

# **Car Parking Contribution Plan Central Business**

July 2009 City of Palmerston

Car Parking Contribution Plan

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# 1. Introduction

## 1.1 Definitions

“**Act**” means the *Planning Act* (NT) or any Act amending or in substitution for that Act.

“**Council**” means the City of Palmerston, being a “service authority” within the meaning of the Act.

“**Planning Scheme**” means the Northern Territory Planning Scheme, being a planning scheme under the Act.

“**Policy Area**” means the area as defined on the attached plan, Annex A.

## 1.2 Purpose of the Plan

This plan provides the basis for collection of development contributions for public car parking as a result of development within the Policy Area.

This plan has been developed by Council in accordance with the requirements of the Act.

The establishment of a Contribution Plan for infrastructure capital works in relation to public car parking is consistent with the Key Objectives & Strategy 6.2.1.2. Establish a “Car Parking Strategy for the CBD” as detailed in the Palmerston Municipal Plan 2009 – 2014.

## 1.3 Administration

All interest on contributions made under this plan will be retained and accrue to the balance standing in the account and expended on public car parking infrastructure within the Policy Area.

Any expenditure from car parking reserves is identified in Council’s annual budget. Details on the infrastructure funded from this Contribution Plan and/or other funding sources are also provided within Council’s annual budget.

## 1.4 Standards

The minimum standards of car parking infrastructure to be implemented are those provided by “Australian Standards”.

## 1.5 Other Issues

Contribution plans are developed using current information. A number of variables will be monitored by Council to facilitate the review process, such as:

- land costs;
- construction costs;
- projected development rate;
- levels of demand / need;

- land use intensity / development intensity;
- infrastructure standards;
- anticipated population;
- tourist activity; and
- public transport provision and use.

Notwithstanding the annual changes, where major changes are observed to key variables used in determining contributions, Council may review this plan at any time.

## **2. Policy**

### **2.1 Introduction**

The overall policy of Council is to have a Contribution Plan for car parking infrastructure that provides certainty to Council; to developers and to the community with respect to the funding and provision of such infrastructure through:

- setting of infrastructure standards and service provision;
- consideration of the impact of the proposed development;
- consideration of Council's policies;
- consideration of the type and capacity of infrastructure already in place; and
- the methodology for determining the amount and timing of the developer contribution.

### **2.2 Policy Objectives**

The policy objectives with respect to car parking infrastructure are:

- Council's financial position;
- appropriate infrastructure standards;
- orderly development within the Policy Area; and
- appropriate management of infrastructure.

Council recognises that developers are seeking the efficient supply of affordable land and housing to the community and the provision of commercially viable development projects.

## **2.3 Underlying Philosophy**

Council supports the view that the requirements of the existing population should be provided for separately from the development. That is, development is viewed as incremental to the existing situation and costs of infrastructure (new or enhanced) should be borne by the Developer. Council also recognises that the obligation to fund infrastructure beyond the extent to which it is required by a specific development and beyond the appropriate standard must rest with the community.

## **2.4 Other Issues**

The implementation of a Contribution Plan for car parking infrastructure is underpinned by the following elements:

- an infrastructure need must exist;
- equity in the apportionment of the cost of car parking infrastructure;
- a nexus between proposed development and infrastructure provision;  
and
- accountability in the expenditure of the developer contributions.

## **3. Policy Area**

The Policy Area relating to this Contribution Plan is that area defined on the attached map, Annex A; in the Municipality of Palmerston.

Council will endeavour to ensure that future car parking facilities are provided within a reasonable distance of the development(s) for which contributions have been collected. Where this is not practical, Council will endeavour to ensure that reasonable and sensible location of facilities is undertaken. Council is not able to guarantee that facilities will be provided in a single site in close proximity to the development(s). Provision for car parking may be over a number of facilities.

Council will provide to Developers (upon request) details of the existing car parking facilities such as:

- location;
- entry / exit points;
- revenue collection devices;
- signage; and
- capacities.

## **4. Description, Staging and Costings for Parking Facilities in Policy Area**

### **4.1 Requirements of Section 69 of the Act**

Subsections 69(4)(a), (b) & (c) of the Act require a Contribution Plan to contain:

- (a) a description of the public car parking facilities that is or will be required in the Policy Area;
- (b) a statement of the intended order in which works relating to the development of the public car parking is to occur.
- (c) An estimate of, and the method of calculating, the capital cost of the works relating to each public car park.

### **4.2 Description of Car Parking Required**

Development within the Policy Area will lead to increased demand for car parking facilities. Much of this additional capacity will be provided by Developers under existing planning requirements. Where car parking is not provided at the prescribed level under planning requirements, Council will ensure that adequate provision is made.

In preparing capital works programs for future investment by Council (which will be designed to accommodate growth in population and other outcomes of growth in economic activity, such as demand for car parking spaces), it will be necessary to provide assessments of the key 'drivers' of demand for infrastructure or infrastructure enhancement, including :

- identification of sites within the Municipality in terms of location, area (total and developable), likely development timeline, car parking requirements, itemised capital costs, and population;
- likely changes to land use density in the Municipality;
- expected trends in commercial and residential construction.

With respect to car parking provision within the Policy Area, key strategic inputs are demand and Council's expected capital works in this area. This strategy provides estimates of the future requirement for Council-provided car parking within the Policy Area. Ground level facilities may, in the short term, be provided on land which is designated for future multi-level development in the longer term.

### **4.3 Intended Order for Development**

In general terms, staging of the car parking infrastructure investment associated with development, in all policy areas, will be dependent on:

- rate of growth / take up of development sites;
- car parking occupancies;

- land acquisition processes / site availability; and
- funding availability.

#### **4.4 Method for Calculating Capital Costs of Car Parking**

Consistent with Council's objective of certainty, cost estimates of future works and developer contributions charges contained within the Contribution Plan have been assessed on the basis of (Sections 67 to 74 inclusive) of the Act and derived from information provided by a suitably qualified local Quantity Surveyor.

A method for calculating capital cost for each car park is set out below:

- The estimated construction cost of a 450 bay multi-level public parking facility on 4502 Five Ash lane is estimated at \$9,900,000 in 2008 dollars; and
- The estimated cost of the land is \$770,000 in 2008 dollars.

The above mentioned costings are based on estimated construction and land value rates supplied by an independent Quantity Surveyor, using land values as provided by the Valuer General.

The annual future adjustments included in 5.3 *Adjustment of Contributions* of this Contribution Plan will be based on percentage construction cost increases over the previous period, as determined by a suitably qualified local Quantity Surveyor and on percentage increases in land values over the previous period, as determined by the Valuer General.

## **5. Formulae for Calculating Contribution and Adjustments**

### **5.1 Formula for Calculating Contribution**

If a condition of a development permit granted under the Act in respect of land within the Policy Area requires that a contribution be paid to Council instead of providing a specified number of car parking spaces as part of the development, the contribution to be paid to Council is to be calculated in accordance with the following formulae:

Contribution Cost (CC) per space =  $(L1/L2 \times \$1850) + (CPI1/CPI2 \times \$22,000)$

Where:

- L1 is the land purchase cost at the time of payment;
- L2 is the land purchase cost in 2008;
- CPI1 is the consumer price index at the time of payment; and

- CP2 is the consumer price index in September 2008 which is 163.6.

## 5.2 Adjustment of Contributions

For the purposes of the formula in paragraph 5.1, "CC" will be adjusted annually on the 1<sup>st</sup> of July in each year ("the Adjustment Date") in accordance with the following formula:

$$CC = CC_1 \times (1.0 + ((Z/100 + L/100)/2))$$

Where:

CC is the adjusted contribution rate payable as and from the Adjustment Date.

CC<sub>1</sub> is the contribution rate payable immediately prior to the Adjustment Date.

Z = the percentage increase in construction cost in Palmerston over the 12 months immediately prior to the Adjustment Date (as determined by a suitably qualified local Quantity Surveyor); and

L = the percentage increase in Palmerston Central Business land value over the previous 12 months immediately prior to the Adjustment Date (as determined by the Valuer General).



## 6. Payment of Contributions

### 6.1 Method of Payment

The method of payment will be by way of a total cash payment, determined at that time immediately before the conditions listed in 6.2 below; based upon the latest permit or variation thereto.

### 6.2 Timing of Payment

- (a) Where a development is associated with a change of use to which the land may be put or is a new development (other than a subdivision), payment is required prior to commencement of the new use or occupation. A *Certificate of Occupancy* will not be acceded to until all contribution payments have been received by Council.
- (b) Where payment is associated with a subdivision, payment is required on completion of physical infrastructure and prior to issue of titles. Council will not support the issue of a *Certificate of Completion* or clear its conditions within the Development Permit until all contribution payments are received.
- (c) If the payment of car parking contributions is a condition on a Development Permit, then payment is due at the completion stage of the project and before commencement of use. Council will not clear its conditions within the Development Permit until all contribution payments are received.

