

1.1 POLICY REVIEW - SUBDIVIDER CONTRIBUTIONS - HENLEY BROOK DRIVE (SOUTH OF MORGAN FIELDS, HENLEY BROOK AND NORTH OF PARK STREET) AND MILLHOUSE ROAD

Ward: (Pearce Ward and Swan Valley/ Gidgegannup Ward) (Asset Management)

Disclosure of Interest: Nil

Authorised Officer: (Executive Manager Operations)

KEY ISSUES

- Policy POL-C-088 Henley Brook Drive (South of Morgan Fields, Henley Brook and North of Park Street) and Millhouse Road was adopted by Council on 15 December 2004.
- In 2014 the Department of Planning came to the view that POL-C-088 shouldn't be imposed as a condition of subdivision unless there was an agreement outside of the subdivision process or until it was formalised into the Local Planning Scheme as a Development Contribution Area with DCP.
- Only about 844 potential dwellings are subject to any future subdivision approval conditions by WAPC and it is deemed too late to initiate a Development Contribution Plan as the developer will most likely fast track the approval for the remaining 844 dwellings to avoid paying the contribution.

It is recommended that the Council resolve to:

- 1) Not pursue the implementation of a Development Contribution Plan (DCP) for the construction of Henley Brook Avenue and Millhouse Road.
- 2) Adopt policy POL-C-088 Henley Brook Drive (South of Morgan Fields, Henley Brook and North of Park Street) and Millhouse Road.

BACKGROUND

Council, at its meeting held on 15 December 2004, adopted policy POL-C-088 Henley Brook Drive (South of Morgan Fields, Henley Brook and North of Park Street) and Millhouse Road.

The purpose of the policy is to clearly identify subdivider contributions to be collected from developers subdividing land within Ellenbrook, part of The Vines and Aveley to construct Henley Brook Avenue from Gnangara Road to Park Street in Henley Brook and upgrade Millhouse Road from Aveley eastern boundary to West Swan Road. A condition of subdivision was imposed by the Western Australian Planning Commission (WAPC) on all subdivisions approved within the three suburbs. Initial rate per dwelling was \$173.

DETAILS

As part of a change of management in the Department of Planning in 2014, Department officers formed the view that policy POL-C-088 should not be imposed as a condition of subdivision unless there was an agreement outside of the subdivision process or until it was formalised into the Local Planning Scheme as a Development Contribution Area with a Development Contribution Plan. Hence subdivisions approved thereafter either do not have this condition or have an advice note on the policy indicating the developer can choose not to pay. However, to date, the developer (Stockland) has had no issue with making the payment.

As the current rate is still only \$236.30 per dwelling due to CPI increase over the years the developers are willing to pay based on the advice note in the WAPC approval. If Council decides to change policy POL-C-088 it will affect only the remaining lots in Ellenbrook which do not have WAPC approval. The estimated number of dwellings still to be developed is 844. Based on the latest estimated cost for construction of Henley Brook Avenue and Millhouse Road upgrade the new contribution rate per dwelling would be \$3688.88. This is a fifteen fold increase from the current \$236.30. The condition is not likely to be imposed by WAPC, while the developer could appeal against it if it is imposed.

If the Council decides to implement a Development Contribution Plan (DCP) it will only affect the remaining 844 lots. As the DCP needs to be advertised and consulted it is likely the developer will challenge it or they will apply for WAPC approval for most of the remaining lots early in order to avoid paying an increased contribution rate.

CONSULTATION

Nil

ATTACHMENTS

Policy POL-C-088 - Calculations

Policy POL-C-088 Subdivider Contributions Henley Brook Drive (South of Morgan Fields, Henley Brook and North of Park Street) and Millhouse Road

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017 - 2027

B2.1 Management current and future assets and infrastructure

STATUTORY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Based on the calculations there will be an estimated shortfall fall of \$3.6m based on the worst case scenario of only collecting contributions from the approved WAPC lots and nothing from all the remaining 844 lots in Ellenbook. However it is anticipated that this shortfall can be partially recovered by imposing a DCP on future developments immediately adjacent to the area bounded by policy POL-C-088 as a contribution to the infrastructure upgrades for Henley Brook Avenue when the Henley Brook rural lots are rezoned.

VOTING REQUIREMENTS

Simple majority

RECOMMENDATION

That the Council resolve to:

- 1) Not pursue the implementation of a Development Contribution Plan (DCP) for the construction of Henley Brook Avenue and Millhouse Road.
- 2) Adopt policy POL-C-088 Henley Brook Drive (South of Morgan Fields, Henley Brook and North of Park Street) and Millhouse Road.

CARRIED

(Attachment OCM 13/12/2017) Policy Review - POL-C-088 Subdivider Contributions Henley Brook Drive (south of Morgan Fields, Henley Brook and North of Park Street) and Millhouse Road

Policy POL-C-088 calculations

Henley Brook Avenue (south of Morgan Fields to Park Street)

ITEM	RATE per m	LENGTH	AMOUNT
Bulk Earthworks	\$465.00	1120	\$520,800.00
Roadworks	\$2,740.00	1120	\$3,068,800.00
Road drainage	\$910.00	1120	\$1,019,200.00
Dual Use Path	\$195.00	1120	\$218,400.00
Total	\$4,310.00	1120	\$4,827,200.00

	Estimated balance no of lots/dwellings not applied for WAPC subdivision approval	Estimated number of dwellings still to pay
Ellenbrook	844	844
Vale	0	0
The Vines	0	0

Total = 844

Millhouse Road (upgrade of existing section from Vale to West Swan Road)

ITEM	RATE per m	LENGTH	AMOUNT
Bulk Earthworks	\$45.00	2340	\$105,300.00
Roadworks	\$295.00	2340	\$690,300.00
Road drainage	\$90.00	2340	\$210,600.00
Dual Use Path	\$0.00	2340	\$0.00
Total	\$430.00	2340	\$1,006,200.00

	Estimated number of dwellings still to pay	Contribution based on current rate \$236.30
Ellenbrook	558	\$0
Vale	1130	\$267,019
The Vines	50	\$11,815
Subtotal		\$278,834

No condition
Advice note - voluntary
Condition

Total cost of construction = \$5,833,400.00

Total contributions to date minus all expenditure 31/05/2017 = **\$1,805,142.00**
Outstanding amount required = **\$4,028,258.00**

Projected Dwelling Yield within the Contributory Cell which may pay contribution = **844**
Contribution per dwelling required from remaining lots = **\$4,772.82**
Current rate is \$ 236.30 per dwelling

Estimated total contribution from remaining lots with WAPC approval = \$2,083,976.00

Shortfall based on NO further contributions from the 1092 lots = \$3,749,424.00



Council Policy

POL-C-088 Subdivider Contributions - Henley Brook Drive (South of Morgan Fields, Henley Brook and North of Park Street) and Millhouse Road

1. PURPOSE

The purpose of this policy is to clearly identify subdivider contributions within the Ellenbrook, Egerton and Vines estates toward the upgrading and construction of portions of Millhouse Road and Henley Brook Drive.

2. OBJECTIVE

The objectives of this policy are:

- To provide a consistent approach for contributions towards the construction of Henley Brook Drive (North) and Millhouse Road from the subdivision of land in the North East Corridor.
- To ensure the timely construction of Henley Brook Drive and Millhouse Road to facilitate an efficient district distributor road network in the North East Corridor.

3. BACKGROUND

Structure planning for urban development in the North East Corridor includes the identification of reserves for "Other Regional Roads" and district distributor roads.

The ceding of land and the construction of these roads where they are within or abut land to be subdivided for urban development, are provided through conditions of subdivision in accordance with Western Australian Planning Commission Policy No. DC 1.7.

Where they are not within or abutting urban zoned land there is potential for developer contributions to be required at subdivision stage, otherwise the financial responsibility for these roads generally rest with local government.

The demand for these roads in the case of the North East Corridor is generated by the urban development and it would be an unreasonable impost on the City of Swan to acquire land and construct the roads to enable the road network to be completed. Without the external linkages, the regional road system will not be functional or effective.

4. APPLICATION

- 4.1 This Policy complements the WA Planning Commission's Policy No. DC 1.7 "General Road Planning".
- 4.2 This policy applies to the subdivision of land within the identified contributory cell.
- 4.3 This policy does not apply to the subsequent subdivision of land where a contribution has been made under a previous subdivision for that land.
- 4.4 The roads to which the Policy applies are depicted on the attached plan which forms part of the Policy, and are:
 - a) "Other Regional Roads" (Regional Reserve under the Metropolitan Region Scheme)
 - Henley Brook Drive

b) District Distributor Roads

- Millhouse Road

4.5 The Cell required to contribute is depicted on the attached plan, and includes the localities Ellenbrook, Egerton and The Vines.

5. POLICY

5.1 Where subdivision is proposed within the cell to which the policy applies, unless the required contribution has been made under a previous subdivision, the subdivider will be required to contribute to the following items:

- Land
- Bulk Earthworks
- Roadworks (based on 50% of the cost of the first carriageway)
- Road drainage (Not applicable to Millhouse Road)
- Dual Use Path (Not applicable to Millhouse Road)

5.2 Contributions towards the costs to which the policy applies are to be based on the estimated number of dwellings which can be developed within each subdivision. Total costs of the items referred to in clause 5.1 are to be allocated to individual subdividers based on the proportion of the number of dwellings which can be developed within each subdivision to the total number of dwellings estimated to be accommodated in all of the areas to which the policy applies i.e.

Contribution (\$) amount for the subdivision stage	=	$\frac{\text{Potential Dwelling Yield in the Subdivision Stage}}{\text{Total Projected Dwelling Yield within the Contributory Cell}} \times$	Total Cost of Upgrading/Construction of Henley Brook Drive (south of Morgan Fields, Henley Brook and north of Park Street) and Millhouse Road
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Appendix 1 provides an example of how to calculate the contribution amount, and has been based on estimates of dwelling yield and costs as at 2004.

5.3 The contribution amount will be adjusted periodically based on indexing of costs according to changes in the Consumer Price Index and any changes to the projected dwelling yields.

6. ADMINISTRATION

6.1 In considering an application for subdivision located within an area identified by this policy, and:

- in the event that Council recommends approval of the particular subdivision to the WA Planning Commission, or
- otherwise where the WA Planning Commission or the Town Planning Appeal Tribunal is prepared to approve the particular subdivision within a contributory cell,

the Council will recommend the following condition:

"The subdivider is required to contribute \$(*insert figure*) to the cost of Henley Brook Drive (south of Morgan Fields, Henley Brook and north of Park Street) and Millhouse Road, in accordance with the City of Swan Policy (*insert policy number*)"

6.2 The Council hereby delegates authority to the Chief Executive Officer, or his nominee, to periodically adjust the contribution rate based on changes to the Consumer Price Index and the projected dwelling yield.

Document Control

Document Approvals:			
Version #	Council Adoption		
1.	Ordinary Meeting of Council 15 December 2004 - adopted policy.		
2.			
Document Responsibilities			
Custodian:	Manager Statutory Planning	Custodian Unit:	Statutory Planning
Document Management:			
Risk Rating:		Review Frequency:	Biennial
Next Review:	2019	ECM Ref:	
Compliance Requirements:			
Legislation:			
Industry:			
Organisational:			
Strategic Community Plan:	B2.1 Manage current and future assets and infrastructure		

CURRENT

Appendix 1: Calculation of the Contribution Amount

(Estimated on Figures as at 30 June 2004)

UPGRADING/CONSTRUCTION COSTS

Henley Brook Drive (south of Morgan Fields, Henley Brook and north of Park Street)

The costs of Henley Brook Drive (south of Morgan Fields, Henley Brook and north of Park Street) and associated works are summarised in the following table (excluding landscaping and lighting):

ITEM	RATE	LENGTH	AMOUNT
Land	\$600/m	1,120m	\$672,000
Bulk Earthworks	\$200/m	1,120m	\$224,000
Roadworks	\$325/m*	1,120m	\$364,000
Road drainage	\$200/m	1,120m	\$224,000
Dual Use Path	\$50/m	1,120m	\$56,000
TOTAL	\$1,475/m	1,120m	\$1,540,000

*Rate based on 50% of the cost of the first carriageway (two lanes)

Millhouse Road

The costs of Millhouse Road and associated works are summarised in the following table (excluding landscaping and lighting):

ITEM	RATE	LENGTH	AMOUNT
Land	\$150/m	2,340m	\$351,000
Bulk Earthworks	\$75/m	2,340m	\$175,500
Roadworks	\$250/m*	2,340m	\$585,000
TOTAL	\$475/m	2,340m	\$1,111,500

*Rate based on 50% of the cost of the first carriageway (two lanes)

Combined Total Cost

The combined Total cost of Henley Brook Drive (south of Morgan Fields, Henley Brook and north of Park Street) and Millhouse Road is:

Henley Brook Drive	\$1,540,000
Millhouse Road	\$1,111,500
Total	\$2,651,500

DWELLING YIELD

Projected Dwelling Yield (estimate) within the Contributory Cell

The projected dwelling yield within the contributory cell is estimated at 15400 based on figures provided by the developers, the developers consultants and adopted structure plans.

CONTRIBUTION CALCULATION

The Formula

Contribution (\$) amount for the subdivision stage	=	$\frac{\text{Potential Dwelling Yield in the Subdivision Stage}}{\text{Total Projected Dwelling Yield within the Contributory Cell}}$	x	Total Cost of Upgrading/Construction of Henley Brook Drive (south of Morgan Fields, Henley Brook and north of Park Street) and Millhouse Road
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The Calculation (example)

Contribution (\$) amount for the subdivision stage	=	$\frac{1,350}{15,400}$	x	\$2,651,500
	=	\$232,437 (rounded up)		
	or	\$173 (rounded up) per dwelling		

The Contribution

For the above example (based on figures as at 30 June 2004) the subdivider would be required to contribute a figure of \$232,437 (rounded up) toward the cost of Henley Brook Drive (south of Morgan Fields, Henley Brook and north of Park Street) and Millhouse Road.

The contribution equates to \$173 (rounded up to nearest dollar) per dwelling.

