

REPORTS TO COUNCIL - FOR COUNCIL DECISION

| | |
|--------------------|--|
| ITEM NUMBER | 13.2 |
| SUBJECT | Public Exhibition of Draft Tomola (Melrose Park North) Development Control Plan and Planning Agreement |
| REFERENCE | F2024/00282 - D09330187 |
| APPLICANT/S | mProjects |
| OWNERS | Payce |
| REPORT OF | Project Officer Land Use |

CSP THEME: Welcoming

DEVELOPMENT APPLICATIONS CONSIDERED BY SYDNEY CENTRAL CITY PLANNING PANEL Nil.

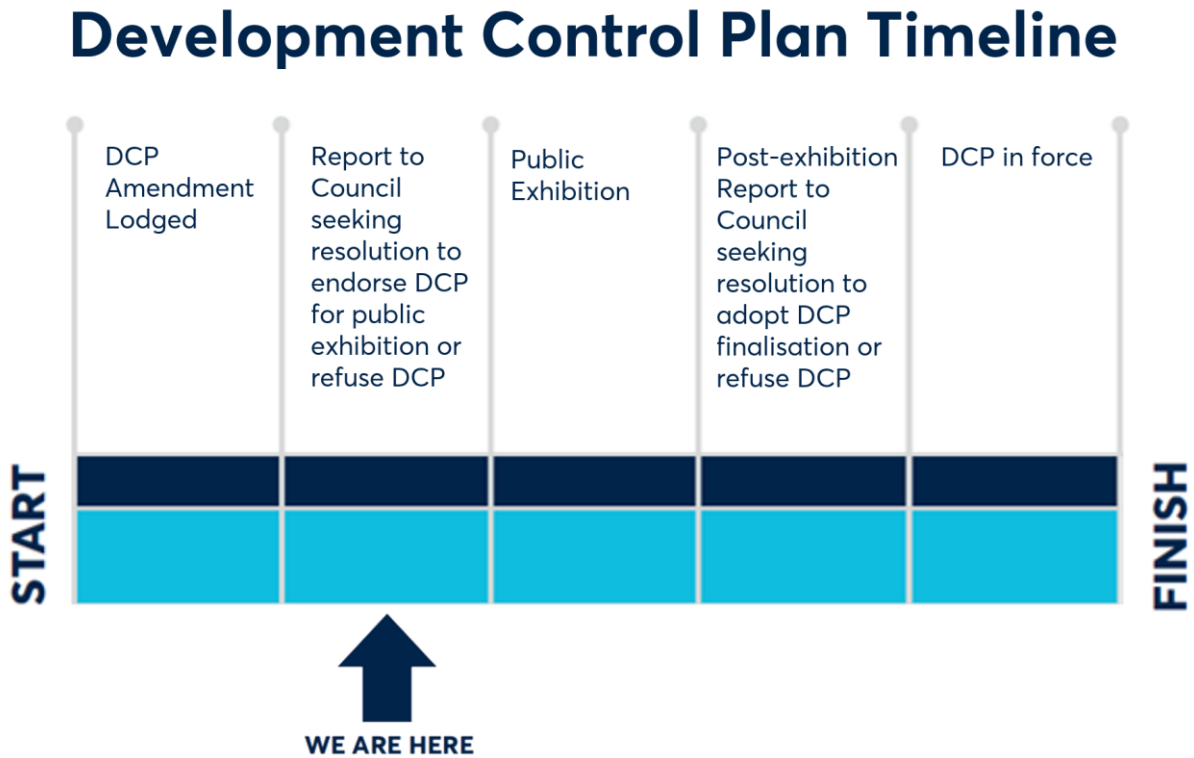
PURPOSE

To seek Council's endorsement for the public exhibition of a draft amendment to the Parramatta Development Control Plan (DCP) 2023 to add site-specific planning controls for 19 Hope Street, Melrose Park and 69-77 Hughes Avenue, Ermington (known as the Tomola site) and minor housekeeping amendments to the existing Melrose Park precinct controls; and a draft Planning Agreement for the site.

RECOMMENDATION

- (a) That Council endorse the draft amendments to Parramatta Development Control Plan (DCP) 2023 that includes site-specific planning controls for the land at 19 Hope Street, Melrose Park and 69-77 Hughes Avenue, Ermington (known as the Tomola site) and minor housekeeping amendments to controls for the Melrose Park precinct, provided at **Attachment 1**, for the purpose of public exhibition.
- (b) That Council delegate authority to the Chief Executive Officer to commence the legal drafting of a Planning Agreement in accordance with the Letter of Offer as provided at Attachment 2 and in the terms outlined in this report on behalf of Council for the purpose of public exhibition.
- (c) That the draft amendment to Parramatta DCP 2023 and draft Planning Agreement be placed on public exhibition concurrently with the associated Planning Proposal at **Attachment 3**, for a period of 28 days as required by the Gateway Determination at **Attachment 4** and that a report be provided to Council on the outcomes of the public exhibition.
- (d) That Council delegate authority to the Chief Executive Officer to correct any minor inconsistencies or anomalies of an administrative nature relating to the draft DCP and draft Planning Agreement documentation that may arise during the drafting and exhibition process.

DEVELOPMENT CONTROL PLAN TIMELINE



SITE DESCRIPTION

1. The Tomola site is located at 19 Hope Street, Melrose Park and 69-77 Hughes Avenue, Ermington, and is 8,485.8sqm in area. The site is part of the Melrose Park precinct which has been designated by Council for urban renewal. The subject site is in the vicinity of the approved Deicorp town centre development to the east, and Sekisui land to the north that has been rezoned for high density development as part of Melrose Park North. The Tomola site is owned by the developer, Payce, and its location is shown in **Figure 1**. The site context is shown in **Figure 2**.



Figure 1: The Tomola Site

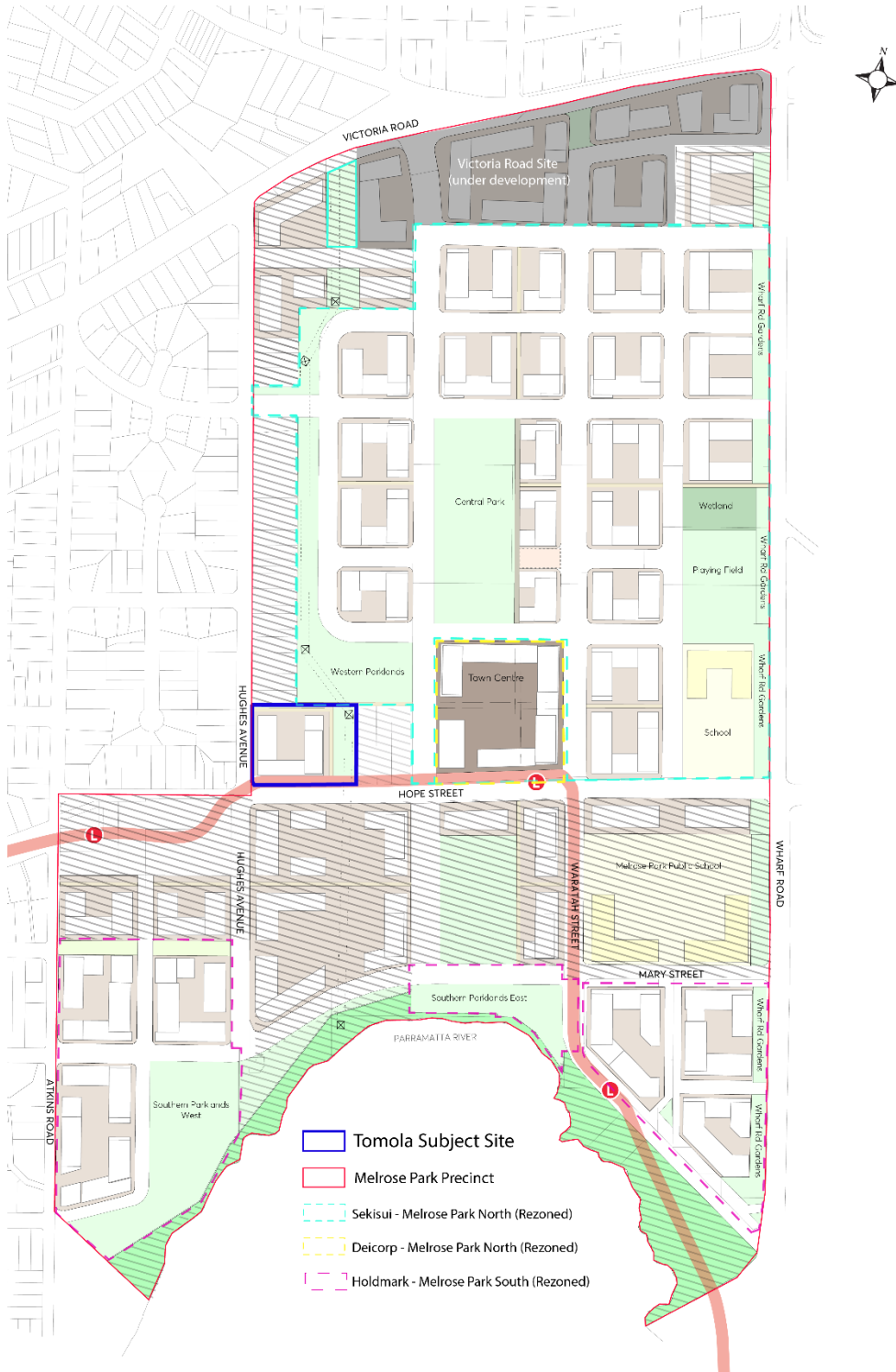


Figure 2: Tomola Site Context

BACKGROUND

- At its meeting on 14 June 2022, Council endorsed for Gateway determination (and subsequent public exhibition) a Planning Proposal that would facilitate a mixed use development of approximately 161 units on the Tomola site. The Planning Proposal seeks to rezone the site from part E4 General Industrial and part R2 Low Density Residential to part MU1 Mixed Use and part RE1 Public Recreation under the Parramatta Local Environmental Plan 2023 (PLEP 2023). The Planning Proposal was reported to Council prior to a draft Development Control Plan or a draft Planning Agreement being prepared so that Council could

first consider the strategic merit of the Planning Proposal for Gateway determination. As part of the resolution Council also resolved that a site-specific Development Control Plan for the Tomola site be prepared and reported back to Council for consideration prior to exhibition of the Planning Proposal, and that Council commence negotiations with the landowner (Payce) to enter into a Planning Agreement.

3. A Gateway Determination was issued by the (then) Department of Planning & Environment, now the Department of Planning, Housing and Infrastructure (DPHI), on 5 October 2023. The Gateway Determination was not issued until the Planning Agreement for the Melrose Park North precinct (facilitating 5,000 dwellings adjacent to the Tomola site) had been executed as this delivers supporting infrastructure for the wider precinct on which the Tomola Planning Proposal is reliant on as justification for its proposed density.
4. The Gateway Determination conditioned the Tomola draft planning proposal be amended to ensure the proposed floor space control aligns with the intended built form. As such the proposed FSR control was amended to only apply to the MU1 zoned land (not the whole site including the RE1 zoned land). This resulted in the FSR increasing to 2.67:1 for the MU1 zoned land, however the overall GFA yield that can be achieved on the site remains unchanged.
5. An overview of the existing and proposed controls is shown in **Table 1**. The proposed zoning map is shown in **Figure 3**.

| | Existing LEP Controls | Proposed LEP Controls endorsed by Council for public exhibition |
|--|---|---|
| Zoning | Part E4 General Industrial (4,765sqm) Part R2 Low Density Residential (3,694sqm) | Part MU1 Mixed Use (5,807sqm) Part RE1 Public Recreation (2,673sqm) |
| Maximum Building Height (HOB) | Part 9m (R2 zone) Part 12m (E4 zone) | Range between 13m and 48m (Approx 4-14 storeys) |
| Maximum Floor Space Ratio (FSR) | Part 0.5:1 (R2 land) Part 1:1 (E4 land) | 2.67:1 (MU1 land only) Approx. 14,070 sqm residential GFA (161 units) and 1,630 sqm commercial GFA |

Table 1: Comparison of existing and proposed LEP controls adopted by Council for public exhibition.

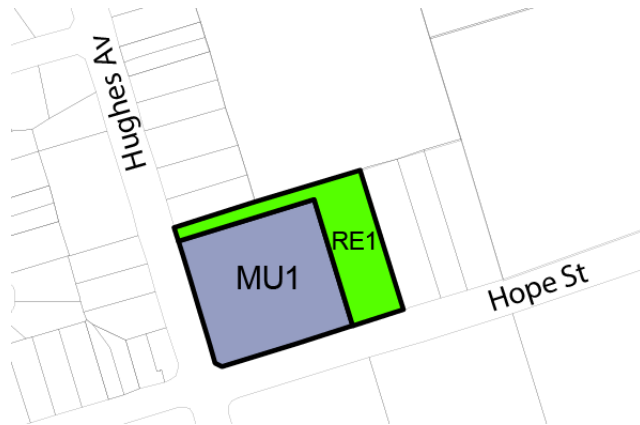


Figure 3: Proposed zoning map (endorsed for public exhibition)

DRAFT DEVELOPMENT CONTROL PLAN AMENDMENT

- The draft DCP facilitates the planning provisions endorsed by Council for public exhibition under the Planning Proposal and seeks an amendment to Section 8.2.6 (Melrose Park Urban Renewal Precinct) of the existing Parramatta DCP 2023 (**Attachment 1**). The draft DCP masterplan figure is shown as **Figure 4** below.

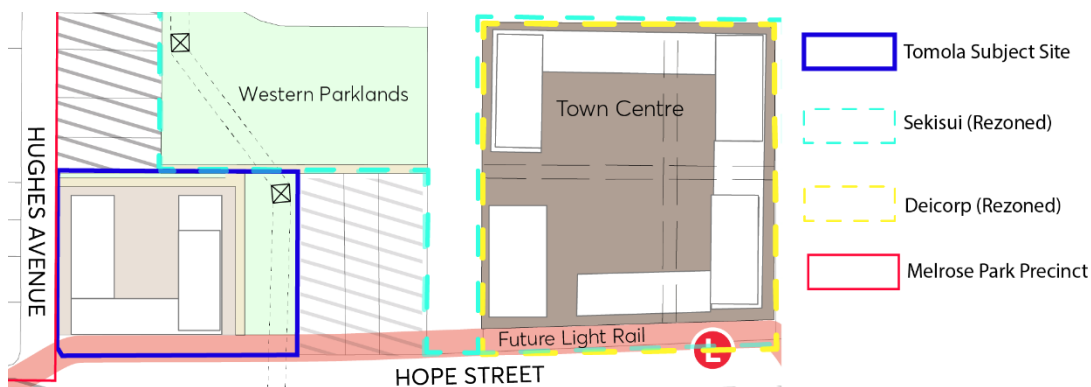


Figure 4: Draft DCP masterplan (subject site in purple)

- The draft DCP controls address the interface between the Tomola site and that of the future light rail along Hope Street to the south, existing detached housing along Hughes Avenue to the west and north, and the future Western Parklands to the east through setback and built form controls. The eastern setback is 6m for residential development fronting Hughes Ave, and the northern setback is 3m from the pedestrian through site link. The built form controls set a maximum four storey building height adjacent to the northern low density housing on Hughes Avenue. The controls in the draft DCP work in conjunction with building height and FSR controls in the LEP to ensure an appropriate transition of bulk and scale.
- The draft DCP requires two public pedestrian through site links (east-west and north-south) connecting Hughes Avenue and Hope Street with the wider Melrose Park North precinct (see **Figure 5**). The draft DCP will ensure the proposed RE1 Public Recreation zone land to the east (beneath the north-south transmission line) integrates with the proposed parkland in the Sekisui landholding to the north. Embellishment of the RE1 zoned land that is part of the Tomola site forms part of the draft Planning Agreement (see Draft Planning Agreement section below).

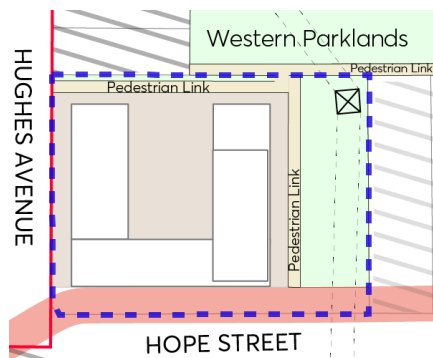


Figure 5: Extract from Draft DCP showing pedestrian links and open space

9. In addition to the draft DCP controls for the Tomola site, housekeeping changes to other DCP controls that apply to the rest of Melrose Park precinct are also proposed (see **Attachment 1**). These involve the Melrose Park masterplan figures being amended to align with the approved Melrose Park North Infrastructure Development Application (DA/1100/2021) which reconfigured part of the planned street network adjacent to Wharf Road in response to detailed technical assessment relating to tree preservation, stormwater management, traffic performance, and increased open space. Minor anomalies such as grammatical errors and mislabeled figures have also been corrected. These changes have not altered any zoning, height of building or floor space ratio controls already in force within the Melrose Park precinct as identified in Parramatta LEP 2023.

DRAFT PLANNING AGREEMENT

10. The proponent (Payce) has submitted a Letter of Offer to enter into a Planning Agreement (PA) with Council valued at \$3,439,859.50 (**Attachment 2**). The per dwelling contribution rate of \$21,326.97 is equivalent (when adjusted for inflation) to the per dwelling rate in other executed planning agreements for Melrose Park, including the Sekisui and Deicorp Melrose Park North Planning Agreement that Council endorsed at its meeting on 22 March 2021. Indexing of the figures referred to in this report will be built into the final Planning Agreement in accordance with normal Council practice.
11. The Letter of Offer is made up of two components: the dedication and embellishment of public open space, and the dedication of two affordable housing units in perpetuity to Council. Their provision is related to the infrastructure needs generated by the proposed Tomola development and is consistent with Council’s Affordable Housing Action Plan 2023-2025 which seeks to deliver affordable housing via planning agreements.

| PA Item | \$ Value |
|---|-----------------------|
| Dedication and Embellishment of Open Space to Council | \$1,639,859.50 |
| Dedication of 2 (Two Bedroom) Affordable Housing Units to Council | \$1,800,000 |
| Total Value | \$3,439,859.50 |

Table 2: Planning Agreement Items

12. The Letter of Offer proposes the dedication and embellishment of 2,673 sqm of public open space to Council. The public open space includes the north-south and east-west pedestrian through site links identified in the draft DCP (see **Figure 5**) and parkland beneath the transmission line. This will form a part of the linear “Western Parkland” that when completed will be owned by Council and will extend from Victoria Road through the Sekisui land to Hope Street. The cost of the open space embellishment is valued at \$1,639,859.50 and is reflective of the level of embellishment that is acceptable under the transmission line. The applicant has consulted with Ausgrid, who were supportive of the level of embellishment proposed. **Figure 6** shows the proposed embellished open space to be dedicated to Council.

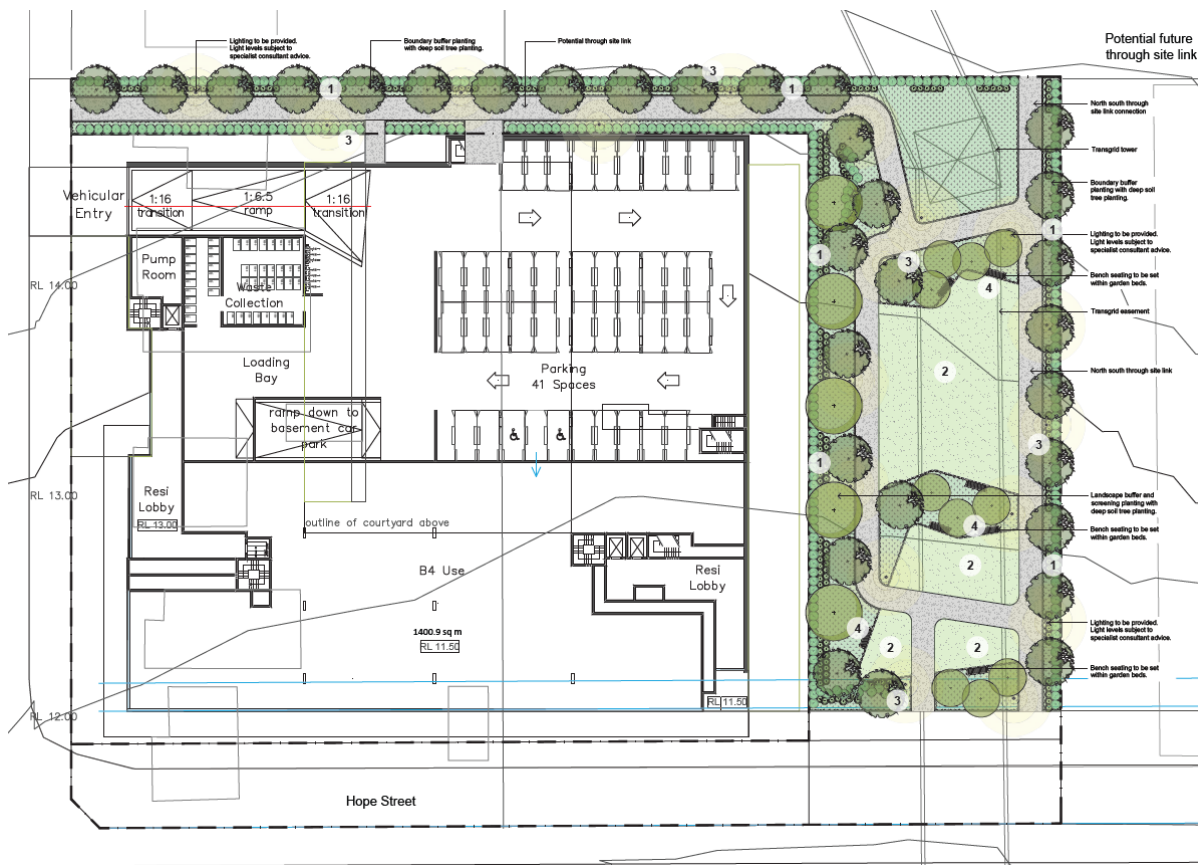


Figure 6: Open space to be dedicated to Council

13. Two (2) x 2 bedroom affordable housing units (with one allocated parking bay per unit) will be dedicated to Council in perpetuity. Detailed requirements for the provision of the two affordable housing units will be included in the drafting of the Planning Agreement and will be guided by Council’s Affordable Housing Policy.
14. The draft Planning Agreement excludes the application of the Parramatta (Outside CBD) Contributions Plan. Instead, the draft Planning Agreement includes a 1% contribution (of the total cost of the Tomola development) at the development application stage. The 1% contribution is what was prescribed under the former *Parramatta Section 94A Development Contributions Plan 2017*. This is consistent with the approach previously endorsed by Council and taken in relation to the Sekisui and Deicorp Melrose Park North Planning Agreement and Holdmark Melrose Park South Planning Agreement that have both been finalised.

15. It is recommended that Council delegate authority to the Chief Executive Officer to commence the legal drafting of a Planning Agreement in accordance with the Letter of Offer as provided in **Attachment 2** for the purpose of public exhibition. As part of these negotiations, and further detailed review of the deliverables outlined in the Letter of Offer, should the overall value of the Planning Agreement fall below the \$21,326.97 per dwelling contribution rate, a monetary contribution will be sought to maintain this per dwelling rate. Such a monetary contribution would be directed towards other key infrastructure in the area including the upgrade of George Kendall Reserve or the delivery of the Ermington Community Hub.
16. The \$21,326.97 per dwelling contribution rate equates to the rate (when adjusted for inflation) that Council endorsed for the \$96 million Melrose Park North Planning Agreement (Sekisui and Deicorp) that facilitates 5,000 dwellings. As was established by Council in approving that rate it provides a greater value to Council than otherwise would be collected under the applicable Contributions Plan. Adopting this per dwelling rate for the Tomola Planning Agreement ensures an equitable and consistent approach is taken for all development sites in Melrose Park North.

CONSULTATION & TIMING

17. Subject to Council endorsement, the draft DCP and draft Planning Agreement will be publicly exhibited concurrently with the Planning Proposal for a minimum of 28 days. The outcomes of the public exhibition will then be reported to Council.

Stakeholder Consultation

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

| Date | Stakeholder | Stakeholder Comment | Council Officer Response | Responsibility |
|------------------------|--|---|---|---|
| August – December 2023 | Payce (Owner) | Submitted draft Development Control Plan and Letter of Offer for Planning Agreement. | Development Plan Controls and Letter of Offer contents refined after negotiation with Payce. | Group Manager, Major Projects & Precincts |
| November 2023 | Transport for NSW (TfNSW) | Clarification sought regarding proposed setback from future Parramatta Light Rail. | The proposed Tomola development is set back 12m from Hope St, this facilities future Parramatta Light Rail. | Group Manager, Major Projects & Precincts |
| February 2024 | Sekisui (Melrose Park North Developer) | No comments on proposed housekeeping amendments to Melrose Park Development Control Plan. | N/A | Group Manager, Major Projects & Precincts |

Councillor Consultation

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

| Date | Councillors | Councillor Comment | Council Officer Response | Responsibility |
|---------------|-------------------------|------------------------------------|------------------------------------|---|
| 15 April 2024 | All Councillors invited | Report finalised prior to briefing | Report finalised prior to briefing | Group Manager, Major Projects & Precincts |

LEGAL IMPLICATIONS FOR COUNCIL

20. The legal review of the draft Planning Agreement will be carried out during the drafting of the Agreement.

FINANCIAL IMPLICATIONS FOR COUNCIL

21. The decision being made by Council to endorse the draft Development Control Plan and draft Planning Agreement for exhibition will have no direct impact on the budget as shown in the table below. 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 2 years. After this time, the cost of maintaining this land will be Council's responsibility.

| | FY 24/25 | FY 25/26 | FY 26/27 | FY 27/28 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| Operating Result | | | | |
| Capital contribution (non-cash) | | | | |
| External Costs | | | | |
| Internal Costs | | | | |
| Depreciation | | | | |
| Other | | | | |
| Total Operating Result | NIL | NIL | NIL | NIL |
| Funding Source | NIL | NIL | NIL | NIL |
| CAPEX | | | | |
| CAPEX | | | | |
| External | | | | |
| Internal | | | | |
| Other | | | | |
| Total CAPEX | NIL | NIL | NIL | NIL |
| Funding Source | NIL | NIL | NIL | NIL |

CONCLUSION AND NEXT STEPS

22. It is recommended that Council endorse the draft DCP for the purposes of public exhibition, and that the Chief Executive Officer be authorised to prepare the legal drafting of the draft Planning Agreement in accordance with the Letter of Offer provided for the purpose of public exhibition.
23. If endorsed, the draft DCP and draft Planning Agreement will be publicly exhibited concurrently with the already endorsed Planning Proposal. A further report will be prepared for Council on the outcome of the public exhibition period.

Sameer Jassal
Project Officer Land Use

Michael Rogers
Land Use Planning Manager

David Birds
Group Manager, Major Projects and Precincts

Jennifer Concato
Executive Director City Planning and Design

Gail Connolly
Chief Executive Officer

ATTACHMENTS:

- | | | |
|---|---|-----------|
| 1 | Draft Tomola Amendment - Section 8.2.6 Melrose Park - Parramatta DCP 2023 (separately enclosed) | 127 Pages |
| 2 | Planning Agreement Letter of Offer - Tomola | |
| 3 | Tomola Planning Proposal | |
| 4 | Tomola Gateway Determination | 2 Pages |

REFERENCE MATERIAL