

# STRATFORD DISTRICT COUNCIL

## **POLICY: DEVELOPMENT AND FINANCIAL CONTRIBUTIONS**

<b>DEPARTMENT:</b> Corporate Services	<b>RESPONSIBILITY:</b> Director Corporate Services
<b>REVIEW DATE:</b> 2021	<b>NEXT REVIEW:</b> 2024
<b>VERSION:</b> 5	<b>APPROVAL DATE:</b> February 2021

### **INTRODUCTION**

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).

Requiring developers to pay the actual costs of extending services is considered to be an appropriate method of encouraging 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.

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.

### **DEVELOPMENT CONTRIBUTIONS**

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. The Council has not budgeted for any growth expenditure in the Long Term Plan 2021-31, except for a subdivision which is anticipated to be self-funding.

### **FINANCIAL CONTRIBUTIONS**

Financial contributions (whether cash, land, works or services) may be required from developers where the cost of providing or upgrading the public infrastructure or utility service can be attributed to a development.

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).

The Resource Management Act 1991 requires the Council to manage the effects of subdivision and development in a manner that promotes the sustainable management of the district's natural and physical resources. Contributions from developers provide a means of offsetting, avoiding, remedying or mitigating the adverse effects of such activities. Contributions may be required as conditions of resource consents pursuant to that Act.

The purposes, circumstances and maximum amounts of any financial contribution are detailed in C1 and C2 of the Stratford District Plan.

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 include, 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 system 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.”

### **FINANCIAL CONTRIBUTIONS RESERVE**

All Financial Contributions received will go into the Financial Contributions Reserve, with the balance to be reported to elected members annually.

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

### **REVIEW OF FINANCIAL CONTRIBUTIONS**

A review of what development Financial Contributions may be collected for, and how, and the maximum amounts that can be collected for each type of development must be carried out in conjunction with a review of the District Plan, as the Financial Contributions Policy must align with the District Plan.