

# Policy

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**Title:** Major Development Assistance/Incentives

**Category:** Environment, Planning and Development Control

**Date Last Adopted:** 23 September 2019

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## 1. Objectives

To assist the Council in determining whether to provide assistance or incentive to a developer.

## 2. Background

As a result of the Council receiving a number of requests for financial assistance from developers, the Council at its meeting on 23 March 2009 requested a policy be developed.

## 3. Policy

That:

The Hobart City Council will assess requests from developers for assistance or incentive for major City developments on a case-by-case basis.

1. Council will consider developments that are consistent with the strategic objectives outlined in the *Hobart 2025 Strategic Framework*, specifically

*FD 1 – offers opportunities for all ages and a city for life*

*1.1.7 Support a viable mix of business activity within the city*

*FD 4 – achieves good quality development and urban management*

*4.2.1 Principles and projects will be developed and promoted to ensure sustainable, energy efficient and quality development*

*FD 7 – is dynamic, vibrant and culturally expressive*

*7.1.1 Assist city growth through development strategies*

*7.2.3 Support potential growth industries that are compatible with the city's future direction statements and foster small business growth and viability.*



2. Furthermore, in providing assistance to developers, there will be some form of return on investment to either the Council directly or the City as a whole. This return on investment does not necessarily have to be monetary.
3. For the purpose of this policy:
  - (i) "Assistance" is defined as "the act of assisting; providing aid, help, support"; and
  - (ii) "Incentive" is defined as "something that induces action or motivates greater effort".
4. The Council must ultimately satisfy itself that if no assistance or incentive is offered that:
  - (i) The development will not proceed; and
  - (ii) By not proceeding, there will be a negative impact upon the City or part thereof.
5. In applying this policy, Council will consider the following criteria in determining whether to provide assistance / incentive to a developer.
  - (i) Direct cost to Council**
    - (a) What is the value of payment made or income forgone?
    - (b) What is the direct cost of any services provided but not paid for?
  - (ii) Future direct revenue from the development**
    - (a) What will be the likely future income stream from rates and other charges received?
    - (b) Subtract from the income stream, future costs for delivery of services.
  - (iii) Future indirect gains to the community**
    - (a) The Council must satisfy itself that the development will provide long term benefits to the City.
    - (b) Can the developer identify stimulation of trade to other Hobart based businesses as a result of the proposal and Council's support?
      - (i) Retail:

Will the proposed development be acting as an anchor to attract trade and prevent leakage to other shopping areas?
      - (ii) Office:

Will the proposed development demonstrate environmentally sustainable buildings and space for private tenants?
      - (iii) Tourism:

Will the proposed development create future benefit through increased visitation or an additional attraction in Hobart?



- (c) What impact will the proposal have on neighbouring businesses and the wider City?
- (d) Will the proposed development add to community amenity, value, open space, convenience, community meeting spaces, or other community infrastructure?

**(iv) Whether the development (or an equivalent) would occur anyway**

- (a) The developer must present a reasonable case for Council support – this may extend to the Council requiring a business case demonstrating why Council's support is necessary.
- (b) Is the intended tenant a rent setter or rent taker?
- (c) If a rent setter:
  - (i) Will they add value of consequence to the City?
  - (ii) Why would they not locate here without an incentive?
- (d) Can another developer provide a similar and viable offer in a setting of comparable merit that would not require Council assistance?

**(v) Other Criteria**

No assistance or incentive is to be provided unless:

- (a) The developer has identified the tenant and the tenant is committed to the project - the Council will not provide support for a speculative development.
- (b) A sound business case should be provided to show the project requires assistance or an incentive and what the quantum of the proposed assistance or incentive would be

6. The types of assistance or incentives that Council might consider include, but are not limited to:

- (i) Rates remissions
- (ii) Waiver or reduction of fees for:
  - (a) hooding parking meters;
  - (b) hoarding costs;
  - (c) dumping of demolition rubble;
  - (d) development and building application costs road closures; and
  - (e) possible joint ventures, purchase or other opportunities.

## 4. Legislation, Terminology and References

Assistance is defined as the act of assisting; providing aid, help, support.

Incentive is defined as something that induces action or motivates greater effort.



Policy Set Aside - Council Decision of 10 February 2015

<b>Responsible Officer:</b>	Director City Governance
<b>Policy first adopted by the Council:</b>	27/7/2009
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