

## STATEMENT OF PROPOSAL

# Proposed introduction of Financial Contributions for Roads and Public Reserves

# Proposed Introduction of Financial Contributions for Roads and Public Reserves

## Overview of proposal

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Financial Contributions provide a mechanism for the Council to recover costs (or other in kind contributions) from developers to help manage the direct impacts and adverse effects of their developments. As with Development Contributions, financial contributions provide a mechanism to recover a fair portion of development related costs from developers, rather than these costs being passed on to ratepayers. Financial Contributions work hand in hand with Development Contributions ensuring that the level of contribution is fair, transparent, and not taken twice for the same purpose.

The Council's Financial Contributions Policy is set out in Chapter 14 of the Whakatāne District Plan. The Council is not proposing any changes to the Financial Contributions Policy, but is proposing to introduce specific categories of contributions including for roads and public reserves. In order to introduce these Financial Contributions they must be provided for in the Council's Long Term Plan.

## Overview of proposal

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- ▶ The proposal will provide for the introduction of Financial Contributions for roading purposes. This reflects that reflect that a subdivision, development or other use of land can lead to increased traffic volumes or change the mix of traffic using the road to the extent that the road serving that subdivision, development or use is required to be upgraded, either in terms of width or formation standard to safely carry the additional traffic that will occur.
- ▶ The proposal will provide for the introduction of Financial Contributions for public reserve purposes. This contributions will allow the Council to acquire land to provide reserves for coastal protection, recreational use and neighbourhood playgrounds.
- ▶ The proposed criteria and guidance for the level of contribution is set out below.

## We'd like to hear from you

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Before making a submission we recommend you read through the relevant section of this document thoroughly to ensure you have all the information available.

- ▶ Post or deliver submissions to: Whakatāne District Council  
Commerce Street  
Private Bag 1002  
Whakatāne  
Murupara Service Centre  
Pine Drive  
Murupara
- ▶ Submit online: [www.whakatane.govt.nz/haveyoursay](http://www.whakatane.govt.nz/haveyoursay)
- ▶ Email submissions: [submissions@whakatane.govt.nz](mailto:submissions@whakatane.govt.nz)

## Key Dates

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**Submission close:** 23 April 2018.

**Hearings:** 14 – 16 May 2018 (for those who would like to present their submission to the Council).

**Deliberations:** 14-22 May 2018 (Council meets to discuss any changes to the policies and proposals based on submissions).

**Adoption:** 28 June 2018.

**Implementation:** Each individual policy and proposal will have an implementation date (when it goes live). For most of the matters in this consultation pack, the implementation date is from 1 July 2018.

## Need more information?

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If you have any questions about the policies and proposals contained in this pack, or about the process of making a submission, our website is a great place to start. You can also feel free to get in touch with one of your elected Council members or staff here at the Council.

- ▶ Website: [www.whakatane.govt.nz](http://www.whakatane.govt.nz)
- ▶ Email enquiries: [info@whakatane.govt.nz](mailto:info@whakatane.govt.nz)
- ▶ Phone enquiries: (07) 306 0500 (ask for the Strategic Policy Team)

# Proposed introduction of Financial Contributions for Roads and Public Reserves

Approved for consultation: 22 February 2018

Proposed commencement: 1 July 2018

Proposed review date: 1 July 2021

For the purpose of Chapter 14 (Financial Contributions) of the Whakatāne District Plan, the Long-term Plan must include defined information to allow monetary contributions to be charged for subdivision, development and use of land, towards the upgrading of roads and the acquisition of reserves and/or development of reserves. The information to be included in the LTP is as follows:

## Roads

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The purpose of a financial contribution for roading is to reflect that a subdivision, development or other use of land can lead to increased traffic volumes or change the mix of traffic using the road to the extent that the road serving that subdivision, development or use is required to be upgraded, either in terms of width or formation standard to safely carry the additional traffic that will occur.

Rule 14.2.2.3(a) requires the *“cost (\$/km) of improving the affected section of road to the level required as determined by the predicted traffic volume and road hierarchy”* arising from a proposed subdivision, development or use to be defined in the Long-term Plan.

This will be assessed based on the following criteria:

- The current traffic volumes and the estimated increase in traffic volumes, or the mix of traffic arising from the proposed subdivision, development or use of land. In this case, a significant change in the volume or mix of traffic that means the existing carriageway width and/or formation is inadequate will lead to a financial contribution being charged to reflect the need to increase the width and formation standard of the road to manage the effects of increased vehicles from the subdivision or development or use.
- Along with increasing the width and/or formation of the road, other improvements may be needed such as provision for or improvement of drainage, acquiring additional land, upgrading of bridges or installation of retaining walls, street lights or other infrastructure required to manage the effects of the change in vehicle numbers or mix of vehicles from the subdivision or development or use.
- The need to provide other infrastructure for other modes of transport, such as footpath or cycle facilities to manage the effects of increased population arising from the subdivision or development or use. This will generally be relevant in urban situations.
- The Whakatāne Engineering Code of Practice, relevant NZ Standards and the Whakatāne District Plan.

While each development will be assessed on the effects arising from the proposed development, the calculation of a financial contribution will be based on the following steps:

- From Table 1, select the pavement width required to serve the increased traffic volume or mix of traffic;
- Add the cost of improving the formation to either asphalt cement (AC) or chip seal, if a sealed surface is required;
- Add the cost of improving or providing drainage, footpaths, cycle ways and street lighting, if required;
- If additional land needs to be acquired, and/or other infrastructure needs to be upgraded or provided (such as bridges or retaining walls) the value of this work will be added to the financial contribution but will be assessed separately at the time. Any work undertaken by the applicant to reduce these costs as part of a subdivision, development or other use of land will be factored in when determining the financial contribution charged.

Table 1

<b>Rc - Average \$/km for Road Improvements</b>					
<b>Carriageway width (m)</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
Pavement	\$ 120,000	\$ 164,000	\$ 208,000	\$ 252,000	\$ 296,000
AC Surfacing	\$ 240,000	\$ 280,000	\$ 320,000	\$ 360,000	\$ 400,000
Chip Seal	\$ 72,000	\$ 84,000	\$ 96,000	\$ 108,000	\$ 120,000
<b>Drainage</b>	<b>None</b>	<b>One side</b>	<b>Both sides</b>		
	\$ -	\$ 75,000	\$ 150,000		
<b>Footpaths</b>	<b>None</b>	<b>One side</b>	<b>Both sides</b>		
	\$ -	\$ 98,000	\$ 196,000		
<b>Cycle Facilities</b>	<b>None</b>	<b>Cyle Lane Urban - chip seal surface</b>	<b>Cycle Lane Urban - AC surface</b>	<b>Cycle Lane Rural - Chipseal surface</b>	<b>Off Road/Shared Use Path</b>
	\$ -	\$ 224,000	\$ 336,000	\$ 280,000	POA
<b>Streetlights</b>	<b>None</b>	<b>V3 - Arterials</b>	<b>V4 - Primary Collectors</b>	<b>P - Pedestrian</b>	<b>Rural - Intersection Flaglight</b>
	\$ -	\$ 75,000	\$ 50,000	\$ 41,667	\$ 10,000
<b>Land Purchase</b>	<b>POA</b>				
<b>Bridge Upgrades</b>	<b>POA</b>				
<b>Retaining Walls</b>	<b>POA</b>				
<b>Escalations</b>	Prices in this matrix are current as at Jan 2018. Department of Statistics Construction Cost Indices will be applied quarterly from Jan 2019.				

#### Instructions:

Select pavement cost depending on width of pavement required  
Add either chip seal or AC for the pavement width (or none is remaining unsealed)  
Add drainage required  
Add footpaths required  
Add cycle facilities required  
Add Streetlights required  
If land purchase, bridge upgrades or retaining walls are required, \$/km calculation will be done for the specific site

#### Example:

8m Carriageway	\$ 208,000
With AC surfacing	\$ 320,000
Drainage on both sides of the road	\$ 150,000
Footpath on one side of the road	\$ 98,000
No cycle lane	\$ -
Pedestrian Lighting	\$ 41,667
No land purchase/walls/bridges	\$ -
<b>Rc (\$/km)</b>	<b>\$ 817,667</b>

#### Notes

Pavement - Based on 150mm M4 Overlay (\$20/m<sup>2</sup>) and 200mm subbase undercut beyond the 6m width (\$24/m<sup>2</sup>)  
AC Surfacing - Includes linemarking RPMs (\$40/m<sup>2</sup>)  
Chip seal - Includes second coat after 1 year and linemarking RPMs (1st coat \$6.50/m<sup>2</sup> and 2nd coat \$5.50/m<sup>2</sup>)  
Drainage - K&C (\$70/m) and based on 1 standard cesspit and lead (\$500/install) every 100m  
Footpaths - based on 1.4m standard footpath (\$70/m<sup>2</sup>)  
Cycle facilities - Based on urban cycle lane width of 2m and rural of 2.5m

#### Public Reserves

The purpose of seeking a financial contribution for reserves purposes is to allow the Council to acquire land to provide reserves for coastal protection and recreational use and neighbourhood playgrounds.

The District Plan allows the Council to seek land to be vested for reserves within a subdivision or development of land. Where land is not vested or additional financial contribution is justified based on the scale of the subdivision or development, then a financial contribution may be charged to allow the Council to acquire additional land to meet the reserve needs of the District, township or neighbourhood.

Rule 14.2.7.1 of the Whakatāne District Plan allows the Council to seek a one-off payment for every new lot or dwelling unit created. It is a fixed sum payment (plus GST) unless a contribution in land or works is to be made. A financial contribution in the form of money will go towards the programmed purchasing, upgrading and development of the Districts public reserves.

The rule also requires the level of the financial contribution per lot (or dwelling unit) to be identified in the Long-term Plan for each service area.

The service areas have been identified based on areas where substantial residential growth is occurring and planned. Property Solutions (BOP) Ltd has provided generic valuation information based on these defined areas. These areas are where growth is anticipated to the degree that either additional reserve land or improvements to existing reserve land will be required. Factors such as coastal frontage, sites with views and other sites have been distinguished to calculate an average value of section sales in the last 2 years. The average value for a 650m<sup>2</sup> lot (assumed average lot size) by area is as follows:

Piripai/Opihi	\$245,000
Huna/Shaw Road (Residential)	\$190,000
Ōhope	\$280,000
Whakatane	\$230,000

While there is variation in value between areas and between parts of these areas, the Council will rely on the average value of land within each area upon which to base a financial contribution per lot (or dwelling). Based on the projected number of lots to be developed over the next ten years, and their respective location, the Council will charge a financial contribution that will not exceed 1% of the average valuation per lot in the defined locations.

The value per lot for a financial contribution has therefore been set as follows:

Piripai/Opihi	\$2,450 per lot
Huna/Shaw Road (Residential)	\$1,900 per lot
Ōhope	\$2,800 per lot
Whakatāne,	\$2,300 per lot

The financial contribution will be assessed for each subdivision or development in these locations, and charged as a condition of consent if appropriate. The need to acquire land for public reserves in the general location of the subdivision or development will be assessed for each subdivision or development.