

Briefing Paper: Development Contributions Policy March update

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Ngā whāinga | Purpose

To provide an update to the Development Contributions Policy project

Horopaki | Context

Under section 102 of the Local Government Act 2002, Council must have a policy on development and financial contributions.

Council's current Development Contributions Policy does not require development contributions. Council's operative District Plan requires financial contributions for the retention of esplanade areas and car parking provisions associated with non-residential activities.

To decide whether to charge development contributions, Council should consider the following:

- Is the district experiencing growth, or do population projections suggest growth soon?
 - Recent population projections identify that growth is now occurring in the district.
- Will (or has) that growth require(d) Council to incur capital expenditure to service it?
- Is the capital expenditure for network infrastructure, reserves, or community infrastructure?
- Will the revenue raised be greater than the costs of preparing a policy and administering it?

Capital infrastructure required to service growth

To require development contributions, Council must identify the amount that Council is planning to spend on new infrastructure to address growth needs.

Best practice growth planning is via spatial planning. Council does not currently have completed spatial plans.

Although not as comprehensive as a spatial plan, evidence to support infrastructure planning for growth can be obtained in other ways, for example the District Plan.

The gap analysis identified that it is possible for Council collate the necessary growth planning information for a development contributions policy for three water and roading assets. There is not sufficient evidence available for reserves and community infrastructure.

In the December 2023 update on the Development Contributions Project, staff committed to the following next steps:

- Staff will stay informed of three waters reform legislative changes and provide advice to Council where appropriate.
- Staff will report back to Council the outcomes of the traffic modelling.
- Staff will present a decision report to the February Council regarding Financial Contributions.

Ngā kōrerorero | Discussion

Development contributions for three waters assets

Under the three waters reform legislation, Council was not able to require development contributions on three waters assets. Instead, Water Infrastructure Contributions were to be set and administered by Wai Tāmaki ki Te Hiku.

However, the Government repealed the Three Waters legislation on 17th February 2024.

Council now has the ability to collect development contributions for three waters assets under the Local Government Act 2002.

As previously reported, a gap analysis identified that it is possible for Council to collate the necessary growth planning information for a development contributions policy for three waters assets.

Staff will begin to:

- collate the necessary growth planning information for a potential development contributions policy for three water assets
- identify if the estimated revenue raised will be greater than the costs of preparing a policy and administering it.

Development contributions for roading assets

Severe events over the 22/23 summer period caused significant damage to the district's roading network. Northland Transport Alliance needs to concentrate solely on resilience and repairing the road network. No subsidy will be available from Waka Kotahi to support the development of further growth-related road improvements.

Traffic modelling has identified that 30-year growth predictions may impact on congestion in the Kerikeri CBD. The Kerikeri CBD Bypass is currently the only identified project to reduce congestion in Kerikeri CBD.

Further analysis is required to identify the proportion of the Kerikeri CBD Bypass project that is attributable to growth and to determine whether the estimated revenue raised will be greater than the costs of preparing a policy and administering it.

Financial contributions

A report on Financial Contributions was postponed to the March Council meeting as requested by the Mayor. A workshop was held with elected members on 21 February 2024

Financial contributions generally address the direct impacts of a particular development, and their purpose is to help pay for measures that will avoid, remedy or mitigate adverse effects on the environment, or offset adverse effects in some other way. The definition of 'environment' is broad and includes people and communities.

Growth planning evidence is not required to set financial contributions.

For example, financial contributions could be required for the following purposes:

- creating open spaces (including recreation areas, visual buffers, and amenity areas)
- adding capacity to or otherwise enhancing existing open spaces (including recreation areas, visual buffers, and amenity areas)
- giving public access to coastal areas, reserves, bush areas, or areas of special character
- providing new or upgrading existing infrastructure such as roads, transportation infrastructure
- protecting or enhancing amenities, habitats, ecosystems, landscape features and archaeological heritage or cultural values
- avoiding, remedying, or mitigating land use activity or subdivision impacts upon sensitive parts of the natural and physical environment.
- providing new or upgrading existing community amenities (such as libraries, community halls, leisure facilities and public toilets).

Councils can require both financial contributions and development contributions as long as councils do not charge for the same thing under both.

The Proposed Far North District Plan (PDP) does not require financial contributions. Financial contributions provisions within a district plan must be adopted through a plan change process under Schedule 1 of the RMA, which provides for rights of submission and appeal to the Environment Court. Once in effect, the provisions remain in force for at least 10 years or until changed by the council.

E whai ake nei | Next Steps

Staff will:

- collate the necessary growth planning information for a potential development contributions policy for three water assets and the Kerikeri Bypass project.
- identify if the estimated revenue raised will be greater than the costs of preparing a policy and administering it.

Staff will report back to Council the outcomes of the growth planning and financial analysis.

Staff will present a decision report to the March Council meeting regarding Financial Contributions.

Ngā tāpiritanga | Attachments

Nil
