

DEVELOPER CONTRIBUTIONS

SECTION 94 OF THE *ENVIRONMENTAL PLANNING & ASSESSMENT ACT*, 1979.

14-18 Boondah Rd, Warriewood

Concept Plan & Stage 1 Project Application

Introduction

1. On 20 July 2009, Pittwater Council granted Meriton a deferred commencement development consent on the subject site for 140 dwellings (DA0658/06). Condition 13 of that deferred commencement development consent requires payment of S.94 contributions totalling \$7,882,962.
2. Of the \$7.883 million required in S.94 Contributions, approximately \$3.644 million can be considered “fixed costs”. That is, they do not change even if densities are increased and they consist of:
 - Traffic & Transport - \$1,282,002.40
 - Multi-functional Creek Line Corridors (works) – \$955,194.80
 - Multi-functional Creek Line Corridors (land) – \$684,123.73
 - Pedestrian / Cycleways – \$722,321.60

The remaining \$4.24 million are “variable” and related to the population, which consist of:

- Community facilities - \$1,045,511.60
- Public recreation - \$2,660,504.00
- Bushfire Protection – -\$5,063.80
- Library Services – \$229,503.40
- Plan Management – \$140,000.00

It should be noted that *Halcrow* (formally *Masson Wilson Twiney* who were commissioned by Pittwater Council to compile the original *Warriewood Valley Roads Masterplan*) were engaged by Meriton to complete an independent review of the impacts that the proposed increase in density (from 140 dwellings on the site to approximately 600 apartments) would have on local traffic congestion and flows in Warriewood Valley. Their review concluded that the works planned under Council’s S.94 plan would be sufficient to cater for the proposed increase in dwelling density and that no additional road or intersection upgrades would be required.

3. At present, based on the average number of persons per bedroom occupancy rates (2006 census data for Warriewood), Meriton’s current deferred commencement development consent for 140 dwellings will house approximately 616 people. So the variable cost per person is \$6,884 (being \$4,240,320.40 divided by 616 people).

4. The current Part 3A Concept Plan and Stage 1 Projection Application, proposes a higher density development involving apartments rather than townhouses. The proposal is for approximately 600 apartments that will house approximately 1320 people (based on the average number of persons per bedroom occupancy rates found in 2006 census data for Warriewood).
5. Pittwater Council's current S.94 plan for Warriewood Valley does not make provision for apartment development. If Pittwater Council's S.94 plan (\$67,334.29 per dwelling) was applied to the current Concept Plan for approximately 600 apartments it would yield a total S.94 charge of approximately \$40.4 million, which after subtracting the \$3.6 million in fixed costs would still yield \$36.76 million in variable costs, or some \$27,845 per head (being \$36.76m/1320 people). This is 4 times greater than the variable amount set under the current consent, it is wildly out of kilter with developer contributions in other Sydney Metropolitan Council's (for example in the City of Sydney and former South Sydney areas, and also in Ku-ring-gai LGA, S.94 contributions are around the \$20,000 mark or less) and even in other parts of Pittwater. The S.94 is clearly unworkable and stifling development in the Warriewood Valley.

What is an appropriate charge?

6. Applying the same variable cost per person as the current consent (of \$6,884) gives a total variable cost of about \$9,086,880 (being \$6,884 x 1320 people).
7. When the above stated variable cost is added to the fixed cost (of \$3.644m) the total S.94 payment for the current Concept Plan for 600 apartments, is in the order of \$12,730,880. This equates to a S.94 contribution per dwelling of \$21,218.
8. In light of the above and to maintain the commercial viability of the project, it is requested that a maximum overall S.94 contribution totalling \$12,730,880 be applied to the Concept Plan proposal.
9. The current deferred commencement development consent on the site requires payment of S.94 contributions of \$7.883 million, which is some \$4.848 million less than what would be provided to Pittwater Council when compared to the proposed S.94 contributions stated above of \$12.73 million.
10. Pittwater Council through its' S.94 Contribution Plan is seeking to achieve public recreation open space at the rate of 2.8 hectares per 1000 head of population in the Warriewood Valley and wider Pittwater LGA. It is because of this desire that about one third of the total of S.94 developer contributions charged by Pittwater Council is directed towards the acquisition and embellishment of new public open space. The new population is being held directly accountable for funding the provision of new open space despite the wider Pittwater region benefiting from the new open space. The cost of acquiring and embellishing public open space is being not apportioned across the wider

Pittwater region and this places an unreasonable financial burden on developers and the incoming population.

11. Spreading the financial burden of increasing the provision of open space across the entire Pittwater LGA would substantially reduce S.94 developer contributions and encourage new development.

Justifications

12. Our concept plan for approximately 600 apartments will provide public benefits above and beyond those that are anticipated in the Warriewood Valley S.94 plan, including a childcare centre and convenience shops.
13. Our proposal will also not rely as heavily on local recreation because of the inclusion within the development of vast landscaped grounds, a private pool and gym. Facilities such as these are not provided by developers of single dwelling houses or town houses.
14. Meriton has entered into a deed with Sydney Water to pay \$3m towards capping of the STP. These are material public benefits not credited within the s.94 plan, which must be considered as part of the overall development cost.
15. It is appropriate to treat apartment development differently in Warriewood because there are so few apartments (2006 census data for Warriewood reveals that 7.2% of the residential accommodation is provided in the form of apartments) and:
 - a) they should be encouraged to provide alternative, affordable and key worker accommodation; and
 - b) there is no danger of a precedent being set, because only a very small fraction of housing stock in Pittwater will ever be apartments as a result of relatively high land prices.
16. Development of the site for approximately 600 apartments will help to kick start development in the Warriewood Valley, which has come to a halt in recent times.

Nexus

17. Perusal of the development consent for 140 dwellings (DA0658/06) reveals consent conditions that require the applicant (at its' own cost) to design and construct road works (adjacent to the site) in Macpherson Street and Boondah Road. Such works include:
 - street lighting
 - undergrounding of all existing overhead wires
 - kerb and guttering

- landscaping
- construction of a roundabout that all accesses the ARV site to the north
- road shoulder and road pavement construction
- 2.5m wide footpath/cycleway
- associated road drainage works, and
- parking and bus bays

In addition to these works the applicant is required to dedicate a 5m x 5m splay on the corner of Macpherson Street and Boondah Road with S.94 credit available for the construction of a roundabout in this location as well.

18. Meriton will be seek S.94 credit for undertaking works that do not directly relate to development of the site and also for works that benefit the wider community, not just the future population on the subject site.

19. Meriton volunteers to design and construct the following works at its own cost (for road frontages directly adjoining the subject site):

- new (half) road surface (with the exception of raising Boondah Rd, which may be required to control local flood waters)
- kerb and guttering
- new footpath
- parking bays, and
- landscaping

20. However, Meriton will seek S.94 credit for:

- the placement of new street lighting directly adjoining the subject site
- undergrounding of existing overhead wires directly adjoining the subject site
- construction of a roundabout at the intersection of Boondah Rd and Macpherson Street
- any required road drainage works directly adjoining the subject site
- construction of bus bays directly adjoining the subject site, and
- all relevant consultant fees for the design of desired civil works.

The above listed works benefit the wider community and they are not directly brought about as a result of the proposed development. Consideration will only be given to undertake the above works if S.94 credit is available.

21. S.94 Credit will also be sought for dedicating the following portions of the site to Pittwater Council:

- Areas of the site between the Warriewood Wetlands and the future cycleway / bicycle path
- The 15m wide overland flow path located along the western boundary of the site, and
- The alignment of Fern Creek as it traverses the site

Conclusion

22. The present market conditions are such that there is no new construction activity whatsoever in the Warriewood Valley. There is no development in the Warriewood Valley because the S.94 contributions are too high and new development is rendered unviable.
23. The existing deferred commencement development consent on the site in theory will provide Council with \$7.883m in S.94 payments, but in reality Council will receive nothing because the present approval can never be built as it is commercially unviable with such high S.94 charges.
24. If S.94 contributions are imposed as requested, Pittwater Council would receive \$12.73 million in S.94 contributions, which is economically viable – so the apartments will actually be built. This will also help Pittwater Council achieve its NSW Metropolitan Strategy dwelling targets of 4600 by the year 2031.
25. Pittwater Council will also benefit financially through increased rates.