

Financial Contributions for Roads and Public Reserves



Overview of proposal

The Council introduced financial contributions in 2018. 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 itself, but land has been revalued so the level of financial contributions for reserves has increased. These financial contributions must be provided for in the Council's Long Term Plan.

Overview of changes proposed

- The proposal will provide for the introduction of financial contributions for additional facilities such as playgrounds, seating and barbeque areas on land vested for recreation purposes.
- The proposal updates the value per lot for a financial contribution, based on a valuation report obtained in 2021.

Kōrero mai – Let's talk

What do you think about our proposed changes to Financial Contributions for Roads and Public Reserves?



Making a submission is easy!

You can make a submission online:

<https://koreromai.whakatane.govt.nz/financial-policies>

Or email your submission to:

submissions@whakatane.govt.nz

Post your submission to:

Whakatāne District Council, Private Bag 1002, Whakatāne 3158

Or deliver to:

Civic Centre, Commerce Street, Whakatāne; or
Service Centre, Pine Drive, Murupara.

Submission forms are available from libraries, Council offices and

<https://www.whakatane.govt.nz/ltp/financial-policies>

Key Dates

Submissions close:

23 May 2021

Hearings:

25 May 2021 (for those who would like to present their submission to the Council)

Deliberations:

7 – 18 June 2021 (Council meets to discuss any changes based on submissions)

Adoption:

14 July 2021

Need more information?

If you have any questions about financial contributions, 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
- ▶ Email enquiries: info@whakatane.govt.nz
- ▶ Phone enquiries: (07) 306 0500 (ask for the Strategy Team)

Draft Financial Contributions for Roads and Public Reserves

*Te tuhinga hukihuki mō te Pūtea mō
ngā Huarahi me ngā Whenua tāpui
Tūmatanui*

Ohope
Opotiki

Draft Financial Contributions for Roads and Public Reserves

Introduction

The Council's Financial Contributions Policy is set out in Chapter 14 of the Whakatāne District Plan. 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.

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.

Financial contributions for roads

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

Rc - Average \$/km for Road Improvements					
Carriageway width (m)	6	7	8	9	10
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
Drainage	None	One side	Both sides		
	\$ -	\$ 75,000	\$ 150,000		
Footpaths	None	One side	Both sides		
	\$ -	\$ 98,000	\$ 196,000		
Cycle Facilities	None	Cycle Lane Urban - chip seal surface	Cycle Lane Urban - AC surface	Cycle Lane Rural - Chipseal surface	Off Road/Shared Use Path
	\$ -	\$ 224,000	\$ 336,000	\$ 280,000	POA
Streetlights	None	V3 - Arterials	V4 - Primary Collectors	P - Pedestrian	Rural - Intersection Flaglight
	\$ -	\$ 75,000	\$ 50,000	\$ 41,667	\$ 10,000
Land Purchase	POA				
Bridge Upgrades	POA				
Retaining Walls	POA				
Escalations	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 ACs 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	\$ -
Rc (\$/km)	\$ 817,667

Notes

Pavement - Based on 150mm M4 Overlay (\$20/m²) and 200mm subbase undercut beyond the 6m width (\$24/m²)
 AC Surfacing - Includes linemarking RPMs (\$40/m²)
 Chip seal - Includes second coat after 1 year and linemarking RPMs (1st coat \$6.50/m² and 2nd coat \$5.50/m²)
 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/m²)
 Cycle facilities - Based on urban cycle lane width of 2m and rural of 2.5m

Financial contributions for 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 or to provide additional facilities, such as playgrounds, seats and barbeques on land vested for recreation purposes.

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. A valuation report has been obtained (2021) that provides 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 650m² lot (assumed average lot size) by area is as follows:

Coastlands Piripai/Opihi	\$355,000 245,000
Huna/Shaw Road <u>Structure Plan</u> (Residential)	\$275,000 190,000

Ōhope	\$ 395,000 <u>280,000</u>
Whakatāne Whakatane	\$ 280,000 <u>230,000</u>

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 14% of the average valuation per lot in the defined locations.

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

Coastlands Piriipai/Opihi	\$ 3,550,450 per lot
Huna/Shaw Road <u>Structure Plan</u> (Residential)	\$ 2,750,900 per lot
Ōhope	\$ 3,950,800 per lot
Whakatāne	\$ 2,800,300 per lot

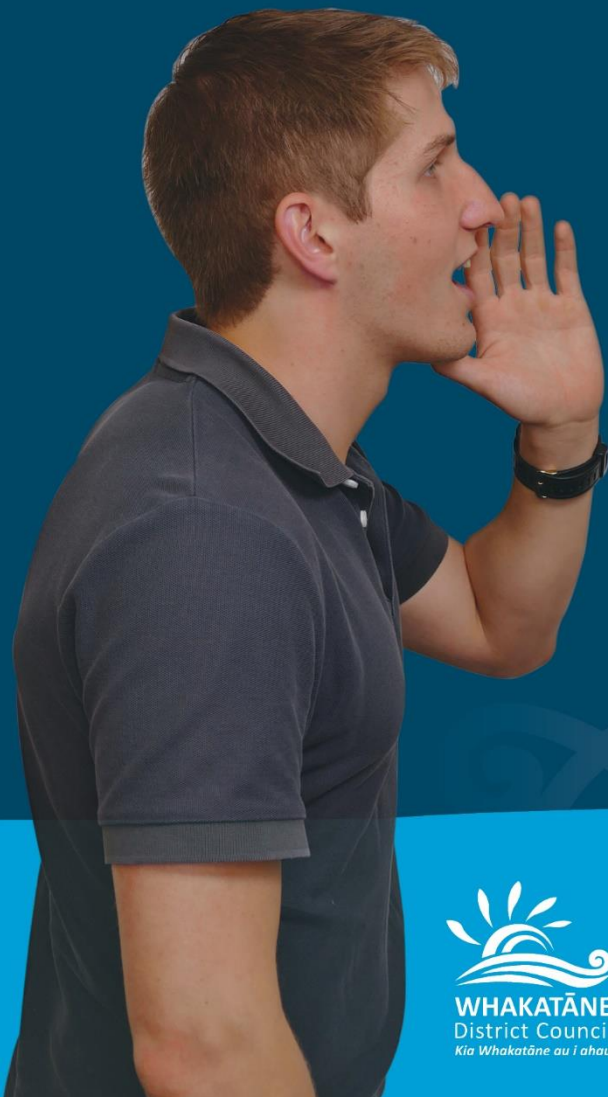
The financial contribution will be assessed for each subdivision or development in these locations, and charged as a condition of consent if appropriate. The need to acquire land for public reserves in the general location of the subdivision or development will be assessed for each subdivision or development.



Kōrero mai Let's talk

Tell us what you think by
5pm Sunday, 23 May 2021

whakatane.govt.nz/tp/financial-policies



WHAKATĀNE
District Council
Kia Whakatāne au i ahau

WHAKATĀNE DISTRICT COUNCIL

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F Whakatane District Council