

The General Manager
The Hills Shire Council
PO Box 7064
Norwest NSW 2153

5 April 2024

Attention: Mr Nicholas Carlton, Manager Forward Planning

Dear Nicholas,

West Gables Planning Proposal – Offer to enter into Voluntary Planning Agreement

Introduction

The purpose of this letter is to submit an initial draft offer from Stockland Development Pty Ltd (**Stockland**) to The Hills Shire Council (**Council**) to enter into a planning agreement to pay money, undertake works and dedicate land for public purposes in conjunction with Stockland's future development proposed under the planning proposal for the West Gables development.

The resulting planning agreement will:

- provide Council with certainty regarding the funding and delivery of local infrastructure required to support the development of Stockland's portion of the West Gables development, and
- establish a basis for the provision of monetary contributions to Council for new and augmented infrastructure to be provided by Council off-site, including a contribution towards community facilities buildings/floorspace which is excluded from the Essential Works List and cannot be included in a s7.11 contributions plan.

Accompanying this letter of offer is an Infrastructure Schedule prepared by Stockland, to assist Council to understand the manner in which Stockland's offer has been prepared.

The Infrastructure Schedule is discussed in further detail in this letter.

Stockland anticipates that the terms set out in this initial draft offer will be refined in consultation with Council officers. Following those discussions, Stockland intends to submit a further, formal letter of offer to accompany the Planning Proposal package.

Background

Stockland and Allam Land No 11 Pty Ltd (**Allam**) jointly submitted a planning proposal to Council for West Gables in June 2023 (**Planning Proposal**). The land to which the Planning Proposal applies is shown at **Figure 1**.

Figure 1 – extent of West Gables Planning Proposal land



The Planning Proposal comprises the rezoning of the land to accommodate a maximum of 1,260 dwellings and approximately 4,400 residents. Stockland intends to deliver up to 662 of these lots on its landholdings.

The Planning Proposal package included an Infrastructure Delivery Plan (**IDP**) which identifies the local and regional infrastructure requirements to support the proposed development, along with the recommended mechanisms for the delivery, ownership and maintenance of the infrastructure.

The IDP notes that Stockland and Allam each intend to offer to enter into a planning agreement with Council for the dedication of land, undertaking of works, and payment of monetary contributions corresponding with their respective future developments. This draft letter of offer constitutes Stockland's initial offer to enter into such a planning agreement.

Not all of the land within West Gables is currently owned or controlled by Stockland or Allam. Accordingly, the IDP and planning proposal recommend the inclusion of a new clause in Part 7 of The Hills Local Environmental Plan 2019 (the **LEP**) which requires that “satisfactory arrangements” need to be made for the provision of local infrastructure in West Gables prior to the determination of any development applications for the subdivision of land. This approach means that other landowners/developers in West Gables who are not party to the VPA offers from Stockland or Allam will need to make future VPA offers to Council to enable the subdivision of their land.

To assist in the preparation of this letter of offer, Stockland and Allam have jointly prepared an Infrastructure Schedule which identifies, and costs, open space, transport and water cycle management infrastructure considered necessary to serve the West Gables area. The Infrastructure Schedule has been prepared in the manner of a contributions plan schedule, and serves two purposes:

1. It enables Council to understand the basis upon which Stockland has formulated its proposal for land dedication, works and monetary contributions (together the **Contributions**) to be provided by Stockland and which are the subject of this draft offer; and
2. It provides a basis upon which Council could, if it chose to do so, negotiate the terms of future planning agreement offers with other landowners/developers in West Gables as a means of satisfying the proposed “satisfactory arrangements” clause in Part 7 of the LEP, or prepare an underlying contributions plan for West Gables as a means of levying development contributions from other landowners/developers.

Stockland intends that the planning agreement resulting from this letter of offer will exclude the operation of any future s7.11 contributions plan for West Gables, because the relevant elements of the Infrastructure Schedule applicable to the Stockland land will instead have been provided for under the planning agreement.

Description of the land to which the VPA will apply

The VPA will apply to that part of the land that is subject to the West Gables Planning Proposal owned by Stockland, comprising eight lots which are legally described in **Table 1 below** and shown in **Figure 2**.

Table 1 – land to which the VPA offer applies

Address	Lot	DP
151 Boundary Road Gables	11	593517
145 Boundary Road Gables	13	255616
1 Cataract Road Gables	14	255616
95 Old Pitt Town Rd Gables	2	39157
97 Old Pitt Town Rd Gables	3	39157
93 Old Pitt Town Rd Gables	12	1157044
103 Old Pitt town Rd Gables	6	39157
105 Old Pitt Town Rd Gables	2	1213569

Figure 2 – Land to which the VPA offer applies (identified with a red outline)



Future development and staging

Stockland intends to commence its development in the Stockland North precinct (Stage 1A), whilst delivering the Stockland East precinct (Stage 1B) concurrently with the adjoining APG development. The Stockland South precinct (Stages 2 and 3) will then follow.

The location of each stage is shown in **Figure 3** and the approximate timing of lot registration for each stage is shown in **Table 2**.

Figure 3 – development staging

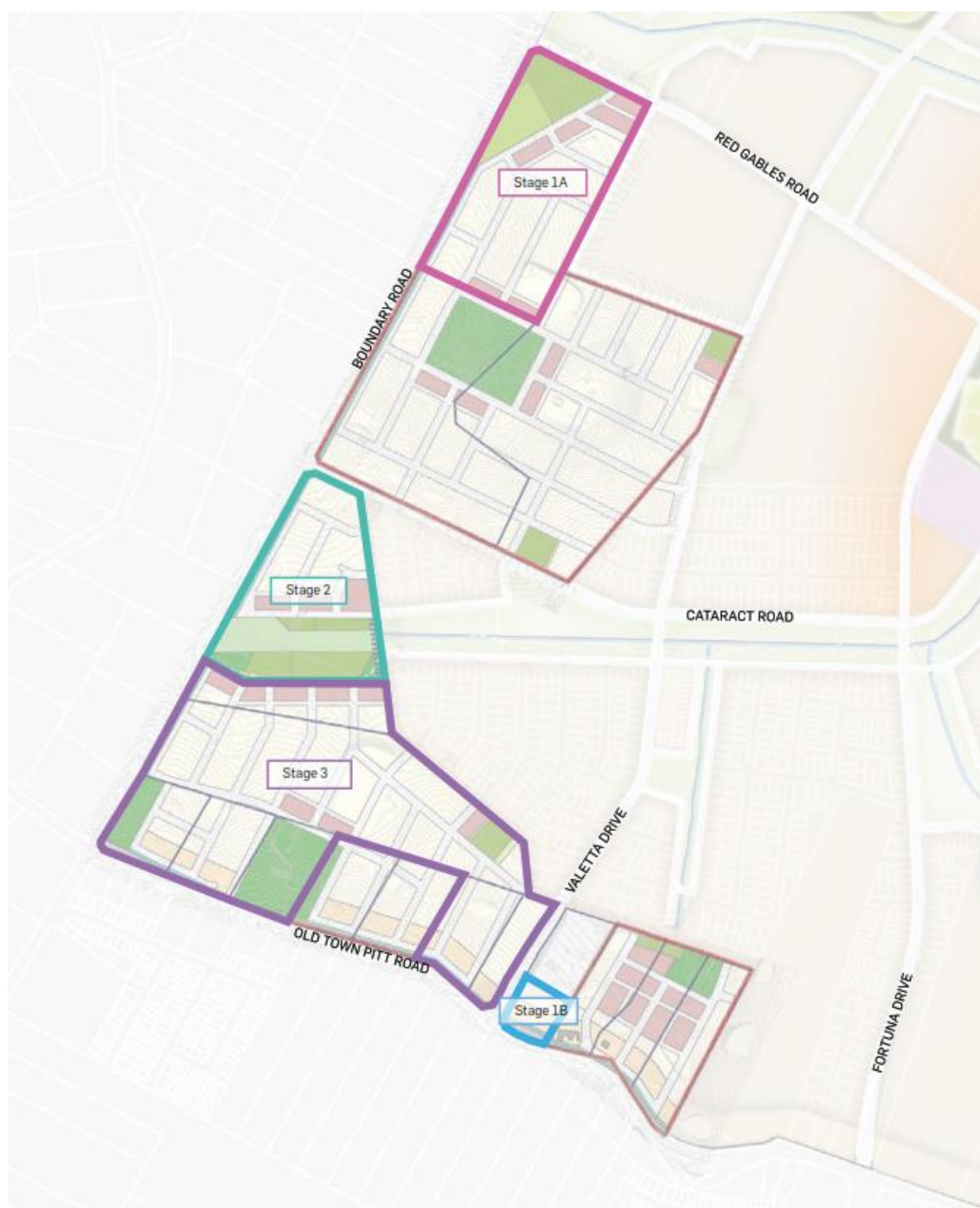


Table 2 - Proposed development staging and timing of registration

Stage	Number of lots	Indicative Timing of Registration of lots
Stockland North (Stage 1A)	177	2026
Stockland East (Stage 1B)	12	2026
Stockland South (Stages 2 and 3)	473	2027/2028

Contributions offered to be provided under the VPA

Stockland offers to deliver the following infrastructure and monetary contributions in conjunction with its development:

Table 3 – Contributions

Category	Description	Value
Land dedication and Works by Stockland	<ul style="list-style-type: none"> Provision of kerb, guttering and asphalt road works along the Stockland-owned frontage to Boundary Road, including verge and construction of a cycle path, and provision of a bus stop Dedication of land to facilitate the proposed enlargement of the Boundary Road and Old Pitt Town Road intersection Additional traffic lanes to the intersection of Old Pitt Town Road and Valetta Drive Water cycle management infrastructure including 4 x basins Riparian corridor extension including water cycle management infrastructure/online storage, cycle path and pedestrian crossing 2 x local parks Cycle path along the frontage to Old Pitt Town Road 	Works: \$22,677,594 Land: \$27,948,190
Monetary Contributions	<ul style="list-style-type: none"> Embellishment and upgrading of off-site active open space land already acquired by Council (former Horseworld site) 	\$5,936,984 \$1,602,198

	<ul style="list-style-type: none"> Augmentation of community facility floorspace in Gables or within close proximity to the site and additional library floorspace 	
Total		\$58,164,965

These Contribution items are described in more detail, and costed, in **Annexure 1** to this letter.

A plan showing the location of the infrastructure is included as **Annexure 2** to this letter.

Estimated contribution value of offer

As summarised in Table 3, the estimated value of the Contributions comprising Stockland's offer is **\$58,164,965**.

This amount represents **\$76,474 per lot** for infrastructure identified in the Infrastructure Schedule, and a further monetary contribution of **\$11,388 per lot** towards off-site active open space, community centre and library floorspace.

Agreement on reimbursement provisions

Stockland's draft offer includes the delivery of infrastructure and dedication of land to a total value which exceeds Stockland's pro-rata contribution towards that infrastructure as calculated in the attached Infrastructure Schedule by \$3,637,270.

Stockland's offer is conditional upon the Council agreeing to the reimbursement of the additional value to Stockland.

Stockland suggests that the planning agreement could include a contributions reimbursement provision similar to that found in clause 23 of the planning agreement between The Hills Shire Council and E.J Cooper & Son Pty Ltd dated 12 March 2015 (**the Gables VPA**). Such a clause would entitle Stockland to be reimbursed for certain Contributions it has made under this proposed planning agreement which also benefit the Benefitted Land.

The inclusion of this provision will ultimately depend upon whether Council agrees to use the IDP and Infrastructure Schedule prepared for the development to inform future planning agreements with other developers, or the preparation of a contributions plan by Council along with the agreed cost of works and land dedication, and the value of items of infrastructure to be delivered by Stockland and other landowners.

Depending on the practicalities of delivering the OS7.3 Southern Park works, Stockland may elect to provide for this contribution item under the planning agreement by way of monetary contribution and dedicating the relevant amount of land to Council (rather than by Stockland carrying out the works). In that case, the planning agreement would provide for Stockland to make a monetary contribution to Council (and the works would then be delivered by Council).

Stockland would welcome further discussions in this regard.

The manner and times by which Contributions are to be provided

The indicative timing of those Contributions which comprise proposed works and land dedication Contributions is set out in the Infrastructure Schedule, however, the timing has not yet been finalised. Stockland intends to address this in further detail in its final letter of offer.

The monetary contributions components of the Contributions are to be paid at the development milestones proposed in the Infrastructure Schedule.

The timing of provision of Contributions will be linked to the release of subdivision certificates at certain stages of the development, providing Council with the ability to withhold subdivision certificates if works are not completed, land is not dedicated or monetary contributions are not paid.

Dwelling cap

To provide Council with certainty regarding the maximum number of dwellings that can be developed under the proposed planning agreement, Stockland offers to include provisions in the planning agreement which limit its development to a maximum of 662 dwellings. Stockland welcomes further discussions on this aspect of the offer.

Parties to the VPA

The parties to the VPA will be:

- Stockland Development Pty Ltd; and
- The Hills Shire Council.

Other requirements of Section 7.4(3) of the Environmental Planning and Assessment Act 1979

Section 7.4(3) of the Act requires planning agreements to address the following additional matters:

- The planning agreement will exclude the application of section 7.11 and section 7.12 to the development.
- The planning agreement will not exclude the application of section 7.24 of the Act to the development.
- The planning agreement will include dispute resolution procedures consistent with Council's draft planning agreement template, with the details to be finalised during the preparation of the planning agreement.
- The planning agreement will include the following security mechanisms to protect Council's interests:
 - The planning agreement will be registered on the title of the original lots to which the planning agreement applies, along with any superlots created during the subdivision of those original lots.
 - The planning agreement will contain a mechanism by which registration will be removed upon the creation of final lots during the subdivision process.
 - If Stockland fails to dedicate land identified in the planning agreement within the timeframe specified, the planning agreement will provide that Council can compulsorily acquire that land for \$1 as an acquisition by agreement under the *Land Acquisition (Just Terms Compensation) Act 1991*.
 - Stockland will provide Council with financial security via a bank guarantee to a value not exceeding 20% of the contribution value of works to be delivered under the planning agreement for the relevant stage.

Consistency with Council's Planning Agreement Policy

The draft offer to enter into a planning agreement addresses the matters raised under Section 7.1 of Council's Planning Agreement Policy.

Public benefit

Infrastructure works and land dedication

Stockland's offer to enter into a planning agreement involves the delivery of open space, transport and water cycle management infrastructure in conjunction with the roll-out of Stockland's proposed development at West Gables in a timely manner, providing essential infrastructure and amenity to the future residents of the development. The delivery of the infrastructure by Stockland means that it will bear the financial and delivery risk associated with the delivery of the infrastructure, rather than Council.

Further, the linking of delivery of the infrastructure to specified subdivision certificates means that Council and the community can be confident that necessary infrastructure will be delivered when required.

Monetary contributions

The monetary contribution towards off-site open space infrastructure will enable Council to embellish the former "Horseworld" site which was recently purchased by Council for active open space purposes.

Lastly, the draft offer includes a monetary contribution towards the provision of augmented community facility and library facilities to support the additional population envisaged under the Planning Proposal.

Conclusion

Stockland makes this draft offer to enter into a planning agreement with Council to undertake works, dedicate land and make monetary contributions to Council with respect to the future development of Stockland's landholdings as envisaged under the Planning Proposal.

Stockland looks forward to discussing the scope of this draft offer with Council officers and the submission of a formal letter of offer to accompany the Planning Proposal package.

I trust this draft letter of offer is sufficient to allow Council to consider this proposal and provide in principle support to progress the planning agreement. Should you need any further details or information to expedite the negotiation of the final terms of Stockland's offer, please do not hesitate to contact Alex Koerber on 0438 682 549 or by email at alex.koerber@stockland.com.au

Regards,



Ed Krushka

General Manager, Masterplanned Communities – NSW and ACT

Annexures

Annexure 1 – draft VPA infrastructure schedule

Annexure 2 – draft infrastructure location map

VPA summary - Stockland

Development assumptions		Occ rate	Population		
Lots/dwellings	1260	3.41	4297		
Infrastructure that is eligible for inclusion in a local Contributions Plan					
Category	Land	Works	Total	Per dwelling	Comments
traffic and transport	\$2,628,500	\$7,512,360	\$10,140,860	\$8,048.30	Includes land and works
Local open space	\$44,043,100	\$9,504,769	\$53,547,869	\$42,498.31	includes local open space land acquisition and base-level embellishment as per IPART requirements
water cycle management	\$12,348,400	\$13,397,202	\$25,745,602	\$20,433.02	Includes land and works
community	\$0	\$0	\$0	\$0.00	community infrastructure works cannot be included in CP - non-essential works
Subtotals	\$59,020,000	\$30,414,331	\$89,434,331	\$70,979.63	contribution rate per dwelling - total infrastructure cost apportioned to 1260 dwellings
Infrastructure/contributions that cannot be included in a local Contributions Plan - VPA items only					
Category	Land	Works	Total	Per dwelling	Comments
Active open space - VPA	\$0	\$11,300,000	\$11,300,000	\$8,968.25	Contribution towards indoor active open space facility cannot be included in CP - non-essential works
community - VPA	\$0	\$3,049,500	\$3,049,500	\$2,420.24	contribution towards community infrastructure - cannot be included in CP - non-essential works
VPA monetary subtotals	\$0	\$14,349,500	\$14,349,500	\$11,388	
Contribution per dwelling - all infrastructure apportioned equally to 1260 dwellings				\$82,368.12	

Contributions - land ownership			Contributions obligation	Infrastructure offsets						
Owner	Stage	Lots	(rate x lots)	Item	Description	Works	Land	Total	Timing	Comments
Stockland North	1A	177	\$12,563,394	OS6.1	Embellishment of transmission easement land for local open space purposes - grass, mulch and shrubs	\$634,839	\$879,700	\$1,514,539	Within 12 months of the issue of the subdivision certificate for the 150th final lot within Stage 1A	
				B6A	Basin - water quantity	\$3,208,633	\$1,099,300	\$4,307,933	Prior to the issue of the subdivision certificate that creates the 1st final lot within Stage 1C	
				B6B	Basin - water quality	\$1,884,463	\$0	\$1,884,463	Within 24 months of the subdivision certificate that creates the final lot within Stage 1C	
				T2	Provision of kerb, guttering and asphalt road works along Boundary Road from Red Gables Road to Old Pitt Town Road including verge and construction of a cycle path 2.5m-3m wide	\$1,426,502	\$0	\$1,426,502	Within 12 months of the issue of the subdivision certificate for the 150th final lot within Stage 1A	30% in Stockland land
				T6	New bus stop on Hills Shire Council side of Boundary Road - locations to be determined in conjunction with Council	\$12,785	\$0	\$12,785	In conjunction with the delivery of T2 as part of Either Stage 1A, 2 or 3. Location to be confirmed in consultation with Council and bus service providers	
					SUBTOTALS	\$7,167,222	\$1,979,000	\$9,146,222		

Stockland South	2, 3	473	\$33,573,364	OS7.1	Riparian corridor including cycleway	\$3,266,244	\$2,520,700	\$5,786,944	Within 12 months of the issue of the subdivision certificate that creates the 1st final lot within Stage 2	
				OS7.2	Western Park	\$760,581	\$4,646,600	\$5,407,181	Within 12 months of the issue of the subdivision certificate for the 200th final lot within Stage 3	
				OS7.3	Southern Park	\$1,508,932	\$13,233,990	\$14,742,922	Within 12 months of the issue of the subdivision certificate for the 300th final lot within Stage 3	85% in Stockland land
				B1A & B2A	Basin - water quantity	\$2,090,745	\$679,800	\$2,770,545	Prior to the issue of the subdivision certificate that creates the 1st final lot within Stage 2	
				B1B & B2B	Basin - water quality	\$1,854,057	\$0	\$1,854,057	Prior to the issue of the subdivision certificate that creates the 1st final lot within Stage 2	
				B3A	Basin - water quantity	\$690,183	\$2,259,600	\$2,949,783	Prior to the issue of the subdivision certificate that creates the 1st final lot within Stage 3	
				B3B	Basin - water quality	\$281,906	\$0	\$281,906	Prior to the issue of the subdivision certificate that creates the 1st final lot within Stage 3	
				T2	Provision of kerb, guttering and asphalt road works along Boundary Road from Red Gables Road to Old Pitt Town Road including verge and construction of a cycle path 2.5m-3m wide	\$2,496,378	\$0	\$2,496,378	Within 12 months of the issue of the subdivision certificate for the 400th final lot within Stage 3	52% in Stockland land
				T3	Expansion of Valetta Drive and Old Pitt Town Road intersection	\$1,672,766	\$1,151,500	\$2,824,266	Within 12 months of the issue of the subdivision certificate for the 400th final lot within Stage 3	
				T4	Land dedication - intersection of Boundary and Old Pitt Town Road	\$0	\$1,477,000	\$1,477,000	Within 3 months of the issue of the subdivison certificate that creates the 1st final lot within Stage 3	
				T5	Construction of a shared pedestrian and cycle path 2.5-3m wide along the full length of Old Pitt Town Road from Boundary Road to the eastern boundary of the West Gables development	\$128,615	\$0	\$128,615	Within 12 months of the issue of the subdivision certificate for the 400th final lot within Stage 3	45% in Stockland land
				PB	Pedestrian crossing of riparian corridor along basin wall	\$737,100	\$0	\$737,100	Within 12 months of the issue of the subdivision certificate that creates the 1st final lot within Stage 2	
					SUBTOTALS	\$15,487,507	\$25,969,190	\$41,456,697		
Stockland East	1B	12	\$851,756	T5	Construction of a shared pedestrian and cycle path 2.5-3m wide along the full length of Old Pitt Town Road from Boundary Road to the eastern boundary of the West Gables development	\$22,865	\$0	\$22,865	Within 12 months of the issue of the subdivision certificate for the 9th final lot within Stage 1B	8% in Stockland land
					SUBTOTALS	\$22,865	\$0	\$22,865		
	TOTAL	662	\$46,988,514			\$22,677,594	\$27,948,190	\$50,625,784		
Value of VPA offer which exceeds obligations - reimbursement sought								\$3,637,270		

Monetary contributions				Item	Description			Total	Timing
				AOS	Active open space - monetary contribution to Council			\$5,936,984	The payment of \$17,937 per lot prior to the release of each subdivision certificate after the 331st final lot, but not exceeding an aggregate contribution of \$5,936,984
				C1	Provision of monetary contribution for additional community centre floorspace			\$1,602,198	The payment of \$4,840 per lot prior to the release of each subdivision certificate after the 331st final lot, but not exceeding an aggregate contribution of \$1,602,198
	TOTAL							\$7,539,182	

Contribution rate per lot - CP-eligible infrastructure only	\$76,474
Contribution rate per lot - including monetary contributions	\$87,862
Total value of offer	\$58,164,965

