

# Community Initiated Infrastructure – Rooding Contribution Policy (#4112)

Adopted: 2013

Reviewed: 5 June 2015

## Background

Council can assist the community to develop and provide their own facilities and services, which in turn helps to deliver Community outcomes.

Council has developed a Community Assistance framework to provide fair, consistent and strategically aligned decision making when considering community requests for Council support. Policy # 4112 is aligned with Council's Community Assistance framework.

From time to time, Council will be approached by a Community of place, use, or interest to extend, renew, or develop new roading infrastructure that has not been planned for by Council. This policy is developed to ensure that the percentage of contribution by both Council and Community is known and that those that are directly affected or are in the area of benefit are consulted and agree to fund the community share.

## Objectives

1. To support communities to develop community infrastructure which fulfils a demonstrated community need and aligns with Council's strategic priorities.
2. To enhance access and use by the general public of community infrastructure
3. To enhance services that align with Council's strategic priority
4. To enhance community and Council capability for the development, renewal or replacement of Council owned roading infrastructure
5. To ensure that the community and Council are aware of the obligations of each party prior to entering into a partnership to fund community infrastructure

## Policy Statements

1. The decision to develop infrastructure; whether extensions or improvements to existing roading is the Council's alone and must align with Council's strategic priorities and will be assessed against the following criteria:
  - a. Whether the Council has a budget available to fund its share of the cost.
  - b. Whether the works proposed are appropriate, taking into account maintenance and other ongoing costs.
  - c. The traffic count on the road concerned
  - d. Whether dust nuisance is a major issue where the sealing of a metal road is proposed
  - e. Whether the works complete the sealing or other improvements to a road so it is all to one standard
  - f. Whether, if a cost / benefit analysis was carried out, the quotient would be greater than 1.

2. The Community must contribute the equivalent of the NZTA subsidy (Funding Assistance Rate) which is currently 59% and Council shall fund the balance of all costs.
3. Where a targeted rate is used, funding for ongoing maintenance, including depreciation, over a defined timeframe (dependent on expected life of the asset) may be incorporated into the project cost.
4. The responsibility to consult shall fall on the Community; however Council will need to ensure itself that the consultation process is fair and appropriate. This would mean that the Community would present to Council a consultation plan and an indicative method for apportioning the Community cost if the Community decides it would like to pay a lump sum toward the project.
5. Appropriate funding arrangements will be entered into with local property owners and/ or ratepayers where:
  - a. Council has agreed in principle to the project;
  - b. 75% of the affected persons or those in the defined area of benefit, agree with such funding arrangements (in cases other than a targeted rate, if some owners refuse to contribute to the scheme it can still proceed provided the remaining owners agree to meet the total contribution between them);
  - c. For the purpose of this proposal, Community group members, affected persons or those in an area of benefit are all defined as affected property owners for targeted rating.
6. The total cost calculation for the scheme and the calculation of the Community contribution are to be documented and will include quotations from suppliers, including professional services. If Council Staff are to manage the scheme, an allowance of at least 5% will be included in the total cost.
7. Funding arrangements options will include:
  - a. The full and final payment from the Community Group; or
  - b. The full and final lump sum payment for the project pro-rated to affected property owners; or
  - c. A targeted rate over a fixed number of years, incorporating all financial charges (loans, interest etc.).
8. If the funding agreement allows for all or part of the Community contribution to be received after the work has been completed an interest charge will be included as per Clause 6.
9. Where the funding arrangement is as per Item 7 a. or b., legally binding agreements covering the total Community contribution must be received from property owners prior to the scheme proceeding. These documents will be prepared and finalised by the Council's Legal Department.
10. Where the works are to be funded by a targeted rate, Council will then, pursuant to the Local Government Act 2002 and Local Government (Rating) Act 2002, consult on the proposed new rate in its next available Long Term Plan or Annual Plan. (Note any new rate has to be introduced as part of the Annual or Long Term Plan process).
11. Should the project payment be by way of a targeted rate, the Community must be made aware of the delay caused by fulfilling the Annual or Long Term Plan process.
12. Where the agreement is with one party (e.g. a forestry company) the arrangement must be documented in the same way as set out in Item 9.
13. Annual budgets for this activity need to be approved through either the Long Term Plan or the Annual Plan processes. Unspent budgets will not normally be carried forward to the next financial unless the Council decides otherwise.

## Procedures

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1. A request is received from the community for the upgrading of a public road on a cost share basis with Council.
2. A copy of the Policy is sent out to the requestor

3. The documentation required to accompany a formal request is received.
4. The Roads Professional Services Unit (RPSU) arranges for the works proposed to be costed, for use in the consultation process. The costs are to include :
  - a. Physical works
  - b. Professional services including supervision
  - c. GST at the current rate
  - d. In the case of road sealing works to be funded by way of a targeted rate, the cost of maintaining the road for the life of the pavement
  - e. Interest at the current borrowing rate where payment of contributions is delayed until after the work is completed.
5. Prior to the costing being sent to the requestor the payment schedule is checked by the Finance Department to ensure that it represents 65% of the cost of the works proposed.
6. The payment schedule is sent to the requestor.
7. The Council receives the completed documentation required from the requestor so that the proposal can be put before Council.
8. The RPSU prepares an item on the application to go to the Infrastructure Committee of Council, including a recommendation.
9. The recommendation of the Committee goes to the Council for acceptance or otherwise.
10. If Council resolves not to fund its share of the cost of the works, then a letter is sent to the requestor, by the Governance Department, informing of the decision.
11. If Council resolves to fund its share of the cost (in the case of a cost share by the affected property owners), all the documentation relating to the proposal is sent to the Council's Legal Department for preparation of the agreements required by Item 9 of the Policy.
12. A standard legal agreement is prepared by the Legal Department to ensure that payment is legally binding and can be pursued through normal debt collection processes, if not paid.
13. The specific legal agreements are prepared and sent out to the affected parties by the Legal Department.
14. The signed legal agreements are returned to Council's Legal Department.
15. Once the Department receives all the agreements, it advises the RPSU that all have been received.
16. The RPSU checks with the Finance Department to confirm whether all payments have been made, if the arrangement is to pay prior to the works commencing.
17. The RPSU arranges for plans to be drawn up and for the work to be carried out using the method it determines to be the most appropriate.
18. The work is completed and invoices are sent to the affected property owners, where it has been agreed that payment is delayed until the work is done.
19. If Council resolves to fund its share of the cost, and the Community has chosen to fund its share by way of a targeted rate, all the proposal information is sent to the Finance Department which arranges for the project and targeted rate to be included in the next Annual Plan or Long Term Plan, whichever is soonest.
20. When the project and rate are approved, the Finance Department advises the RPSU to proceed.

- 21 Where the agreement is with one party in regard to road works, the arrangement must include the standard legal agreement to pay the non-Council share of the cost.