

Hobart & Glenorchy City Council's Glenorchy to Hobart Public Transit Corridor Implementation Facilitation Report



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Authorised by: 
 Dr James McIntosh

Date: 7 June 2018



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1 Introduction

LUTI Consulting was engaged by the Hobart City Council to act as an implementation facilitator of the land side benefits of the Hobart to Glenorchy rail corridor project with a particular focus on engaging with the public and private sectors by way of direct engagements through technical stakeholder workshops, public engagement through an open forum, and a series of one on one meetings with public and private sector stakeholders.

This report details the findings of these engagements

1.1 Assumptions and Limitations

This report should be read in consideration of the assumptions and limitations outlined below:

- LUTI Consulting was engaged to undertake the role of project facilitator and when conducting this role LUTI Consulting and their team of sub-consultants took all due care to reflect the direction of the Local Government Working Group when presenting and/or discussing the project on their behalf.
- Where the report refers to the "Business Case" it is referring to the economic and financial appraisal of the benefits and costs of the investment in the integrated land use and transit corridor project in accordance with the Infrastructure Australia assessment framework¹.

1.2 Scope

The project should consider the following questions:

1. Engage with the State and Federal Governments;
2. Promotion of the potential value created through urban regeneration and transit oriented development along the Hobart to Glenorchy Corridor;
3. Identify private equity interest in urban renewal and transit oriented development along the Hobart to Glenorchy corridor;
4. Identify possible funding sources and/or partnerships;
5. Develop a recommended action plan for State and Local government with regards to stimulating developer demand;
6. Engage with the State Government in relation to the actions identified as State responsibility in the project implementation plan in Section 9 of the GHD report.

¹ http://infrastructureaustralia.gov.au/policy-publications/publications/files/IFA_Infrastructure_Australia_Assessment_Framework_Refresh_v26_lowres.pdf



2 Engage with State and Commonwealth Government in relation to the actions in the implementation plan in the GHD report

A key focus of the engagement strategy was to undertake a project workshop in Hobart to demonstrate the learnings from other integrated projects interstate, and focus on the opportunities created by the *Glenorchy to Hobart Public Transit Corridor Project* and detail the steps forward to make it a reality.

2.1 Integrated Land Use, Transport and Urban Renewal Stakeholder Workshop

The Integrated Transport Workshop was held on Thursday 15 February 2018, and during this workshop, the following project team members presented on the following areas:

- **James McIntosh** – Land Market Integration, Value Creation and Sharing;
- **Brendan Leary** – Government assessment of economic benefit and benefit realisation;
- **Richard Wood** – Affordable Housing and how it could be incorporated into the project.

The intention of the workshop was to demonstrate to a broad cross section of the Local Government and State Government as well as relevant members of the private sector the benefits of integrate land use and transit planning as well as the opportunity to include an affordable housing strategy to address the rising need for housing supply in greater Hobart. The workshop invitees included the following people and organisations:

Name	Organisation
James McIlhenny	City of Hobart
Philip Holliday	City of Hobart
Neil Noye	City of Hobart
Angela Moore	City of Hobart
Rohan Probert	City of Hobart
Lucy Knott	City of Hobart
Stuart Baird	City of Hobart
Allan Garcia	Infrastructure Tasmania
Catherine Galloway	Macquarie Point Development Corporation
Liza Fallon	Department of Justice
Sean McPhail	Department of Justice
Brian Risby	Department of Justice
Michael Kerschbaum	Master Builders Australia
Chris Breen	Metro Tasmania
Jill Sleiters	Glenorchy City Council
Elisa Ryan	Glenorchy City Council
Frank Chen	Glenorchy City Council
Amir Mousari	Glenorchy City Council
Vanessa Tomlin	Glenorchy City Council
Erin McGoldrick	Glenorchy City Council
Quecha Horning	Glenorchy City Council
Dan Verdouw	State Growth
Di Gee	State Growth
Anthony Reid	Coordinator General's Office
Don McCrae	Salvation Army
Ann Carr	Department of Health
Patricia Davis	Department of Health
Dr Helen Norrie	UTAS



2.2 Direct meetings with Local, State and Commonwealth Government Agencies to identify possible funding sources and/or partnerships

In addition to the workshop the project team engaged with representatives from several of the agencies directly to drive positive engagement with the project. This direct engagement included the following meetings:

Date	Project Team Attendees	Agency Staff	Meeting Purpose	Feedback from the meeting
City of Gold Coast				
15/11/2017	<ul style="list-style-type: none"> Hobart and Glenorchy Public Transit Corridor Steering Committee 	Gold Coast City Council Ken Deutscher	The purpose of the meeting was for Ken to share the learning of the journey the City of Gold Coast has experienced in getting stages 1 and 2 of their light rail invested in by the 3 tiers of Australian Government.	Ken's advice was that developing an overarching transport strategy for the city is critical, and that the LRT forms a critical role for the city. The State Government needs to re-enforce the city's transport strategy. Joint feasibility study between the Commonwealth, State and Local Governments was essential. The project needs friends in key places and a project sponsor. Need to demonstrate that the City Shaping Benefits of LRT are a critical element of the investment (and are not delivered by BRT). City of Gold Coast would be happy to host a delegation from Hobart and Glenorchy Councils to present their learnings and processes.



Date	Project Team Attendees	Agency Staff	Meeting Purpose	Feedback from the meeting
Tasmanian State Government - Department of State Growth				
14/12/2017 2:00PM	<ul style="list-style-type: none"> James McIntosh (LUTI) James Mcilhenny (HCC) 	Department of State Growth <ul style="list-style-type: none"> Selena Dixon Anne Beach Fiona Mcleod Sarah Poortenaar Stan Corrigan 	<p>The purpose of the meeting is to discuss the following items with State Growth:</p> <ul style="list-style-type: none"> the way integrated land use and transit projects are evaluated elsewhere; the urban renewal opportunity unlocked by the investment in transit as described by GHD. 	<p>James McIntosh presented to State Growth on how similar projects to the Glenorchy to Hobart LRT Corridor urban renewal project were undertaken elsewhere, and examples from Sydney Metro and Gold Coast LRT were given.</p> <p>State Growth were positive and stated that whilst the technical elements could be undertaken it would require a policy position from the state to progress the evaluation of these elements of the project.</p>
Tasmanian State Government - Department of Health and Human Services				
15/02/2018 3:00PM – 4:00PM	<ul style="list-style-type: none"> James McIntosh (LUTI) Brendan Leary (Corview) Richard Wood (LAHC) 	Department of Health and Human Services <ul style="list-style-type: none"> Peter White - Chief Executive Richard Gilmour - Director 	<p>The purpose of the meeting is for Richard Wood to meet with Peter White and the rest of the DHHS Housing Team to discuss the opportunities created by the Communities Plus Model in NSW, and how it could be applied in Hobart as part of the Hobart City Deal.</p>	<p>The meeting with DHHS was structured on how social and affordable housing could form part of the Glenorchy to Hobart LRT Corridor urban renewal project.</p> <p>Peter White was very positive, and believed that once the urban renewal project was being developed DHHS would be keen to be involved in developing a housing delivery model similar to Communities Plus in NSW.</p>



Date	Project Team Attendees	Agency Staff	Meeting Purpose	Feedback from the meeting
Commonwealth Government - Department of Infrastructure, Regional Development and Cities - Cities Division				
16/03/2018	<ul style="list-style-type: none"> James McIntosh (LUTI) Brendan Leary (Corview) 	Department of Infrastructure, Regional Development and Cities - Cities Division <ul style="list-style-type: none"> Mary Wiley-Smith - Executive Director 	The purpose of the meeting with DIRDC was regarding the Hobart City Deal and the role that the LRT and Urban Renewal Corridor would play.	<p>DIRDC declined to have a meeting with the project team, and made the following response,</p> <p>“In the early stages of a city deal we work directly with the other levels of government – not through consultants or intermediaries.</p> <p>We have spoken to the councils involved in the Hobart deal, and they are very comfortable with this approach.”</p> <p>In light of this response from DIRDC it would be appropriate for the Council’s to make contact with Mary Wiley-Smith from DIRDC directly.</p>
Commonwealth Government - Infrastructure and Project Financing Agency				
23/03/2018 3:30PM – 4:30PM	<ul style="list-style-type: none"> James McIntosh (LUTI) Brendan Leary (Corview) 	Infrastructure and Project Financing Agency IPFA Offices, Level 5, 100 Market Street, Sydney <ul style="list-style-type: none"> Leilani Frew - Chief Executive Peter Vozzo - Director 	Meeting to discuss Hobart Light Rail’s funding and financing opportunities.	<p>The meeting with the IPFA made it clear that it sees its role to help with facilitating a recoverable grant to the project.</p> <p>IPFA needs to have confidence that the State and Local Governments will enact intervention based charging mechanisms, such that the IPFA could effectively finance the investment in the Hobart LRT Project.</p> <p>The ideal scenario would be like the Gold Coast Council’s Transit Improvement fund into which the mechanism’s revenue is hypothecated.</p>



Date	Project Team Attendees	Agency Staff	Meeting Purpose	Feedback from the meeting
Commonwealth Government - Infrastructure Australia				
30/04/2018	<ul style="list-style-type: none"> • James McIntosh (LUTI) • Brendan Leary (Corview) 	<p>Infrastructure Australia 21/126 Phillip St, Sydney</p> <ul style="list-style-type: none"> • Anna Chau - Executive Director of Project Advisory • Robin Jackson - Strategic Advisor 	<p>Meeting to discuss Hobart Light Rail's pathway to be put on Infrastructure Australia's "Infrastructure Priority List" and seek potential project development funding for the "Urban Renewal Economic Appraisal".</p>	<p>IA stated that the Tasmanian Government had been submitted the project to be placed on the Infrastructure Priority List. It did not get on the list and the Tasmanian Government were provided with an explanation of why it did not, stating that it was a "Transport focussed proposal".</p> <p>IA stated that in their view the project required a "Problem Identification" to clearly delineate what problem the project was seeking to address.</p> <p>An initiative submission could be made by the Council's, but it must meet the national significance guidelines. To do so the project needs to clearly demonstrate that the "cost of the problem/opportunity exceeds \$30M/year annually" to meet IA's requirements.</p> <p>IA stated that a joint submission would be a preferred option (UTAS STEM, and Brisbane Metro submissions were cited).</p> <p>IA encourage integrated Land Use and Transport project submissions and this is reflected in their new guidelines:</p> <p>http://infrastructureaustralia.gov.au/policy-publications/publications/files/IFA_Infrastructure_Assessment_Framework_Refresh_v26_low_res.pdf</p>



3 Public promotion of the potential value created through urban regeneration and transit oriented development along the Hobart to Glenorchy Corridor

3.1 Integrated Land Use, Transport and Urban Renewal Public Forum

In addition to the inter-governmental agency workshop undertaken on the morning of the 15th of February, the project team ran a public forum to inform the broader stakeholders of the city of the urban regeneration and productivity benefits that would be created from the investment in the Glenorchy to Hobart Public Transit Corridor Project.

The real benefit of conducting this forum was to demonstrate to the stakeholders the benefits of integrated land use and transit planning elsewhere, as well as the potential that could be created on the Glenorchy to Hobart Public Transit Corridor Project.

The forum members consisted of the following members:

Organisation	Name	Role	Area of Expertise
University of Tasmania	Professor Richard Eccleston	Panel Chair	Facilitator
LUTI Consulting	Dr James McIntosh	Panel Member	Urban Economics and Land Use and Transit Integration
Corview	Brendan Leary	Panel Member	Economics and City Deals
NSW Land and Housing Corporation	Richard Wood	Panel Member	Social and Affordable Housing
Emma Riley & Associates	Emma Riley	Panel Member	Urban Planning in Tasmania

The forum was chaired by Dr Richard Eccelstone, where he asked a series of questions of the panel on their area of expertise (Government investment opportunities, integrated project development, economic stimulus, land market uplift, etc.), and this was followed by an open forum for people to ask questions of the project team in a panel environment.

The open forum had approximately 80 to 100 members of the public, stakeholders and industry groups present, and the debate ranged on topics of: public transport's role for Greater Hobart in solving the current traffic issues; housing affordability and what the corridor project could do to alleviate it; urban productivity and the options for the growing Hobart region; what an infill corridor would look like, and so on.

Richard posed to each of the panel members on how the State Government should respond to a City Deal for Hobart and what should be done to bring it to a reality. The responses were well received by the audience and overall the panel environment raised a significant amount of public interest in the Integrated Transport and Urban Development Project along the Glenorchy to Hobart Rail Corridor.



3.2 Other media presentations to support the project

In addition to the Public Forum, James McIntosh conducted the following media engagements to promote the integration of urban renewal and transit along the rail corridor, as well as promoting the public forum itself:

Date	Media Agency	Interviewer	Area of discussion
14/02/2018 7:00AM (Approx.)	ABC Local Radio	Ryk Goddard	<ul style="list-style-type: none"> • The role of Light Rail in facilitating multimodal transport for Hobart; • Multimodal public transport for Hobart and what it could look like; • How the Hobart LRT could facilitate urban renewal.
14/02/2018	The Mercury	Simeon Thomas-Wilson	<ul style="list-style-type: none"> • Integrated Planning and Urban Renewal; • The public forum agenda and who would be speaking at the event; • The role of the LRT in facilitating affordable housing along the corridor.
15/02/2018	ABC Television	Natalie Whiting	<ul style="list-style-type: none"> • Discussing the public forum and the Council's work on the LRT to date; • Timing of the LRT investment to meet the needs of a growing Hobart; • The role of public transport in meeting the needs of access to the CBD.
16/02/2018	ABC Local Radio	Leon Compton	<ul style="list-style-type: none"> • The role of Light Rail to help facilitate a lower car dominated future for the city; • The role of Light rail to act as a catalyst for urban renewal on the corridor; • The opportunity to provide affordable housing in the urban renewal precincts along the corridor

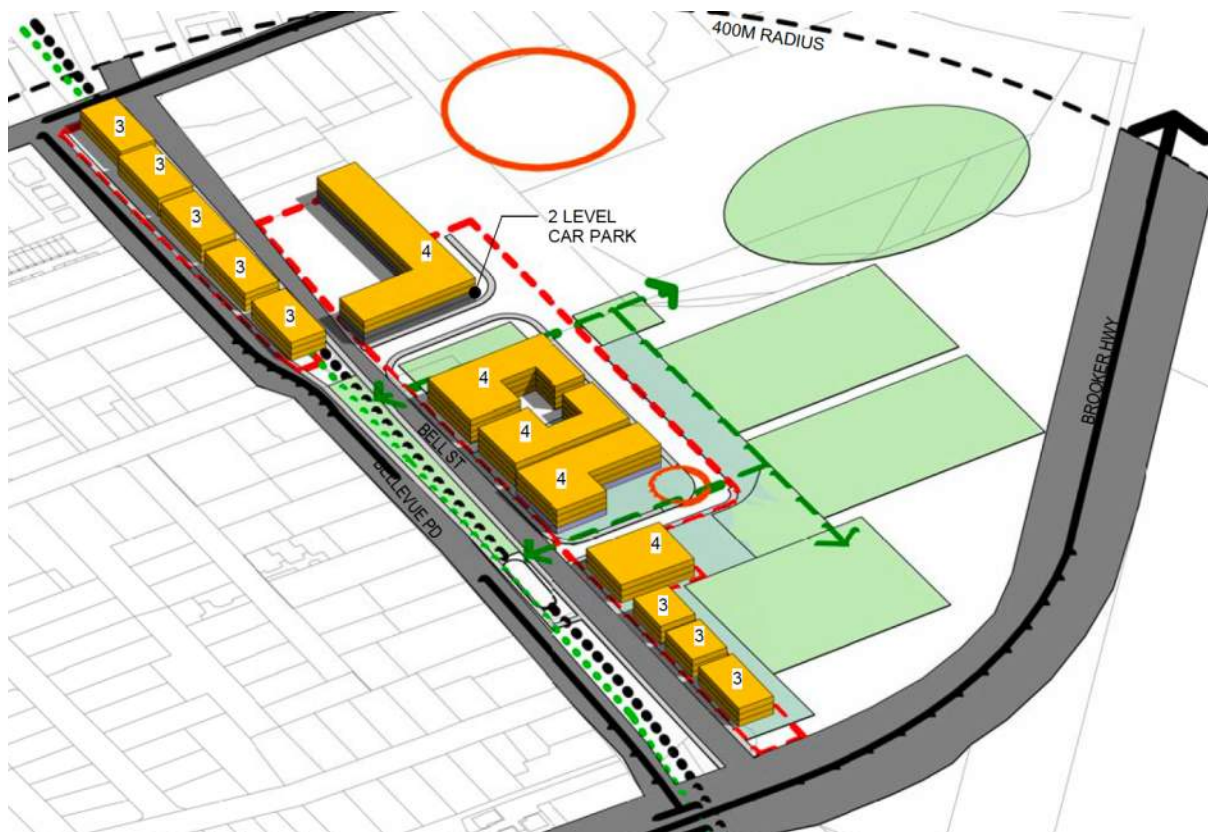


4 Identify private equity interest in urban renewal along the Hobart to Glenorchy corridor and develop an action plan to stimulate developer demand

To identify the private equity interests in urban renewal and transit oriented development along the Hobart to Glenorchy corridor, the LUTI Consulting engaged with the Hobart City Council and Glenorchy City Councils planning teams to determine the list of properties within the 400m and 800m catchments of the stations that had redevelopment potential.

4.1 Development Opportunities - City of Hobart

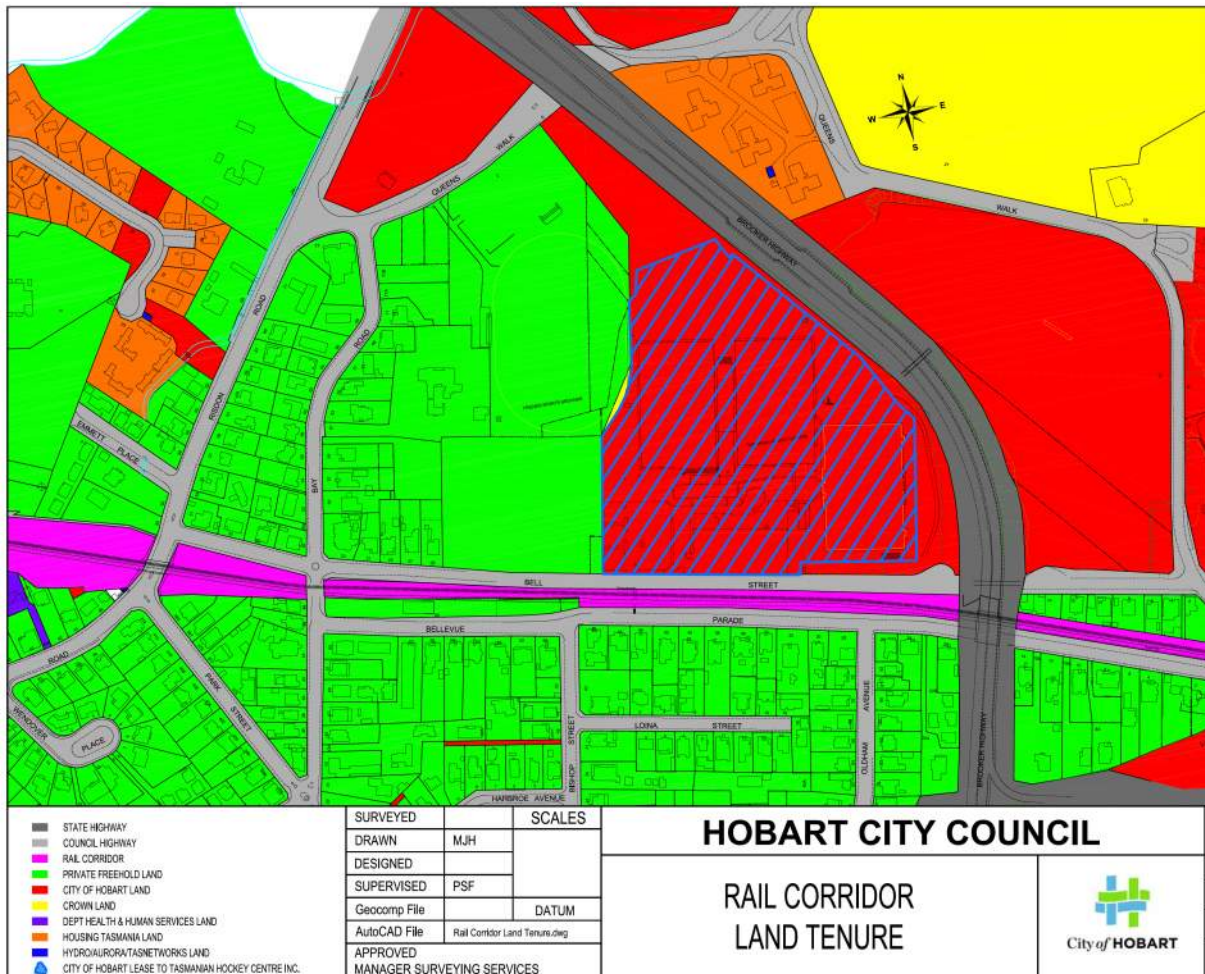
To understand the development opportunity sites within the City of Hobart's municipal boundaries, James McIlhenny, (Manager Planning Policy and Heritage) provided a map and list of the public and private landholdings in the area surrounding the potential location of the New Town Station (as identified in the GHD Report). The location of the GHD Report's opportunity sites are presented in [Figure X](#) below.



The outputs from the Council's GIS database illustrate that there is significant potential for the redevelopment of some Council owned land, and other potential of development sites on private land holdings in the surrounding area.

Owners	Address	Land Use
NATIONAL TRUST OF AUSTRALIA (TAS)	61 BAY ROAD NEW TOWN TAS 7008	HOUSE & FLAT/S
NIREK PTY LTD	65 BELLEVUE PARADE NEW TOWN TAS 7008	NURSERY/MARKET GARDEN
FRIENDS SCHOOL TRUSTEES	2 QUEENS WALK NEW TOWN TAS 7008	SPORTGROUNDS





4.2 Development Opportunities - City of Glenorchy

To understand the development opportunity sites within the City of Glenorchy, LUTI and Glenorchy planning staff met on 17/04/2018 to discuss the sites identified in the GHD Report (194 land parcels) and the full list within 800m of the stations (6702 land parcels). The Glenorchy Station (Stage 1) precincts and their GHD identified site land parcels, and the 800m catchment land parcels are summarised below:

Station Location	GHD Identified Land Parcels	Land Parcels within 800m of the station
Albert Road	111	1321
Berridale	6	1001
Derwent Park	9	1366
Claremont	46	1000
Glenorchy Central	19	1416
Total	191	6104

During the meeting of the Light Rail Working Group (13/04/2018) it was determined that prior to the formal engagement with the key land owners would be delayed until the state gave a briefing on the status of their business case processes, and as such it was agreed with the City of Glenorchy planning staff that formal engagement with the identified land owners would be put on hold until this clarification was provided.



5 Suggested Future Actions

As part of the engagement with the relevant stakeholders through this project, a series of future actions need to be undertaken to continue the success of the project advocacy towards the goal of the project being funded and subsequently implemented.

5.1 Overarching Suggestions

Suggested Future Action 1

Develop a City Transport Strategy identifying the LRT as a critical piece of public transport infrastructure and focus on its city shaping role for Hobart.

Suggested Future Action 2

Investigate the opportunity to develop an infill strategy along the corridor focussing on the delivery of affordable housing in conjunction with Housing Tasmania, similar in structure to the NSW Communities Plus model.

Suggested Future Action 3

Contact the City of Gold Coast and setup a program to understand their lessons learned and the processes required to achieve project implementation. The contact within the City of Gold Coast is Ian Gordon, who is the current GC LRT Project Manager.

Ian Gordon - Project Manager – Light Rail Project and Corridor Development

Transport and Traffic Transport and Infrastructure - City of Gold Coast
E IGORDON@goldcoast.qld.gov.au P (07) 5667 3878 M 0414 847 205
PO Box 5042 Gold Coast Mail Centre Qld 9729 W cityofgoldcoast.com.au

Suggested Future Action 4

Investigate the introduction of transport/innovation levy similar to the one implemented on the Gold Coast that could be used to fund City Transport Strategy projects².

5.2 Suggestions Related to the City Deal

Suggested Future Action to facilitate the Hobart City Deal 1

Discuss the current submission on the LRT project to IA with Allen Garcia from Infrastructure Tasmania, and how it could be broadened to meet Infrastructure Australia's Assessment Framework:

(http://infrastructureaustralia.gov.au/policy-publications/publications/files/IFA_Infrastructure_Australia_Assessment_Framework_Refresh_v26_lowres.pdf)

Suggested Future Action to facilitate the Hobart City Deal 2

Promote and undertake an active role in the Joint feasibility study of the Transport, Urban Renewal and Productivity that could be delivered by the Glenorchy to Hobart LRT, where the business case would be joint funded between the Commonwealth, State and Local Governments within the context of the Hobart City Deal.

Suggested Future Action to facilitate the Hobart City Deal 8

Investigate the preparation of project development funding application to develop the City Shaping/Urban Renewal component of the Project Business to Department of Infrastructure, Regional Development, or Infrastructure Australia.

Suggested Future Action to facilitate the Hobart City Deal 5

Contact Mary Wiley-Smith - Executive Director of the Department of Infrastructure, Regional Development and Cities - Cities Division regarding the development of an integrated land use and Light Rail Business Case within the lens of its role within the Hobart City Deal.

² This was one of the key recommendations of the previous director of the Gold Coast Light Rail, Ken Deutscher was that the Councils should investigate.



Suggested Future Action to facilitate the Hobart City Deal 6

Contact Leilani Frew - Chief Executive of the Infrastructure and Project Financing Agency regarding the funding of an integrated land use and Light Rail project within the lens of its role within the Hobart City Deal, and seek guidance on the role of Local Government within this context.



Appendix A – Integrated Land Use, Transport and Urban Renewal Workshop Slides



Value Creation and Sharing Opportunities Generated from the Investment in Hobart LRT



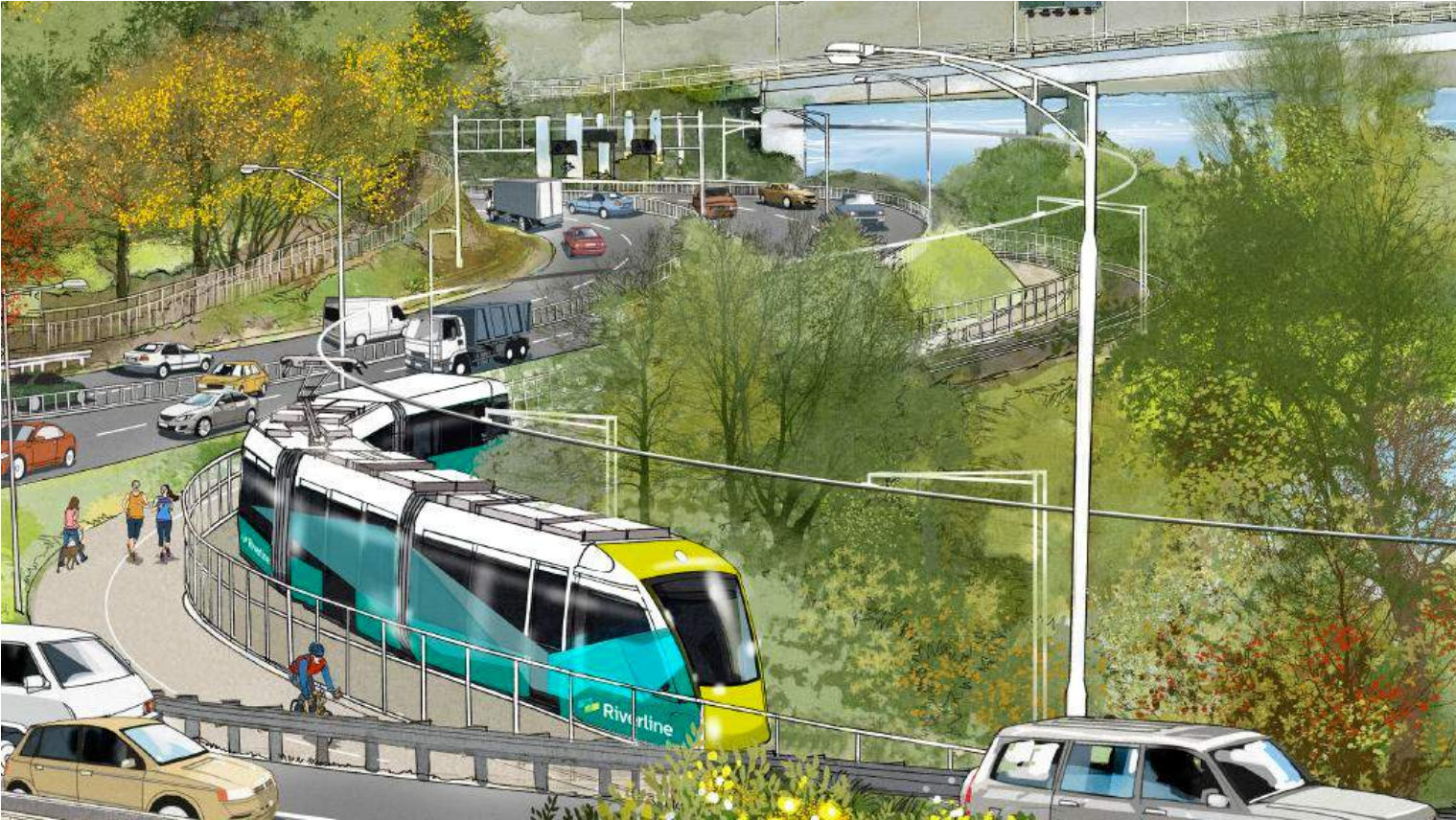
Agenda

At todays meeting, we will present on the following:

1. Background and introduce the project;
2. Present the Case for Urban Renewal – Brendan Leary;
3. Discuss the assessment methodology to undertake integrated land use and transit business cases – James McIntosh;
4. Social and Affordable Housing in Integrated Urban Renewal and Transit Projects - Peter Anderson;
5. Next Steps – discussion



Hobart LRT



Background

LUTI Consulting were engaged by the Hobart and Glenorchy City Council's to engage with stakeholders regarding the potential land market renewal benefits of the Hobart LRT Project

The project team are conducting three levels of engagement with the relevant stakeholders:

1. Targeted initial engagement with Government Stakeholders
2. Government stakeholder round table workshop with industry leaders focussing on:
 - a. Methodology and findings of large integrated land use and transport mega projects Business Cases in NSW and Queensland
 - Present the current Business Case assessment methods for integrated Land Use and Transit Projects
 - b. Urban Productivity Benefits
 - Discuss the productivity benefits of integrated urban renewal and transit projects (agglomeration; access to labour; etc.)
 - c. Government Funding and Private Financing Opportunities
 - Discuss the funding models and financing models from other projects, such as: Sydney Metro, Parramatta LRT, Gold Coast, etc.
 - d. Social and Affordable Housing in integrated urban renewal and transit projects
 - Discuss the application of the Communities Plus model to government owned sites in NSW, as a potential opportunity to consider for the Hobart LRT project's urban renewal corridor.
3. Public Forum on the benefits of transit induced urban regeneration



Hobart LRT – What analysis has been undertaken to date

2009 - Parsons Brinckerhoff

Review of Passenger Travel Demand Measures, Greater Hobart. Final Stage 1 Report.

Review of Passenger Travel Demand Measures, Greater Hobart. Final Stage 2 Report.

Review of Passenger Travel Demand Measures, Greater Hobart. Final Stage 3 Report.

2011 - ACIL Tasman

Hobart to Northern Suburbs Light Rail Business Case.

2012 – AECOM

Hobart northern suburbs light rail. Business case peer review.

2013 - ACIL Tasman

Stage 1 Light rail business case. Hobart to Glenorchy.

2014

Wider economic benefits and funding options.

Riverline - Hobart light rail preliminary plan.

Riverline - Hobart light rail strategic assessment.

2016 - GHD

Glenorchy to Hobart Public Transport Corridor Study – Conducted for the Glenorchy City Council & Hobart City Council Joint Steering Committee



Hobart LRT – GHD assessment of the land market potential of the Glenorchy to Hobart Public Transport Corridor

GHD undertook a comprehensive assessment of the 400m 'walkable catchment' of the public transport corridor (the previous rail corridor) between Austins Ferry and Macquarie Point and includes potential public transport interchanges in the Hobart central business area.

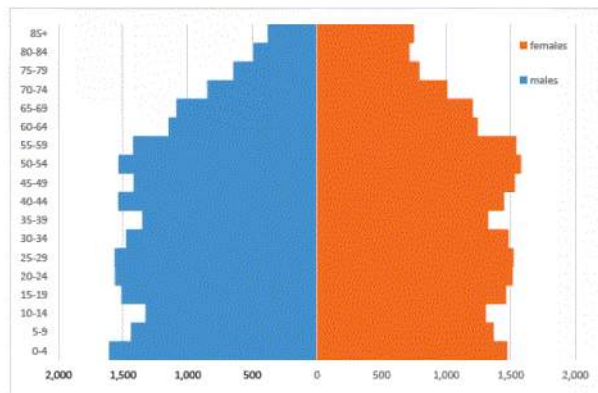


Figure 3-3 Population Age Sex Structure, Glenorchy 2014

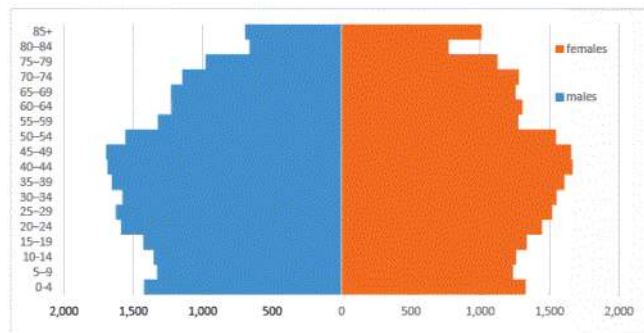


Figure 3-4 Population Age Sex Structure, Glenorchy 2036

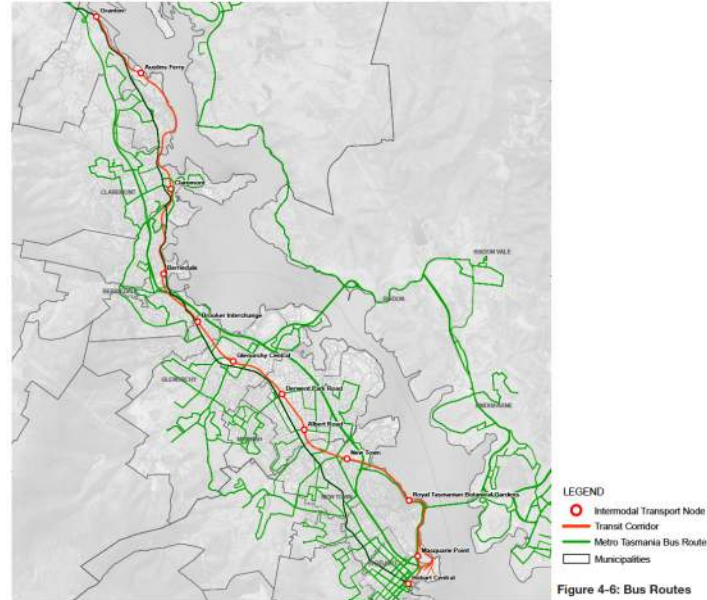


Figure 3-1: Study Area

Hobart LRT – GHD assessment of the land market potential of the Glenorchy to Hobart Public Transport Corridor

GHD looked at the following attributes:

- Locational characteristics;
- Constraints;
- Opportunities;
- Infrastructure requirements including:
 - Sewer;
 - Storm water;
 - Water;
 - Telecommunications;
 - Electricity;
 - Gas;
- Transport and movement patterns;
- Synergies with Main Road.



Hobart LRT – GHD assessment of the land market potential of the Glenorchy to Hobart Public Transport Corridor

GHD prepared urban renewal precincts by identifying the station typologies:

Residential Village

Residential villages have a predominantly residential character, with the opportunity to increase density, community facilities and amenities for quality living.

Cultural Destination

Cultural destinations present the unique opportunity to lift the profile of the surrounding area based on vibrant, cultural activities happening in the immediate area. This appeals to locals as well as interstate and international travellers, providing a strong sense of community and a hub of energy, often with creative, temporary or changeable activities.

Retail Destination

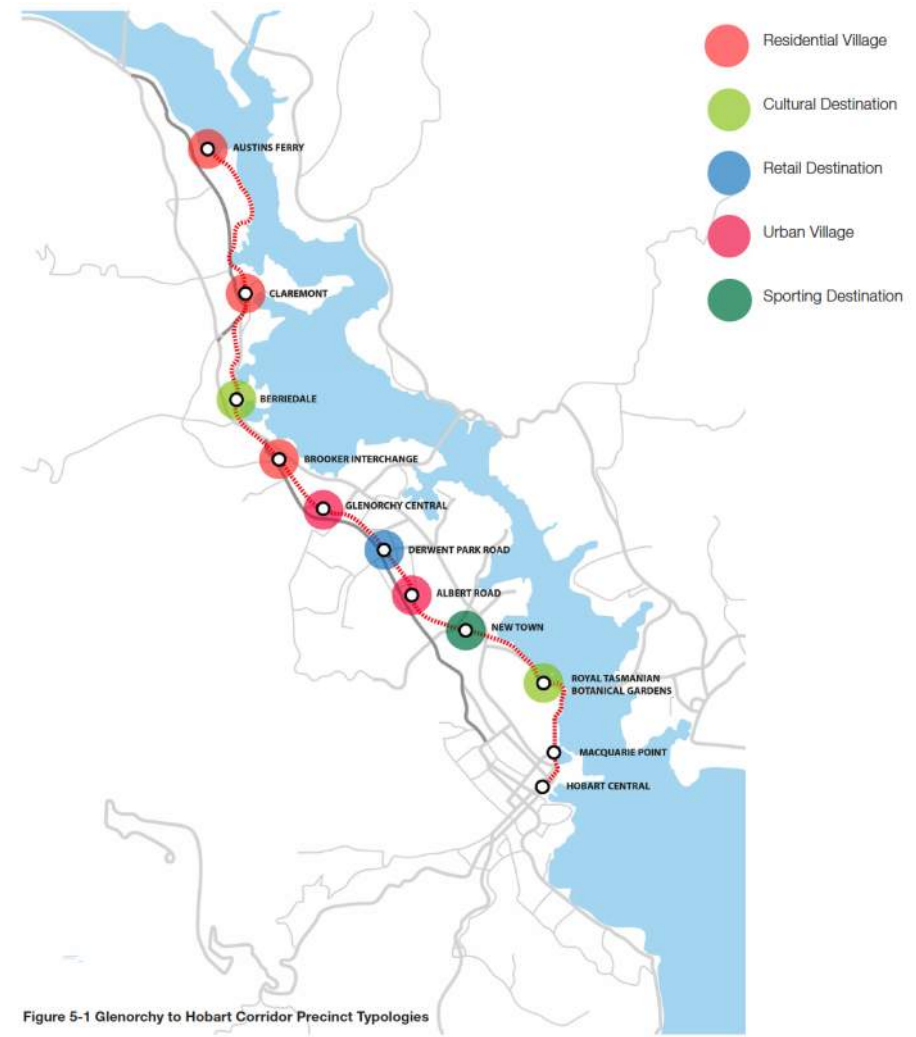
The Corridor offers the opportunity to build on existing large scale/big box retail and establish a retail destination. The attraction of having one central location to access all of these stores is a drawcard for locals and creates a stronger experience.

Urban Village

Glenorchy Central and Albert Road will be urban villages and transit oriented developments, with activated edges for retail opportunities.

Sporting Destination

New Town will be the Corridor's only sporting destination - an exclusive precinct built upon established sporting facilities with a community focus.



Hobart LRT – GHD assessment of the land market potential of the Glenorchy to Hobart Public Transport Corridor

GHD prepared Urban Design Strategies for each of the stations, modelling the following attributes:

- Case Studies
- The local planning context
- Structure planning
- Massing / Axonometrics
- Visualizations

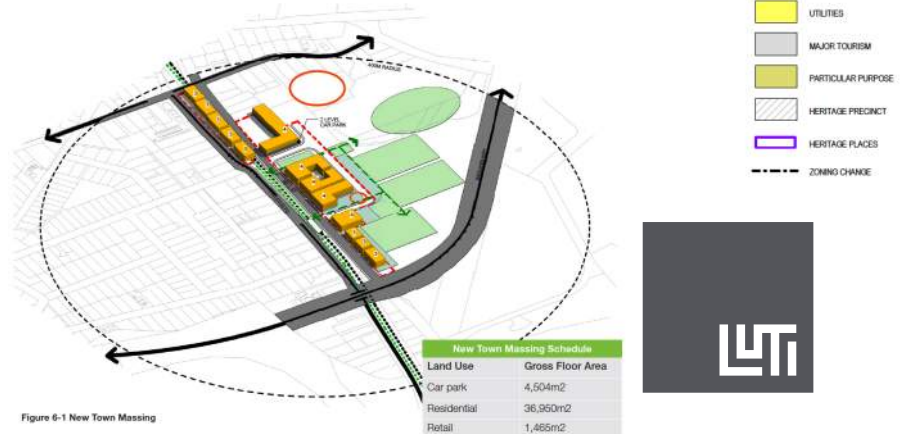
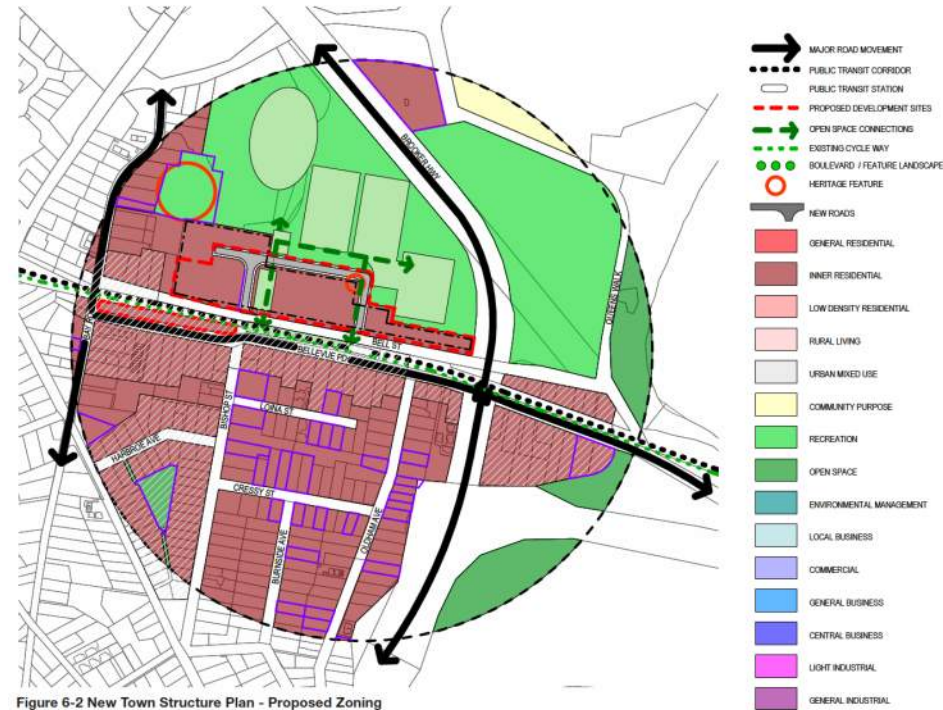
Increase in Primary Precinct GFA:

	Residential	retail	Dwellings	~Years of Supply
New Town	36950 (m ²)	1465 (m ²)	246	5
Albert Road	139884 (m ²)	2705 (m ²)	933	30
Glenorchy Central	84155 (m ²)	5307 (m ²)	561	20
Berridale (MONA)	34180 (m ²)	1267 (m ²)	228	7

295169 (m²) 10744(m²) 1968

~ 2000 dwellings
(@150m²/dwelling)

Take up rates 30-45 dwellings per year



New Town Proposed Character Imagery



Brendan Leary

The Case for Integrated Urban Renewal





The Case for Integrated Urban Renewal

Integrated Transport & Urban
Development Workshop

15 February 2017

Brendan Leary
Head of Economics, Corview



Key Messages for Today

1. Our broad understanding of the economics of cities and places is much better today than was previously the case.
2. In the past, the limitations of traditional economic appraisal held Governments back from seeing the true value of integrated transport with land use planning.
3. We can look to examples overseas and domestically of how transport and land use planning can work together.
 - In mainland states, we now have:
 - transport projects that focus on economic development and social outcomes ahead of transport outcomes
 - Government endorsed assessment frameworks that integrate transport impacts with broader urban renewal and social impacts
 - rigorous studies of the value transport infrastructure creates in the land markets of Sydney, South East Queensland and elsewhere.
4. We also have increasing Commonwealth focus on related policies like:
 1. the Smart Cities Plan
 2. City Deals
 3. Innovative financing (value capture, including the Infrastructure Project & Financing Agency).



Corview

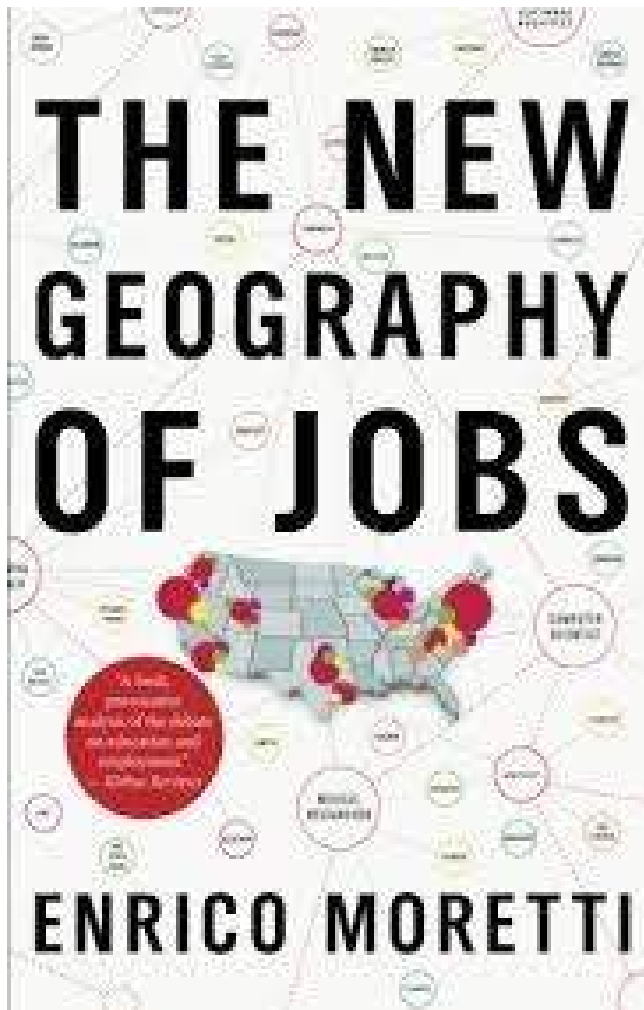
Extra Slides



Corview

New Opportunities: Understanding of Clusters & Precincts

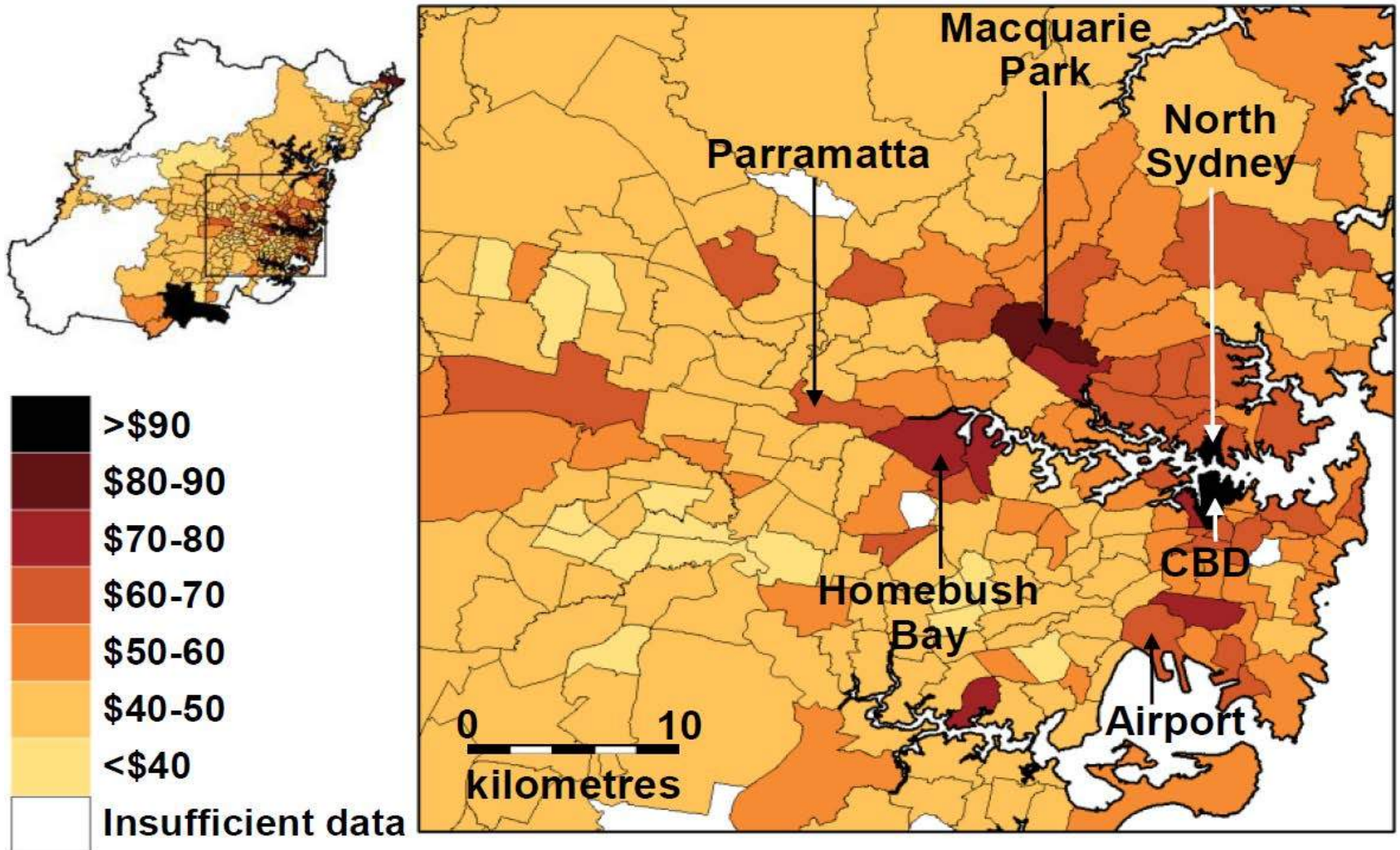
Concentrations of skill increase benefits for everyone



	Rank	Percentage with College Degree	Salary of College Graduates	Salary of High School Graduates
TOP METRO AREAS				
Stamford, CT	1	56%	133479	107301
Washington, DC	2	49%	80872	67140
Boston, MA-NH	3	47%	75173	62423
Madison, WI	4	47%	61888	52542
San Jose, CA	5	47%	87033	68009
Ann Arbor, MI	6	46%	65452	55456
Raleigh-Durham, NC	7	44%	63745	50853
San Francisco, CA	8	44%	77381	60546
Fort Collins, CO	9	44%	57391	47007
Seattle-Everett, WA	10	42%	68025	55001
Danville, VA	300	14%	42665	28868
Houma-Thibodaux, LA	301	14%	56044	37395
Vineland-Milville, NJ	302	13%	57668	35375
Flint, MI	303	12%	43866	28797
Visalia-Tulare, CA	304	12%	55848	29335
Yuma, AZ	305	11%	52800	28049
Merced, CA	306	11%	62411	29451

New Opportunities: Understanding of Clusters & Precincts

Economic returns are concentrated in key precincts

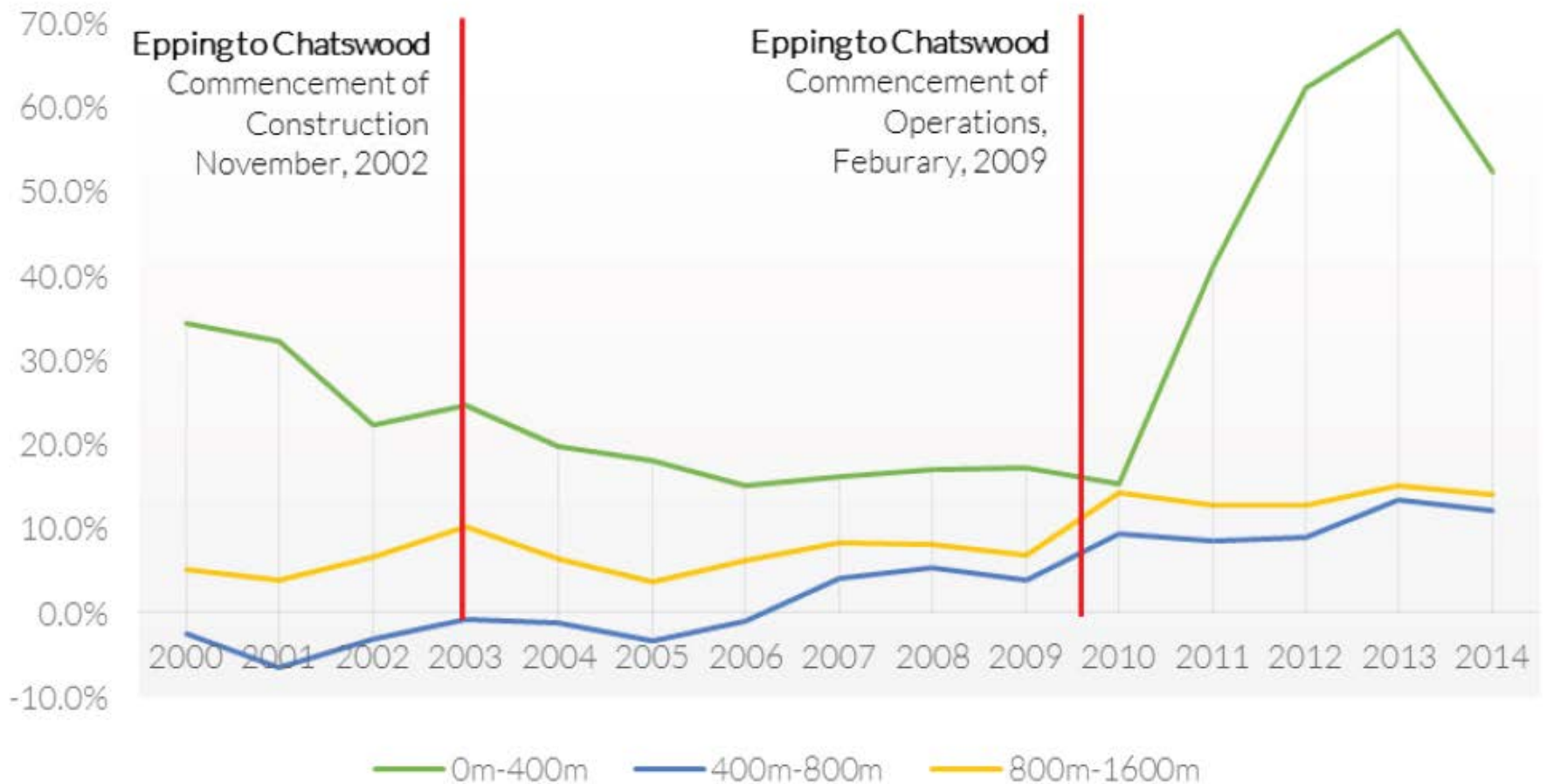


NSW's Urban Renewal Economic Framework



Sydney Transit and Urban Renewal Value Creation Report

New Macquarie Park Stations Only - Commercial, Residential and Mixed Use Land Uses - Transit Panel Data Hedonic Price Model Results (2000-2014)



Commonwealth Policies to complement City Deals

- Smart Cities Plan
 - *We also support projects that promote broader national economic objectives such as long term growth and job creation. ... Prioritising investments based on their longer term and broader economic impact creates a positive cycle of additional government revenues that can be reinvested in more infrastructure that grows the economy.*
- Infrastructure Project and Financing Agency (IPFA)
 - *advise the Australian Government on funding and financing solutions for nationally significant infrastructure in order to improve productivity, create jobs and lift economic growth.*

James McIntosh

Methodology and Findings of Large
Integrated Land Use and Transit Project
Business Cases in NSW and Queensland



Economic Modelling for Integrated Land Use Transit Projects

LUTI Consulting have worked on a range of Transport Mega Projects and applied the following methodology to conduct the following economic analyses for input into the Business Case, for a “no land use change scenario” and a “with land use change scenario”.

Economic Assessments

Traditional Transport Economic Assessment

- *Travel Time Savings*
- *Vehicle Operating Costs*
- *Crash Reduction*
- *Etc.*

Wider Economic Benefit Assessment

- *Agglomeration*
- *Increased Labour Supply*
- *Change in Imperfectly Competitive Markets*
- *Move to More Productive Jobs*

Urban Renewal Economics

- *Improved Land Use*
- *Infrastructure and Service Cost Savings*
- *Environmental and Sustainability Benefits*
- *Amenity and Social Benefits*

Funding and Financial Assessment

Traditional Grant Funding and User Charges

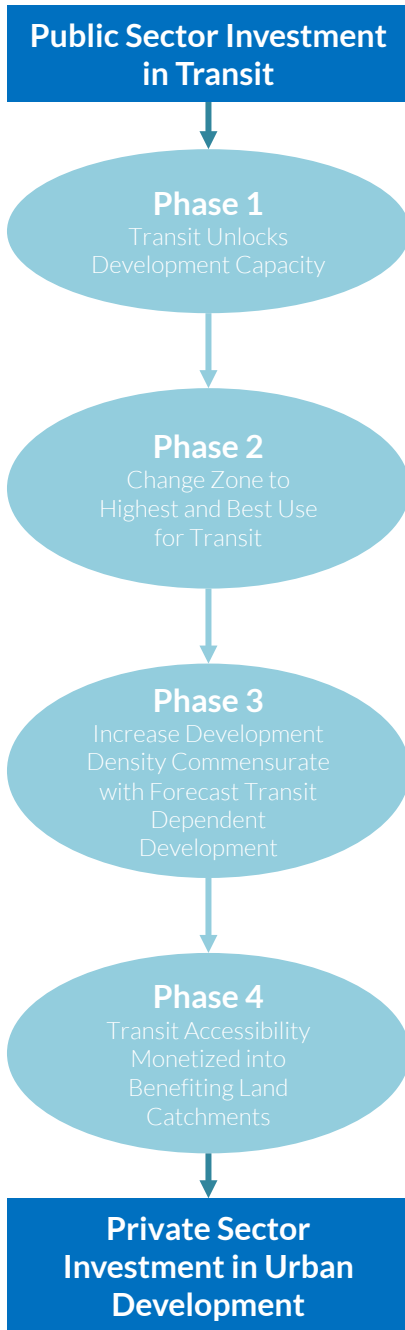
Value Creation and Sharing



How is Land Market Value Created?



How do cities value the access to transit, and urban regeneration? And, how is this value created?



Transit Unlocks Development Capacity

The investment in transit unlocks capacity for increased development

Analysis Methods

- LUTI Consulting's Transit Induced Development Capacity Model

Change of Zoning to Highest & Best Use

The investment in transit enables the benefiting land markets to be rezoned to their highest and best use with respect to the transit mode

Analysis Methods

- Hedonic Price Modelling
- Strategic Land Use Planning
- Property Market Demand Analysis

Increasing the Development Density

The investment in transit unlocks capacity for increased development in the benefiting catchments up to the level determined in Phase 1

Analysis Methods

- Hedonic Price Modelling
- Land Development Planning
- Property Market Analysis

Monetization of Transit Accessibility Benefit

The increase in accessibility created by the investment in transit leads to increased Willingness to Pay in the benefiting land catchments

Analysis Methods

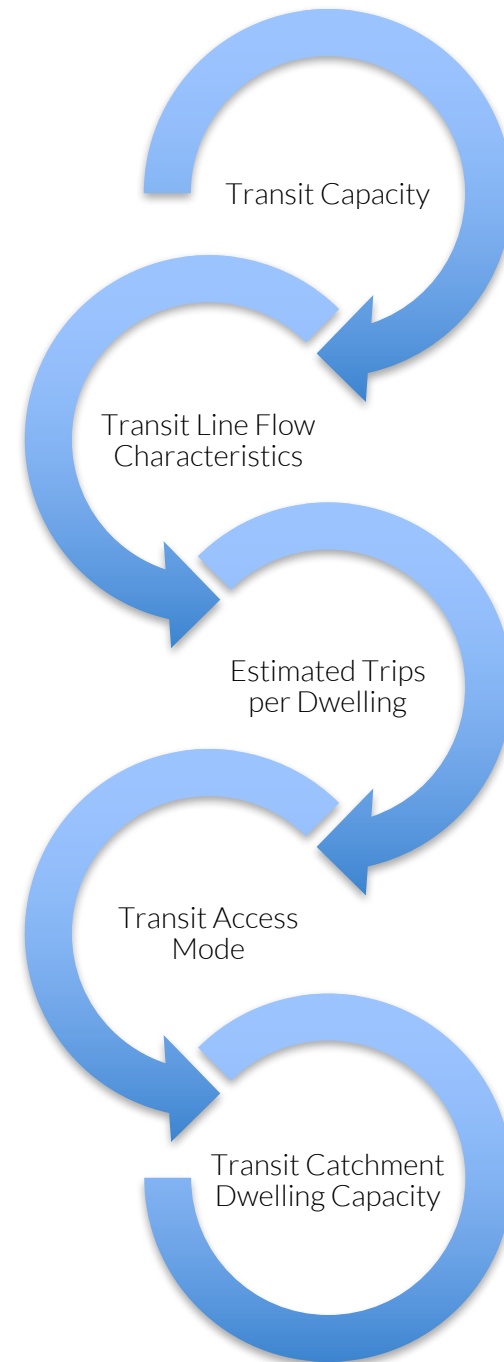
- Hedonic Price Modelling



Phase 1 – Transit Unlocks Development Capacity

Theoretical Framework

LUTI Consulting's
Transit Induced Development
Capacity Model (TIDCM)



Phase 2 – Change of Catchment Zoning to Highest and Best Use



Light Industrial Zoned Land



Mixed Use Zoned Land

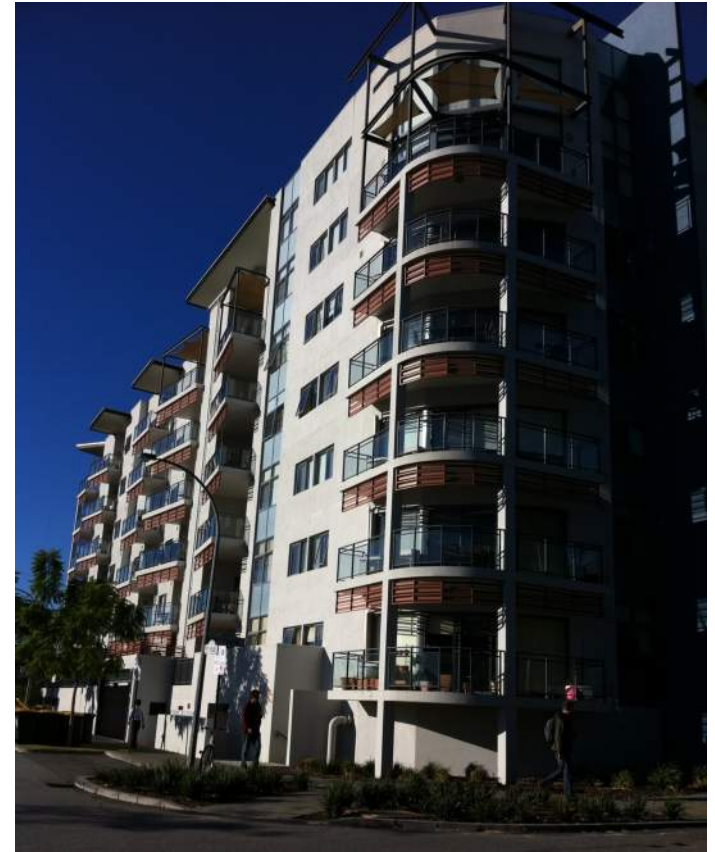


Phase 3 – Increasing development density

- Property market-derived demand for development intensity induced by an infrastructure investment creates value.
- Project induced incremental increases in Floor Space Ratio (FSR) commensurate with the amount unlocked in Phase 1 creates significant change in land value



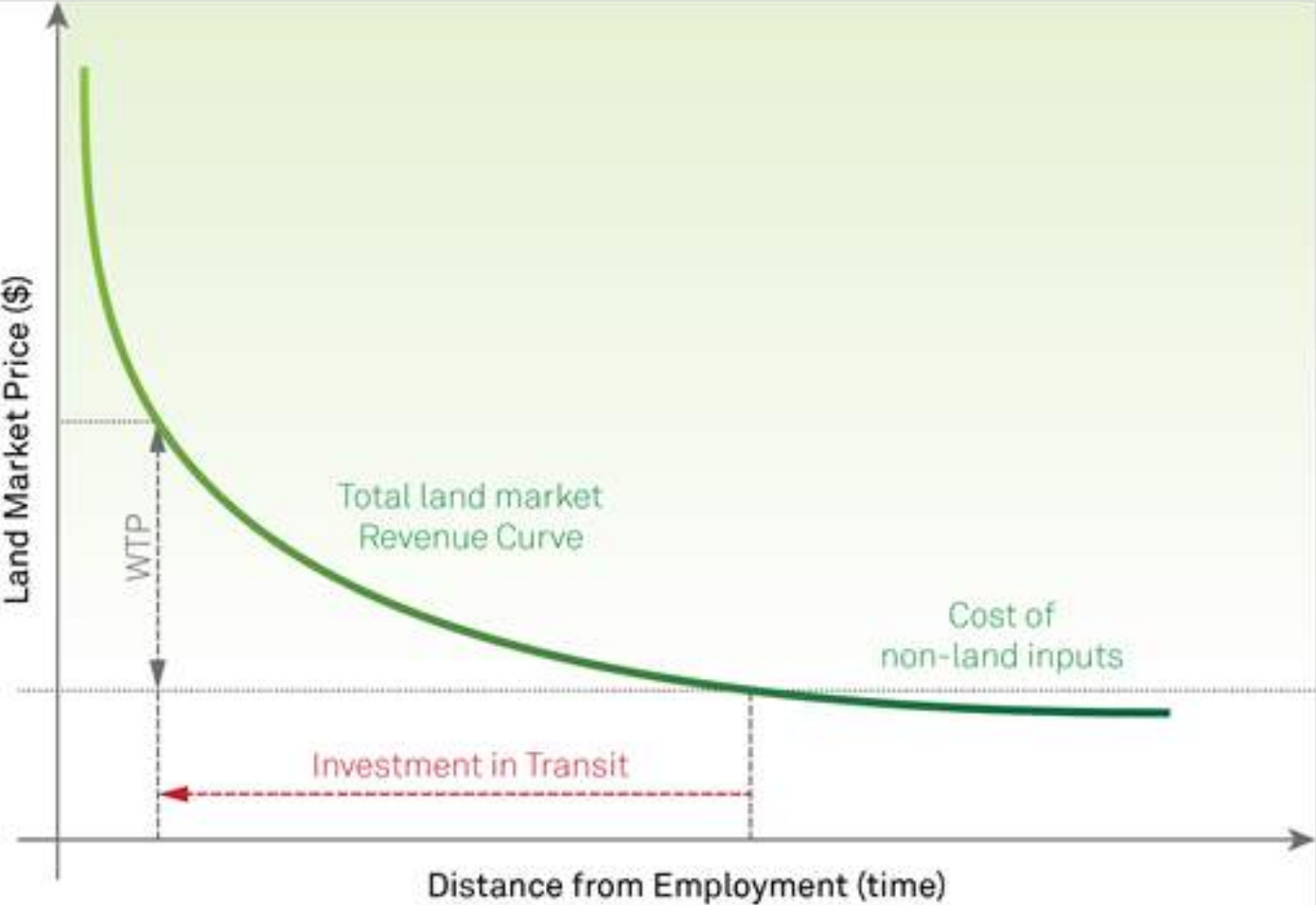
FSR 0.5



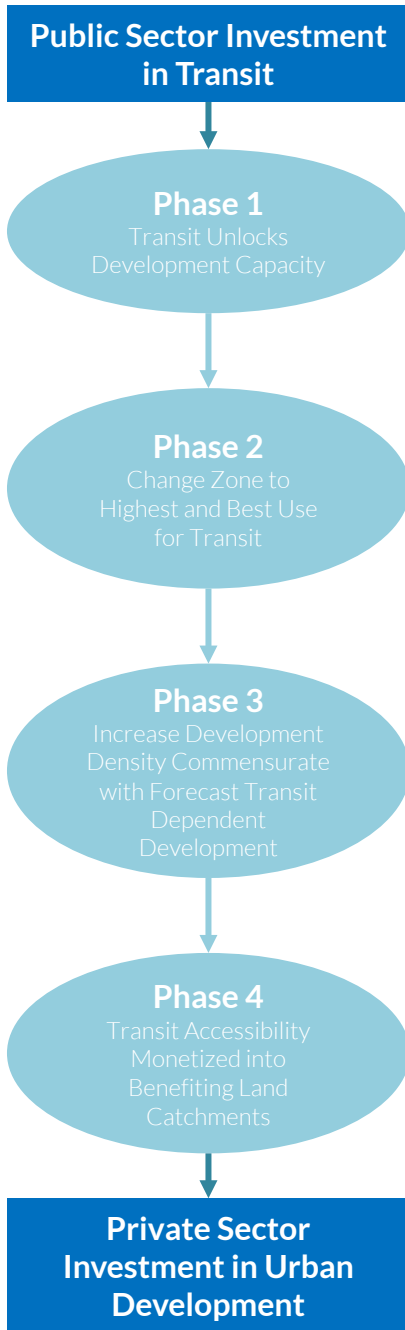
FSR 4



Phase 4 - Monetisation of Transit Accessibility



How do cities value the access to transit, and urban regeneration? And, how is this value created?



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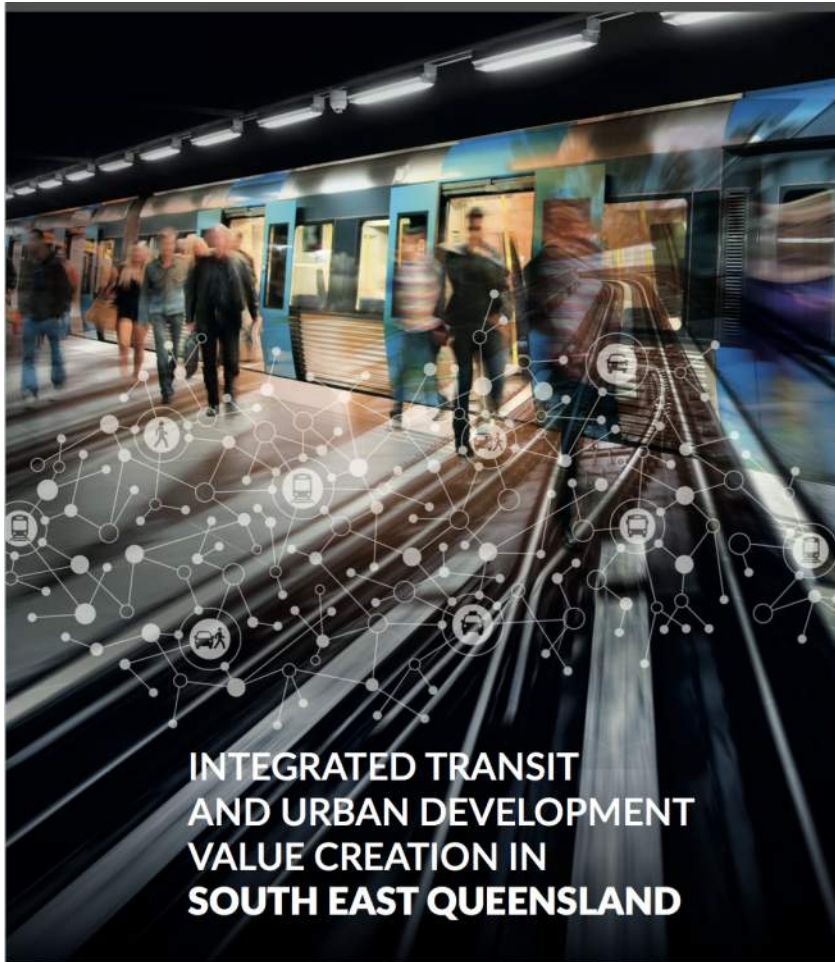


Example Project

Gold Coast Rapid Transit – Stage 1



DILGP - SEQ WTP Model



Hedonic Price Modelling Analysis
of SOUTH EAST QUEENSLAND'S
Key Transit Investments (2000 to 2016)



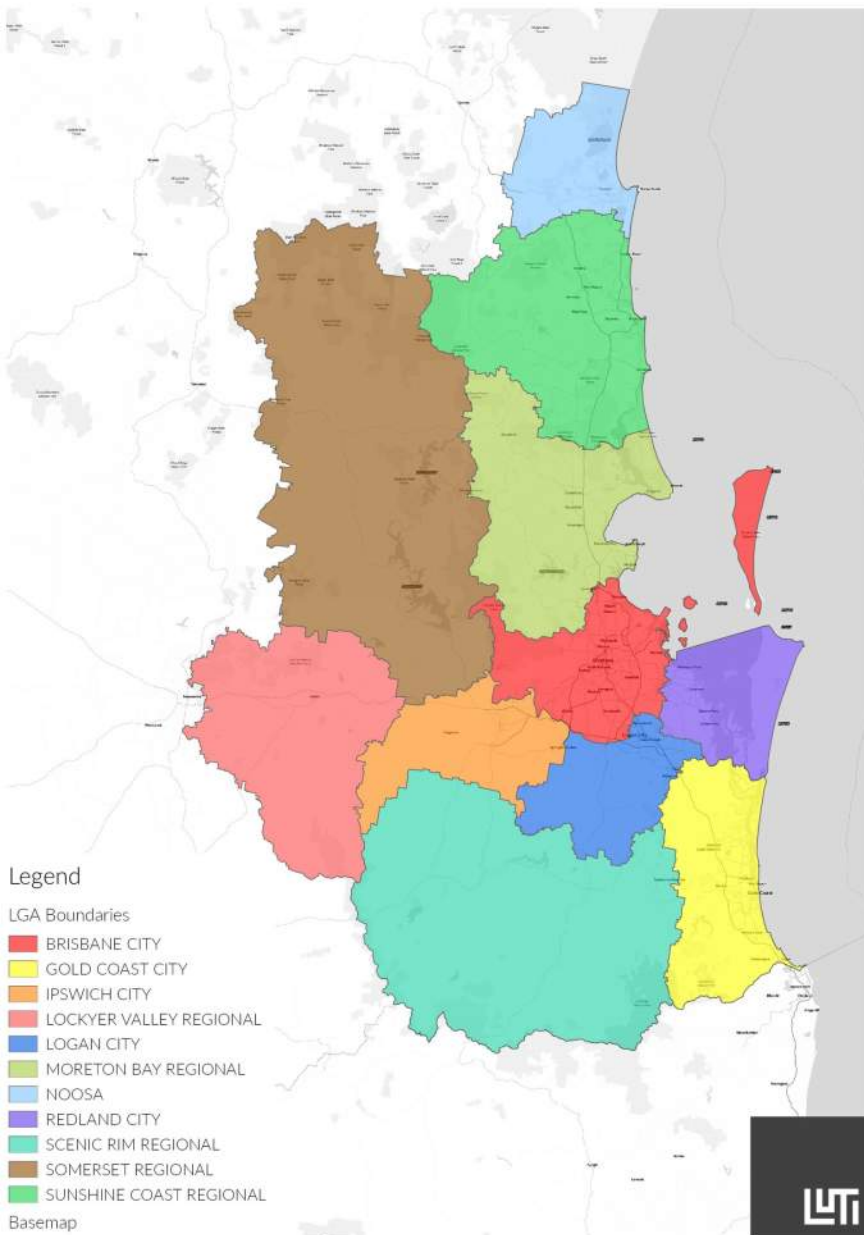
LUTI Consulting were engaged in September 2016 to conduct an analysis of “ Land Market Willingness to Pay for access to transit and urban regeneration”.

The steps to conduct the SEQ Willingness to Pay study to date have been:

- Project initiation, and finalization of specification (September 2016)
- Data gathering and analysis (State Government) (September – November 2016)
- State Government stakeholder engagement (November 2016)
- Data gathering, analysis and development (Local Government) (November 2016 – January 2017)
- Econometric Modelling and analysis of results (February 2017)
- Workshop the analysis with stakeholders, and incorporate stakeholder feedback into the project reporting (February 2017)
- Deliver project report (June 2017)
- Apply the project results to Pilot Project
- Ongoing Maintenance of the database



SEQ Model



SEQ Study Area

- 11 Councils
- No Unified Zoning Structure
- No Unified Development Density Controls

Zoning Solution – As Valued Zones

- Residential
- Rural Residential
- Multi-Unit Residential
- Commercial
- Industrial
- Primary Production

Density Controls – Bespoke Solution

- Develop Plot Ratios for SEQ Councils that interact with Zone/Neighbourhood/Overlays

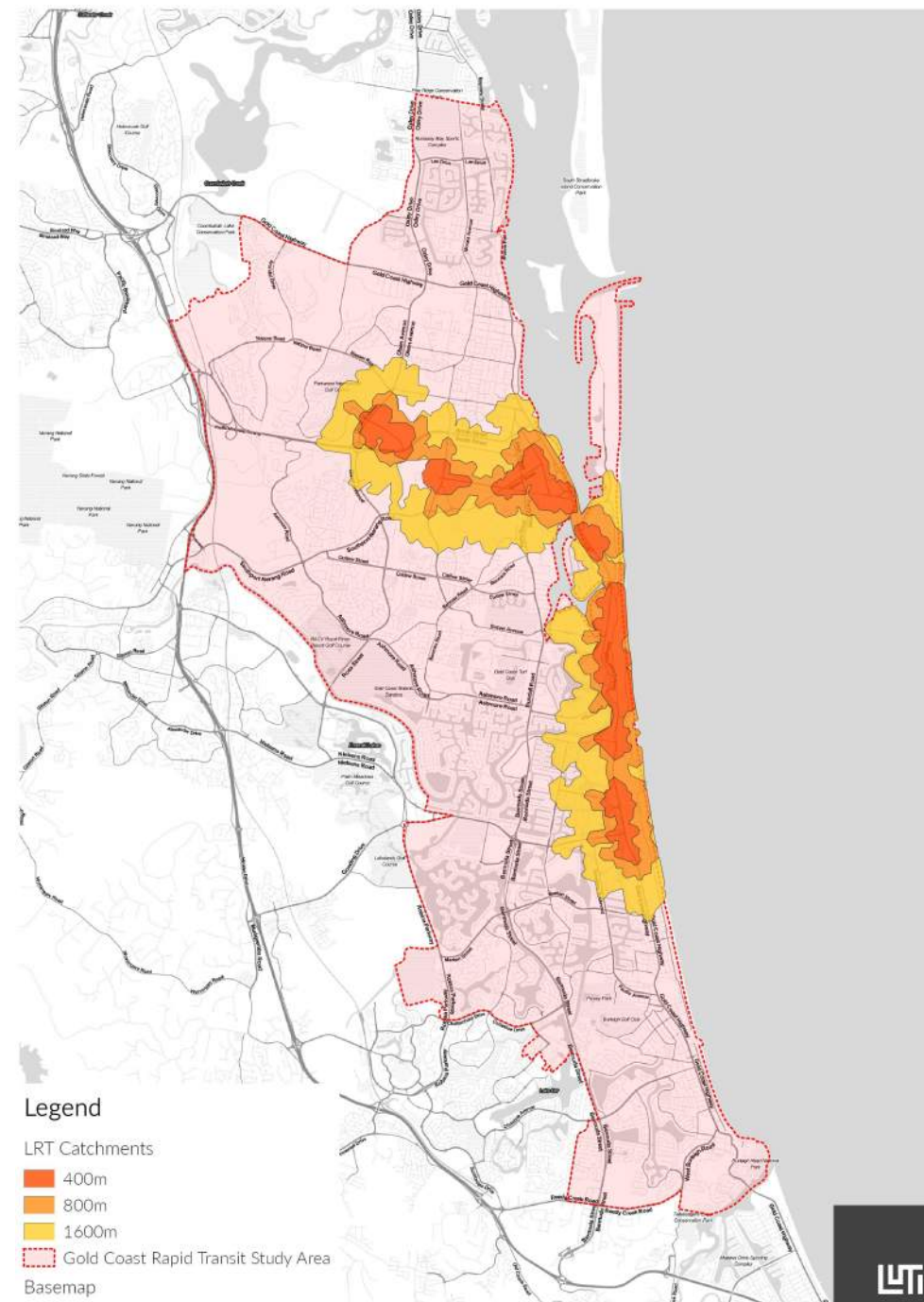


Project Econometric Models

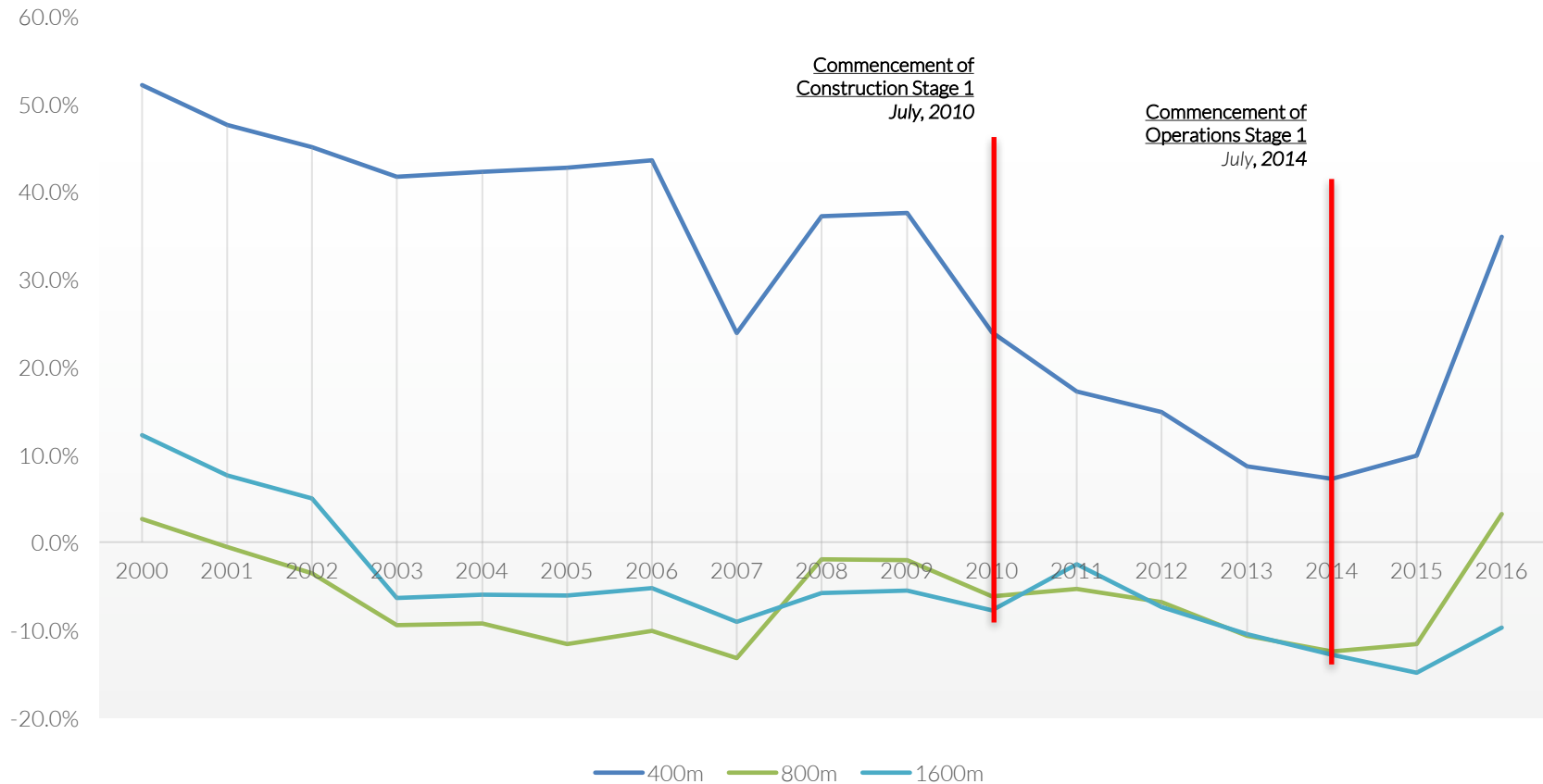
Gold Coast Rapid Transit – Stage 1

Gold Coast Rapid Transit – Descriptive Stats

<i>Variable</i>	<i>Average Values</i>
Site Value /m ²	\$500.48
Lot Area	704m ²
Train Station (0-400m)	0.2%
Train Station (400m-800m)	0.7%
Train Station (800m-1600m)	2.7%
Bus Rapid Transit Station (0m-400m)	-
Bus Rapid Transit Station (400m-800m)	-
Bus Rapid Transit Station (800m-1600m)	-
Light Rail Transit Station (0m-400m)	1.2%
Light Rail Transit Station (400m-800m)	1.9%
Light Rail Transit Station (800m-1600m)	8.0%
Ferry Wharf (0m-400m)	-
Ferry Wharf (400m-800m)	-
Ferry Wharf (800m-1600m)	-
Suburban Bus Stop (0m-400m)	69.7%
Freeway Buffer (0m-100m)	0.2%
Freeway Buffer (100m-200m)	0.7%
Main Road Buffer (0m-100m)	3.4%
Main Road Buffer (100m-200m)	3.4%
Secondary Road Buffer (0m-100m)	8.3%
Secondary Road Buffer (100m-200m)	8.6%
<u>Counts</u>	
Commercial Zoned Land	1,193
Industrial Zoned Land	1,808
Multi Unit Residential	3,936
Single Unit Residential	55,213
Rural Residential	551
Primary Production	0



Project Econometric Model Results – Panel Data Model



Considerations:

- Global Financial Crisis impacted Gold Coast developers severely between 2009-2011 thus reducing demand for sites within the primary development corridor for the Gold Coast
- LRT Construction impacts impacted corridor businesses and it was only since the commencement of operations that these impacts (noise, dust, severance, etc.) have been mitigated.



Project Econometric Model Results – GCRT Stage 3

GCRT Stage 3 – Value Uplift Parameters Modelled

1. Change of zoning to highest and best use (Compared to single unit residential)
 - Commercial Zoned Land 7.2%
 - Industrial Zoned Land -11.3%
 - Multi-Unit Residential Zoned Land 4.2%
 - Rural Residential Zoned Land -34.1%
2. Increase development density
 - Plot Ratio Elasticity 0.292
3. Monetization of Accessibility
 - Inner West LRT (Sydney) Commercial and Multi Unit Residential Model
 - 400m = 9.0% uplift in land value
 - 800m = 4.0% uplift in land value
 - GCRT Stage 1 Commercial and All Residential Model
 - 400m = 12.2% uplift in land value
 - 800m = 2.2% uplift in land value
 - GCRT Stage 1 Commercial and Multi Unit Residential Model
 - 400m = 27.6% uplift in land value
 - 800m = 15.7% uplift in land value



Example 2

Sydenham to Bankstown Line Conversion to Metro

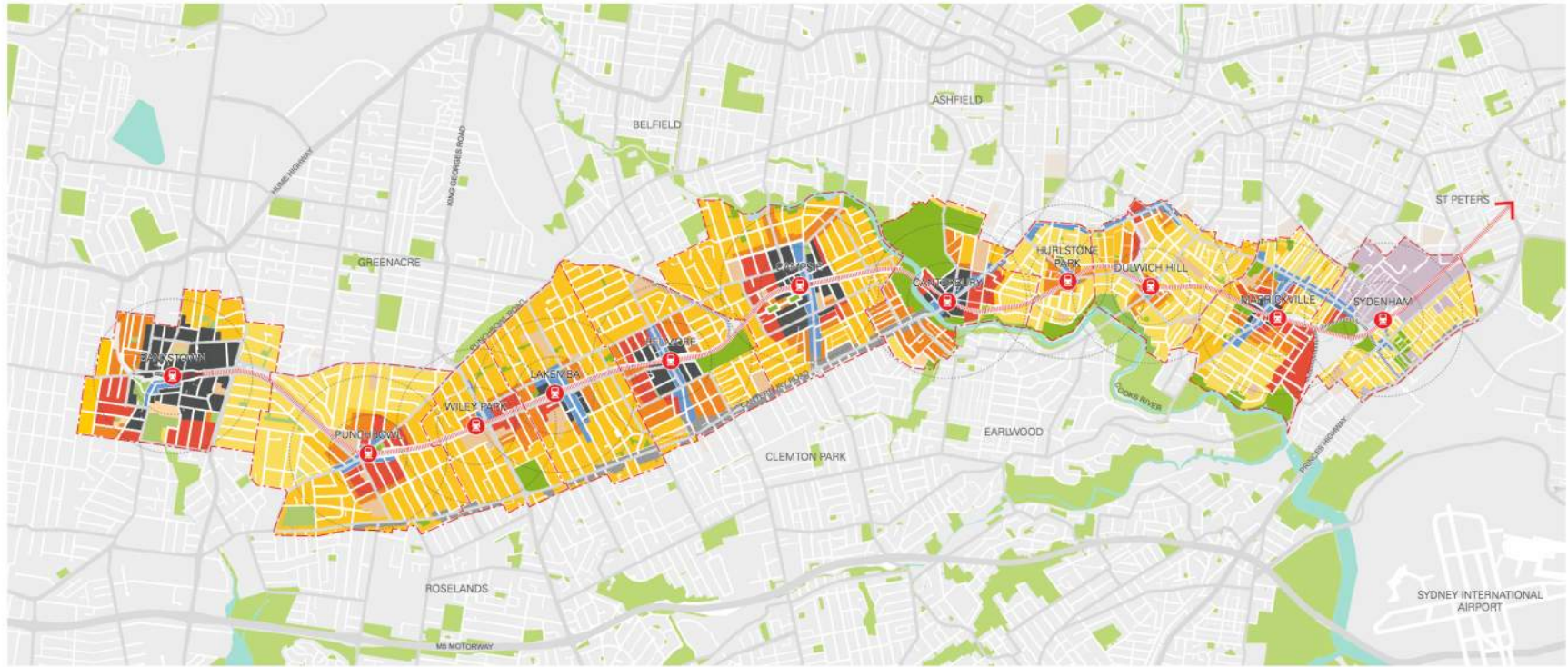


Figure 9: Built form and land use plan for the Sydenham to Bankstown Urban Renewal Corridor Strategy



DP&E Sydenham to Bankstown Urban Renewal Corridor Strategy

- Approximately 36,000 additional dwellings
- Approximately 10,000 additional jobs



Other Example Projects

Current Projects undergoing integrated transit and urban renewal business cases:

Queensland

- Cross River Rail
- Gold Coast Light Rail Stage 3a

New South Wales

- Sydney Metro West
- Parramatta Light Rail Stage 2
- T4 Illawarra Line
- Western Sydney Airport Rail



Peter Anderson

Social and Affordable Housing in Integrated Urban Renewal and Transit Projects



LAND AND HOUSING CORPORATION

Communities Plus



Sensitive: NSW Government

Hobart – Integrated Transport and Urban Development Project Workshop



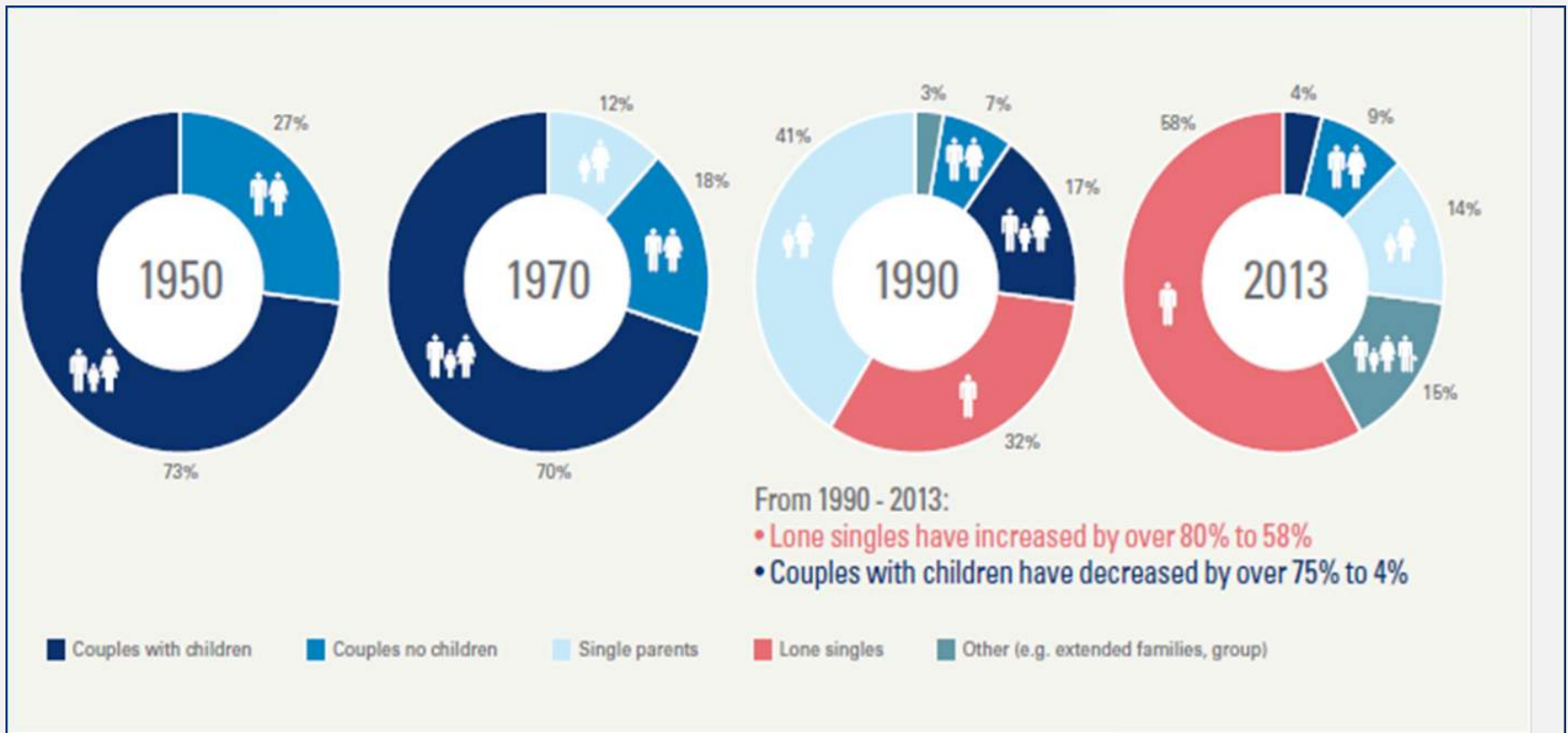
The Land and Housing Corporation (LAHC)

- **Public Trading Enterprise** established in 2001 under the Housing Act 2001
- LAHC is part of the Family and Community Services (**FACS**) cluster
- **LAHC receives** no Budget allocation
- **Generates funds** mainly from rental
- **LAHC owns** 126,304 dwellings, of which 15,716 ⇒ 34,000 are managed by Community Housing Providers
- 40% located on large estates
- **Greater Metropolitan** area (Wollongong, Sydney, Newcastle) 100,000 properties (80% of portfolio)
- The average property **age** is 37 years



High demand for social housing with 60,000 households on the wait list.

Our Clients



Communities Plus Program will strategically renew the NSW social housing portfolio



**23,000 NEW AND REPLACEMENT
SOCIAL HOUSING
DWELLINGS**

Deliver more housing and a better social housing experience, with more opportunities and incentives to avoid or move beyond social housing



**500 AFFORDABLE
HOUSING DWELLINGS**

Develop new mixed communities where social housing blends in with private and affordable housing, with better access transport and employment, improved community facilities and open spaces



**40,000
PRIVATE DWELLINGS**

Partner with the private and not for profit sector to fast track the redevelopment of sites in metropolitan Sydney and regional NSW

\$22B OF ECONOMIC ACTIVITY IN NSW

Cabinet (ERC) Business Case 2015: Future Directions for Social Housing in NSW Strategy/Communities Plus Program

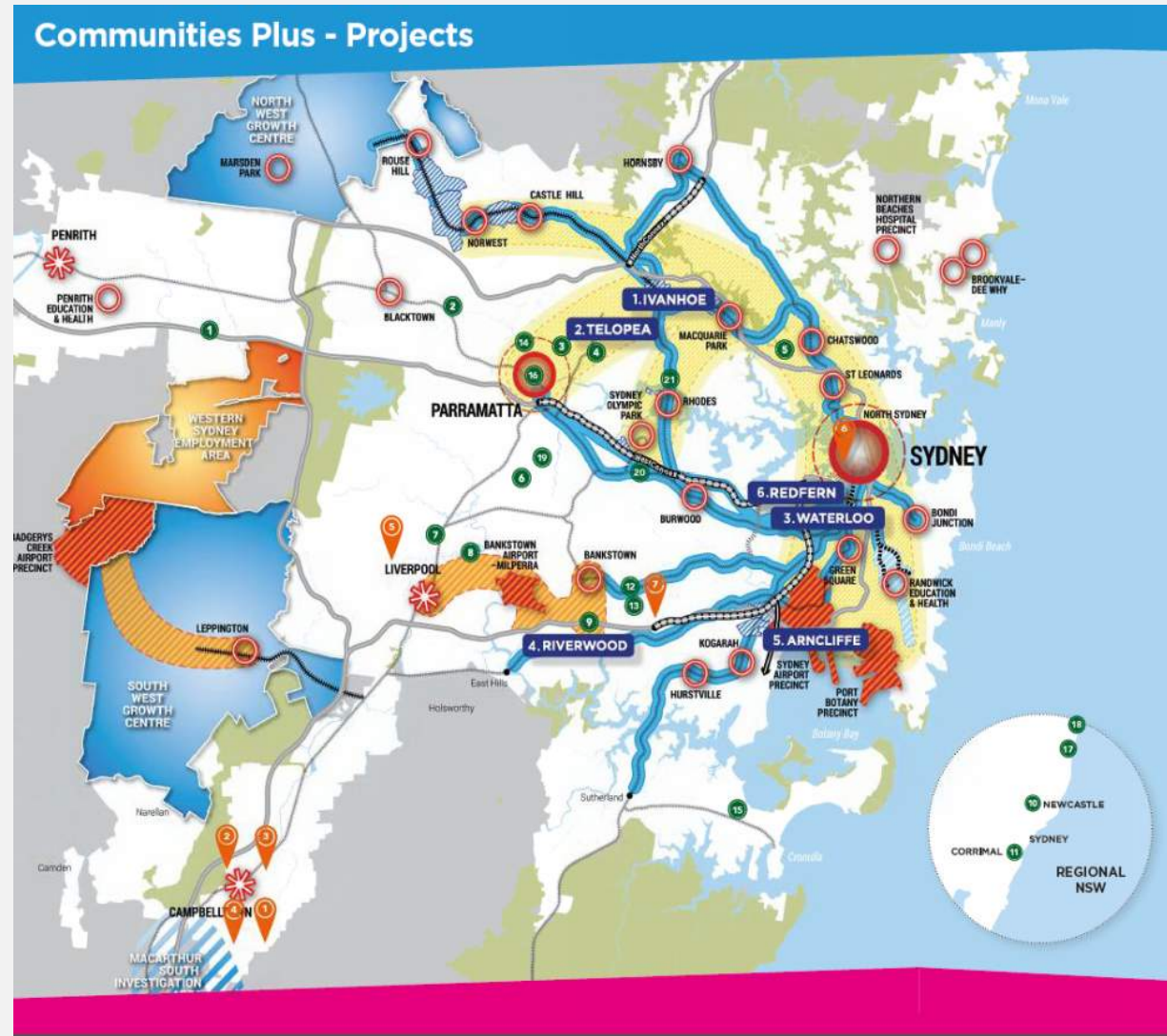
**Major estate renewal
supporting State investment
in infrastructure**

**Access private sector
funding Community Housing
Provider management**

**Deconcentration of social disadvantage
Leverage social outcomes
More sustainable for communities**

The program delivers new communities, increased supply, more social housing and a better experience for all

- **Supports** the State Government's investment in infrastructure
- **Optimises the value of** Government land by increasing density in line with Greater Sydney Commission's metropolitan plan
- **Accesses private sector capital** and capability in partnership with Community Housing Providers to deliver housing and wrap around services in a true integrated renewal
- **Deconcentrates areas of high social disadvantage** through a 30% social and 70% private mix
- **Allows for a range of project sizes** from 20 to 3,500 dwellings, subject to market demand
- **Supports the Government's housing affordability strategy** by delivering significant housing supply, with over 40,000 new private dwellings in addition to the 23,500 social and affordable dwellings



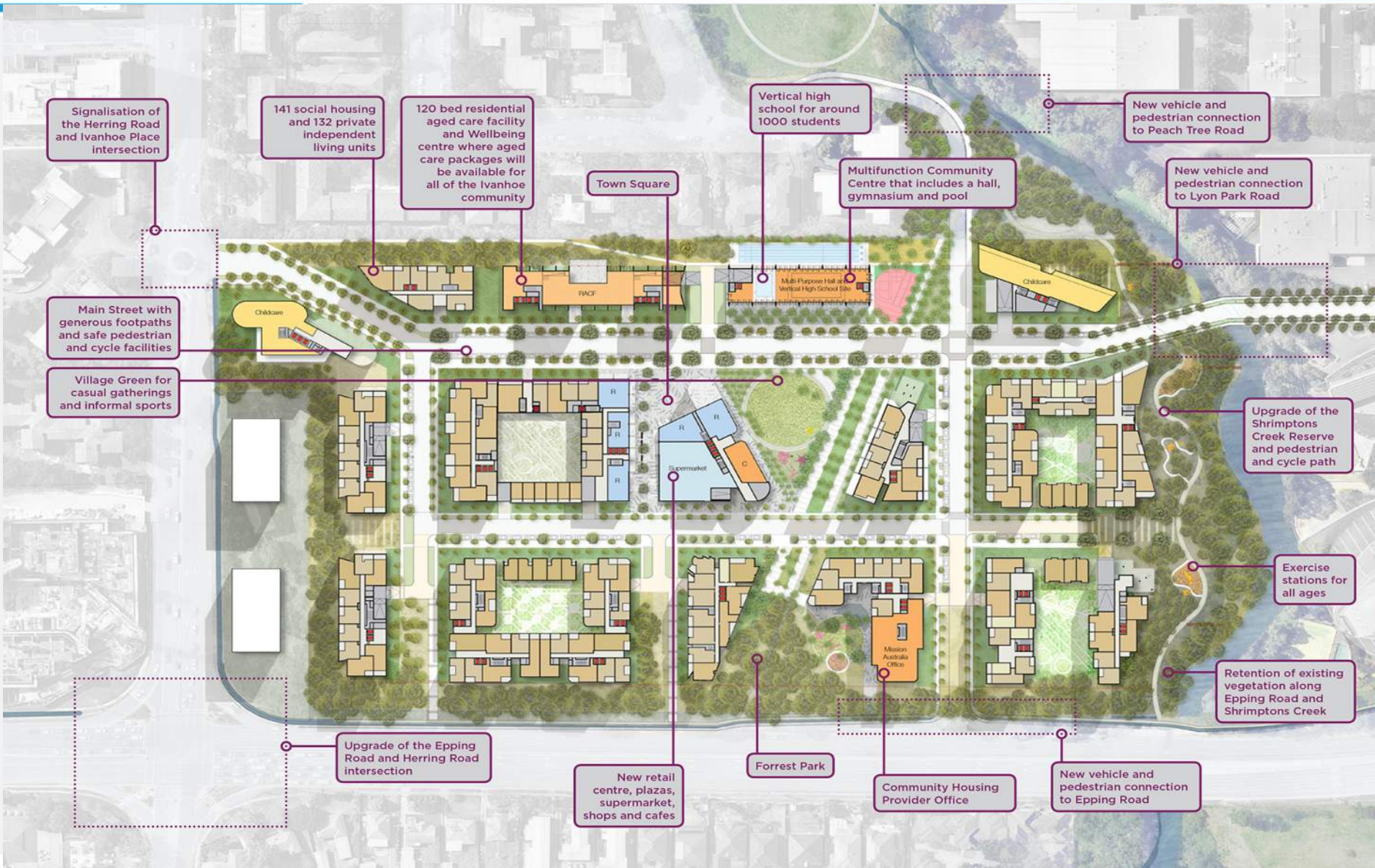
Ivanhoe - Case Study

- Rezoned as part of the Macquarie University Station Priority Precinct in September 2015
- The site currently contains 259 existing social housing dwellings around 60% of relocations now complete
- The Ivanhoe Project Development Agreement (PDA) was signed in August with the Aspire Consortium (Frasers Property Australia, Citta Property Group, Mission Australia Housing)
- The redevelopment will see the transformation of 259 social housing properties into an integrated neighbourhood of over 3,000 properties including 950 social housing properties and 128 affordable rental properties
- The PDA funds and delivers social outcomes plan including training, education, community integration and place making, leveraging private sector investment



Ivanhoe Redevelopment Draft Masterplan

(950 Social, 128 Affordable, 2,110 Private)



Ivanhoe Redevelopment

Social Housing Outcomes Plan & Supporting Infrastructure

Integrated community supported by social infrastructure:

- Non-government 1000 student co-ed vertical high school
- Two 75 place child care centres
- 120 residential aged care
- 250 independent living units
- Multifunction community space
- Community hub and retail centre

Addressing housing needs and transition to housing independence:

- \$21.08M funding reinvested into social program outcomes
- Mixed community - private and social
- Pathways to education, training, employment and support services
- A range of housing models to support transitioning to independence



Ivanhoe Sustainability

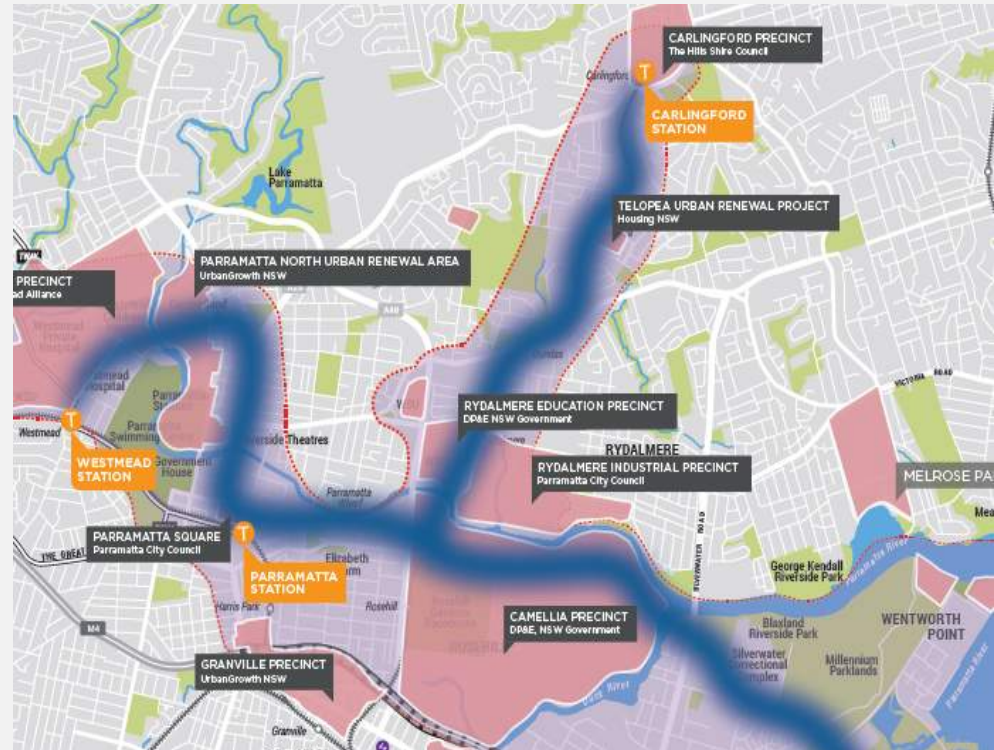
Leading edge sustainability design practices include:

- 5 Star Green Star buildings and 6 Star community rating
- Carbon neutral in operation without and charge to residents
- Bulk grid electricity and renewable providing low cost
- Heating to social housing provided at a low to zero cost
- Integrated water cycle management – rainwater
- Connectivity of the urban design encourages public transport use
- 50 share car spaces, bicycle parking for each dwelling



Teloepa

- Existing 640 social housing, projected 1,000 social and 160 affordable
- February 2017 Stage 1 of Parramatta Light Rail confirmed stop in Teloepa
- Final master plan endorsed by the City of Parramatta Council in March 2017
- The Department of Planning and Environment's exhibition of revised planning controls to implement the Teloepa Master Plan is underway
- Gazettal of the new planning controls anticipated by mid-2018



Master Planning - Telopea

- Master planning prepared in partnership with City of Parramatta Council
- Master plan engagement with the community occurred throughout 2016
- Final master plan endorsed by the Council in March 2017
- Department of Planning and Environment exhibited new planning controls to implement the master plan between 13 October and 24 November 2017
- Master plan features:
 - New light rail
 - 3,500 to 4,500 additional homes over 20 years
 - Around 1,000 social and affordable homes
 - New and improved streets
 - New parks, plazas, supermarket, cafes and shops
 - Bigger modern library and community spaces
 - Sturt and Acacia Park upgrades
 - Retention of mature trees



Infrastructure

Parramatta Light Rail

- Announced in December 2015
- Stage 1 announced on 17 February 2017, confirming a stop at Telopea
- New services direct to Parramatta CBD, Western Sydney University and Westmead Hospital
- Services to commence in 2023



Waterloo Estate – Redevelopment Site

A unique place

ATP and Redfern

M
Metro Quarter

Waterloo Estate

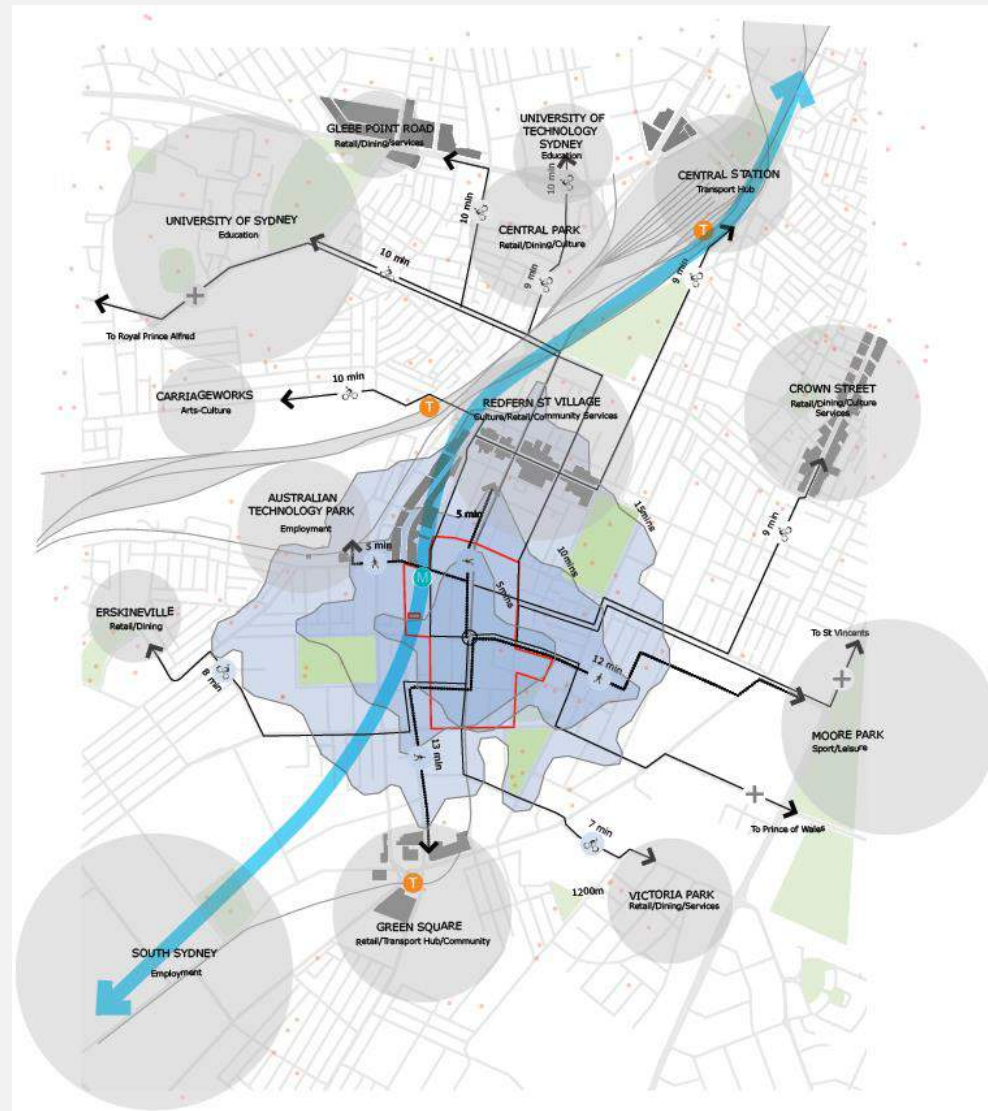
Green Square



Waterloo Estate Significant Precinct | Presentation to Project Review Panel | Sensitive NSW Government - Confidential

Background to Waterloo Redevelopment

- In December 2015, NSW Government announced a new metro station at Waterloo as part of the 2nd stage of the Sydney Metro
- The station is a catalyst for renewal of the surrounding area, in particular the Waterloo 'Social Housing' Estate
- The decision to build the metro station is being paralleled with the redevelopment of the Waterloo Estate as part of the LAHC Communities Plus Program
- In May 2017, NSW Government announced the Waterloo Estate and the Metro Quarter as State Significant Precincts (SSP)
- 21 Study Requirements were issued and are to be addressed for the rezoning application



Waterloo Estate – Site Information

- Waterloo Estate SSP area is approximately 18 hectares
- Metro Quarter SSP area is approximately 2 hectares
- 2,012 social dwellings on the Estate site
 - 2 tall 30 storey towers
 - 4 large 16 storey towers
 - low density 2-3 bedroom walk-ups
- Average age of dwellings is 46 years
- The Estate also includes a small number of privately owned properties



Hobart LRT – Suggested Next Steps

A significant amount of work has been undertaken to date.

For a business case to be submitted Infrastructure Australia, and attract commonwealth funding the following assessments would need to be undertaken to respond to the land market potential unlocked by the LRT project.

1. Update the transport planning and economic assessment reflecting the with/without land use scenario;
2. Undertake a WEBs Assessment including responding to the with/without land use scenario;
3. Undertaken an urban renewal economic assessment of the corridor to determine the land market economic benefits unlocked by the project;
4. Conduct and affordable housing strategy on Government land holdings in the corridor inline with the Communities Plus Model applied by NSW Land and Housing Corporation
<https://www.communitiesplus.com.au/>

This process is also a benefits realization process to ensure that the maximum benefit unlocked by the project is delivered by the project.



Thank you.


For more information on our projects experience, consulting advisory services and to download our reporting:

www.luticonsulting.com.au





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