NAPIER CITY COUNCIL
Te Kaunihera o Ahuriri

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ORDINARY MEETING OF COUNCIL

Open Agenda

Meeting Date:	Tuesday 1 June 2021
Time:	9.00am (Revenue & Finance, Rates Remission, Rating and Financial Contributions Policies Hearings)
Venue:	Large Exhibition Hall Napier War Memorial Centre Marine Parade Napier
	Livestreamed via Council's Facebook site

Council Members	Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine, Taylor and Wright
Officer Responsible	Chief Executive
Administrator	Governance Team
	Next Council Meeting Tuesday 8 June 2021

ORDER OF BUSINESS

Karakia

Apologies

Conflicts of interest

Announcements by the Mayor including notification of minor matters not on the agenda

Note: re minor matters only - refer LGOIMA s46A(7A) and Standing Orders s9.13

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

Announcements by the management

Agenda items

Minor matters not on the agenda – discussion (if any)

AGENDA ITEMS

1. SUBMISSIONS ON THE PROPOSED AMENDMENT OF THE REVENUE & FINANCING POLICY, RATES REMISSION POLICY AND RATING POLICY

Type of Report:	Legal and Operational
Legal Reference:	Local Government Act 2002
Document ID:	1312648
Reporting Officer/s & Unit:	Garry Hrustinsky, Investment and Funding Manager

1.1 Purpose of Report

To present the submissions received on the Revenue & Financing Policy, Rates Remission Policy and Rating Policy following public consultation on proposed amendments.

To present final recommendations to Council following public submissions.

Officer's Recommendation

That Council:

a. Adopt the following Officer recommendations arising from the consideration of all submissions to proposed amendments for the Revenue & Financing Policy, Rates Remission Policy and Rating Policy.

Revenue & Financing Policy

i. That Council adopt the inclusion of loan funding for operational expenditure and General Rates funding for capital expenditure for Council housing activities.

ii. That Council adopt the Revenue & Financing Policy in this amended form.

Rates Remission Policy

iii. That Council adopt the proposed removal of the Remission for Residential Land in Commercial or Industrial Areas.

iv. That Council adopt the delegation of sign-off for the Remission of Refuse Collection and/or Kerbside Recycling Targeted Rates to the Chief Financial Officer.

v. That Council adopt the Revenue & Financing Policy in this amended form.

Rating Policy

b. That Council direct Officers on the following items:

i. Confirm the unconnected (but within 100m) Fire Protection Rate for Other Rating Units should remain at 50%.

ii. Confirm whether the Storm Water Rate for Commercial & Industrial remains at 250% or be increased to 260% - in line with the proposed differential rate.

iii. Confirm the final phasing schedule for differential rates.

c. That once agreed, Council adopt items *b.i.* through *b.iii.*

1.2 Background Summary

The Revenue and Financing Policy, Rates Remission Policy and Rating Policy were reviewed and adopted in February 2021. Issues arising from the draft Long Term Plan and areas that require further clarification (post-adoption) have resulted in additional review and consultation being required for these two policies.

In parallel with the consultation on the Long Term Plan, officers consulted on proposed amendments to the Revenue & Financing Policy and Rates Remission Policy. The Rating Policy was consulted on an *information only* basis. Consultation was conducted between the 12th of April and 12th of May 2021.

Individual submissions are provided in the attachments to this report.

Revenue & Financing Policy – Community Feedback

Summary of feedback

Council received 16 total submissions (14 valid submissions, 1 system test, 1 submission redirected to the Long Term Plan). Submitters were asked whether they agreed with the proposed amendment to the Revenue and Financing Policy to allow the housing activity to be funded through loans or rates.

- **64% - agreed** with proposed changes to the policy (five comments submitted)
- 36% - disagreed with proposed changes to the policy (three comments submitted).

Two respondents stated that rents should be increased to cover such costs. Current rents offered on these properties is below market rate.

Two respondents supported loan funding as a way to spread out the cost.

One respondent said that it may be an effective way of addressing the housing shortage in Napier.

One respondent suggested that residential properties being offered for short-term rentals (e.g. Airbnb) be rated as commercial properties and use the additional revenue as a source of funding for housing activity.

One respondent highlighted that such funding is putting additional strain on ratepayers who are on a fixed income ("old age benefit").

One respondent supports a continuing commitment to community housing through borrowings. In particular, increasing housing stock and availability of land across all economic groups, and the reduction of red tape in the planning process is suggested with assistance from available lending and government funding.

Management information and comment

Funding housing activity through loans is intended to be a short-term measure whilst Council reviews arrangements and develops a long-term solution. Please note that this provision is still subject to Long Term Plan deliberations.

Rent levels are beyond the scope of consultation. Amendments to the Revenue & Financing Policy are limited to addressing projected shortfalls in rental income versus expenditure over the short-term only – this excludes any projects that address housing stock levels in Napier.

Targeted rates on short-term residential accommodation providers such as Airbnb is an issue being investigated by a number of councils around NZ. At this stage a workable/enforceable solution has not been developed due to the dynamic nature of accommodation providers in this space.

Affordability for ratepayers is an ongoing concern for Council. Whilst Council works to reduce costs and still maintain levels of service, the delay of certain works projects results in greater rates increases in future years. Older ratepayers experiencing difficulty in paying their rates should contact the Rates Team to discuss their options.

<u>Officer recommendation</u>

That Council adopt the proposed amendments to the Rates Remission Policy.

Rates Remission Policy – Community Feedback

<u>Summary of feedback</u>

Council received 12 total submissions (11 valid submissions, 1 system test). Submitters were asked two questions:

1) Do you agree with the removal of the Remission for Residential Land in Commercial or Industrial Areas?

2) Do you agree with the proposed delegation for authorising Remissions of Refuse Collection and/or Kerbside Recycling Targeted Rates?

Question 1: Removal of Remission for Residential Land in Commercial or Industrial Areas

- **73% - agreed** with proposed changes to the policy (one comment submitted)
- 27% - disagreed with proposed changes to the policy (one comment submitted).

One respondent stated that the differential rate for rural residential should not be adjusted.

In disagreeing, one respondent suggested that the remission “Should apply more broadly as more houses (are) required everywhere.”

<u>Other comments from written submissions</u>

The remission to smooth the effect of changes on individual or groups of properties due to changes in Council policy does not go far enough. Some increases are well over 25% and will experience significant year-on-year increases (even under this provision). It is suggested that General Rate increases be limited to 10% of the previous year’s General Rate per year, compounding. “Most will absorb the full increase within the 3-year valuation period, but any unusual massive increases can be spread over a longer period.”

A written submission proposes a remission scheme be introduced to encourage development of land as follows:

- “Full remission of general rate increases from the last period general rate if a development consent application is lodged within the current rating year.
- The rates remission will only apply to the identified share of land value that is being developed, not any land value related to any existing residence.
- The rates remission will apply until such time as the identified development land is divided into its own titles or 3 years from the date the consent is granted, whichever occurs first.
- The rates remission will continue at 50% of the proposed increase in rates until building permits are issued on each new lot.”

<u>Management information and comment</u>

Differentials for rural residential properties are beyond the scope of this consultation on rates remissions.

The remission in question is effectively redundant as Council recognises Residential property in Commercial and Industrial areas. Retention of the remission would not assist in increasing housing stock.

The remission to smooth rates is limited to policy changes made by Council, and will be implemented in 2021/22 to smooth the impact of recent policy changes. The increases referenced in the written submission are primarily due to a rezoning of land being developed (to Residential land) and an increase in Land Value due to the triennial revaluation that was completed in December 2020. The triennial revaluation is required under the Rating Valuations Act 1998 and operates independently of the Local Government Act 2002 and Local Government (Rating) Act 2002.

Spreading rates obligations over more than 3 years presents problems due to the unpredictable impact that revaluations may have on the property over the following 3 years. Spreading a General Rates obligation from Year 1 over 3 years (if the increase is more than 10%) does not account for any annual rates increases that may occur. In a worst case scenario, such an arrangement could result in an increasing level of debt tied to a property that may never be paid. In addition to introducing a lending arrangement with the property owner (which would result in additional compliance requirements under the Credit Contracts and Consumer Finance Act 2003), the shortfall in rates not collected that year cannot be collected from other property owners, and would necessitate lending to make up the shortfall (as rates are set to cover the cost of Council for the year and not for surplus purposes) – this in turn would increase the cost of rates in future years. Whilst idealistically a simple concept, it is essentially an unworkable arrangement within the legal and practical environment that Council is required to operate.

Regarding establishing a remission for development, it is not clear whether the submitter is referring to General Rates increases due to revaluation or due to an annual rates increase. If the reference is with regard to revaluation, then it is not practical or reasonable as there is an assumption that the new Land Value needs to be effectively ignored. During the revaluation process the property owner has the ability to raise an objection to the new value and provide justification why it should be increased or lowered. If the submission is read correctly, it is proposing that the land be charged rates unchanged (i.e. prior to revaluation and development) for property earmarked for development, and that obligation to pay the new rates only comes into effect once titles have changed hands. At present Targeted Rates are not charged to a property unless the service is available. With regard to General Rates, obligation remains based on Land Value and is not related to whether a property has been developed or not, but whether that service is available to the public. Other provisions already exist to provide some relief for property development (e.g. treatment of contiguous land).

Officer recommendation

That Council adopt the proposed amendment to the delegations associated with the Rates Remission Policy.

Question 2: Delegation for authorising Remissions of Refuse Collection and/or Kerbside Recycling Targeted Rates

- **82% - agreed** with proposed changes to the policy (two comments submitted)
- 18% - disagreed with proposed changes to the policy (no comments submitted).

One respondent is in the process of building a house and has not received bins. It was queried as to why any charge should be applied.

One respondent supported the provision provided that there are checks in place.

Management information and comment

Regarding rubbish and recycling, property owners must demonstrate that they can securely store bins on their property (if it is a bare section) to receive one. However, this does not preclude the property owner from paying targeted rates on this service if a rubbish service is reasonably available and can access the property.

The proposed amendment is to clarify where delegated authority lies in approving remissions for rubbish and recycling. Provisions and checks for this remission have already been established.

Officer recommendation

That Council adopt the proposed amendment regarding delegation for authorising Remissions of Refuse Collection and/or Kerbside Recycling Targeted Rates.

Rating Policy – Community Feedback

Summary of feedback

No direct submissions were received as no direct channel was provided for feedback. However, two written submissions were received from commercial property owners (or commercial property leaseholders).

Both responses are concerned with the significant increase that will occur in their rates due to the impact of property revaluation. There is concern that increased pressure on property owners and tenants may force some businesses to close.

One respondent has noted that the Revenue & Financing Policy Review was conducted on pre-revaluation figures. Under those scenarios a slight decrease in rates was expected. On that basis a submission was not made at the time. However, if the revaluation information had been known at the time of consultation, then objections would have been raised. It is suggested that annual rates increases are capped at no more than 15%-20%, and starting 2021/22 with a lower General Rate differential (and progressively increasing the rate to the original 250%) would help dampen the initial impact. It is also suggested that Council consider Capital Value as a fairer means of determining rateable value.

Management information and comment

Council has not discounted the use of Capital Value as a means to assess General Rates. Due to the magnitude of changes that occurred during the 2020/21 Revenue & Financing Policy Review, Capital Value was not considered at the time. No specific date has been set, but Capital Value methodology may be considered in a future review.

Although beyond the scope of this consultation, rates have not yet been set for 2021/22. Where changes in Council policies result in a significant impact on ratepayers, Council can phase in a change of rates over 3 years. The period is limited to 3 years as further revaluations (which occur every 3 years) may cause further unexpected impacts on rates. There is no provision for Council to amend rates due to revaluations; however, Council has scope to consider the initial phasing schedule which has not yet been finalised (as it is a product of a change in policy) provided that the change is in 3 equal increments/decrements and results in the target General Rates differentials being achieved by Year 3.

Officer recommendation

No recommendation.

1.3 Issues

No issues.

1.4 Significance and Engagement

Policy amendments impact all ratepayers. Advertising with links to www.sayitnapier.nz was conducted prior to, and during, the consultation period. Bodies with a special interest in rating issues (e.g. commercial and industrial property owners) were contacted directly.

1.5 Implications

Financial

Adoption of the Revenue & Financing Policy and Rating Policy will impact the amount of rates collected from each differential and how that money can be used. In particular, amendments to the Revenue & Financing Policy will allow Council to fund additional activities from borrowings.

Social & Policy

The proposed changes impact the following policies:

- Revenue and Financing Policy **(Attachment A)**
- Rating Policy **(Attachment B)**
- Rates Remission Policy **(Attachment C)**

Risk

Risks, where possible, have been mitigated/minimised through following the process required for a Consultative Procedure. Legal review of the consultation process was also conducted.

1.6 Options

The options available to Council are as follows:

a. Consider the submissions and adopt the Officer recommendations.
b. Consider the submissions and adopt an amended resolution.

1.7 Development of Preferred Option

Option A - the preferred option has been based on modelling of data and feedback from the public.

1.8 Attachments

A Proposed Revenue & Financing Policy ⇩
B Proposed Rating Policy ⇩
C Proposed Rates Remission Policy ⇩
D #1 Debra Chalmers - Rates Remission Policy *(Under Separate Cover)* ⇨
E #2 Claudia Green - Rates Remission Policy *(Under Separate Cover)* ⇨
F #3 Sven van Dulm - Rates Remission Policy *(Under Separate Cover)* ⇨
G #4 Paul Bailey - Rates Remission Policy *(Under Separate Cover)* ⇨
H #5 Kerry Marshall - Rates Remission Policy *(Under Separate Cover)* ⇨
I #6 Brent Smithson - Rates Remission Policy *(Under Separate Cover)* ⇨
J #7 Laureen Price - Rates Remission Policy *(Under Separate Cover)* ⇨
K #8 Annette Le Comte - Rates Remission Policy *(Under Separate Cover)* ⇨
L #9 Phil Ellis - Rates Remission Policy *(Under Separate Cover)* ⇨
M #10 Sam Hartree - Rates Remission Policy *(Under Separate Cover)* ⇨

N #11 Ben Reilly - Rates Remission Policy *(Under Separate Cover)*
O #1 Beth Harker - Revenue & Financing Policy *(Under Separate Cover)*
P #2 Debra Chalmers - Revenue & Financing Policy *(Under Separate Cover)*
Q #3 George Petroff - Revenue & Financing Policy *(Under Separate Cover)*
R #4 Kevin Walsh - Revenue & Financing Policy *(Under Separate Cover)*
S #5 David Small - Revenue & Financing Policy *(Under Separate Cover)*
T #6 Paul Bailey - Revenue & Financing Policy *(Under Separate Cover)*
U #7 Michael Spence - Revenue & Financing Policy *(Under Separate Cover)*
V #8 Kerry Marshall - Revenue & Financing Policy *(Under Separate Cover)*
W #9 Brent Smithson - Revenue & Financing Policy *(Under Separate Cover)*
X #10 Annette Le Comte - Revenue & Financing Policy *(Under Separate Cover)*
Y #11 Chris Lambourne - Revenue & Financing Policy *(Under Separate Cover)*
Z #12 Sam Hartree - Revenue & Financing Policy *(Under Separate Cover)*
AA #13 Ben Reilly - Revenue & Financing Policy *(Under Separate Cover)*
AB #1 Kevin Clark - Rating Policy *(Under Separate Cover)*
AC #2 NZ Wool Testing Assn - Rating Policy *(Under Separate Cover)*

Revenue and Financing Policy			
Approved by	Council		
Department	Finance		
Original Approval Date	29 June 2018	**Review Approval Date**	16 February 2021
Next Review Deadline	16 February 2024	**Document ID**	1296548
Relevant Legislation	Local Government Act 2002		
NCC Documents Referenced	N/A		

Purpose

The Revenue and Financing policy is adopted under Sections 102(1) & 103(1) of the Local Government Act 2002 and must contain Napier City Council's general policies on the funding of operating and capital expenditure and show how the local authority has, in relation to the sources of funding identified in the policy, complied with Section 101(3) which has two parts.

Policy Background

Napier City Council (Council) has reviewed the proposed sources of funding for operating and capital expenditure and has reviewed the funding for each activity to determine the funding policy for each. In accordance with the Local Government Act 2002 (LGA) Council has considered each activity with regard to the following:

- Community outcomes to which an activity contributes; and
- the distribution of the benefits between the community as a whole, identifiable parts of the community and individuals; and
- the period in or over which those benefits are expected to occur; and
- the extent to which actions or inactions of individuals or groups contribute to the activity; and
- costs and benefits of funding the activity distinctly from other activities.

Council has considered each activity to determine what it considers an appropriate funding source for both operating and capital expenditure (refer to the schedule in the appendix).

Then it has considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community. It considered the following in determining the final funding source:

- The nature of Napier City as a whole including as a visitor and tourist destination; and
- the different costs of providing services and facilities and the associated benefits that the commercial (including accommodation providers) and industrial properties receive from those services; and
- the impact of rates on residential properties, and in particular on the affordability of rates for low, average and fixed income households; and
- the complexity of the rating system and the desirability of improving administrative simplicity; and

- The appropriate use of the General Rate.

Council has concluded that the General Rate and storm water targeted rate on commercial and industrial should have an appropriate differential recognising the issues considered above.

Council has also considered the impact of fees and charges. Council uses the market rate (where permissible) as the upper limit used for determining fees or charges. Where Council believes the imposition of fees or charges at a rate above the market rate will reduce usage of the activity or facility and lead to the imposition of a greater cost on ratepayers it will modify the amount chargeable to the market rate. In selecting the market rate, the Council has made a judgement that the community values the existence of the facility and would rather fund it from rates than for the facility to close.

Following consideration of the above the Council is proposing the use of the following funding tools

Council's policies on funding operating expenses and capital expenditure

General Rates

General Rates are used to fund both operating and capital expenditure. They fund the remaining costs of Council operations after all other sources of funding have been applied.

The General Rate has a significant component of public good or activities when the community benefits as a whole, and as the General Rate is a general taxing mechanism shifting the "differential factor" for each sector's share of the city's overall land value is the principal means that the Council has used to of achieving the desired overall rates impact on the wider community. It cannot achieve precise equity or allocation of costs to each type of property.

In determining differentials for General Rates, the intensity of development (i.e. building and surfaces) is considered a significant factor. With reference to observed property size and as the most common differential, Residential/Other was set as the base property type. Other differentials are set in reference against Residential/Other.

General Rates are assessed through a combination of a Uniform Annual General Charge (UAGC) and a rate in the dollar based on land value.

Council has set the following land value differential categories:

- Residential/Other
- Commercial & Industrial
- Rural Residential
- Rural

The amount of the UAGC is set to ensure that the total (excluding water and wastewater rates) uniform (or fixed) rates will be between 20% to 25% of total rates that are to be collected.

Differential rating category definitions

Residential/Other properties

Any property that is not defined as Commercial & Industrial, Rural Residential or Rural.

Commercial and Industrial

Any property that is in a commercial or industrial zone under the District Plan or used for any business activities, except properties categorised as rural or consented for residential use, will be rated as commercial and industrial properties.

Commercial and industrial activities include, but are not restricted solely to;

- Rural and other support activities such as transport, supplies, packhouses and wineries servicing multiple clients
- Professional offices, surgeries etc.
- All retail, wholesale merchandising activities
- All forms of manufacturing and processing
- Bars, restaurants, cafes and other service activities
- Storage facilities
- Hotels, motels, B & B's and other short-term accommodation providers
- Tourism operations
- Care facilities operated for profit

Rural Residential

Any rating unit that would otherwise be classified as Residential, but is not connected or able to be connected to both the city water system and the city sewerage system.

Rural

Any rating unit with an area of 5 Hectares or more that is used predominantly for land based agricultural or farming activities.

Targeted Rates for specific areas and/or activities

Targeted Rates are charged to fund both operating and capital expenditure. They are charged where Council considers it desirable to separate out the funding of an activity. They are charged to rating units including those units that are separately inhabited which have access to or are deemed to benefit from the service provided. Targeted rates are a funding mechanism that may be charged for activities deemed to have either a high public or a high private good to identified properties, an area of the city or the city as a whole.

Some targeted rates are applied differentially using either land or capital values, however most targeted rates are applied on a uniform basis (same amount or rate in the dollar).

Lump sum contributions

Council does not normally use any lump sum contributions.

Fees and charges:

Fees and charges are used to fund both operating and capital expenditure.

They are applied where there is a benefit to an individual from the delivery of goods and or services and this can be charged in a cost-efficient manner. If it is possible to efficiently impose a charge, then the Council does so, on the basis of either recovering the full cost of the service, the marginal cost added by users, or at a level that the market will pay. Fees & charges includes retail sales, ticketing, & corporate sponsorship

The following specific types of revenue are included in fees and charges:

- Licence Fees

Licence fees are charged where applicable and may be set by Council or by regulation.

- Enforcement Fees including fines and infringement fees

Enforcement fees are charged where applicable. Their purpose is to promote compliance rather than to raise revenue; consequently, revenue collected may be insufficient to meet the full costs of the enforcement activity. The level of enforcement fee may also be restricted by statute or the courts. Use of enforcement fee revenue collected may also be directed to a specific purpose by statute.

- Rental and Lease Income

Rental and lease income are attributed to the activity with primary responsibility for the asset generating the rental or lease income. This revenue generally offsets costs of maintaining the asset and costs generally within the activity area receiving the revenue. However, in the case of leasehold land subject to the Hawke's Bay Endowment Land Empowering Act 2002, ground rental revenue is credited to a special fund within equity being the HB Endowment Income Account. In accordance with the Act this income is used to fund the net cost of the Napier Inner Harbour and certain foreshore reserves and other permitted activities. The land subject to the Act was vested in Council in 1989 from the Hawke's Bay Harbour Board at the same time that Council assumed liability for the Napier Inner Harbour and former Harbour Board foreshore reserves.

- Waste Levy Income

This is the Council share of waste levy fees collected by the Ministry for the Environment. Income is received from the Waste Levy Fund and must be applied to waste minimisation activities.

Interest and dividends from investments

Interest and dividends from investments are used to fund operating and capital expenditure.

Council receives interest from its investments. Interest generated from defined funds held or collected, where Council has determined that interest will be added, are credited to the fund at year end and applied to the purposes of the fund. Any remaining interest income is used to reduce the requirement for General Rates.

Council also receives a minor amount of dividend revenue from time to time. Where applicable, this is applied to offset the cost of the activity related to the dividend income. Where dividend income relates to Council operations in general, this is applied to the same purposes as general rates.

Borrowing

Borrowing is primarily used as a tool to smooth cash requirements for capital acquisitions and replacements, and can be used to smooth cash requirements for large one-off operating expenditure. In certain circumstances, in accordance with Council's financial strategy, borrowing may be used to fund operating expenditure.

Proceeds from Asset Sales

Proceeds from asset sales are used to fund operating and capital expenditure.

Council's preference is that proceeds from asset sales are used to fund capital projects, repay debt to external parties or repay internal debt, thus replenishing reserves. The main planned asset sales programme of Council is the ongoing freeholding of HB Endowment Land Residential Leases and the sale of land associated with the development and sale of sections in the Parklands residential subdivision. Council also intends to review assets for potential sale to reduce debt or replace with higher yielding investments.

Development and Financial Contributions

Proceeds from development and financial contributions are used to fund operating and capital expenditure. They are primarily to fund capital expenditure associated with growth however some operating costs such as finance costs may be funded from this source.

The existing Development Contribution policy has had limited application and as the Council has an operative Financial Contributions policy under the Resource Management Act 1991, it was decided that this was currently the preferred method of recovery of the costs relating to development. The Financial Contributions Policy will be updated as part of the review of the District Plan.

Grants, subsidies and donations

Revenue from these sources is actively sought to offset both operating and capital costs.

Petrol Tax

This is the local government share of the petrol tax levied by central government. It is used to contribute to the costs of road maintenance.

Other funding sources

Council continues to actively explore all possible sources of funding to assist with the funding of both operating and capital expenditure. Any other funds derived will be used to either fund capital expenditure or to reduce the amount Council collects from rates.

Council policies in relation to various funding sources to fund operating and capital expenditure (section 103 Local Government Act 2002)

The table sets out for each activity funding sources that are to be used for both operating and capital expenditure. The rationale is explained in schedule in the appendix.

Activity	Funding sources	
	Operational[1]	Capital
Animal control	Primary source • Fees & charges (including infringement fees) 65% to 70% Other sources • General Rates	• Accumulated surpluses • General Rates • Fees & charges • Loans • Reserves
Bay Skate	Primary source • General Rates 60% - 70% Other sources • Fees and charges (including Leases, retail sales, & sponsorship)	• Accumulated surpluses • General Rates • Fees & charges • Loans • Reserves
Building consents	Primary source • Fees and charges 80% Other sources • General Rates • Targeted Rates • Reserves • Loans	Nil
Cemeteries	Primary source	• Accumulated surpluses

[1] The stated percentages indicate the target set by Council. The actual percentages will vary from year to year as explained in the footnote at the bottom of the table in the appendix. Also subsidies, grants and donations can be considered as a possible source of funding for all activities as Council will actively seek other sources of external funding where available for both operating and capital expenditure.

Activity	Funding sources	
	Operational[1]	Capital
This includes the contribution that NCC makes towards HB Crematorium in Hastings	• General Rates 70% to 80% Other sources • User fees & charges	• General Rates • Fees & charges • Loans • Reserves
City development	Primary source • General Rates 100% Other sources • Reserves • Loans • Fees and charges (where appropriate)	No significant capital expenditure but minor capital expenditure is funded from General Rates, Reserves and Loans
Community facilities	Primary source • General Rates 80% – 90% Other sources • Fees & charges, including lease income, one off grants, naming rights	• Accumulated surpluses • General Rates • Fees & charges, • Loans • Reserves • Grants & donations
Community strategies	Primary source • General Rates 100% Other sources • Fees & charges, including bequest and external funding • Reserves	• Accumulated surpluses • General Rates • Fees & charges • Loans • Reserves
Democracy & Governance	Primary source • General Rates,100% Other sources • Fees & charges, including for LGOIMAs • Reserves	Nil
Events and marketing	Primary source • General Rates 90% – 95% Other sources • Grants • Fees & charges, including ticketing, corporate sponsorship, vendors	Accumulated surpluses • Loans
Housing	Primary source • Fees & charges 100% (rentals) • Other sources • General Rates • Loans	• Accumulated surpluses • Fees & charges (rentals) • Loans • Grants • Reserves • General Rates
Inner harbour	Primary source • General Rates 50% to 60% Other sources • Fees and charges • Reserves, surplus revenue from inner harbour land holding	• Accumulated surpluses • Fees and charges • General Rates • Reserves • Loans • Financial and/or Development Contributions.
Kennedy Park Resort	Primary source • Fees and charges 100%	• Accumulated surpluses • Fees and charges • Loans • Reserves
Lagoon farm	Primary source • Fees and charges 90% - 100%	• Accumulated surpluses • Fees and charges

Activity	Funding sources	
	Operational[1]	Capital
	Other sources • Reserves	• Reserves • Loans
Libraries	Primary source • General Rates 90% - 95% - Other sources • Fees & charges (fines) • Grants & bequests	• Accumulated surpluses • Fees & charges, fines • General Rates • Grants & bequests • Loans • Reserves • Financial and/or Development Contributions
Marine Parade pools	Primary source • General Rates 60% - 80% Other sources • Fees & charges	• Accumulated surpluses • General Rates • Fees & charges • Loans • Reserves • Financial and/or Development Contributions
McLean Park	Primary source • Fees and charges, 100% tickets, sponsorship, corporate box revenue, naming rights • General Rates	• Accumulated surpluses • Fees and charges • General and targeted rates • Ticket sales • Loans • Reserves, • Grants & bequests • Sponsorship, & corporate box revenue, naming rights
MTG Hawkes Bay	Primary source • General Rates 65% - 75% Other sources • Fees and charges • Contribution from other local authorities • Bequests • Grants, donations & retail sales	• Accumulated surpluses • General Rates • Fees and charges • Contribution from other local authorities • Bequests • Grants • Donations • Loans • Reserves • Sponsorship, & naming rights
Napier Aquatic Centre	Primary source • General Rates 65% - 75% Other sources Fees & charges	• Accumulated surpluses • General Rates • Fees & charges • Loans • Reserves
Napier I-Site	Primary source • Fees and charges 65% to 75% Other sources General Rates	• Accumulated surpluses • General Rates • Fees and charges • Targeted rates • Loans • Reserves
Napier Municipal Theatre	Primary source • General Rates 50% - 55% Other sources • Fees and charges • Bequests • Grants, donations & sponsorship	• Accumulated surpluses • General Rates • Fees and charges • Bequests • Grants, donations & sponsorship • Loans • Reserves • Naming rights
Napier Conferences and Events	Primary source • Fees and charges 90% to 95%	• Accumulated surpluses • Fees and charges • General Rates

Activity	Funding sources	
	Operational[1]	Capital
	Other sources General Rates	• Targeted rates • Loans • Reserves
National Aquarium of NZ	Primary source • Fees and charges 75% - 80% Other sources • Grants • Sponsorships, bequests & philanthropic General Rates	• Accumulated surpluses • Fees and charges • General Rates • Targeted rates • Grants • Sponsorships, bequests & philanthropic • Sponsorship • Loans • Reserves • Naming rights
Par2 Mini golf	Primary source • Fees and charges • Retail sales 100%	• Accumulated surpluses • Fees and charges • Reserves • Loans
Parking	Primary source • Fees and charges 80% to 90% Other sources • Targeted rates • Reserves	• Accumulated surpluses • Targeted rates • General Rates • Loans • Reserves • Financial and/or Development Contributions
Parklands residential development	Primary source • Fees and charges 100% Other sources • Reserves	• Loans • Reserves
Property holdings	Primary source • Fees and charges 100% Other sources • Fees and charges (lease income) • Reserves	• Accumulated surpluses • Fees and charges (lease income) • Loans • Reserves
Public toilets	Primary source • General Rates 95% - 100 Other sources • Fees and charges • Reserves	• Loans • Reserves • General Rates
Regulatory solutions	Primary source • General Rates 55% - 65% Other sources • Fees and charges, • Reserves	• Accumulated surpluses • Loans • Reserves
Reserves	Primary source • General Rates 85% - 90% Other sources • Fees and charges (rentals and leases)	• Accumulated surpluses • General Rates • Fees and charges • Targeted rates • Loans • Bequests • Reserves • Financial and/or Development Contributions • Grants and subsidies • Naming rights & sponsorship
Resource consents	Primary source	Nil

Activity	Funding sources	
	Operational[1]	Capital
	• 60% of the activity's costs are recovered from General Rates • Resource consents fees and charges are set to recover 100% of costs for services provided Other sources • Reserves	
Sportsgrounds	Primary source • General Rates 90% - 95% Other sources • Fees and charges (rentals and leases)	• Accumulated surpluses • General Rates • Fees and charges • Targeted Rates • Naming rights • Sponsorship • Loans • Bequests • Reserves • Financial and/or Development Contributions
Stormwater	Primary source • Targeted Rates 95% - 100% Other sources • General Rates • Reserves • Fees and charges (connection fees)	• Accumulated surpluses • General and Targeted Rates • Fees and charges • Financial and/or Development Contributions • Loans • Reserves
Transportation	Primary source • NZTA subsidy 50% – 60% (for subsidised work programme only), 15.3% for CBD sweeping, 85% for LED replacement programme Other sources • General Rates • Fees and charges • Petrol tax	• Accumulated surpluses from Targeted Rates, General Rate, fees and charges • Petrol tax • NZTA subsidy 50% – 60% (for subsidised work programme only), 15.3% for CBD sweeping, 85% for LED replacement programme • Financial and/or Development Contributions • Loans • Reserves • Grants and donations (e.g. cycle ways)
Waste minimisation	Primary source 80% - 90% • Fees and charges • Targeted Rates • Waste minimisation levy Other sources • General Rates • Reserves	• Accumulated surpluses • Fees and charges • General and Targeted Rates • Waste minimisation levy • Reserves • Loans • Financial Contributions
Wastewater	Primary source 100% • Targeted Differential Rates • Fees and charges (including trade waste bylaw charges)	• Accumulated surpluses • Targeted Differential Rates • General Rates • Fees and charges • Loans • Reserves • Development and/or Financial Contributions
Water supply	Primary source 100% • Targeted Differential Rates • Water rates	• Accumulated surpluses • Targeted Differential Rates • Water rates

Activity	Funding sources	
	Operational[1]	Capital
	• Fees and charges (not including water by meter rate)	• General Rates • Fees and charges • Loans • Reserves • Financial and/or Development Contributions

The schedule in the appendix records how the Council has applied the five considerations in the table below that it must consider when undertaking its funding needs analysis.

Local Government Act 2002 section	Areas of consideration	Description of the matter Council might consider
s.101(3)(a)(i)	Community outcome	The Council determined which of its community outcomes each activity primarily contributes to. There may not be strong link between community outcomes and funding requirements for an activity
s.101(3)(a)(ii)	Who benefits?	What the distribution of benefits is between the whole community, identifiable parts of the community and individuals. Often referred to as the public/private good split.
s.101(3)(a)(iii)	Period of benefit	For most operational expenses, the benefit is received in the year the expense is incurred. Some operational expenses (provisions) may have a benefit over multiple years and so the Council may choose to fund the activity over that period. Expenditure which results in an asset either being replaced (renewals) or new assets provide benefit over multiple years.
s.101(3)(a)(iv)	Whose acts create a need	Council used the principle that those who cause additional cost either by action or inaction are considered in this section. These may be different groups from those who have been identified within the "who benefits" consideration above. Often referred to as the exacerbator pays principle
s.101(3)(a)(v)	Separate funding	Council considered the costs and benefits of funding an activity separately, including in relation to transparency and accountability. It also considered matters such as the financial scale of the activity, administrative cost, and legal requirements.

Policy Review

The review timeframe of this policy will be no longer than every three years.

Appendix A

Schedule of Activity Funding Needs Analysis Section 101(3)(a) LGA

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
Animal control	A safe and healthy city that supports community well-being	Community as a whole Animal owners	Intergenerational	All animal owners create the need however irresponsible owners create a greater cost. Legislative (Dog Control Act)	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities. The private benefit is predominantly funded from annual dog licence fees.	Animal control is primarily a health & safety service for the community & therefore benefits everyone. There are costs that the Council can directly attribute to individual owners.	30% - 35%	• General rates • Fees & charges (including infringement fees)	• Accumulated surpluses from General rates, fees & charges, • Loans • Reserves
Bay Skate	A vibrant innovative city for everyone	Direct users, local businesses, parents, tourists and visitors Community as a whole as the facility provides a safe location	Intergenerational	Nil	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately	Everyone has the ability to use the facility and Council can identify the users	60% - 70%	• General rates • Fees and charges (including Leases, retail sales, & sponsorship)	• Accumulated surpluses from General rates, fees & charges, • Loans • Reserves

[2] The percentages stated are the indicative target set by Council. The actual percentage may vary from year to year based on activity levels. As an example, an activity that says 100% public good may receive some revenue from fees and charges where charging is warranted to ensure the community are not inadvertently required to pay for something that only provides a benefit to an identifiable individual. Another example where the actual percentage may vary is when Council is able to obtain external grants or subsidies for a specific programme of work.

Activity	**Community outcome**	**Who benefits?**	**Period of benefit**	**Whose acts create a need**	**Separate funding**	**Rationale**	**To be recovered from Public Good tools[2]**	**Funding sources**	
								Operational	**Capital**
		for users to undertake their sport			from other activities				
Building consents	A safe and healthy city that supports community well-being	The property owner and inhabitant. There is a wider benefit from buildings being built to code	Intergenerational because of the life of the structures for which consents are issued.	People constructing non consented buildings, construction industry parties not complying with the Building Act	Council funds the cost of inspecting and maintaining a database on swimming pools through a target rate to properties that have a swimming pool. No reason identified to fund the net cost of this activity (after the swimming pool targeted rate and other non-rate revenue sources) separately from other activities Most activity costs are funded by fees from applicants.	This benefits the property owner and inhabitant. There is a wider benefit from buildings being built to code.	20%	• Fees and charges • General rates • Targeted rates • Reserves • Loans	Nil

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Activity	**Community outcome**	**Who benefits?**	**Period of benefit**	**Whose acts create a need**	**Separate funding**	**Rationale**	**To be recovered from Public Good tools**[2]	**Funding sources**	
								Operational	**Capital**
Cemeteries This includes the contribution that NCC makes towards HB Crematorium in Hastings	Excellence in infrastructure and public services for now and in the future	the community as a whole, any identifiable part of the community, and individuals	Intergenerational – history & physical infrastructure	No significant exacerbators	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Wider public benefit for open space & recognition & place of remembrance. Private benefit – place where people can be interred, cost of the plot & interment	75%	• General rates • User fees & charges	• Accumulated surpluses from General rates, fees & charges, • Loans • Reserves
City development	A vibrant innovative city for everyone	The community as a whole benefit from this activity except where there is a private plan change that has specific benefits to the applicant	The outcomes of this activity result in ongoing benefits and some of these benefits can last a significant period of time	Applicants for private plan changes	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities .	City Development is an ongoing activity to help citizens and elected officials design and deliver the Vision for Napier City. This predominantly results in benefits for the whole community. Debt or loan funding can be used where there is large non-recurring expenditure	100%	• General rates • Reserves • Loans • Fees and charges (where appropriate)	No significant capital expenditure but minor capital expenditure is funded from general rates and reserves.
Community facilities	A safe & healthy city that supports	The community as a whole	Intergenerational because of the	Users of the facilities who put greater	No reason identified to	Community as a whole benefit from having	85%	• General rates • Fees & charges,	• Accumulated surpluses from

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
	community well-being	including users of the facilities	life of the facilities	demands on the facilities	fund the net cost of this activity (after non rate revenue sources) separately from other activities	these facilities available but there is the ability to identify & charge users.		including lease income, one off grants, naming rights	General rates, fees & charges, • Loans • Reserves • Grants & donations
Community strategies	Council works with & for the community	The community as a whole	The outcomes of this activity result in ongoing benefits	Antisocial behaviour by individuals and groups Legislation	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	This is a core Council activity which changes the response to the needs of the community for which everyone benefits	100%	• General rates • Fees & charges, Including bequest and external funding • Reserves	• Accumulated surpluses from General rates, fees & charges • Loans • Reserves
Democracy & Governance	Council works with and for the community	The community as a whole	Short term	LGOIMA requests (vexatious & legitimate)	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	All residents and rate payers have equal opportunity to benefit All have the ability to contribute to this activity therefore no differential, general rates	100%	• General rates, • Fees & charges, Including for LGOIMAs • Reserves	Nil
Events and marketing	A vibrant innovative	The community as a whole receives social,	Short term	No significant exacerbators	No reason identified to fund the net	Events are a key part of the Napier City's	95%	• General rates • Grants	Nil

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Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
	city for everyone	cultural and economic benefit Participants and/or users			cost of this activity (after non rate revenue sources) separately from other activities	social, economic and cultural fabric, therefore the benefits that are received are both general and specific.		• Fees & charges, including ticketing, corporate sponsorship, vendors	
Housing	A safe and healthy city that supports community well-being	Users of the facilities and the wider community	Intergenerational	Inability of other entities to provide adequate social housing to meet local demand	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Responding to an identified need in our community. The users of the facilities are the primary beneficiaries of this activity.	0%	• Fees & charges (rentals) • General rates • Loans	• Accumulated surpluses from Fees & charges (rentals) • Loans • Government grants • Reserves • General rates
Inner harbour	A vibrant innovative city for everyone	The users of the facilities and the wider community in terms of the amenity value.	Intergenerational	Individual undertaking Illegal activities	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The users of the facilities receive a significant benefit but the wider community receives benefit through the amenity value.	50% - 60%	• Fees and charges • General rates • Reserves, surplus revenue from inner harbour land holding	• Accumulated surpluses from Fees and charges, general rates, reserves, • Loans • Financial and\or Development contributions.
Kennedy Park Resort	A vibrant innovative city for everyone	Direct users and ratepayers by the surplus generated.	Intergenerational	None identified	No reason identified to fund the net cost of this	Provides a range of affordable visitor amenities	0%	• Fees and charges	• Accumulated surpluses from Fees and charges,

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources: Operational	Funding sources: Capital
		Local retail, hospitality			activity (after non rate revenue sources) separately from other activities	that generates a surplus for Council to use as it sees fit.			• Loans, • Reserves
Lagoon farm	A sustainable city	The community as a whole (has the ability to subsidise rates).	Intergenerational	Nil	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	This activity currently breaks even and does not require any significant additional funding.	0% - 10%	• Fees and charges • Reserves	• Accumulated surpluses from Fees and charges • Reserves, • Loans
Libraries	A safe & healthy city that supports community well-being	The community as a whole however it is possible to identify users	Both long and short term benefits.	Researchers, people who demand excessive staff time for professional and commercial purposes	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone has the ability to use the library and we can identify certain users for specific services	90% - 95%	• Fees & charges (fines) • General rates • Grants & bequests	• Accumulated surpluses from Fees & charges, fines • General rates • Grants & bequests • Loans • Reserves • Financial and\or Development contributions
Marine Parade pools	A safe & healthy city that supports	The community as a whole	Intergenerational	None identified	No reason identified to fund the net	Everyone has the ability to use the facility	60% - 80%	• Fees & charges • General rates	• Accumulated surpluses from general rates

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Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
	community well-being	including users of the facility			cost of this activity (after non rate revenue sources) separately from other activities	and Council can identify the users			• Fees & charges • Loans • Reserves • Financial and\or Development contributions
McLean Park	A vibrant innovative city for everyone	The regional community as a whole Users, spectators, events, national, regional and local organisations, businesses	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The region benefits by having this facility and those who attend or participate in events	0%	• Fees and charges, tickets, sponsorship, corporate box revenue, naming rights	• Accumulated surpluses from fees and charges, general and targeted rates, tickets, • Loans • Reserves, • Grants & bequests • Sponsorship & corporate box revenue, naming rights
MTG Hawkes Bay	A vibrant innovative city for everyone	The whole region, users and visitors	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The provision of this activity enhances the social and cultural fabric and preserves our heritage and celebrates artistic innovation for future generations. Therefore, the	65% - 75%	• General rates • Fees and charges • Contribution from other local authorities • Bequests • Ministry of Education, grants,	• Accumulated surpluses from General rates, fees and charges • Contribution from other local authorities • Bequests

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Activity	**Community outcome**	**Who benefits?**	**Period of benefit**	**Whose acts create a need**	**Separate funding**	**Rationale**	**To be recovered from Public Good tools[2]**	**Funding sources**	
								Operational	**Capital**
						whole region benefits		donations & retail sales	• Ministry of Education grants • Donations, • Loans, • Reserves • Sponsorship & naming rights
Napier Aquatic Centre	A safe & healthy city that supports community well-being	The community as a whole including users of the facility	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone has the ability to use the facility and Council can identify the users	65% - 75%	• Fees & charges • General rates	• Loans, • Accumulated surpluses from general rates, fees & charges • Reserves
Napier I-Site	A vibrant innovative city for everyone	Visitors, regional tour operators and accommodation providers, hospitality, local businesses	Short term expenditure with ongoing benefits Building – intergenerational equity	Cruise ships passengers and operators	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Visitors, regional tour operators and accommodation providers, hospitality, local businesses therefore creating economic benefit for the city	25% - 35%	• General rates • Fees and charges	• Accumulated surpluses from General rates • Fees and charges • Targeted rates • Loans • Reserves
Napier Municipal Theatre	A vibrant innovative city for everyone	The community as a whole including users of the facility	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after	The provision of this activity enhances the social and cultural fabric	50% - 55%	• General rates • Fees and charges • Bequests	• Accumulated surpluses from general rates

Activity	**Community outcome**	**Who benefits?**	**Period of benefit**	**Whose acts create a need**	**Separate funding**	**Rationale**	**To be recovered from Public Good tools**[2]	**Funding sources**	
								Operational	**Capital**
					non rate revenue sources) separately from other activities	and celebrates artistic innovation for future generations. Therefore, the whole City benefits		• Grants, donations & sponsorship	• Fees and charges • Bequests • Grants, donations & sponsorship • Loans, • Reserves • Naming rights
Napier War Memorial Conference Centre	A vibrant innovative city for everyone	The immediate users. Local businesses receive a benefit from out of town users. Locals benefit from general hireage of the facility.	Intergenerational - 20-30 years	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities Building = War Memorial Centre Activity = Conference Centre	The Napier War Memorial Conference Centre is suitable for a wide range of events and attracts local, national and international conferences and events and provides a facility for the community which generates economic wellbeing.	5% - 10%	• Fees and charges • General rates	• Accumulated surpluses from Fees and charges • General rates • Targeted rates • Loans • Reserves
National Aquarium of NZ	A vibrant innovative city for everyone	Local, domestic and international visitors Businesses and local economy Historical and heritage,	Intergenerational	Polluters, sanctuary requirements	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately	It attracts locals and visitors to the city which provides enhances economic activity	20% - 25%	• Fees and charges • Grants • Sponsorships, bequests & philanthropic • General rates	• Accumulated surpluses from Fees and charges • General rates • Targeted rates • Grants • Loans

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Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
		customary practices – especially Maori and Pacifica			from other activities				• Reserves • Naming rights
Par2 mini golf	A vibrant innovative city for everyone	Users, visitors and families	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	It attracts locals and visitors and is a fun family friendly activity for all ages from which the Council fully recovers its cost	0%	• Fees and charges, retail sales	• Accumulated surpluses from Fees and charges • Reserves • Loans
Parking	A vibrant innovative city for everyone	Retailers, visitors and the community as a whole and those with a parking exemption	There are assets within this activity that have an intergenerational life	Vehicle drivers, non-compliant vehicle operators and property owners within parking exemption areas.	Council separately charges CBD and outer commercial properties a targeted rate for the provision of additional offstreet parking. Apart for these targeted rates no further reason has been identified to fund this	Parking ensures that safe parking facilities are available to the residents and visitors to Napier City to enable optimal vehicle circulation	0%	• Fees and charges • Targeted rates • Reserves	• Accumulated surpluses from Fees and charges • Targeted rates • General rates • Loans • Reserves • Financial and\or Development contributions

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Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
					activity separately from other activities				
Parklands residential development	A sustainable city	The community as a whole	Intergenerational	Nil	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	This activity currently provides significant income that subsidises rates	0%	• Fees and charges • Reserves	• Accumulated surpluses from Fees and charges • Loans • Reserves
Property holdings	A sustainable city	The community as a whole (has the ability to subsidise rates).	Intergenerational	Non-compliant lease holders	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	This activity generates cash surpluses which enables the subsidy of rates	0%	• Fees and charges (lease income) • Reserves • Loans	• Accumulated surpluses from Fees and charges (lease income) • Loans • Reserves
Public toilets	Excellence in infrastructure and public services for now and in the future	The community and visitors	Intergenerational (up to 20 years)	Visitors have created an additional cost. Vandalism Cruise ships Freedom campers	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately	Providing public amenities however, there is a requirement to provide these facilities for areas that have high visitor numbers	95% - 100%	• Fees and charges • General rates • Reserves	• Loans, • Reserves • General Rates

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
				Major inner-city events	from other activities				
Regulatory solutions	A safe and healthy city that supports community well-being.	The users of the services and the community, however the effective provision of this activity results in public health and the avoidance of nuisance	Limited to the period of the operation.	Non-compliant businesses and individuals	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The effective provision of this activity results in public health and the avoidance of nuisance	55% - 65%	• Fees and charges, • General rates • Reserves	Nil
Reserves	A safe and healthy city that supports community well-being	Occupiers, leases and hirers of the reserves Contributes to the City's green space, biodiversity and environmental outcomes Everyone benefits but the occupiers receive a higher benefit	Intergenerational - ongoing with assets having a life of greater than 10 years	Vandalism, events, theft, freedom campers	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone benefits but the occupiers receive a higher benefit and therefore a range of funding sources are used.	85% - 90%	• General rates • Fees and charges (rentals and leases)	• Accumulated surpluses from General rates, fees and charges • Targeted rates, • Loans, • Bequests, • Reserves • Financial and\or Development Contributions, • Grants and subsidies • Naming rights & sponsorship
Resource consents	A sustainable city	The relevant community (through the	Intergenerational due to the nature of the activities	Resource consent holders who	No reason identified to fund the net	The relevant community (through the	60% of the activity's costs are	• Fees and charges • General rates	Nil

Activity	**Community outcome**	**Who benefits?**	**Period of benefit**	**Whose acts create a need**	**Separate funding**	**Rationale**	**To be recovered from Public Good tools[2]**	**Funding sources**	
								Operational	**Capital**
		consent process), free planning advice, public counter, responding to complaints, compliant & safe buildings in the community. Notified and non-notified consents have different levels of benefit	for which the consents are issued.	do not comply with the resource consent conditions. Unconsented activities. Vexatious and frivolous objectors	cost of this activity (after non rate revenue sources) separately from other activities	consent process), notified and non-notified consents have different levels of benefit.	recovered from general rates Resource consents fees and charges are set to recover 100% of costs for services provided	• Reserves	
Sportsgrounds	Safe and healthy city that supports community well-being	People who actively participate in the sportsground Direct participants and indirect participants (spectators) Contributes to the City's green space Everyone benefits but the active participants and local businesses have a higher benefit	Intergenerational - ongoing with assets having a life of greater than 10 years	Sports people, park users, vandalism, parents, events	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone benefits but the active participants and local businesses have a higher benefit and therefore a range of funding sources are used	90% - 95%	• General rates • Fees and charges (rentals and leases)	• Accumulated surpluses from General rates, fees and charges targeted rates • Naming rights • Sponsorship • Loans, • Bequests • Reserves • Financial and\or Development Contributions

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Activity	**Community outcome**	**Who benefits?**	**Period of benefit**	**Whose acts create a need**	**Separate funding**	**Rationale**	**To be recovered from Public Good tools**[2]	**Funding sources**	
								Operational	**Capital**
Stormwater	A vibrant innovative city for everyone Excellence in infrastructure and public services for now and in the future	The community as a whole There can be identifiable parts of the community that receive higher levels of service	Intergenerational (up to 100 years)	Commercial density creates additional cost and need for the activity	Funding this activity separately through a targeted rate provides greater transparency so ratepayers understand the cost of stormwater services	The whole community benefits from the provision of storm water, however some properties based on location receive a different level of service	95% - 100%	• General rates • Targeted rates • Reserves • Fees and charges (connection fees)	• Accumulated surpluses from general and targeted rates, fees and charges • Financial and\or Development contributions • Loans • Reserves
Transportation	Excellence in infrastructure and public services for now and in the future	Users both public and private. There is a range of between 60% to 80% for private good.	Intergenerational	Heavy vehicles, irresponsible road users, high density properties creating high traffic impacts	Currently not practical and no benefit in funding this activity separately	The transportation activity provides economic, private and community benefit and is essential for the safe functionality and connectivity of the City.	40% - 60%	• NZTA subsidy • General rates • Fees and charges • Petrol tax	• Accumulated surpluses from targeted rates, general rate, fees and charges • Petrol tax • NZTA subsidy • Financial and\or Development contributions • Loans • Reserves • Grants and donations (e.g. cycle ways)
Waste minimisation	A sustainable city	The individual and the	Intergenerational	Illegal dumping creates an	Separate Targeted	Effective and efficient systems for the	20%	• Fees and charges • Targeted rates	• Accumulated surpluses from Fees

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools[2]	Funding sources	
								Operational	Capital
		community as a whole		additional cost for Council, inappropriate disposal of hazardous waste	rates are charged to fund the cost of kerbside refuse collections and the kerbside recycling service. This makes the cost of these services transparent to ratepayers. No reason has been identified to fund the net cost of the remainder this activity that relates to litter bins, illegal dumping & hazardous waste disposal (after non rate revenue sources) separately from other activities	collection and disposal of refuse and collection of recyclable materials benefit both the individual (enabling disposal) and the community by reducing the adverse environmental impacts.		• General rates • Waste minimisation levy • Reserves	and charges, targeted rates, general rates, • Waste minimisation levy, • Reserves, • Loans • Financial contributions

Activity	**Community outcome**	**Who benefits?**	**Period of benefit**	**Whose acts create a need**	**Separate funding**	**Rationale**	**To be recovered from Public Good tools**[2]	**Funding sources**	
								Operational	**Capital**
Wastewater	Excellence in infrastructure and public services for now and in the future	Private benefit for people to dispose of their waste. Public benefit for the community to have an appropriate environmental solution	Intergenerational (up to 100 years)	Industries with high waste volumes and loadings, unconsented activity, low volume high impact waste	Funding this activity separately through a targeted rate provides greater transparency so ratepayers understand the cost of wastewater services.	Provides human and environmental benefits to both the community and the wider region	0%	• Targeted differential rates • Fees and charges (including trade waste bylaw charges)	• Accumulated surpluses from Targeted differential rates, General rates, fees and charges • Loans • Reserves • Development and\or Financial contributions
Water supply	A safe and healthy city that supports community well-being	The users of the water supply are the primary beneficiaries however there is a wider benefit of having a potable water supply (90 private/10 public)	Intergenerational	Central Government legislation, illegal connections, high use users	Funding this activity separately through a targeted rate provides greater transparency so ratepayers understand the cost of water supply services.	The provision of potable water supply is of benefit to individuals and the wider community	0%	• Targeted differential rates • Water rates • Fees and charges (not including water by meter rate)	• Accumulated surpluses from Targeted differential rates, water rates, general rates, fees and charge • Loans, • Reserves, • Financial and\or Development contributions

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Rating Policy			
Approved by	Council		
Department	Finance		
Original Approval Date	11 February 2021	**Review Approval Date**	
Next Review Deadline	11 February 2024	**Document ID**	TBA
Relevant Legislation	Local Government Act 2002, Local Government (Rating) Act 2002		
NCC Documents Referenced	Revenue & Financing Policy Funding Impact Statement Rates Remission Policy Rates Postponement Policy Reviewed and amended in preparation for the Long Term Plan 2021-2031.		

Purpose

To assist Council in setting rates as specified within the requirements of the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LGRA).

This Policy is to be read in conjunction with the Revenue and Financing Policy, Rates Remission and Postponement Policy and Funding Impact Statement.

The Council must complete the following to set a lawful rate.

- Analysis as per s.101(3) of the Local Government Act 2002
- Adopt a Revenue and Financing Policy
- Adopt a Funding Impact Statement
- Adopt an Annual or Long Term Plan
- Adopt a rates resolution consistent with the actions described above.

Note: to maintain rating consistency, unless otherwise stated, adopted amendments made during any rating year to this policy will only become effective with the adoption of the following Annual Plan or Long Term Plan.

Policy

1. General Rates

General Rates are used to fund both operating and capital expenditure. They fund the remaining costs of Council operations after all other sources of funding have been applied.

General Rates are assessed through a combination of a Uniform Annual General Charge (UAGC) and a rate in the dollar based on land value.

The amount of the UAGC is set to ensure that the total (excluding water and wastewater rates) uniform (or fixed) rates will be between 20% to 25% of total rates that are to be collected.

The General Rate is set differentially using matters as prescribed in Schedule 2 of the LGRA, and as listed in the Funding Impact Statement. The LGRA Schedule 2 allows councils to set a General Rate based on each of these matters.

General rate differentials

Rating Units assessed for the General Rate are categorised into one of four differential categories:

- Residential/Other
- Commercial & Industrial
- Rural
- Rural Residential

Residential/Other

Any property that is not defined as Commercial & Industrial, Rural Residential or Rural.

Commercial & Industrial

Any property that is in a commercial or industrial zone under the District Plan or used for any business activities, except properties categorised as rural or consented for residential use, will be rated as commercial and industrial properties.

Commercial and industrial activities include, but are not restricted solely to:

- Rural and other similar activities such as transport, supplies, packhouses and wineries servicing multiple clients
- Professional offices, surgeries etc.
- All retail, wholesale merchandising activities
- All forms of manufacturing and processing
- Bars, restaurants, cafes and other service activities
- Storage facilities
- Hotels, motels, B & B's and other short-term accommodation providers
- Tourism operations
- Care facilities operated for profit
-

Rural Residential

Any rating unit that would otherwise be classified as Residential, but is not connected or able to be connected to both the city water system and the city sewerage system.

Rural

Any rating unit with an area of 5 Hectares or more that is used predominantly for land based agricultural or farming activities.

Differentials

A review of the Revenue & Financing Policy was conducted with adoption occurring in February 2021. New differentials were introduced. Based on the review, the following are the differentials to be applied based on the land value of properties in each differential category.

Differentials	Group / Code	Differential Rate

Residential / Other	1	100%
Commercial & Industrial	2	260%
Rural	3	85%
Rural Residential	4	90%

Due to significant increases being experienced for certain property types, General Rate differentials will be phased in over 3 years from the start of the 2021/22 ratings year. The calculation is based on the difference between the old differential (as defined in the 2020/21 Annual Plan) and the target differential, split into 3 equal stages. The schedule for phasing is as follows:

Old Differentials	Old Code	Old Differential Rate	New Differential Rate	New Code	Differential Rate	2021/22	2022/23	2023/24
City Residential	1	100.00%	Residential/Other	1	100.00%	100.00%	100.00%	100.00%
Commercial & Industrial	2	268.09%	Commercial & Industrial	2	260.00%	265.39%	262.70%	260.00%
Miscellaneous	3	100.00%	Residential/Other	1	100.00%	100.00%	100.00%	100.00%
Miscellaneous	3	100.00%	Commercial & Industrial	2	260.00%	153.33%	206.67%	260.00%
Miscellaneous	3	100.00%	Rural	3	85.00%	95.00%	90.00%	85.00%
Miscellaneous	3	100.00%	Rural Residential	4	90.00%	96.67%	93.33%	90.00%
Ex City Rural	4	63.47%	Residential/Other	1	100.00%	75.65%	87.82%	100.00%
Ex City Rural	4	63.47%	Rural Residential	4	90.00%	72.31%	81.16%	90.00%
Ex City Rural	4	63.47%	Rural	3	85.00%	70.65%	77.82%	85.00%
Other Rural	5	63.47%	Residential/Other	1	100.00%	75.65%	87.82%	100.00%
Other Rural	5	63.47%	Rural Residential	4	90.00%	72.31%	81.16%	90.00%
Other Rural	5	63.47%	Commercial & Industrial	2	260.00%	128.98%	194.49%	260.00%
Other Rural	5	63.47%	Rural	3	85.00%	70.65%	77.82%	85.00%
Bay View	6	72.80%	Residential/Other	1	100.00%	81.87%	90.93%	100.00%
Bay View	6	72.80%	Commercial & Industrial	2	260.00%	135.20%	197.60%	260.00%
Bay View	6	72.80%	Rural Residential	4	90.00%	78.53%	84.27%	90.00%

The purpose of the differentials applied to the General Rate is to ensure that the amount payable by groups of ratepayers reflects Council's assessment of the relative benefit received and share of costs those groups of ratepayers should bear based on the principles outlined in the Revenue and Financing Policy.

Notes on allocation of properties into differential categories

Rating units which have no apparent land use (or are vacant properties) will be placed in the category which best suits the zoning of the property under the district plan except where the size or characteristic of the property suggest an alternative use.

To avoid doubt where a rating unit has more than one use the relevant predominant use will be used to determine the category. The predominant use relates to the main productive activity rather than just to the land area. Where there is uncertainty the land will be categorised into the highest rated category.

Subject to the right of objection as set out in Section 29 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of the Council to determine the use or predominant use of all separately rateable properties in the district.

Uniform Annual General Charge (UAGC)

Council's Uniform Annual General Charge is set at a level that enables all Targeted Rates that are set on a uniform basis as a fixed amount, excluding those related to Water Supply and Sewage Disposal, to recover between 20% and 25% of total rates.

The charge is applied to each separately used or inhabited part of a rating unit.

2. Targeted Rates

Targeted Rates are charged to fund both operating and capital expenditure. They are charged where Council considers it desirable to separate out the funding of an activity. They are charged to rating units including those units that are separately inhabited which have access to or are deemed to benefit from the service provided. Targeted rates are a funding mechanism that may be charged for activities deemed to have either a high public or a high private good to identified properties, an area of the city or the city as a whole.

Some targeted rates are applied differentially using either land or capital values, however most targeted rates are applied on a uniform basis (same amount or rate in the dollar).

Water

Fire Protection Rate

This rate recovers a portion of the net costs of the water supply systems before the deduction of water by meter income.

The Fire protection targeted rate is based on the Capital Value of properties connected to, or able to be connected to, the Napier City Council water supply systems.

This rate is differentially applied, in recognition that the carrying capacity of water required in the reticulation system to protect commercial and industrial properties is greater than that required for residential properties. The rate is further differentiated where a property is not connected but is within 100 metres of a water supply system. 50% of the base rate for each differentiated category applies for each property not connected but located within 100 metres of the systems.

Differentials	Connected (%)	Not connected but within 100m (%)
Central Business District and Fringe Area	400%	200%
Suburban Shopping Centres, Hotels and Motels and Industrial rating units outside of the CBD	200%	100%
Other Rating Units connected to or able to be connected to the Council water supply systems	100%	50%

Water Rate

These rates recover the balance of the total net cost of the water supply systems after allowing for revenue collected from the Fire Protection Targeted Rate and the Water by Meter targeted rate.

The targeted rates are differentially applied and are a fixed amount set on a uniform basis, applied to each Separately Used or Inhabited Part of a Rating Unit connected to or able to be connected to, the Council's water supply system.

The differential categories for the water rates are:

- Connected – any Rating Unit that is connected to a Council system
- Service available – any Rating Unit that is not connected to a Council system but is within 100 metres of such system (charged 50% of the targeted rate for connected properties)

Differentials	Connected (%)	Not connected but within 100m (%)
Rating Units connected to or able to be connected to the Council water supply systems	100%	50%

Stormwater Rate

The primary beneficiary of storm water assets are those properties that have a hard surface. There is a strong relationship between Capital Value and the hard surface area of a property.

This rate recovers the cost of storm water asset management. The Stormwater Rate is based on the Capital Value of Residential and Commercial & Industrial properties within the recognised urban limit (i.e. non-rural property as defined under the District Plan).

Rural properties are exempted.

The differential categories for Stormwater Rates are:

Differentials	Differential Rate within urban limits
Residential / Other	100%
Commercial & Industrial	250%
Rural Residential	100%

Sewerage Rate

This rate recovers the net cost of the waste water activity.

The Sewerage targeted rate is applied differentially as a fixed amount and is set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit connected to, or able to be connected to, the Sewerage System.

A differential of 50% of the rate applies to each rating unit not connected but located within 30 metres of the system.

Differentials	Connected (%)	Not connected but within 30m (%)
Rating units connected to or able to be connected to the City Sewerage Systems	100%	50%

Bay View Sewerage Connection Rate

The Bay View Sewerage Scheme involves reticulation and pipeline connection to the City Sewerage System. Prior to 1 November 2005, property owners could elect to connect either under a lump sum payment option, or by way of a targeted rate payable over 20 years.

The Bay View Sewerage Connection targeted rate is a fixed amount set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit connected to the Bay View Sewerage Scheme, where the lump sum payment option was not elected.

The rate applies from 1 July following the date of connection for a period of 20 years, or until such time as a lump sum payment for the cost of connection is made.

The category of rateable land for setting the targeted rate is defined as the provision of a service to those properties that are connected to the sewerage system, but have not paid the lump sum connection fee.

Refuse & Recycling

Refuse Collection and Disposal Rate

This rate recovers the cost of the kerbside refuse collection service, including an allocation of the cost of Council support services.

The Refuse Collection and Disposal targeted rate of a fixed amount is set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit for which a rubbish collection service is available and is multiplied by number of times each week the service is provided. Rating units which Council officers determine are unable to practically receive the Council service and have an approved alternative service will be charged the waste service charge that excludes the approved alternative service.

Kerbside Recycling Rate

This rate recovers the net cost of the kerbside recycling collection service, including an allocation of the cost of Council support services.

The Kerbside Recycling targeted rate of a fixed amount is set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit for which the kerbside recycling collection service is available. Rating Units which Council officers determine are unable to practically receive the Council service and have an approved alternative service will be charged the waste service charge that excludes the approved alternative service.

Off Street Car Parking Rates

CBD Off Street Car Parking Rate

This rate is used to provide additional off street car parking in the Central Business District. Those commercial rating units in the mapped areas identified as the Central Business District Off Street Car Parking 100% and 50% Parking Dispensation areas are charged the CBD Off Street Parking targeted rate based on land value. This rate is set on a differential basis as follows:

Differentials	%
Properties where council provides additional parking due to the property receiving a 100% parking dispensation	100%
Properties where council provides additional parking due to the property receiving a 50% parking dispensation.	50%

Refer Council maps:

- CBD Off Street Car Parking – 100% Parking Dispensation Area
- CBD Off Street Car Parking – 50% Parking Dispensation Area

Taradale Off Street Car Parking Rate

This rate is used to provide additional off street car parking in the Taradale Suburban Commercial area.

Those commercial rating units in the Taradale Suburban Commercial area only are charged the Taradale Off Street Parking targeted rate based on land value and set on a uniform basis.

Suburban Off Street Car Parking Rate

This rate is used to provide additional off street car parking at each of these areas served by Council supplied off street car parking, and to maintain the existing off street car parking areas.

Those commercial rating units in suburban shopping centres and those commercial properties located in residential areas which are served by Council supplied off street car parking are charged the Suburban Shopping Centre Off Street Parking targeted rate based on land value and set on a uniform basis.

Promotion Rates

CBD Promotion Rate

This rate recovers at least 70% of the cost of the promotional activities run by Napier City Business Inc. The remainder is met from general rates to reflect the wider community benefit of promoting the CBD to realise its full economic potential.

Each commercial and industrial rating unit situated within the area as defined on Council map "CBD Promotion Rate Area" are charged the CBD Promotion targeted rate based on land value and set on a uniform basis.

Taradale Promotion Rate

This rate recovers the full cost of the Taradale Marketing Association's promotional activities. All rating units in the Taradale Suburban Commercial area are charged the Taradale Promotion targeted rate based on land value and set on a uniform basis.

Other Rates and Charges

Swimming Pool Safety Rate

This rate recovers the cost of pool inspections and related costs to ensure owners meet the legal requirements of the Building Act 2004 and Building (Pools) Amendment Act 2016. A targeted rate of a fixed amount set on a uniform basis, applied to each rating unit where a residential pool or small heated pool (within the meaning of the Building (Pools) Amendment Act 2016) is subject to a 3 yearly pool inspection.

Water By Meter Charges

This rate applies to all with a water meter and is charged based on a scale of charges as shown on the schedule of indicative rates each year.

Where any rating unit is suspected to have above average water usage Council officers may require that a water meter is installed and excess usage is charged based the water by meter targeted rate.

The rate based on actual water use above the first 300m^3 per SUIP per annum applies to select metered properties.

Targeted Rates Note:

For the purposes of Schedule 10, clause 15(4)(e) or clause 20(4)(e) of the Local Government Act 2002, lump sum contributions will not be invited in respect of targeted rates, unless this is provided within the description of a particular targeted rate.

3. Separately Used or Inhabited Parts of a Rating Unit Definition

Definition

For the purposes of the Uniform Annual General Charge and all uniform (or fixed value) Targeted Rates, a separately used or inhabited part of a rating unit is defined as: *Any part of a rating unit that is, or is able to be, separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.*

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other forms of occupation) on an occasional or long term basis by someone other than the owner.

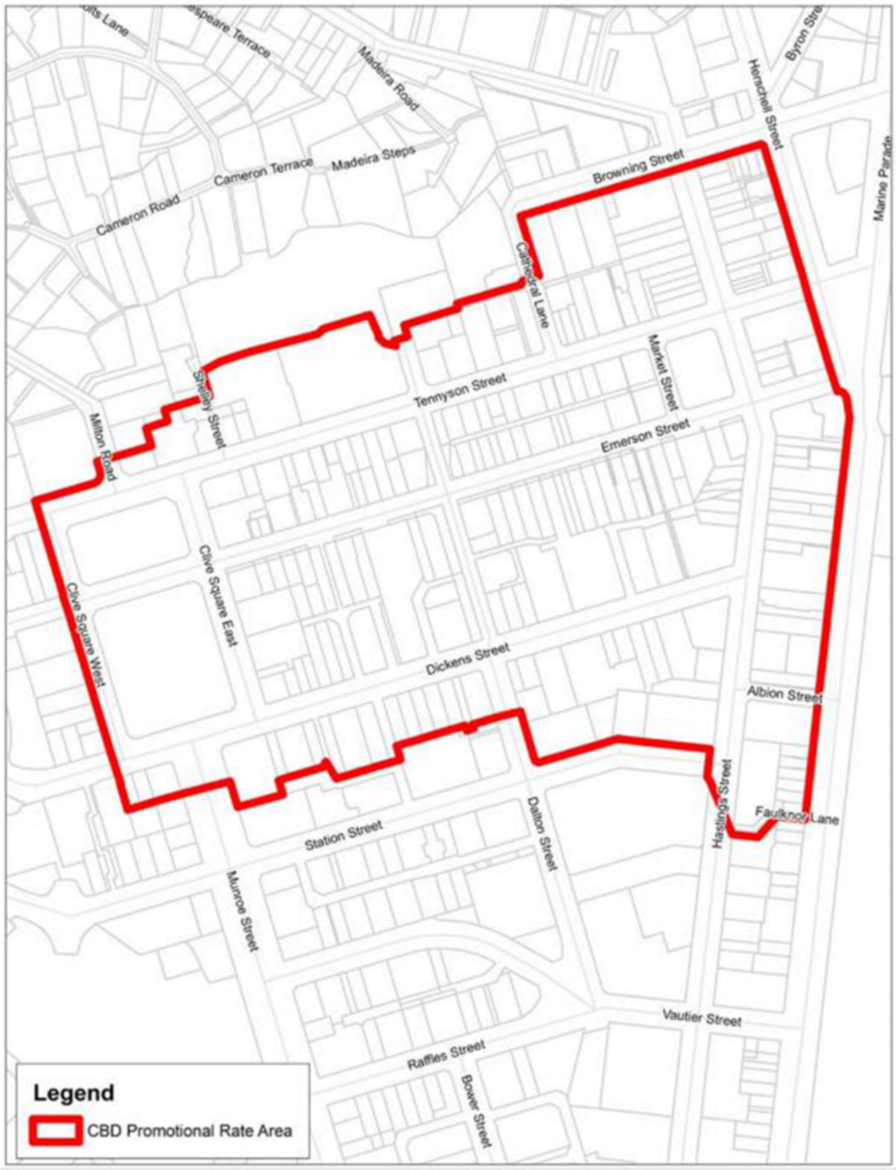
Examples of separately used or inhabited parts of a rating unit include:

- For residential rating units, each consented supplementary unit is considered a separately used or inhabited part. Each situation is assessed on its merits.
- Residential properties, where a separate area that is available to be used as an area independent to the rest of the dwelling is used for the purpose of operating a business, such as a professional practice, dedicated shop\display area or trade workshop. The business area is considered a separately used or inhabited part.
- For commercial or industrial properties, two or more different businesses operating from or making separate use of the different parts of the rating unit. Each separate business is considered a separately used or inhabited part. A degree of common area would not necessarily negate the separate parts.
- Where a single business comprises multiple buildings, or multiple floors of a single building, each building or floor of a multi-story building is deemed to constitute a separate part (SUIP).

These examples are not inclusive of all situations.

4. Maps

CBD Promotion Rate Area



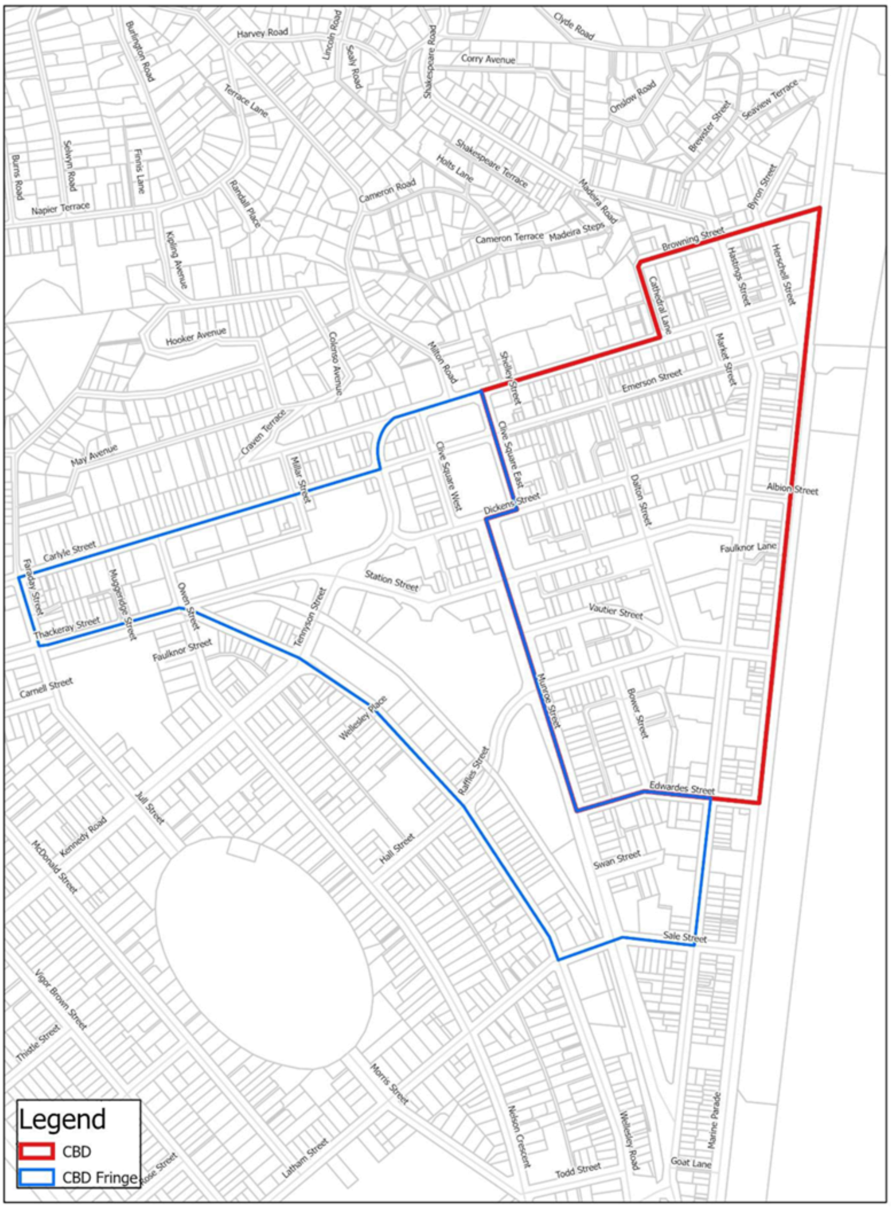
CBD Off Street Parking

100% Parking Dispensation Area

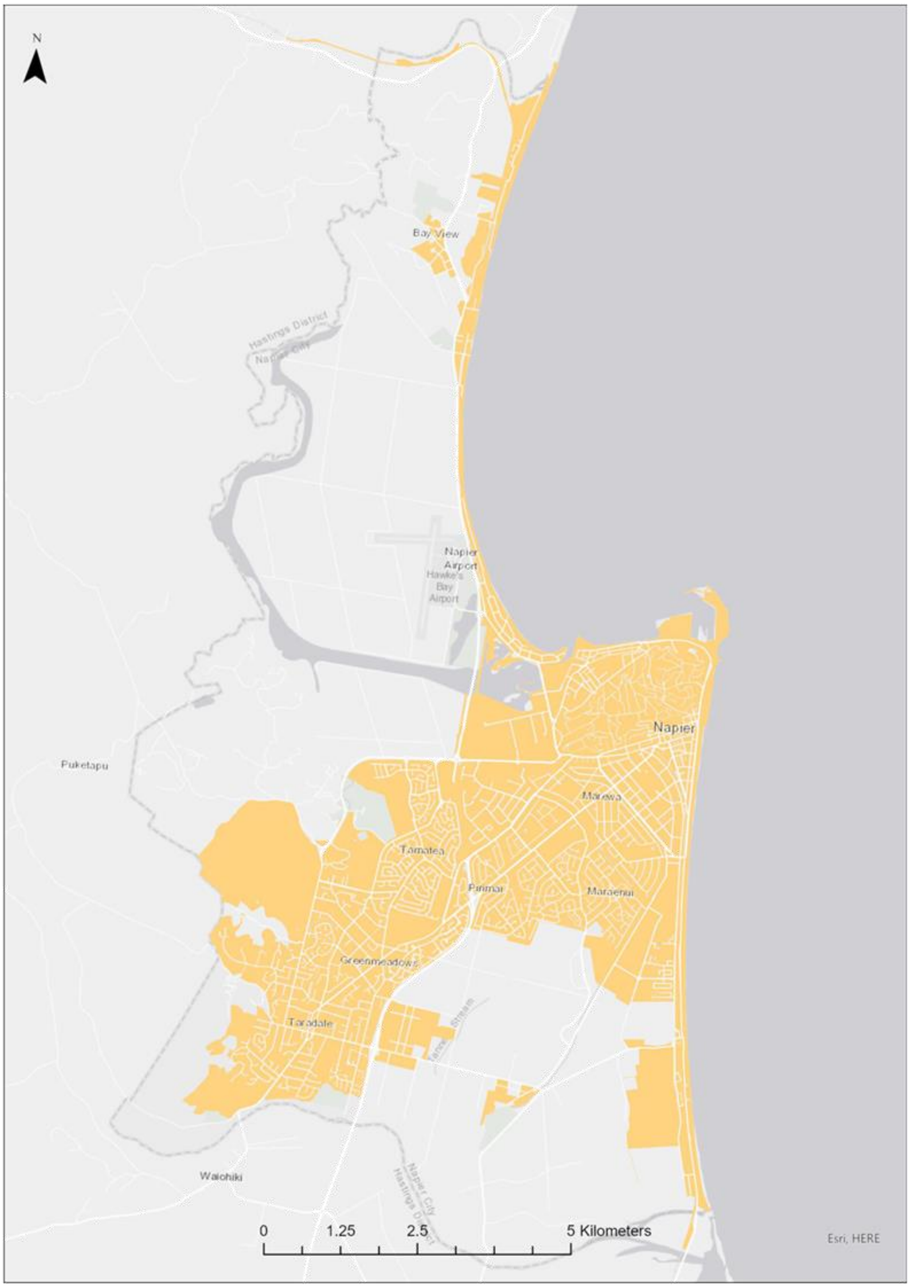
50% Parking Dispensation Area

CBD Fire Protection Area

CBD and CBD Fringe Rate Area



Stormwater Coverage



Policy Review

This policy will be reviewed at least once every three years.

Rates Remission Policy			
Approved by	Council		
Department	Finance		
Original Approval Date	30 June 2019	**Review Approval Date**	11 February 2021
Next Review Deadline	11 February 2024	**Document ID**	TBA
Relevant Legislation	Local Government Act 2002, Local Government (Rating) Act 2002 Building Act 2004 Rating Valuations Act 1998		
NCC Documents Referenced	Reviewed and amended as part of 2020/21 Annual Plan Reviewed and amended as part of Revenue & Financing Policy Review (adopted 11 February 2021). Reviewed and amended in preparation for the Long Term Plan 2021-2031.		

Purpose

To enable Council to remit all or part of the rates on a rating unit under Section 85 of the Local Government (Rating) Act 2002 where a Rates Remission Policy has been adopted and the conditions and criteria in the policy are met.

Policy

1. Remission of Penalties

Objective

The objective of this part of the Rates Remission Policy is to enable Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

Conditions and Criteria

Penalties incurred will be automatically remitted where Council has made an error which results in a penalty being applied.

Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. This will apply in the case of death, illness, or accident of a family member, at about the times rates are due.

Remission of the penalty will be considered if the ratepayer forgets to make payment, claims a rates invoice was not received, is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so

Remission of a penalty will be considered where sale has taken place very close to due date, resulting in confusion over liability, and the notice of sale has been promptly filed, or where the solicitor who acted in the sale for the owner acted promptly but made a mistake (e.g. inadvertently provided the wrong name and address) and the owner cannot be contacted. Each case shall be treated on its merits.

Penalties will also be remitted based on the application, by officers, of Council criteria established after Council has identified that Significant Extraordinary Circumstances have occurred that warrants further leniency in relation to the enforcement of penalties that would otherwise have been payable. The criteria to be applied will be set out in a council resolution that will be linked to the specific Significant Extraordinary Circumstances that have been identified by Council.

Penalties will also be remitted where Council's Chief Financial Officer considers a remission of the penalty, on the most recent instalment, is appropriate as part of an arrangement to collect outstanding rates from a ratepayer.

2. Remission for Farmland Under 5 Hectares

Objective

To provide rates relief for farms where a Rating Unit is less than 5 hectares.

Conditions and Criteria

- The Rating Unit must be used predominantly for land based agriculture or farming activities.
- Remission will be revoked where a change in land use has occurred.

The amount remitted will be the difference between the rates calculated on a Residential or Semi-Rural differential and a Rural differential.

Ratepayers wishing to claim remission under this part of the policy must make an application in writing addressed to the Chief Financial Officer.

The application for rates remission must be made to Council by the 30th of April prior to the commencement of the rating year. Any remission for applications received during a rating year will be applicable from the commencement of the following rating year. Remissions will not be backdated. Declarations must be renewed every 3 years.

3. Remission of Refuse Collection and/or Kerbside Recycling Targeted Rates

Objective

To enable Council to provide rates remission where, refuse collection or kerbside recycling services are not able to be provided, or where a ratepayer receives a reduced service.

Conditions and Criteria

- Remission of part of the charge may be provided where a Council service is not provided or where Council officers have approved an alternative service.
- Remission of part of the charge be provided where a ratepayer applies for a reduced service, and a Council officer deems a reduced service to be appropriate. Under this condition, Refuse Collection may be reduced from a weekly service to a fortnightly service (or from a thrice-weekly service to a weekly service for properties within the CBD).
- Applications for remission must be made in writing by the ratepayer or their authorised agent.
- Remission may be revoked where a change in service has occurred.

4. Remission for Residential Properties Used Solely as a Single Residence

Objective

To enable Council to provide rates remission where properties that are identified as having separately used or inhabited portions are used solely as a single family residence.

Conditions and Criteria

Applications for rates remission must be made in writing by the ratepayer or their authorised agent.

A signed declaration must be provided to Council stating that the properties are used as a single family residence. The application must be made to Council by the 30th of April prior to the commencement of the rating year. Any remission for applications received during a rating year will be applicable from the commencement of the following rating year. Remissions will not be backdated. Declarations must be renewed every 3 years.

Accommodation arrangements must not be for pecuniary benefit.

5. Remission for Water Rates (by meter)

Objective

To provide ratepayers with a measure of relief by way of partial rates remission where, as a result of the existence of a water leak on the Rating Unit which they occupy the payment of fuller rates is inequitable, or where officers are convinced that there are errors in the data relating to water usage.

Conditions and Criteria

- The existence of a significant leak on the occupied Rating Unit has been established and there is evidence that steps have been taken to repair the leak as soon as possible after the detection, or officers have reviewed the usage data and are convinced that the usage readings are so abnormal as to require adjustment.
- The Council or its delegated officer(s) as determined from time to time and set out in the Council's delegations register shall determine the extent of any remission based on the merits of each situation.

6. Remission to smooth the effects of change in rates on individual or groups of properties

Objective

To enable Council to provide rates remission where, as a result of a change in Council policy results in a significant increase in rates, Council decides it is equitable to smooth or temporarily reduce the impacts of the change by reducing the amount payable.

The Council considers a significant increase to be 25% or more over the current assessed rates for a single property.

Conditions and Criteria

- Remission of part of the value based rates to enable the impact of a change in rates to be phased in over a period of no more than 3 years.

To continue with any existing rates adjustment where, due to change in process, policy or legislation Council considers it equitable to do so subject to a maximum limit of 3 years to a remission made under this clause in the policy.

7. Remission for Special Circumstances

Objective

To enable Council to provide rates remission for special and unforeseen circumstances (including Significant Natural Areas (SNAs) where appropriate), where it considers relief by way of rates remission is justified in the circumstances.

Conditions and Criteria

Applications for rates remission must be made in writing by the ratepayer or their authorised agent.

Each circumstance will be considered by Council on a case by case basis. Where necessary, Council consideration and decision will be made in the Public Excluded part of a Council meeting.

The terms and conditions of remission will be decided by Council on a case by case basis. The applicant will be advised in writing of the outcome of the application.

8. Remission of Rates in Response to Significant Extraordinary Circumstances being identified by Council.

Objective

To enable Council to provide rates remission to assist ratepayers in response to Significant Extraordinary Circumstances impacting Napier's ratepayers.

Definitions

Financial Hardship: for the purpose of this provision is defined as the inability of a person, after seeking recourse from Government benefits or applicable relief packages, to reasonably meet the cost of goods, services and financial obligations that are considered necessary according to New Zealand standards. In the case of a ratepayer who is not a natural person, it is the inability, after seeking recourse from Government benefits or applicable relief packages, to reasonably meet the cost of goods, services and financial obligations that are considered essential to the functioning of that entity according to New Zealand standards.

Conditions and Criteria

For this policy to apply Council must first have identified that there have been Significant Extraordinary Circumstances affecting the ratepayers of Napier, that Council wishes to respond to.

Once Significant Extraordinary Circumstances have been identified by Council, the criteria and application process (including an application form, if applicable), will be made available.

For a Rating Unit to receive a remission under this policy it needs to be an "Affected Rating Unit" based on an assessment performed by officers, following guidance provided through a resolution of Council.

Council resolution will include:

1. That the resolution applies under the Rates Remission Policy; and
2. Identification of the Significant Extraordinary Circumstances triggering the policy (including both natural and man-made events); and
3. How the Significant Extraordinary Circumstances are expected to impact the community (e.g. financial hardship); and
4. The type of Rating Unit the remission will apply to; and
5. Whether individual applications are required or a broad based remission will be applied to all affected Rating Units or large groups of affected Rating Units; and
6. What rates instalment/s the remission will apply to; and
7. Whether the remission amount is either a fixed amount, percentage, and/or maximum amount to be remitted for each qualifying Rating Unit.

Explanation

The specific response and criteria will be set out by Council resolution linking the response to specific Significant Extraordinary Circumstances. The criteria may apply a remission broadly to all Rating Units or to specific groups or to Rating Units that meet specific criteria such as proven Financial Hardship, a percentage of income lost or some other criteria as determined by council and incorporated in a council resolution.

Council will indicate a budget to cover the value of remissions to be granted under this policy in any specific financial year.

The types of remission that may be applied under this policy include:

- The remission of a fixed amount per Rating Unit either across the board or targeted to specific groups such as:
    - A fixed amount per residential Rating Unit
    - A fixed amount per commercial Rating Unit

Policy Review

This policy will be reviewed at least once every three years.

2. FINANCIAL CONTRIBUTIONS

Type of Report:	Legal and Operational
Legal Reference:	Local Government Act 2002
Document ID:	1315883
Reporting Officer/s & Unit:	Paulina Wilhelm, Manager City Development

2.1 Purpose of Report

This report seeks to provide a summary of the submissions received on the Financial Contributions Policy and to recommend adopting the new Financial Contribution Policy.

After assessing the public feedback received, the Officer recommendations are to make no changes to the Policy as publicly notified.

Officer's Recommendation

That Council:

a. Note the summary of feedback received on the Financial Contributions Policy.

b. Endorse the Financial Contribution Policy in its current state.

c. Note that the Financial Contribution Policy may be subject to minor changes arising from the Long Term Plan hearings.

d. Note that the final policy will be brought back to Council for adoption on 30 June, in line with the timeframes for the adoption of the Long Term Plan 2021-2031.

2.2 Background Summary

Section 102 of the Local Government Act, requires Council to adopt funding and financial policies including a policy on development or financial contributions. Council Officers developed a revised Financial Contribution Policy early this year, which Council approved for public consultation, as part of the Long Term Plan consultation period, at its meeting 8 April 2021. The Policy was open for submissions for over a month from 12 April to 14 May.

<u>Summary of Submissions</u>

Council received 15 submissions. 86% were in support of the Financial Contribution Policy and the waivers proposed in the policy. Of those who supported the policy, three people made comments or suggested minor amendments. 13% of submitters were against what the Policy seeks to achieve, in particular the proposal to intensify development around commercial centres. These submitters did not provide any reasons for their objection. Individual written submissions are provided as attachments to this report.

Three people have requested to be heard.

The consultation document included the following three questions:

Survey questions[1]	Yes	No
1. Do you support converting office space to residential living within the city centre in order to revitalise this area?	11	3
2. Do you agree with supporting intensification in the city centres over developing in greenfield areas?	12	2
3. Are the proposed exemptions fair? If you think any of them are unfair, what suggestions do you have to improve them?	12	2

Below is a summary of the main issues raised by the three submitters who provided a written submission and the Officers' considerations and recommendations.

Issues	Considerations	Recommendation
Applying exemptions to consents already granted – *This submission requests that Council allow existing consents to be varied to reflect the exemptions*	This approach as it sends a positive signal to developers that NCC wish to encourage this type of development. The key risk is ensuring the appropriate tools are still in place to ensure payment of the FC. A condition of consent is the best way to do this. Moving away from a condition of consent would require a solid legal agreement outside the provisions of the RMA – likely to add costs on both sides. There are already processes in place to manage this request– see recommendation.	Applicants may re-submit a new resource consent or apply for a variation of conditions if a consent has not already been exercised. This approach makes it clear that there is no refund for developments already completed. No changes to FC policy as notified.
Lack of connectivity between the 2021-2031 LTP capital programme and the activity level FCs.	The Council acknowledges that most of these points are valid and there is a disconnect. e.g *To charge financial contributions, Councils must establish a nexus between the contributions and the work that they will be used to fund* – this is true of DCs, but the same transparency and disclosures are not required for FCs which are more flexible in terms of their potential purposes and in term of legal requirements for spending of FCs.	No changes to the FC policy as notified. No need to provide further information on capital expenses associated with growth in the LTP under FC policy regime.

[1] The late submission did not respond to the questions asked but sent a written submission.

Issues	Considerations	Recommendation
this submission seeks a review of Council's past and future financial contribution funding and expenditure, to provide a transparent basis for the contributions	The key responses to this submission point are: • The contributions are used to fund historic projects (e.g. Prebensen Drive) and future projects – therefore a comparison of just the 10 year LTP window is not comparing apples with apples. • The contributions are recovered over the capacity life of the assets – therefore in many cases the capital costs incurred by NCC in the LTP window will be recovered well outside this period. This emphasises NCC role as an infrastructure banker - providing the capacity ahead of time to enable development. • These two point explain why the submitter overstates the disconnect between the FCs and the capital programme for **the 2021** LTP. • The FC policy meets the reporting and disclosure requirements of the RMA and the LGA. The financial contributions are generally consistent with the provisions of the 2011 District Plan in terms of the purposes for which FCs are proposed, and expenditure of the FCs is considered to be in reasonable accordance with their purposes (see s111RMA). Any further information can be found in recent Annual Reports. • NCC considered the quantum of the financial contributions, compared to what a development contribution approach might require, and are comfortable that the total contribution is fair, reasonable and appropriate to fund the portfolio of projected infrastructure costs over the long term. In addition, Council service growth by providing infrastructure as a whole (transport, 3 waters, etc), and a less rigid approach to this is available under the RMA's financial contribution regime. Once council decided to have a DC policy, the LGA requires much more detail around the investment in each infrastructure type to be disclosed. • The approach agreed by Council was to use FCs as a pragmatic short-term measure and consider moving to Development Contributions once there is more certainty regarding RMA and 3-Waters legislative reforms. If however a decision is made that FCs continue, then greater alignment between the FC Policy and the district plan FC provisions could be achieved through the review of the district plan.	
Lower occupancy and Demand profile Policy not fair and proportionate	The submitter outlines why a retirement villa/unit/apartment/care bed has a lower demand than a typical residential dwelling. The draft FC Policy already has most of the relief sought factored into it under Retirement Complexes. • Water and wastewater use a per population basis. • Stormwater uses land area which is appropriate.	There are two options: 1. Include an exemption for Retirement Complexes for the Transportation FC. This may

Issues	Considerations	Recommendation
	• Library, Reserves and Sportsgrounds are not levied to Retirement Complexes – yet these types of facilities were a focus of the submission. • Transportation – the FC is per unit. Retirement developments tend to place a lower demand on the roading network, relative to a typical residential dwelling. However, there are simple and complex ways to calculate the level of reduction fixed vs variable infrastructure costs, e.g the benefit of having a road when you do need it, versus how much you actually use it day to day, so there is no simple formula.	need to cover 2 bed, 1 bed and care bed developments. Not recommended 2. No changes to the policy as drafted. Maintain that the Extraordinary Circumstances (1.8) is sufficient to assess the unique characteristics of any future development. Recommended.
Timing of payment – the submitter requests to delay payment until the code compliance certificate is uplifted.	The applicant's proposed approach allows the developer to benefit further from the time value of money – e.g. FC is levied as a condition of consent but not payable until ccc. The District Plan sets out the provisions for the timing of FC payment. Therefore to move away from this increases the risk of legal challenge and non-payment. The payment for non-residential developments (retirement Complexes) is later than residential developments (224c), so Retirement Complexes already get the benefit of a longer time to pay FCs.	Retain the status quo as per the draft policy and as per the District Plan.
Adopting a DC rather than a FC for clarity and transparency	Council acknowledges that ultimately having a comprehensive Development Contributions (DC's) policy is the optimal outcome. DC's under the LGA are considered more transparent and clear. The use of FC is a pragmatic short-term measure. Council will consider moving to DC's once there is more certainty regarding RMA and 3-Waters legislative reforms. If however, a decision is made that FCs should continue, then greater alignment between the FC Policy and the District Plan FC provisions could be achieved through the review of the district plan.	Retain status quo as per the draft policy.
Extend the FC discount to include all residential developments to promote more	Council acknowledges that Napier needs more houses to be build but we also need to be able to recover the costs incurred to provide for infrastructure for any development. If Council decided to waive FC in all areas across the city then the ratepayers will have to pay for growth.	Retain status quo as per the draft policy.

Issues	Considerations	Recommendation
houses being built	A strategic approach for waivers promote intensification in appropriate locations is justifiable as it revitalises the city centres.	
Encourage developments to be "self sufficient" as it is better for the environment and creates less burden on city services	Council acknowledges there are some environmental gains by developers providing some infrastructure on site. As part of the District Plan review process Council is proposing changes to the engineering code to accommodate for onsite stormwater solutions for developments and allowing for small scale renewable energy solutions. In some instances, it is more efficient for Council to provide infrastructure.	No changes proposed for the policy as Council is already promoting a degree of on site management for stormwater.

2.3 Issues

No further issues raised.

2.4 Significance and Engagement

Section 102 of the LGA requires Council to develop either a financial contributions policy or a developer's contributions policy. Consultation on this policy occurred parallel to the Long Term Plan and it was open for submissions for over a month, 12 April to 14 April.

2.5 Implications

Financial

The purpose of the contributions is to fund the growth/capacity capital cost of infrastructure for future development. These costs are projected to be around $105M over the next 10 years of which $40m will be debt funded to support growth at the end of the 10 years (excluding financing costs). Managing the timing of the infrastructure investments will be an important consideration.

Some of these costs will be funded from development that occurs outside the 10 year period covered by the 2021 LTP.

The estimated revenue over the 10 year LTP period is between $50M and $65M, depending on where and when the development occurs. The uptake in areas where an exemption may apply will also affect this revenue.

Although exemptions have been identified as part of this new policy, it is anticipated that any new residential development in commercial areas should not require any further network upgrades to accommodate this growth. For this reason we have not quantified lost revenue from exemptions.

Social & Policy

Growth projections suggest that up to 4,600 new residential units may be required in Napier over the next 30 years. This is an increase of around 20% from the current 26,000 houses. This demand is to be met by infill/intensification, existing structure plan/greenfield areas (Te Awa, Parklands, Western Hills Development) and potential further greenfield development.

The incentives proposed in the policy and discussed below as the preferred option, will contribute to the delivery of Council's strategic objective of a 'Vibrant City Centre' and promote inner city living. These incentives will also promote a 'compact city" by encouraging multi-unit developments in areas that are within walking distance from neighbourhood commercial centres across Napier.

In addition it is proposed to continue to charge financial contributions under the existing Financial Contributions section of the District Plan.

Risk

The key risks of the recommended approach are:

- The existing District Plan provisions mean there are potential limitations on the quantum of contributions for large non-residential developments.
- The exemptions will reduce the financial contribution revenue that Council receive, however this is off-set by the benefits from in-fill and intensification development. Typically, existing infrastructure has been provisioned to accommodate more growth in the city centres, or the change in land use does not create a significant increase in demand of services.
- Any possible future legislative changes that impact on the ability to charge for financial or development contributions.
- A potential increase in legal challenge as a consequence of the disconnect between the FC Policy and the district plan.

2.6 Options

The options available to Council are as follows:

a. Endorse the Financial Contributions Policy as publicly notified.
b. Amend the Policy to allow further reductions on financial contributions as requested by submitters.

2.7 Development of Preferred Option

The preferred option is a. Endorse the financial contribution policy as publicly notified.

Council seeks to encourage residential growth in certain areas in order to revitalise the city centres. Therefore, the exemptions to financial contributions detailed in Section 1.7 have been included in the draft policy. These are considered to be a simple and equitable means of achieving Council's strategic objectives related to providing capacity for housing development, and balancing the needs of funding for infrastructure.

It is not recommended to include further reductions at this point in time as this will compromise the ability of Council to recover the costs of infrastructure and therefore placing a burden on all ratepayers.

2.8 Attachments

A Financial Contributions Policy 2021 ⇩
B #1 Maree Leatherby *(Under Separate Cover)* ⇨
C #2 Sven van Dulm *(Under Separate Cover)* ⇨
D #3 Juliet Greig *(Under Separate Cover)* ⇨
E #4 Phillip Lascelles *(Under Separate Cover)* ⇨
F #5 Jaden Rogers *(Under Separate Cover)* ⇨
G #6 Kerry Marshall *(Under Separate Cover)* ⇨

H #7 Annette Le Comte *(Under Separate Cover)* ⇨
I #8 Roimata Rimene *(Under Separate Cover)* ⇨
J #9 Phil Ellis - Financial Contributions Policy *(Under Separate Cover)* ⇨
K #10 Infir Limited - Johan Ehlers *(Under Separate Cover)* ⇨
L #11 Ben Reilly *(Under Separate Cover)* ⇨
M #12 Summerset Group Holdings Limited - Young Yoon *(Under Separate Cover)* ⇨
N #13 Kāinga Ora - Brendon Liggett - Late Submission *(Under Separate Cover)* ⇨

Financial Contributions Policy

Approved by	Council		
Department	City Strategy		
Original Approval Date	29 June 2021	**Review Approval Date**	
Next Review Deadline	30 June 2022	**Document ID**	1301563
Relevant Legislation	The Local Government Act 2002, Resource Management Act 1991		
NCC Documents Referenced	Not Applicable		

Contents

Overview

Purpose of the Policy

Population and business growth create the need for new subdivisions and developments, and these place increasing demands on the assets and services provided by Council. As a result, significant investment in new or upgraded assets and services is required to mitigate the environmental effects and meet the demands of growth. In this policy, this investment is termed the cost of growth.

Under Section 106 of the *Local Government Act,* Napier City Council can require development or financial contributions from developers to help fund the cost of new or expanded infrastructure and services that are required to meet the additional demand created by growth, and/or to avoid, remedy, or mitigate any adverse effects resulting from land development and subdivision.

Council intends to achieve this in the short term by using Financial Contributions under the *Resource Management Act 1991* (RMA91). This approach covers all types of development (residential and non-residential) and is a city-wide approach for development anywhere in Napier City.

Navigating this document

Part 1: Policy operation - provides information needed to understand if, when, and how financial contributions will apply to developments. It also explains peoples' rights and the steps required to properly operate the Policy. The key sections are:

- The contributions – how much will be levied.
- When financial contributions are levied and paid
- Other operational matters

Part 2: Policy Details – requirements of the policy.

Part 3: Supporting Information - Policy maps, District Plan references and definitions.

Changes to the policy

This policy retains the use of financial contributions for residential development used in the previous policy. The main change is that non-residential developments will now also be levied a financial contribution. This is consistent with Council's current operational practice; however, it is a change from the previous policy regarding the use of development contributions for non-residential development.

1. Policy Operation

Council's functions under the RMA include establishing and implementing methods to achieve integrated management of the effects of the use, the development or the protection of land, and the control of subdivision. The charging of financial contributions is an important mechanism in carrying out those functions and ensuring there are positive effects on the environment that avoid, remedy, or mitigate any adverse effects resulting from land development and subdivision. Council considers the existing financial contributions the simplest and most effective means of funding growth costs as they are in place for the main development areas that are partially developed, or about to be developed.

Financial Contributions are a component of the City of Napier District Plan (Nov 2011). Copies of the City of Napier District Plan can be viewed at the Napier and Taradale Public Libraries and on Napier City Council's website www.napier.govt.nz. This is termed the operative District Plan is this policy.

1.1. Assessment criteria

Chapter 65 of the District Plan specifies in detail the issues, objectives, policies, and rules relating to financial contributions. The provisions of the District Plan on financial contributions relate to the following matters:

1. Residential Subdivision
    a. On every subdivision the financial contribution per lot must be paid to the Council for each additional lot or certificate of title created by the subdivision.
    b. Financial contributions do not apply where the subdivision is solely for the purpose of creating a title for an existing dwelling unit.
2. Residential Multi-Unit Development
    a. On every multi-unit development for residential purposes, the financial contribution must be paid to the Council for the second and each subsequent unit of the development.
3. Industrial and Commercial Land Development
    a. On every land development for industrial and/or commercial purposes, the financial contribution must be paid to the Council for:
        i. Each additional lot or certificate of title created by the subdivision.
        ii. The second and each subsequent unit of development.
    b. Financial contributions do not apply where the subdivision is solely for the purpose of creating a title for an existing and lawfully established business unit.

    For non-residential developments where a resource consent would not normally be required (complying or permitted activity), Council may require a resource consent for the purpose of levying a financial contribution - see Section 1.6.

Financial contributions are established in the following three categories:

1. Non local (off site) 2. Local (off site)	Off Site Services means local services serving a particular locality provided at the time of land development (including subdivision) e.g. extended reticulation and sewer trunk mains and/or non-local services provided at district level in response to demand from new development e.g. increased sewage treatment capacity. Costs for off site services may be shared between various developers and the Council on behalf of existing sites.
3. On site	On Site Services means services within a land development (including a subdivision) paid for wholly by the developer and vested in the Council, e.g. on site sewer reticulation.

1.2. Summary of Financial Contributions

All financial contributions are summarised in the tables below for both residential and non-residential development. These have been indexed as permitted by the District Plan. The original financial contributions as per the operative District Plan, and the inflation indexes can be found in Part 3 of this policy.

Table 1 : Infill, Residential and Rural Financial Contributions

Development Area	Non local Off Site Contributions		Local Off Site Contributions		On Site Contributions	
	1 July 2021 (inc GST)	paid per	1 July 2021 (inc GST)	paid per	1 July 2021 (inc GST)	paid per
Infill						
Urban Infill	$25,626.78	per lot/unit	$2,583.32	per lot/unit		
Multi-storey	$22,735.24	per lot/unit	$65,699.80	per Ha		
Jervoistown: Full Urban	$24,856.94	per lot/unit	$97,746.18	per Ha		
Residential						
Citrus Grove	$24,795.30	per lot/unit	$798.51	per lot/unit	$129.02	per lot/unit
King/Guppy	$23,704.34	per lot/unit	$220,066.88 $821.44	per Ha per m road frontage		
Lagoon Farm	$24,611.80	per lot/unit	$798.51	per lot/unit		
Mission Special Character Zone	$20,812.80	per lot/unit	$1,078.06	per lot/unit		
Park Island	$24,871.28	per lot/unit	$798.51	per lot/unit		
Te Awa	$23,533.74	per lot/unit	$562,868.76 $3,652.78	per Ha per m road frontage		
Rural						
Poraiti	$17,220.23	per lot/unit	$1,974.05	per lot/unit		
Lifestyle Chara.	$20,812.80	per lot/unit	$2,891.54	per lot/unit		
Jervoistown: Rural Infill	$20,108.91	per lot/unit	$8,445.25 $9,854.47 $125,209.38	per lot/unit per lot/unit per lot/unit		
All Other Rural Areas	$17,220.23	per lot/unit	$3,221.27	per lot/unit		

See Section 3.4 Definitions for the definition of lot and unit (dwelling unit).

Table 2 : Non-residential Financial Contributions

Development Type	Water Supply Contribution		Wastewater Contribution	Stormwater Contribution	Roads & Transportation Contribution
	1 July 2021 (inc GST)	1 July 2021 (inc GST)	1 July 2021 (inc GST)	1 July 2021 (inc GST)	1 July 2021 (inc GST)
Non-Residential based	**Gross floor area ($ per m²)**	**Pervious land area ($ per m²)**	**Gross floor area ($ per m²)**	**Land area ($ per m²)***	**Per every new lot/unit ^ ($)**
Office & shops	$7.97	$2.99	$5.56	$5.44	$13,284.75
Medical Clinics / Hospitals	$9.96	$2.99	$6.95	$5.44	$13,284.75
Warehouses / Factories / Network Utility Operations	$4.00	$2.99	$2.78	$5.44	$13,284.75
Unsealed Yards	$0.00	$2.99	$0.00	$1.39	$13,284.75
Non-Residential based	**Per church**	**Pervious land area ($ per m²)**	**Per church**	**Land area ($ per m²)***	**Per every new lot/unit ($)**
Churches	$3,988.13	$2.99	$2,781.65	$5.44	$13,284.75
Residential based	**Population ($ per head)**	**Pervious land area ($ per m²)**	**Population ($ per head)**	**Land area ($ per m²)***	**Per every new lot/unit ($)**
Residential Care Facilities	$299.21	$2.99	$208.48	$5.44	$13,284.75
Travellers' Accommodation	$299.21	$2.99	$208.48	$5.44	$13,284.75
Day Care Centres	$150.57	$2.99	$104.24	$5.44	$13,284.75
Educational Facilities	$150.57	$2.99	$104.24	$5.44	$13,284.75
Retirement Complexes	$297.28	$2.99	$208.48	$5.44	$13,284.75
	OR equivalent water connection (whichever is greater)		OR equivalent wastewater connection (whichever is greater)	* based on 60% sealed area max. Sealed areas greater than 60% pro rata.	^ A unit is 8 vehicle movements per day as defined in Chapter 65 of the District Plan (Table 2), being the average number of vehicle movements generated by a typical household
Connection Diameter (mm)	**Water Supply Contribution per connection**		**Wastewater Contribution per connection**		
15	$1,994.06		$1,391.79		
20	$3,549.93		$2,486.31		
25	$5,544.00		$3,881.96		
40	$14,178.50		$9,925.92		
50	$22,154.76		$15,508.52		
80	$56,708.23		$39,695.95		
100	$88,611.31		$62,028.30		

1.3. Capital contributions

In addition to the above financial contributions, the subdivider or developer is required to meet the cost of providing all infrastructure within land being developed or subdivided where the benefits accrue directly to the land being subdivided or developed.

Where existing infrastructure and services outside the land being subdivided or developed are inadequate for the existing development, the cost of upgrading or the provision of new facilities shall be shared fairly between the subdivider or developer and the Council if there is capital works of benefit to another area.

The subdivider or developer is required to meet the proportionate cost of upgrading infrastructure, or for the provision of new infrastructure, where the development/subdivision will necessitate such upgrading or new offsite services.

However, Council will still have the authority to require works or services, or seek cash or land contributions on new developments to avoid, remedy and mitigate the environmental effects of proposed developments through resource consent conditions or in accordance with any relevant rule in the District Plan or any transitional provision under the RMA.

1.4. Financial Contributions – Reserves

There is a long history of requiring subdivision of land to provide land or money for the purpose of providing public open space as reserves. Reserves are generally required as part of the subdivisions process since they provide the open space and recreation facilities and opportunities necessary to cater for additional demand generated and to protect or enhance amenity values.

As communities grow, there is a need to provide recreation and open space to meet their needs and requirements. The guiding principle in the determination of reserves requirements relating to city growth is the preservation of the current ratio of recreational reserves per residential lot.

This ratio for Napier has been calculated at 75 m^2 per residential property and is considered both satisfactory by current users and appropriate for the future.

1.5. Land, works or assets provided in lieu of financial contributions

Where the developer provides assets that council would typically provide, in lieu of financial contributions, the amount of the works shall be off-set against the total financial contribution applicable. The mechanism of how the total contributions is calculated (per lot, per metre road frontage, per hecatre) will not be considered as part of the off-set calculation.

1.6. Timing of assessment, invoicing and payment

All financial contributions shall be levied as a condition of resource consent. The process for both residential and non-residential development is shown below.

Residential

The financial contribution shall be notified as a condition of resource consent (typically subdivision) when the consent is granted.

The invoice shall be generated at the time the Section 224 Certificate is requested.

Once the payment of the financial contribution is received and all other conditions are met, the Section 224 Certificate shall be issued.

Non-Residential

The financial contribution for non-residential development will be assessed at the building consent stage. However, the financial contributions shall be levied as a condition of resource consent. A resource consent will be required for:

- A permitted activity - the development will only be a permitted activity if the applicant has paid financial contributions. If the applicant has not paid financial contributions at the building consent stage, we can issue a certificate in terms of Section 37 of the Building Act 2004, requiring the applicant to apply for resource consent.
- Not a permitted activity – a resource consent will be required as per standard practice for the development.

The invoice shall be generated before the building consent is uplifted.

Once the payment of the financial contribution is received and all other conditions are met, the building consent may be uplifted.

Any land use not identified as a controlled activity, a restricted discretionary activity, a discretionary activity or a prohibited activity elsewhere in this plan and that complies with all the relevant conditions is a permitted activity.

Non-Payment

On time payment is important because, until the financial contributions have been paid in full, Council may:

- withhold Section 224 Certificate being issued.
- prevent a building consent being uplifted or issued, or prevent the commencement of the building.

Council may also retain the right to pursue all normal debt collection processes should payment be withheld.

1.7. Exemptions

City Centre

Council wishes to encourage residential growth in certain areas in order to revitalise the city centres. Accordingly, the exemptions to financial contributions below shall apply for the following developments:

1. A new residential unit within the Art Deco Quarter and Inner City Commercial Zone within an existing gross floor area shall be exempt 80% of the financial contribution. Any new residential unit in addition to the existing floor area will be exempt by 50%. This reflects the fact that where a conversion development occurs within the existing built city environment, there is not always an established link between residential activity and an increased demand on services like 3-waters and transportation. However, there is an increase in demand for community infrastructure and parks/reserves, and from the new floor area that did not previously exist.
2. Any multi-unit residential development within Fringe Commercial Zone and Taradale Suburban Commercial Zone shall be exempt 50% of the financial contribution.
3. Any multi-unit residential development within the main commercial centers in Marewa, Napier South, Onekawa, Greenmeadows, Maraenui, Taradale and Tamatea (as per map in Figure 4) shall be assessed based on the number of bedrooms in each apartment/unit. This is considered a fair way to reflect the lower demand typically created by smaller apartments compared to a residential dwelling. The exemptions shall be:
   - One bedroom unit 50% exemption
   - Two bedroom unit 33% exemption
   - Three or more bedroom unit 0% exemption

The greater of the above exemptions shall be applied, however, a single development may only be granted one exemption. The approval of an exemption should be agreed prior to resource consent being granted so the exemption is made clear in the conditions of consent.

Non-connection

Where a development does not connect to Council's water supply, wastewater, and/or stormwater network, the development shall be exempt from these components of the financial contributions.

1.8. Extraordinary Circumstances

Council reserves the discretion to enter into specific arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale that is not readily assessed in terms of units of demand, or is developed through a legislative consent process outside of the RMA.

1.9. Refunds and Postponements

For the purposes of this Policy, refunds and/or postponements on payment of Financial Contributions will not be applied.

1.10. Tax - GST

Financial contributions required will incur a Goods and Services Tax at the appropriate rate. All figures in the above tables in this section are as on 1st July 2021 and are shown inclusive of GST of 15%.

1.11. Future indexing

Financial contributions for subsequent years (taking into account indexation) will be shown in Council's Schedule of Fees and Charges, available from 1st July each year. These will be adjusted based on the latest Producer Price Index (EE Construction SQNEE0000).

1.12. Example calculations

The following tables provides a range of examples for calculations of subdivision and developments in Napier city.

Variable	Inputs/Calculations	Unit
Location	Mission Special Character Zone	
Development type	Subdivision	
Lots	50	lots
Non-local Off-Site Contributions	$20,813	inc GST
Local Off-Site Contributions	$1,078	inc GST
On-Site Contributions	$0	inc GST
Sub-Total ($/lot)	$21,891	per lot
TOTAL Financial Contribution	**$1,094,543**	**inc GST**

Variable	Inputs/Calculations	Unit
Location	Urban Infill - within exemption zone	
Development type	Subdivision	
Lots	4	lots
Non-local Off-Site Contributions	$25,627	inc GST
Local Off-Site Contributions	$2,583	inc GST
On-Site Contributions	$0	inc GST
Sub-Total ($/lot)	$28,210	per lot
Exemption @ 50%	$14,105	per lot
Revised Sub-Total ($/lot)	$14,105	per lot
TOTAL Financial Contribution	**$56,420**	**inc GST**

Variable	Inputs/Calculations	Unit
Location	Urban Infill	
Development type	Development - high density apartments	
Lots	1	lot
Apartments - 1 bedroom	10	units
Apartments - 2 bedroom	10	units
Non-local Off-Site Contributions	$25,627	inc GST
Local Off-Site Contributions	$2,583	inc GST
On-Site Contributions	$0	inc GST
Sub-Total ($/unit)	$28,210	per lot
Exemption @ 50% for 1 bedroom	$14,105	inc GST
Exemption @ 33% for 2 bedroom	$9,309	inc GST
Revised Sub-Total ($/unit) - 1 bedroom	$14,105	per lot
Revised Sub-Total ($/unit) - 2 bedroom	$18,901	per lot
TOTAL Financial Contribution	**$330,058**	**inc GST**

Variable	Inputs/Calculations	Unit
Location	Te Awa	
Development type	Subdivision	
Lots	30	lots
Land area	2	Ha
Road frontage	175	m
Non-local Off-Site Contributions	$23,534	inc GST
Local Off-Site Contributions (per Ha)	$562,869	inc GST
Local Off-Site Contributions (per m road frontage)	$3,653	inc GST
On-Site Contributions	$0	inc GST
Sub-total Non-local Off-Site Contributions	$706,012	inc GST
Sub-total Local Off-Site Contributions (per Ha)	$1,125,738	inc GST
Sub-total Local Off-Site Contributions (per m road frontage)	$639,236	inc GST
TOTAL Financial Contribution	**$2,470,986**	**inc GST**

Variable	Inputs/Calculations	Unit
Location	Napier City	
Development type	Commercial Development - Retail shop	
Gross floor area	1,000	m²
Pervious land area	1,250	m²
Land area	2,000	m²
Lots	1	lot
Vehicle movements - traffic impact assessment	200	vpd
Water supply - Gross floor area ($/m2)	$7.97	inc GST
Water supply - Pervious land area ($/m2)	$2.99	inc GST
Wastewater - Gross Floor Area ($/m2)	$5.56	inc GST
Stormwater - Land Area ($/m2)	$5.44	inc GST
Road & Transportation - unit ($/unit)	$13,285	inc GST
Sub-total Water supply - Gross floor area	$7,972	inc GST
Sub-total Water supply - Pervious land area	$3,740	inc GST
Sub-total Wastewater - Gross Floor Area	$5,559	inc GST
Sub-total Stormwater - Land Area	$10,887	inc GST
Sub-total Road & Transportation - unit	$332,119	inc GST
TOTAL Financial Contribution	**$373,563**	**inc GST**

2. Policy Details

2.1. Requirement to have a policy

Council is required to have a policy on development contributions and financial contributions as a component of its funding and financial policies in its Long Term Plan under section 102(2)(d) of the LGA02. This Financial Contributions Policy meets that requirement.

2.2. Funding summary

Over the next 10 years, Council plans to spend over $104M on infrastructure partially or wholly needed to meet the increased demand for community facilities resulting from growth/development. Of this cost, 13% percent will be funded from financial contributions. A summary by asset grouping is shown below.

Table 3 : NCC 2021 Long Term Capital Expenditure – growth related costs and funding

Asset Grouping	Total Capital Expenditure – 2021 LTP ($000s)	Growth related capital costs ($000s)	Portion funded from FCs	Portion funded from other sources
City strategy	8,134	0	0%	100%
Community and Visitor Experience	160,709	4,255	3%	97%
Other Infrastructure	18,535	0	0%	100%
Property Assets	46,576	0	0%	100%
Stormwater	115,873	32,747	28%	72%
Support Units	62,560	0	0%	100%
Transportation	104,365	6,160	6%	94%
Wastewater	154,759	33,375	22%	78%
Water Supply	133,816	28,029	21%	79%
TOTAL	**805,327**	**104,566**	**13%**	**87%**

2.3. General purposes for which financial contributions may be used

Council has decided to fund these growth related costs from financial contributions under the *Resource Management Act 1991* for the following activities:

- Water Supply
- Wastewater Disposal
- Waste Disposal
- Sports and Reserves
- Roads and Transportation
- Recreation Facilities
- Stormwater Disposal
- Library Facilities

2.4. Considerations for funding growth costs

In forming this view, Council has considered the matters set out in section 101(3) of the LGA02 within its Revenue and Financing Policy, and within this Policy.

Council is required under Section 106(2)(c) of the LGA02 to explain within this Policy why it has decided to use financial contributions to fund capital expenditure relating to the cost of growth. This assessment is below.

Council outlines its community outcomes in the Long Term Plan. The community outcomes that Council will contribute to, among other things, is the funding of capital expenditure for growth for water supply, wastewater, stormwater, road, reserves, and community infrastructure. The community outcomes and goals are listed below.

Outcome	Napier City Goal
A vibrant city for everyone	Napier is a vibrant city through excellent strategy and planning. Social cohesion is achieved for all ages and ethnicities. Innovative services are provided using technology whilst protecting the environment. Technology connects Napier to the rest of New Zealand and the world. Napier is an appealing tourist destination. Business-friendly economic development is encouraged.
Excellence in infrastructure and public services for now and the future	Facilities and infrastructure will support community and visitor needs, focusing on excellent service and accessibility. Napier's transportation system is safe and affordable. All transport choices are catered for: cars, cycles, pedestrians, and disabled users.
A sustainable city	Our natural resources are renewed and enhanced. We act as steward for our environment for future generations. Napier values its character and history Napier is an affordable city to live in.
Council works with and for the community	Council guides the city with effective leadership. Council encourages community consultation and collaboration to assist in shaping the future direction of the city.
A safe and healthy city that supports community well-being	Services and facilities support social and recreational opportunities Community safety is supported and improved. Social services are supported.

Council has also considered the funding of growth-related costs specific to the other matters required by s101 (3) of the LGA. A summary of this assessment is below.

Who Benefits / whose act creates the need	A significant portion of Council's work programme over the next 30 years is driven by development or has been scoped to ensure it provides for new developments. The extent to which growth is serviced by, and benefits from, an asset or programme as well as how much it serves and benefits existing ratepayers is determined for each asset or programme. Council believes the growth costs identified through this process should be recovered from development as this is what creates the need for the expenditure and /or benefit principally from new assets and additional network capacity. Where and to the extent that works benefit existing residents and businesses, those costs are recovered through rates. The geographical areas are defined by the maps in the District Plan and summarised in Part 1 of this policy.
Period of benefit	The assets constructed for development provide benefits and capacity for developments now and developments in the future. In many cases, the 'capacity life' of such assets spans decades. Financial contributions are used to recover the capital costs to service an entire development area, over the capacity life of assets. Developments that benefit from the assets will contribute to its cost, regardless of whether they happen now or in the future.
Funding sources & REASONING for separate funding	The cost of supporting development in Napier City is significant. Financial contributions send clear signals to the development community about the cost of growth and the capital costs of providing infrastructure to support that growth. The benefits to the community are significantly greater than the cost of policy making, calculations, collection, accounting, and distribution of funding for financial contributions.
Overall impact of liability on the community	Council has also considered the impact of the overall allocation of liability on the community. In this case, the liability for revenue falls directly with the development community. Council considers that the level of financial contributions is affordable and does not consider it likely that there will be an undue or unreasonable impact on the social, economic, and cultural wellbeing of this section of the community. Moreover, shifting development costs onto ratepayers is likely to be perceived as unfair to existing residents as it would significantly impact the rates revenue required. Existing residents do not cause the need, or benefit directly from the growth infrastructure, needed to service new developments. Overall, Council considers it fair and reasonable to use financial contributions to fund the costs of growth-related capital expenditure for community facilities, and that the social, economic, and cultural interests of Napier's communities are best advanced this way.

2.5. Implementation and review

It is anticipated that this Policy will be updated on a three-yearly basis or at shorter intervals if Council deems it necessary. Any review of the Policy will take account of the following:

- Any changes to significant assumptions underlying the Financial Contributions Policy.
- Any changes in the capital development works programme for growth.
- Any changes in the pattern and distribution of development in the District.
- Any changes that reflect new or significant modelling of the networks.
- The regular reviews of the Revenue and Financial Policies, and the Long Term Plan.
- Any other matters Council considers relevant.
- Any review of the Urban Growth Study and Essential Services Development Plans.
- Any changes in legislation.

2.6. Significant Assumptions of the Financial Contributions Policy

Council has taken an approach to ensure that the cumulative effect of development is considered with a system-wide view. This Policy considers the specific infrastructure demands created by individual developments in the context of Council's wider community responsibilities as an infrastructure service provider.

The capital expenditure budgets and projected estimates of future asset works are based on the best available knowledge at the time of preparation. The Policy will be updated, as practical, to reflect better information as it becomes available.

Council continues to work with its neighboring and regional councils to provide for and manage the demand for both residential and non-residential growth.

The key risks that Council will continue to monitor and mitigate are as follows:

- That the costs required to service the development areas is higher than forecast resulting in a funding gap of the growth costs.
- That the growth predicted does not eventuate, resulting in a change to the assumed rate of development and impacting council's revenue.
- Development may occur in areas not considered in the operative District Plan, and therefore may not have appropriate funding mechanisms in place to recover the costs.
- The potential changes to existing legislation, e.g. RMA reform, 3-Waters reform, fast tracked development areas.

To guard against the above, Council will continue to monitor the rate of growth, the timing of the delivery of assets/capacity and the funding policies in place, as required.

3. Supporting information

3.1. Inflation indexes

As permitted in the operative District Plan, the financial contributions in Part 1 of this policy have been adjusted based on the Producer Price Index (EE Construction SQNEE0000). The indexes are based on the following clauses in the operative District Plan:

- Residential (notes below Table 1 (Chapter 65) Residential and Rural Financial Contributions);

  All figures in the table are as at 1 July 2010 - 30 June 2011 (based on December 2009 indices)

- Non-Residential (Chapter 65; 65.13 Indexing of Financial Contributions)

  The financial contributions stated elsewhere in this Chapter are as at 1 July 2005 - 30 June 2006 (based on December 2004 PPI values) for Commercial and Industrial financial contributions.

The index and the adjustment for the residential and non-residential financial contributions are shown in the table below.

PPI Quarter	Policy start date	Index	Residential % adjustment	Non-Residential % adjustment
Dec-04	1-Jul-05	721	n/a	**100%**
Dec-05	1-Jul-06	773	n/a	107%
Dec-06	1-Jul-07	858	n/a	119%
Dec-07	1-Jul-08	902	n/a	125%
Dec-08	1-Jul-09	960	n/a	133%
Dec-09	1-Jul-10	971	**100%**	135%
Dec-10	1-Jul-11	1,000	103%	139%
Dec-11	1-Jul-12	1,031	106%	143%
Dec-12	1-Jul-13	1,046	108%	145%
Dec-13	1-Jul-14	1,057	109%	147%
Dec-14	1-Jul-15	1,067	110%	148%
Dec-15	1-Jul-16	1,076	111%	149%
Dec-16	1-Jul-17	1,094	113%	152%
Dec-17	1-Jul-18	1,129	116%	156%
Dec-18	1-Jul-19	1,176	121%	163%
Dec-19	1-Jul-20	1,199	123%	166%
Dec-20	**1-Jul-21**	1,211	125%	168%

3.2. Original and indexed financial contributions

Table 4 : Infill, Residential and Rural Financial Contributions

Development Area	**Non local Off Site Contributions**				**Local Off Site Contributions**				**On Site Contributions**			
	Original - District Plan (exc GST)	1/07/2021 (exc GST)	1 July 2021 (inc GST)	Units	Original - District Plan (exc GST)	1/07/2021 (exc GST)	1 July 2021 (inc GST)	Units	Original - District Plan (exc GST)	1/07/2021 (exc GST)	1 July 2021 (inc GST)	Units
Infill												
Urban Infill	$17,876	$22,284	$25,627	per lot/unit	$1,802	$2,246	$2,583	per lot/unit	$0	$0	$0	
Multi-storey	$15,859	$19,770	$22,735	per lot/unit	$45,829	$57,130	$65,700	per Ha	$0	$0	$0	
Jervoistown: Full Urban	$17,339	$21,615	$24,857	per lot/unit	$68,183	$84,997	$97,746	per Ha	$0	$0	$0	
Residential												
Citrus Grove	$17,296	$21,561	$24,795	per lot/unit	$557	$694	$799	per lot/unit	$90	$112	$129	per lot/unit
King/Guppy	$16,535	$20,612	$23,704	per lot/unit	$153,508 $573	$191,363 $714	$220,067 $821	per Ha per m road frontage	$0	$0	$0	
Lagoon Farm	$17,168	$21,402	$24,612	per lot/unit	$557	$694	$799	per lot/unit	$0	$0	$0	
Mission Special Character Zone	$14,518	$18,098	$20,813	per lot/unit	$752	$937	$1,078	per lot/unit	$0	$0	$0	
Park Island	$17,349	$21,627	$24,871	per lot/unit	$557	$694	$799	per lot/unit	$0	$0	$0	
Te Awa	$16,416	$20,464	$23,534	per lot/unit	$392,630 $2,548	$489,451 $3,176	$562,869 $3,653	per Ha per m road frontage	$0	$0	$0	
Rural												
Poraiti	$12,012	$14,974	$17,220	per lot/unit	$1,377	$1,717	$1,974	per lot/unit	$0	$0	$0	
Lifestyle Chara.	$14,518	$18,098	$20,813	per lot/unit	$2,017	$2,514	$2,892	per lot/unit	$0	$0	$0	
Jervoistown: Rural Infill	$14,027	$17,486	$20,109	per lot/unit	$5,891 $6,874 $87,340	$7,344 $8,569 $108,878	$8,445 $9,854 $125,209	per lot/unit per lot/unit per lot/unit	$0	$0	$0	
All Other Rural Areas	$12,012	$14,974	$17,220	per lot/unit	$2,247	$2,801	$3,221	per lot/unit	$0	$0	$0	

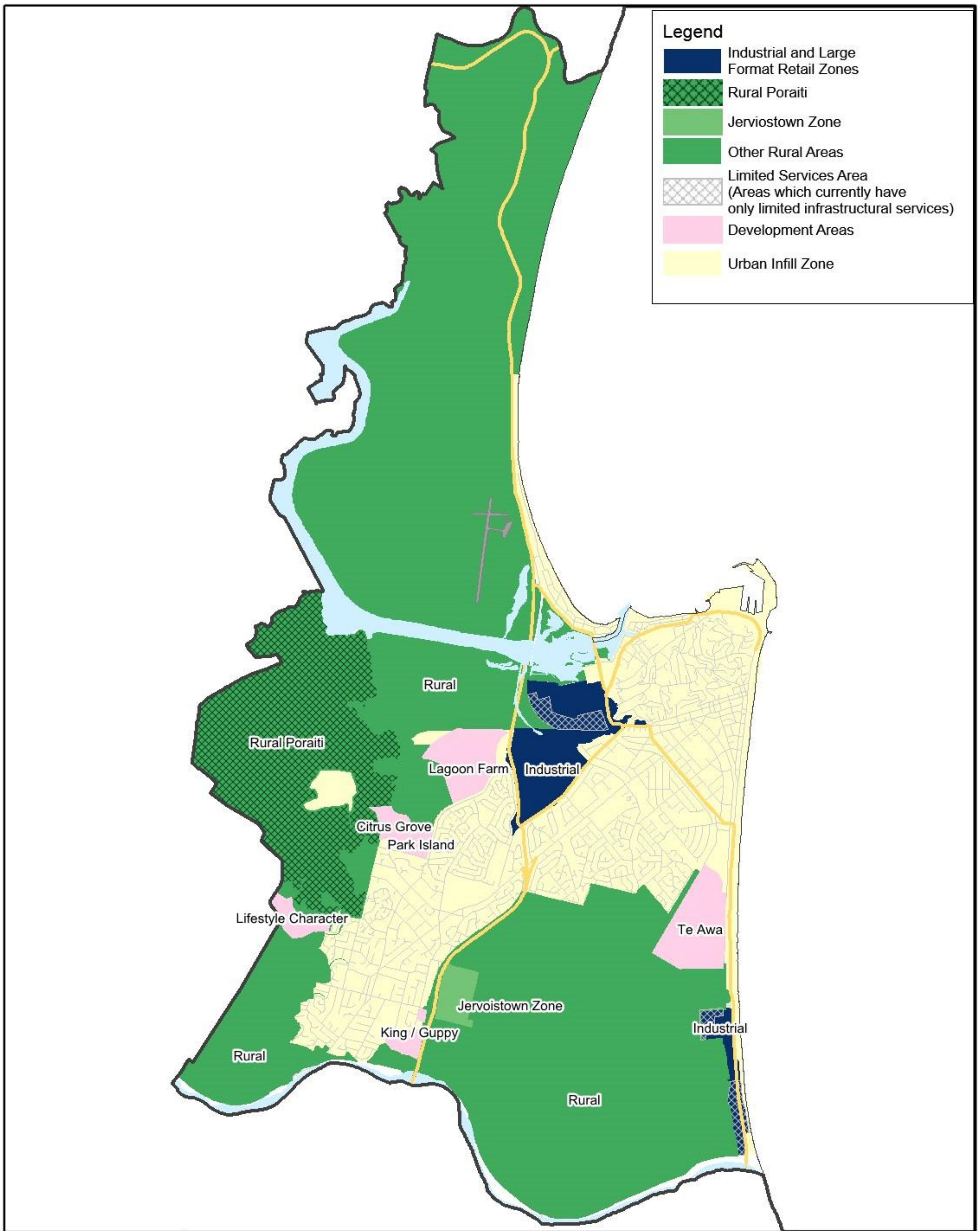
Table 5 : Non-residential financial contributions

	Water Supply Contribution						Wastewater Contribution			Stormwater Contribution			Roads & Transportation Contribution		
	Original - District Plan (exc GST)	1/07/2021 (exc GST)	1 July 2021 (inc GST)	Original - District Plan (exc GST)	1/07/2021 (exc GST)	1 July 2021 (inc GST)	Original - District Plan (exc GST)	1/07/2021 (exc GST)	1 July 2021 (inc GST)	Original - District Plan (exc GST)	1/07/2021 (exc GST)	1 July 2021 (inc GST)	Original - District Plan (exc GST)	1/07/2021 (exc GST)	1 July 2021 (inc GST)
Non-Residential based	**Gross floor area ($ per m²)**			**Pervious land area ($ per m²)**			**Gross floor area ($ per m²)**			**Land area ($ per m²)**			**Per every new lot/unit ($)**		
Office & shops	$4.13	$6.93	$7.97	$1.55	$2.60	$2.99	$2.88	$4.83	$5.56	$2.82	$4.73	$5.44	$6,882.00	$11,551.95	$13,284.75
Medical Clinics/Hospitals	$5.16	$8.66	$9.96	$1.55	$2.60	$2.99	$3.60	$6.04	$6.95	$2.82	$4.73	$5.44	$6,882.00	$11,551.95	$13,284.75
Warehouses/Factories/Network Utility Operations	$2.07	$3.47	$4.00	$1.55	$2.60	$2.99	$1.44	$2.42	$2.78	$2.82	$4.73	$5.44	$6,882.00	$11,551.95	$13,284.75
Unsealed Yards	$0.00	$0.00	$0.00	$1.55	$2.60	$2.99	$0.00	$0.00	$0.00	$0.72	$1.21	$1.39	$6,882.00	$11,551.95	$13,284.75
Non-Residential based	**Per church**			**Pervious land area ($ per m²)**			**Per church**			**Land area ($ per m²)**			**Per every new lot/unit ($)**		
Churches	$2,066.00	$3,467.94	$3,988.13	$1.55	$2.60	$2.99	$1,441.00	$2,418.83	$2,781.65	$2.82	$4.73	$5.44	$6,882.00	$11,551.95	$13,284.75
Residential based	**Population ($ per head)**			**Pervious land area ($ per m²)**			**Population ($ per head)**			**Land area ($ per m²)**			**Per every new lot/unit ($)**		
Residential Care Facilities	$155.00	$260.18	$299.21	$1.55	$2.60	$2.99	$108.00	$181.29	$208.48	$2.82	$4.73	$5.44	$6,882.00	$11,551.95	$13,284.75
Travellers' Accommodation	$155.00	$260.18	$299.21	$1.55	$2.60	$2.99	$108.00	$181.29	$208.48	$2.82	$4.73	$5.44	$6,882.00	$11,551.95	$13,284.75
Day Care Centres	$78.00	$130.93	$150.57	$1.55	$2.60	$2.99	$54.00	$90.64	$104.24	$2.82	$4.73	$5.44	$6,882.00	$11,551.95	$13,284.75
Educational Facilities	$78.00	$130.93	$150.57	$1.55	$2.60	$2.99	$54.00	$90.64	$104.24	$2.82	$4.73	$5.44	$6,882.00	$11,551.95	$13,284.75
Retirement Complexes	$154.00	$258.50	$297.28	$1.55	$2.60	$2.99	$108.00	$181.29	$208.48	$2.82	$4.73	$5.44	$6,882.00	$11,551.95	$13,284.75
	OR equivalent water connection (whichever is greater)						OR equivalent wastewater connection (whichever is greater)								
Connection Diameter (mm)	**Water Supply Contribution per connection**						**Wastewater Contribution per connection**								
15	$1,033	$1,734	$1,994				$721	$1,210	$1,392						
20	$1,839	$3,087	$3,550				$1,288	$2,162	$2,486						
25	$2,872	$4,821	$5,544				$2,011	$3,376	$3,882						
40	$7,345	$12,329	$14,179				$5,142	$8,631	$9,926						
50	$11,477	$19,265	$22,155				$8,034	$13,486	$15,509						
80	$29,377	$49,312	$56,708				$20,564	$34,518	$39,696						
100	$45,904	$77,053	$88,611				$32,133	$53,938	$62,028						

3.3. Maps

Figure 1 : District Plan Map of development areas

CITY OF NAPIER DISTRICT PLAN *Appendix 31 – Financial Contribution Areas*



Appendix 31
Financial Contribution Areas

Scale 1: 85,000

CITY OF NAPIER

NAPIER The Art Deco City

Pitney Bowes MapInfo

Date: 26/05/2013
Time: 15:47
By: TPGIS

Digital map data sourced from Land Information New Zealand

The information displayed in the GIS has been taken from Napier City Council's databases and maps.
It is made available in good faith but its accuracy or completeness is not guaranteed.
If the information is relied on in support of a resource consent it should be verified independently.

Aerial Photography Flown 2011
Datum: NZGD2000 Projection: NZTM
ORIGINAL SHEET SIZE A4

Figure 2 : CBD and CBD Fringe applicable to Art Deco Quarter, Inner City Commercial and Fringe Commercial zones

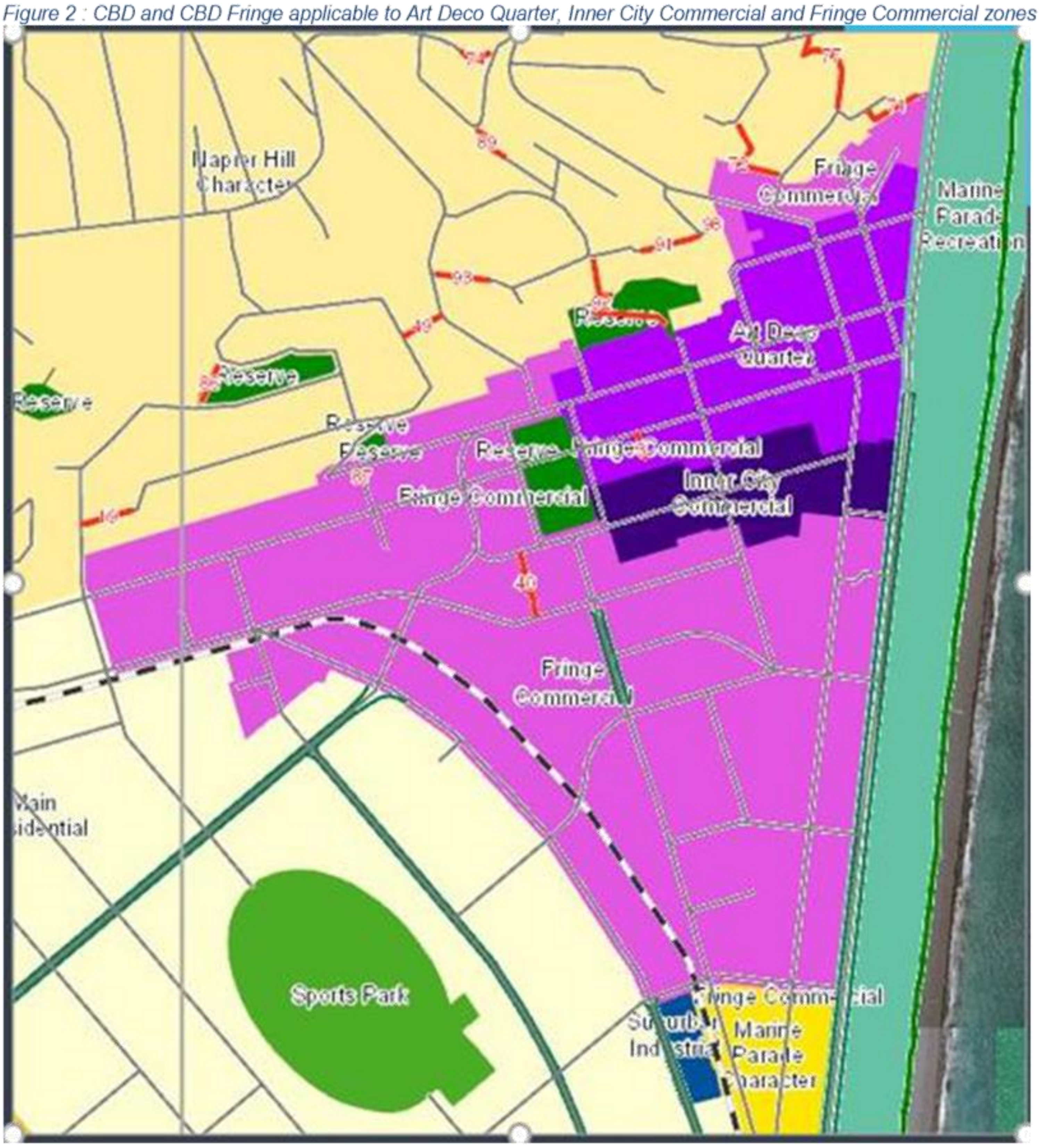


Figure 3 : Taradale Centre Exemption area applicable to Taradale Town Centre zone and Southern Fringe

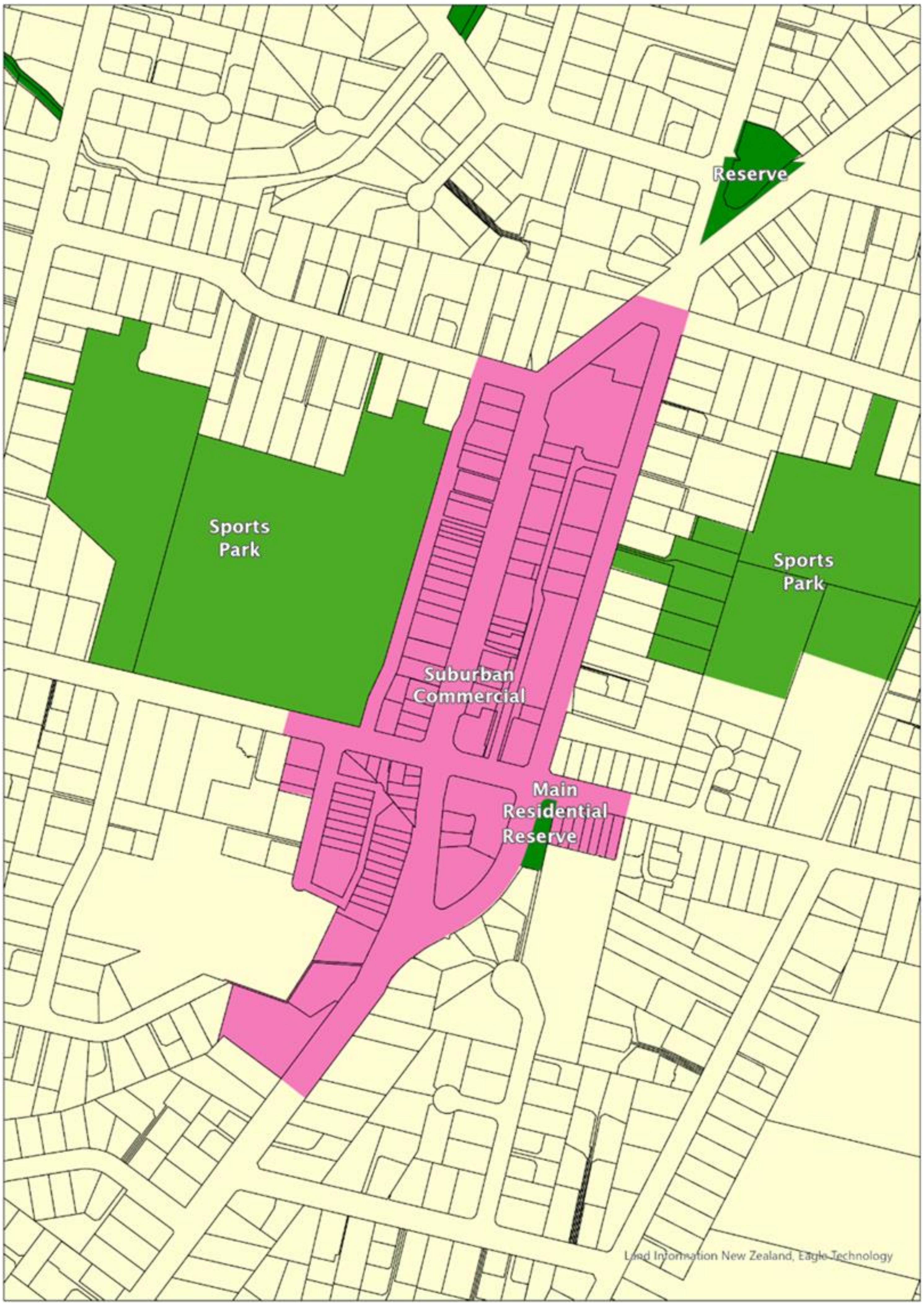


Figure 4 : Financial contribution where exemptions as per Section 1.7 of this policy apply

The exemption applies to main commercial centers in Marewa, Napier South, Onekawa, Greenmeadows, Maraenui, Taradale and Tamatea as per map below.

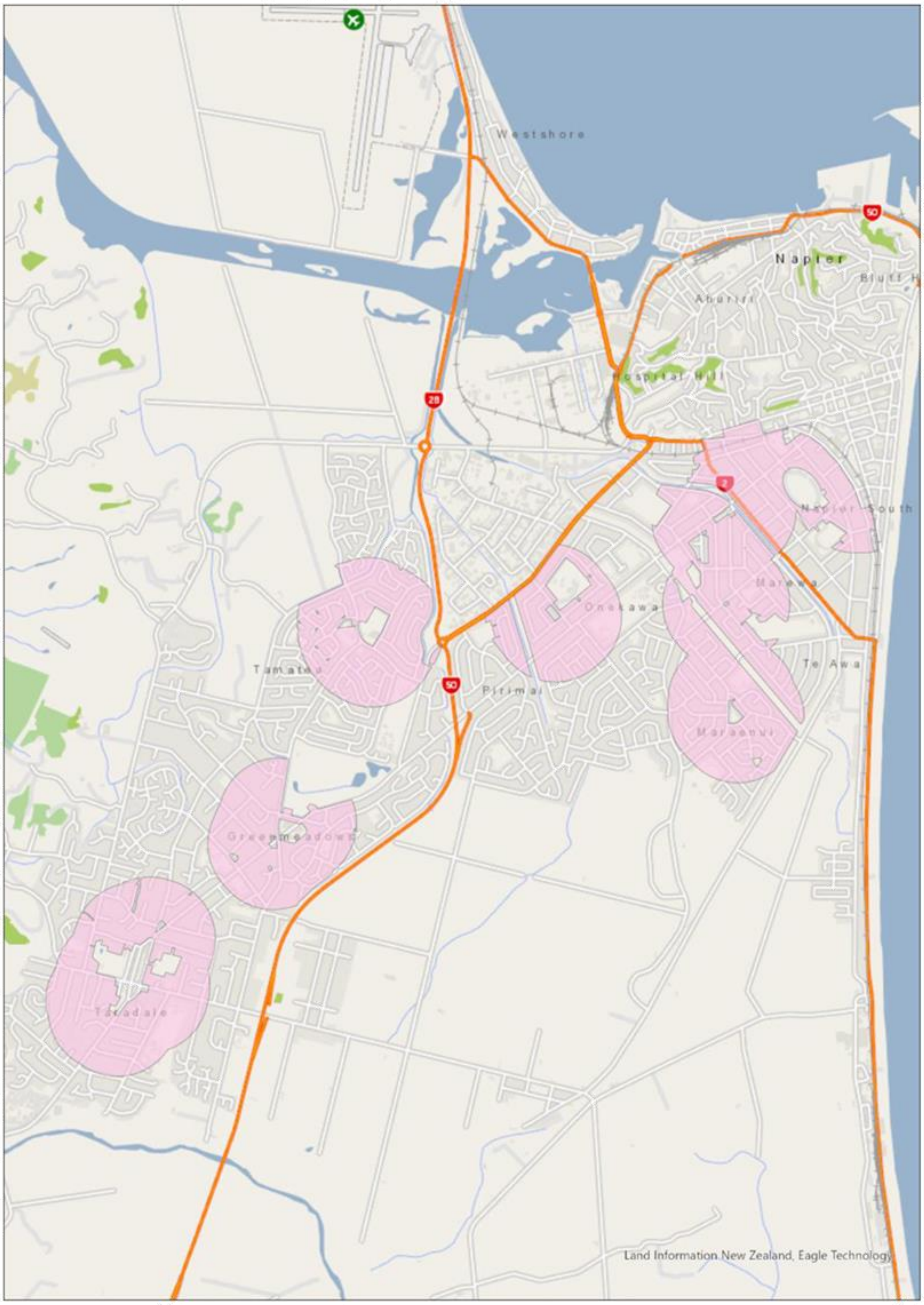
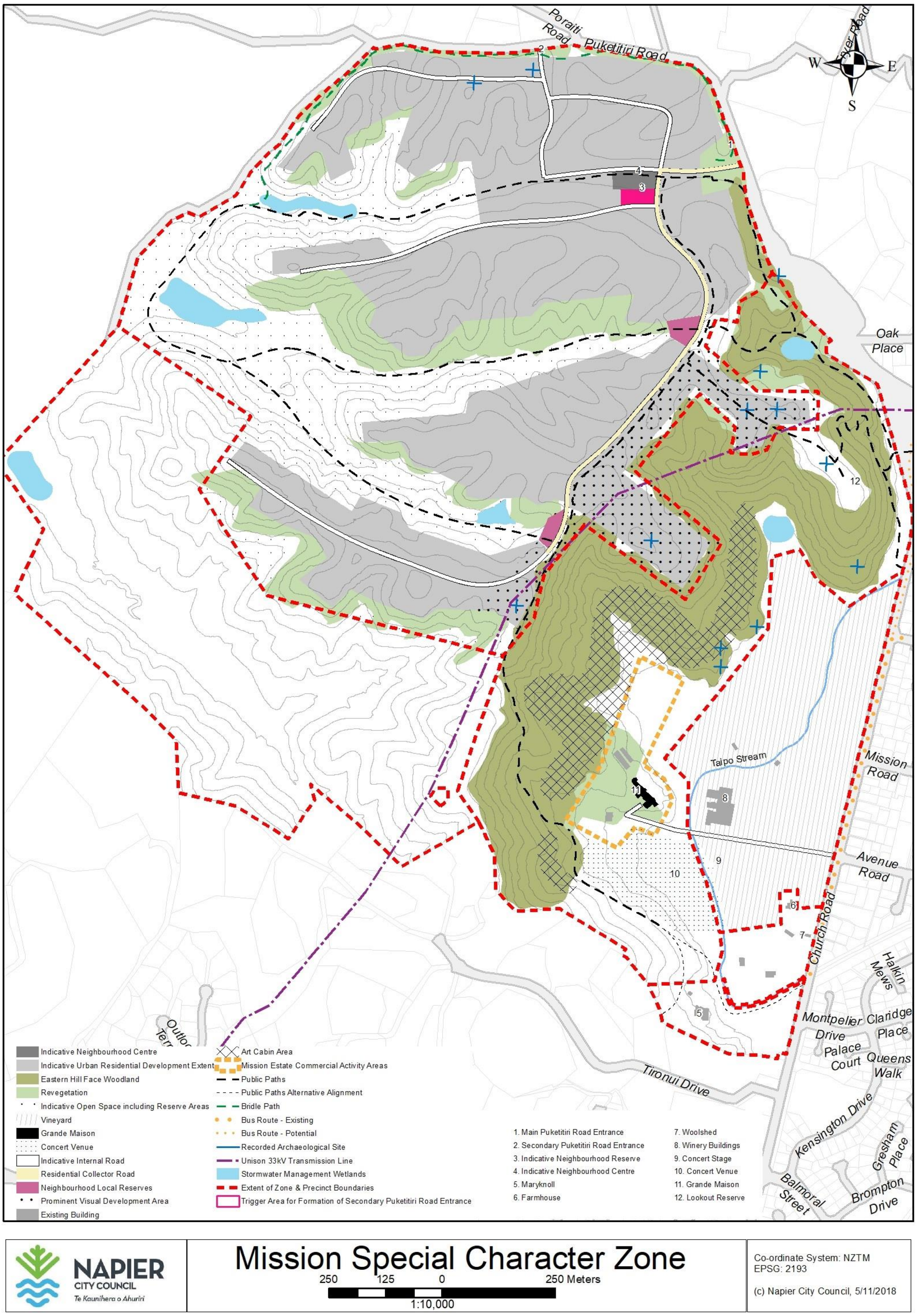
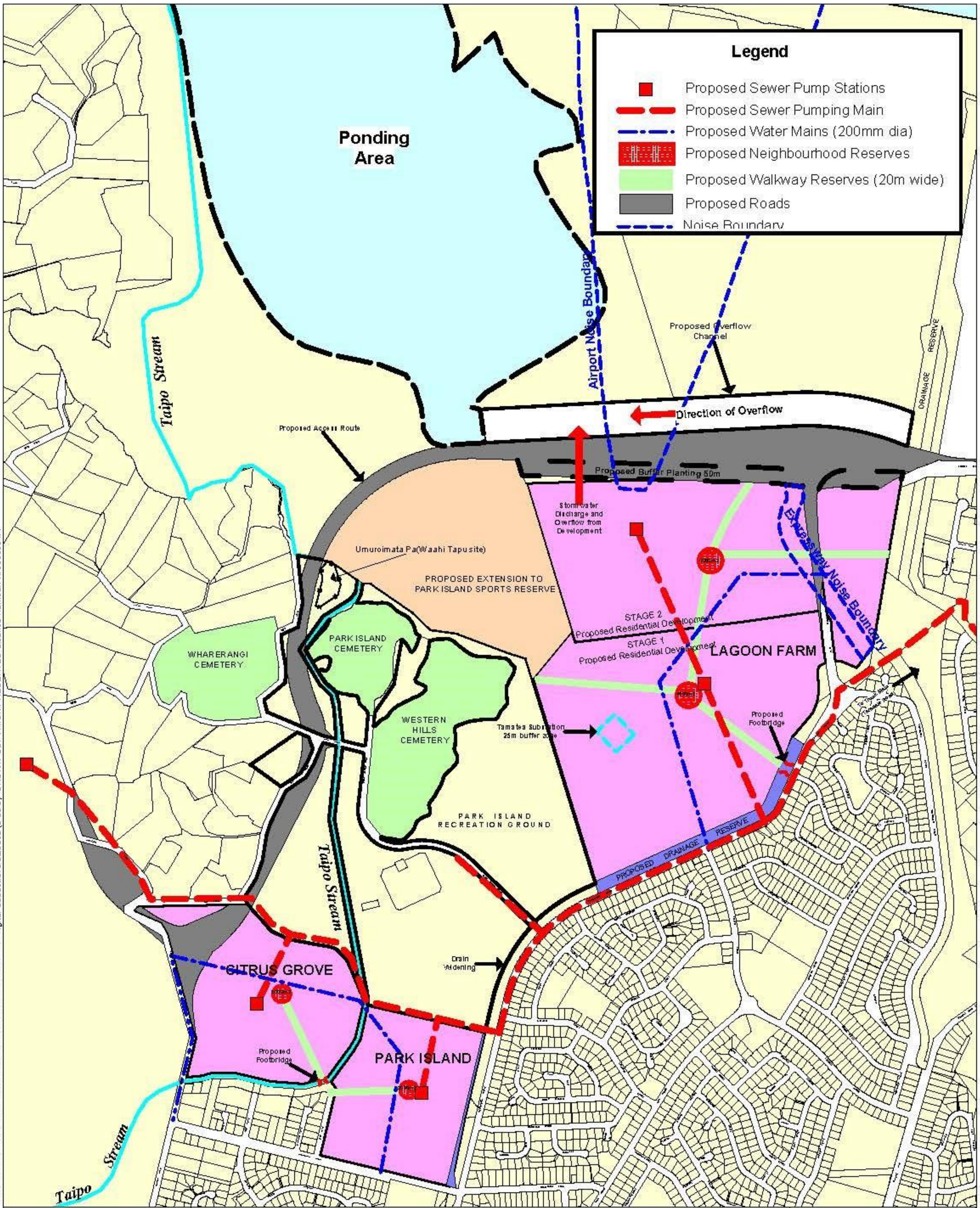


Figure 5 : Mission Special Character Zone Structure Plan

CITY OF NAPIER DISTRICT PLAN Appendix 26B-1

Appendix 26B – 1: Mission Special Character Zone Structure Plan - Overall Map





CITY OF NAPIER

Appendix 27
Lagoon Farm, Citrus Grove & Park Island Structure Plan

POLICY PLANNING

0 375 750m

Scale 1:15000

The information displayed in the GIS has been taken from Napier City Council's databases and maps. It is made available in good faith but its accuracy or completeness is not guaranteed.
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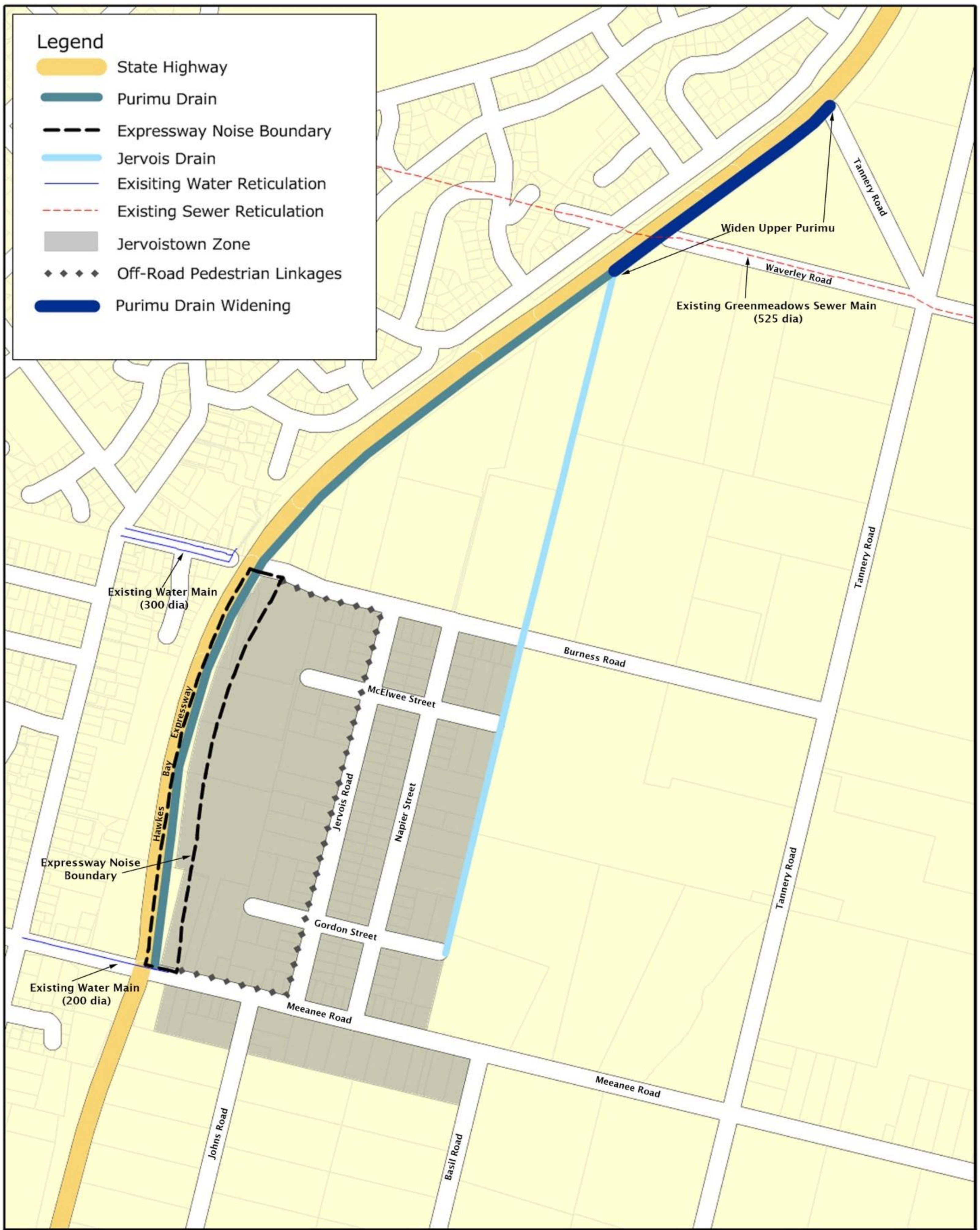
Figure 7 : Jervistown Zone Structure Plan

CITY OF NAPIER DISTRICT PLAN

Appendix 28B

Appendix 28B - Jervoistown Zone Structure Plan (Services required for limited subdivision to 2500m² minimum lot size)



CITY OF NAPIER

NAPIER TheArtDecoCity

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Appendix 28B - Jervoistown Zone Structure Plan of Services required to facilitate subdivision to 2500m²

200 0 200 m

Scale 1: 10,000

PitneyBowes MapInfo

Date: 12/12/2012

Time: 08:31

By: TPGIS

Digital map data sourced from Land Information New Zealand
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Aerial Photography Flown Jan 2009

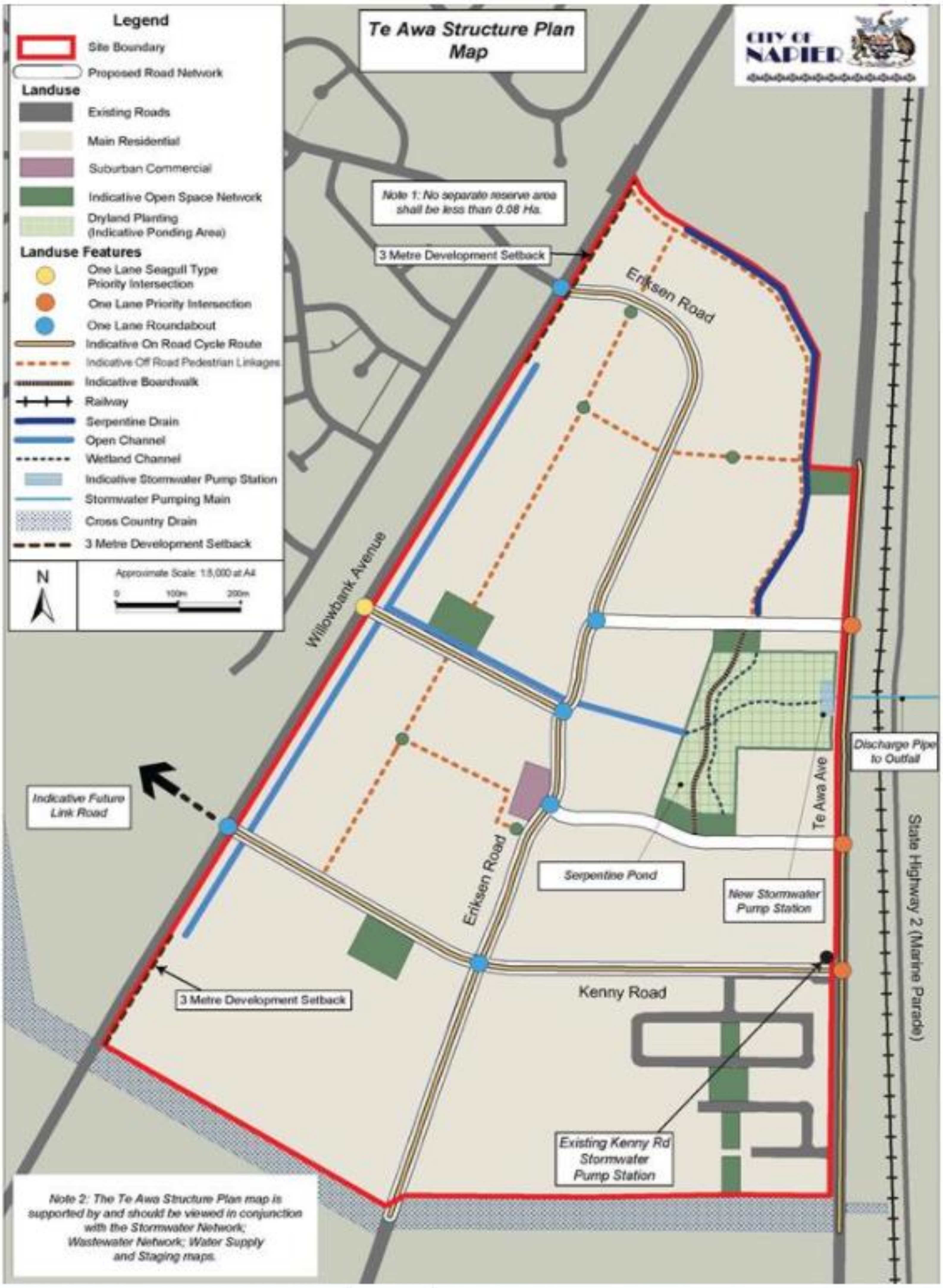
Datum: NZGD49 Projection: NZMG

ORIGINAL SHEET SIZE A4

Figure 8 : Te Awa

CITY OF NAPIER DISTRICT PLAN Appendix 29B

Appendix 29B Te Awa Structure Plan Map



3.4. Definitions

Allotment/lot has the same meaning as set out in Section 218 of the ACT.

Bedroom: a room of minimum $6m^2$ in area, which could be used for sleeping in, usually containing a bed.

Commercial Activity means the USE of LAND and BUILDINGS for the display, offering, provision, sale or hire of goods, equipment or service and includes retailing, TRAVELLERS' ACCOMMODATION, DAY CARE CENTRE and off-licence premises and wholesale liquor outlets, but does not include EDUCATION FACILITIES or any BUSINESS OF PROSTITUTION.

Council means the Napier City Council or any committee or elected member of Council or any officer authorised to exercise the functions, duties or powers of the Council.

Dwelling Unit means a BUILDING or part of a BUILDING designed for residential purposes and occupied or intended to be occupied exclusively as the home or residence of not more than one HOUSEHOLD and includes an apartment, a flat including kaumatua flats and a RESIDENTIAL CARE FACILITY, but does not include a SUPPLEMENTARY UNIT. Second kitchen facilities in conjunction with service facilities constitutes a second dwelling unit.

Financial Contribution means a contribution as set out in section 108(9) of the ACT.

Greenfield Development means an area zoned for the purpose of allowing intensive 'Land Development'. Existing Greenfield sites are identified in Appendix 31 of this Plan as 'Development Areas'. For all new Greenfield areas, Council will consider:

> i) the need for a Structure Plan that indicates the services to be provided by the developer, and
>
> ii) the financial contributions that will be required to avoid, remedy or mitigate any environmental effects associated with land development

New Greenfield areas will be introduced to the Plan by way of a variation or Plan Change or at the time of a Plan review.

Gross Building Area means the sum of the area of all BUILDINGS on a SITE as viewed vertically from above and includes all eaves and overhangs.

Gross Floor Area means the sum of the area of all floors of all BUILDINGS on a SITE measured from the outside walls on every floor and includes enclosed conservatories and enclosed decks but does not include open and covered decks.

Industrial Activity means the USE of LAND and/or BUILDINGS for the primary purpose of manufacturing, assembling, testing, fabricating, processing, packing or associated storage of goods and the servicing and repair of goods and vehicles and includes SERVICE STATIONS and TRANSPORT DEPOTS, and STORAGE OF TYRES.

Infill Development means the further subdivision and/or development of an existing site, but excluding the development areas identified in Appendix 31. (For the purposes of this Plan all sites are deemed to be existing, except those specifically identified as Greenfield or development areas).

Infrastructure means those built STRUCTURES necessary for operating and supplying NETWORK UTILITY OPERATIONS and services to the community including, but not limited to, RADIOCOMMUNICATIONS, TELECOMMUNICATIONS, natural or manufactured fuel, electricity, water, drainage, sewerage, ROADS, railway lines and airports.

Land Development and Development means any land use:

- Involving SUBDIVISION; (including all associated network utility operations required to service the subdivision); or
- Involving MULTI-UNIT DEVELOPMENT; (including all associated network utility operations required to service the multi unit development); or
- Requiring EARTHWORKS design pursuant to Chapter 52A; or

- Requiring an extension to one or more of the COUNCIL'S existing NETWORK UTILITY OPERATIONS.

LGA means the Local Government Act 2002.

Multi-Unit Residential Development in respect means any BUILDING or group or groups of BUILDINGS on the same SITE which contains, whether attached or detached, two or more HOUSEHOLDS and subject to the exceptions hereinafter listed includes all apartment buildings and flats, but shall not include any of the following:

(a) TRAVELLERS' ACCOMMODATION.

(b) staff accommodation at HEALTH CARE CENTRES or EDUCATION FACILITIES.

RMA or the Act, means the Resource Management Act 1991 and its amendments

Resource Consent has the same meaning as set out in Section 2 of the ACT.

Residential Activity means the USE of LAND and BUILDINGS (including ACCESSORY BUILDINGS such as garages, carports and storage sheds) by a HOUSEHOLD (whether any person is subject to care, supervision or not), and includes RESIDENTIAL CARE FACILITIES but does not include HOME OCCUPATIONS, or TRAVELLERS' ACCOMMODATION.

Rural Environment means any area of LAND identified in this PLAN as being included in the Main Rural, Rural Residential, Rural Commercial, Rural Conservation, Rural Settlement Jervoistown or Lifestyle Character zones.

Supplementary Unit means a single bedroomed BUILDING located on the same SITE as a DWELLING UNIT, used or intended to be used solely for residential purposes and occupied or intended to be occupied as a home or residence.