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Please Quote: IR8629078
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7 April 2011

Gosford City Council

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The Regional Manager
Central Coast Regional Office
Department of Planning
PO Box 1148
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Att: Michael Leavey

Planning Proposal Gosford City Centre Incentive Provisions

Dear Michael

I advise that Council at its meeting on 22 February 2011 considered a planning report to amend Gosford City Centre LEP 2007 to include incentive provisions as a sunset clause.

A copy of the planning report, Council resolution, and Planning Proposal are attached for your consideration.

Should you have any enquiries with regard to this matter please contact R Eyre on (02) 4325 8222 between 8.40am and 10.30am, Monday to Friday.

Yours faithfully

R Eyre
Senior Town Planner

cc C Worthy-Jennings
E Love
M Bowman



ENV.13 GOSFORD CITY CENTRE INCENTIVE PROVISIONS (IR 8629078)

Directorate: Environment and Planning
Business Unit: City Centre Development

BACKGROUND

- (a) Council at its meeting held on 21 June 2007 resolved to enter into negotiations with the Department of Planning with the view to include in the City Centre LEP, provisions that facilitate a height and floor space ratio bonus of up to 30% for the provision of any three (3) or more of the following:

- affordable housing
- water conservation
- energy conservation
- waste reduction
- public or community infrastructure and facilities

In summary, the Minister outlined that affordable housing, energy and water conservation and infrastructure planning are matters for the Department of Planning to address by way of State planning documents, rather than via provisions of a LEP.

The Minister for Planning advised that such a bonus was not supported. A summary of the reasons why a 30% bonus is not supported is listed below.

- it would undermine the integrity of the LEP;
- the proposed increased height limits, along with the 15% bonus provisions, are sufficient to attract economic development to the region and deliver the vision created for Gosford City Centre (15% includes 10% for design excellence and 5% for water conservation measures);
- the allowance of additional bonus provisions would result in ad-hoc decisions being made that would be inconsistent with the vision statement
- it was not considered in the exhibited draft LEP which means that to make the plan without re-exhibition would render it invalid.

- (b) DLEP 2009

Seven submissions to the DLEP for the Gosford City Centre requested;

- (i) an increase in height and floor space ration; and / or
- (ii) a decrease in Section 94 Contributions to encourage early developments.

These matters could not be dealt with as an amendment to the draft LEP, and if supported, would require preparation of a new draft LEP/Planning Proposal and exhibition.

REPORT

In order to provide economic certainty in relation to the City Centre, Council could resolve to:

- (a) proceed with the insertion of a clause in the LEP relating to an incentive provision, and/or
- (b) reduce the CIP contribution from 4% to 1% for developments lodged within twelve (12) months of the making of the LEP

(a) Planning Proposal

Council could support the insertion of a sunset clause to permit a 30% increase in height and FSR above that currently permitted for development proposals for development applications lodged within twelve (12) months of the making of the LEP, and any consent being limited to a period of 2 years.

It should be noted that any consent granted up until 1 July 2011 must be for a period of 5 years. After 1 July 2011 Council may grant consent for a period of less than 5 years, but at least for 2 years.

(b) Development Contributions

A reduction in CIP contribution from 4% to 1% would reduce costs to developers and may encourage development. This could be limited to applications only lodged within 12 months or other time period determined by Council.

However such a reduction in contributions will mean either:

- (a) Council will have to eventually fund the remaining 3% or shortfall in future funding, or
- (b) the works in the CIP will have to be reduced to reflect available or potential funds.

As it is unlikely Council will be inundated with many applications, such incentives may not result in significant changes to the overall density, build and scale above that currently permitted, or a significant decrease in CIP contributions. It should also be noted that if an increase in height and FSR is permitted, the design quality controls will still apply.

Council's Economic Development Officer advises:

"There are several critical components in the revitalisation of the City Centre; these include identified catalyst projects and the waterfront. However, we need more widespread investment in residential and commercial buildings in the City if it is to attain critical mass and become self-sustaining.

At this stage of the implementation of the Master plan, early movers face higher risks than investors who come in the medium term. Given the widespread public benefit from revitalisation and its community support, governments should find ways to help reduce the commercial risk for those prepared to be 'first round' investors.

A financial feasibility study of a potential mixed use development on a major block in the City shows that, until revitalisation takes hold and thereby increases sale prices of new developments, the allowed building envelope does not generate sufficient revenue to enable a profitable development. It will not proceed within the current constraints.

In addition, the current LEP, especially along Mann Street (which will continue to be the City's main street), allows for greater floor space after site amalgamation, but there is no evidence of amalgamation taking place.

Major land owners are in "wait and see" mode. We need to break this logjam through an incentive floor space scheme that rewards early investors who actually move to construction within a specified time, probably by 2015 and no more than three years after DA approval. Such a scheme would not risk public funds nor would it be "picking individual winners", but would encourage investors to act early."

Attachments: Nil

Tabled Items: Nil

FINANCIAL IMPACT STATEMENT

The recommendation does impact on Council's financial position in the reduction of the CIP contribution from 4% to 1%.

RECOMMENDATION

Council prepare a planning proposal to delete Clause 7.4(4) to 7.4(9) and insert a new clause to permit:

- (a) An increase of 30% to the maximum height and floor space ratio permitted subject to the development application being lodged within 12 months of the making of the plan; and
- (b) Any consent granted under (a) be limited to a period of 2 years.
- (c) Council amend the CIP to permit a 1% CIP contribution for developments lodged between now and within 12 months of the making of the plan in (a) above, after which time the contribution revert to 4%.

Agenda Report

User Instructions

If necessary to view the original Agenda Item, double-click on 'Agenda Report' blue hyperlink above.

Resolved Items Action Statement

Action is required for the following item as per the Council Resolution.

NOTICE OF COUNCIL RESOLUTION

COUNCIL MEETING – 22/02/2011

TITLE	GOSFORD CITY CENTRE INCENTIVE PROVISIONS (IR 8629078)
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Directorate: Environment and Planning
Business Unit: City Centre Development

MOVED (Doyle/Holstein) that the recommendation of Director - Environment and Planning be adopted subject to the amendment of Parts A and C and the addition of Parts D, E and F as follows:

- A An increase of 30% to the maximum height and floor space ratio permitted subject to the development application being lodged within **24** months of the making of the plan; and
- C Council amend the CIP to permit a 1% CIP contribution for developments lodged between now and within **24** months of the making of the plan in (a) above, after which time the contribution revert to 4%.
- D ***Council pursue with Department of Planning that the Plan First fee be refunded for those applications lodged and commenced within the next 24 months and Occupation Certificate issued within 5 years.***
- E ***Council stage the payment of the 1% CIP contribution for projects lodged within 24 months to be payable prior to issue of Occupation Certificate.***
- F ***Council be notified of the financial impact of the reduction of 3% of the approved projects within 24 months and the Plan First fee that could be refunded.***

On being put to the meeting the MOTION WAS CARRIED with the following votes being recorded:

For the Motion: Councillors Maher, Doyle, Burke, Holstein, Houston, Latella, Macfadyen, Scott and Strickson.

Against the Motion: Councillor Freewater

RESOLVED that Council prepare a planning proposal to delete Clause 7.4(4) to 7.4(9) and insert a new clause to permit:

- A An increase of 30% to the maximum height and floor space ratio permitted subject to the development application being lodged within **24** months of the making of the plan; and

- B Any consent granted under (A) be limited to a period of 2 years.
- C Council amend the CIP to permit a 1% CIP contribution for developments lodged between now and within **24** months of the making of the plan in (a) above, after which time the contribution revert to 4%.
- D Council pursue with Department of Planning that the Plan First fee be refunded for those applications lodged and commenced within the next 24 months and Occupation Certificate issued within 5 years.***
- E Council stage the payment of the 1% CIP contribution for projects lodged within 24 months to be payable prior to issue of Occupation Certificate.***
- F Council be notified of the financial impact of the reduction of 3% of the approved projects within 24 months and the Plan First fee that could be refunded.***