
REPORT 1
(1215/11/IM)

APPROVAL OF PROPOSED DISTRICT PLAN CHANGE 51: AMENDMENTS TO FINANCIAL CONTRIBUTIONS PROVISIONS

1. Purpose of Report

To obtain Council approval for Proposed District Plan Change 51 to the Wellington City District Plan to be made operative (pursuant to Clause 17 of the First Schedule RMA 1991).

2. Recommendation

It is recommended that Council:

- 1. Receive the information.*
- 2. Agree to approve District Plan Change 63 as notified on 23 September 2006 attached as Appendix 1 to this report.*

3. Background

Proposed District Plan Change 51 addresses amendments to financial contribution provisions. The proposal was drafted in response to amendments to the Local Government Act 2002, which has required Council to prepare and adopt policy on Development Contributions as a component of its funding and financial Policies in its Long Term Council Community Plan. The resultant Development Contributions Policy (adopted 1 July 2005) is now the principle means under which the Council can obtain development contributions to help fund infrastructure required as a result of growth.

The Plan Change amends rules that apply to permitted activities and proposes to:

- delete the requirement for the taking of financial contributions for permitted activities in Residential, Suburban Centres, Institutional Precincts, Airport and Golf Course Recreation Precinct, Central Area, Rural, Open Space and Conservation Areas and for Utilities, and
- make a number of consequential amendments and deletions to references to Permitted Activities under section 3.4 which sets out the requirement for financial contributions.

4. Discussion

Plan Change 51 was notified on 23 September 2006, with submissions closing on 6 November. One submission was received, requesting various amendments which were beyond the scope of the plan change. Following legal advice and discussion with the submitter, the submission was subsequently withdrawn.

As no submissions were received, a public hearing is not necessary, and Council may approve the proposed change without further formality (pursuant to the Resource Management Act).

Following approval, the Plan Change will become *operative* on a date to be set in a public notice under Clause 20 of Schedule 1 to the Act.

5. Conclusion

As there is now no opposition to the proposal following public notification, it is recommended that Council approve Proposed Plan Change 51 as notified in the Dominion Post on 23 September 2006 (attached as Appendix 1).

Report from: *Jason Jones, Planning Technician City Planning Unit*

Plan Change Document

WELLINGTON CITY DISTRICT PLAN

PROPOSED DISTRICT PLAN CHANGE 51– AMENDMENTS OF FINANCIAL CONTRIBUTION PROVISIONS

ALTERATIONS TO THE WELLINGTON CITY DISTRICT PLAN

Detailed below are the amendments to the Wellington City District Plan to incorporate changes to Volume 1, General Provisions Chapter, specifically Provision 3.4 which deals with Financial Contributions and the Permitted Activity Rules of the Residential, Suburban Centre, Institutional Precinct, Airport and Golf Course Recreation Precinct, Central Area, Rural, Open Space, Conservation Site and Utility Chapter Areas. To assist with the understanding of the amendments, an annotated copy of the changes to section 3.4 – Financial Contributions and the various chapter areas (5, 7, 9, 11A, 11B, 13, 15, 17, 19 & 23) in Volume 1 of the District Plan is provided as an attachment.

ALTERATIONS TO VOLUME ONE,

General Provisions Chapter, Section 3.4 (Financial Contributions) -
Make the following amendments:

3.4.1 Introduction

1. **Delete** the following words in the first paragraph, first and second lines, after the word 'imposed':

“on Permitted Activities and”

2. **Add** the following text to the first paragraph, in the last line, after the word 'objectives':

“and are distinct from and in addition to the Development Contributions Policy which provides the Council with an alternative method to obtain contributions to fund infrastructure required as a result of growth.”

- 3 **Delete** the following words in the third paragraph, in the last line, after the word 'on'

“Permitted Activities or as conditions”

3.4.2 Financial Contributions Objectives and Policies

- 4 **Delete** the following words in the fourth line of the italicised explanatory statement after the word 'be'

“conditions on permitted activities or”

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3.4.3 Financial Contribution Requirements

- 5 **Delete** all of Section 3.4.3.1 - Council may require development impact fees from Permitted Activities.
- 6 **Delete** the last number '2' from 3.4.3.2 - Activities Requiring a Resource Consent
- 7 **Add** the number '1' as the last number to read 3.4.3.1 - Activities Requiring a Resource Consent

3.4.4 Development Impact Fees

- 8 **Delete** the following words in the second line of 3.4.4.1 after the word 'contribution,'
- "both from Permitted Activities, and"

Residential Rules Chapter 5. Make the following amendments:

5.1 Permitted Activities

- 9 **Delete** the following words in the first paragraph, in the third and fourth lines, after the word 'conditions':
- "and payment of any financial contribution (refer to rule 3.4):"
- 10 **Add** a full stop (.) after the word 'conditions' in the third line of the first paragraph.

Suburban Centre Rules Chapter 7. Make the following amendments:

7.1 Permitted Activities

- 11 **Delete** the following words in the first paragraph, in the second and third lines, after the word 'conditions':
- "and payment of any financial contribution (refer to rule 3.4):"
- 12 **Add** a full stop (.) after the word 'conditions' in the second line of the first paragraph.

Institutional Precinct Centre Rules Chapter 9. Make the following amendments:

9.1 Permitted Activities

- 13 **Delete** the following words in the first paragraph, in the second and third lines, after the word 'conditions':
- "and payment of any financial contribution (refer to rule 3.4):"
- 14 **Add** a full stop (.) after the word 'conditions' in the second line of the first paragraph.

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Airport Area Rules Chapter 11A. Make the following amendments:

11.1 Permitted Activities

15 **Delete** the following words in the first paragraph, in the second and third lines, after the word 'conditions':

“and payment of any financial contribution (refer to rule 3.4):”

16 **Add** a full stop (.) after the word 'conditions' in the second line of the first paragraph.

Golf Course Recreation Area Rules Chapter 11B. Make the following amendments:

11.5 Permitted Activities

17 **Delete** the following words in the first paragraph, in the second and third lines, after the word 'conditions':

“and payment of any financial contribution (refer to rule 3.4):”

18 **Add** a full stop (.) after the word 'conditions' in the second line of the first paragraph.

Central Area Rules Chapter 13. Make the following amendments:

13.1 Permitted Activities

19 **Delete** the following words in the first paragraph, in the second and third lines, after the word 'conditions':

“and payment of any financial contribution (refer to rule 3.4):”

20 **Add** a full stop (.) after the word 'conditions' in the second line of the first paragraph.

Rural Area Rules Chapter 15. Make the following amendments:

15.1 Permitted Activities

21 **Delete** the following words in the first paragraph, in the second and third lines, after the word 'conditions':

“and payment of any financial contribution (refer to rule 3.4):”

22 **Add** a full stop (.) after the word 'conditions' in the second line of the first paragraph.

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Open Space Rules Chapter 17. Make the following amendments:

17.1 Permitted Activities

23 **Delete** the following words in the first paragraph, in the second and third lines, after the word 'conditions':

“and payment of any financial contribution (refer to rule 3.4):”

24 **Add** a full stop (.) after the word 'conditions' in the second line of the first paragraph.

Conservation Site Rules Chapter 19. Make the following amendments:

19.1 Permitted Activities

25 **Delete** the following words in the first paragraph, in the second and third lines, after the word 'conditions':

“and payment of any financial contribution (refer to rule 3.4):”

26 **Add** a full stop (.) after the word 'conditions' in the second line of the first paragraph.

Utility Rules Chapter 23. Make the following amendments:

23.1 Permitted Activities

27 **Delete** the following words in the first paragraph, in the second and third lines, after the word 'conditions':

“and payment of any financial contribution (refer to rule 3.4):”

28 **Add** a full stop (.) after the word 'conditions' in the second line of the first paragraph.

ANNOTATED CHAPTERS OF THE OPERATIVE DISTRICT PLAN INCLUDING PROPOSED DISTRICT PLAN CHANGE 51 PROVISIONS

Additions are identified as underlined.

Deletions are identified as ~~struck through~~.

Note:

This annotated version does not form part of the proposed plan change and is included for information purposes to show the plan change proposals in context.

3.4 Financial Contributions

3.4.1 Introduction

The financial contributions provisions in the District Plan deal with conditions imposed ~~on Permitted Activities~~ and land use and subdivision consents. Financial contributions are used as a mechanism for achieving the Plan's objectives and are distinct from and in addition to the Development Contributions Policy which provides the Council with an alternative method to obtain contributions to fund infrastructure required as a result of growth.

In the context of new development the District Plan uses financial contributions to build into the cost of the development any physical, environmental or social costs that can be identified. It does this by ensuring that the developer avoids, remedies, mitigates or compensates for any adverse effects.

Section 108(9) of the Resource Management Act 1991 allows the imposition of a variety of financial contributions to achieve the purpose of the Act. Financial contributions can take several forms and may be imposed as conditions on ~~Permitted Activities or as conditions~~ on a land use or subdivision consent.

In this Plan, financial contributions are used for three reasons:

- to provide a fair and reasonable contribution to finance the extension or development of bulk services or other infrastructure costs as a result of a resource consent or development activity
- to provide a fair and reasonable way to ensure adequate provision of reserves (including esplanade reserves/strips) to meet community needs generated by a development project
- along with other provisions to provide a mechanism to avoid, remedy, or mitigate and/or offset adverse effects on the environment.

The types of financial contribution applying in this District Plan are:

- requiring the payment of development impact fees
Development impact fees are intended to offset the cost of future capital works and reserves acquisitions necessitated by new development. Fees will vary for different types of development and also between areas in the city.
- requiring payment for the cost of carrying out works off-site that are deemed necessary as a result of the development
Payment for the cost of off-site works will be required in situations where existing infrastructure needs to be upgraded to cope with new development.
- requiring that land be vested in Council ownership.
The vesting of land will be required in cases where an esplanade reserve is created, and where such land furthers Council's reserves strategy. Generally land for reserves will be accepted in lieu of fees payable or simply purchased. In certain cases, however, the vesting of land will be required, at a rate in accordance with the fee payable for the reserves impact fee for the area concerned.

This part of the Plan sets out the types of financial contribution which may be imposed as conditions on land use and subdivision consents. In each case it sets out the circumstances in which they are imposed, the method by which they are determined and the maximum amount payable. The actual amount in any one case will be calculated according to the method of calculation in rule 3.4.4.3. A Guide to Development Impact Fees which details fees based on the formulae and current costs is available from Council offices.

3.4.2 Financial Contributions Objectives and Policies

OBJECTIVE

- 3.4.2.1 To ensure that the costs of servicing development with infrastructure and reserves is included in the cost of development in a fair and equitable manner.**

POLICIES

To achieve this objective, Council will:

- 3.4.2.1.1 Identify within the Plan the method of calculating financial contributions and maximum amounts payable.**
- 3.4.2.1.2 Identify the instances where fees will be imposed to mitigate the impacts of development on city infrastructure and on the wider environment.**
- 3.4.2.1.3 Identify within the Plan the basis for requiring fees, in terms of expected population growth and anticipated services expansion required to service new development.**
- 3.4.2.1.4 Identify within the Plan the uses to which any funds collected may be applied.**

METHODS

- Rules
- Other mechanisms (Guide to Development Impact Fees)

It is Council policy that the full costs of all developments are faced by the applicant, including impacts on traffic flows, reserves, drainage, sewerage, water supply and the natural environment. For this reason financial contribution mechanisms have been developed to remedy or mitigate internal and external site effects. Financial contributions may be conditions on permitted activities or conditions on resource consents.

The results will be the setting and collection of financial contributions from development that represent a fair share of the cost of servicing that development with infrastructure and reserves.

3.4.3 Financial Contribution Requirements

~~3.4.3.1 Council may require development impact fees from Permitted Activities.~~

~~Where an activity is classed as a Permitted Activity in this Plan, it is only a Permitted Activity subject to the meeting of any financial contributions which the Council may impose in accordance with the policies, rules, and maximums specified in sections 3.4 to 3.4.6.~~

<p>RESIDENTIAL ACTIVITIES: erection or creation of household units</p>	<p>Development impact fees are required when an additional household unit is created, for example, when an additional house is built, or an existing one divided into flats. No contribution is required for the first household unit created.</p> <ul style="list-style-type: none"> • development impact fees may be up to the amounts listed under 3.4.4.9 for each additional household unit for each service type (which may include water, traffic, sewers, stormwater and reserves). Details of exact fees applying in different areas are contained in the Guide to Development Impact Fees, available from the Council.
<p>NON RESIDENTIAL ACTIVITIES: Central</p>	<p>Financial contributions are required in respect of any permitted commercial developments involving an increase to the gross floor area of</p>

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Area, Suburban Centres	<p>more than 50m²:</p> <ul style="list-style-type: none"> development impact fees may be up to the amounts listed in rule 3.4.4.9 per 100m² gross floor area, for each service type (which may include water, traffic, sewers, stormwater and reserves). Details of exact fees applying in different areas are contained in the Guide to Development Impact Fees, available from the Council.
SUBDIVISION:	Where subdivisions meet the conditions for Permitted Activities, no financial contributions are required.

3.4.3.2.1 Activities Requiring Resource Consent

Council may impose conditions on a resource consent requiring one or more financial contributions in accordance with the policies, rules and maximums specified in sections 3.4 to 3.4.6.

<p>LAND USE ACTIVITIES: conditions of consent</p>	<p>Financial contributions may be required as a condition of consent for any activities. The financial contributions are:</p> <ul style="list-style-type: none"> development impact fees which may be up to the amounts listed in rule 3.4.4.9 per 100m² of gross floor area for each service type (which may include water, traffic, sewers, stormwater and reserves). (See Guide to Development Impact Fees available from Council offices) development impact fees which may be up to the amount listed in rule 3.4.4.9 for each household unit, additional household unit or allotment for each service type (which may include water, traffic, sewers, stormwater and reserves). (See Guide to Development Impact Fees available from Council offices) payment for the full costs of off-site works necessary to improve or upgrade infrastructure at the point of connection to ensure the new development connects safely and adequately to existing networks (see rule 3.4.5) the creation and vesting of an esplanade reserve and/or the creation of an esplanade strip (see rule 3.4.6) the vesting of any specific land required, determined in accordance with the value of the land and the rate of impact fee applying.
<p>SUBDIVISION: conditions of consent</p>	<p>Financial contributions may be required as a condition of consent for any subdivision. The financial contributions are:</p> <ul style="list-style-type: none"> development impact fees which may be up to the amount listed in rule 3.4.4.9 for each household unit, additional household unit or allotment for each service type (which may include water, traffic, sewers, stormwater and reserves). (See Guide to Development Impact Fees available from Council offices) payment for the full costs of off-site works necessary to improve or upgrade infrastructure at the point of connection to ensure the new development connects safely and adequately to existing networks (see rule 3.4.5)

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	<ul style="list-style-type: none">• the creation and vesting of an esplanade reserve and/or the creation of an esplanade strip (see rule 3.4.6)• the vesting of any specific land required, determined in accordance with the value of the land and the rate of impact fee applying.
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3.4.4 Development Impact Fees

This section specifically relates to developer contributions towards infrastructural and utility services, reserves and facilities owned and/or operated by Wellington City Council.

3.4.4.1 The Council may require the payment of development impact fees as a financial contribution, ~~both from Permitted Activities, and as a condition on consents.~~

Development impact fees are imposed to cover a fair share of expected costs of expansion of services necessitated by new development. The fees apply in relation to stormwater, sewer, water, traffic and reserves. Development impact fees are calculated for each area by aggregating expected service expansion costs attributable to forecast new development, and apportioning them per unit of new development. In the case of residential development, the unit is the household unit or allotment. For non-residential development, fees are applied per 100m² gross floor area. The application of the fees to non-residential development is limited to those developments which involve additional gross floor area of 50m² or more.

Fees may be required from development activities in advance of the Council undertaking services expansion (generally no more than five years in advance) and after completion of services expansion, to recoup costs.

Where a development does not contribute to the need for expansion of a particular service, then the relevant impact fee will not be charged.

This Plan sets out the policies, principles, methodology and maximums for the development impact fees. The exact fees applying in different areas are contained in a separate *Guide to Development Impact Fees*. The figures in this guide are subject to the policies, principles, methodology and maximums in this Plan.

The Residential, Suburban Centre, Institutional Precinct, Airport and Golf Course Recreation Precinct, Central Area, Rural, Open Space, Conservation Site and Utility Permitted Activity Rules

The Residential, Suburban Centre, Institutional Precinct, Airport and Golf Course Recreation Precinct, Central Area, Rural, Open Space, Conservation Site and Utility Permitted Activity Rules all are prefaced by the following statement:

" The following activities are permitted in the ... area provided that they comply with any specified conditions and the payment of any financial contributions (refer to rule 3.4)."

The proposed District Plan change is to delete the words *"and the payment of any financial contributions (refer to rule 3.4)."*

For example:

5. RESIDENTIAL RULES

5.1 Permitted Activities

The following activities are permitted in Residential Areas (which includes the Inner and Outer Residential Areas as shown on the planning maps) provided that they comply with any specified conditions, ~~and payment of any financial contribution (refer to rule 3.4).~~

Where Inner Residential Areas are situated within the Central Area Boundary as defined on the planning maps, the relevant Residential objectives, policies and rules will apply to those Inner Residential Areas.