

# **Section 94A Business Case**

Update

26 August 2014

- Work undertaken to date
- S94A key components
- Draft Works Schedule Summary
- Business case
- Next steps

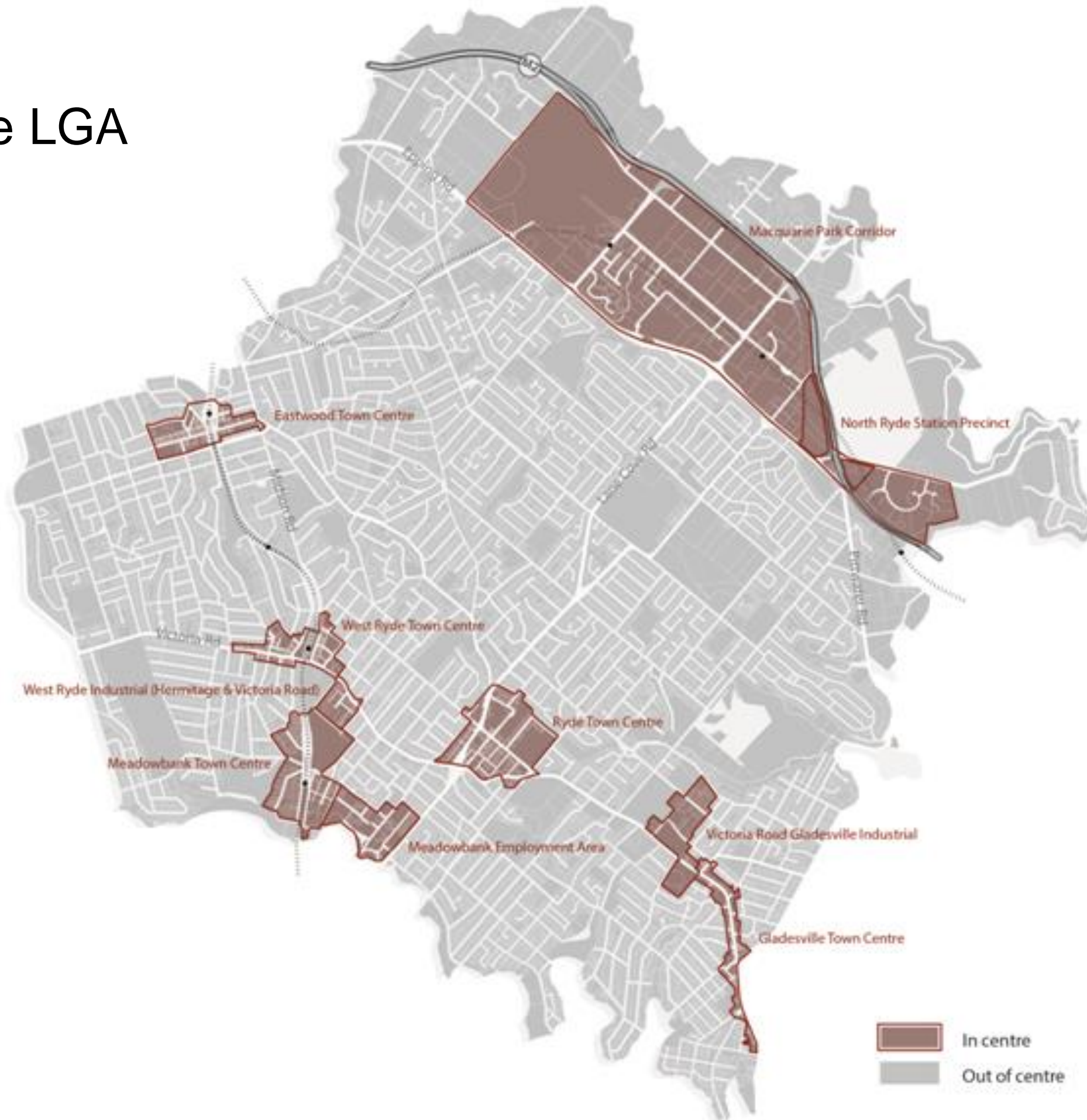
- Prepared a Draft S94A Plan
- Prepared a revised Voluntary Planning Agreement Policy
- Preparing a Draft Business Case to submit to Department of Planning and Environment

# Section 94A

## Background

- Council resolved to prepare a Section 94A Plan on 24 Sept 2013
- The current maximum percentages under current regulations are:
  - Nil if the development cost is up to and including \$100,000
  - 0.5% per cent of the cost if the development cost is more than \$100,000 and up to and including \$200,000, and
  - 1 per cent of the cost if the development cost is more than \$200,000.
- Council resolved to exempt development less than \$350,000
- Council resolved to seek variation to levy of 3% for town centres and 4% for Macquarie Park. Rest of the LGA remains at 1%

## Centres in Ryde LGA



Area	Type of development	Cost* threshold	Levy rate
Outside centres (as shown in Figure 1)	Secondary dwelling on site (e.g. granny flat)	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 plus	0.25%
	All other development	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 plus	1.0%
Inside centres (as shown in Figure 1)	All development (outside Macquarie Park)	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 - \$550,000	1.0%
		\$550,001 plus	3.0%
Macquarie Park Corridor	All development	\$0 – 350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 - \$550,000	1.0%
		\$550,001 plus	4.0%



## Key steps

- Developed Draft S94 A Plan based on State Government template and reviewing other Council plans
- Worked closed with Lindsay Taylor Law to address legal issues such as wording of the plan, ensure works identified able to be funded by S94A
- Worked closely with staff to develop a ten year Works Schedule which can be reviewed annually



# Business Case

## Proposal

- Strategic regional context
  - Metropolitan Plan for Sydney 2036 (2005)
  - Draft Metropolitan Strategy to 2031 (2013)
  - Draft Inner North Sub-regional Strategy (2007)
- Urban Activation Precincts
  - North Ryde Station UAP
  - Herring Road, Macquarie Park
- Council strategic plans
  - Ryde Local Planning Study, Delivery Plan, Community Facilities Plan, Integrated Open Space Plan, Libraries Plan etc

## Assessment of options

Options	Descriptions
Option 1A - s.94	s.94 continued under the current capital works program over 15 years, with different contribution rates to be applied to Macquarie park and balance of the city.
Option 1B - s.94	As above, but taking into account additional values from VPAs currently being used by Council.
Option 2A - s.94A	s.94A citywide plan to all development with a flat levy of 1% (and changed rates as per regulations).
Option 2B - s.94A	s.94A citywide plan with variation to rates for Macquarie park (3%) and town centres (2.5%).
Option 2C - s.94A	s.94A citywide plan with variation to rates for Macquarie park (4%), town centres (3%) and industrial areas (3%).
Option 3A - s.94 & s.94A	s.94 plan for all residential development and s.94A for all retail, commercial and industrial development (1%)
Option 3B - s.94 & s.94A	As above with 3% s.94A levy for commercial, retail and industrial development.
Option 3C - s.94 & s.94A	s.94 plan for development outside centres and s.94A for development within centre, with variation rates for Macquarie park (4%), town centres (3%) and industrial areas (3%).

## **Preferred option - S94A whole LGA, 4% MP and 3% town centres**

### **Strengths of the option**

- level of funding for infrastructure generally consistent
- Administrative efficiency
- Limited risk to funding outcomes
- Flexibility
- Price signals
- Work in conjunction with planning agreements
- 4% in MP less impact on residential development and higher impact on non-residential

## **Cost of works**

In order to determine the infrastructure needs in Ryde LGA, Council has identified a 10 year works schedule

## **Meeting infrastructure needs**

- Required to demonstrate higher % levies needed to fund necessary works in MP and town centres.
- Assessed income projections against the values of works identified in these areas

## Projected dwelling and employment growth

	Macquarie Park	Town centres	Rest of the Ryde LGA	Total Ryde LGA
Additional dwellings (2014-31)	17,930	6,399	3,424	<b>27,753</b>
Additional jobs (2011-31)	16,093	321	1,408	<b>17,824</b>

## Projected contributions under preferred option

Development types	Development contributions					
	2014-16	2016-21	2021-26	2026-31	2014-31	NPV
<b>From residential development</b>						
Macquarie Park	\$29,554,178	\$73,885,445	\$73,885,445	\$73,885,445	\$251,210,515	\$212,055,902
Town Centre	\$7,910,646	\$19,776,616	\$19,776,616	\$19,776,616	\$67,240,494	\$56,760,139
Other areas	\$1,340,169	\$3,350,423	\$3,350,423	\$3,350,423	\$11,391,440	\$9,615,927
<b>Total residential</b>	<b>\$38,804,994</b>	<b>\$97,012,485</b>	<b>\$97,012,485</b>	<b>\$97,012,485</b>	<b>\$329,842,449</b>	<b>\$278,431,968</b>
<b>From non-residential development</b>						
Macquarie Park	\$8,871,097	\$29,113,657	\$28,170,490	\$21,131,625	\$87,286,870	\$74,109,378
Town Centres	\$581,760	\$699,123	\$689,264	\$393,821	\$2,363,968	\$2,063,328
Other areas	\$43,383	\$82,786	\$77,553	\$61,125	\$264,847	\$227,046
<b>Total Non-residential</b>	<b>\$9,496,241</b>	<b>\$29,895,565</b>	<b>\$28,937,308</b>	<b>\$21,586,571</b>	<b>\$89,915,685</b>	<b>\$76,399,752</b>
<b>Additional items</b>						
Macquarie Shopping Centre expansion	\$15,600,000	\$0	\$0	\$0	\$15,600,000	\$15,155,010
Low-value development below thresholds	\$587,027	\$1,467,569	\$1,467,569	\$1,467,569	\$4,989,734	\$4,212,015
<b>Total incomes</b>	<b>\$64,488,262</b>	<b>\$128,375,619</b>	<b>\$127,417,361</b>	<b>\$120,066,625</b>	<b>\$440,347,867</b>	<b>\$374,198,745</b>



## Projected contributions under preferred option cont'd

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Over the forecast period, the proposed scheme is expected to generate around \$374 million

## **Work programs include:**

- **Roads program**
- **Catchment program**
- **Paths and cycleways**
- **Traffic and transport**
- **Library program**
- **Centres and neighbourhoods**
- **Parks and open space**
- **Sports facilities**
- **Pedestrian access and mobility**
- **Ryde Aquatic Centre**
- **Pedestrian Tunnel under Rail Embankment, Rowe Street**
- **Land Purchase for Fine Grain Roads, MPC**

## Proposed schedule of works

Plan Period	\$M
FY 2015- 2019	<b>251.9</b>
FY 2020 - 2025	<b>175.2</b>
10 yr. Total	<b>427.1</b>
Town Centres	
Macquarie	<b>111.4</b>
Eastwood	<b>70.1</b>
West Ryde	<b>14.8</b>
Meadowbank	<b>12.2</b>
Ryde	<b>53.1</b>
Gladesville	<b>11.7</b>
Rest of Ryde	<b>153.9</b>

## Works versus projected income

	Costs of works	NPV of projected incomes
Macquarie Park	\$111.4	\$198
Town Centres	\$161.9	\$41
Outside the centres	\$153.9	\$10
<b>Total</b>	<b>\$427.1</b>	<b>\$249</b>

Draft S94A Plan and business case to be reported to Council in Sept/early Oct for Council resolution

COR seek in principle approval of the 3% and 4% from the DOPE Oct / Nov

Once in principle approval received the draft plan and business case are exhibited and report back to Council following exhibition

Submit to Minister