

PART 2: SUBSTANTIVE POLICY

7 Basis for this Policy

7.1 Legislative requirements

7.1.1 This document sets out the Council's policy on development contributions under the Local Government Act 2002 (LGA 2002). Under section 102(4)(d) of the LGA 2002, the Council is required to adopt a policy on development contributions or financial contributions as a component of its funding and financial policies in its Long Term Council Community Plan ('LTCCP').

7.1.2 Section 198 of the LGA 2002 provides the Council with the power to require a contribution from developments.

7.1.3 This Policy has been prepared to meet the requirements for development contribution policies set out in sections 106, 197-211, and Schedule 13 of the LGA 2002. In summary, this Policy:

- Summarises and explains the capital expenditure identified in the 2009 to 2019 LTCCP that the Council expects to incur to meet the increased demand for network infrastructure (roads, water, wastewater and stormwater collection and management) and reserves resulting from growth; and
- States the proportion of that capital expenditure that will be funded by development contributions; and
- Explains the rationale for using development contributions as the funding mechanism (as opposed to other mechanisms such as financial contributions, rates, or borrowings); and
- Specifies the level of contribution payable in different parts of the city; and
- Specifies when a development contribution will be required; and
- Prescribes conditions and criteria applying for remission, postponement and refund of development contributions.

7.2 Relationship with financial contributions in the District Plan

7.2.1 This Policy is distinct from and in addition to the provisions in the District Plan that provide the Council the discretion to require financial contributions under the Resource Management Act 1991.

7.2.2 The Council will apply this Policy where a development contribution is payable for a particular purpose within a catchment and for all citywide contributions.

7.2.3 However, where a development results in the Council incurring capital expenditure that is not included in the LTCCP capital expenditure in this Policy, the Council may impose a financial contribution as a condition of resource consent under section 3.4.5 of the District Plan which states that:

“Where a proposed development creates the need for increased capacity or upgrades to infrastructure at the point of connection (in terms of traffic,

stormwater, sewers, or water) the Council may require a payment towards the cost of necessary works. The Council will set a payment on the basis of what is believed to be a fair and appropriate proportion of the costs that should be borne by the developer (up to 100%)”.

- 7.2.4 The Council will also continue to impose financial contributions on any development to which this Policy does not apply.

7.3 Summary of financial contributions

- 7.3.1 Under the Local Government Act 2002, the Council is required to summarise the provisions that relate to financial contributions in the District Plan. The financial contributions provisions are set out in section 3.4 of the District Plan. They are made up of development impact fees (section 3.4.3 and 3.4.4), payments required under 3.4.5 (set out above) and vesting of land (section 3.4.6). The exact development impact fees are set out in a separate *Guide to Development Impact Fees*.