
Car Parking Contribution Plan Central Business Zone

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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 Darwin, 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 Central Business Zone of the Darwin Municipality as described in the Planning Scheme.

1.2 **Purpose of the Plan**

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

This plan has been developed by City of Darwin 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 Infrastructure Management goal as detailed in the City of Darwin Action Plan 2004-2008. In particular, with respect to Car Parking, this is “to provide adequate and appropriate parking facilities in a timely manner”.

1.3 **Administration**

Developer contributions received by the City of Darwin under this Plan will be kept in a separate Trust Account for Car Parking Development Contributions in accordance with the requirements of section 72 of the Act.

Expenditure will be auditable, and within a reasonable period of time, having regard to all of the circumstances, expended on the provision of public car parking infrastructure in the Policy Area.

All interest in this account will be retained in 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 City of Darwin's annual budget. Details on the infrastructure funded from this Contribution Plan and/or other funding sources is also provided within City of Darwin'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

Council has established the Darwin CBD Car Parking Advisory Committee, which will provide advice to Council with respect to car parking provision and management within the Central Business Zone. This Committee is made up of representatives from Elected members, the NT Government, the private sector and the community.

This Contribution Plan will be reviewed periodically to ensure that it reflects changing circumstances, such as:

- changes to land and construction costs;
- population trends and community needs and expectations; and
- modifications to proposed capital works.

Contribution plans are developed using information available at the present time. 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 the City of Darwin is to have a Contribution Plan for car parking infrastructure that provides certainty to the City of Darwin, 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 over-arching policy objectives with respect to car parking infrastructure provision of the City of Darwin relate to:

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

City of Darwin 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

City of Darwin supports the philosophy that:

“Developers should contribute to the cost of physical and community infrastructure to the extent that the demand for such infrastructure is generated by their specific development, at appropriate standards and to meet threshold demand, in accordance with legislative provisions”
(Urban Development Institute of Australia, 1998).

City of Darwin 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 (i.e. the beneficiary).

City of Darwin 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

3.1 Introduction

Development will result in an increased need for car parking facilities due to:

- an increase in the local population; and/or
- a change in land use; and/or
- the development of vacant land resulting in additional total demand.

Increased intensity of land use can also increase the infrastructure requirement.

3.2 Policy Area

The Policy Area relating to this Contribution Plan is the Central Business Zone in the Municipality of Darwin.

Council will endeavor 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 endeavor 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.

It is proposed that new public car parking facilities in the Policy Area will be multi-storey:

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, itemized capital costs, and population (density, occupancy ratios etc.);
- likely changes to land use density in the Municipality;
- expected trends in commercial and residential construction (density, style of development etc.);

With respect to car parking provision within the Central Business Zone, a key input for consideration in terms of demand (needs analysis) and Council's expected capital works in this area is Attachment A to Council's Report Number 06TS0291 which is Report Number 3/2005 (*Amendment No. 3, Updated to October, 2006*) entitled *Parking Strategy for Darwin Central Business District*. This strategy provides estimates of the future requirement for Council-provided car parking within the Central Business Zone.

A key element of this strategy is that future Council-provided car parking facilities within the Central Business Zone will be by way of multi-storey facilities. Temporary ground level facilities may, in the short term, be provided on land which is designated for future multi-level development in the longer term.

The strategy incorporates the following elements in the short to medium term:

- Construction of 800 bay multi-level public parking facility at existing Cavenagh Street car park at year 2014 or thereabouts;
- Acquisition of land on Central Business Zone periphery for future longer term development of 1000 bay multi-level public parking facility at year 2024 or thereabouts;

- Construction of temporary 200 bay ground level car park, at year 2010 or thereabouts, on land on Central Business Zone periphery, which has been designated for future long term multi-level car park development;
- Construction of 1000 bay multi-level public parking facility, at year 2024 or thereabouts, on designated land on Central Business Zone periphery.

4.3 Intended Order for Development

Staging with respect to facilities in the Central Business Zone are detailed in *Report Number 3/2005 (Amendment No. 3, Updated to October, 2006)* entitled *Parking Strategy for Darwin Central Business District* as described in the previous section. 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 Estimate of, and 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.

An estimate of and method for calculating capital cost for each car park is set out and described below:

- The estimated construction cost of a 800 bay multi-level public parking facility at existing Cavenagh Street car park at year 2014 or thereabouts is $800 \times \$31,000 = \$24,800,000$ in 2007 dollars;
- The estimated cost of the acquisition of land on Central Business Zone periphery for future longer term development of 1000 bay multi-level public parking facility at year 2024 or thereabouts is \$1,500,000 in 2007 dollars;

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- The estimated construction cost of temporary 200 bay ground level car park, at year 2010 or thereabouts, on land on Central Business Zone periphery, which has been designated for future long term multi-level car park development is 4,500 square meters x \$136 = \$612,000 (excluding land) in 2007 dollars;
 - The estimated construction cost of 1000 bay multi-level public parking facility, at year 2024 or thereabouts, on designated land on Central Business Zone periphery is 1,000 x \$31,000 = \$31,000,000 in 2007 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 property consultants within Darwin on the value of various lots within the Central Business Zone.

The calculations were based on the following:

- Average area per ground level bay = 28 square metres;
- Average area per multi-storey bay = 30 square metres;
- A construction cost for ground level bays of \$124 per square metre;
- A construction cost for multi-storey bays of \$760 per square metre;
- An average land value in the peripheral area of the Central Business Zone of \$1,000 per square metre;

These estimated construction and land value costs including GST and are current as at March, 2007. It should be noted that these costings will be subject to review every 12 months, in accordance with Section 5.2 of this document. (*Adjustment of Contributions*).

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 12 months, as determined by a suitably qualified local Quantity Surveyor and on percentage increases in land values over the previous 12 months, 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:

A.) Where no basement parking is provided,
Contribution = $\frac{\text{SFB} \times \text{CC}}{2}$

Where:

SFB = the number of car parking spaces specified in the development permit, being the shortfall between the number required under the Planning Scheme and the number to be actually provided.

CC = the contribution rate, namely \$31,000, (adjusted in accordance with Section 5.2 of this document, *Adjustment of Contributions*, annually).

CC has been based on the estimated construction costs (including GST) and land values of a 500 bay multi-storey facility in the Central Business Zone as at 21 March 2007, namely \$15.5m.

B.) Where basement parking is provided,

Contribution = $\frac{\text{CB} \times \text{CC}}{2}$

Where:

CB = the number of shortfall bays in respect of which a contribution to Council for a parking shortfall will apply, after consideration of the basement discounting mechanism defined in Section 5.3 of this document, *Basement Discounting Mechanism*.

CC = the contribution rate, namely \$31,000, (adjusted in accordance with Section 5.2 of this document, *Adjustment of Contributions*, annually).

5.2 Adjustment of Contributions

For the purposes of the formula in paragraph 5.1, “CC” will be adjusted annually on the 1st 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.

CC¹ is the contribution rate payable immediately prior to the Adjustment Date.

Z = the percentage increase in construction cost in Darwin 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 Darwin Central Business Zone land value over the previous 12 months immediately prior to the Adjustment Date (as determined by the Valuer General).

5.3 Basement Discounting Mechanism

In order to encourage developers in the Central Business Zone to provide as much of the required parking spaces (as determined by the Development Consent Authority) below ground level, the Council has adopted a policy whereby developers can be granted a reduction in the total number of parking spaces in respect of which a contribution to the Council must be made, if basement parking is incorporated within the development.

This discounting mechanism applies only to developments in the Central Business Zone, and is applied in terms of the following formula.

$CB = SFB - (0.3 \times BB)$ or zero, whichever is the greater, where:

CB = Number of shortfall bays in respect of which a contribution to Council for a parking shortfall will apply, after consideration of basement discounting mechanism

SFB = Number of shortfall bays as originally determined by the Development Consent Authority, prior to consideration of basement discounting mechanism

BB = Number of Basement Car Parking Bays in the development which meet the required standards.

6. Payment of Contributions

6.1 Method of Payment

The method of payment will be by way of a cash payment.

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. City of Darwin 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) Council and the holder of a Development Permit may enter into other arrangements for payment of developer contributions as otherwise specified in a written agreement.
- (d) 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.

6.3 Interest for late payment

Late payment of contributions shall incur interest at the same rate as those charged from time to time on late payment of Council rates under the *Local Government Act*.