

ORD03

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SUBJECT: PRE-PUBLIC EXHIBITION – PONDICHERRY PLANNING AGREEMENT
FROM: Director Growth and Finance
EDMS #: 24/133011

PURPOSE OF REPORT

The purpose of this report is to inform Council of the draft Pondicherry Planning Agreement and to recommend that it be endorsed for public exhibition.

BACKGROUND

In March 2021, the developer Greenfields Development Company No. 2 Pty Ltd (GDC2) submitted a Planning Proposal for the Pondicherry Precinct. To deliver the infrastructure required as part of the Planning Proposal, GDC2 submitted an initial Letter of Offer (Initial Offer) to enter into a Voluntary Planning Agreement (VPA) with Council in October 2021. The Initial Offer was valued at approximately \$200 million which covers works and land dedications for local infrastructure.

Following amendments to the Indicative Layout Plan (ILP) as part of the planning proposal assessment process, a revised Letter of Offer (Revised Offer) was received in May 2022. The Revised Offer was valued at approximately \$204 million worth of works and land dedications.

In December 2022, Council's Development Contributions Management Committee (DCMC) endorsed the VPA in principle and formal negotiations to commence.

In April 2023, GDC2 lodged a further revised Letter of Offer (Letter of Offer) (**Attachment 1**) that formed the basis for the draft VPA. The Letter of Offer is valued at approximately \$206 million for works, land dedications and monetary contributions.

The draft VPA has been prepared by Council's solicitors and is provided as **Attachment 2** to this report. The Letter of Offer and draft VPA were reported to DCMC in March 2024 and were endorsed to be reported to Council seeking approval to publicly exhibit the draft planning agreement.

MAIN REPORT

Provision of infrastructure

The draft VPA has been based on the Letter of Offer, which reflects the required infrastructure under the draft ILP. The proposed infrastructure can be seen in Schedule 1 of **Attachment 2** and is summarised below:

- Local parks (active and passive) land dedication and works;
- Community centre land dedication and facility;
- Road works, bridge works, shared paths and land dedication;
- Riparian corridor land dedication, works and embellishment; and
- Stormwater drainage works and land dedication, including Pondicherry Lake.

The location of works and land dedication can be seen in **Figure 1**.

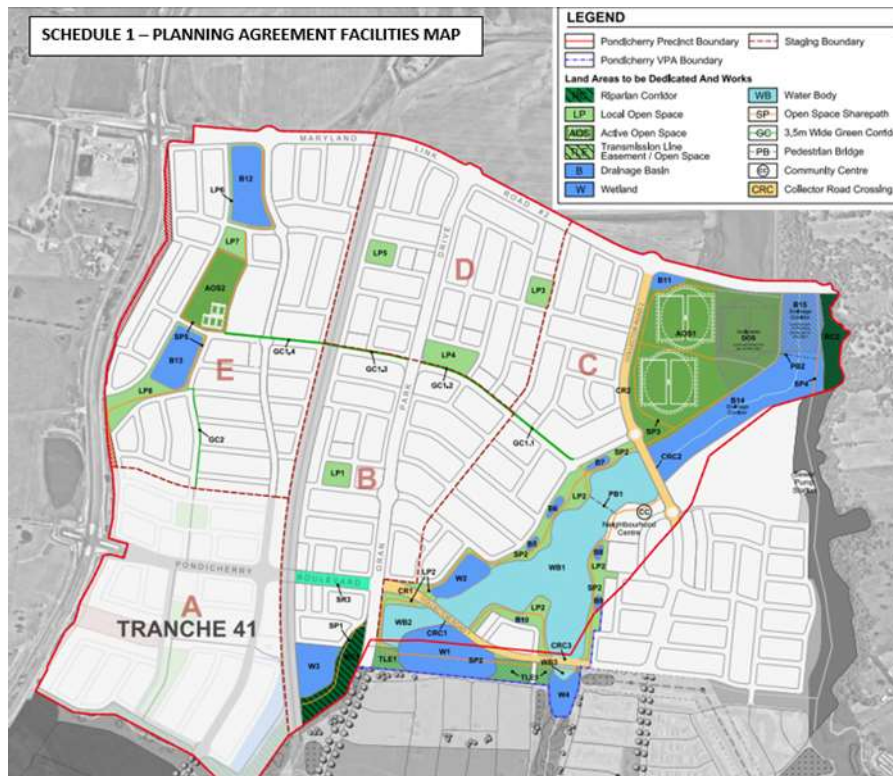


Figure 1 – Map of Pondicherry VPA works and land dedication.

The total value of the draft VPA is **\$205,658,058.91**. This equates to **\$93,480.94** per dwelling for 2,200 dwellings. This is summarised in **Table 1** below.

Table 1 – Summary of draft VPA value

Infrastructure	Total
Land dedication	\$115,906,200.00
Carrying out of works	\$88,863,533.91
Monetary contribution for lake pump replacement	\$121,550.00
Monetary contributions for lake maintenance (secondary contact)	\$766,775.00
TOTAL	\$205,658,058.91

Key VPA issues

Pondicherry Lake

The draft VPA includes the dedication and embellishment of the Pondicherry Lake (approx. 11.84 hectares). The lake forms part of the water cycle management strategy for the Precinct and performs a combined stormwater detention and catchment management function. This water body will be integrated into the urban environment and will form a focal point for the broader community and the open space network, which will encourage walking, cycling and passive open space recreation. However, the water body will be at a visual amenity water quality standard, which means that contact with the lake is not permissible.

The draft VPA also includes the option (time-limited to three years) for Council to nominate secondary recreation contact quality for the lake in addition to the visual amenity qualities mentioned above. This option is valued at \$766,775 (**Table 1**) and would include desilting of wetlands and bio-retention basins and water quality testing. The provisions to allow secondary recreation contact can be seen in Clause 19 of the draft VPA and the details of the monetary contributions towards the maintenance of the lake to facilitate secondary recreation contact can be seen in the works schedule of **Attachment 2**.

Should Council make the nomination to allow secondary recreation contact quality by the prescribed time, GDC2 offer to provide additional monetary contributions towards the costs associated with the maintenance and operation of the lake to secondary recreation contact quality. However, if Council elects not to pursue the secondary recreation contact option, the monetary contribution will not be provided to Council.

This report recommends that Council not pursue the secondary recreation contact option and for the water body to remain at the visual amenity quality standard. To ensure clarity during the public exhibition period, it is recommended that the draft VPA be amended prior to public exhibition, if Council supports this position.

Combined Development Lot Threshold

In the Letter of Offer, GDC2 proposed that the treatment of Final Lots across the three separate VPA areas of Oran Park, Tranche 41 and Pondicherry be treated under one Final Lot 'cap'. The combination of each three areas equates to a Combined Development Lot Threshold of 10,416 Final Lots. The Combined Development Lot Threshold is derived from the individual Final Lot thresholds of the three separate VPA areas and summarised in **Table 2**.

Table 2 – Summary of Final Lot development thresholds

<i>Planning agreement</i>	<i>Final Lot threshold under the VPA</i>
Oran Park Urban Release Area	7,756
Pondicherry Part Precinct (Tranche 41)	460
Draft Pondicherry Precinct	2,200
Combined Development Lot Threshold	10,416

While the three VPA areas have been planned separately, the Letter of Offer provides an expectation that the combined population within the three separate VPA areas would use the facilities across the three VPA areas without being confined to the VPA area in which they reside. Essentially, the Letter of Offer seeks to treat the provision of infrastructure between the three VPA areas (Oran Park, Tranche 41 and Pondicherry) as one catchment, despite being planned separately with separate agreements applicable for each area.

The intent of the Combined Development Lot Threshold is to enable GDC2 to transfer lots between any of the three VPA areas, provided it does not exceed the Combined Development Lot Threshold. If the Combined Development Threshold is exceeded, GDC2 will be required to pay a monetary contribution or dedicate an area of land as per **Table 3** below.

Table 3 – Additional contribution rates per dwelling above the threshold

<i>Development type</i>	<i>Occupancy rate</i>	<i>Monetary contribution</i>	<i>Land dedication</i>
Single, detached dwelling (low density)	3.33	\$60,000	150m2
Attached dwelling (medium density)	2.15	\$45,000	110m2
Apartment dwelling (high density)	1.23	\$30,000	75m2

GDC2 has committed to not transferring more than 250 detached dwelling lots, or the equivalent population forecast for a detached dwelling, within the catchment area of the three VPAs and within the Combined Development Lot Threshold.

The intent of combining the treatment of the Final Lot thresholds across the three VPA areas and commitment to not transferring more than 250 detached dwelling lots, or the equivalent population forecast for a detached dwelling, can be seen in the Explanatory Note under **Attachment 3**.

Details of the treatment of the Combined Development Lot Threshold can be seen under Clause 10 of the draft VPA (**Attachment 2**).

FINANCIAL IMPLICATIONS

The total value of the draft VPA is **\$204,891,283.91**, which excludes the secondary recreation contact option. If Council supports the secondary recreation contact scenario by the prescribed time, the additional monetary contributions for the maintenance of the lake to facilitate secondary recreation contact will be included. Accordingly, this results in the value of the draft VPA being **\$205,658,058.91**. Table 4 summarises the value of the draft VPA under each scenario and the equivalent per lot contribution for 2,200 lots.

Table 4 – Comparison of VPA values based on water quality scenario

<i>VPA scenario (water quality option)</i>	<i>Total VPA value</i>	<i>Per lot contribution</i>
Visual amenity	\$204,891,283.91	\$93,132.40
Secondary recreation	\$205,658,058.91	\$93,480.94

CONCLUSION

The draft VPA has been prepared to enable the delivery of local infrastructure to meet the demand generated by the proposed rezoning of the Pondicherry Precinct. The monetary value of local infrastructure is approximately \$206 million.

The draft VPA is considered supportable for the following reasons:

- The provision of infrastructure is considered consistent with the Planning Proposal and the Letter of Offer.
- The draft VPA primarily seeks to achieve visual amenity quality of the lake.
- The draft VPA provides an appropriate contribution towards additional social infrastructure in the event that GDC2 exceeds the Combined Development Lot Threshold of 10,416 lots.

Next steps

Should Council resolve to endorse the draft VPA, it will be placed on public exhibition as per the requirements of the *Environmental Planning and Assessment Act 1979*.

Council will then receive a further report on the results of the public exhibition.

RECOMMENDED

That Council:

- i. **endorse the draft Pondicherry Planning Agreement, with the exclusion of all references to secondary recreation contact as a future option, to be placed on public exhibition in accordance with the *Environmental Planning and Assessment Act 1979* and *Environmental Planning and Assessment Regulation 2021*; and**
- ii. **receive a further report on the outcomes of the public exhibition.**

ATTACHMENTS

1. Pondicherry VPA Letter of Offer
2. Draft Pondicherry VPA
3. Explanatory Note - Lot yields in Pondicherry, Oran Park and Tranche 41 VPAs