

Appendix 'I'

Development Contributions / Financial Contributions



## 1. Development Contributions / Financial Contributions

The Council may require subdividers and developers to pay a financial contribution under the Resource Management Act 1991 towards the capital cost of upgrading works caused by growth.

The amount of the contribution is assessed on a case-by-case basis, up to 50% of the cost of improving roads to cater for additional traffic generated by the development. Contributions are subject to a plan change with the District Plan which is progressing and proposed to be in place at the adoption of the LTCCP in 2009.

The requirements for Land Use change within the District Plan are to be amended to include dairy conversions and other land use activity changes that are substantive enough to create an effect on the roading network, as a modifiable activity that will be subject to a development contribution.

From the roading point of view the amount of money involved is not expected to be significant in the context of the overall budgets. Therefore only a small financial allowance has been made for this in this Plan by allowing a nominal budget of \$100,000pa for seal extensions.

The Policy on Development Contributions which details this further is in the LTCCP.

## 2. Vested Assets

As part of the development of subdivisions, developers build new infrastructure within a subdivision to service the properties developed. When the subdivision is completed to the standards required by the Council, the infrastructure (roads, footpaths, utilities, etc) is handed over to the Council to own and maintain into the future.

This infrastructure becomes a vested asset which is added to the Council's assets at no capital cost to Council but with an ongoing maintenance liability. The rates charged on the new sections developed in a subdivision help fund this liability.

The projected Vested Roding Assets that Council is likely to receive over the next two years is shown in Table I.1. This information is based on an assessment of subdivisions that Council is currently aware of in the planning and construction stages. Given the current economic climate and the effect this has on property sales and hence subdivision activity, it is felt to be prudent not to try to forecast vested assets beyond two years. Any additional vested assets that may be handed over to Council, over and above those projected, are unlikely to have a significant impact on this 10 year plan as they should not require significant maintenance or renewal over the 10 year period.

**Table I.1 Projected Vested Roading Assets Over Next 10 Years**

Subdivision Description	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Waiuna - Te Anau	\$308,800										
Alpine Terrace - Te Anau	\$161,910										
Delta Stage 2B - Te Anau	\$120,700										
Carter Bridge Trust - Edendale		\$106,500									
Delta Stage 3 - Te Anau		\$107,970									
Fernlea - Winton		\$175,000									
Porpoise Bay - Curio Bay		\$73,450									
<b>Totals</b>	<b>\$591,410</b>	<b>\$462,920</b>									

**Notes and Assumptions:**

- Component rates are based on the 07/08 valuations rates less amounts for removal and reinstatement.
- Surface water channel rate excludes sumps and connections.
- Dollars include fees.
- All rates exclude services such as Telecom, power, water, stormwater and sewer, etc.
- These are the currently known subdivisions as at March 2009, beyond this is unknown.
- Vested asset data has been provided by Southland District Council
- For valuation purposes the replacement costs are taken as higher than the vested asset value as these allow for removal of existing worn out assets, replacement and reinstatement while the existing services are retained in service.