

# TOWN PLANNING SCHEME NO. 4

# WEST OF RAIL PRECINCT DEVELOPMENT CONTRIBUTION AREA AND PLAN

AMENDMENT No. 117

# CONTENTS

A. Form 2A (Regulation 35 (1))

3

- B. Scheme Report
- C. Final adoption and signatures

Form No. 2A

# Planning and Development Act 2005

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# RESOLUTION TO PREPARE AMENDMENT TO LOCAL PLANNING SCHEME

# CITY OF ARMADALE TOWN PLANNING SCHEME NO. 4

# AMENDMENT NO. 117

- 1. Pursuant to Section 75 of the *Planning and Development Act 2005*, initiate Amendment No.117 to Town Planning Scheme No. 4 as a complex amendment in accordance with Part 5, Clause 34 complex amendment, subsection (e) of the *Planning and Development (Local Planning Schemes) Regulations 2015*, as follows:
  - a) Amending Special Control Map 3 as shown on the attached Proposed Zoning – Special Control Area Map 3 Plan and include the area as Development Contribution Area No. 8 and insert Development Contribution Plan No. 8 into Schedule 9B of Town Planning Scheme No. 4 as follows:

No.	Description of Land	<b>Contribution Arrangements</b>
8	Development Contribution Area (DCA) 8 – West of Rail Redevelopment Area as identified on Scheme Special Control Area Map 3	<ul> <li>4.1 Relationship to other plans and other parts of the Scheme The development contribution plan generally conforms to the Approved Structure Plans for Development Contribution Area 8 and the Local Planning Strategy Armadale Activity Centre Structure Plan, Corporate Business Plan and Strategic Community Plan.</li> <li>Where the provisions of Development Contribution Plan 8 are inconsistent with the provisions of Part 5A of the Scheme, then the provisions of Development Contribution Plan 8 in Schedule 9B prevail to the extent of any inconsistency.</li> </ul>
		4.2 Definitions
		Assessed Value means a land value obtained in accordance with the procedures described in clauses 4.4.5 to 4.4.6 o Development Contribution Plan 8.
		Developable Area is defined as a total area of land minu- land area deductions as detailed in the Developmen Contribution Plan 8 Infrastructure Cost Schedule.
		Development Contribution Plan Report means a repor appurtenant to the Scheme and Development Contribution Plan 8, and containing information and instructions on the

	operation of Development Contribution Plan 8, as periodically reviewed in accordance with Development Contribution Plan 8.
	Infrastructure Cost Schedule means a schedule appurtenant to the Scheme and Development Contribution Plan 8, and containing the estimated cost of Infrastructure and Administration of Development Contribution Plan 8, contribution cost, land area deductions and land area summary, as periodically reviewed in accordance with Development Contribution Plan 8.
	.3 Infrastructure and Administrative Items to be funded
	4.3.1 Infrastructure Item 1a – Movement Network and Urban Plaza
	Full cost to construct Cornish Street, including laneway connection to Fifth Avenue, urban plaza and land acquisition as detailed in the Development Contribution Plan Report and Infrastructure Cost Schedule.
	4.3.2 Infrastructure Item 2a - Public Utilities
	Contribution towards the Sewer Upgrade from Cornish Street to Fifth Avenue as detailed in the Development Contribution Plan Report and Infrastructure Cost Schedule.
	4.3.3 Administration Costs:
	Full costs associated with preparing and administering Development Contribution Plan 8.
4	.4 Method for Calculating Contributions and Assessed Values
and the second	4.4.1 Approach
	Contributions for infrastructure items will be calculated on a Developable Area basis.
	4.4.2 Cost Contribution Calculation
	The contribution to be made by each Owner to the implementation of the Infrastructure and Administration Costs shall be a Cost Contribution, based on a per square metre basis calculated by the Local Government as follows:
	4.4.2.1 Infrastructure Items per Square Metre Rate calculation
	a) Calculation for entire Development Contribution Area
	Infrastructure Items per Square Metre Rate (E) calculated as follows at each review of the Infrastructure Cost

Schedule and to remain applicable from the approval of one review to approval of the next:

Cost of infrastructure items where the costs are to be shared across the entire Development Contribution Area 8 as detailed in the Infrastructure Cost Schedule (A) + (plus) Administrative Costs (B) minus contributions collected (C) / (divide) total Developable Area remaining (m2) for Development Contribution Area 8 (D).

 $\mathbf{A} + \mathbf{B} - \mathbf{C} / \mathbf{D} = \mathbf{E}$ 

4.4.2.2 Cost Contribution Due

The Cost Contribution due by owners shall be based on the Developable Area of an owners land parcel and calculated as follows:

i. Cost Contribution due by owners that is applicable to all Developable Area within Development Contribution Area 8:

> Developable Area (m2) of an owners land parcel x (multiply) Infrastructure items per Square Metre Rate.

# 4.4.3 Valuations

The provisions of Clauses 5A.9.2 to 5A.9.6 of the scheme do not apply to Development Contribution Plan 8. The following variations apply to the acquisition of land for Infrastructure Works, calculation of costs and valuation of land within Development Contribution Area 8.

#### 4.4.4 Compulsory Acquisition

Where land has been compulsorily acquired and a lawful claim for compensation has been served on the Council, the Council may claim compensation for betterment under Section 184 of the *Planning and Development Act 2005* and the value attributed to the betterment of the land the subject of the claim shall be set off against any compensation otherwise payable to the claimant under the *Land Administration Act 1997* or any re-enactment of its provisions related to compulsory acquisition and compensation.

New Strategy States	4.4.5 Assessed Value
	a) The Council may at any time ascertain the value of any land in Development Contribution Plan 8 for the purpose of estimating Infrastructure costs, payments and cost contributions.
	<ul> <li>b) If it is necessary, for any purpose to ascertain the value of any land, such value should be determined by two licensed valuers appointed from time to time by the local government herein referred to as "the Valuation Panel". The members of the Valuation Panel may confer as to value, and if they are unable to arrive at a consensus value, they shall confer with the Chief Executive Officer of the local government ("CEO") or the officer to whom the CEO delegates that function from time to time. If the valuers with the officer cannot arrive at a consensus value then the officer shall select a value which represents the median value between the two values nominated by the valuers on the Valuation Panel and will be advertised under the next following paragraph (c) ("the Assessed Value").</li> </ul>
	The Valuation Panel may determine more than one Assessed Value in the Development Contribution Plan area, where the local government or the Panel identifies that there are significant differences in land values within Development Contribution Area 8.
	c) As soon as possible after the Assessed Value or Assessed Values have been ascertained it should be advertised for a period of not less than 28 days to allow for submissions to be made in regard to the proposed Assessed Value or Assessed Values. Assessed Values may be advertised concurrently as part of a Development Contribution Plan 8 review carried out in accordance with Clause 4.8.1 of Development Contribution Plan 8.
	An owner who lodges an objection under this clause shall submit with the objection supporting evidence from a suitably qualified person in the specific field being objected to.
	d) The local government shall as soon as possible consider all submissions made on an Assessed Value and may refer any submission to the Valuation Panel for comment, but where a submission is accompanied by expert valuation

advice based on the valuation principles contained in Development Contribution Plan 8, it should be referred by the local government to the Valuation Panel for comment.

Having considered the submissions and any comment from the Valuation Panel, the local government shall fix upon the Assessed Value or Assessed Values to be applied under Development Contribution Plan 8 and Infrastructure Cost Schedule until the next Assessed Value or Assessed Values has been determined.

- e) It is intended that any Assessed Value or Assessed Values should apply for no more than 13 months but while an Assessed Value remains current it shall stand as the value of land within Development Contribution Plan 8 and Infrastructure Cost Schedule for all purposes under Development Contribution Plan 8 and Part 5A of the scheme and the Infrastructure Cost Schedule.
- f) Where land is ceded or acquired for a Infrastructure Work, otherwise than by compulsory taking, for the purpose of determining the amount to be paid to the owner from whom the land is acquired, the value of the land shall be calculated according to the same Assessed Value as was applied to the Cost Contribution paid or payable by that owner on the clearance by the local government of the subdivision of land in the same deposited plan as contains the land acquired.

#### 4.4.6 Valuation Principles

In ascertaining the Assessed Value or Assessed Values under Development Contribution Plan 8, all land shall be valued in its broad acre form as depicted on 1 January 2020 or other date selected by the Local Government, ignoring any services or infrastructure provided in-accordance with the provisions of the relevant Local Structure Plan and applying the following principles:

- i. regard is to be had to the land classifications and zonings existing at the date of valuation;
- ii. the date of valuation is to be the date on which the local government nominates;

	iii.	ignoring any improvements or works on the land;
	iv.	the land should be valued without regard to the Infrastructure work and the purpose for which the land is acquired shall not be taken into consideration;
	v.	in selecting relevant sales evidence, regard should be had first to values derived from land in the same area, and if there is not adequate evidence, from nearby or similar land in the area, in priority to any other sales evidence; and
	vi.	the method of valuation shall otherwise be in accordance with normal fair market valuation principles.
4.4.7	Var	iance and Solatium
	a) b)	When calculating or reviewing Contribution Costs and the Infrastructure Cost Schedule, the local government will have regard to the value of the land required for Infrastructure and include an amount of 10% over and above the Assessed Value of such land, to ensure that the local government has or will receive sufficient funds in Development Contribution Plan 8 account to acquire land for Infrastructure to meet its obligations for appropriate payment to such owners, and ensure the Infrastructure can be completed in a manner that minimises the need for external borrowing. The local government may also apply a further amount above the Assessed Value to recognize any compulsory taking of land, compensations and/or acquisition of structures. Where land is acquired in the circumstances contemplated in subclause 4.4.5 (f) of Development Contribution Plan 8, the Council shall pay to the owner an additional amount not
		more than 10% of the amount calculated under that Clause.
4.4.8	Acq	uisition Prior to Gazettal
	the to pub Amo appo	ere land required for Infrastructure is ceded to Crown or acquired by the local government prior the Minister granting final approval and lication of the Development Contribution Plan 8 endment in the Government Gazette, the bintment of the Valuation Panel by the local ernment under of Development Contribution a 8 or adoption of the Infrastructure Cost

Schedule by the Council, the land shall be valued inaccordance with the clauses 4.4.3 to 4.4.7 of Development Contribution Plan 8 by the Valuation Panel and the date of valuation shall be the date the land for the Infrastructure Work is acquired by the local government or the local government issues its clearance to the deposited plan that contains the Infrastructure land, whichever is the earlier.

4.4.9 Provision of Land for Infrastructure Works

Where the Infrastructure Cost Schedule includes a land component for a Infrastructure on the relevant lot for which a Cost Contribution is due, an Owner shall cede to the Crown or transfer to the local government the required Infrastructure land at the first stage of subdivision and/or development for that particular landholding or by prior agreement at an alternative date agreed by the local government. The value of the land will be determined in accordance with Development Contribution Plan 8 and Owners will be paid once the land is ceded to the Crown or transferred to the local government and is already included in Development Contribution Plan 8 and sufficient funds have been collected in the Development Contribution Plan 8 account and / or having regard to the timing and priority of infrastructure works.

4.5 Period of Operation

4.5.1

Development Contribution Plan 8 is proposed to operate for a period of 12 years from the date of gazettal of the town planning scheme amendment that introduces Development Contribution Plan 8 into the Scheme, by which time development within Development Contribution Area is expected to be largely complete. The proposed timeframe aims to account for uncertainty regarding the staging and completion of development across the entire area.

The City may in the future consider extending the period of operation, through an amendment to the Scheme, in the event that growth does not occur as rapidly as expected, or if new growth areas occur. The City may also terminate the Development Contribution Plan 8 earlier, through an amendment to the Scheme, if growth occurs quicker than expected and all contributions have been settled.

All land within the Development Contribution Area is subject to the requirements of the Development Contribution Plan 8 until the plan expires or revoked.

#### 4.6 Excess in Contributions

#### 4.6.1

Clause 5A.8.2 of the scheme does not apply to Development Contribution Plan 8. If there is an excess in the total of Cost Contributions when all Cost Contributions have been made or accounted for in the Development Contribution Area, the local government is to refund the excess funds to the contributing owners or use all or some of the excess funds for improvements to infrastructure included in Development Contribution Plan 8 and subject to agreement from the majority of the contributing Owners.

If, however, it is not reasonably practicable to identify Owners and their entitled amount of refund and consult with Owners, any excess in funds shall be applied to the provision of additional improvements to Infrastructure included in Development Contribution Plan 8.

The local government should make information publically available regarding any spend of excess funds.

4.7 Timing and priority

4.7.1

The Local Government will use its best endeavours to provide Infrastructure, including the acquisition of land for infrastructure, as soon as possible taking into considering the Local Government's Corporate Business Plan, the rate of development in Development Contribution Area 8 and funds collected in Development Contribution Plan 8.

## 4.8 Review

4.8.1 Review

Development Contribution Plan 8 will be reviewed at least every 5 years from the date of gazettal or when considered appropriate having regard to the rate of development in the area since the last review and the degree of development potential still existing.

The estimated Infrastructure Costs, Assessed Values and Infrastructure Cost Schedule will be reviewed and updated at least annually. The Review will reflect changes in material prices, design costs, design requirements, specifications, labour requirements, Assessed Values and other expenditure associated with Development Contribution Plan 8 and actual and forecast future development patterns in the area. In some instances the costs will be indexed based on the Local Government Cost Index (LGCI) or another appropriate index and they may be reviewed and certified by a suitably qualified person.

The local government's priority and timing for infrastructure will also be reviewed at least annually.
Reviews of Development Contribution Plan 8 Infrastructure Cost Schedule, including Assessed Val shall be undertaken in accordance with the provisi contained within the Development Contribution Pla Report and applicable Local Government Local Plann Policy. In the absence of an applicable Local Governm Local Planning Policy the provisions contained in Development Contribution Plan 8 Report shall solely ap

The Amendment is complex under the provisions of the *Planning and Development* (Local Planning Schemes) Regulations 2015 for the following reason(s):

• It is an amendment to identify a development contribution area and prepare a development contribution plan.

Dated this 14<sup>th</sup> day of December 2020 JOANNE ABBISS CHIEF EXECUTIVE OFFICER D84/12/20

# CITY OF ARMADALE TOWN PLANNING SCHEME NO. 4

# **AMENDMENT NO. 117**

# SCHEME REPORT

# Contents

	OVERVIEW OF PROPOSAL	
2.	SUBJECT LAND	14
3.	LANDOWNERS	14
4.	APPLICANT	14
5.	CURRENT ZONING	14
6.	PROPOSED ZONING	14
7.	BACKGROUND	14
8.	DETAILS OF PROPOSAL	16
9.	CONCLUSION	23

# 1. OVERVIEW OF PROPOSAL

The West of Rail precinct is in the process of being normalised from DevelopmentWA's planning control to the City's planning control, including its Development Contribution Plan (DCP). As part of that process, Scheme Amendment No.117 is proposed to incorporate DCP 8 into Schedule 9B of the Scheme and it will operate in accordance with the provisions contained therein. The amendment will also designate the West of Rail Precinct as a Development Contribution Area (DCA) 8 on the Special Control Area Map 3.

The amendment is accompanied by a DCP Report and Infrastructure Cost Schedule to set out in detail the calculation of the Cost Contribution for each Owner and the Infrastructure Items to be funded, as well as other operational matters to guide the administration of DCP 8.

# 2. SUBJECT LAND

West of Rail Precinct

3. LANDOWNERS

Various

4. <u>APPLICANT</u>

City of Armadale

5. CURRENT ZONING

Development WA Redevelopment Area

# 6. PROPOSED ZONING

Under separate Amendment 108, Mixed Business/Residential for the most part and a small portion Strategic Regional Centre.

# 7. BACKGROUND

The West of Rail precinct in Armadale is in the process of being normalised from DevelopmentWA's planning control to the City's planning control. The area is bound by Forrest Road to the north, Green Avenue to the east and Fifth Avenue to the south.

At its meeting of 23 September 2019 Council had indicated its in-principle support for normalisation of DevelopmentWA's West of Rail DCP, subject to certain conditions. Those conditions required sufficient information be provided by DevelopmentWA to

determine the DCP's status and indemnification of the City against any liabilities arising from the ARA's and MRA's operation of the DCP.

Amendment No. 108 to Town Planning Scheme No.4 (TPS No. 4) has been approved by the Minister and will take effect upon normalisation. Amendment 108 establishes the required post normalisation planning framework under TPS No.4 for the West of Rail precinct by designating appropriate TPS No.4 zones; inserting a new Development Area to ensure that future subdivision and development continues to be guided by a Structure Plan; and establishing an Additional Use for Bulky Goods Showroom, to protect an existing use right on one property.

DCP provisions were not included in Amendment No. 108 because DevelopmentWA's DCP had yet to be reviewed, and it was thought that the DCP (that DevelopmentWA would first review) would be normalised to the City via S.57 of the *Metropolitan Redevelopment Authority Act 2011*. It has subsequently been determined that S.57 cannot be used to normalise the DevelopmentWA DCP to the City, which has created the need for Council to consider Amendment No.117.

The City needing to initiate its own DCP for West of Rail was a change to the approach, but it will still result in a DCP operating to support redevelopment of the precinct. The updated approach will avoid the need for DevelopmentWA to de-risk its DCP or indemnify the City against future claims, as per Council's requirements, however DevelopmentWA will continue to close out the DCP land acquisitions/assembly for the precinct prior to normalisation, which was part of their original proposal put to the City.

Options that have been considered for the City to progress the DCP include:

- 1. Draft a City of Armadale DCP reflective of current DCP arrangements as a Complex Amendment; (recommended option)
- 2. Draft a City of Armadale DCP as a Complex TPS Amendment with a reduction in the scope of infrastructure to be funded and/or identify alternative funding options to reduce the contribution rate;
- 3. Not progress a DCP over the area and the City fully fund the works; or
- 4. Not progress the DCP or alternative funding.

Infrastructure being considered for inclusion in a DCP under Option 1 includes:

- Cornish Street Construction including a laneway to Fifth Avenue and development of a public square opposite the train station;
- Sewer upgrades; and
- DCP Administration Costs.

An issue that has been flagged with DevelopmentWA is that normalisation of the precinct should not occur until the City's DCP has become a 'seriously entertained' planning proposal that can be enforced. That is necessary to prevent a 'gap' between the operations of the two DCPs during which a development/subdivision application would be approved without the application of a DCP contribution condition.

Development WA recently advised that its DCP is not being reviewed or updated and it is instead proposed that it be considered for rescinding at the point of normalization to enable the DCP to be managed by the City. This approach has been undertaken for the Champion Drive Project Area with DevelopmentWA able to continue collecting any liabilities until the point of normalisation.

DevelopmentWA's position is that the West of Rail DCP will continue to be operational until the point of normalisation, even after a decision is made to rescind the document. Any contributions collected by DevelopmentWA will be transferred to the City at the point of normalization to be included in the DCP. Based on this approach, DevelopmentWA does not consider there to be a gap in DCP framework.

# 8. DETAILS OF PROPOSAL

DCP 8 has been prepared in conjunction with DevelopmentWA (DWA) to support the transfer of planning control for the area to the City, including administration of the DCP. DCP 8 has been drafted to reflect the DWA's existing Armadale West of Railway Precinct Developer Contribution Scheme that has been in operation over the area since 2011. DCP 8 does however make use of updated inputs.

If Council initiates Amendment No.117 and subject to WAPC approval to advertise, then the proposal will be advertised for public and landowner feedback prior to its formal consideration for adoption and incorporation into TPS No. 4.

The proposed DCP will operate in accordance with the provisions of DCP 8 in Schedule 9B and applicable provisions of Part 5A of the Scheme. Where the provisions of Development Contribution Plan 8 are inconsistent with the provisions of Part 5A of the Scheme, then the provisions of Development Contribution Plan 8 in Schedule 9B prevail to the extent of any inconsistency.

The Development Contribution Area (DCA) is to be shown on Scheme Special Control Area Map 3 as DCA 8 and is commonly known as West of Rail. DCP 8 is intended to apply to all land within the West of Rail precinct upon development or subdivision. Owners are required to contribute to infrastructure that is attributable to the subdivision and development of the precinct and their land.

Effective redevelopment of the Precinct requires the cost efficient provision of infrastructure and facilities, such as roads, open space and servicing infrastructure. This physical and social infrastructure will greatly benefit the standard of living, mobility and lifestyle choices of the community and will support the economic and social wellbeing of the community.

DCPs facilitate a user pays approach to the provision of required infrastructure and facilities under a need and nexus approach. Items included in DCPs have a connection between development and the demand created by the development.

Landowner contributions shall be made through monetary payment or, at the discretion of the City, offset by undertaking works-in-kind. The requirement to provide a contribution arises as per Clause 5A.5 of the Scheme.

DCP costs have been distributed over the entire precinct having regard to the principles underlying development contributions described in SPP 3.6.

The purpose of DCP 4 will be to:

- a) enable the application of development contributions for the development of new, and the upgrade of existing infrastructure which is required as a result of increased demand generated in the Development Contribution Area;
- b) provide for the equitable sharing of the costs of infrastructure and administrative items between Owners;
- c) ensure that cost contributions are reasonably required as a result of the subdivision and / or development of land in the Development Contribution Area; and
- d) support the coordination and timely provision of infrastructure.

The DCP generally conforms to the planning framework for the area and takes into consideration the existing DevelopmentWA planning framework, Amendment No. 108, City of Armadale Local Planning Strategy, Armadale Activity City Centre Structure Plan, Corporate Business Plan and Strategic Community Plan.

# **Period of Plan**

DCP 8 is proposed to operate for a period of 12 years from the date of gazettal of Amendment No.117, by which time development within DCA 8 is expected to have progressed. The proposed timeframe aims to account for uncertainty regarding the staging and completion of subdivision and / or development across the whole precinct.

The local government may in the future need to consider extending the period of operation, through an amendment to the Scheme, in the event that redevelopment does not occur in the expected timeframe, or if the DCA were to be amended. The City may also terminate DCP 8 earlier, through an amendment to the Scheme, if redevelopment occurs quicker than expected and all contributions have been settled or for other reasons. All land within DCA 8 is subject to the requirements of the DCP 8 until the plan expires or is revoked or terminated.

The City is committed to providing the Infrastructure items, as soon as feasible taking into considering the rate of development and funds collected in DCP 8.

# Principles

As per State Planning Policy 3.6, DCP 8 has been prepared in accordance with the following principles. These principles are set out in detail within the DCP Report and SPP 3.6.

**Overall Principles:** 

- 1. Need and Nexus
- 2. Transparency
- 3. Equity
- 4. Certainty
- 5. Efficiency
- 6. Consistency
- 7. Right of Consultation and Arbitration
- 8. Accountable

# Infrastructure and Administrative Items

Movement Network:

- Infrastructure Item 1a Cornish Street Construction, including laneway connection to Fifth Avenue and urban plaza.
  - Full cost to construct Cornish Street, including laneway connection to Fifth Avenue and urban plaza and land acquisitions\* as detailed in the Development Contribution Plan Report and Infrastructure Cost Schedule.
  - Cost: \$3,246,093

\*Additional land acquisition may be required in the future, but land acquisition required to date is being funded and implemented by DevelopmentWA prior to normalisation of the area. Therefore there are currently no allocations proposed for inclusion in the Infrastructure Costs Schedule for land.

#### Utilities:

- Infrastructure Item 2a Sewer Upgrade Cornish Street to Fifth Avenue
  - Contribution towards the Sewer Upgrade from Cornish Street to Fifth Avenue as detailed in the Development Contribution Plan Report and Infrastructure Cost Schedule.
  - o Cost: \$189,000

Administrative Costs:

Administrative Costs

- Administration Costs incurred by the Local Government associated with administering DCP 8 including but not limited to: legal expenses, valuation fees, design costs, estimation and certification of costs, audit fees, consultant and contract services, project management, financing costs including interest charges, proportion of City staff salaries, technical support and office expenses for the purposes of administering the plan and expenses incurred by the City in relation to litigation in any Court of Tribunal or arbitration or any compensation paid or payable for or in respect of the provision of any of the infrastructure, land or facilities included in the Plan, whether incurred before or after the incorporation of the DCP in Schedule 9B.
- Cost: \$350,000 (whole of life)

All costs should be reviewed at least annually as part of annual reviews.

# Method for Calculating Contributions

The contribution to be made by each Owner to the implementation of the Infrastructure and Administration Costs shall be a Cost Contribution, on a per square metre basis calculated by the Local Government as follows:

Infrastructure Items per square metre calculation

a) Calculation for entire Development Contribution Area

Infrastructure Items per Square Metre Rate (E) calculated as follows at each review of the Infrastructure Cost Schedule and to remain applicable from the approval of one review to approval of the next:

Cost of infrastructure items where the costs are to be shared across the entire Development Contribution Area 8 as detailed in the Infrastructure Cost Schedule (A) + (plus) Administrative Costs (B) minus contributions collected (C) / (divide) total Developable Area remaining (ha) for Development Contribution Area 8 (D).

A + B - C / D = E

# **Cost Contribution Due**

The Cost Contribution due by owners shall be based on the Developable Area of an owners land parcel and calculated as follows:

1. Cost Contribution due by owners that is applicable to all Developable Area within Development Contribution Area 8:

Developable Area (m2) of an owners land parcel x (multiply) Infrastructure items per Square Metre Rate

The forecast cost contribution due for each lot within the precinct is shown in the attached draft Infrastructure Cost Schedule.

In summary, the draft DCP is proposed to have a total value of \$3,785,092.89 with a Rate of \$65.83 per square metre. The total costs are detailed in the attached ICS and summarised under the Infrastructure Items in the following section of this report.

# COMMENT AND ANALYSIS

The infrastructure items proposed in this report for inclusion in DCP 8 are set out in detail below, including the scope, need and nexus and cost for each. The costs of some items are subject to change as structure plans and detailed designs are not yet finalised / approved and/or will be subject to future reviews. Notwithstanding, the estimates are considered to be at a suitable level of accuracy for inclusion in the draft DCP for advertising purposes.

Item 1a – Movement Network – Cornish Street Construction, including laneway connection to Fifth Avenue and urban plaza.

## Proposal

The Structure Plan for the area facilitates predominantly high density residential/mixed use development. The extension and construction of Cornish Street is envisaged to become the primary, mixed use 'main street' within the Structure Plan area. This will significantly improve permeability and accessibility within the Structure Plan area, and enable the development of the land

Cornish Street, which is currently a cul-de-sac, extends for 100m from Forrest Road and is constructed to a low order residential standard. It is proposed to be widened to 28.2 metres and be extended to connect to Green Avenue. Car parking and public realm works will also be included as part of the road upgrade works.

The new Cornish Street will be designed as the 'main street' and a laneway will also connect Cornish Street to Fifth Avenue improving access through the Structure Plan area between the grouped dwelling developments south of Fifth Road, and the Armadale public transport hub and Strategic Regional Centre. Provision is also made for an urban plaza/open space at the intersection of Green Avenue and the extended Cornish Street and extending north to provide an improved link to the railway/bus station. This public space will serve as a community and business focal point benefiting the whole precinct.

# Need and Nexus

Widening and construction of Cornish Street is a requirement for development of West of Rail based on structure planning for the Precinct. The road also passes several landholdings held in different ownership and the DCP supports the coordination of the construction.

The upgrading of this road is important to the success of the precinct as a mixed use and higher density area in close proximity to the Armadale Strategic Regional Centre and public transport services.

## Scope

The following minimum works currently apply to the construction of Cornish Street which extends from Forrest Road to Green Avenue within a 28.2m road reserve and includes a laneway connection to Fifth Avenue and urban plaza:

- Two 4.9m wide vehicle carriageways
- Two 1.5m on street cycle lanes
- Two 2.4m wide pedestrian paths
- On street parking

• Landscaping, including median, verges and the Green Avenue intersection urban plaza.

- Lighting
- Drainage
- Services Infrastructure (Sewer and Water)
- Service Relocations
- Laneway to Fifth Avenue (Wallis Way)

## Cost: \$3,246,093

# Item 2a - Public Utilities - Sewer Upgrade Cornish Street to Fifth Avenue

## Proposal

A review was commissioned in 2020 to examine the impact of wastewater flows on the existing sewer infrastructure network from the West of Rail Precinct in both a minimum and maximum yield scenario considered achievable under the prevailing planning framework.

It is noted that the Water Corporation existing wastewater system was constructed to cater for development within the precinct to a maximum density of R20 and a flow rate of 2.1 l/s.

The review has identified that the proposed future wastewater flow rate will surpass the capacity of the existing sewer infrastructure network as the existing network is predicated on the precinct being developed to a maximum density of R20, which will be exceeded when the precinct is progressively redeveloped, irrespective of whether the minimum or maximum yield development scenario is achieved.

It is noted that upon redevelopment of the precinct, wastewater flow rates would increase to between 10.5 l/s (minimum yield scenario) and 12 l/s (maximum yield scenario).

## Need and Nexus

The proposed wastewater infrastructure upgrade is required to support and service the project area. The upgrade will ensure that the Water Corporation sewer infrastructure network has sufficient capacity to accommodate the increased development yield that is expected to be achieved when the precinct is ultimately developed in line with the mixed use/high density vision for the area.

All landowners will benefit from the ability to develop to a higher density which generates the need for upgrades to the wastewater infrastructure network.

## Scope

Detailed modelling has determined that the specification for the proposed wastewater infrastructure upgrade would be comprised of a DN225mm sewer extension commencing from Cornish Street north, to Forrest Road, and along Forrest Road to Fifth Avenue. This upgrade requirement has been confirmed by Water Corporation.

# Cost: \$189,000

#### **Financial Management**

The City will act as the administrator of DCP 8. The Development Contribution Costs are determined by the DCP 8 Infrastructure Cost Schedule (ICS) which will include a budget to cover the costs incurred by the City in managing DCP 8. The City will aim to support completion of Common Infrastructure Works in a timely manner and aim to ensure budgets remain up to date through Annual reviews of the ICS that will assist to manage risks. Annual reviews of the ICS will also help ensure equity within the contributions payable amongst developers.

Variables that can affect the DCP's aims and objectives include the accuracy of cost estimates and project scoping and the Cost Contributions paid. Council's ability to provide financial and project management support at critical times is another variable that needs to be considered.

The accuracy of predicted costs and scope will be maximized to the greatest extent practicable particularly as projects approach execution. The ICS should be reviewed at least annually and the cost estimates reassessed at this time. As projects identified in the ICS are completed, they will become fixed costs.

Clause 5A.8.1 of Town Planning Scheme No.4 provides that any shortfall in infrastructure costs after collection of all contributions may be made good by raising loans, entering into agreements with owners to fund the shortfall, or by the City funding the shortfall from its municipal fund. The City could also make the decision to not complete the works.

The City's active management of DCP No.4 through annual reviews of the ICS should assist in preventing any significant shortfall occurring or minimise any additional costs or unexpected risk consequences being imposed on the City.

# 9. CONCLUSION

Adoption of DCP 8 should assist in the orderly and proper planning and implementation of the West of Rail Precinct by helping to facilitate the provision of key infrastructure items to serve the precinct.

DCP 8 has been prepared in accordance with Part 5A of Town Planning Scheme No.4 and State Planning Policy (SPP) 3.6 and is accompanied by a DCP Report and ICS that set out in detail the calculation of the Cost Contribution for each Owner and the Infrastructure Items to be funded, as well as other operational matters to guide administration of DCP 4.

The final DCP 8 draft was also prepared taking into consideration the proposals and inputs from the Development WA's DCP and the existing planning framework. The DCP being proposed is consistent with the current Development WA DCP for the area.

It is estimated that the draft DCP, as currently proposed, will have a total value of \$3,785,092.89 with a rate of \$65.83 per square metre.

Planning and Development Act 2005

# **RESOLUTION TO AMEND LOCAL PLANNING SCHEME**

# CITY OF ARMADALE TOWN PLANNING SCHEME NO. 4

# AMENDMENT NO. 117

- 1. Pursuant to Section 75 of the *Planning and Development Act 2005*, initiate Amendment No.117 to Town Planning Scheme No. 4 as a complex amendment in accordance with Part 5, Clause 34 complex amendment, subsection (e) of the *Planning and Development (Local Planning Schemes) Regulations 2015*, as follows:
  - a) Amending Special Control Map 3 as shown on the attached Proposed Zoning – Special Control Area Map 3 Plan and include the area as Development Contribution Area No. 8 and insert Development Contribution Plan No. 8 into Schedule 9B of Town Planning Scheme No. 4 as follows:

No.	Description of Land		<b>Contribution Arrangements</b>
8	Development Contribution Area (DCA) 8 – West of Rail Redevelopment Area as identified on Scheme Special Control Area Map 3	4.1	Relationship to other plans and other parts of the Scheme The development contribution plan generally conforms to the Approved Structure Plans for Development Contribution Area 8 and the Local Planning Strategy, Armadale Activity Centre Structure Plan, Corporate Business Plan and Strategic Community Plan. Where the provisions of Development Contribution Plan 8 are inconsistent with the provisions of Part 5A of the Scheme, then the provisions of Development Contribution Plan 8 in Schedule 9B prevail to the extent of any inconsistency.
		4.2	Definitions Assessed Value means a land value obtained in accordance with the procedures described in clauses 4.4.5 to 4.4.6 of Development Contribution Plan 8.
			Developable Area is defined as a total area of land minus land area deductions as detailed in the Development Contribution Plan 8 Infrastructure Cost Schedule.
			Development Contribution Plan Report means a report appurtenant to the Scheme and Development Contribution Plan 8, and containing information and instructions on the operation of Development Contribution Plan 8, as periodically reviewed in accordance with Development Contribution Plan 8.

	appul Plan and A contr sumn	rtenant to t 8, and conta Administrat ibution cos nary, as po	Cost Schedule means a schedule he Scheme and Development Contribution aining the estimated cost of Infrastructure tion of Development Contribution Plan 8, st, land area deductions and land area eriodically reviewed in accordance with ntribution Plan 8.
4.3	Infra	structure an	nd Administrative Items to be funded
	4.3.1	Infrastruc Urban Pla	ture Item 1a – Movement Network and za
		laneway co land acqu	to construct Cornish Street, including onnection to Fifth Avenue, urban plaza and isition as detailed in the Development on Plan Report and Infrastructure Cost
	4.3.2	Infrastruc	ture Item 2a - Public Utilities
		Cornish S Developme	on towards the Sewer Upgrade from treet to Fifth Avenue as detailed in the ent Contribution Plan Report and ture Cost Schedule.
	4.3.3	Administra	ation Costs:
		Full cost administer	ts associated with preparing and ing Development Contribution Plan 8.
4.4	Meth	od for Calc	ulating Contributions and Assessed Values
	4.4.1	Approach	
			ons for infrastructure items will be on a Developable Area basis.
4	4.4.2	Cost Contr	ribution Calculation
		implement Administra based on a	bution to be made by each Owner to the ation of the Infrastructure and ation Costs shall be a Cost Contribution, per square metre basis calculated by the ernment as follows:
		4.4.2.1.1	Infrastructure Items per Square Metre Rate calculation
		a)	Calculation for entire Development Contribution Area
			Infrastructure Items per Square Metre Rate (E) calculated as follows at each review of the Infrastructure Cost Schedule and to remain applicable from the approval of one review to approval of the next:

Cost of infrastructure items where the costs are to be shared across the entire Development Contribution Area 8 as detailed in the Infrastructure Cost Schedule (A) + (plus) Administrative Costs (B) minus contributions collected (C) / (divide) total Developable Area remaining (m2) for Development Contribution Area 8 (D).

#### $\mathbf{A} + \mathbf{B} - \mathbf{C} / \mathbf{D} = \mathbf{E}$

#### 4.4.2.2 Cost Contribution Due

The Cost Contribution due by owners shall be based on the Developable Area of an owners land parcel and calculated as follows:

i. Cost Contribution due by owners that is applicable to all Developable Area within Development Contribution Area 8:

> Developable Area (m2) of an owners land parcel x (multiply) Infrastructure items per Square Metre Rate.

# 4.4.3 Valuations

The provisions of Clauses 5A.9.2 to 5A.9.6 of the scheme do not apply to Development Contribution Plan 8. The following variations apply to the acquisition of land for Infrastructure Works, calculation of costs and valuation of land within Development Contribution Area 8.

4.4.4 Compulsory Acquisition

Where land has been compulsorily acquired and a lawful claim for compensation has been served on the Council, the Council may claim compensation for betterment under Section 184 of the *Planning and Development Act 2005* and the value attributed to the betterment of the land the subject of the claim shall be set off against any compensation otherwise payable to the claimant under the *Land Administration Act 1997* or any re-enactment of its provisions related to compulsory acquisition and compensation.

- 4.4.5 Assessed Value
  - a) The Council may at any time ascertain the value of any land in Development Contribution Plan 8

for the purpose of estimating Infrastructure costs, payments and cost contributions. b) If it is necessary, for any purpose to ascertain the value of any land, such value should be determined by two licensed valuers appointed from time to time by the local government herein referred to as "the Valuation Panel". The members of the Valuation Panel may confer as to value, and if they are unable to arrive at a consensus value, they shall confer with the Chief Executive Officer of the local government ("CEO") or the officer to whom the CEO delegates that function from time to time. If the valuers with the officer cannot arrive at a consensus value then the officer shall select a value which represents the median value between the two values nominated by the valuers on the Valuation Panel and will be advertised under the next following paragraph (c) ("the Assessed Value"). The Valuation Panel may determine more than one Assessed Value in the Development Contribution Plan area, where the local government or the Panel identifies that there are significant differences in land values within **Development Contribution Area 8.** As soon as possible after the Assessed Value or c) Assessed Values have been ascertained it should be advertised for a period of not less than 28 days to allow for submissions to be made in regard to the proposed Assessed Value or Assessed Values. Assessed Values may be as advertised concurrently part of a Development Contribution Plan 8 review carried out in accordance with Clause 4.8.1 of **Development Contribution Plan 8.** An owner who lodges an objection under this clause shall submit with the objection supporting evidence from a suitably qualified person in the specific field being objected to. **d**) The local government shall as soon as possible consider all submissions made on an Assessed Value and may refer any submission to the Valuation Panel for comment, but where a submission is accompanied by expert valuation advice based on the valuation principles contained in Development Contribution Plan 8,

27

it should be referred by the local government to the Valuation Panel for comment. Having considered the submissions and any comment from the Valuation Panel, the local government shall fix upon the Assessed Value or Values to be applied under Assessed Development Contribution Plan 8 and Infrastructure Cost Schedule until the next Assessed Value or Assessed Values has been determined. It is intended that any Assessed Value or e) Assessed Values should apply for no more than 13 months but while an Assessed Value remains current it shall stand as the value of land within Development Contribution Plan 8 and Infrastructure Cost Schedule for all purposes under Development Contribution Plan 8 and Part 5A of the scheme and the Infrastructure **Cost Schedule.** Where land is ceded or acquired for a f) Infrastructure Work, otherwise than by compulsory taking, for the purpose of determining the amount to be paid to the owner from whom the land is acquired, the value of the land shall be calculated according to the same Assessed Value as was applied to the Cost Contribution paid or payable by that owner on the clearance by the local government of the subdivision of land in the same deposited plan as contains the land acquired. 4.4.6 Valuation Principles In ascertaining the Assessed Value or Assessed Values under Development Contribution Plan 8, all land shall be valued in its broad acre form as depicted on 1 January 2020 or other date selected by the Local Government, ignoring any services or infrastructure provided in-accordance with the provisions of the relevant Local Structure Plan and applying the following principles: i. regard is to be had to the land classifications and zonings existing at the date of valuation; the date of valuation is to be the date on ii. which the local government nominates; iii. ignoring any improvements or works on the land:

- the land should be valued without regard to the Infrastructure work and the purpose for which the land is acquired shall not be taken into consideration;
- in selecting relevant sales evidence, regard should be had first to values derived from land in the same area, and if there is not adequate evidence, from nearby or similar land in the area, in priority to any other sales evidence; and
- vi. the method of valuation shall otherwise be in accordance with normal fair market valuation principles.
- 4.4.7 Variance and Solatium

iv.

v.

- When calculating or reviewing Contribution a) Costs and the Infrastructure Cost Schedule, the local government will have regard to the value of the land required for Infrastructure and include an amount of 10% over and above the Assessed Value of such land, to ensure that the local government has or will receive sufficient funds in Development Contribution Plan 8 account to acquire land for Infrastructure to meet its obligations for appropriate payment to such owners, and ensure the Infrastructure can be completed in a manner that minimises the need for external borrowing. The local government may also apply a further amount above the Assessed Value to recognize any compulsory taking of land, compensations and/or acquisition of structures.
- b) Where land is acquired in the circumstances contemplated in subclause 4.4.5 (f) of Development Contribution Plan 8, the Council shall pay to the owner an additional amount not more than 10% of the amount calculated under that Clause.
- 4.4.8 Acquisition Prior to Gazettal

Where land required for Infrastructure is ceded to the Crown or acquired by the local government prior to the Minister granting final approval and publication of the Development Contribution Plan 8 Amendment in the Government Gazette, the appointment of the Valuation Panel by the local government under of Development Contribution Plan 8 or adoption of the Infrastructure Cost Schedule by the Council, the land shall be valued in-

29

# accordance with the clauses 4.4.3 to 4.4.7 of Development Contribution Plan 8 by the Valuation Panel and the date of valuation shall be the date the land for the Infrastructure Work is acquired by the local government or the local government issues its clearance to the deposited plan that contains the Infrastructure land, whichever is the earlier.

#### 4.4.9 Provision of Land for Infrastructure Works

Where the Infrastructure Cost Schedule includes a land component for a Infrastructure on the relevant lot for which a Cost Contribution is due, an Owner shall cede to the Crown or transfer to the local government the required Infrastructure land at the first stage of subdivision and/or development for that particular landholding or by prior agreement at an alternative date agreed by the local government. The value of the land will be determined in accordance with Development Contribution Plan 8 and Owners will be paid once the land is ceded to the Crown or transferred to the local government and is already included in Development Contribution Plan 8 and sufficient funds have been collected in the Development Contribution Plan 8 account and / or having regard to the timing and priority of infrastructure works.

4.5 Period of Operation

4.5.1

Development Contribution Plan 8 is proposed to operate for a period of 12 years from the date of gazettal of the town planning scheme amendment that introduces Development Contribution Plan 8 into the Scheme, by which time development within Development Contribution Area is expected to be largely complete. The proposed timeframe aims to account for uncertainty regarding the staging and completion of development across the entire area.

The City may in the future consider extending the period of operation, through an amendment to the Scheme, in the event that growth does not occur as rapidly as expected, or if new growth areas occur. The City may also terminate the Development Contribution Plan 8 earlier, through an amendment to the Scheme, if growth occurs quicker than expected and all contributions have been settled.

All land within the Development Contribution Area is subject to the requirements of the Development Contribution Plan 8 until the plan expires or revoked.

4.6 Excess in Contributions

#### 4.6.1

Clause 5A.8.2 of the scheme does not apply to Development Contribution Plan 8. If there is an excess in the total of Cost Contributions when all Cost Contributions have been made or accounted for in the Development Contribution Area, the local government is to refund the excess funds to the contributing owners or use all or some of the excess funds for improvements to infrastructure included in Development Contribution Plan 8 and subject to agreement from the majority of the contributing Owners.

If, however, it is not reasonably practicable to identify Owners and their entitled amount of refund and consult with Owners, any excess in funds shall be applied to the provision of additional improvements to Infrastructure included in Development Contribution Plan 8.

The local government should make information publically available regarding any spend of excess funds.

- 4.7 Timing and priority
  - 4.7.1

The Local Government will use its best endeavours to provide Infrastructure, including the acquisition of land for infrastructure, as soon as possible taking into considering the Local Government's Corporate Business Plan, the rate of development in Development Contribution Area 8 and funds collected in Development Contribution Plan 8.

4.8 Review

4.8.1 Review

Development Contribution Plan 8 will be reviewed at least every 5 years from the date of gazettal or when considered appropriate having regard to the rate of development in the area since the last review and the degree of development potential still existing.

The estimated Infrastructure Costs, Assessed Values and Infrastructure Cost Schedule will be reviewed and updated at least annually. The Review will reflect changes in material prices, design costs, design requirements, specifications, labour requirements, Assessed Values and other expenditure associated with Development Contribution Plan 8 and actual and forecast future development patterns in the area. In some instances the costs will be indexed based on the Local Government Cost Index (LGCI) or another appropriate index and they may be reviewed and certified by a suitably qualified person. The local government's priority and timing for infrastructure will also be reviewed at least annually.

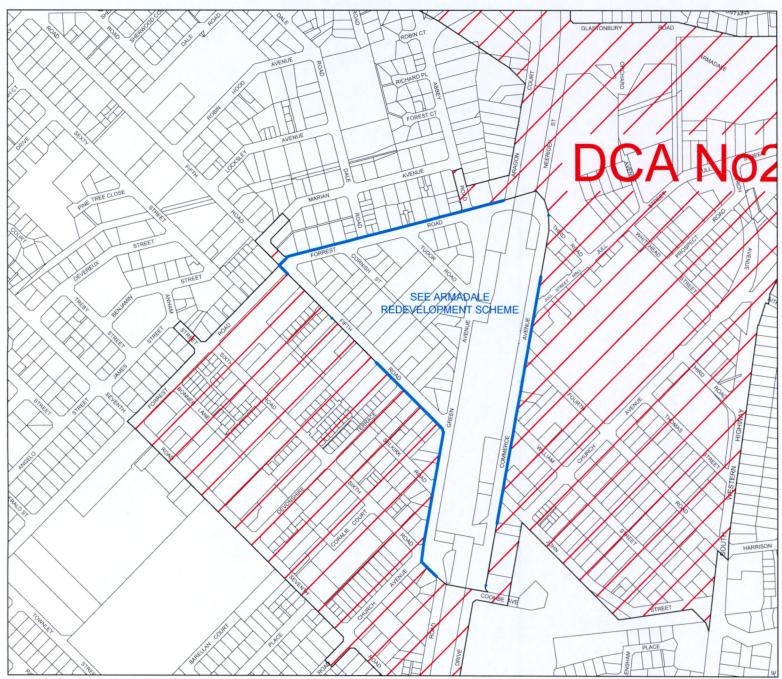
31

Reviews of Development Contribution Plan 8 or Infrastructure Cost Schedule, including Assessed Values shall be undertaken in accordance with the provisions contained within the Development Contribution Plan 8 Report and applicable Local Government Local Planning Policy. In the absence of an applicable Local Government Local Planning Policy the provisions contained in the Development Contribution Plan 8 Report shall solely apply.

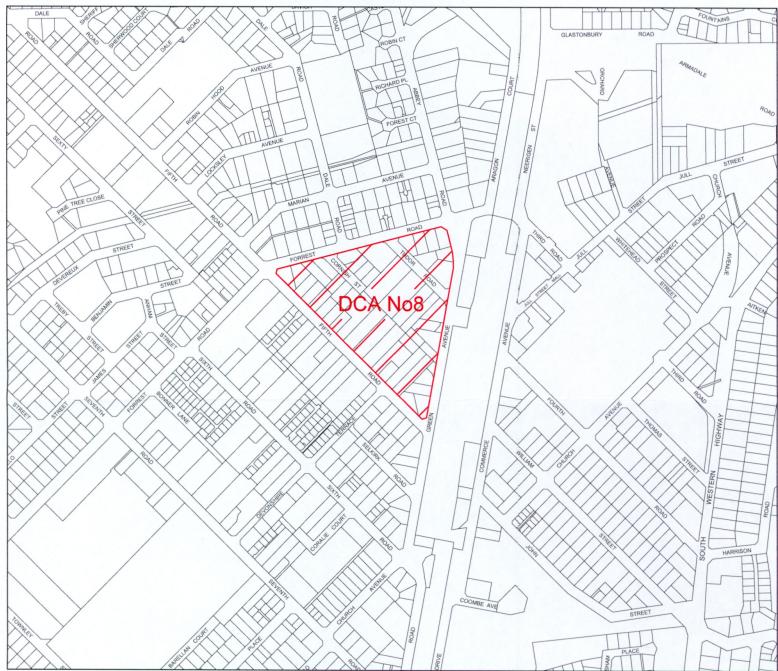
The Amendment is complex under the provisions of the *Planning and Development* (Local Planning Schemes) Regulations 2015 for the following reason(s):

• It is an amendment to identify a development contribution area and prepare a development contribution plan.

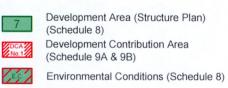
# **EXISTING ZONING - SPECIAL CONTROL AREA MAP 3**



# PROPOSED ZONING - SPECIAL CONTROL AREA MAP 3



# LEGEND



Development Contribution Area (Schedule 9A & 9B)

Armadale Redevelopment Area Boundary

**AMENDMENT No. 117** 

City of Armadale Town Planning Scheme No. 4

Special Control Area Map 3

DATE 5 November 2020 - REVISION 2001 p:\autocad\town\_planning\_schemes\town\_planning\_scheme\_no4\scheme\_amendments\sca\_map\_3\_amendment\sca3\_amendment\_no\_117.dwg

NOTE: The reservations are shown diagrammatically and do not purport to represent the road reservations shown in the Metropolitan Region Scheme and information in respect to road widening requirements for these roads should be obtained from the Department of Planning



SCALE 1 : 7500



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# COUNCIL ADOPTION

This Complex Amendment was adopted by Resolution D22/7/21 of the Council of the City of Armadale at the Ordinary Meeting of the Council held on the 26<sup>th</sup> day of July 2021.

L'Euttokel MAYOR

CHIEF EXECUTIVE OFFICER

# COUNCIL RESOLUTION TO ADVERTISE

By Resolution D84/12/20 of the Council of the City of Armadale at the Ordinary Meeting of the Council held on the 14<sup>th</sup> day of December 2020 proceed to advertise this Amendment.

MAYOR

# CHIEF EXECUTIVE OFFICER

# **COUNCIL RECOMMENDATION**

This Amendment is recommended by for support by Resolution D22/7/21 of the City of Armadale at the Ordinary Meeting of the Council held on the 26<sup>th</sup> day of July 2021 and the Common Seal of the City of Armadale was hereunto affixed by the authority of a resolution of the Council in the presence of:

(seal)



Sutterfeeld MAYOR

CHIEF EXECUTIVE OFFICER

# FORM 6A - CONTINUED

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# WAPC ENDORSEMENT (r.63)

DELEGATED UNDER S.16 OF THE PD ACT 2005

Date:- 13 1 2022

# APPROVAL GRANTED

It is hereby certified that this is a true copy of the Scheme/Amendment, final approval to which was endorsed by the Minister for Planning on 21 21 2022

Certified by

Officer of the Commission Duty authorised pursuant to Section 24 of the Planning and Development Act 2005 and Regulation 32(3) Scheme and Regulation 63(3) (Amendment) of the Planning and Development (Local Planning Scheme) Regulations 2015.

MINISTER FOR PLANNING

Date:-