

<b>Policy:</b>	<b>Development and Financial Contributions Policy</b>
<b>Department:</b>	<b>Corporate Services</b>
<b>Approved by:</b>	<b>Council</b>
<b>Effective date:</b>	<b>8 July 2024</b>
<b>Next review date:</b>	<b>June 2027</b>
<b>Document Number:</b>	<b>D24/10298</b>

## 1. Purpose

- 1.1 Section 102(2) of the Local Government Act 2002 requires the Council to adopt a policy on development contributions (money or land required from developers under the provisions of the Local Government Act 2002) or financial contributions (money or land required from developers under the provisions of the Resource Management Act 1991 and the Stratford District Plan).

## 2. Scope

- 2.1 This policy will be considered for all resource consent applications where the cost of providing or upgrading the public infrastructure can be attributed to the development.

## 3. Objectives

- 3.1 Requiring developers to pay the actual costs of extending services is considered to be a fair approach to encourage an efficient, consolidated, compact pattern of land use. It is recognised that the true costs of service provision for an extended network would include not only the actual cost of the extension, but also a share of the costs that have been invested by the community in the establishment of the existing service network.
- 3.2 As a general rule, the Council will use financial mechanisms to ensure that ratepayers do not subsidise land developers who are seeking to extend service networks to serve their subdivisions and developments while there is still spare capacity on the existing network.
- 3.3 Section 106 of the Local Government Act 2002 sets out the requirements for a Financial Contributions Policy, which a local authority must adopt under Section 102(2)(d).

## 4. Principles

- 4.1 There are no instances in which Council will require development contributions under the Local Government Act 2002.
- 4.2 There are instances where Council may require financial contributions under the Resource Management Act 1991. These instances are where subdivision of land is proposed or development occurs and, as a result, there would be an increase in demand on Council's infrastructural services, including reserves, stormwater, water supply, wastewater, and roading. In these instances the developer is required to make a contribution to Council to provide for the additional demand and to mitigate potential effects in accordance with the District Plan as provided for by the Resource Management Act 1991. Payment is required at the time of subdivision or development.

## 5. Background

- 5.1 Development contributions are provided for under Sections 201 through 211 of the Local Government Act 2002. The Stratford District Council does not have a policy on development contributions due to the complex methodology imposed by the legislation and the requirement to demonstrate growth in order to apply and collect development contributions.
- 5.2 Council requires financial contributions as conditions of resource consents to ensure that any adverse effects from subdivision and development on the natural and physical resources of the district are minimised. Such contributions may be in the form of cash, land, or physical works, and may be for the purposes of, as stated in C2 of the Stratford District Plan:
- Provision of new roads, private ways, access lots, service lanes and access-ways.
  - Provision for maintaining, upgrading and/or widening of existing roads.
  - Provision of stock underpasses.
  - Provision for footpaths.
  - The provision of off-street parking.
  - The carrying out of earthworks including excavation, filling and compaction.
  - The carrying out of landscape design and land rehabilitation, including (but not limited to) the revegetation of modified or cleared land and the planting of trees and shrubs.
  - The provision of fencing or screening.
  - Provision of water supply.
  - Provision for sewerage systems.
  - Provision for stormwater control and disposal systems, including during construction of any works.
  - Provision for electricity supply.
  - Provision for gas supply.
  - Provision for street lighting.
  - Provision for telephone supply.
  - Provision of -
    - land for public open space, public recreation, community facilities or community purposes and for other reserves purposes; and/or
    - cash, for the purpose of upgrading or maintaining public open space, upgrading land or facilities for public recreation, upgrading land or facilities used for community purposes, or for the provision of street furniture.
  - The protection of -
    - notable trees and areas of indigenous forest;
    - outstanding natural features and landscapes;
    - heritage resources;
    - ecologically sensitive areas, including (but not limited to) wetlands and habitats of indigenous flora and fauna;
    - riparian margins, through the creation of esplanade strips or esplanade reserves.”

## 6. Policy Statement

- 6.1 Council requires financial contributions, land, physical works, or combinations thereof (i.e. monetary and land transfer), where land is developed or subdivided. The contribution shall be calculated in accordance with C.1.2.2 of the Stratford District Plan which is a fixed percentage of the unimproved land value.
- 6.2 The intention is that the contribution will positively and equitably contribute towards the sustainability of the environmental and infrastructural resources of the district.
- 6.3 During the period of the Long Term Plan 2024-34, Council has identified expenditure on growth infrastructure related to a council subdivision. Part of the cost of the development work will be funded from the Financial Contributions reserve. Decisions on the use of the Financial Contributions reserve for funding expenditure will be made by elected members on an annual basis for the following financial year.

- 6.4 All Financial Contributions received will go into the Financial Contributions Reserve, with the balance to be reported to elected members annually.
- 6.5 Council may, from time to time, request that expenditure that relates to the following, be funded from this reserve.
- Enabling kaitiakitanga and preservation of the natural environment for future generations.
  - Sustainable development.
  - Comprehensive social, recreational and cultural facilities accessible to all.
  - Clean air, water and land; and
  - A diverse natural environment that is accessible to all