



Development and Financial Contributions Policy

27 June 2018

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PURPOSE

The purpose of the Development and Financials Contribution Policy is to define the circumstances where Masterton District Council (MDC) will charge development or financial contributions.

SCOPE

This policy applies to contributions requested from developers and subdividers.

POLICY STATEMENT

MDC will charge financial contributions using the provisions of section 108 of the Resource Management Act 1991 (RMA), specifically using the Wairarapa Combined District Plan (WCDP) Chapter 23.

As further subdivision occurs and new activities are established, the existing amenities and infrastructure come under pressure. Financial contributions are a way of ensuring that any adverse effects from subdivision and development on the environment or on community resources are minimised. Such contributions can be in the form of money, land, works or services and may include the provision of roads or services, the protection of an important historic or natural feature, the visual enhancement of a site through landscape treatment or the provision of access to a hitherto inaccessible river or stream.

The table below details the financial contributions (plus GST) that MDC requires from developers/subdividers.

Type of Contribution	Value of Contribution
Reserves Contribution	Urban 3% of Land Value Rural 2% of Land Value
Roading Contribution	Urban 2% of Land Value Rural 3% of Land Value In the rural zone a maximum of \$7,500 plus GST applies per new lot for the Roothing and Reserves contributions combined.
Infrastructure Contribution	Payable where connections can be made to Masterton urban infrastructure services, \$5,000 (plus GST) per lot or per each residential equivalent use of the services. Payable by existing lots for new connections to Masterton urban services, \$2,000 water supply, \$3,000 sewerage connection. Capital contributions are payable to join/connect to rural water supply and sewerage schemes – on connection for exiting sections, on creation of title for new subdivisions. Amounts payable for specific schemes are listed in the fees and charges section of the Long-term Plan (LTP). Capacity specific infrastructure charges may be levied per the WCDP (in accordance with the RMA). These charges are dependent on a development's assessed impact on the future network upgrade needs. The current applicable charges are listed in the fees and charges appendix to the LTP.
Parking Contribution	The nominal charge of \$5,000 (plus GST) per parking space is required if a development is unable to provide sufficient spaces

The contributions are contained in a schedule of conditions for consent in respect to subdivisions of land, where further lots are created, or on application to make a new connection to urban services.

The WCDP makes provision for charging developers for a share of the cost of providing or upgrading infrastructure, where the development is driving the need to upgrade infrastructure to service the development, or the upgrade has occurred in advance of the development and the share is recovering the MDC's investment.

As funds are received they accumulate in MDC reserves and attract interest. There are separate funds for parks and reserves, roading and urban infrastructure contributions. MDC has committed some of the contribution funds to specific capital projects in the 2018-28 LTP. The balance of the income into these funds remains unallocated, but available to be drawn on for projects which qualify with the basis for taking the original contributions.

Reserves contributions income averages some \$230,000 per annum over the 10 years of the LTP. Expenditure of these funds includes upgrading of Queen Elizabeth Park and other reserves within the district.

Roading contributions are forecast to average some \$160,000 per annum in 2018-19, \$140,000 in 2019-20 and \$100,000 each year thereafter, through to Year 10. Expenditure of these funds includes the upgrading of Solway Crescent to full urban standard. Funds may be utilised in the future for roading upgrades and safety improvements.

Urban infrastructure contributions are forecast to average some \$200,000 per annum over the 10 years. Expenditure of these funds provided for in the LTP includes water supply, sewerage reticulation and stormwater asset upgrades. An allocation of \$10,000 per annum is allowed as income tagged to specific infrastructure needs.

Section 101 (3) of the Local Government Act (LGA) requires that funding must be met from sources that the local authority determines to be appropriate. Financial contributions are collected in compliance with the WCDP and the objectives and policies are as follows:

Objective – Reserves & Open Space (p18-12)

To substantially manage and develop the reserve and open space network to cater for current and future community needs and to protect and enhance significant environmental assets.

Objective – Sustainable Infrastructure Development (p18-9)

To maintain sustainable and efficient public infrastructure that meets the additional demand generated by development and subdivision, whilst avoiding, remedying or mitigating adverse effects on the environment.

Subdivision, Land Development and Urban Growth (p18-1)

The primary purpose of financial contributions is to ensure development adequately pays for the cost of the additional demand placed on community assets, including:

Reserves Contributions – Contributions towards meeting the additional demand placed on a district's reserve assets, such as sports fields, parks and open space, and biodiversity.

Infrastructure Contributions – Contributions towards meeting the additional demand placed on network infrastructure such as roading, water supply, stormwater disposal, and sewage disposal networks.

REVIEW OF POLICY

This policy will be reviewed every three years as part of the LTP process.

The next review in 2021 will include the conversion of this policy to one adopted under the provisions of the LGA, sec 106. The ability to charge these development contributions under the provisions in the WCDP and the RMA will be removed by 2022. The LGA requires disclosure of the full methodology of the calculations for contributions.

RELATED DOCUMENTS

Wairarapa Combined District Plan

REFERENCES

Local Government Act 2002
Resource Management Act 1991

VERSION CONTROL

Date	Summary of Amendments	Approved By
2015	Reviewed as part of 2015-25 Long-Term Plan process.	Masterton District Council
27/6/2018	Reviewed as part of 2018-28 Long-Term Plan process.	Masterton District Council