>c. Whether there will be changes to the nature and character of the use of land which will have adverse effects on the environment.<br>d. The nature, type and suitability of recreation and open space provisions provided by the development.<br>e. The amount, type and distribution of open/recreation space and whether they are adequately meeting community needs and requirements.<br>f. The nature of the topography, natural features, vegetation, landscape and visual amenity values of the land being developed to meet community open space and recreational requirements and/or to ensure protection of amenity values.<br>g. The amount of reserve contribution paid on the land in the last ten years.<br>h. The amount and nature of planting or improvements made to new and existing reserves and open space areas.<br>2. In Council determining whether land, cash, or a combination of cash and land will be required as the reserve contribution, the following matters will be taken into account:<br>a. The size and nature of the proposed open/recreation space.<br>b. The ability of the open/recreation space to be used for the proposed purpose.<br>c. The distance and accessibility of the proposed open/recreation space to users.<br>d. The cost of maintaining the proposed open/recreation space.<br>e. The topography of the proposed open/recreation space.<br>f. The ability to link the proposed open/recreation space to an existing or future network of open/recreation space and/or community facilities.<br>g. For commercial and industrial activities, the amount of floor area to be used exclusively for public recreation activities. |