

**13.5.4 CENTRAL MADDINGTON DEVELOPER CONTRIBUTION PLAN REPORT  
- FINALISATION AND TEXT AMENDMENT**

Director: C Terelinck  
Author's Declaration Nil.  
of Interest:  
Application No: PF13/00028  
Previous Ref: OCM 13 May 2014 (Resolution 153-158)  
Appendices: 13.5.4A Modified Draft Development Contribution Plan  
report (as advertised)  
13.5.4B Schedule of Submissions

**PURPOSE OF REPORT**

For Council to consider re-adoption of the Development Contribution Plan (DCP) report for the Central Maddington Outline Development Plan (ODP) area, subject to the inclusion of explanatory text detailing the valuation methodology used to value land the land component in the DCP.

**BACKGROUND**

On 13 May 2014, Council resolved to (Resolutions 153-158):

- Endorse the appointment of Propell National Valuers to value the land required for public open space (POS) and new roads in the ODP
- Adopt a revised Development Contribution Plan report which set the cost of infrastructure, modified the boundaries of Precincts 1 and 2 and incorporated a land valuation basis of \$320/m<sup>2</sup> which was provided by Propell National Valuers.

The City notified all landowners in writing of the decision to adopt the DCP report and also advised they had 28 days in which they could seek to have the DCP report reviewed in accordance with the following provisions in TPS 6.

*"6.4.11.6 If an owner objects to the amount of a cost contribution, the owner may give notice to the local government requesting a review of the amount of the cost contribution by an appropriately qualified person ('independent expert') agreed by the local government and the owner at the owner's expense, within 28 days after being informed of the cost contribution.*

*6.4.12.3 If an owner objects to a valuation made by the valuer, the owner may give notice to the local government requesting a review of the amount of the value, at the owner's expense, within 28 days after being informed of the value."*

Submissions were received from four landowners who disputed elements of the DCP report. Two of these submissions raised issues relating to a possible review of the DCP report in accordance with the requirements of the Scheme. Both of these submissions related to the methodology by which the valuation was determined.

On review of these submissions it was decided that the methodology which informed the valuation should be included in the DCP report. As this constituted a modification to the report it was advertised for public comment between 8 July and 21 August 2014.

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Before finalisation of the DCP report, it was decided to hold a landowner information evening, which occurred on 6 August 2014, to explain how the DCP report will operate and how it will affect individual landowners. The information evening also provided an opportunity to explain in more detail the proposed text modification to the DCP report.

The purpose of this report is to seek Council's approval to modify the DCP report to include text which explains the methodology behind the land valuation.

**DISCUSSION****Consultation**

Consultation commenced on 8 July 2014 and concluded on 21 August 2014. This involved sending letters to all landowners in the ODP area, holding an information evening and displaying information on the City's website.

Two submissions were received from landowners, one raising no objection to the proposal and the other objecting. A summary of each submission and comments thereon is contained at Appendix 13.5.4B.

**Valuation Methodology**

Council engaged Propell National Valuers on 25 February 2014 to undertake a valuation of the land component in Central Maddington ODP. Propell was requested to determine an englobo value based on the predominant zoning of R30 (lot size 300m<sup>2</sup>) proposed for the ODP area. It was considered appropriate to further assume an average size of 1,400m<sup>2</sup> for developable lots within the ODP area which was calculated by dividing the developable area of the ODP (77.44ha) by the number of parent lots (550). This takes into account the infill nature of the ODP and provides a firmer framework for valuation purposes.

An englobo valuation is considered to be the most equitable approach to valuing land in the Central Maddington ODP for the purposes of calculating development contributions. It also is the approach adopted for other DCP reports administered by the City.

**Town Planning Scheme No. 6 Requirements**

TPS 6 requires that the methodology underpinning the valuation advice be explained in the DCP report. As such it is recommended that the following text be included in the DCP report in the relevant section.

*"The land valuation basis is premised on an assumption that land within the ODP area has a underlying zoning of R30, this returns an average lot size of 300m<sup>2</sup> and has been selected on the basis of R30 being the predominant zoning in the ODP area.*

*Having designated the R30 zoning it is considered appropriate to further assume an average size for developable lots within the ODP area. This is to take in to account the infill nature of the ODP and provide a firmer framework for valuation purposes.*

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*An average lot size of 1,400m<sup>2</sup> has been calculated by dividing the developable area of the ODP (77.44ha) by the number of parent lots (550). The resultant parcel is further assumed to have a development potential of four units (at R30).*

*Accordingly an englobo land valuation employing the above assumptions will form the basis for the value of land within the ODP area for purposes of the DCP Report."*

The text above is shown on page 6 of the draft modified DCP report highlighted in yellow and attached at Appendix 13.5.4A.

**Financial Implications for the DCP Report**

Council endorsed the Propell valuation of \$320/m<sup>2</sup> at its meeting on 13 May 2014. The methodology behind that valuation has not altered since then but rather, has been included in the DCP report to clarify how the valuation was determined. Council's endorsement for the methodology underpinning the valuation in no way changes the fundamentals of the DCP report in terms of how development contributions were calculated, nor does it affect the development contribution payments required for individual properties in the Central Maddington ODP.

**Review Procedures**

The provisions in TPS 6 relating to review procedures associated with a DCP are very specific. Landowners are only able to seek a review of the cost of individual infrastructure items and/or the land valuation associated with the acquisition of land required within the ODP area. Landowners are not able to seek review of how contributions were calculated or the items of infrastructure that have been included in the DCP report.

Of the two submissions received, neither raised issues related to the proposed modification. As such it will be recommended that Council adopt the modified DCP report and endorse the methodology that underpins the land valuation of \$320m<sup>2</sup>.

Should the Council adopt the DCP report landowners will be afforded another 28 days to seek a review of the DCP report in accordance with TPS 6.

**CONCLUSION**

It will be recommended that Council:

- Endorses the land valuation basis prepared by Propell National Valuers of \$320/m<sup>2</sup> and the underpinning land valuation methodology
- Adopts the draft revised DCP report, as advertised, contained in Appendix 13.5.4A, which includes additional text explaining the land valuation methodology underpinning the valuation
- Notes the Schedule of Submissions, as contained in Appendix 13.5.4B and endorses the responses provided in this Schedule.

**FINANCIAL IMPLICATIONS**

As discussed in this report.

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## STATUTORY IMPLICATIONS

Section 6.4 - Town Planning Scheme No. 6 provides a right for land owners to dispute any adopted land valuation or contribution rate through independent arbitration.

## VOTING REQUIREMENTS

Simple Majority required.

### STAFF RECOMMENDATION (1 OF 3) AND COUNCIL RESOLUTION

#### 358 Moved Cr R Mitchell Seconded Cr R Hoffman

That Council, pursuant to Section 6.4 of Town Planning Scheme No. 6, endorses the land valuation basis prepared by Propell National Valuers of \$320/m<sup>2</sup> and the underpinning land valuation methodology detailed in the draft modified DCP report, as advertised and associated with the Central Maddington Outline Development Plan, as contained at Appendix 13.5.4A.

CARRIED 10/0

**FOR:** Cr W Barrett, Cr J Brown, Cr D Goode, Cr P Griffiths, Cr R Hoffman, Cr R Lawrence, Cr R Mitchell, Cr O Searle, Cr P Yang and Cr D Griffiths.

**AGAINST:** Nil.

### STAFF RECOMMENDATION (2 OF 3) AND COUNCIL RESOLUTION

#### 359 Moved Cr R Mitchell Seconded Cr R Hoffman

That Council, pursuant to Section 6.4 of Town Planning Scheme No. 6, adopts the modified draft Development Contribution Plan report, as advertised and associated with the Central Maddington Outline Development Plan, as contained in Appendix 13.5.4A.

CARRIED 10/0

**FOR:** Cr W Barrett, Cr J Brown, Cr D Goode, Cr P Griffiths, Cr R Hoffman, Cr R Lawrence, Cr R Mitchell, Cr O Searle, Cr P Yang and Cr D Griffiths.

**AGAINST:** Nil.

### STAFF RECOMMENDATION (3 OF 3) AND COUNCIL RESOLUTION

#### 360 Moved Cr R Mitchell Seconded Cr R Hoffman

That Council notes the Schedule of Submissions, as contained in Appendix 13.5.4B and endorses the responses provided in this Schedule.

CARRIED 10/0

**FOR:** Cr W Barrett, Cr J Brown, Cr D Goode, Cr P Griffiths, Cr R Hoffman, Cr R Lawrence, Cr R Mitchell, Cr O Searle, Cr P Yang and Cr D Griffiths.

**AGAINST:** Nil.