



PORT MACQUARIE
HASTINGS

NORTH HAVEN

NEIGHBOURHOOD BUSINESS PRECINCT

CONTRIBUTIONS PLAN



Version 1.2 April 2006

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Version	Adopted	Commenced	Notes
1.0	16/09/1996	16/10/1996	
1.1	07/03/2005	16/03/2005	Amended to incorporate new policy on deferral of payment of contributions.
1.2	6/03/2006	3/04/2006	Amended to incorporate new provisions for Monitoring Review and Adjustment of Rates, Pooling of Contributions and Contributions Ratios for Residential Development.

PURPOSE OF THE PLAN

The purpose of this plan is to enable Council to levy Section 94 Contributions towards car parking embellishment and traffic management improvements for the North Haven Neighbourhood Business Precinct.

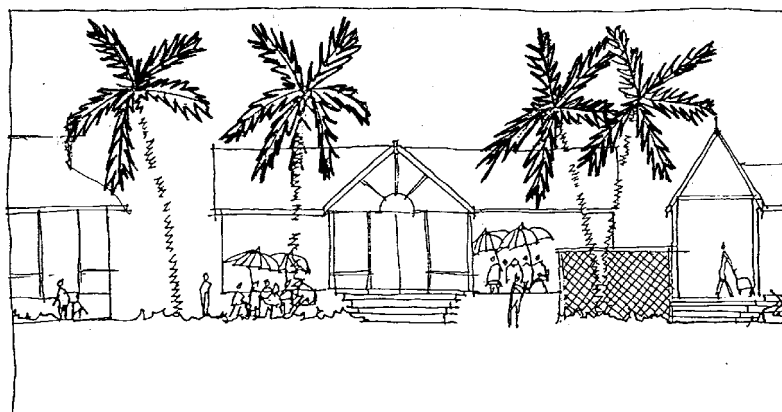
It was intended that the Plan would clearly indicate to prospective developers in the North Haven Neighbourhood Business Precinct, the reasoning and procedure for Council applying the provisions of Section 94 of the Environmental Planning and Assessment Act 1979, as amended. Further details on this Contributions Plan can be found in the Background Information Document for North Haven Neighbourhood Business Precinct Contributions Plan.

LAND TO WHICH THIS PLAN APPLIES

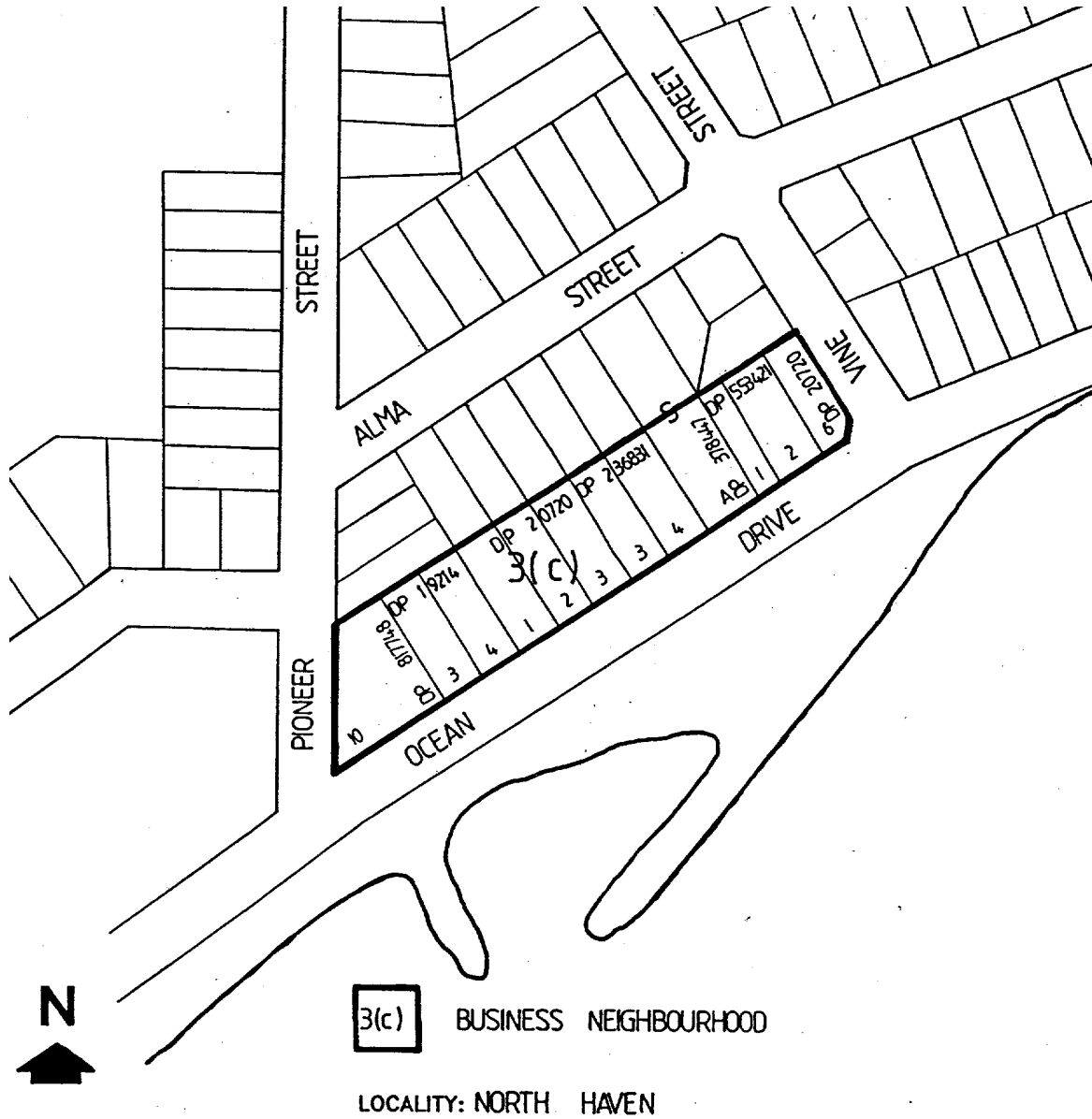
This plan applies to land within North Haven Neighbourhood Business Precinct, between Pioneer and Vine Streets as shown on Map 1.

NEXUS

While existing developments within North Haven Neighbourhood Business Precinct would benefit from the provision of additional car parking and the implementation of traffic management measures, the current levels are near adequate. However, the projected future increase in floor space within the North Haven Neighbourhood Business Precinct warrants the proposed works to maintain the current service levels.



Map 1: Application of Contributions



CAR PARKING EMBELLISHMENT

Methodology

North Haven shops constitute a neighbourhood centre. Neighbourhood centres have the following characteristics:

Table 1: Neighbourhood Centre Characteristics

Type of Trips Attracted	Origin of most Trade	Catchment Population	Size (gross floor area)
Frequent/repeated purchases "top up" weekly shopping	Within 1 km radius	Maximum 3,500 persons	Maximum 2,000 m ²

Source: Hastings Retail Study PLI 1985

North Haven Neighbourhood Centre currently has a Gross Floor Area (GFA) of about 1,309 m². It is projected that the floor space requirements for North Haven Neighbourhood Business Precinct by 2008 would increase as follows:

Neighbourhood Retail Floor space	690m ²
Other Retail Floor space	500-1,000m ²
Total, say	1,500m ²

This is an increase from 1309m² to 2809m² or a 215% increase. Alternatively, the existing floor space represents 47% of the projected total required. The equivalent in non-residential Gross Leasable Floor Area (GLFA) is 2908 m², an increase of 1125 m² or 215% increase over the present GLFA of 982 m².

The current levels of parking spaces were found to be:

- 1 space per 31m² Off-street
- 1 space per 35m² On-street
- 1 space per 17m² total (Off-street and On-street).

Development Control Plan 24 specifies that the provision of parking is to be at a rate of 1 space per 25 m² GFA which is the equivalent of 1 space per 19m² GLFA. There is a current oversupply of 6 car parking spaces in the North Haven Neighbourhood Business Precinct. Projected growth to the year 2008 will require an additional 40 off-site car spaces. This is reduced to 34 spaces, taking into account the current oversupply. However, the 34 car parking spaces are the sole cost responsibility of the new non-residential developments in the Business Precinct. In other words, new non-residential development would be responsible for 100% of the 34 space car parking embellishment.

Formula

The provision of public parking requires land acquisition, site preparation (house removal), construction, landscaping, lighting. The work schedule describing the proposed projects and their costs is shown in Table 2. A cost per space is calculated by dividing the total cost by the number of spaces provided:

$$C = TC/TP$$

Where C = contribution rate per parking space.

TC = total cost of provision of parking area.

TP = total number of parking spaces provided in the parking area.

Calculation of the Contribution

The calculation of the contribution for car parking embellishment is based on the costs outlined in the work schedule on the next page. A sketch plan of the Vine Street parking embellishment can be seen in Appendix A.

Using the formula above, the contribution was then calculated as follows.

$$\begin{array}{rcl}
 TC & = & \$208,050 \\
 TP & = & 34 \text{ spaces} \\
 & & C = TC/TP \\
 & & = \frac{\$208,050}{34} \\
 & & = \$6,119 \text{ per space}
 \end{array}$$

The resultant contribution for car parking embellishment is \$6,119 per space.

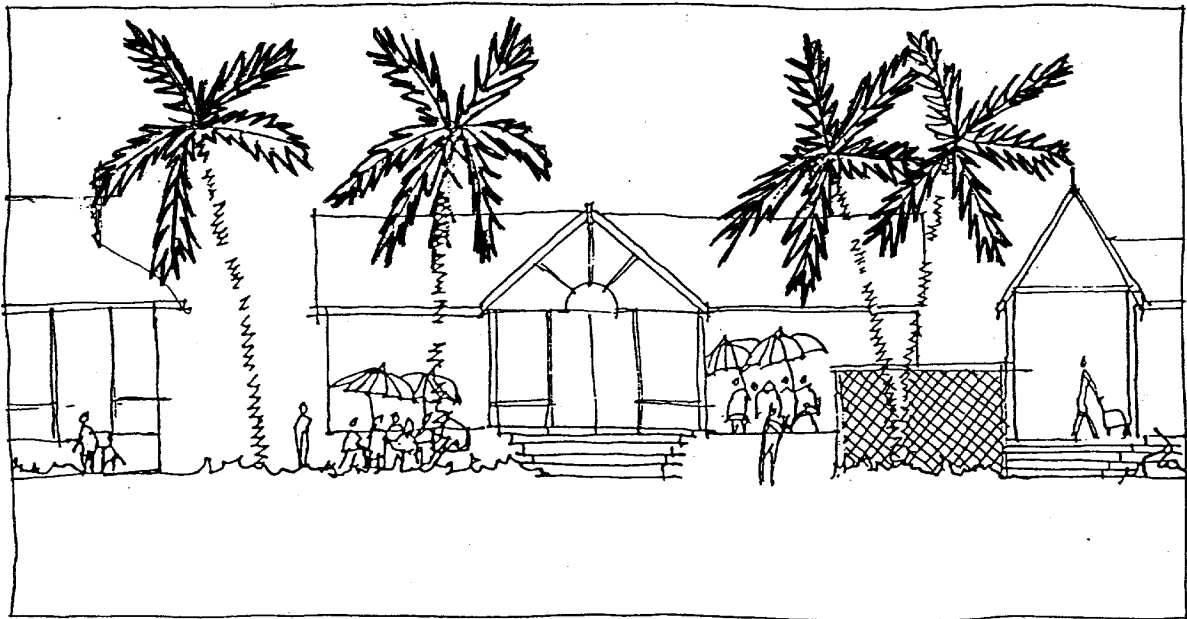
Table 2: Car Parking Embellishment Work Schedule

Item Description	Cost (\$)	Timing
Vine St. (includes east-side kerb & gutter)	48,050	1997-1998
Land Acquisition including legals (600-800 m ² block)	110,000	1998-2000
Car Park Construction		2000-2008
Clean up site	10,000	
Construction work	30,000	
Landscaping	5,000	
Lighting	5,000	
Total	\$208,050	

Who Pays?

Non-residential developments will attract car parking embellishment contributions for 50% of the parking requirements, in lieu of provision, as outlined in DCP24.

Contributions shall also be payable for a change of use application from residential to non-residential use. The floor space of dwellings will not attract contribution. Where a building contains non-residential uses and a dwelling or dwellings, the gross floor area of the dwelling(s) shall be excluded, together with any access exclusively used for gaining access to the dwelling.



TRAFFIC MANAGEMENT MEASURES

Methodology

Movement of pedestrians across Ocean Drive and parking movements in Ocean Drive creates a conflict with through traffic in Ocean Drive. The conflict increases with both the increase in floor space of the Neighbourhood Shopping Centre and the increase in traffic on Ocean Drive. An increase in conflict requires traffic management measures to reduce conflict. The range of measures proposed are listed below and are shown in a sketch plan in Appendix B.

- X 2 Threshold treatments in Ocean Drive.
- X Pedestrian paths.
- X Improved delineation of travelled ways and parking lanes.
- X Right turn lane into Pioneer Street.

Current conflict levels were measured as a function of parking movements, pedestrian movements across Ocean Drive and car movements along Ocean Drive. Conflict Levels were to increase significantly, in the order of 2 or 3 times as great over the next twelve years, if the projected floor space increases are realised (see Background Information Document for further details). Based on these projections, the following detailed proportional responsibility was proposed for the traffic management measures:

Existing Shops	17%
Projected Floor space	39%
Through traffic	26%
Community hall, boat ramp, foreshore	18%

Formula

The key factors contributing to increase in conflict levels on Ocean Drive are pedestrian movements and parking movements. Both of these are considered directly attributable to increase in floor area. Consequently, the contribution will be calculated by the following formula:

$$C = (TC \times A) / ND$$

- Where C = contribution rate per m² of Gross Floor Area.
 TC = total cost of works (\$).
 A = Apportionment to new development (%).
 ND = New Development to occur in the planning period (projected non-residential GFA in m²).

Calculation of the Contribution

The calculation of the contribution for the traffic management measures is based on the costs outlined in the work schedule below.

Table 3: Traffic Management Measures Work Schedule

Description	Cost (\$)	Timing
Right turn lane, Ocean Drive into Pioneer and bus bay delineation	28,700	Staged project, 1997-2000
Two choke points in Ocean Drive	51,400	Staged project, 1997-2000
Centreline & edge line, Pioneer to Vine	255	Staged project, 1997-2000
Vibreline on 90 degree parking areas	1,200	Staged project, 1997-2000
150mm kerb & gutter around 90 degree parking	3,700	Staged project, 1997-2000
Footpath, southern side of Ocean Drive	12,000	Staged project, 1997-2000
Landscaping along footpath and 90 degree parking	8,000	Staged project, 1997-2000
Underground electricity	100,000	Staged project, 1997-2000
Traffic provision during construction	12,000	Staged project, 1997-2000
Total	\$217,255	

Using the formula from page 6 the contribution was then calculated as follows.

$$C = (TC \times A) / ND$$

$$TC = \$217,255$$

$$A = 39\%$$

$$ND = 1500 \text{ m}^2 \text{ in the 12-year period, 1996-2008}$$

$$C = (\$217,255 \times 39\%) = \$56.50 \text{ per m}^2$$

$$1500$$

The resultant traffic management contribution is \$56.50/m² of gross floor space.

Who Pays?

A range of land uses are permissible within the zone, however, to enable a workable method of calculation, the following land uses will attract contributions at the m² rate for traffic management measures.

- Commercial premises.
- Recreation facilities.
- Refreshment Rooms.
- Shops.

Contributions shall also be payable for a change of use application from residential to one of the above uses. The floor space of dwellings will not attract contribution. Where a building contains one or more of the uses that attract contributions and a dwelling or dwellings, the gross floor area of the dwelling shall be excluded, together with any access exclusively used for gaining access to the dwelling.

WHEN ARE CONTRIBUTIONS TO BE PAID?

Contribution rates shall be determined at the development application stage and paid prior to the granting of a building approval, where building works are proposed. Where a change of use is proposed, consent shall be subject to payment of the contribution prior to commencement of the new use.

HOW ARE CONTRIBUTIONS RECEIVED AND VALUED?

Section 94 of the Environmental Planning and Assessment Act, 1979 (as amended), provides that Council may receive the contributions in the following forms:

1. As a direct cash contribution according to the formula relating to that form of public infrastructure (eg parking embellishment).
2. Dedication of land to the value (or part thereof) of the total cash contribution.
3. Provision of a material public benefit to the estimated value (or part thereof) of a cash contribution.

The first two cases are relatively straightforward methods, the only requirement in the second case is that Council and the developer agree on the value of the land which is being dedicated. This will require the input of a certified valuer at the cost of the developer.

The provision of a material public benefit is a relatively new provision in the Act and has been included to allow some flexibility in the way developers pay their contributions. While often relating to large developments where many lots are being created, a material public benefit may be in the form of a developer actually building a sports facility rather than paying the contribution. If Council accepted the 'material public benefit', documentary evidence would

need to be presented to allow Council to value the benefit and, if able, in a form suitable for inclusion in Council's assets register. Any such Development Application would need to be accompanied by a statement of public benefit to enable Council to consider the proposal. This statement would need to include information about the numbers and characteristics of people who would use or benefit from the facility or service to be provided. In addition, information would need to be provided to allow a 'nexus' to be established between the benefit and contribution against which it is offset.

Council, at its own discretion, may accept 'works-in-kind' from a developer in lieu of cash contributions where the 'works-in-kind' form part of Council's overall planning for the locality or it can be demonstrated that their acceptance would be of significant benefit to the community. Works-in-kind can be in the form of the provision of land, or the construction of physical improvements or infrastructure over and above the normal requirements.

Where the provision was in the form of land, a valuation provided by a registered valuer at the developer's expense, would be required for Council to evaluate the offset against the contribution. If the in-kind contribution was in the form of the provision of physical improvements or infrastructure, documentary proof of the cost of the work would need to be produced to Council's satisfaction, in a form suitable for inclusion in Council's asset register.

Where the Crown acts as a private developer, it will be expected to pay a level of contribution equal to the private sector.

MONITORING, REVIEW AND ADJUSTMENT OF RATES

Council will adjust the contributions levy in this plan on a quarterly basis. To ensure that the value of the contributions is not eroded by inflation, Council will increase the levy in accordance with the Consumer Price Index All Group Index Number for Sydney (CPI), as published by the ABS.

Where contributions have been levied under an existing consent, granted in accordance with this Plan, but not yet paid, the contribution will continue to be indexed on a quarterly basis in accordance with the above until such time as they are paid.

Contributions rates will be adjusted in accordance with the following formula

$$CR_A = \left(1 + \frac{CPI_C - CPI_O}{CPI_O}\right) \times CR_O$$

Where

CRA is the adjusted contributions rate at the time of adjustment in the Contributions Plan, or at the time of payment of the contributions, as applicable.

CRO is the original contribution rate in the contributions plan, or at the time of the development consent, as applicable.

CPIO is the original CPI rate at the time of adoption of the contributions plan, or at the time of the development consent, as applicable.

CPIC is the current CPI rate at the time of adjustment of the contributions rate in the Contributions Plan, or payment of the contributions, as applicable.

The cost of proposed works in the contribution plan will be reviewed annually if warranted, but at least every three years, to ensure the CPI adjustments reflect the 'real' cost of acquisitions and construction.

Council will also review this plan if it becomes necessary to borrow additional funds to meet the Section 94 funding component of the works program due to a shortfall in the receipt of development contributions.

ACCOUNTING PROCEDURES

A special reserve would be established that would hold contributions paid and which would accrue interest on these funds. Where expenditure preceded receipt of contributions, details of the money expended and the source of these funds would be recorded. This would establish the basis for placing contribution subsequently received into the funds, which sourced the money expended.

DEFERRAL OF PAYMENT OF CONTRIBUTIONS

Council will allow the deferral of the payment of Development Contributions involving the construction of a building subject to:

- i) Lodgement of an irrevocable guarantee for the amount of the contributions plus an additional 12 month interest amount calculated at the average rate of Council's investments performance over the past 12 months plus 1%.
- ii) The maximum period for which the guarantee will be accepted is the sooner of 12 months or the issue of an occupation certificate for the development.
- iii) Guarantees will only be accepted from an institution approved by the Manager Corporate and Financial Planning.
- iv) If at the end of the period for the lodgment of the guarantee, the outstanding contributions plus the additional amount referred to in 'i' have not been paid, Council will call in the guarantee without further reference to the applicant.

- v) A prorata reduction in the amount referred to in 'i' will be allowed for payment of the outstanding contributions within 12 months or the calling in of the guarantee within 12 months.
- vi) The guarantee is to provide for Council to unconditionally call in the guarantee for the full amount at any time.

POOLING OF CONTRIBUTIONS

This plan expressly authorises monetary S94 Contributions paid for different purposes to be pooled and applied (progressively or otherwise) for those purposes. The priorities for the expenditure of the levies are shown in the works schedule.

