

13.2.5 ANNUAL REVIEW - MADDINGTON A AND B DEVELOPMENT CONTRIBUTION PLAN REPORT

Director: C Terelinck
Author's Declaration Nil.
of Interest:
Application No: LA17/00026
Previous Ref: OCM 8 August 2017 (Resolution 248)
Appendix: 13.2.5A Locality Plan
13.2.5B Draft modified Maddington Road Precincts A and B Development Contribution Plan Report

PURPOSE OF REPORT

For Council to review the Development Contribution Plan Report (DCPR) associated with the Maddington Road Precinct A and B Outline Development Plans (ODP), as required by Part 5 of Town Planning Scheme No. 6 (TPS 6).

BACKGROUND

The Maddington A and B DCPR area is shown at Appendix 13.2.5A.

The City administers Development Contribution Plans (DCP) for the shared provision of infrastructure and land for public purposes in the Canning Vale, West Canning Vale, Homestead Road, Southern River Precinct 1, Maddington Road Precincts A and B and Central Maddington ODP areas, and is required to review the associated DCPRs annually for the purpose of updating changes to the value of land and infrastructure items. Those items are the key elements (in terms of development costs) that need to be equalised to ensure that developers make an equitable contribution to Infrastructure and Public Open Space within the DCPR area.

Due to changes in costs and land values over time and the desire of individual landowners to develop at different times, the costs and values need to be updated regularly to ensure that the Contribution Arrangements are aligned with the contemporary costs of providing the infrastructure.

The majority of these DCP's were reviewed and reported to Council at the Ordinary Council Meeting of 8 August 2017. It was noted in that report that the review of the Maddington Road Precincts A and B DCPR would be subject of a future report.

Through State Government policy, subdividers are ordinarily required to provide 10% of land (free of cost) for future POS. In the case of this DCPR, due to design constraints and the co-location of drainage infrastructure within the POS areas; the adopted ODP's include 13.88% of land in Precinct A as POS and 13.41% of land in Precinct B as POS.

A summary of the most recent history of each Precinct within the DCPR follows:

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Precinct	Most recent Council adoption	Infrastructure Contribution Rate	Public Open Space Contribution Rate	Previously Adopted Land Valuation
A	14 February 2017 (review)	\$114,438/ha	13.88% @ \$1,250,000/ha	\$1,250,000/ha
B	14 February 2017 (review)	\$103,780/ha	13.41% @ \$1,200,000/ha	\$1,200,000/ha

DISCUSSION

Each of the Precincts have two separate contribution obligations, as follows:

- Public Open Space (POS), which is payable as part of residential development
- General Infrastructure, which is payable as part of any development.

These matters are discussed below.

Public Open Space

Land valuation rates must be set to ensure that adequate funds are collected to acquire land identified in ODPs for POS and to determine the amount of reimbursement payable to landowners for the acquisition of such land.

Previous POS rates have been adopted on the basis of valuation advice from JLL Mortgage Services Pty Ltd (JLL). JLL was again engaged to provide valuation reports based on current market conditions in the DCPR area.

The latest JLL valuations were undertaken in May 2017, with the recommended values being as follows.

Precinct A \$1,125,000 / hectare.
Precinct B \$1,100,000 / hectare.

For Precinct A, this represents a reduction of \$125,000/hectare on the rate which currently applies and for Precinct B, it represents a reduction of \$100,000/hectare.

It is recommended that Council modifies the DCPR accordingly.

General Infrastructure

Landowners in both Precincts A and B are required to contribute towards the provision of infrastructure associated with the various POS sites in the ODP areas.

The estimated cost for POS development is detailed in the DCPR and is based on a rate of \$55/m² for the development of POS to a suitable basic standard. A number of the POS sites within the ODP's have been developed and as a result actual costs have been determined for those works.

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The contributions for POS development under this review have been adjusted to take account of those known costs. As a result, the DCPR separates these costs into actuals, for the POS that has been completed and retains estimates, for the yet to be developed POS.

Actual rates (per m²) for development of individual parks have varied over time, but have generally been less than the \$55/m² rate.

In the event that the arrangement is in surplus at its close, any funds held will be returned to the DCPR contributors or invested in further development within the area, at the Council's discretion.

Given the variance between actual costs (to date) and the estimates, it is not proposed that the estimates are indexed or increased under this review. It is also not proposed that they be reduced as it cannot be determined what the cost of development for the outstanding parks will be.

CONCLUSION

TPS 6 requires Council to review the cost sharing arrangements operating within the district. It is recommended that Council adopts the revised Development Contribution Plan report as contained in Appendix 13.2.5B.

FINANCIAL IMPLICATIONS

The proposed changes to the contributions rates will have an impact on the contributions payable by developing landowners and the amount of money that can be reimbursed to developing landowners for infrastructure provided.

STATUTORY IMPLICATIONS

Town Planning Scheme No. 6.

VOTING REQUIREMENTS

Simple Majority required.

*Item 13.2.5 Continued***STAFF RECOMMENDATION AND COUNCIL RESOLUTION (1 OF 2)****376 Moved Cr R Mitchell Seconded Cr D Griffiths**

That Council adopts a revised Development Contribution Plan Report for the Maddington Road Precinct A and Precinct B Outline Development Plans, which includes a contribution rate of \$100,400/ha in Precinct A and \$82,700/ha in Precinct B for common infrastructure works and revised land values of \$1,125,000/ha in Precinct A and \$1,100,000/ha in Precinct B for public open space contributions, as contained in Appendix 13.2.5B.

CARRIED 10/0

FOR: *Cr P Abetz, Cr J Brown, Cr D Goode, Cr D Griffiths, Cr J Jones, Cr T Lynes, Cr R Mitchell, Cr O Searle, Cr L Storer and Cr G Dewhurst.*

AGAINST: *Nil.*

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (2 OF 2)**377 Moved Cr R Mitchell Seconded Cr D Griffiths**

That Council informs all landowners with outstanding contribution obligations within the Maddington Road Precinct A and B Outline Development Plan areas, of Council's decision.

CARRIED 10/0

FOR: *Cr P Abetz, Cr J Brown, Cr D Goode, Cr D Griffiths, Cr J Jones, Cr T Lynes, Cr R Mitchell, Cr O Searle, Cr L Storer and Cr G Dewhurst.*

AGAINST: *Nil.*