

2 October 2017



Dear Andrew,

Re: Submission to Lindum Vale ICP Review

## **1.1. OVERVIEW**

Urban Enterprise was engaged by Satterley Property Group to complete a review of the infrastructure provision for the Lindum Vale ICP.

Since the initial review, the release of the Lindum Vale PSP prepared by the VPA shows an NDA of 97.26 hectares allocated within the area.

## **1.2. ICP REVIEW**

Based on information detailed within the recently published ICP levy system, the relevant matters are as follows:

- A separate levy is proposed for each growth area region;
- The allowable items are divided into four main local infrastructure categories: Community and recreation infrastructure, transport infrastructure, drainage infrastructure and public land for community and recreation, transport and drainage infrastructure;
- A proposed infrastructure levy for Lindum Vale is \$334,300 per hectare, which is the standard levy.

## **1.3. KEY ISSUES FOR ICP**

### **NET DEVELOPABLE AREA**

The land budgets for the Lindum Vale PSP prepared by the VPA shows an NDA of 97.26 hectares allocated within the area.

Satterley Property Group has estimated that the encumbered land for drainage can be reduced by 7.27 hectares and hence become developable. In addition, Urban Enterprise has compared the proposed Passive Open Space provision in Lindum Vale with adjoining PSPs and ASR standards prepared for the VPA and considers that a reduction in Passive Open Space of approximately 5 hectares should be made in order to be equitable. These two factors increase the potential NDA of Lindum Vale to 108 hectares.

## PASSIVE OPEN SPACE PROVISION

The Lindum Vale PSP proposes Passive Open Space of 7.94 hectares. This represents 8.16% of the total NDA of Lindum Vale. When comparing this to the surrounding PSPs, this proportion is much higher. The average percentage of Passive Open Space in the Craigieburn R2 and Merrifield West PSPs is 3% of the NDA in Lindum Vale. ASR recommends 4% of NDA for Passive Open Space which would equate to 4.34 hectares.

If 3% of NDA is adopted as the Passive Open Space requirement, then 3.2 hectares of Passive Open Space would be needed in Lindum Vale. If 4% is adopted, then 4.34 hectares would be needed. This should be the maximum provision in Lindum Vale.

The proposed reduction in open space primarily comes from the interurban break along Mt Ridley Road. The positioning of such a substantial area of Passive Open Space at the periphery of the future urban structure is highly questionable in terms of it being required as part of the overall Passive Open Space network within the PSP area to meet the demand of residents (ie. walkable catchments). Rather, it is evident that the quantum and location of this Passive Open Space area is driven by landscape objectives.

## ACTIVE OPEN SPACE

The provision of Active Open Space in the PSP proposes that a 50% contribution is made to 8 hectares of Active Open Space land and contribution to be provided outside Lindum Vale. This provision represents 3.7% of the NDA, which is a lower rate of provision when compared to the surrounding PSPs. When compared to the ASR recommendations of 6% of NDA for Active Open Space, the provision within the PSP is approximately 2.2 hectares less than this recommended provision.

It is noted that both the Craigieburn R2 PSP and the Merrifield West PSP areas are fully funding the Active Open Space attributable to their areas. The Lindum Vale PSP area has no Active Open Space designated within its boundaries, however it is anticipated that the open space proposed will be located within the Craigieburn West PSP area.

After adjustments of Passive Open Space and encumbered drainage land, Urban Enterprise estimates that the NDA of Lindum Vale will increase to 108 hectares.

**TABLE 1** COMPARISON OF OPEN SPACE PROVISION

	Lindum Vale (VPA)	Craigieburn R2	Merrifield West	Lindum Vale (Urban Enterprise)
<b>POS provision (ha)</b>	7.94	14.12	9.25	3.2
<b>AOS provision (ha)</b>	4 (not in Lindum Vale)	23.85	26	4 (not in Lindum Vale)
<b>NDA (ha)</b>	97.26	361.2	454.1	108
<b>POS % of NDA</b>	8.16%	3.91%	2.04%	3%
<b>AOS % of NDA</b>	4.11%	6.60%	5.73%	3.7%
<b>ASR recommendation of POS (4%) (ha)</b>	3.89	14.45	18.16	4.34
<b>ASR recommendation of AOS (6%) (ha)</b>	5.77	21.67	27.25	6.48

## DRAINAGE

The Lindum Vale PSP identifies a total of 12.27 hectares of encumbered land dedicated to Waterway and Drainage Reserves. Based on hydraulic engineering advice, Satterley Property Group has estimated that this area can be reduced by 7.27 hectares and hence become developable.

## NORTH-SOUTH BOULEVARD CONNECTOR

The North-South Boulevard Connector is not identified in the Lindum Vale PSP as an infrastructure item to be delivered. However, the intersections (IN-01 and IN-03) with the Boulevard Connector are included in the ICP.

It is considered that the North-South Boulevard Connector should be included in the ICP, with the total cost apportioned to Lindum Vale.

The Boulevard Connector Roads serve the broader precinct providing the only connection from Donnybrook Road through to Mt Ridley and Mickleham Roads. Their delivery unlocks the local road network. The inclusion of the North-South Boulevard Connector through to Mount Ridley Road as an ICP item or - as an alternative - the sections of Boulevard Connector which would connect through to Mickleham Road will encourage early delivery which should be a priority. Thus, the Boulevard Connector should be included in Table 6 'Precinct Infrastructure and Planning' and the delivering timing 'short (0-5 years)'. Pending the final sections of Boulevard Connector included in the ICP, the timing of the corresponding intersection (ie. IN-01 and/or IN-03) in Table 6 should also be adjusted to 'short'.

The sections of the Boulevard Connector that connects through to Mickleham Road total 1,140 metres at a cost of \$6.3 million.

## **CONTRIBUTION TO COMMUNITY FACILITIES**

The Lindum Vale PSP identifies that a contribution will be made to both the Multi-Purpose Community Centre (Craigieburn West - Northern Community Hub) and the Library in Mickleham Major Town Centre. It is noted that the ICP now includes a contribution to the construction of the Library in the Mickleham Major Town Centre. No other existing DCP is contributing to the construction of the library.

The estimated land cost of the Community Hub in Craigieburn West has been assumed to be in line with the land value rate of Passive and Active Open Space of \$1,400,000 per hectare. The construction cost attributed to this item is an average of comparable community centres in the Merrifield West DCP and the Craigieburn R2 DCP. 50% of the total cost of this item is apportioned to the Lindum Vale ICP.

The apportionment of the cost of the land for the Library is estimated at 10% and is valued at the rate identified in the Merrifield West DCP in 2011, of \$2,250,000 per hectare. It is noted that indexed land values for this item are not available and hence the 2011 values have been adopted.

## **1.4. INFRASTRUCTURE LIST – PREFERRED APPROACH**

Table 3 shows a list of the preferred infrastructure items to be provided in Lindum Vale, including 10 infrastructure projects would be funded by the Lindum Vale ICP, with an apportioned cost to Lindum Vale of \$36 million. This excludes any contribution to the construction of the library. The infrastructure contribution levy would therefore equate to \$331,655 per net developable hectare. This levy rate is lower than the proposed standard levy of \$334,300 per hectare.

As noted in the previous option, the library land is included at 2011 values.

The value of construction attributed to OS02 Active Open Space is based on the value of comparable item in Merrifield West PSP, at an apportioned construction cost to Lindum Vale of \$4.2 million.

**TABLE 2 SUMMARY OF INFRASTRUCTURE ITEMS AND COSTING – PREFERRED APPROACH**

REF	ITEM	linear (m)	ha	Land Value Rate (per ha)	Total Land Cost	Total Construction Cost	Apportionment	Apportioned Land Cost	Apportioned Construction Cost	Total Apportioned Cost	Total Apportioned Cost/ha
	<b>INTERSECTIONS</b>										
IT01	Mickleham Rd P2 entry		0.27	\$1,000,000	\$270,000	\$4,400,000	100%	\$270,000	\$4,400,000	\$4,670,000	\$43,069.26
IT02	Mickleham/Mt Ridley Rds		0.37	\$1,000,000	\$370,000	\$4,400,000	50%	\$185,000	\$2,200,000	\$2,385,000	\$21,995.76
IT03	Mt Ridley P3 entry					\$3,600,000	75%		\$2,700,000	\$2,700,000	\$24,900.86
	<b>Sub-Total</b>				<b>\$640,000</b>	<b>\$12,400,000</b>		<b>\$455,000</b>	<b>\$9,300,000</b>	<b>\$9,755,000</b>	<b>\$89,966</b>
	<b>ROADS</b>										
RD01	Mt Ridley Road widening		1.59	\$1,000,000	\$1,590,000		50%	\$795,000		\$795,000	\$7,331.92
RD02	Mt Ridley Road upgrade	600		\$3,906		\$2,343,600	50%		\$1,171,800	\$1,171,800	\$10,806.97
RD03	Boulevard Connector (part)	1,140		\$5,494		\$6,263,000	100%		\$6,263,000	\$6,263,000	\$61,182.33
	<b>Sub-Total</b>				<b>\$1,590,000</b>	<b>\$8,606,600</b>		<b>\$795,000</b>	<b>\$7,434,800</b>	<b>\$8,229,800</b>	<b>\$75,900</b>
	<b>OPEN SPACE</b>										
OS01	Passive Open Space		3.2	\$1,400,000	\$4,480,000		100%	\$4,480,000		\$4,480,000	\$41,316.98
OS02	Active Open Space		8	\$1,400,000	\$11,200,000	\$8,323,000	50%	\$5,600,000	\$4,161,500	\$9,761,500	\$90,025.82
	<b>Sub-Total</b>				<b>\$15,680,000</b>	<b>\$8,323,000</b>		<b>\$10,080,000</b>	<b>\$4,161,500</b>	<b>\$14,241,500</b>	<b>\$131,343</b>
	<b>COMMUNITY FACILITIES</b>										
CI01	Community Centre (Craigieburn West PSP) (Level 1 Centre)		0.8	\$1,400,000	\$1,120,000	\$5,450,000	50%	\$560,000	\$2,725,000	\$3,285,000	\$30,296.04
CI02	Library (Merrifield Town Centre)		2	\$2,250,000	\$4,500,000		10%	\$450,000		\$450,000	\$4,150.14
	<b>Sub-Total</b>				<b>\$5,620,000</b>	<b>\$5,450,000</b>		<b>\$1,010,000</b>	<b>\$2,725,000</b>	<b>\$3,735,000</b>	<b>\$34,446</b>
	<b>TOTAL</b>				<b>\$23,530,000</b>	<b>\$34,779,600</b>		<b>\$12,340,000</b>	<b>\$23,621,300</b>	<b>\$35,961,300</b>	<b>\$331,655</b>

Source: Victorian Planning Authority 2017; Satterley Property Group 2017; Urban Enterprise 2017

## 1.5. CONCLUSION

It is considered that the proposed infrastructure in Lindum Vale, as identified in the PSP, should be amended to accord with Table 2, which varies from the PSP as follows:

- Reduction in drainage land of 7.27 hectares;
- Reduction in Passive Open Space land of approximately 4.74 hectares;
- Consequent increase in NDA to 108 hectares;
- Addition of the cost of part of the Boulevard Connector totalling \$6.3 million;
- Addition of the apportioned costs of the Community Centre in Craigieburn West totalling \$4.1 million; and
- Confirmation of the apportionment of costs for the Library at 10%.

This will result in a levy of \$331,655 per net developable hectare.

