

**INNOVATIVE**

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<b>ITEM NUMBER</b>	17.5
<b>SUBJECT</b>	FOR APPROVAL: Post Gateway - Amended Melrose Park North Planning Proposal and Draft Site-Specific Development Control Plan and Planning Agreement
<b>REFERENCE</b>	F2021/00521 - D07906858
<b>REPORT OF</b>	Senior Project Officer Land Use Planning
<b>PREVIOUS ITEMS</b>	13.3 - Revised Melrose Park North Planning Proposal - Council - 12 Aug 2019 6.30pm
<b>APPLICANT:</b>	Payce MP DM Pty Ltd (38-42, 44 & 44a Wharf Road, Melrose Park and 27-29 Hughes Avenue, Ermington) Ermington Gospel Trust (15-19 Hughes Avenue & 655 Victoria Road, Ermington) Jae My Holdings Pty Ltd (8 Wharf Road, Melrose Park)
<b>LANDOWNER:</b>	Payce MP DM Pty Ltd Ermington Gospel Trust Jae My Holdings Pty Ltd

**DEVELOPMENT APPLICATIONS CONSIDERED BY CENTRAL CITY DISTRICT PANEL: NIL****PURPOSE:**

To seek Council's endorsement to forward the amended Melrose Park North Planning Proposal to the Department of Planning, Industry and Environment (DPIE) for endorsement to place on public exhibition and to seek Council endorsement to publicly exhibit the draft Site-Specific Development Control Plan (DCP) and associated draft planning agreement relating to 38-42, 44 and 44A Wharf Road and 27-29 Hughes Avenue, Ermington in relation to the Melrose Park North Planning Proposal.

**RECOMMENDATION**

- (a) **That** Council endorse the following amendments to the Melrose Park North Planning Proposal:
- 1) Amend the site area to include 27 Hughes Avenue, Ermington
  - 2) Rezone 27 Hughes Avenue from R2 Low Density Residential to R4 High Density Residential
  - 3) Amend the applicable floor space ratio on 27 Hughes Avenue from 0.5:1 to 1.85:1
  - 4) Amend the maximum building height from 9m to 0m on 27 Hughes Avenue
  - 5) Include 'Residential Flat Buildings' as an additional permitted use within the B2 Local Centre zone

- 6) Amend the existing Design Excellence provision to apply to Lots E, EA and G as identified by a blue outline in **Figure 4** without the provision of floor space and height bonuses
  - 7) Appoint a Design Excellence Panel to provide design advice for all development applications within the northern precinct. Floor space and height bonuses are not to be awarded on any development lot
  - 8) Add an additional 1,523m<sup>2</sup> of residential floor space be permitted within the land area under Payce ownership and that the residential floor space across the entire planning proposal site area not exceed 508,768m<sup>2</sup>.
- (b) **That** Council endorse the draft Melrose Park North Site-Specific Development Control Plan (DCP) provided in **Attachment 1** for the purposes of public exhibition.
  - (c) **That** Council endorse the draft Planning Agreement based on the Letter of Offer provided in **Attachment 2** for the purposes of public exhibition
  - (d) **That** Council grant the CEO delegation to negotiate the terms of planning agreements with the landowners of 8 Wharf Road and 15-19 Hughes Avenue & 655 Victoria Road to an equivalent per unit contribution rate to that proposed for the Payce development and that these planning agreements be publicly exhibited and reported back to Council post-exhibition along with the planning proposal, draft DCP and Payce planning agreement.
  - (e) **That** Council endorse the updated Melrose Park North Planning Proposal provided at **Attachment 3** as detailed in the report for forwarding to the Department of Planning, Industry and Environment for approval to be placed on public exhibition.
  - (f) **That** the draft DCP and Planning Agreement be placed on public exhibition concurrently for a period of 28 days and that a report be provided to Council on the outcomes of the public exhibition.
  - (g) **Further, that** Council delegate authority to the Chief Executive Officer to correct any anomalies of a minor non-policy nature that may arise during the review and public exhibition processes.

# Planning Proposal Timeline



## BACKGROUND

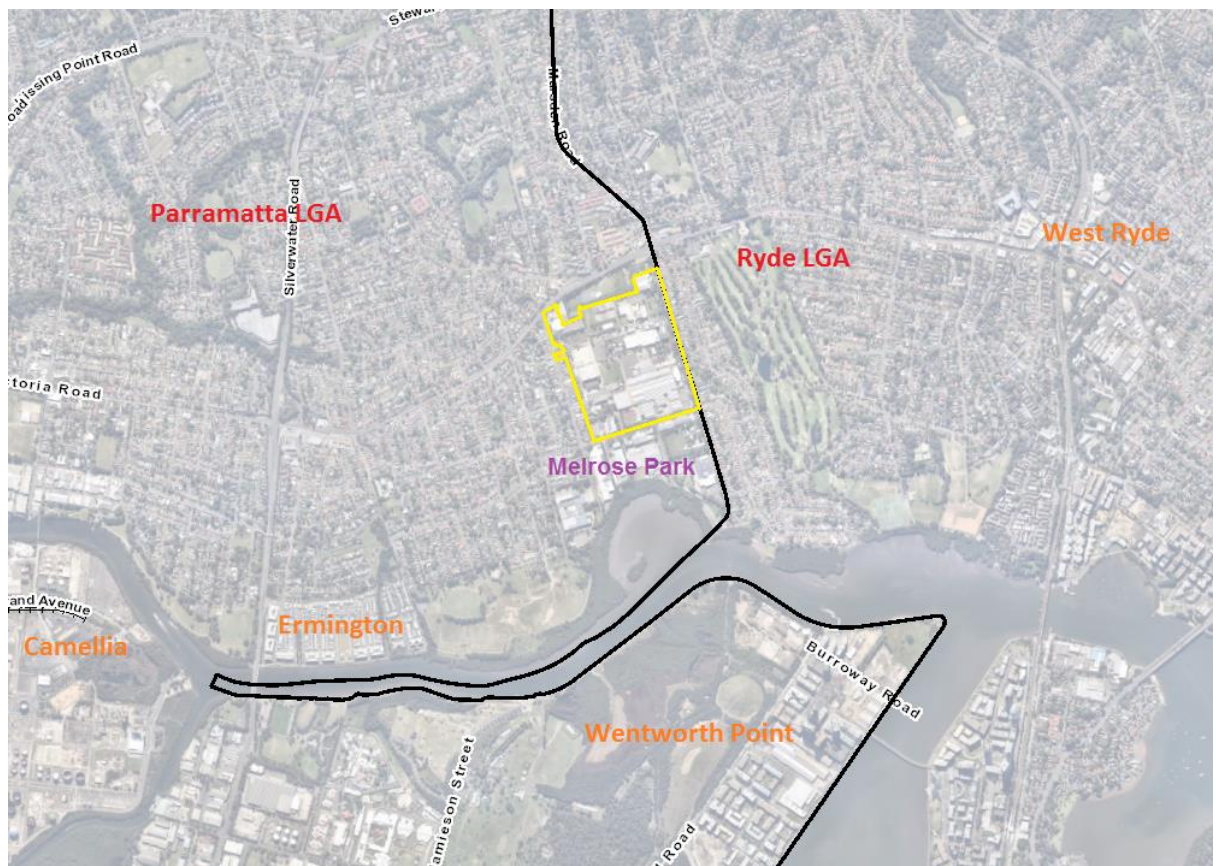
1. At its meeting of 12 August 2019, Council resolved to proceed with a revised Planning Proposal, known as the Melrose Park North Planning Proposal, that applies to land at 8, 38-42, 44 and 44A Wharf Road, Melrose Park and 15-19 Hughes Avenue & 655 Victoria Road, Ermington and to forward the Planning Proposal to the Department of Planning, Industry and Environment (DPIE) for approval to place on public exhibition. The revised Planning Proposal was forwarded to DPIE in September 2019.
2. During the course of the remaining year and throughout 2020, Council and the applicants progressed with the drafting of the site-specific DCP for the northern precinct to deliver the envisaged density and ensure appropriate built form outcomes would be achieved. Refer to **Attachment 1** for the draft site-specific DCP.
3. In 2020, a Project Control Group (PCG) was formed by DPIE which included Council officers and representatives from multiple DPIE teams, Transport for NSW (TfNSW) and School Infrastructure NSW. The purpose of the PCG was to ensure that matters requiring State agency input such as infrastructure provision and the proposed new school could be addressed in an efficient manner.
4. During this time, an infrastructure needs list (INL) was prepared and identified the infrastructure requirements to support the proposed density of development within Melrose Park. This was used as a basis for the planning agreement negotiations between Council officers and the applicants. Refer to **Attachment 4** for the INL.
5. The refinement of the built form controls as part of the development of the draft DCP has led to the applicant requesting an amendment to the Design

Excellence provisions contained in the Planning Proposal previously endorsed by Council for the purposes of public exhibition. In addition, the applicant has requested the area subject to the Planning Proposal be amended to include an additional property on Hughes Avenue needed to facilitate a new road connection through the site, and has also requested that residential flat buildings be included as an additional permitted use within the B2 Local Centre zone. As a result, it is recommended that the Planning Proposal be amended to reflect these proposed changes. The updated Planning Proposal document is contained at **Attachment 3**.

6. At the end of 2020, Council introduced a Priority Assessment Program which prioritises the assessment and progression of development projects that will contribute significantly to the recovery of the City of Parramatta economy from the effects of the COVID-19 pandemic. Placement on the program is by application and Payce successfully applied for the Melrose Park North Planning Proposal to be included.

## SITE CONTEXT

7. The Melrose Park North precinct identified by the yellow outline in **Figure 1** is loosely bound by Wharf Road, Hope Street, Hughes Avenue and Victoria Road and surrounded by low density residential development to the east and west with industrial development to the south and the Victoria Road Site to the north, which is in the final stages of redevelopment for high density residential and mixed use development.

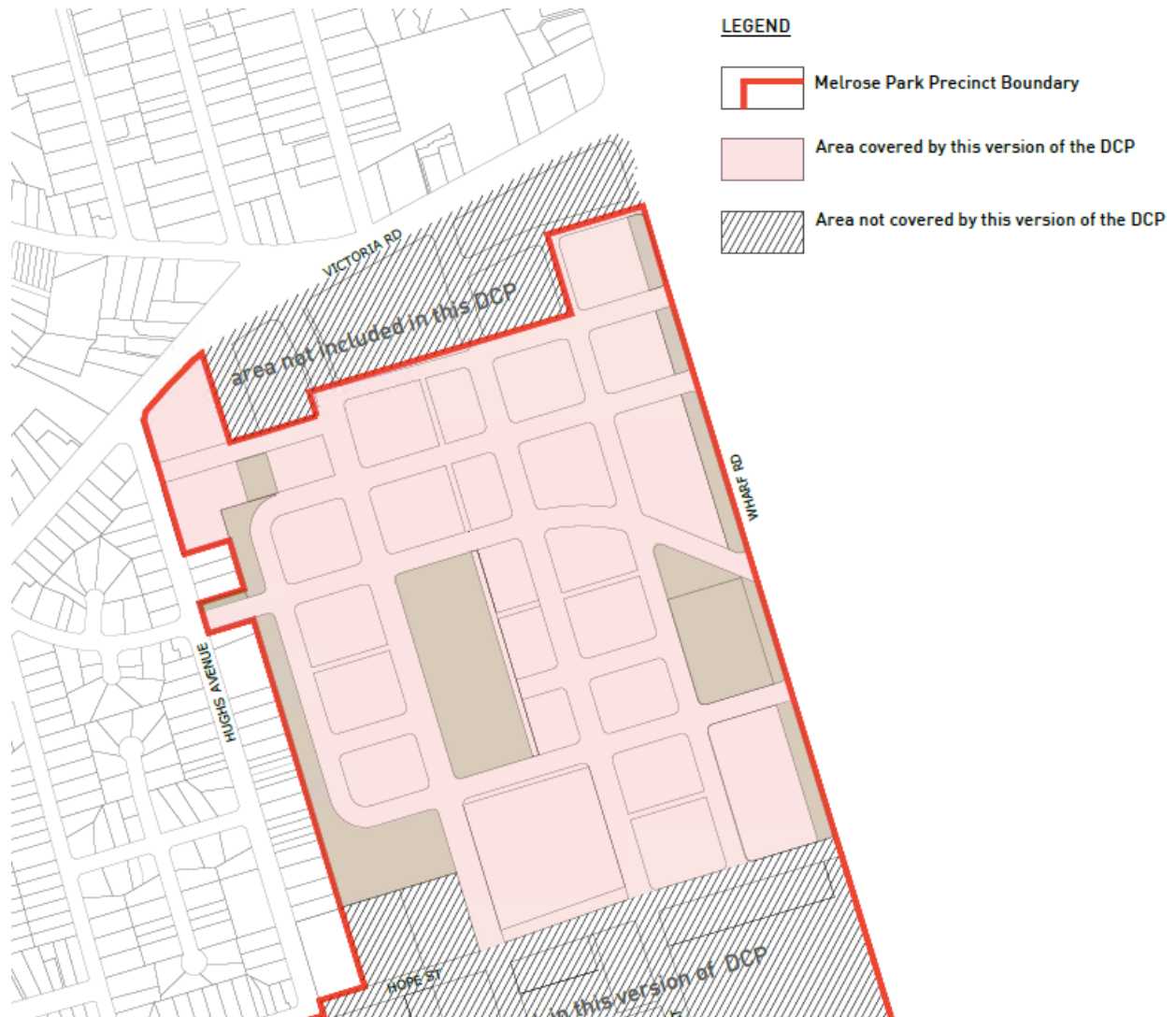


**Figure 1.** Melrose Park North precinct

8. The land subject to the Melrose Park North Planning Proposal and draft site-specific DCP is outlined in **Figure 2** and is approximately 28ha in size. It

comprises three separately owned sites with Payce owning approximately 90% of the overall area covered by the draft DCP. The area is consistent with the land included in the Melrose Park North Planning Proposal with the addition of 27 Hughes Avenue, Ermington.

9. The site is adjacent to the City of Ryde Local Government Area (LGA), with Wharf Road on the eastern edge of the precinct being the boundary between the City of Parramatta and the City of Ryde LGAs.



**Figure 2.** Land covered by the draft site-specific DCP shaded red

**MELROSE PARK TO WENTWORTH POINT BRIDGE**

10. As previously reported in August 2019, the density that can be achieved within the precinct is contingent on the provision of a bridge from Melrose Park to Wentworth Point. The Transport Management and Accessibility Plan (TMAP) prepared for the precinct in 2018 identifies two key development scenarios depending on whether the bridge is constructed. With the bridge (and other transport improvements), the precinct has the capacity to accommodate up to 11,000 dwellings (north and south). Without the bridge, the dwelling yield is capped at 6,700 units (north and south) and a reduction in the overall FSRs applied to the north and south. In order to redevelop at the higher dwelling yield, then commitment to a funding and delivery mechanism for the bridge is required to be in place at the time the first development application is lodged with Council.

11. The bridge is considered State infrastructure and therefore its funding and delivery mechanism is subject to separate planning agreements to be negotiated between the State government and individual landowners within the precinct. The State government is currently in the process of determining an appropriate contribution amount to be paid by landowners towards the delivery of the bridge and other State infrastructure required to service the precinct. The State planning agreements will be subject to a separate exhibition process managed by the State government.

## PLANNING PROPOSAL CHANGES

12. The Melrose Park North Planning Proposal is subject to two (2) changes from the version previously endorsed by Council on 12 August 2019. These relate to a slight expansion of the site area and subsequent increase in residential gross floor area (GFA) covered by the Planning Proposal, draft DCP and Planning Agreement, and the proposed Design Excellence provisions.

### Revised Subject Site

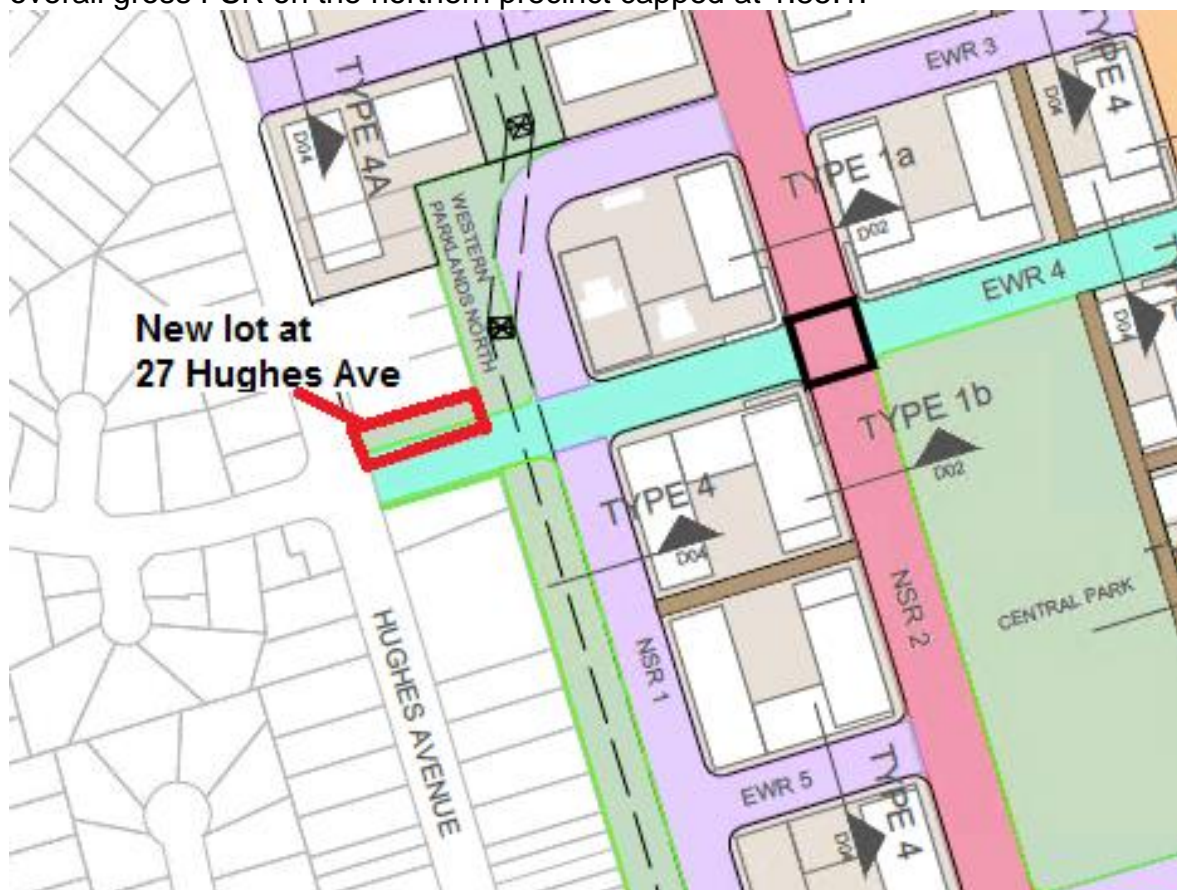
#### *Site and Gross Floor Areas*

13. In late 2020, Payce advised Council officers that an additional property at 27 Hughes Avenue, Ermington (identified in **Figure 3**) had been purchased to facilitate the proposed new east-west road, referred to as EWR-4. The adjacent property at 29 Hughes Avenue was already in Payce's ownership for the purposes of facilitating EWR-4 and included in the site area shown in the original and revised planning proposals. The additional property is currently zoned R2 Low Density Residential and is approximately 841m<sup>2</sup> in size. As a result of the additional property being included, the total site area under Payce's ownership has increased from 249,982m<sup>2</sup> to 250,823m<sup>2</sup>. The addition of this property will enable EWR-4 to be delivered at the required road width of 20m and ensures alignment with the street on the opposite side of Hughes Avenue (Linden Grove) can be achieved.
14. Council previously resolved that a maximum residential GFA for the entire planning proposal area could not exceed 507,245m<sup>2</sup>. This was to ensure that the overall density within the precinct can be managed, and the GFA contained in the precinct at full development does not exceed the amount supportable from a traffic and transport and urban design perspective. The inclusion of the additional property at 27 Hughes Avenue does have an impact on the overall GFA, adding a further 1,523m<sup>2</sup> to make a total of 508,768m<sup>2</sup>. This additional GFA can only be utilised on the portion of the site under Payce ownership given that it is Payce-owned land that will be utilised for EWR-4. As a result, the total residential GFA that can potentially be achieved on the Payce-owned portion of the site has increased from 462,599m<sup>2</sup> to a total of 464,023m<sup>2</sup>. This equates to approximately a 0.3% increase in the GFA within the planning proposal area and is therefore not considered to have a significant effect on the impacts of the overall development of the precinct.
15. From a built form perspective, the GFA increase results in one additional floor being added to certain buildings on the Payce-owned portion of the site. This is required in order for Payce to achieve the density that has been approved, however it does not change the overall maximum height limit that is proposed

on the site. This is due to the original maximum height limit being generous and already factoring in potential height variations that may occur during the design stage, such as architectural detailing, so the additional storey is still within the overall height limit. It is therefore considered acceptable by Council officers to recommend that an additional 1,523m<sup>2</sup> of residential GFA be permitted within the land area under Payce ownership and that the residential floor space across the entire planning proposal site area not exceed 508,768m<sup>2</sup>.

16. With the addition of 27 Hughes Avenue to the subject area, amendments to applicable planning controls are also required. The property is currently zoned R2 Low Density Residential with an FSR of 0.5:1 and maximum height limit of 9m. As an amendment to the planning proposal, it is proposed to rezone this property to R4 High Density Residential, amend the FSR to 1.85:1 and apply a 0m height limit (given its intended use as a road). The zero height limit will also ensure that the site cannot be redeveloped for the purposes of containing a built structure in future. It is not anticipated that these proposed changes will introduce any negative amenity impacts as the proposed controls are consistent with the adjoining site at 29 Hughes Avenue, which is also to be used for the purposes of facilitating EWR-4, and the remainder of the precinct.

The GFA allocations on a per lot basis are included in the draft DCP, with the overall gross FSR on the northern precinct capped at 1.85:1.



**Figure 3.** Additional property included in the planning proposal outlined in red

### Design Excellence

17. The revised Planning Proposal endorsed by Council on 19 August 2019 included the provision of a Design Excellence clause in the Parramatta Local Environmental Plan (PLEP) 2011 which would apply across the site. The clause, as endorsed by Council, is as follows:

*5) Amend the Additional Local Provisions map to include the site and insert a site specific provision in Part 6 Additional local provisions – generally of PLEP 2011 to ensure:*

*5.1) That design excellence provisions be inserted into PLEP 2011 for the site applicable to buildings 55m and above in height without the provision of bonuses*

18. This design excellence provision was based on the current master plan at the time of reporting to Council and is consistent to that which is applied within the Parramatta CBD. It was therefore considered to be a reasonable and justifiable approach given the proposed built form and density within the precinct and to ensure a high quality in architectural, urban and landscape design was achieved. The number of lots under the current master plan (refer to **Attachment 1**) in which the design excellence provision would apply is ten (10) of the fourteen (14) lots within the Payce site.
19. However, as a result of further refinement to the master plan since this time and the introduction of more tower forms to accommodate wider streets, improved building separation and the like while maintaining the overall GFA, concern was raised by Payce that the endorsed design excellence provision was no longer appropriate or practicable. This was due to the high cost of running design excellence competitions for each of the required lots (10) and the impact this would have on timing and delivery of the project. Payce also raised objection to the non-awarding of floor space ratio (FSR) and height bonuses.
20. This was expressed in a letter to Council on 2 February 2021 (refer **Attachment 5**), which requested that the design excellence provision clause be removed and that an alternative design excellence pathway be established. The recommended alternative by Payce is for Council to appoint a Design Integrity Panel for all lots with buildings above 55m which would operate as recommended by the Government Architect Guidelines.
21. Council officers acknowledge that due to the refinements made to the master plan and the issues identified by Payce, that the original Design Excellence provision is no longer optimal for Melrose Park and that an alternative design excellence process should be implemented. However, Council officers retain the original position that no FSR and height bonuses be awarded regardless of the adopted process. This is due to the density in the precinct already being at the maximum level considered supportable based upon the existing traffic and transport modelling and urban design testing. Awarding FSR and height bonuses on the majority of the lots in the precinct would compromise the intention of the master plan which has been prepared to a high degree of detail and is reflected in the draft DCP. Height and density distribution is currently applied across the precinct in a manner that allows proposed density to be achieved while ensuring the best possible amenity outcomes for both incoming residents and the adjoining low density residential areas.
22. In response to Payce's proposed approach to this matter, discussions between Council's Urban Design, Development Assessment, City Architect and Land Use Planning sections occurred where it was agreed that a hybrid approach to achieving design excellence should be taken within the precinct to



accommodate the unique and tailored built form approach in the master plan. As such, it is recommended that the following mechanisms be applied:

- Endorse the design objectives and principles for the built form and public domain included within the draft site-specific DCP;
  - Appoint a Design Excellence Panel specifically for the Melrose Park North precinct. This Panel aligns with the approach recommended by Payce to appoint a Design Integrity Panel and will provide design advice in a professional and timely manner for development applications relating to all 14 lots, the Public Domain Plan and the outcomes for open space;
  - Retain the Design Excellence clause for the Design Excellence Competition process (including the prohibition of FSR and height bonuses) for Lots E, EA and G identified by a blue outline in **Figure 4** as agreed by Council officers and the proponent.
23. The rationale for removing the application of the Design Excellence clause in PLEP 2011 from all but three development lots within the precinct is that the design of the buildings on each development lot within the precinct is different to those located within the Parramatta CBD, where the design excellence clause was originally intended to be utilised. Developments within the CBD are located on relatively small individual sites with their own basement car parks, podiums that link the adjacent buildings and a single tower that sits above the podium.
24. In contrast, Melrose Park is divided into larger development lots, each of which contain one basement car park that is shared across multiple towers of varying heights, some of which may not be above 55m. As the design excellence competition would need to address all components of the development on the respective lot despite some elements not meeting the requirements, this would result in approximately 70% of the precinct being subject to a design excellence competition which is not considered to be reasonable or practicable for the proponent to implement.
25. The three lots subject to the design excellence clause are Lots E, EA and G identified by a blue outline in **Figure 4**. These lots have the agreement of Payce and have been chosen based on multiple factors with height being only one consideration. Staging, visibility and the ability of the lot to positively impact on the overall quality of the precinct have also been used to determine the final recommendation. The three lots will not require any further built form controls other than those included in the adopted planning proposal and draft DCP.
26. The Design Excellence Panel will be organised and will operate in a similar manner to the current Design Excellence Advisory Panel (DEAP). Membership on the Panel will be consistent and comprise a Chair and appropriate independent design professionals and one Council member. A selection of Panel members will include the panelist's skills and experience with projects of similar density and scale and be signed off by the Executive Director City Planning and Design. The Design Excellence Panel will provide advice on all development applications within the precinct, not just those with buildings 55m and above.



**Figure 4.** Lots subject to the Design Excellence competition provisions outlined in blue

**DRAFT DEVELOPMENT CONTROL PLAN**

- 27. The draft Melrose Park North Site-Specific DCP (refer **Attachment 1**) has been developed using a collaborative approach between various Council sections and the applicants and has been subject to numerous revisions in order to reach the current version.
- 28. The draft DCP is reflective of the key development standards within the planning proposal adopted by Council for the purposes of public exhibition on 29 August 2019.

*Primary DCP Objectives*

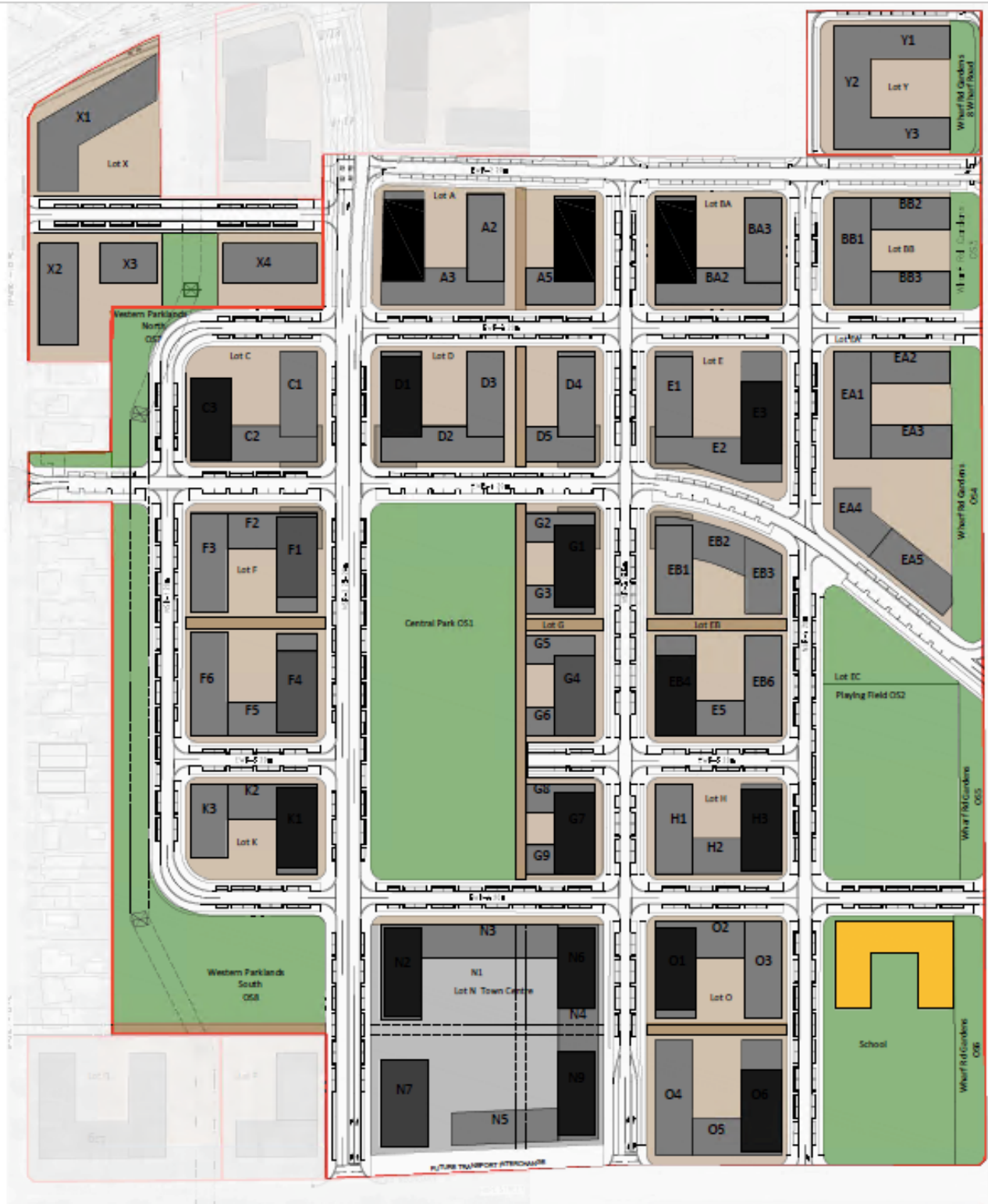
- 29. Achieving the best possible amenity in Melrose Park for its future residents and existing neighbours is a key underlying consideration for all the objectives and controls within the draft DCP. The draft DCP underpins and relates to the

Master Plan (**Figure 5**) that has also been prepared to achieve the FSR and heights adopted by Council for the precinct.

30. The aim is to create a coherent and attractive suburb characterised by generous and diverse streets and public spaces which is reinforced by the built form and vegetation.
31. The draft DCP seeks to organise buildings and density to address and define the streets, pedestrian connections, courtyards and public spaces.
32. It will also facilitate sustainable and resilient buildings that address climate, topography, energy consumption, urban heat, pedestrian scale and internal amenity.
33. In addition, the draft DCP will protect the natural environment and safely manage overland flow and storm water through the site and broader precinct.

#### *Master Plan*

34. The Master Plan is incorporated into the draft DCP (included at **Attachment 1**) and responds to the site's topography and allocates GFA on a per lot basis to ensure density is appropriately distributed across the subject site. It is the key to ensuring a quality urban environment and addresses the following elements:
  - Street and block layout
  - Public open space
  - Building setbacks
  - Building separation
  - Overshadowing
  - Building massing and form
35. It also has a clear street hierarchy, ensures views to the sky and / or the river are provided from all streets and ensures that the street blocks relate to the proposed building forms/types.



**Figure 5.** Melrose Park North Master Plan

*Key Elements*

- 36. The streets are organised to optimise connectivity for both pedestrians and vehicles, minimise the perception of density, address water management, enable the planting of trees with large canopies and to support the built form.
- 37. The street widths have been carefully considered and the hierarchy consists of four (4) types which range from 20m to 25m in width throughout the precinct depending on their intended purpose. The streets are wider than would typically be required by Council and this is to ensure that each street can accommodate

- the required parking, tree planting, cycleways and provide a pleasant pedestrian experience. Wider streets also help to reduce the perception of density which is critical in Melrose Park given the proposed building heights.
38. Buildings are organised to define the streets and open spaces, provide deep soil zones for large trees and create a legible public domain with high amenity. The building envelopes provide the opportunity for high quality architectural design and interest.
  39. The public spaces - streets and parks- form the structure of the precinct and the interaction of buildings and public spaces is critical in shaping the way in which the precinct is experienced, especially at the lower levels where detailed design has an important role in the creation of a pleasant and inviting pedestrian environment.
  40. Controls relating to wintergardens are included within section 1.17 of the attached draft DCP, which propose to permit them only above the eighth storey of buildings with requirements relating to their design and functionality in an effort to reduce the chance of conversion to fully enclosed and habitable rooms. This will also reduce the risk of residential buildings having a commercial appearance.
  41. All elements of the design of the precinct are included in the attached draft DCP, and these controls will form the basis of the development of detailed design controls for the remainder of the Melrose Park precinct as it progresses.
  42. The maximum building heights within the precinct are proposed to range from 34m (approximately 6 storeys) to 90m (approximately 26 storeys). Buildings around the perimeter of the site are lower in height in order to provide an appropriate transition to the surrounding low density residential areas and the higher towers are located towards the middle of the site. Refer to **Figure 6** for the distribution of building heights within the northern precinct.

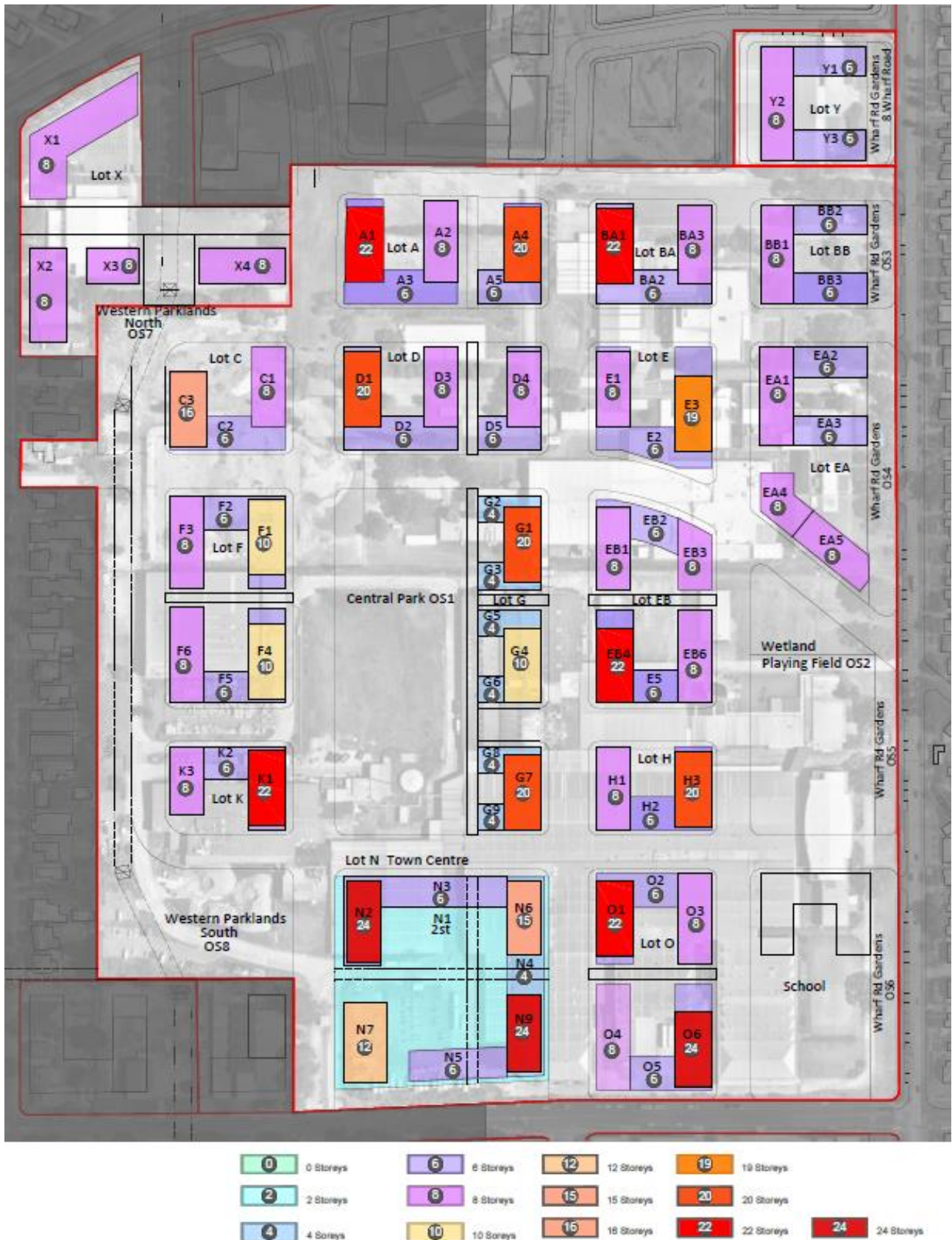


Figure 6. Height distribution within the northern precinct.

**OUTCOMES OF PLANNING AGREEMENT NEGOTIATIONS**

*Approach*

43. At its meeting of 10 July 2017, Council resolved to proceed with planning agreement negotiations with the proponents in relation to the Melrose Park North Planning Proposal and that an Infrastructure Needs List (INL) be prepared for the precinct. This was further reinforced by Council at its meeting of 12 August 2019, where it was resolved to:

*“Continue Voluntary Planning Agreement (VPA) negotiations based on the floor space ratio of 1.85:1 and the draft VPA be reported back to Council prior to the commencement of any public exhibition.”*

44. Since this time, Council officers have developed the INL that will be used to inform all future planning proposals within the Melrose Park precinct. The INL comprises local infrastructure items including the items proposed to be offered by Payce, those identified in Council’s Community Infrastructure Strategy (CIS) (July 2020) and Council’s Section 94 Development Contributions works schedule. The INL captures infrastructure needs both within the Melrose Park precinct and broader Rydalmere, Ermington and Melrose Park catchment area. A copy of the INL is included at **Attachment 4**.
45. A delivery cost is attributed to each item which takes its value from costings provided by Council staff or those provided by Payce, which have been independently peer reviewed by a quantity surveyor to substantiate the costs. The INL includes only local infrastructure items. State infrastructure items (including the bridge to Wentworth Point and proposed school) are subject to a separate valuation and planning agreement process that is managed by DPIE with input from other State agencies and Council officers as required.
46. Given three separate sites comprise the Melrose Park North Planning Proposal area, it was anticipated that three separate planning agreements would be considered as part of this report and all would be endorsed concurrently. However, due to the complexity involved in resolving the specific items in the planning agreement with Payce, time constraints have resulted in the planning agreement negotiations for the remaining sites at 8 Wharf Road and 15-19 Hughes Avenue and 655 Victoria Road not being finalised in time for this report. As a result, the planning agreement subject to this report relates to the Payce-owned land only.
47. The landowners of 8 Wharf Road and 15-19 Hughes Avenue & 655 Victoria Road have submitted Letters of Offer for their respective sites indicating they are willing to make contributions towards the required infrastructure within the precinct, however the specifics of their respective offers have yet to be determined. It is recommended that all landowners in the precinct contribute a proportionate amount towards the delivery of infrastructure to support any future development on their properties via a planning agreement. However, given that these landholdings are significantly smaller than the Payce landholding, it is anticipated that any such planning agreements will not be as complex as the proposed agreement with Payce due to the lower dwelling yield proposed on these sites and the inability of these sites to provide any significant community infrastructure on-site. It is therefore anticipated that these planning agreements will consist primarily of a monetary contribution rather than any specific works as proposed by Payce.
48. To this end, it is recommended that Council grant the CEO delegation to negotiate the terms of a planning agreement with the landowners of 8 Wharf

Road and 15-19 Hughes Avenue & 655 Victoria Road to an equivalent per unit contribution rate that is proposed for the Payce development detailed below. This will ensure that there is a proportionate and equitable contribution to the provision of infrastructure within the precinct from all landowners. Based on this, it is estimated that the planning agreements for these sites could have a value of approximately \$3.2m and 7.34m respectively, however this is yet to be finalised.

49. Should Council resolve to proceed along these lines, it is also recommended that these planning agreements be publicly exhibited together with the planning proposal, draft DCP and Payce planning agreement and reported back to Council post-exhibition with the Payce planning agreement, the planning proposal and draft DCP. Should the timing of these two planning agreements not align with the exhibition period then a separate public exhibition will be required, however this is not the preferred approach of Council officers.
50. Planning Agreements relating to the Melrose Park North Planning Proposal are not subject to the 50% value uplift requirement included in Council's adopted Planning Agreements Policy (2018). This is due to a Gateway determination for the planning proposal being issued prior to the adoption of the Policy and therefore negotiations are undertaken on a merit-based approach. Any planning proposal lodged in the precinct after the adoption of the Policy is currently subject to the 50% value uplift requirement.

#### *Payce Planning Agreement*

51. Payce has submitted multiple Letters of Offer to Council over the course of the project, with the current offer received on 5 March 2021 stating a total value of \$96,745,226. This offer is the result of extensive negotiations between Payce and Council officers over the past eighteen months and is considered to be an appropriate contribution towards the provision of local infrastructure within and outside the precinct and is consistent with the INL. A summary of the current offer from Payce is detailed below.



Contribution Item	Dec-20 Value (\$)
<b>Open Space</b>	
Central Park (incl. Amenities)	\$ 16,921,154
Linear Park - Wharf Road	\$ 6,067,047
Embellishment of Wetland	\$ 1,699,381
New Playing Field	\$ 4,541,669
Western Edge Park	\$ 10,767,981
Embellishment of Lot 2 DP 588575	\$ 1,949,430
<b>Subtotal - Parks</b>	<b>\$ 41,946,662</b>
<b>Social and Community Benefits</b>	
Affordable housing units (20 units with a max of 30 bedrooms)	\$ 14,523,000
Smart Cities Contribution	\$ 1,000,000
Community Centre	\$ 3,500,000
Shuttle Bus Service	\$ 2,494,247
<b>Subtotal - Social and Community Benefits</b>	<b>\$ 21,517,247</b>
<b>Infrastructure Benefits</b>	
Local Infrastructure (revised offer is EWR4 only)	\$ 11,497,295
NSR-2	\$ 21,784,022
<b>Subtotal - Community Infrastructure Benefits</b>	<b>\$ 33,281,317</b>
<b>TOTAL CONTRIBUTION</b>	<b>\$ 96,745,226</b>
<b>Total Contribution Per Unit</b>	<b>\$ 19,349</b>

**Table 1.** Local infrastructure items proposed to be offered by Payce

52. Due to Council's Planning Agreements Policy in relation to land value uplift not applying in this instance and the subsequent lack of a benchmark to determine an appropriate offer, Council officers and Payce agreed to jointly appoint an external valuer to determine the value uplift associated with the planning proposal. The independent valuation determined that the land value uplift for the Payce landholding equates to \$134.2 million. Were the Planning Agreements Policy to apply, then a planning agreement of \$67.1 million would be required to meeting the Policy requirement (50% land value uplift). The total value of the planning agreement provided by Payce in this instance is \$96,745,226. This equates to approximately 72% of the land value uplift and therefore exceeds the policy requirement were it applicable. The independent valuation has demonstrated that the proposed offer considerably exceeds this amount and therefore Council officers consider Payce's offer to be acceptable.
53. The local infrastructure contribution as part of the planning agreement is in addition to any section 7.11 or 7.12 development contributions that are also required to be paid by all landowners who lodge a planning proposal in the precinct.

#### *State Infrastructure*

54. Council officers have been working closely with various State agencies including DPIE, TfNSW and SINSW to determine an appropriate contribution amount that all landowners in the precinct will be required to pay towards the provision of State infrastructure required to support the precinct. The State infrastructure identified includes items such as road upgrades as identified in the Transport Management and Accessibility Plan (TMAP) prepared for the precinct and the proposed new school in the northern precinct. The provision of

and funding mechanism for the potential bridge over Parramatta River to Wentworth Point is still subject to ongoing investigation at the state level. As noted earlier in this report, the provision of the bridge is linked to the ability of the precinct to realise its full density potential. Should the bridge not be provided then the maximum yield that the whole of Melrose Park can achieve will reduce by approximately 40%.

55. Similar to the approach outlined above in relation to the proposed planning agreements with 8 Wharf Road and 15-19 Hughes Avenue & 655 Victoria Road, all landowners will be required to pay a per-dwelling amount proportionate to the dwelling yield being sought on their respective sites and will be delivered as part of separate planning agreements with the State government. The applicable per-dwelling amount is in the process of being finalised and is not a matter within Council's control.

## CONSULTATION & TIMING

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

Date	Stakeholder	Stakeholder Comment	Council Officer Response	Responsibility
End 2019 to present.	Multiple	Various comments in relation to finalising the draft DCP and VPA.	<p>Extensive consultation has been undertaken to date with internal sections of Council, the applicants and relevant State agencies, including the DPIE, TfNSW and SINSW in order to progress the planning proposal, draft DCP and planning agreement to this point.</p> <p>This includes numerous meetings and detailed correspondence between all parties. The draft DCP, VPA and amended planning proposal represent the agreed position between Council officers and</p>	City Planning / Property Development Group

			proponent for the purposes of seeking Council endorsement to exhibit the full suite of controls for Melrose Park North.	
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57. In addition to the requirements of the *Environmental Planning and Assessment Act 1979* and the conditions of the Gateway determination, consultation is anticipated to 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 North Structure Plan (2018) and Melrose Park South Structure Plan (2019).
  - 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
58. Following the conclusion of the exhibition period, a report will be prepared for the LPP’s and Council’s consideration detailing the submissions received and recommended actions. Should Council resolve to endorse the planning proposal, it will be forwarded to DPIE for finalisation, subject to any required changes being made as a result of the exhibition process.
59. Pending Council’s resolution on this matter, the draft Planning Agreement between Payce and Council, the draft site-specific DCP will be publicly exhibited with the Planning Proposal. The exhibition will be conducted in accordance with the Gateway determination and the requirements of the *Environmental Planning and Assessment Act 1979*. The outcomes of the public exhibition will be reported to Council along with the outcomes of the public exhibition of the planning agreements with the landowners of 8 Wharf Road and 15-19 Hughes Avenue & 655 Victoria Road should Council resolve to proceed down this path.

### Councillor Consultation

60. A significant amount of Councillor consultation has been undertaken in relation to this matter since the original planning proposal was lodged in February 2016. The planning proposal has previously been endorsed by Council at its meeting of 12 August 2019 and the most recent opportunity to review the proposed changes was provided at a Councillor briefing on 24 February 2021 where the draft DCP and VPA were also discussed.

### **LEGAL IMPLICATIONS FOR COUNCIL**

61. The legal implications associated with this report relate to the Planning Agreement that is proposed to be entered into between Council and developer, Payce. Details of the Planning Agreement are provided earlier in this report.

The Planning Agreement will be subject to legal drafting prior to finalisation. Separate planning agreements are proposed to be negotiated with the landowners of 8 Wharf Road and 15-19 Hughes Avenue & 655 Victoria Road that will result in an equal per dwelling contribution rate compared to the Payce planning agreement.

## FINANCIAL IMPLICATIONS FOR COUNCIL

62. 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.

	FY 20/21	FY 21/22	FY 22/23	FY 23/24
<b>Operating Result</b>	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
<b>Total Operating Result</b>	NIL	NIL	NIL	NIL
<b>Funding Source</b>	NIL	NIL	NIL	NIL
<b>CAPEX</b>	NIL	NIL	NIL	NIL
CAPEX	NIL	NIL	NIL	NIL
External	NIL	NIL	NIL	NIL
Internal	NIL	NIL	NIL	NIL
Other	NIL	NIL	NIL	NIL
<b>Total CAPEX</b>	NIL	NIL	NIL	NIL
<b>Funding Source</b>	NIL	NIL	NIL	NIL

## CONCLUSION

63. The amended planning proposal seeks to make minor changes to the version endorsed by Council in August 2019 and are considered to be necessary based on the evolving nature of this project and refinement of the master plan for the Payce site. The draft DCP reflects the intended outcomes of the precinct from a built form and reflects the key development standards within the planning proposal. The draft planning agreement with Payce with a value of \$96,745,226 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  
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**Chief Financial Officer**

David Birds

**Acting Executive Director, City Planning & Design**

Brett Newman

**Chief Executive Officer**

**ATTACHMENTS:**

<b>1</b>	Draft Melrose Park North Site-Specific Development Control Plan	106 Pages
<b>2</b>	Payce Letter of Offer	2 Pages
<b>3</b>	Amended Melrose Park North Planning Proposal	79 Pages
<b>4</b>	Melrose Park Infrastructure Needs List	1 Page
<b>5</b>	Design Excellence Proposal Letter from Payce	5 Pages

**REFERENCE MATERIAL**