



Forrestfield / High Wycombe
Industrial Area Stage 1 –
Development Contribution
Plan Report 2020



Contents

1. Introduction	4
1.1 Background	4
1.2 Purpose of Development Contribution Plan	5
1.3 Status	5
1.4 Infrastructure Changes in Forrestfield / High Wycombe Industrial Area Stage 1	5
2. Infrastructure, Land and Other Items	6
2.1 Land Value	6
2.2 Roads / Intersections	7
2.2.1 Berkshire Road	7
2.2.3 Milner Road	8
2.2.4 Nardine / Ashby Close	9
2.2.5 Bonser Road (Previously known as Road 1).....	10
2.2.6 Nardine Close Extension (Road 2A)	11
2.2.7 Sultana Road West (50% contribution).....	11
2.2.8 Milner Road / Nardine Close Intersection.....	12
2.2.9 Berkshire Road / Ashby Close Intersection.....	12
2.2.10 Milner / Berkshire Road Intersection	12
2.2.11 Bush Forever Fencing	13
2.3 Land for Road Reserve.....	13
2.4 Administrative Items	14
2.5 Estimated Cost	15
3. Development Contribution Methodology	16
3.1 Cost Inputs	16
3.2 Area Inputs	16
3.3 Calculation.....	16
4. Priority and Timing of Provision	17
5. Period of Operation and Review	18
6. Operational Matters	19
6.1 Principles.....	19
7. Figures	20
7.1 Forrestfield / High Wycombe Local Structure Plan (As Amended)	20
8. Appendices	22

Appendix A: Berkshire Road.....22

Appendix B: Milner Road27

Appendix C: Nardine / Ashby Close36

Appendix D: Bonser Road.....37

Appendix E: Nardine Road Extension (Road 2A).....40

Appendix F: Sultana Road West42

Appendix G: Intersections49

Appendix H: Bush Forever Fencing.....50

Appendix I: Administrative Items.....51

Appendix J: Land Valuation.....53

Appendix K: General Ledger 19/20 to 31 March 202054

Appendix L: Forrestfield Industrial Area Stage 1 Statement of Financial Position as at 31 March 202078

1. Introduction

1.1 Background

The Forrestfield / High Wycombe development area is located within the City of Kalamunda (City) and is generally bounded by Maida Vale Road to the north, Roe Highway to the east, Berkshire Road to the south and Dundas Road to the west.

The Forrestfield / High Wycombe Local Structure Plan (the LSP) has been prepared to facilitate industrial subdivision and development within the area. Due to the nature of fragmented landownership a Development Contribution Plan (DCP) has been prepared to coordinate the provision of common infrastructure required to cater for development. The area affected by the DCP, adopted as Development Contribution Area 1 on the Local Planning Scheme No. 3 (LPS 3) map, is shown in Figure 1 below.



Figure 1 – Development Contribution Area 1 – Forrestfield Light Industrial Area – Stage 1

1.2 Purpose of Development Contribution Plan

This report has been prepared to set out in detail:

- a) The infrastructure, land and other items for which development contributions are to be collected;
- b) How land values are calculated, and the valuation methodology applied;
- c) A review of cost estimates of infrastructure and administrative items;
- d) A calculation of the cost contribution rate applicable;
- e) Principles for the priority and timing of infrastructure provision and land acquisition; and
- f) Various other operational matters.

1.3 Status

This DCP Report has been prepared pursuant to Clause 6.5.3 of the City's Local Planning Scheme No.3 (LPS3). The DCP Report should be read in conjunction with Clause 6.5 and Schedule 12 of LPS3 and the LSP.

This DCP Report does not form part of LPS3 but has been prepared generally in accordance with Schedule 12 of LPS3.

1.4 Infrastructure Changes in Forrestfield / High Wycombe Industrial Area Stage 1

Infrastructure included within the DCP is guided by Schedule 12 of the LPS 3 and the LSP. In previous reviews of the DCP there has been modifications made by the City to these instruments to respond to changes in the planning framework in the area, which has resulted in the modifications to relevant infrastructure items included in the DCP being adjusted at the annual DCP review. These modifications include:

- a) Modification of Berkshire / Milner / Dundas Road to a full movement intersection.
- b) Removal of upgrades to Dundas Road.
- c) Inclusion of the extension of Nardine Close (previously referred to as Road 2a) through to Lot 50 and 51 Sultana Road West. This was divided into two stages (see section 2.2.6 of this report); the first stage was completed in 2019 and the second stage was removed as an infrastructure item included in this DCP Report and funded by the DCP.
- d) Demolition and compensation for garage on Lot 51 to facilitate the Nardine Close extension.
- e) Relocation of proposed Bonser Road to the southern boundary of Lot 547 (291) Berkshire Road, Forrestfield.
- f) Removal of an entry statement on Berkshire Road.
- g) Removal of carriageway widening to Berkshire Road.
- h) Updated administration costs.
- i) Revised utility relocation estimates (now within each relevant road cost estimate).
- j) Accounting for contributions received and land purchased.

2. Infrastructure, Land and Other Items

This section of the DCP Report identifies the infrastructure, land and other items for which development contributions will be collected. These items include:

- a) Land for roads and intersections;
- b) Roads and intersection construction requirements;
- c) Landscaping;
- d) Fencing treatment to Bush Forever; and
- e) Administration costs.

2.1 Land Value

Land is required to deliver the infrastructure outlined within the DCP. To determine the total cost of items, an estimate of land value needs to be identified. For the purposes of land acquisitions, the net land value is to be determined in accordance with the definition of "value" in LPS3 Clause 6.5.12.

LPS3 Amendment 88 introduced text into Clause 6.5.12 to read "Valuation methodology will be defined for each particular arrangement by the applicable Development Contribution Plan Report." In this case, the City has received advice that indicates that in the context of the nature of highly fragmented land ownership, static feasibility valuations will be undertaken for all land parcels; however, for the purposes of implementing a single land value for the DCP a combination of the comparative sales approach, piecemeal approach and an average rate approach will be utilised.

This approach is consistent with previous versions of the DCP and is the most appropriate methodology for the purposes of the ongoing administration of the DCP.

Valuation reports completed March 2020 indicate a land value rate of \$250/m². A copy of this valuation is provided in Appendix J.

2.2 Roads / Intersections

Note: All service and utility relocation cost estimates and street lighting have been included as part of road or intersection upgrade estimates.

2.2.1 Berkshire Road

Berkshire Road is an existing road and borders a significant portion of the LSP area. Berkshire Road is required to be upgraded to service the future development envisaged by the LSP.

The following items are included in the DCP for Berkshire Road:

- a) Completion, upgrade and repair of the 2m wide footpath along the north side of Berkshire Road to provide a continuous path between Milner Road and Roe Highway.
- b) Adjusting consumer lines crossing the road to provide unrestricted clearance for RAV7 vehicles.

In January 2020, the City received State Government funding through the WA Bicycle Network (WABN) scheme to undertake a design for shared paths on Berkshire and Dundas Road. Subject to the designs and construction estimates being finalised in 2021, the City anticipates grant funding for this project to become available. At this stage, it is not certain that WABN funding for construction will be available. As a result, the DCP has been amended for Berkshire Road to remove the shared path item and instead include the completion and necessary upgrades to the existing 2m wide footpath on the northern side of Berkshire Road as the lowest cost / certainty item to facilitate pedestrian movements from the developments of the lots.

The future development cost for Berkshire Road is estimated at \$150,693

A detailed breakdown of the cost is provided in Appendix A.

2.2.3 Milner Road

Milner Road is an existing road and borders the northern boundary of the LSP area. Milner Road is required to be upgraded to service the future development envisaged by the LSP.

The following items are included in the DCP for Milner Road:

- Widen the carriageway from 7.4m to achieve a 10m wide carriageway.
- Remove existing pedestrian paths and reinstate the verge area.
- Construction of a 2.5m shared path to provide a connection between Berkshire Road and Sultana Road West.
- Install street lighting between Berkshire Road and Sultana Road West to comply with Lighting standards.
- Road upgrades to accommodate category RAV7 vehicles between Berkshire Road and Nardine Close.
- Road upgrades to accommodate category RAV4 vehicles between Nardine Close and Sultana Road West.

The future development cost for Milner Road is estimated at \$856,900

A detailed breakdown of the cost is provided in Appendix B.

2.2.4 Nardine / Ashby Close

Nardine / Ashby Close are existing roads providing the primary connection through the industrial area from Berkshire Road to Milner Road. The following Nardine / Ashby Close upgrades were completed in July 2019:

- Creation of new road reserve section between existing cul-de-sac and Ashby Close alignment.
- Construction of a new 10-metre wide road section from the existing cul-de-sac south to provide connection to Ashby Close.
- Widen existing carriageway to provide a 10-metre-wide carriageway. Road and intersection upgrades to accommodate category RAV7 vehicles.
- Construction of drainage swales along the road verge sections in accordance with the LSP.
- Construction of a shared path to provide connection between Milner Road and Ashby Close.

The following road modifications are proposed to be completed on an as needs basis, on the advice of the City of Kalamunda's Asset Services and endorsement by Council:

- Modifications to the Ashby Close and Berkshire Road intersection to restrict access to left in, left out only.

The development cost for Nardine / Ashby Close is \$1,613,942

A summary of expenses for this project is provided in Appendix C.

2.2.5 Bonser Road (Previously known as Road 1)

Bonser Road is a new road providing a connection between Nardine Close and Berkshire Road. This road is required to be created to service the future development envisaged by the LSP.

The following items are included in the DCP for Bonser Road:

- Creation of new road reserve section between Berkshire Road and Nardine Close.
- Construction of a new 10-metre wide road Berkshire Road to Nardine Close.
- Construction of drainage swales along the road verge sections in accordance with the LSP.
- Construction of a footpath along the north side to provide connection between Nardine Close and Berkshire Road.
- Road and intersection upgrades to accommodate category RAV7 vehicles.
- Supply and installation of street trees.

Bonser Road construction will be divided into two stages:

- 1) The construction of Bonser Road the exception of road works (truncations) impacting Lots 16 and 17 Berkshire Road. This first stage would result in a road that is not to a standard suitable for a category RAV7 vehicle. The acquisition of truncations for Lots 16 and 17 Berkshire Road is required in order to facilitate the full construction of an intersection for RAV 7 vehicles. This stage was completed in
- 2) Following the acquisition of truncations from Lots 16 and 17 Berkshire Road, upgrades to bring the intersections up to a standard suitable for category RAV7 vehicles.

The total development cost for Bonser Road is \$587,657

Stage 1: \$510,966

Stage 2: \$76,691

A breakdown of expenses is provided in Appendix D.

2.2.6 Nardine Close Extension (Road 2A)

Nardine Close extension is a new road providing access to lots currently serviced by a series of battle-axe legs. Nardine Close extension is required to be created to service the future development envisaged by the LSP.

The following items are included in the DCP for the Nardine Close extension:

- Construction of a new 10-metre-wide section to service current battleaxe configured lots.
- Construction of drainage swales along the road verge sections in accordance with the Drainage Strategy.
- Roads will only be constructed to service current battleaxe configured lots if land assembly and consolidation processes do not provide the affected lands with access from gazetted and constructed public roads.
- Creation of a new 20m road reserve section as required.
- Associated service installation and relocation.

Nardine Close Extension was initially planned in two stages:

- Stage 1: The creation of a road reserve and road construction including a temporary cul-de-sac up to the south-west boundary of Lot 51 (168) Sultana Road West. This stage was completed in July 2019.
- Stage 2: The creation of a road reserve and road construction including a cul-de-sac up to the south-west boundary of Lot 50 (170) Sultana Road West.

With regard to Stage 2 of the Nardine Close extension (Road 2A), in May 2020, Development Approval was granted for a place of worship at lot 50 Sultana Road West, that would utilise Sultana Road West as access entirely, and would not require internal light industrial oriented access to the Forrestfield / High Wycombe Industrial area, via Nardine Close.

From 28 July 2020, Stage 2 of the Nardine Close extension will no longer be included as an item included in the DCP Report for the purposes of establishing the cost contribution rate. Works are however required to finalise the existing temporary cul-de-sac to bring it up to a permanent standard and construct an emergency accessway between the cul-de-sac head and Sultana Road West.

The development cost for Stage 1 and estimated costs for Stage 2 of Nardine Close Extension (Road 2A) is:

Stage 1: \$562,691 (Completed)

Works to bring the existing temporary cul-de-sac to a permanent standard: \$264,400 (Estimated)

Total: \$827,091

A detailed breakdown of the cost is provided in Appendix E.

2.2.7 Sultana Road West (50% contribution)

Sultana Road West is an existing road and borders a significant portion of the Forrestfield North Residential Precinct LSP area to the east. Sultana Road West is required to be upgraded to service the future development envisaged by the LSP. The DCP will fund 50% of any required modifications to Sultana Road.

The following items are included in the DCP for Sultana Road West:

- Carriageway widening between Milner Road and Lot 222 (128) Sultana Road West from 6m to achieve a 9-metre-wide carriageway.
- Construction of drainage swales along the road verge sections for stormwater disposal.
- Construction of a footpath along the west side to provide a connection between Milner Road and Lot 222 (128) Sultana Road West.
- Milner Road / Sultana Road West intersection upgrades to accommodate RAV 4 access.
- Install street lighting to comply with lighting standards.

The original estimates had provision for a 2.5m wide path, however, the path does not form part of the City's overarching Bicycle Plan and therefore does not require a path wider than 1.8m. Therefore, allowance has now been made for a 1.8m wide path.

The future development cost for Sultana Road West is estimated at:

Total: \$1,707,822

50% contribution from DCA1: \$853,911

A detailed breakdown of the estimated costs is provided in Appendix F.

2.2.8 Milner Road / Nardine Close Intersection

Milner Road and Nardine Close intersection is required to be upgraded to service the future development envisaged by the LSP. This intersection was completed in November 2019.

The development cost for Nardine Close / Milner Road intersection is \$300,076

A summary of expenses for this project is provided in Appendix G.

2.2.9 Berkshire Road / Ashby Close Intersection

Ashby Close / Berkshire Road intersection is required to be upgraded to service the future development envisaged by the LSP. The intersection construction works were completed in October 2019.

The development cost for Berkshire Road / Ashby Close intersection is \$276,771

A summary of expenses for this project is provided in Appendix G.

2.2.10 Milner / Berkshire Road Intersection

Milner / Berkshire Road intersection is required to be upgraded to service the future development envisaged by the LSP. The intersection construction works were completed in December 2019.

An \$80,000 contribution from the State Government to the upgrade of this intersection has been received, this has been accounted for in the costs included in the DCP.

The development cost for Milner Road / Berkshire Road intersection is \$960,233

A summary of expenses for this project is provided in Appendix G.

2.2.11 Bush Forever Fencing

The 'Bush Forever' site is located at the southern end of the site between Nardine Close and Sultana Road West. The Department of Planning, Lands and Heritage has previously outlined their expectation that the DCP cover the cost of the fencing. This infrastructure item is also included in Schedule 12 (k) of the Local Planning Scheme No. 3.

The future development cost for Bush Forever Fencing is estimated at \$105,875.33. A detailed breakdown of the cost is provided in Appendix H.

From 28 July 2020 estimates costs associated with the Bush Forever Fencing was removed from the DCP Report. Accordingly, the estimated cost of \$105,875.33 is not included as a cost input for the purposes of establishing the cost contribution rate.

2.3 Land for Road Reserve

The DCP takes responsibility for acquiring DCP road reserve land where the existing reserve is widened or where the road is a new road.

See Section 2.1 for information on land valuation methodology.

The following table summarises land acquisition that has occurred since the commencement of the DCP:

Property Address	Acquisition Area (m ²)	Purpose
Lot 303 (16) Ashby Close	2,022	Nardine/Ashby
Lot 305 (21) Ashby Close	3,292	Nardine/Ashby
Lot 306 (19) Ashby Close	1,311	Nardine/Ashby
Lot 307 (17) Ashby Close	799	Nardine/Ashby
Lot 304 (10) Ashby Close	302	Nardine/Ashby
Lot 1100 (7) Ashby Close	166	Berkshire / Ashby Intersection
Lot 302 (249) Berkshire Road	1,097	Nardine/Ashby
Lot 1015 (283) Berkshire Road	7	Nardine/Ashby
Lot 99 (271) Berkshire Road	2,443	Nardine/Ashby
Lot 301 (251) Berkshire Road	2,194	Nardine/Ashby
Lot 810 (137-151) Milner Road	95	Milner / Nardine Intersection
Lot 1218 (67) Nardine Close	180	Nardine/Ashby

Lot 308 (166) Sultana Road West	2,370	Nardine Close extension
Total	16,277.5m²	\$4,225,510

The following table summarises the remaining road reserve acquisitions:

Property Address	Remaining Acquisition Area (m ²)	Remaining Acquisition Cost
Lot 16 (285) Berkshire Road	132	\$33,000
Lot 17 (287) Berkshire Road	76	\$19,000
Lot 547 (291) Berkshire Road	7,302	1,825,500
Lot 51 (168) Sultana Road West	218	\$54,500
Lot 308 (166) Sultana Road West	1,812	\$453,000
Lot 7 (90) Milner Road	18.06	\$4,515
Lot 203 (121) Milner Road	19.5*	\$2,450*
Lot 1563 (85) Milner Road	12.5*	\$1,575*
Total	9,574.06	\$2,393,515

**As this land is required to be purchased for Sultana Road West infrastructure, 50% of the costs for required land area is included in the Remaining Acquisition Cost column.*

2.4 Administrative Items

Administrative items include all expended and estimated future costs associated with administration, planning and development of the LSP, DCP and any technical documents necessary for the implementation of the above, including:

- Planning studies;
- Road design costs;
- Legal costs;
- Other related technical and professional studies; and
- Scheme Management Costs (including administration and management of the DCP).

The cost for administrative items is:

Administrative Costs to 31 March 2020: \$573,912.89

Future Administrative Costs: \$345,000

Total: \$918,912.89

A detailed breakdown of the costs is provided in Appendix H.

2.5 Estimated Cost

The following table provides a summary of the estimated cost for all infrastructure, land and other items within the DCP.

Item	Actual as at 31/3/2020	Remaining	Total
Berkshire Road	\$0	\$150,692.99	\$150,692.99
Milner Road	\$0	\$856,900.33	\$856,900.33
Nardine/Ashby Close	\$1,613,941.60	\$0	\$1,613,941.60
Bonser Road	\$0	\$587,657.45	\$587,657.45
Nardine Close Extension (Road 2A) Stage 1	\$562,691	\$0	\$562,691
Nardine Close Extension (Road 2A) Completion of cul-de-sac and emergency access way	\$0	\$264,400	\$264,400
Sultana Road West	\$0	\$853,910.97	\$853,910.97
Nardine Close/Milner Road Intersection	\$295,076	\$5,000	\$300,076
Ashby Close/Berkshire Road Intersection	\$268,042	\$8,729	\$276,771
Berkshire/Milner Road Intersection	\$955,233	\$5,000	\$960,233
Land for Roads	\$4,225,510	\$2,393,515	\$6,619,025
State Government Contribution towards Berkshire/Milner Intersection – Forrestfield Airport Link	\$0	-\$80,000	-\$80,000
Subtotal – Infrastructure	\$7,920,493.60	\$5,125,805.73	\$12,966,299.33
Administration Items	\$573,912.89	\$345,000	\$918,912.89
Total			\$13,885,212.22
Gross / Net Variation**	\$0	-\$195,463.00	-\$195,463.00

***Initial versions of the DCP calculated contributions based on a gross area (calculated based on total land area) and collected on a net area (deducting areas for road reservations). This resulted in a short fall of contributions of approximately \$195,463. Under the previous DCP calculation methodology, the short fall was proposed to be dealt with by Council at the end of the DCP. As a result of the most recent review and with all payments being considered interim until the conclusion of the DCP, the shortfall will no longer occur as all contributions will be reconciled to the final DCP amount. In this context, the deduction that was previously included has been removed from the calculation of the DCP rate.*

A copy of the General Ledger account is contained in Appendix K.

A copy of the Financial Report for the Forrestfield Industrial Area Stage 1 Statement of Financial Position as at 31 March 2020 is contained in Appendix L.

3. Development Contribution Methodology

This section of the DCP Report sets out the methodology for determining the development contributions applicable. The development area is characterised by a single precinct and development contributions are made on a 'per square metre' basis.

Schedule 12 of LPS3 sets out the method for calculating contributions:

$$\text{Contribution rate} = \frac{\text{Cost of infrastructure items} + \text{cost of administrative items (\$)}}{\text{Net lot area of DCA (m}^2\text{)}}$$

In order to comply with the requirements of LPS3 and State Planning Policy 3.6, and to proceed with the operation of the DCP in a practical and equitable manner, the equation included in the above method will be used, but the City will not apply the supplementary notes included below the equation (in particular the use of 'funds held as money' or contributions collected) as outlined in Schedule 12 of LPS3.

3.1 Cost Inputs

Cost Input	\$/m ²
Cost of infrastructure items	\$12,966,299.33
Cost of administrative items	\$918,912.89

3.2 Area Inputs

Area Input	Area
Contribution Area	690,411m ²
Area of Road Reserve	28,124.56m ²
Net lot area	662,286.44m²

3.3 Calculation

	Cost of infrastructure items	+	Cost of administrative items (\$)
\$	12,966,299.33		\$ 918,912.89
	Net lot area of DCA (m²)		
	662,286.44		
Contribution Rate	=	\$	20.97

4. Priority and Timing of Provision

The following key principles are utilised to guide the identification of priorities for the provision of infrastructure and land acquisition, including:

- Ensuring a constant turnover of funds – By managing the cash flow of the DCP, the City can optimise the use of funds between land acquisition and civil works and recoument of developer pre-funding.
- Prioritising the purchase of land identified for public purposes that encompasses all of, or a substantial portion of, one landholding – such landholdings are essentially “quarantined” from subdivision and/or development and would be difficult to sell to a private buyer.
- Constructing infrastructure on an “as needs” basis to facilitate development – This is especially apparent in the context of road upgrades.
- Undertaking works and land acquisition in areas of fragmented ownership – this assists in the successful and coordinated development of these areas. In areas of consolidated ownership, most infrastructure and land is provided by the developer as offsets to cost contributions.
- Grant funding opportunities – the City will actively seek grant funding to assist in the provision of DCP infrastructure. In most instances, the use of grant funding is reliant on the City providing a matching or partial contribution. The City may utilise DCP funds and elevate the priority and timing of an infrastructure item to capitalise on grant funding opportunities. This approach is beneficial to the long- term financial viability of the DCP.

Subject to the availability of funding, the following items have been determined by the City as current priority items:

Completed Priorities (or under construction):

- Nardine / Ashby Close design, land acquisition and construction;
- Nardine Close / Milner Road intersection design and construction;
- Ashby Close / Berkshire Road intersection design and construction;
- Berkshire / Milner Road intersection design and construction; and
- Nardine Close Extension (Road 2A: Stage 1) design and construction.

Scheduled Priorities:

1. Administration Costs, including designs to support detailed cost estimates (ongoing);
2. Land acquisition and construction requirements associated with establishing the Nardine Close temporary cul-de-sac to a permanent standard and constructing an emergency accessway between the Nardine Close cul-de-sac and Sultana Road West.
3. Bonser Road (previously referred to as Road 1) is being prefunded by the landowner of Lot 547 Berkshire Road, the road was completed in June 2020. Although the construction of Bonser Road is completed, this is included in the priority list as the DCP is yet to repay the land acquisition, design and construction costs to the landowner. It is further noted that this item includes a second stage which will follow the acquisition of truncations from Lots 16 and 17 Berkshire Road, upgrades to bring the Bonser Road intersections up to a standard suitable for category RAV7 vehicles;
4. Milner Road construction; and
5. Sultana Road West construction.

The above scheduled works are listed in order of priority. The identification of priorities will be undertaken as part of the annual cost estimate review and associated DCP Report update.

5. Period of Operation and Review

The DCP will operate for a period of 10 years, being the date of gazettal of the related scheme amendment to incorporate the DCP into LPS3 as Schedule 12.

The DCP Scheme will be reviewed at least every 5 years from the date of gazettal or earlier when considered appropriate, having regard to the rate of subsequent development in the area since the last review and the degree of development potential still existing.

The DCP Report, incorporating cost estimates, will be reviewed at least annually, allowing for more frequent reviews to be completed on an as-required basis having regard to cost volatility and development priorities.

6. Operational Matters

This section of the DCP Report addresses various operational matters associated with the DCP.

6.1 Principles

Refer Clause 6.5.6 of LPS3.

7. Figures

7.1 Forrestfield / High Wycombe Local Structure Plan (As Amended)

