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| **ITEM 11.7** | **Amendment to the Warriewood Valley Section 94 Contributions Plan**  |
| **REPORTING** **MANAGER**  | **Executive Manager Strategic & Place Planning**  |
| **TRIM file REF** | **2018/142111**  |
| **ATTACHMENTS** | **1** **Draft Warriewood Valley Section 7.11 Contributions Plan (Amendment 16, Revision 3) (Included In Attachments Booklet)****2** **Warriewood Valley Landscape Masterplan June 2018 (Included In Attachments Booklet)****3** **Warriewood Valley Roads Masterplan June 2018 (Included In Attachments Booklet)**  |

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| **EXECUTIVE SUMMARY** |

**PURPOSE**

To inform Council of the 2017/18 review of the *Warriewood Valley Section 94 Contributions Plan (Amendment 16, Revision 2)* and to seek Council’s endorsement to publicly exhibit proposed changes to this Plan, by way of the *draft* *Warriewood Valley Section 7.11 Contributions Plan (Amendment 16, Revision 3)* (Attachment 1)*.*

**SUMMARY**

The *Warriewood Valley Section 94 Contributions Plan (Amendment 16, Revision 2) (the Plan)* was adopted by Council on 31 January 2017 and is the current plan that applies to the Warriewood Valley Release Area. This Plan is the funding mechanism for local infrastructure required to meet the needs of the current and future residents and workers within Warriewood Valley.

A regular review of the Planis undertaken to ensure compliance with relevant legislation and best practice principles for managing development contributions. The 2017/18 review of the Plan has resulted in changes which are proposed in the *draft Warriewood Valley Section 7.11 Contributions Plan (Amendment 16, Revision 3)* (the Draft Plan). The Draft Plan is recommended to be publicly exhibited for a period of 28 days.

Minor changes are also proposed to the *Warriewood Valley Landscape Masterplan June 2018* (Attachment 2) and the *Warriewood Valley* *Roads Masterplan* June 2018 (Attachment 3) to ensure consistency across the suite of planning documents for the Warriewood Valley Release Area. These documents are also recommended to be placed on public exhibition.

At the close of the exhibition period all submissions received will be considered and if warranted, changes will be made to the exhibited documents. Outcomes of the public exhibition will be reported back to Council for its consideration.

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| **RECOMMENDATION OF** **General Manager Planning Place & Community** That:A. Council endorse the public exhibition of the *Draft* *Warriewood Valley Section 7.11 Contributions Plan (Amendment 16, Revision 3)*, the *Warriewood Valley Landscape Masterplan* and the *Warriewood Valley Roads Masterplan* for a period of 28 days.B. The outcomes of the public exhibition be presented to Council following the conclusion of the exhibition period. |

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| **REPORT** |

BACKGROUND

The *Warriewood Valley Section 94 Contributions Plan (Amendment 16, Revision 2) (the Plan)* was adopted by Council on 31 January 2017 and applies to all residential, commercial and industrial developments that would result in an increase in demand for local infrastructure and services provided for by this Plan.

Consistent with Council’s adopted strategic framework for the Warriewood Valley Release Area, the Planprovides the legislative framework for the provision of local infrastructure and services required to meet the needs of the future residents and workers of the 195 hectare Release Area. Once completed this area is anticipated to contain 2,394 residential dwellings housing approximately 6,464 people and 32.68 hectares of industrial/commercial development.

The Plan is written for a ten year period that operates until the end of the 2021/22 financial year. The Plan is continually monitored and is subject to annual reviews to account for projected growth, the development cycle, the community’s needs and the cost of delivering the range of local infrastructure listed in the Plan’s works schedule.

Currently contribution rates for development in the release area are:

* $64,544.98 per dwelling/residential lot
* $44,862.18 per bed for residential aged care facilities and nursing home developments submitted under the *State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004*
* $145.26 per m² for business and industrial development outside the Ponderosa Parade catchment
* $197.53 per m² for business and industrial development within the Ponderosa Parade catchment.

**KEY CHANGES PROPOSED TO THE WARRIEWOOD VALLEY SECTION 94 CONTRIBUTIONS PLAN**

1. Removal of references to ‘Section 94’ in the title and throughout the document to reflect legislative changes that came into effect on 1 March 2018. Section 94 is now known as Section 7.11 under the *Environmental Planning and Assessment Act* (as amended).
2. Amend the current methodology used to calculate the contribution rate for ‘residential care facilities and nursing home’ developments under the *State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004*. This update will reflect the different level of demand on local infrastructure between this development type, ‘independent living and serviced self-care housing’ and traditional ‘residential’ development. This recognises that residents in ‘residential care facilities and nursing home’ developments who typically require specialised care, as their movement and/or independence is severely restricted, will not place the same level of demand on some elements in the Plan as other residents and workers in the Release Area.

As demonstrated in table 1 below, for residential development, the Plan collects funds to provide infrastructure for traffic and transport, multi-function creek line corridors (both land and rehabilitation), community facilities, public recreation and open space, pedestrian and cycleway network and plan administration.

However, in relation to SEPP Seniors Living (residential care facility/nursing homes), due to the age, health and/or mobility restrictions of residents, these residents will not create the same demand for community facilities, public recreation and open space, and pedestrian and cycle infrastructure as other residents or workers in the Release Area. Accordingly, it is not proposed to collect funds from this development type for these elements.

Table 1: summary of contributing development in the Contributions Plan



For the development type, SEPP Seniors Living (residential care facility/nursing homes), it is proposed to amend the Contributions Plan to include an apportionment approach in relation to the elements for multi-functional creek line corridors and plan administration. This apportionment approach recognises the occupancy rate for an assisted living development is 1 person/bed compared to 2.7 residents/ dwelling based on census data for average residential development in Warriewood Valley. For the traffic and transport element, the RMS trip generation rate for assisted living developments will be used.

The revised contribution rate for SEPP Seniors Living (residential care facility/nursing homes) is proposed to be $5,621.49 per bed compared to the current rate of $44,862.18 per bed. For the reasons outlined above, this methodology is considered appropriate and reasonable, and provides equity in the funding of essential infrastructure generated by development in Warriewood Valley.

1. Changes to the description of the methodology for calculating a contribution for commercial development in residential zones.
2. Income assumptions have been revised to reflect two factors. Firstly, several Land & Environment Court decisions have established a precedent in providing a credit for allotments with existing development in certain circumstances. Secondly, recognition of a trend of properties not developing to their full potential as anticipated in the yield assumptions has also been identified and adjustments have been made accordingly. At the completion of development in the Release Area there are now anticipated to be 2,394 dwellings, reduced from 2,451 as previously expected.

Forecast expenditure has been revised to account for increasing land valuations and the reduced required quantum of open space and community facility floor space having regard for the reduced population. Indicative infrastructure delivery times have also been revised. The review or re-phasing of several infrastructure items seeks to maintain the required level of infrastructure delivery in alignment with the progress of development while ensuring the financial sustainability of the Plan. The review of the works schedule included:

* The removal of traffic and transport infrastructure works totalling $941,000. The majority of this was a contribution to the RMS for the upgrade of the Mona Vale Road and Ponderosa Parade intersection. This upgrade is being fully funded by RMS as part of the Mona Vale Road East upgrade.
* The removal of creek rehabilitation work totalling $1,074,000 at 120-122 Mona Vale Road and 3 Boundary Street. These properties are at the top of the Narrabeen Creek catchment and it is unlikely that any creek rehabilitation outside of weeding will be required. The Draft Plan will still fund the dedication of creek land at 120-122 Mona Vale Road at the time the property is developed however creek land at 3 Boundary Street has been removed as this property is unlikely to ever develop.
* For the reasons described above, the forecast income into the Plan has been reduced. To ensure the long term financial sustainability of the Plan is maintained and a positive closing position remains in place, a comprehensive review of expenditure items across all elements was undertaken.  In undertaking the review of expenditure, regard has been given to the work completed to date (see Appendix A of the Plan) and the remaining items to be completed (see Appendix B of the Plan). Significant investment has already been made on the delivery of infrastructure to support the growing community in Warriewood Valley. With this in mind, there were limited opportunities to reduce expenditure on items that form part of the provision of a wider network i.e. to ensure a completed road network is provided, it was not considered prudent to reduce expenditure on this element and deliver a disconnected and/or unsafe road network. This same principle applies to the creekline corridor, and pedestrian and cyclist networks. Further, the provision of open space has long been identified as a high priority for the incoming community and therefore a reduction in this element has not been proposed. This process resulted in a review of the expenditure on the proposed community facility. It is proposed to reduce expenditure on the community facility from $7,000,000 to $5,000,000 to ensure a balanced Plan is achieved. $5,000,000 is still sufficient to deliver a multi-purpose community facility to meet the demands of the Warriewood Valley Release Area. Notwithstanding the above, the Plan remains dynamic and as part of a responsible approach to financial management, the Plan will be subject to a regime of ongoing future review. This may lead to a revisiting of the expenditure on this item.
1. Updated economic inputs to the financial model underpinning the cash flow of the Contributions Plan including the Consumer Price Index, Building Price Index and interest rates.

The above proposed changes are reflected in the draft Plan.

**WARRIEWOOD VALLEY LANDSCAPE MASTERPLAN AND THE WARRIEWOOD VALLEY ROADS MASTERPLAN**

The *Warriewood Valley Landscape Masterplan* identifies the standards and design strategies for landscaped areas in the public domain in the Release Area. The *Warriewood Valley Roads Masterplan* provides the technical specifications for road and traffic measures required in the Release Area. Minor changes to these Masterplans are proposed to ensure consistency across the suite of Warriewood Valley planning documents.

Changes include clarification around on-street parking requirements for local roads and access streets, updates to the active travel masterplan, updates to the layout of the central local park (noting that final design is to be developed in consultation with the community), and updates to the streetscape masterplan to strengthen landscape outcomes. The amended Masterplans are proposed to be publicly exhibited with the draft Plan.

**CONSULTATION**

If agreed by Council, the draft Planwill be placed on public exhibition for a period of 28 days in accordance with the requirements of the *Environmental Planning and Assessment Regulation 2000.* The *Warriewood Valley Landscape Masterplan* and the *Warriewood Valley Roads Masterplan* will also be placed on public exhibition as the supporting documents associated with the Release Area.

A public notice will also be placed in the Manly Daily and information on the proposed changes will be published on Council’s website in accordance with Council’s Community Engagement Policy. Copies of the exhibiteddocuments will be made available for viewing at Mona Vale, Avalon, Dee Why and Manly Customer Service Centres.

At the close of the exhibition period all submissions received will be considered and any necessary changes will be made to the exhibited documents. The outcomes of the public exhibition will be reported back to Council for its consideration.

**FINANCIAL CONSIDERATIONS**

The draft Planproposes changes which seek to continue the Plan’s financial sustainability and ensure that the existing Northern Beaches community is not burdened by the provision of local infrastructure in the Release Area.

The Plan forecasts approximately $50 million in future income. This forecast income, combined with funds currently held in reserves and forecast interest, is proposed to fund the delivery of approximately $66 million in future capital works and land acquisitions by the end of the 2021/22 financial year.

**SOCIAL CONSIDERATIONS**

The draft Planfacilitates the timely funding and provision of local infrastructure such as open space, pedestrian/cycle networks and community facilities which will enhance social outcomes for current and future residents and workers in the Release Area.

**ENVIRONMENTAL CONSIDERATIONS**

Funds levied under the draft Planwillassist in the acquisition, conservation and enhancement of the creek line corridors within the Release Area. The rehabilitation of these creeks will ensure they become important habitat areas and linkages for native flora and fauna.

**GOVERNANCE AND RISK CONSIDERATIONS**

The draft Planhas been prepared to ensure that Council’s mechanism for funding local infrastructure is contemporary and in accordance with all legislative requirements. To ensure a sound level of risk management, an ongoing review of the Plan with respect to cost estimates, income projections and economic factors will be undertaken.