

**INNOVATIVE**

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<b>ITEM NUMBER</b>	17.4
<b>SUBJECT</b>	FOR APPROVAL: Gateway Request: Planning Proposal for land at 112 Wharf Road and 30 & 32 Waratah Street, Melrose Park and 82 Hughes Avenue, Ermington
<b>REFERENCE</b>	RZ/1/2020 - D07680403
<b>APPLICANT/S</b>	Holdmark Property Group
<b>OWNERS</b>	Holdmark Property Group
<b>REPORT OF</b>	Senior Project Officer Land Use Planning

**DEVELOPMENT APPLICATIONS CONSIDERED BY SYDNEY CENTRAL CITY PLANNING PANEL Nil****PURPOSE**

To seek Council's endorsement to forward the Planning Proposal for land at 112 Wharf Road, 30 and 32 Waratah Street, Melrose Park and 82 Hughes Avenue, Ermington to the Department of Planning, Industry and Environment with a request to issue a Gateway determination.

**RECOMMENDATION**

- (a) **That** Council approve the Planning Proposal at **Attachment 1** for the purposes of it being forwarded to the Department of Planning, Industry and Environment (DPIE) to request the issuing of a Gateway Determination which seeks to amend Parramatta Local Environmental Plan 2011 by:
1. Rezoning 112 Wharf Road, 32 Waratah Street and 82 Hughes Avenue from IN1 General Industrial to part R4 High Density Residential and part RE1 Public Recreation.
  2. Rezoning 30 Waratah Street from IN1 General Industrial to RE1 Public Recreation.
  3. Amending the maximum building height from 12m to a combination of 34m, 45m and 77m (approximately 8, 12 and 22 storeys respectively).
  4. Amending the Floor Space Ratio (FSR) on the East site from 1:1 to 1.66:1.
  5. Amending the FSR on the West site from 1:1 to 1.79:1.
  6. Inserting a site-specific provision in Part 6 *Additional local provisions – generally* of PLEP 2011 and amending the Additional Local Provisions map to include the land to ensure:
    6. 1 That design excellence provisions be applicable to buildings of 55m and above in height without the provision of bonuses.

- 6.2 A minimum of 1,000m<sup>2</sup> of non-residential floor space is to be provided within the site to serve the local retail and commercial needs of the incoming population.
  7. Amending the Land Reservation Acquisition map to reflect areas of open space to be dedicated to Council.
  8. Inserting provisions into PLEP 2011 to ensure that the number of dwellings approved at the development application stage aligns with the delivery of the required infrastructure as identified by Council and in the Transport Management and Accessibility Plan (TMAP) as per the implementation plans endorsed by Council on 12 August 2019.
  9. Amending Schedule 1 *Additional Permitted Uses* to permit 'food and drink premises' in the R4 High Density Residential zone.
- (b) **That** the Planning Proposal be forwarded to the DPIE for a Gateway determination.
- (c) **That** a site-specific Development Control Plan (DCP) be prepared and reported to Council prior to formal exhibition of the Planning Proposal.
- (d) **That** Council delegates authority to the CEO to commence negotiations to enter into a planning agreement with the applicant in relation to infrastructure provision required to support the proposal and that any planning agreement entered into is:
1. in addition to developer contributions payable; and
  2. reported to Council prior to public exhibition.
- (e) **That** the site-specific DCP and Planning Agreement be publicly exhibited concurrently with the Planning Proposal should Gateway determination be issued.
- (f) **That** Council advises the DPIE that the Chief Executive Officer will not be seeking to exercise the plan-making delegations for this Planning Proposal as authorised by Council on 26 November 2012.
- (g) **That** Council note the Local Planning Panel's advice to Council is in support of the Planning Proposal (refer to **Attachment 1**), which is consistent with the Council Officer's recommendation in the report.
- (h) **Further, that** Council delegate authority to the Chief Executive Officer to correct any minor anomalies of a non-policy and administrative nature that may arise during the plan-making process.

# Planning Proposal Timeline



## SUMMARY

1. This report seeks Council's endorsement to forward a Planning Proposal for land at 112 Wharf Road, 30 Waratah Street and 32 Waratah Street, Melrose Park and 82 Hughes Avenue, Ermington in accordance with the recommendations outlined in this report to the Department of Planning, Industry and Environment (DPIE) for a Gateway determination.
2. The Planning Proposal seeks to amend Parramatta Local Environmental Plan (PLEP) 2011 to enable non-industrial development on these sites in the form of high density residential and public open space uses, generally in accordance with the adopted Melrose Park Southern Structure Plan (Southern Structure Plan) adopted by Council on 16 December 2019. Should the Planning Proposal proceed then approximately 1,925 units could potentially be delivered on the site with building heights ranging from 8 storeys to 22 storeys.
3. The Planning Proposal also seeks to amend Schedule 1 – *Additional Permitted Uses* to permit 'food and drink' premises on the site. Further, the Proposal seeks to introduce Design Excellence provisions into PLEP 2011 applicable to buildings 55m and above in height with no FSR and height bonuses.
4. The Planning Proposal has been assessed against the Council adopted structure plan and is considered acceptable by Council officers to proceed to Gateway determination. It is recommended that a site-specific DCP be prepared to address the specific built form requirements, and that a planning agreement be entered into between the developer and Council to ensure the infrastructure needs of the precinct are addressed.

## SITE DESCRIPTION

5. The southern precinct is bound by Hope Street to the north, Wharf Road to the east, Parramatta River to the south and Atkins Road to the west. It is located approximately 6km east of the Parramatta CBD and adjoins the Ryde Local Government Area (LGA).
6. The sites subject to this Planning Proposal are located on the eastern and western sides of the southern precinct. The eastern site, which relates to 112 Wharf Road and 30 and 32 Waratah Street is approximately 42,692m<sup>2</sup> (4.2ha) in area and is located to the south of Melrose Park Public School. The western site is approximately 51,607m<sup>2</sup> (5.1ha) and bound by Hughes Avenue to the east, Parramatta River to the south, Atkins Road to the west and 71 Atkins Road and 80 Hughes Avenue along the northern boundary. These sites are referred to as “East” and “West” respectively in this report (see **Figure 1**).
7. The sites are currently largely developed and occupied by a variety of industrial premises. The East site includes pharmaceutical, engineering and plastics manufacturing. The West site includes purpose-built pharmaceutical manufacturing buildings. Surrounding land uses include low density residential in both the Parramatta and Ryde LGAs to the west and east, Parramatta River to the south and industrial land between both sites. These two sites comprise of approximately 9.4ha of the 19ha southern precinct, which equates to approximately 49% of the land area under Holdmark’s ownership.



**Figure 1.** Sites subject to this Planning Proposal

## BACKGROUND

8. Council adopted the Parramatta Employment Lands Strategy (ELS) at its meeting of 11 July 2016, which identified the Melrose Park industrial area precinct as being a Structure Plan precinct and suitable for redevelopment for non-industrial uses.
9. In May 2016, a Planning Proposal was lodged for the Holdmark East site, however this was not progressed due to the requirement within the adopted ELS to first prepare a structure plan for the precinct before any planning proposals could be progressed.
10. Council endorsed the draft Southern Structure Plan for public exhibition on 24 June 2019 and the draft Plan was exhibited from 14 August to 10 September 2019. Following exhibition, a revised version of the draft Plan was considered and adopted by Council on 16 December 2019.
11. As a result, the applicant lodged a revised Planning Proposal with Council reflecting the requirements of the adopted Southern Structure Plan and incorporating an additional site at 82 Hughes Avenue. This report considers the revised planning proposal that was lodged with Council on 11 May 2020 and considered by the Local Planning Panel (LPP) on 29 September 2020.

## DESCRIPTION OF PLANNING PROPOSAL

12. The Planning Proposal seeks to amend PLEP 2011 to enable redevelopment for high density residential, public open space and some retail/commercial uses on the sites, and applies to two separate sites within the southern precinct. Refer to **Table 1** below for a summary of the existing and proposed controls.
13. The Planning Proposal also seeks to amend Schedule 1 Additional Permitted Uses of PLEP 2011 to permit 'food and drink premises' in the R4 High Density Residential zone. The intention of this amendment is to enable street-level activation by allowing restaurants and cafes to operate on the ground floor of buildings located on the East and West sites along the waterfront of Parramatta River.

**Table 1.** Summary of current and proposed planning controls

	EAST SITE			WEST SITE
	112 Wharf Road	30 Waratah Street	32 Waratah Street	82 Hughes Avenue
<b>Current Zone</b>	IN1 General Industrial			
<b>Proposed Zone</b>	Part R4 High Density Residential, part RE1 Public Recreation	RE1 Public Recreation	Part R4 High Density Residential, part RE1 Public Recreation	Part R4 High Density Residential, part RE1 Public Recreation
<b>Current FSR</b>	1:1			1:1
<b>Proposed FSR</b>	1.66:1			1.78:1
<b>Current height limit</b>	12m			12m
<b>Proposed Height limit</b>	Ranging between 8 storeys (34m), 12 storeys (45m) and 22 storeys (77m)			

<b>Potential dwelling yield per site</b>	835 units	1,090 units
<b>Total potential dwelling yield</b>	1,925	
<b>Non-residential floor space component</b>	500m <sup>2</sup>	500m <sup>2</sup>

## PLANNING PROPOSAL ASSESSMENT

14. The Planning Proposal is consistent with Council's adopted Employment Lands Strategy (ELS), Local Strategic Planning Statement (LSPS) and Local Housing Strategy (LHS). Further details on this assessment is contained within the LPP report and part 3 of the Planning Proposal at **Attachment 1**.
15. This Planning Proposal has been prepared using the adopted Southern Structure Plan to inform the proposed built form and densities on the sites. The proposed land use zones on the site are considered appropriate and consistent with the recommendation of the ELS in that the sites have been identified as being suitable for redevelopment for non-industrial uses. Refer to the LPP report for maps showing the proposed zones, FSRs and building heights on the sites.
16. The Proposal is considered to be consistent with the Southern Structure Plan with the exception of the proposed building heights, where some variation is proposed. The Proposal seeks to increase the maximum 20 storeys identified in the Southern Structure Plan to 22 storeys on the East site, and proposes an increase from 18 storeys to 20 storeys on the West site. The locations of the towers will remain on the inner parts of the sites to maximise the distance between existing low density residential areas. The proposed height variations have been reviewed by Council's City Design Unit and it is considered that these variations will achieve a better built form outcome on the site, and improve amenity for future residents, as they allow for greater building separation and larger internal courtyards. Importantly, the Planning Proposal is consistent with the adopted Structure Plan in relation to FSRs, and no increase in density other than that identified in the Structure Plan is being sought. Refer to **Figures 2 and 3** which show the proposed indicative built forms on the East and West sites. Further detail on the urban design assessment is contained within the LPP report.





**Figure 2.** Proposed indicative East site scheme



**Figure 3.** Proposed indicative West site scheme

17. It is recommended that a design excellence clause be introduced into PLEP 2011 requiring a design competition process to be undertaken on development lots where buildings exceeding 55m are proposed. It is also recommended that no height and FSR bonuses be awarded on these sites due to concerns relating to the cumulative impacts on the overall density of the precinct. The proposed built form has undergone urban design testing to ensure that it can comply with the requirements of the State Government's Apartment Design Guide (ADG) and that amenity issues such as overshadowing are not compromised. It is also considered that the density proposed in the Planning Proposal is at the upper limit of acceptability for the precinct and therefore any further increase in the form of building height and FSR bonuses would result in an unacceptable density, and compromise the ability of the redevelopment to achieve the desired design outcome. This is consistent with the approach taken in the northern precinct and drafted provisions within the Melrose Park North Planning Proposal.
18. As with the northern precinct, it is important that infrastructure is delivered to support the number of dwellings proposed in the precinct. This involves the inclusion of an alternative implementation plan in PLEP 2011 to that included in



the Transport Management and Accessibility Plan (TMAP) that has been prepared for the precinct, which will address density control by restricting the number of dwellings in the precinct should the bridge to Wentworth Point with light rail or equivalent bus service and Sydney West Metro not be delivered. Further detail is provided in the LPP report. Should the bridge to Wentworth Point with light rail or equivalent bus service and Sydney West Metro be delivered then up to 11,000 dwellings can be accommodated within the entire precinct as identified in the TMAP from a traffic and transport perspective. However, without the bridge and light rail or bus equivalent the dwellings number is capped at 6,700 units across the precinct. This is to ensure that the increase in dwellings is relative to the capacity of the available public transport services. Consistent with the approach being applied in the northern precinct, in the event that no commitment is made by the State Government towards delivering the bridge to Wentworth Point with light rail or equivalent bus service and Sydney West Metro at the time of development applications being lodged in the precinct, then the overall dwelling number able to be achieved across the precinct will be restricted to 6,700 dwellings. Accordingly, a 40% reduction in yield will be applied to both the northern and southern precincts.

19. The 1,925 dwellings (835 on the East site and 1,090 on the West site) proposed in this Planning Proposal is based on the delivery of the required bridge to Wentworth Point with light rail or equivalent bus service and Sydney West Metro and is the maximum number of dwellings that can be achieved across the two sites. The Planning Proposal will progress on the assumption that these transport commitments will be made; however, should this not be the case by the time a development application is lodged on either the West or East site or both, then a 40% reduction in yield will be applied to these sites. If applied, this would reduce the yields to 501 dwellings on the East site and 654 dwellings on the West site and an overall decrease in units to 1,155 dwellings in total.
20. The Planning Proposal was referred to Council's Traffic, Transport Planning, Open Space and Recreation, Flooding, Social Outcomes, Contamination and Heritage sections, who raised no significant concerns that would prevent the Proposal from progressing. Further detail on these assessments is provided in the LPP report.

## **DEVELOPMENT CONTROL PLAN**

21. The site-specific DCP can be prepared once the Planning Proposal has been submitted for Gateway determination, should this be resolved by Council.
22. The future site-specific DCP will guide development and contain specific requirements that must be addressed during the design stage of the planning process and future development application, having regard to the local context and detailed design requirements for the site. These include, but are not limited to:
  - Site levels
  - Street and block layout
  - Relationship of building to the street and block pattern
  - Building typologies

- Desired future character
- Public domain, open space and landscaping
- Site access, circulation and connectivity
- Transport and parking
- Environmental sustainability
- Storm water management
- Solar access
- Transition areas to surrounding development.

## PLANNING AGREEMENT

23. The applicant has indicated a willingness to contribute towards infrastructure provision within the precinct, including affordable rental housing, however it has not included a Letter of Offer with the submitted Planning Proposal. It is essential that all developers make a fair and equitable contribution to the infrastructure needs associated with the future growth in Melrose Park. It is not entirely incumbent upon the Council to fund the provision of key infrastructure directly attributable to new development of this scale, therefore it is considered necessary that a planning agreement be negotiated with the developer to ensure a reasonable contribution is made to support the development needs. Council officers will continue to work with the applicant regarding this matter, and any planning agreement will be subject to detailed analysis in keeping with Council's Planning Agreements Policy and be reported to Council for endorsement prior to any concurrent public exhibition of the Planning Proposal and site specific DCP. Any contributions made as part of a planning agreement will be in addition to Section 7.11/Section 7.12 developer contributions
24. Due to the significant increase in density that is proposed by the Planning Proposal and broader Melrose Park Precinct, it is anticipated that a contribution towards State infrastructure will be required and that a separate Planning Agreement will be entered into between the developer and State agencies. This planning agreement is intended to relate to infrastructure such as the proposed new school and upgrades to State-owned roads.

## PARRAMATTA LOCAL PLANNING PANEL

25. As per the Ministerial direction issued on 27 September 2018, Council is required to refer all planning proposals prepared after 1 June 2018 to the Local Planning Panel for advice before Council considers whether or not to forward them to the Department of Planning, Industry and Environment for a Gateway Determination.
26. On 29 September 2020, the Parramatta LPP considered the contents of **Attachment 1** and in issuing its advice to Council (refer to **Attachment 2**) supported the Council Officers' recommendations and advised Council to forward the Planning Proposal to the Department of Planning, Industry and Environment for the purposes of requesting a Gateway Determination.

## PLAN-MAKING DELEGATIONS

27. New delegations were announced by the then Minister for Planning and Infrastructure in October 2012, allowing councils to make LEPs of local significance. On 26 November 2012, Council resolved to accept the delegation for plan-making functions. Council has resolved that these functions be delegated to the CEO. It is noted that delegations were not granted to the CEO for the Melrose Park North Planning Proposal due to the size and complexity of the redevelopment and for this reason.
28. It is not recommended that Council request to the DPIE that delegation be given to the CEO on this occasion due to the complexities surrounding the dwelling thresholds and mechanisms to deliver infrastructure in the precinct. When a council is not granted plan-making delegations then the DPIE is responsible for liaising with Parliamentary Counsel to finalise the LEP amendment.

### **CONSULTATION AND TIMING**

29. Should Council resolve to proceed with the Planning Proposal for the site, it will be forwarded to the DPIE requesting a Gateway determination.
30. If a Gateway determination is issued, the Planning Proposal will be placed on public exhibition in conjunction with the associated site-specific DCP and Planning Agreement, when community and stakeholder feedback will be sought.

### **FINANCIAL IMPLICATIONS FOR COUNCIL**

31. Should Council resolve to proceed with the Planning Proposal, the financial implications for Council include costs associated with the exhibition process, which include advertising and landowner notification by mail out. These costs will be funded from the City Planning budget.
32. As recommended, a Planning Agreement to support the Planning Proposal to facilitate infrastructure provision and delivery will be the subject of a separate Council report which will outline all financial implications associated with that agreement.

### **CONCLUSION AND NEXT STEPS**

33. The Planning Proposal seeks to rezone the East and West sites subject to the Planning Proposal, and increase the maximum building height and FSR in a manner generally consistent with the Council adopted Southern Structure Plan for the precinct. It is recommended that Council endorse the Planning Proposal provided at **Attachment 1** and for it to be forwarded to the Department of Planning, Industry & Environment for a Gateway determination.
34. If a Gateway determination is issued, the Planning Proposal will be placed on public exhibition in conjunction with an associated site specific DCP and Planning Agreement and the outcomes will be reported to the Local Planning Panel if any objections are received. If no objections are received, the matter will be reported directly to Council post-exhibition.

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**ATTACHMENTS:**

- |                            |   |           |
|----------------------------|---|-----------|
| <b>1</b> <a href="#">↓</a> | Local Planning Panel Report (including attachments) | 755 Pages |
| <b>2</b> <a href="#">↓</a> | Local Planning Panel Minutes                        | 3 Pages   |

**REFERENCE MATERIAL**