

<b>Policy Title:</b>	<b>EMERGING COMMUNITY LOCAL PLAN AREA INFRASTRUCTURE AGREEMENT POLICY</b>
Policy Subject:	Development
Policy No.:	#3130858v5 – CP067
Directorate:	Development & Community
Department:	Planning & Growth
Section	Planning Services
Responsible Officer:	Executive Manager, Planning & Growth
Authorised by:	Director, Development & Community
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Risk Assessment:	Medium

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## 1.0 OBJECTIVE

The objective of this policy is to provide an equitable and transparent basis for Council to exercise its discretion to enter into infrastructure agreements with a developer/s to facilitate the provision of trunk infrastructure within an Emerging Community Local Plan Area but outside the Priority Infrastructure Area, as identified in the *Fraser Coast Planning Scheme 2014*.

## 2.0 POLICY

This policy establishes when it is appropriate for Council to enter into an infrastructure agreement for the provision of infrastructure to an area within an Emerging Community Local Plan Area and outside the Priority Infrastructure Area.

This policy seeks to ensure that Infrastructure Agreements for development in Emerging Community Local Plan Areas which are outside the Priority Infrastructure Area facilitate the supply of infrastructure in a coordinated, efficient and orderly way.

The application of the policy will be entirely at the discretion of the Council and/or the Chief Executive Officer.

### 2.1 POLICY CRITERIA

This policy applies to Infrastructure Agreements for development located:

a) In one of the following Emerging Community Local Plan Areas identified in the *Fraser Coast Planning Scheme 2014*:

- Eli Waters/Dundowran;
  - Granville;
  - Nikenbah; and
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- St Helens.
- b) Development trunk infrastructure is defined in the SPA and Councils Planning scheme and is limited to land and/or works for the following five networks:
- a) water supply
  - b) sewer
  - c) stormwater
  - d) transport
  - e) parks and community land

Council may consider entering into an Infrastructure Agreement for the provision of trunk infrastructure to development in locations which meet the criteria above, and demonstrate satisfactory achievement of the following criteria:

**1. The proposal results in optimum infrastructure network design and timing.**

- a) The infrastructure design demonstrates cost efficiency and orderly delivery consistent with projections about the type, scale, locality and timing of development in the infrastructure catchment.
- b) The proposal must not compromise the safety or efficiency of the existing or planned infrastructure network.
- c) Construction of the development(s) and construction of infrastructure must be coordinated to deliver optimum utilisation of the infrastructure.
- d) The infrastructure is consistent with the desired standards of service expected of Trunk Infrastructure.

**2. The proposal is financially sound and provides a return for investment in achievable timelines.**

- a) The proposal demonstrates that there will be an assured return for investment within a reasonable, agreed timeframe. Analysis of Infrastructure charges due and payment timeframes is essential.
- b) Proposals which are successful in securing alternative funding through State or Federal Government infrastructure initiatives will be favorably considered. At the time of adoption of this policy, the Catalyst Infrastructure Program (CIP) is an example of a Queensland Government Co-investment initiative.
- c) The proposal demonstrates that the required infrastructure provides the most cost effective option for Council, the proponents and future developers. The most cost effective option for infrastructure provision means the least cost option based upon the life cycle cost of the infrastructure required to service future urban development in the area at the desired standard of service.
- d) The proposal involves proponents of key sites partnering to provide leveraged investment outcomes which can be delivered in sustainable timeframes.

- e) Council has capacity to fund the infrastructure, manage, operate, and maintain the infrastructure following construction.
- f) The proponent(s) demonstrates the financial capacity to deliver their development within agreed timeframes.
- g) Development approvals are in place and the development will be ready to commence construction within a set timeframe.

The following trigger points will be used as a baseline assessment of any proposal:

Criteria	Trigger Point
Emerging Community Local Plan	Development must be within the emerging community local plans of Eli Waters/Dundowran, Granville, Nikenbah and St Helens.
Infrastructure Charge Contribution - Assessment	70 – 75% infrastructure charges (by network) collected as a contribution towards the total construction cost of the trunk infrastructure.  Note: assessment based on individual networks however may include combining of water and sewerage networks.
Development timeframe	up to 5 years for delivery of the development and recoupment of the infrastructure charges as a contribution towards the total construction cost of the trunk infrastructure.

**3. There is demonstrated need for the infrastructure to catalyse development in the Fraser Coast region.**

- a) The proposed urban infrastructure will generate, facilitate and accelerate broader economic benefit, particularly job creation, in the region.
- b) Delivery of the proposed urban infrastructure will accelerate private sector investment in the region.
- c) Project provides a significant net economic and/or community benefit to Fraser Coast.
- d) Project must be sustainable and result in jobs growth.
- e) Market analysis and commitment from developer(s) to bring on developments as a result of the infrastructure being made available is provided.

*The decision to provide Infrastructure to an area outside of the PIA will be based upon an agreement between the Parties only when there is sufficient evidence that it is economically feasible to bring forward infrastructure and consideration given to the broader economic benefit delivered. For example:*

- *Eligible infrastructure – sewer infrastructure linking existing with future development for which there is market demand, which would facilitate that development commencing, where otherwise it would not.*
- *Ineligible infrastructure – road upgrade to address existing under capacity, which does not also facilitate development for which there is market demand commencing, where otherwise it would not.*

## 2.2 IMPLEMENTATION

Council will implement the policy via an Infrastructure Agreement with the Developer/s. The agreement will be prepared in line with the objectives of this policy and prepared pursuant to the SPA. The Infrastructure Agreement will clearly set out the particular obligations of the parties to the agreement and may include but not limited to the following obligation methodology:

### **Council Obligations:**

- Council may decide to deliver trunk infrastructure capable of servicing the approved development;
- The supply is to be based upon an optimum trunk supply strategy and costing;
- Council will commence the process of design and construction upon satisfactory evidence of the commencement of the developments party to the agreement; and
- Where trunk infrastructure is provided by the proponent, Council will provide network specific offsets.

### **Proponent Obligations:**

- Proponents will commence the developments within a set timeframe;
- The proponents will maintain a satisfactory construction program. In this regard, the proponents are to provide development schedules and milestones;
- Proponents who deliver trunk infrastructure we deliver infrastructure to Councils specification;
- Proponents will pay scheduled infrastructure charges applicable at the time.

Specific clauses requiring enforcement of the obligations and/or conditions will be included in the Infrastructure Agreement to ensure that both parties deliver the intent and objectives of this policy. Default provisions will be included to ensure full payment of any Infrastructure Charges collectable under the agreement based on a yearly staged delivery schedule.

### **Infrastructure Charges and Offsets Obligations**

For the purposes of calculating offsets or refunds for development subject to an IA under this policy, no cross crediting between networks will apply and no infrastructure charges incentives will apply.

Constructor	Infrastructure Charges Payable	Offset	Infrastructure Incentives
Proponent	Proponent pays the charges as set out in Councils Adopted Infrastructure Charges Resolution applicable at the time.	Offset Infrastructure charges to be paid for the particular network by the actual value of the agreed trunk infrastructure. (No cross-crediting permitted).	Residential Delayed Payment Only
Council	Proponent pays the charges as set out in Councils Adopted Infrastructure Charges Resolution applicable at the time.	No Offsets apply.	Residential Delayed Payment Only

*Note:*

- 1 *Network Infrastructure Charges are to be determined by the infrastructure network splits as contained in Councils "Adopted Infrastructure Charge – Management Policy" in place at the time.*
- 2 *Infrastructure incentives based on adopted policy in force at the time.*

## 2.3 APPLICATION

Formal requests for Council to consider entering into an Infrastructure Agreement under this policy must be made in writing and must fully detail how the proposal achieves the policy criteria. Proposals will be assessed and where a proposal is deemed to comply, Council may consider enter into an Infrastructure Agreement with the proponents generally under the terms and conditions as outlined in the policy.

## 2.4 RELEVANT LEGISLATION

IA's must address the legislative infrastructure conditioning rules contained within the *Sustainable Planning Act 2009 (SPA)*.

Chapter 8 Part 4 of the SPA details the obligations, content and process which must be adhered to when entering an IA. In this regard, an IA under this policy is an agreement about:

- (a) providing or funding infrastructure; or
- (b) refunding payments made towards the cost of providing or funding infrastructure; and
- (c) the timing of the provision of infrastructure including the funding of infrastructure.

## 2.5 ASSOCIATED DOCUMENTS

*Fraser Coast Planning Scheme 2014*

*Sustainable Planning Act 2009*

Adopted Infrastructure Charges Resolution December 2016

Adopted Infrastructure Charge – Management Policy 2015