



Section 94 Contributions Plan

Amendment No. 89

CW CFAC 0002

Shoalhaven Multi Purpose Cultural & Convention Centre

Reference: 32195

November 2005

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1. Introduction

The Shoalhaven Multi Purpose Cultural & Convention Centre (SMPCCC) is an initiative of Council to meet the cultural needs of the Shoalhaven community, and is in response to a number of investigations into the nature of those needs and how best to meet them. Council has defined the purpose of the project as follows:

“To develop a functional, architecturally significant and professionally managed multi purpose cultural and convention centre, co-locating activities and facilities for quality performing arts, music learning, dance studio, community entertainment, conferences and conventions, civic functions, community balls and events.”

It is proposed to construct this facility adjoining the Council Administration Centre in Nowra, and that it will be partly funded by development contributions. This is a new project to be incorporated into Council’s Contributions Plan.

2. Definitions

The definitions of terms used in this plan are listed in Appendix A.

3. Name of the Plan

This Contributions Plan is amendment number 89 (Shoalhaven Multi Purpose Cultural & Convention Centre) of the Shoalhaven City Council Section 94 Contributions Plan 1993. This project is identified in the Contributions Plan as project number CW CFAC 0002.

4. Legal context

This Contributions Plan has been prepared by Shoalhaven City Council pursuant to Section 94 of the Environmental Planning and Assessment Act and in accordance with the Environmental Planning and Assessment Regulation.

5. Purpose of the Plan

The purpose of this Plan is to:

- a) ensure that the cultural and creative needs of the Shoalhaven community, as summarised in the goals and targets of Council’s Management Plan, can be met with the provision of a superior facility for cultural expression;
- b) ensure the timely provision of this facility;
- c) part-fund the construction cost of a new facility and to ensure equitable apportionment of costs between existing population and future population as a result of new development; and
- d) provide a framework for administration and management of this plan.

6. Commencement of the plan

This Plan will take effect from the date on which public notice is published, pursuant to clause 31(4) of the EP&A Regulation.

7. Relationship with other plans and policies

This Contributions Plan is amendment number 89 of the Shoalhaven City Council Section 94 Contributions Plan 1993. This Plan is a supplement to Council's *Cityplan*, Management Plan, Local Environment Plan, and Community Plan 2005 – 2010.

There are three aspects to the nexus - causal, physical and temporal; that is, the services or facilities being levied for must be:

- needed as a direct result of the development being levied,
- located near enough, in physical terms, to provide benefit to the development being levied, and
- provided within a reasonable time.

8. Project Location

The facility will be located at Bridge Road, Nowra, adjoining the existing Council Administration Centre, specifically, part Lot 96 DP 755952, Lot 2 & Lot 3 DP 552572, Lot A DP 161574 and Lot 1 DP 513571.

In the case of the proposed SMPCCC described in this Plan, causal nexus is established by the following considerations:

- A number of studies have shown strong community demand for such a facility.

This location is shown on the Locality Map in Appendix B.

The Shoalhaven Community Plan 2005 – 2010, adopted in 2005 and available from Council offices, has included the development of Creative Communities as one of four key aspirations of the Shoalhaven community, with the goal of providing and facilitating opportunities for cultural expression, participation and appreciation. The Community Plan was informed by a demographic analysis, a survey of community needs, and focus groups of community and service providers. The goals of the Community Plan are directed to all sectors of the local community.

9. Area to which the Plan applies

The Benefit Area for this project is the whole of Shoalhaven Local Government Area, as shown in the Benefit Area Map in Appendix C to this Plan.

- A high proportion of residents participate in arts and cultural events.

For the purpose of determining contribution rates, this area has been subdivided into 5 Planning Areas. The boundary between these areas is also shown on the Benefit Area Map in Appendix C.

10. Development and Demand Nexus

Fundamental to the levying of Section 94 contributions is the establishment of a nexus between future development and the need for increased or new amenities and services generated by that development.

A large number of cultural organisations are represented in the Shoalhaven, conducting a wide range of cultural and entertainment activities, and including a large number of talented and eminent individuals. The proposed facility will enhance education and development of these talents within the community.

These organisations are represented by the Shoalhaven Arts Board, the umbrella group providing a coordinated approach to arts policy and development.

- Many cities of comparable or smaller population have such a facility.

There is a gap between the cultural facilities available in the Shoalhaven with those of numerous coastal and inland centres in New South Wales. At least nine NSW country Local Government Areas with populations smaller than Shoalhaven rank above it in having a large public exhibition space, performing arts centre, civic centre or multi purpose cultural centre of acceptable standard.

- The proposed facility is consistent with the Charter of Council and Council's Management Plan.
- The intention is to provide a facility of Regional importance.

This will increase opportunities for the local community to benefit from the facility, by hosting events which would not otherwise be possible. The local community will also benefit from the flow-on economic and social effects of such activities.

Temporal nexus is satisfied because Council has resolved to construct the facility in 2006-8. Development contributions will be levied on future development to recoup part of the project cost.

The location of the new facility will satisfy spatial nexus. The facility is located in the civic precinct of the largest population centre in the City with good road transport links. Given the size of the Shoalhaven Local Government Area, the contribution rate is differentiated across the City because of travel distances to the facility.

11. Estimated Cost of Facility

Scope of works

The concept for the SMPCCC is based on a 700 seat auditorium for major performances, capable of conversion to accommodate table seating for 500 patrons, and a 250 seat theatre. In addition, lighting and sound systems, catering facilities, office space, foyer space and 3 smaller conference rooms are included.

Construction cost

Detailed cost estimates for the facility are subject to finalisation of the project plans. For the purpose of this Contributions Plan, the estimated construction cost is \$20,000,000 based on concept plans, specialist architectural advice and a preliminary survey of quantities. This will comprise \$14,000,000 already allocated by Council over the next two years through Council's Management Plan, plus development contributions of \$6,000,000. This cost estimate does not include the cost for maintenance, but does include fit out costs of the facility.

Land cost

The facility is to be located on land already owned by Shoalhaven City Council. The value of this land is included in the assessment of total project cost, and will become part of Council's contribution. The land was acquired by Council between 1978 and 1980, and for the purpose of this Plan, the purchase price has been indexed by CPI giving a 2005 value of \$689,282.

Finance costs

The facility will be constructed in advance of the full amount of development contributions being received. It is proposed to borrow one third of the construction cost, approximately equivalent to the developer share of \$6,000,000, to enable the construction to proceed according to Council's works program. For the purpose of this Plan, cumulative interest is estimated to be \$4,383,000 for a 20 year loan term at 6.0% interest rate.

For more detailed information relating to estimated costs, refer to the Estimated Cost Table in Appendix D of this Plan.

10. Construction Schedule

Construction of the facility is included in Council's works program for 2006-8. It is proposed that the construction of the facility be completed in this time frame, and the project not be constructed in stages.

11. Anticipated development

For the purpose of this plan, a planning horizon of 20 years has been adopted. This is considered reasonable for a project of this type and scale, and provides reasonable certainty to anticipated development. It is expected that the facility may require significant maintenance or upgrade at that time.

Council has recently revised its population projections, based on analysis of Bureau of Statistics census data, the availability of land for development, changing population demographics (for example, the proportion of certain age groups), Council's planning policies and the impact of NSW Government policies. Population projections have been converted to an estimate of the potential number of new

dwellings for the whole of the City and for each of the 5 planning areas, and are listed in Table 1.

Table 1
Anticipated development to 2026

Planning area	No. dwellings at 2006	Estimated potential no. dwellings at 2026	Estimated increase in no. dwellings
Citywide	52008 (69%)	75677	23669 (31%)
1	18412	29438	11026
2	5587	8074	2487
3	11775	16187	4412
4	3299	4160	861
5	12935	17818	4883

12. Apportionment of Costs*Apportionment of construction cost*

Construction costs will be apportioned between existing population and new development according to the anticipated citywide development shown in Table 1; i.e. Council will meet 69% of the construction cost (estimated at \$14,000,000) and new development will meet 31% of the construction cost (estimated at \$6,000,000).

Available funds

Council has collected contributions toward the cost of the proposed Nowra Community Centre (project 01CFAC0003 of the Contributions Plan). Because the SMPCCC will partly accommodate the intention of the Nowra Community Centre, 50% of the collected funds will be transferred to this project. This amount (\$266,794 as at 28/05/05) forms part of the developer share and has been deducted from this share before calculating the contribution rate.

Should grant funding become available, the value of grants will be used to purchase items such as superior quality sound, lighting and communications equipment, and invited performers and artists. These items are not included in the cost estimate in this Plan, and because grant funding will not be applied to reduce construction costs, contribution rates will not be affected by grant funding.

Apportionment of finance costs

Because the facility will be constructed in advance of development contributions, it is proposed to borrow the developer share of construction cost to enable construction to proceed according to Council's works program. Council's share will be made available without the need for borrowing. Interest costs (estimated to be \$4,383,000 over the life of this Plan) are therefore allocated to the developer share.

Patronage factor and cost sharing between planning areas

It is assumed that future population will use the facility in the same way as existing population, but that patronage of the facility will vary depending on a number of factors:

- proximity of residents to the location of the facility
- relative population density and expected population growth
- possible use patterns (eg. school events, major events, community events)

This has led to the application of a 'patronage factor' in the apportionment of costs to development in the various planning areas. It is expected that residents of planning areas 1 and 2 (centred on Nowra) will use the facility more than residents of other planning areas (estimated to be 70% of the facility use). The development contribution from planning areas 1 and 2 should therefore reflect this higher level of patronage.

Consequently, the development contributions from planning areas 1 and 2 are based on meeting 70% of the developer share of the project cost. Residents of planning areas 3 and 4 are less likely to use the facility (estimated at 20% of the use of the facility), and development contributions from planning areas 3 and 4 are therefore based on meeting 20% of the developer share of total cost. The patronage factor for planning area 5 is estimated to be 10%.

13. Contributions Formula

The contribution rate is specified on a 'per equivalent tenement' (ET) basis, and is calculated by the following formula:

$$\text{Contribution (\$/ET)} = \frac{\text{Estimated developer share (\$)} \times \text{patronage factor}}{\text{anticipated new dwellings}}$$

To calculate the contribution rate, the following values are used:

- For all planning areas, the estimated developer share = \$6,000,000 + \$4,383,000 interest - \$266,794 available funds = \$10,116,206
- For planning areas 1 and 2, the patronage factor is 0.70 (70%) and the anticipated number of new dwellings is 13,513
- For planning areas 3 and 4, the patronage factor is 0.20 (20%) and the anticipated number of new dwellings is 5,273
- For planning area 5, the patronage factor is 0.10 (10%) and the anticipated number of new dwellings is 4,883

For residential development, a single detached dwelling is rated as 1.0 ET.

For medium density residential development, the number of ET is calculated as follows:

- 1 bedroom unit = 0.4 ET
- 2 bedroom unit = 0.6 ET
- 3 bedroom unit = 0.8 ET
- 4 bedroom unit = 1.0 ET

For any development, an allowance for existing land use is permitted in calculating the number of ET.

14. Contribution Rates

In accordance with the contributions formula, a contribution rate has been calculated as follows:

Planning area	Contribution rate \$/ET
1	\$524
2	\$524
3	\$384
4	\$384
5	\$207

15. Review of contribution rates

Annual review of contribution rates

The above contributions will be adjusted annually on 1st July in line with movements in the Implicit Price Deflator (New Engineering & Construction) published by the Australian Bureau of Statistics.

Review of project costs

Final construction costs will be reviewed and this Plan amended if the actual cost is significantly different from the estimates used in this Plan.

Periodic review of patronage patterns

When the facility is operational, patterns of use will be reviewed. Should actual patterns of use vary significantly from those estimated in this Plan, the Plan will be amended.

Periodic review of population projections

Council periodically reviews population projections, usually at 5 year intervals to coincide with new census data. Should future analysis reveal significant departure from the estimates used in this Plan, the Plan will be amended.

16. Payment of Contributions

The contribution is expected for all residential subdivision and residential development in the designated Benefit Area. Council does not allow exemptions or discounts for contributions in this Plan.

Method and timing of payment

Payment of contributions can be by cash, money order or bank cheque. Payment will be required prior to the issuing of the linen plan in the case of subdivisions, or before the issue of a construction certificate in the case of a building development.

Adjustment of contributions at the time of payment

If payment is not made in the financial year that consent is granted, the amount payable will be adjusted on 1st July in line with movements in the Implicit Price Deflator (New Engineering & Construction) published by the Australian Bureau of Statistics.

Deferral of payment

In exceptional circumstances, Council may permit deferred payment provided the following criteria are met:

- The maximum deferral is two years from the standard payment date; and
- The provision of a bank guarantee for the required amount, plus an interest charge equivalent to that charged on overdue rates for the period of the bank guarantee, plus an administration fee.

An application for deferral will need to be submitted to Council and will be determined at Council's discretion.

Savings and transitional arrangements

A subdivision or development application which has been submitted prior to the adoption of this Plan but not determined shall be determined in accordance with the provisions of this Plan if this Plan is effective at the date the application is determined.

17. Works In Kind

For this project, work in kind or other material public benefit will not be accepted.

References

- Environmental Planning & Assessment Act
- Environmental Planning & Assessment Regulation
- Shoalhaven City Council Community Plan 2005 – 2010

- Shoalhaven City Council Contributions Plan Manual
- NSW Department of Infrastructure, Planning & Natural Resources: Development Contributions Practice Notes, July 2005.

Appendices

- A Definitions
- B Locality Map
- C Benefit Area Map
- D Estimated Cost Table

Section 94 Contributions Plan Amendment No. 89, Shoalhaven Multi Purpose Cultural and Convention Centre, being this written Statement and accompanying maps, was

Adopted by Council: 29 November 2005
and

Became effective from: 22 December 2005



R D Pigg
General Manager

Date:
19.12.05

Appendix A

Definitions

The following definitions apply to terminology used in this Plan:

Anticipated Development

An estimate of the number of new dwellings to be built.

Apportionment

The % of the total cost of a project to be borne by existing residents compared to the % of the total cost to be borne by anticipated development.

Benefit Area

The area containing land that will benefit from a project.

Contributions Plan

A formal document prepared by Council as required under the EP&A Act, to explain how developer contributions are calculated and spent, and a number of administrative details.

Contribution rate

The amount to be paid as a development contribution, expressed per unit of development.

Deferral

Payment of Section 94 contributions may be deferred until after the standard date of payment, subject to exceptional circumstances and specific approval from Council.

Development Consent

Formal approval by Council before a development can proceed; s94 contributions are stated as one of the conditions of development consent.

Development Contribution

An amount of money Council is entitled to collect toward the cost of infrastructure arising from new development.

Dwelling

A building used as a separate domicile.

Equivalent Tenement (ET)

A unit of measure, based on the number of bedrooms for a residential development, to determine the relative impact of a development compared to a single detached dwelling.

Implicit Price Deflator (IPD)

A standard measure of price movements published by the Australian Bureau of Statistics. Council uses the IPD for New Engineering and Construction to best reflect changes in the cost of works.

Material Public Benefit

A contribution by a developer that is not in the form of a monetary contribution or land dedication.

Medium Density Development

Residential development consisting of flats, villa units, cluster housing, mobile housing estates or caravan parks.

Nexus

The specific relationship between expected development and the demand it creates for additional infrastructure or facilities.

Patronage Factor

An estimate of how much use of a facility will be generated from a particular area or group.

Residential Development

Development for the construction of dwellings.

Transitional Arrangements

A procedure that is applied whilst a contributions plan is in preparation.

Works In Kind

A type of material public benefit where construction of some or all of the works contained in a contributions plan is by the developer.

Works Program

A list of the works to be undertaken by Council.

Works Schedule

A list stating when Council expects the works in the works program to be undertaken.

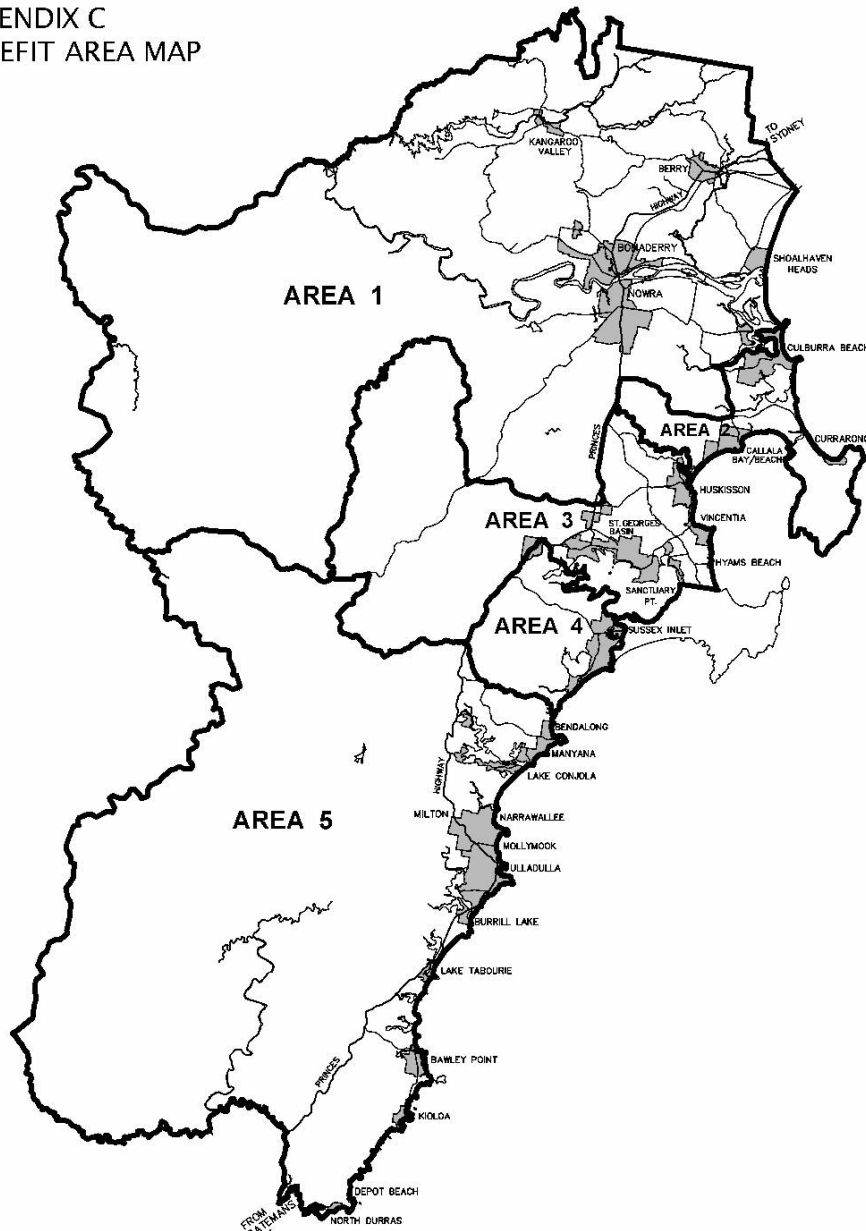
APPENDIX B
LOCALITY MAP : CW CFAC 0002
SHOALHAVEN MULTI PURPOSE CULTURAL & CONVENTION CENTRE
BRIDGE ROAD – NOWRA



 Subject Land



APPENDIX C
BENEFIT AREA MAP



SHOALHAVEN CITY COUNCIL
S94 CP2005
COMMUNITY FACILITIES
AMENDMENT NO. 89
FILE NO: 32195
FACILITY: COMMUNITY FACILITIES
PROJECT: SHOALHAVEN MULTI PURPOSE CULTURAL & CONVENTION

PROJECT NO.
CW CFAC 0002



Appendix D
Estimated Cost Table

CW CFAC 0002
Shoalhaven Multi Purpose Cultural & Convention Centre – Estimated Construction Cost

preliminaries	\$2,720,000
site works	1,305,000
site services	592,500
substructure	1,288,000
superstructure	5,744,600
finishes	1,525,600
fitments	832,000
services	5,312,600
stage equipment & accessories	780,000
Total	\$20,290,000