

FOR COUNCIL DECISION

ITEM NUMBER	13.4
SUBJECT	Draft Melrose Park South Site-Specific Development Control Plan and Planning Agreement
REFERENCE	F2022/00105 - D08433159
REPORT OF	Senior Project Officer
PREVIOUS ITEMS	17.4 - FOR APPROVAL: Gateway Request: Planning Proposal for land at 112 Wharf Road and 30 & 32 Waratah Street, Melrose Park and 82 Hughes Avenue, Ermington - Council - 09 Nov 2020 6.30pm

CSP THEME: **INNOVATIVE**

WORKSHOP/BRIEFING DATE: 23 March 2022

APPLICANT: Holdmark Property Group

LANDOWNER: Holdmark Property Group

DEVELOPMENT APPLICATIONS CONSIDERED BY CENTRAL CITY DISTRICT PLANNING PANEL: NIL

PURPOSE:

The seek Council's approval to place on public exhibition the draft Melrose Park South Site-Specific Development Control Plan (DCP) and associated Planning Agreement relating to 112 Wharf Road and 30 & 32 Waratah Street, Melrose Park and 82 Hughes Avenue, Ermington concurrently with the Planning Proposal for the sites, noting that Council has already resolved to adopt the Planning Proposal for exhibition.

RECOMMENDATION

- (a) **That** Council approve the draft Melrose Park South Site-Specific Development Control Plan (DCP) provided at **Attachment 2** for the purposes of public exhibition.
- (b) **That** Council give delegation to the CEO to draft the Planning Agreement based on the submitted Letter of Offer provided at **Attachment 3** for the purposes of public exhibition.
- (c) **That** the draft DCP and Planning Agreement be placed on public exhibition concurrently with the Planning Proposal that was adopted by Council on 9 November 2020 for a period of 28 days, and that a report be provided to Council on the outcomes of the public exhibition.
- (d) **Further, that** Council delegate authority to the Chief Executive Officer to correct and anomalies of minor non-policy nature that may arise during the public exhibition process.

BACKGROUND

1. At its meeting of 9 November 2020, Council resolved to proceed with the Planning Proposal, known as the Holdmark Planning Proposal, for land at 112 Wharf Road and 30 & 32 Waratah Street, Melrose Park and 82 Hughes Avenue, Ermington (see **Figure 1**) and that it be forwarded to the (then) Department of Planning, Industry and Environment (DPIE) for approval to place on public exhibition (known as a Gateway determination).
2. Council also resolved at that meeting to endorse the preparation of a site-specific DCP for Melrose Park South and commence negotiations with the proponent relating to an associated Planning Agreement.
3. Council officers and the proponent have since progressed the drafting of the Site-Specific DCP currently applicable to the two Holdmark-owned sites in the southern precinct (refer to **Attachment 2**). This document will be progressively amended as proposals for additional sites within the southern precinct are prepared.
4. Council officers also subsequently commenced negotiations for the Planning Agreement which resulted in a Letter of Offer being submitted by the proponent on 8 March 2022 (**Attachment 3**).
5. Following the Council resolution to proceed with the Planning Proposal it was subsequently forwarded to the then DPIE seeking a Gateway determination which was issued on 17 August 2021. The Gateway determination requires the Planning Proposal to be submitted to DPIE by 31 June 2022 for finalisation to occur by 31 August 2022.
6. Refer to **Attachment 1** for further detail on the background of the Planning Proposal and a summary of the current and proposed planning controls on the East and West sites.

SITE CONTEXT

7. The southern precinct of Melrose Park 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 City of Ryde Local Government Area (LGA), with Wharf Road being the boundary between the two LGAs.
8. The subject sites are located on the eastern and western sides of the southern precinct and are referred to as “East” and “West” respectively within this report. The East site, which relates to 112 Wharf Road and 30 & 32 Waratah Street, is approximately 42,692m² (4.2ha). The West site which relates to 82 Hughes Avenue site is approximately 51,607m² (5.1ha). The two sites under Holdmark’s ownership equate to approximately 49% of the southern precinct with a combined total of approximately 9.4ha of the 19ha southern precinct. Refer to **Figure 1** for the locations of the sites within the southern precinct.

9. The sites are currently largely developed and occupied by a variety of industrial premises. Surrounding land uses include low density residential in both the Parramatta and Ryde LGA to the east and west, Parramatta River to the south and industrial land to the north between the sites and Hope Street.



Figure 1. Sites subject to the Holdmark Planning Proposal, draft DCP and Planning Agreement highlighted yellow. Melrose Park southern precinct is outlined blue.

DRAFT DEVELOPMENT CONTROL PLAN

10. A Development Control Plan (DCP) supports the provisions within the Local Environmental Plan (LEP) by providing detailed development controls relating to design, character and the environment to ensure the desired outcome for the site is achieved. The LEP is a higher-order planning instrument than the DCP which contains the overarching planning provisions such as building height, zoning and Floor Space Ratio (FSR), and establishes the permissible uses within each zone and other land use planning standards. The Planning Proposal for the Holdmark sites, which was approved by Council on 9 November 2020 for public exhibition, sets out the proposed amendments to the planning provisions applicable to these sites. The draft DCP now being considered will provide specific development requirements for the Melrose Park South precinct and is required to be consistent with the new LEP controls that will be set by the Planning Proposal.
11. The Melrose Park South Site-Specific DCP (refer to **Attachment 2**) has been drafted using the Melrose Park North DCP (adopted by Council on 11 October 2021) as a template with changes made where necessary to respond to the context of the southern precinct. As with the north, a collaborative approach has been taken in working with the proponent to finalise the draft DCP.
12. The draft DCP reflects and is consistent with the key development standards and desired outcome of the Holdmark Planning Proposal.

Primary DCP Objectives

13. The draft DCP will guide development and contain specific requirements that must be addressed during the design stage of the planning process and future development applications, having regard to the local context and detailed design requirements for the two sites. The detailed design requirements include planning controls relating to:
 - Built form, including building envelopes, setbacks, and solar access
 - Street and block layout
 - Parking requirements
 - Public domain and open space
 - Stormwater management
 - Sustainability.
14. Details on the draft DCP sections, design requirements, appendices and key elements is provided within Section 2 of **Attachment 1**.
15. Refer to **Figure 3** within **Attachment 1** for the proposed building schemes on both sites.

OUTCOMES OF PLANNING AGREEMENT NEGOTIATIONS

16. At its meeting of 9 November 2020, Council resolved to proceed with Planning Agreement negotiations with the proponent to ensure that an appropriate contribution is made to meet the infrastructure need that will be generated by the proposed development.
17. Council officers commenced negotiations and based discussions on the Infrastructure Needs List (INL) that has been prepared by Council officers and approved by Council for the entire Melrose Park precinct and is used to inform all current and future planning agreements in this area. A copy of the INL is included at **Attachment 4**. The INL comprises local infrastructure items identified as necessary to support the incoming population and is based on Council's adopted Community Infrastructure Strategy (CIS) (July 2020) and Council's Parramatta (Outside CBD) Contributions Plan works schedule. Proponents are able to suggest and propose to include alternative infrastructure items in their offer that are not included in the INL for consideration by Council officers.
18. To apply a consistent approach to negotiating Planning Agreements within the Melrose Park precinct, it has been determined that the value of each Planning Agreement within the precinct will be calculated on a fixed per-dwelling contribution amount, being \$19,349 per dwelling subject to the proponents agreeing to Council's other requirements in the Planning Agreement. This approach has to date only been endorsed by Council for the Planning Agreement with Payce in the northern precinct, but in the interest of applying a fair and equitable approach to all landowners in Melrose Park, has been offered to Holdmark providing they comply with the requirements set by Council officers to ensure that each development makes an appropriate and equitable contribution towards delivery of the required local infrastructure.
19. In addition to the Planning Agreement, proponents will be subject to paying the 1% levy as prescribed under the former *Parramatta Section 94A Development Contributions Plan 2017* at the development application stage. The rationale for

this approach was outlined as part of the adoption of the Parramatta (Outside CBD) Contributions Plan on 12 July 2021 and was adopted by Council to ensure the best possible outcome for the delivery of essential local infrastructure throughout the entire Melrose Park Precinct. This rationale includes the ability of Council to secure the quantity of public open space required to support the precinct and ensures the open space is delivered at an appropriate stage in the redevelopment. This approach also places no acquisition burden on Council for the land proposed to be dedicated as public open space. Should the Parramatta (Outside CBD) Contributions Plan rates apply to redevelopment within the Melrose Park precinct there is no guarantee that these funds would be directed towards delivering the required infrastructure within the precinct. This would potentially result in a high-density residential area being under supported or having to wait for a lengthy time for the necessary infrastructure.

20. Should proponents wish to negotiate their Planning Agreement based on a lower per-dwelling amount, then the contribution rates prescribed in the *Parramatta (Outside CBD) Contributions Plan 2021* will apply in addition to any Planning Agreement. Due to Melrose Park requiring a significant amount of local infrastructure investment, Council officers prefer Planning Agreements to be negotiated based on the \$19,349 per-dwelling rate plus the 1% Section 94A levy as this ensures that funds will be directed towards delivering the local infrastructure items required to support the precinct. It also avoids the potential for funds to be collected twice for infrastructure items that are identified in both the INL and the Parramatta (Outside CBD) Contribution Plan 2021 works schedule for Melrose Park.
21. As a result of negotiations with Holdmark, the proponent submitted a Letter of Offer on 8 March 2022 for Council officers' assessment (refer **Attachment 3**) to the value of \$37,246,825. This offer is the result of extensive negotiations over the past 12 months and is considered to be an appropriate contribution towards the provision of local infrastructure and is consistent with the INL. A summary of the offer is provided in **Table 2** below:

Table 2. Summary of Holdmark's Planning Agreement Offer

No	Item	Contribution Value
1.	Affordable rental housing (24 units with a minimum of 34 bedrooms) dedicated to Council in perpetuity.	\$16,169,411
2.	Dedication of land to be used as public open space to Council at no cost. Embellishment of new public open space to Council's requirements with a 50% offset* included in the Planning Agreement for the cost of works.	\$21,077,414
3.	Delivery of cycleways and new roads with a 50% offset* for the cost of works included in the Planning Agreement.	
	TOTAL VALUE OF OFFER	\$37,246,825
	Per Unit Contribution	\$19,349

* A 50% offset is included in the Planning Agreement as an acknowledgement by Council that the subject works will benefit the broader community and not just the residents within the development. It means that half of the identified cost of delivering this infrastructure is offset by Council and half is offset by the developer.

State Infrastructure

22. Council officers have been working closely with various State agencies including the (now) Department of Planning and Environment (DPE), Transport for NSW (TfNSW) and School Infrastructure NSW (SINSW) to determine an appropriate contribution amount that all landowners in the precinct will be required to pay towards the provision of State infrastructure that is required to support the precinct.
23. The State infrastructure identified includes items such as road upgrades (primarily on Victoria Road) as identified in the Transport Management Accessibility Plan (TMAP) prepared for the precinct, a proposed new primary school in the northern precinct, and the potential bridge over the Parramatta River to Wentworth Point (proposed to be delivered as part of Parramatta Light Rail Stage 2 (PLR2)). Further detail on the delivery and funding of State infrastructure is provided in **Attachment 1**. At this stage, it is not intended that a separate Regional Infrastructure Contribution (RIC) or State Infrastructure Contribution (SIC) will be applied as all contributions towards the delivery of State infrastructure will be facilitated via the respective Planning Agreements between each landowner and the State Government.

PLANNING PROPOSAL

24. The Gateway determination issued by DPE permitting the draft Planning Proposal to proceed to exhibition included nine (9) conditions that are required to be addressed prior to the draft Planning Proposal being placed on exhibition. The conditions relate to fixing minor typographical errors in the document and ensuring specific documents, such as the Transport Management and Accessibility Plan (TMAP) and INL are placed on exhibition with the draft Planning Proposal. These conditions and how they have been addressed are detailed in **Attachment 1**.
25. The Height of Building map has been also amended to reflect the refinements made to the development scheme since this Gateway determination was issued. The maximum permissible height of 77m (approximately 22 storeys) endorsed by Council on 9 November 2020 has not been amended as part of these refinements, it is the distribution of the lower building heights which are subject to the change. The proposed LEP mapped building heights now comprise 25m (approximately 6 storeys), 31m (approximately 8 storeys on the West site), 34m (approximately 8 storeys on the East site), 68m (approximately 20 storeys) and 77m (approximately 22 storeys) noting that the LEP Height of Buildings map shows the upper height limit permitted on each development block. The reason for 8 storeys being represented by two different heights in metres is due to the differences in slope on the East and West sites. The height map within the draft DCP shows how these are to be represented in storeys. These refinements will provide a better transition to the surrounding low-density development and provide a more consistent height scheme within the precinct.

26. The Gateway determination sets a deadline within which the Planning Proposal must be progressed by Council and submitted to DPE for finalisation of 31 June 2022. The Planning Proposal is then required under the Gateway determination to be finalised by DPE by 31 August 2022.
27. Whilst the Planning Proposal has already been approved by Council for the purposes of public exhibition, the updated draft Planning Proposal is contained in **Attachment 5** for information purposes and will be provided to DPE.

CONSULTATION & TIMING

Stakeholder Consultation

28. The following stakeholder consultation has been undertaken in relation to this matter:

Date	Stakeholder	Stakeholder Comment	Council Officer Response	Responsibility
March 2021 to /present	Holdmark	Various comments in relation to finalising the draft DCP and Planning Agreement.	Extensive consultation has been undertaken to date with the proponent to finalise the draft DCP and VPA. These represent an agreed position for the purposes of seeking Council endorsement to exhibit the draft DCP and VPA in conjunction with the Planning Proposal endorsed by Council on 9 November 2020.	City Planning and Design / Property and Place

29. In addition to the requirements of the *Environmental Planning and Assessment Act 1979* and the conditions of the Gateway determination, community consultation will be undertaken as follows:

- Notification of the exhibition on Council's website and social media platforms
- Mail out to landowners within both City of Parramatta and City of Ryde LGAs within a radius of approximately 1km of the site, which is consistent with previous public exhibitions for the Melrose Park precinct.
- Direct notification to City of Ryde Council
- Direct consultation with City of Ryde staff
- Hard copy exhibition material will be available at Council's Customer Contact Centre, City of Parramatta Library and Ermington Branch Library.

30. Following the conclusion of the exhibition period, a report will be prepared for the Local Planning Panel's and then Council's consideration detailing the

submissions received and recommended actions. Should Council resolve to endorse the Planning Proposal, it will be forwarded to DPE for finalisation, subject to any required changes being made as a result of the exhibition process.

Councillor Consultation

31. The following Councillor consultation has been undertaken in relation to this matter:

Date	Councillor	Councillor Comment	Council Officer Response	Responsibility
4 November 2020 - briefing session	All	Various questions relating to density and infrastructure provisions	Responses provided to Councillors at that time	City Planning and Design
23 March 2022 - standard briefing session before the Council meeting	All	Not known at time of writing the report.	Not known at the time of writing the report.	City Planning and Design / Property and Place

LEGAL IMPLICATIONS FOR COUNCIL

32. The legal implications associated with this report relate to the Planning Agreement that is proposed to be entered into between Council and proponent, Holdmark. Details of the Planning Agreement are provided earlier in this report. The Planning Agreement will be subject to legal drafting prior to finalisation. Council will not enter into any formal legal agreement associated with the proposed Planning Agreement until this matter has been considered and the Planning Agreement has been subsequently adopted by Council following the public exhibition period.

FINANCIAL IMPLICATIONS FOR COUNCIL

33. The decision being made by Council to endorse the draft Planning Agreement for exhibition will have no direct impact on the budget which is the reason the table below is empty. At the time the Planning Agreement is executed (post exhibition), Council can then plan to incorporate the infrastructure and other Planning Agreement deliverables into Council budget and asset management strategies. Although land will be dedicated to Council as part of the Planning Agreement, Council will have no financial obligations for the maintenance of this land for a period of 5 years. After this time, the cost of maintaining this land will be Council's responsibility.

	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Revenue	NIL	NIL	NIL	NIL
Internal Revenue	NIL	NIL	NIL	NIL
External Revenue	NIL	NIL	NIL	NIL
Total Revenue	NIL	NIL	NIL	NIL

Funding Source	NIL	NIL	NIL	NIL
Operating Result	NIL	NIL	NIL	NIL
External Costs	NIL	NIL	NIL	NIL
Internal Costs	NIL	NIL	NIL	NIL
Depreciation	NIL	NIL	NIL	NIL
Other	NIL	NIL	NIL	NIL
Total Operating Result	NIL	NIL	NIL	NIL
Funding Source	NIL	NIL	NIL	NIL
CAPEX	NIL	NIL	NIL	NIL
CAPEX	NIL	NIL	NIL	NIL
External	NIL	NIL	NIL	NIL
Internal	NIL	NIL	NIL	NIL
Other	NIL	NIL	NIL	NIL
Total CAPEX	NIL	NIL	NIL	NIL

CONCLUSION

34. The draft DCP is consistent with the adopted Planning Proposal and thus reflects the established intended outcomes for the precinct from a built form perspective. The draft planning agreement with Holdmark with a value of \$37,246,825 will help deliver essential community infrastructure to the precinct and beyond and is considered to be an appropriate contribution. It is recommended that the report be endorsed as recommended.

Amberley Moore
Senior Project Officer

Michael Rogers
Land Use Planning Manager

David Birds
Group Manager, Major Projects and Precincts






Bryan Hynes
Executive Director Property & Place

John Angilley
Chief Finance and Information Officer

Jennifer Concato
Executive Director City Planning and Design

Brett Newman
Chief Executive Officer

ATTACHMENTS:

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|---|--|-----------|
| 1  | Background and Further Information | 11 Pages |
| 2  | Draft Melrose Park South Site-Specific DCP | 101 Pages |
| 3  | Letter of Offer | 4 Pages |
| 4  | Infrastructure Needs List | 1 Page |
| 5  | Updated Planning Proposal | 75 Pages |