

I hereby give notice of an ordinary meeting of the

Meeting	Reserve Contributions Committee
Date	Monday 25 September 2017
Time	2.00 pm
Venue	Meeting Room, Council Offices – 6 The Hub, 6 Molesworth Drive, Mangawhai

Open Agenda

Membership

Chair: Councillor Jonathan Larsen

Members: Councillor Victoria Del la Varis-Woodcock, Councillor Andrew Wade

Staff and Associates:

General Manager Community, Democratic Services Manager (Minute-taker)

Seán Mahoney
Democratic Services Manager
smahoney@kaipara.govt.nz

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**Ordinary Meeting of the Reserve Contributions Committee
Monday 25 September 2017**

1 Present

2 Apologies

3 Confirmation of Agenda

The Committee to confirm the Agenda.

4 Conflict of Interest Declaration

Committee Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a Committee Member and any private or other external interest they might have. It is also considered best practice for those members to the Executive Team attending the meeting to also signal any conflicts that they may have with an item before the Committee.

5 Policy

File number: 2304.17

Approved for agenda

Report to: Reserve Contribution Committee

Meeting date: 25 September 2017

Subject: Reserve Contribution (Use of) Policy Review

Date of report: 20 September 2017

From: Venessa Anich, GM Community

Report purpose **Decision** **Information**

Assessment of significance **Significant** **Non-significant**

Summary

The purpose of this report is to provide information to the Reserve Contribution Committee to support their review of the Reserve Contribution (Use of) Policy (2014). The review is a result of Notice of Motion 6 from Council's July 2017 meeting requiring:

- 1) *That Council reviews its Reserves Contributions Fund Policy; and*
- 2) *That the Chief Executive work with Councillor Larsen (Chair), Wade and Del la Varis-Woodcock on reviewing the policy; and*
- 3) *That the amended policy be presented to the 26 September 2017 Council meeting for approval.*

The existing Policy (**Attachment 1**) was approved by Council on 14 December 2014. **Attachment 2** is the covering agenda report for that Policy. Both of these documents provide useful information and context for this current review.

The existing Policy considered the following options for how reserve contributions could be spent:

Option A: 60:40 spend split of reserve contributions.

Option B: 80:20 spend split of reserve contributions.

Option C: 100% of reserve contributions are spent in the same area from which they are collected.

There are implications if the current 60:40 spend split is changed. Areas of the Kaipara district which experience little growth or development would receive little to no funds for their reserves and open spaces. However, the two priority parks (Pou Tu Te Rangi Harding Park and Kai Iwi Lakes (Taharoa Domain)) located in these areas still receive a lot of use, and can be of regional significance, for example Kai Iwi Lakes. There is a risk of these two priority parks not being kept to a high standard if there is little or no funding allocated for them. The alternative is to use rates and this may require an increase in rates collected to undertake the same level of development.

Both of these parks have Reserve Management Plans (RMP). Without some capital funding Council would be unable to implement these RMP. These Plans were developed in partnership with the community and they articulate how the community would like these parks to be developed. The community has an expectation that these plans will be implemented. By not implementing these plans

this could impact on Council's reputation as a trusted Council making good decisions for the future. These two priority parks are also co-governed with iwi. Therefore a change to the implementation of the RMP would be disappointing for Te Roroa, Te Kuihi and Te Uri o Hau.

When reserve contributions are collected, the area they are sourced from is recorded. Those areas are identified in **Attachment 3**. These areas have also been mapped. A link to a drop box will be sent to the Committee so that they can view these maps. Paper copies of the maps will be available at the Committee meeting.

The Chair of the Committee has requested that the following discussion points are included on the agenda for the Committee to discuss at their meeting:

- Criteria for spend;
- Options for contributions to be included in neighbouring catchment areas (see map);
- Idea of setting up a contestable process for community groups to apply for contributions.

Recommendation


That the Reserve Contribution Committee receives the General Manager Community's report 'Reserve Contribution (Use of) Policy Review' dated 20 September 2017 and Attachments 1 - 3 of the afore-mentioned report and the information contained therein.

Attachments:

Attachment 1: Reserve Contribution (Use of) Policy (16 December 2014)

Attachment 2: Council report adopting Reserve Contribution (Use of) Policy (16 December 2014)

Attachment 3: Areas where reserve contributions are collected from

 <small>Kaipara te Orangakui</small> KAIPARA DISTRICT <small>The Ocean The Harbour</small>	Title of Policy	Reserves Contributions (Use of)		
	Sponsor	Commissioner Winder		
	Written By	Jill McPherson	Authorised/Adopted by	Council
	Type of Policy		Date Adopted	16 December 2014
	File Reference	2304.17	Review Date	

1 Background

Financial Contributions

Council has a Financial Contributions mechanism in its District Plan. This outlines how much can be imposed on land developers on approval of a resource (land-use or subdivision) consent. The plan relies on the Resource Management Act to define how Financial Contributions can be spent. **Reserves Contributions** are a subset of Financial Contributions.

Section 108(10)(a) of the Resource Management Act 1991 (RMA) allows Council to require Financial Contributions, where necessary, to achieve one or more of the following purposes:

- a) Creating open space (including recreation areas, visual buffers and amenity areas) through reserve contributions.
- b) Adding capacity to or otherwise enhancing existing open spaces (including recreation areas, visual buffers and amenity areas) through reserve contributions.
- c) Giving public access to coastal areas, reserves, bush areas or areas of special character through reserve contributions.
- d) Providing new, or upgrading existing, infrastructure such as Council-owned roads, transportation infrastructure and utilities (including stormwater systems and shared wastewater systems).
- e) Protecting or enhancing amenities, habitats, ecosystems, landscape features and archaeological heritage or cultural values.
- f) Avoiding, remedying or mitigating land use activity or subdivision impacts upon sensitive parts of the natural and physical environment.
- g) Providing new, or upgrading existing, community amenities (such as libraries, community halls, leisure facilities and public toilets).
- h) Creating a financial resource to be used for any of the above purposes.

Reserves Contributions

The Council may require a Financial Contribution in cash or land towards the establishment and/or upgrading of reserves and public open space areas as a condition of Land Use Consent or Subdivision Consent.

In the Kaipara District Plan section 22.6.6 details the purpose of Reserves Contributions:

“By requiring developments to pay their fair and reasonable share of the costs of purchasing land for reserves or upgrading existing reserves.

New developments generate an increase in demand for, and usage of, reserves, open space and public recreation facilities. All new developments will be required to contribute towards the costs of acquiring new, or upgrading existing reserves, open space or facilities, in accordance with Council's Reserves and Open Space Strategy.

Financial Contributions for Reserves will only be used for the purchase and development of new reserves or for the improvement and development of existing ones. The maintenance of reserves and recreational facilities is funded through rates."

In section 22.10.5 of the District Plan describes what purposes a reserve contribution will be put:

Any **Reserve Contribution** required as a Condition of Land Use Consent or Subdivision Consent may be in the form of:

- a) Land to be set aside and vested in the Council for reserve or public open space purposes; or
- b) A cash contribution to the Council for it to carry out works relating to developing or upgrading reserves or public open spaces in the District.

In addition under Section 108 of the Resource Management Act 1991 the Council can require as a Resource Consent Condition works on any reserve or public open space. Such works may include but are not limited to the following:

- a) Fencing;
- b) Landscaping including grassing and tree planting;
- c) Provision of play equipment and other recreational facilities; and
- d) Provision of footpaths and walking tracks.

2 Objective of this Policy

The objective of this policy is for Council to define the priorities it has for use of reserve contributions, and use this priority to guide the development of a programme of works. This works programme will be consulted on as part of each year's Annual Plan process.

3 Definitions

Reserves Contributions: a mechanism in the District Plan that allows for the collection of levies from developers, so that Council can develop or upgrade reserves and other public open spaces

Open space: Land held under the Reserves Act and/or zoned as reserve in the District Plan, and/or included in the Reserves and Open Space Strategy (ROSS) as a reserve.

Local: the district has been divided up into three "local" areas of Northwest of State Highway 12 (Northwest Kaipara), between State Highway 12 and State Highway 1 (Mid Kaipara), and east of State Highway 1 (Mangawhai-Hakaru).

District-wide: reserves and open space that are classified as premier or key reserves in the Reserves and Open Space Strategy (ROSS), and any facilities on reserves that cater for the whole district (tend to be one of a kind).

4 Policy Statement

Council will collect reserves contribution in the future as cash for it to carry out works relating to developing or upgrading reserves or public open spaces in the District. Only in special circumstances will the contribution be in land vested in Council, and this decision will be guided by the Reserves and Open Space Strategy in place at the time. These exceptions will need to prove a shortfall of open space in a particular area and/or the current open space areas are already used to capacity. Any contribution given as land must meet the test of usability, or the protection of environmental values where this cannot be achieved through conditions in any consents required.

Criteria for eligibility for use of Reserves Contributions

Of the areas of the Resource Management Act that define how a reserves contribution may be spent, the Council will prioritise two uses for the funds levied and collected:

- 1 Adding capacity to or otherwise enhancing existing open spaces (including recreation areas, visual buffers and amenity areas). This can include
 - bringing existing reserves up to a minimum standard for public use e.g. supplying public toilets in recreation reserves;
 - landscaping,
 - providing equipment e.g. seats, barbeques, playgrounds
- 2 Giving public access to coastal areas, reserves, bush areas or areas of special character. This is typically through
 - the development of walking tracks,
 - the purchase of land that connects two public areas otherwise not accessible to the public

All allocations will be judged against their fit with these two uses, as if they are qualifying/assessment criteria. The reserves contribution fund will not and cannot be used for normal asset management (maintenance, repairs and renewals).

Distribution of Reserves Contributions within the Kaipara District

Of the funds collected, 60% will be spent within the local area likely to feel the impact of growth from the development, and 40% allocated to district-wide purposes.

District-wide purposes has been defined as those reserves and open spaces that are classified as premier or key reserves in the Reserves and Open Space Strategy (ROSS), and any facilities on reserves that cater for the whole district (tend to be one of a kind). Parks that cater for the whole District are considered to be the 'priority parks'.

Funds will typically be spent by Council in Council reserves, but may be allocated to community-led projects if they meet the criteria above.

Premier and Key Reserves

District-wide reserves includes three reserves classified as "premier", and classified as "key" reserves in the

Reserves and Open Space Strategy:

- The “premier” reserves in ROSS are:
 - Mangawhai Park
 - Harding Park and Pou Tu O Te Rangī
 - Mangawhai Heads esplanade/coastal reserves

- The “key” reserves in ROSS are:
 - Te Roroa (Maunganui Bluff)
 - Taharoa/Kai Iwi Lake reserves
 - Bayliss reserves along Ripiro Beach
 - Omamari reserves along Ripiro Beach
 - Pouto Point reserves
 - Kopuru Beach/Glinks Gully reserves
 - Tinopai/Komiti Road reserves
 - Memorial Park Dargaville (Logan Street Reserve)
 - Selwyn Park Dargaville.

Priority Parks

Council has three “priority” parks that will receive significant investment in their development over the next five or so years funded by reserves contributions.

- Taharoa Domain
- Harding Park/Pou Tu o Te Rangī
- Mangawhai Community Park

Each of these reserves is at different phases in their development, but all are under-developed and need investment to develop their immense potential.

5 Status of the Reserves Contribution Fund

Amounts available for each area defined using the ‘local’ definition of three areas, and ‘district-wide’ using the 60:40 split are therefore:

Location	2012/13 Amount Received	2012/13 Balance	2013/14 Amount Received	2013/14 Balance	District- wide 40%
Northwest Kaipara	\$41,522	\$199,495	\$23,261	\$198,208	\$79,283
Mid-Kaipara	\$38,398	\$925,435	\$231,956	\$1,157,391	\$462,956
Mangawhai- Hakaru	\$214,782	\$2,836,303	\$325,282	\$3,120,275	\$1,248,110

File number: 2304.17

Approved for agenda
Report to: Council

Meeting date: 16 December 2014

Subject: Reserve Contribution Policy (Use of): adopting as Final

Date of report: 02 December 2014

From: Venessa Anich
Community Planning Manager

Report purpose **Decision** **Recommendation** **Information**
Assessment of significance **Significant** **Non-significant**

Summary

This report seeks Council's approval for the final Reserve Contribution Policy (use of) (**Attachment 1**).

Council has a Financial Contributions mechanism in its District Plan. This outlines how much developers should contribute towards improvements required to public assets as a result of the growth generated by their resource consent – for land use or subdivision. Reserve Contributions are a subset of Financial Contributions. This Policy will guide the spending of contributions on improvements to reserves.

Initial feedback was received on the draft Policy when it was included in the Draft Annual Plan 2014/2015. Submissions raised concern about the proposed 60:40 split for Local: District-wide spend of reserve contributions. After consideration of other approaches, 100 per cent or 80:20 split, it is considered that the 60:40 split is appropriate because of the need for adequate funds for reserves of District-wide significance.

Recommendation

That Kaipara District Council:

- 1 *Receives the Community Planning Manager's report titled 'Reserve Contribution Policy (Use of): adopting as Final' dated 02 December 2014; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with section 79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Adopts the Reserve Contributions Policy (use of).*

Reason for the Recommendation

For Council to adopt the final Reserve Contribution Policy so that guidance is available when developing the works programme to spend reserve contributions.

Reason for the Report

This report seeks Council's approval for the Reserve Contribution Policy (Use of), so that guidance is available when developing the works programme to spend reserve contributions.

Background

Council received a number of submissions to the Annual Plan 2013/2014 either asking for grants from Reserves Contributions collected from property developers, or for confirmation that the funds remained. Two asked that the funds be handed over to the community to allocate to projects, because they felt they could not trust Council to administer the funds.

There is a high degree of community attention on Reserves Contributions, with some communities seeing these funds as a source of financial support for their projects. There is a perception that the fund has been depleted and is no longer available. Clarification is required as to the purpose of these funds, and greater transparency of how it is allocated and the projects it funds would remove some of the concerns.

Council collects Reserves Contributions from property development as part of the administration of the District Plan. The amount collected has not been match historically with the amount spent. The main use of the funds in the past has been to fund community projects such as the Mangawhai Activity Zone. Council officers also use the fund to improve reserves. Reconciliation between works done that complies with the criteria, and the source of funds used is completed at the end of a financial year – that is, retrospectively. There is currently no transparency in use of the funds and there is a large accumulation.

This accumulated fund is budgeted to be spent over the time of the Long Term Plan 2015/2025. Any spending of the funds would require an increase in debt as there is no “cash” behind the account. Therefore, the self-imposed debt reduction targets for all of Council must not be affected by the spending of this accumulated fund.

Issues

The Reserve Contributions Policy (**Attachment 1**) proposes that future distribution of Reserve Contributions within the Kaipara District should be determined by a 60:40 split. Of the funds collected, 60 per cent will be spent within the local area likely to feel the impact of growth from the development, and 40 per cent allocated to district-wide purposes. District-wide purposes have been defined as those reserves and open spaces that are classified as premier or key reserves in the Reserves and Open Space Strategy (ROSS), and any facilities on reserves that cater for the whole District. Parks that cater for the whole District are considered to be the ‘priority parks’.

Premier reserves are:

- Mangawhai Park
- Harding Park and Pou Tu O Te Rangī
- Mangawhai Heads esplanade/coastal reserves.

Key reserves are:

- Te Roroa (Maunganui Bluff)

- Taharoa/Kai Iwi Lakes reserves
- Baylys reserves along Ripiro Beach
- Omamari reserves along Ripiro Beach
- Kopuru Beach/Glinks Gully reserves
- Tinopai/Komiti Road reserves
- Memorial Park Dargaville (Logan Street Reserve)
- Selwyn Park Dargaville.

Council has decided to focus on three “priority” parks. These parks will receive significant investment in their development over the next five or so years funded by reserves contributions.

- Taharoa Domain
- Harding Park/Pou Tu o Te Rangī
- Mangawhai Community Park.

Each of the reserves is at different phases in their development, but all are under-developed and need investment to develop their immense potential.

Consultation

Under the Draft Annual Plan 2014/2015, Council received a number of submissions in response to the proposed Reserve Contributions Policy being considered for the Long Term Plan 2015/2025 – with many opposed to the proposed 60:40 split. A number of submitters, most notably from Mangawhai, believed that the reserve contributions should be fully spent in the area that they are collected from, and that once Council has a surplus of funds it could then be spent District-wide. Some submitters believed that if there is significant growth and development in an area, then the reserve contributions should be spent on enhancing that area to keep up with the growth and meet the increased demands. Others questioned why money should be spent on reserves in areas that have declining population, believing the demand for these spaces would also decrease.

Consideration of the different ratios for the spending of the fund is outlined later in this report.

Factors to Consider

Community Views

The community have been consulted through the Draft Annual Plan 2014/2015. Their views on the different ratios for the spending of the fund is outlined later in this report. It is considered that Council is now in a position to make a decision on the content of the final Policy.

Policy Implications

This report seeks Council to make a decision on the final Policy, therefore there are implications for the Reserve Contributions Policy (use of).

Financial Implications

While the purpose of this Policy is to guide the spending of Reserve Contributions, these are collected through developments and subdivisions. There are no financial implications directly associated with this Policy.

Legal/Delegation Implications

The Reserve Contributions Policy is considered to comply with the Resource Management Act. There is no delegation implications associated with the adopting of this Policy.

Options

It is considered that there are three options.

Option A: Status Quo - 60:40 spend split of Reserve Contributions.

Option B: An 80:20 spend split of Reserve Contributions.

Option C: 100 per cent of Reserve Contributions are spent in the same area from which they are collected.

Assessment of Options

Option A: The current proposed option of a 60:40 split of all Reserve Contributions would allow for identified premier and key reserves to benefit significantly from this funding. A 60:40 split would ensure that District-wide purposes would be allocated for, and priority parks would receive sufficient funds.

Option B: An 80:20 split of Reserve Contributions, with 80 per cent spent in the area it is collected from and 20 per cent allocated to District-wide purposes. This option allows for a large proportion of the funds to be allocated and spent in the area from which they were collected – meaning Mangawhai would still receive a significant amount of funding towards their reserves and open space areas. This option allows the District's premier and key reserves to receive 20 per cent of funds. One concern is that the 20 per cent of funds would be insufficient to cover upgrades and work to the premier and key reserves identified in the rest of the Kaipara District.

Option C: If 100 per cent of the Reserve Contributions collected were spent in the areas they are collected from, this would please the significant number of Mangawhai residents who believe the money should be spent in their area. As Mangawhai collects the largest amount of funds due to increased development and growth – compared to the rest of the Kaipara, Mangawhai would receive a significant amount of funds for its reserves and open spaces. This would enable the reserves and open spaces to be kept at a high standard, in alignment with the growth in population and development the area experiences. This would be important for spaces such as Mangawhai Community Park, where the funding may help the development of the park for the benefit of the growing community. However, the downside to this option is that areas of the Kaipara District which experience little growth or development, receive little to no funds for their reserves and open spaces. However, reserves in these areas still get a lot of use, and can be of Regional significance, for example Kai Iwi Lakes (Taharoa Domain). There is a risk of premier or key reserves not being kept to a high standard if there is little or no funding allocated for them.

Assessment of Significance

This Policy has been consulted on through the Draft Annual Plan 2014/2015 process. Council adopting the final for inclusion in the Long Term Plan 2015/2025 is not considered to trigger Council's Policy on Significance and Engagement.

Recommended Option

The recommended option is **Option A**.

Next Step

Start using the Reserve Contribution Policy (use of) as a guide for developing works programmes to spend reserve contributions.

Attachments

- Reserve Contributions Policy (use of)

Attachment 3: Areas where reserve contributions are collected from

Dargaville - East of Hokianga
Dargaville - Hokianga Road and West, Mangawhare
Babylon Coast Road to Waipoua inclusive Lakes and Kaihu
State Highway 14 to edge of the North Kaipara boundary
Northern Wairoa River to Tangiteroria
Northern Wairoa River to North Kaipara boundary and Waihue
Maungaru and Mangakahia
Babylon Coast to Mt Westley
Turiwiri and Arapohue
Mititai, Arapohue and Mangonui River
Mt Wesley Coast Road to Koremoa Road (Kopuru)
Okahu (past Arapohue) to KDC boundary
Korekoa Road (Kopuru) to Schick Road (halfway to Pouto Peninsular)
Schick Road to Pouto Lighthouse
Te Kopuru Village
South Ruawai, Tinopai, Araraoa, Te Kowhai
Tokatoka to Ruawai
Omaru Parish (Ruawai Hills)
Matakohe
Mareretu Parish (North of Paparua and Pahi)
Paparua and Pahi
Maungaturoto Rural
Whakapirau
Brynderwyn to Kaiwaka Township
Kaiwaka Township
Mangawhai Rural
Mangawhai Village
Maungaturoto Township
Mangawhai - Formerly Rodney
Ruawai Township

Closure

**Kaipara District Council
Dargaville**