

13 Local Infrastructure/Development Contributions

13.1 Introduction and Key Issues

In its Stage 1 Report the Committee briefly discussed whether there was spare capacity in local services and infrastructure to absorb the proposed residential and mixed-use development on the site.

The Committee discusses traffic and transport aspects of local infrastructure, such as parking, pedestrian and cyclist infrastructure in Chapter 10. The Committee also discusses open space and community infrastructure matters, including developer contributions to these items in Chapter 12.

Since it commenced its work, the Committee has had a strong view there would need to be infrastructure upgrades and improvements to accommodate even a modest quantum of development.

Central to this is the matter of development contributions to these upgrades and improvements, some of which would fall into the category of mitigation works, which the Committee discusses in Chapter 10.6.

The key issue is about deciding the level and amount of contributions to local infrastructure and services the Club should make in realising its ambitions for redeveloping the site.

13.2 Policy Basis

(i) State Planning Policy Framework

Clause 11 *Settlement* mentions the importance of anticipating and responding to the needs of existing and future communities and, specifically, Clause 11.02-4 *Sequencing of development* includes:

Require new development to make a financial contribution to the provision of infrastructure such as community facilities, public transport and roads.

Clause 19 *Infrastructure* ensures development considers infrastructure and service requirements.

(ii) Local Planning Policy Framework

Key clauses include:

- Clause 21.08-2 *Objectives & Strategies – Physical Infrastructure* seeks to ensure the infrastructure system can accommodate new development through several strategies:
 - *Continue to invest in public infrastructure at the local level to improve and maintain the City's competitive advantages which will support business and employment growth.*
 - *Review infrastructure provision (eg utilities, telecommunication) and identify gaps in provision and develop priority plans for projects.*
- Clause 21.08-6 *Further Strategic Work* which includes preparation of a Development Contributions Plan.

(iii) Moonee Ponds Activity Centre Structure Plan

The Structure Plan includes relevant objectives and statements on infrastructure and services, including:

- Promote the need for investment in infrastructure by utilities and service providers, and ensure developers contribute to the cost of infrastructure improvement and renewal;
- Improve the amenity, quality and safety of public transport infrastructure;
- Ensure that all new residential development proposals contribute to the cost of public infrastructure and services to be provided in the activity centre to service new residents; and
- Initiate a Development Contributions (social and physical infrastructure) Plan for Moonee Ponds Activity Centre.

(iv) Moonee Valley Racecourse Master Plan

The Master Plan summarises the findings about existing services to the site. The Master Plan documents existing road, public transport and other infrastructure around the site.

13.3 Submissions and Evidence

All parties generally agreed that some form of development contributions should be made, both to meet policy requirements, such as for open space, and towards the cost of funding agreed works to mitigate the impacts of redeveloping the site. Only the details and mechanism were in dispute.

In closing, Mr Gobbo confirmed the Club had offered to make a cash contribution of \$2.5 to \$3 million towards off-site works as well as an estimated \$1 million to fit out the proposed 5,000 square metre park. Although the transport contributions would need resolution as part of the Integrated Transport Plan process, the Club foreshadowed the estimated cost of the works was \$2 to \$2.5 million.

Mr Gobbo submitted that if the Club made all these contributions, and allowing \$5 to \$5.5 million for the land value of the park, it would add up to \$13 to \$15 million. Assuming 2,500 dwellings, this would equate to \$5,000 to \$6,000 per dwelling.

The Club supported use of a Section 173 Agreement, which is a separate mechanism with a separate statutory regime, to set out the list of matters to be provided or funded. On the matter of the Committee fixing the quantum of contributions based on the evidence before it, the Club believed it would be desirable to fix those items into the planning scheme schedule now to avoid further disputes and potential delays in the future.

Mr Panozzo who provided evidence for the Club on social infrastructure, submitted a list of social infrastructure items and apportionment which would form the basis of a Section 173 Agreement (Document 44). These items related to public art, a library upgrade, contribution to the construction of a multi-purpose facility and kindergarten/early years centre. The Club drafted changes to Clause 5.9-4 of the schedule to the ACZ 'Precinct guidelines' to include the requirement to provide a space for a multi-purpose community facility. In addition the Club suggested additional requirements for a Section 173 Agreement for public art,

contribution towards construction of a community centre, identified transport mitigation measures identified in the Integrated Transport Plan and timing.

Council did not consider a Developer Contributions Plan needed to be implemented through a Development Contributions Plan Overlay. Rather, it believed what was needed was a consolidated plan clearly setting out the contribution requirements for the site, the nexus, the staging and the implementation, which in turn was linked to a Section 173 Agreement.

Council said it was not appropriate for the Committee to identify the quantum of contributions as the evidence put forward did not clearly outline detailed costings for future contributions. It believed it was a matter for negotiation following the recommendations from the Committee and would be based on the final outcome for development on the site. Council believed it would be premature now to identify costings for Council's range of items to which it considered the Club should contribute.

Council submitted that it was appropriate for the Committee to provide advice on possible mechanisms and criteria as a basis for identifying development contributions.

13.4 Discussion

The Committee notes the Club's position, set out by Mr Gobbo in closing, that apart from the social infrastructure contributions the Club was willing to fund, it was also willing to contribute towards necessary traffic and public transport infrastructure, such as new traffic signals and an upgraded tram stop. He emphasised some level of consensus would be required among the planning, road and transport authorities on the need for additional infrastructure the development will generate.

The Committee did not hear any submissions or evidence suggesting any likely shortfalls in services infrastructure are insurmountable, and it considers the various service authorities' technical and other requirements, including contributions to any necessary works, would prevail. From the Dalton Consulting Engineers report of May 2103, the Committee notes development of the surplus land would place extra pressures on existing sewers and water supply infrastructure. But this is not unusual for higher-density urban uses. Here, the Committee understands the necessary upgrades are identifiable and deliverable.

The Committee is satisfied with the Club's 1 November draft of the schedule to the ACZ which generally details the infrastructure items and further recommends an apportionment of 30 percent towards the cost of constructing a community centre. The Committee has reviewed Mr Panozzo's apportionment based on the methodology outlined in the ASR Stage 2 Assessment and notes that Council did not contest this evidence. In that context, the Committee recommends the Club provide a financial contribution equivalent to 30 percent of the cost of the construction of a multi-purpose facility which would include kindergarten, maternal child health and other general community uses.

13.5 Findings and Recommendations

In terms of contribution to transport infrastructure, the Committee agrees with Council that it is premature to identify and fix the necessary items which should be in a suitable plan setting out development contributions. It believes a similar approach to the next stages of

work on remaining transport and traffic issues, including agreeing on a wide range of access and other matters and on necessary mitigation works, would be apt.

However, the Committee believes the Club's analysis of the proposed development contributions amounts around \$6,000 per dwelling is reasonable, and is at the higher end for a proposal such as this. Further, the Committee supports preparing and executing an accompanying Section 173 Agreement(s) to realise these contributions.

The Committee encourages the Club, Council, PTV, VicRoads and other relevant stakeholders to continue to work collaboratively and productively on the identification of necessary local infrastructure upgrades and improvements, including mitigating works, for the agreed development.

The recommendations related to this Chapter are included in the Committee's revised Schedule to the Activity Centre Zone in Appendix F.