

NOTICE OF COUNCIL MEETING

PUBLIC AGENDA

An Ordinary Meeting of City of Parramatta Council will be held in PHIVE (COUNCIL CHAMBER) COUNCIL CHAMBER AT 5 PARRAMATTA SQUARE, PARRAMATTA on Tuesday, 11 June 2024 at 6.30PM.

Gail Connolly PSM
CHIEF EXECUTIVE OFFICER

REPORTS TO COUNCIL - FOR COUNCIL DECISION

ITEM NUMBER	13.6
SUBJECT	Gateway Request - Parramatta CBD Supplementary Matters Planning Proposal
REFERENCE	F2024/00282 - D09389302
REPORT OF	Senior Project Officer
CSP THEME:	Innovative

WORKSHOP/BRIEFING DATE: 6 May 2024

APPLICATIONS CONSIDERED BY SYDNEY CENTRAL CITY PLANNING PANEL: Nil

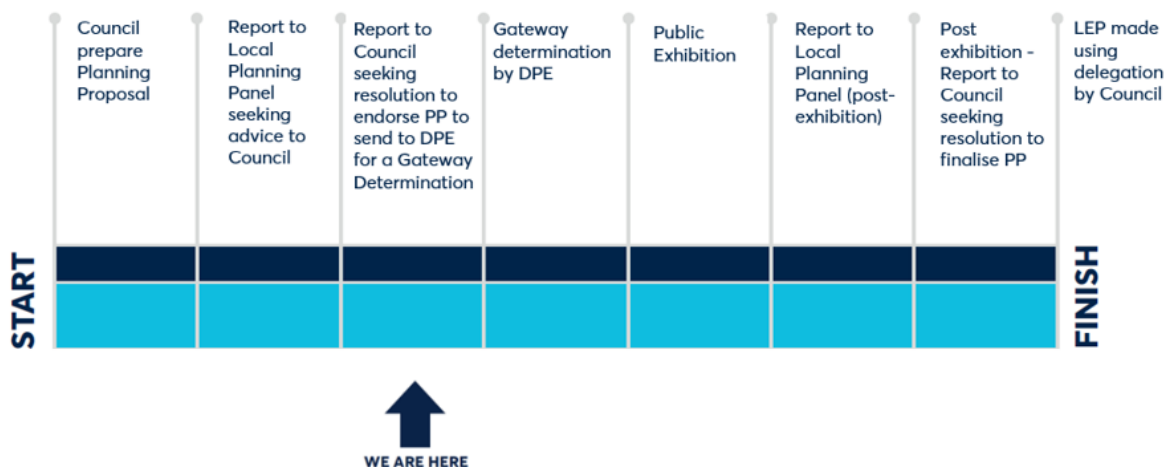
PURPOSE:

To seek Council's approval to forward the Parramatta CBD Supplementary Matters Planning Proposal for the land in the Parramatta City Centre to the Department of Planning, Housing and Infrastructure (DPHI) for the purpose of seeking a Gateway Determination.

RECOMMENDATION

- (a) That Council approve the recommended pathways for resolving the outstanding "Orange Matters" arising from the exhibition of the Parramatta CBD Planning Proposal, as detailed in the table at **Attachment 1**.
- (b) That Council approve the Parramatta CBD Supplementary Matters Planning Proposal at **Attachment 2**, subject to it being updated to include "creative industries" as permitted with consent in the E2 Commercial Centre zone, for the purpose of seeking a Gateway Determination from the Department of Planning, Housing and Infrastructure.
- (c) That Council advise the Department of Planning, Housing and Infrastructure that the CEO will be seeking to exercise its plan-making delegations for this Planning Proposal, as authorised by Council on 26 November 2012.
- (d) That Council delegates authority to the CEO to correct any minor anomalies of a non-policy and administrative nature that arise during the plan-making process.
- (e) That Council note the Parramatta Local Planning Panel's advice to Council (refer to **Attachment 3**) is consistent with Council officers' recommendation in the report.
- (f) That Council resolve to prepare a separate strategic precinct planning proposal for the Westfield site at 142 and 171 Church Street, Parramatta, given its strategic significance to the Parramatta CBD, and that Council officers prepare further urban design, land use and economic analysis to inform the policy framework for this planning proposal.

PLANNING PROPOSAL TIMELINE



BACKGROUND

1. During the exhibition period of the Parramatta CBD Planning Proposal, Council received submissions from landholders and other stakeholders seeking changes to controls for certain land within the Parramatta CBD. At its meeting of 15 June 2021, Council endorsed the final Parramatta CBD Planning Proposal with minor post exhibition changes and resolved to further investigate some matters raised from the submissions through a separate planning proposal process referred to in the Report as Decision Pathway 3 – Orange Matters. A list of the ‘Orange Matters’, as endorsed by Council 15 June 2021, is summarised in **Attachment 1** to this report.
2. The “Orange Matters” are generally outstanding matters remaining from the exhibition of Parramatta CBD Planning Proposal, that:
 - (a) were generally consistent with Council’s policy framework for the CBD, but were more significant changes, and if integrated into the Parramatta CBD Planning Proposal in the immediate post-exhibition period would have triggered re-exhibition of the Parramatta CBD Planning Proposal at that time; and/or
 - (b) had some merit on preliminary review, but required further investigation to confirm whether they should be progressed.

FURTHER INVESTIGATION

3. In responding to the “Orange Matters” as resolved by Council on 15 June 2021, Council officers have undertaken further investigations, including:
 - (a) evaluation of the nature and extent of requested changes from relevant submissions that resulted in the formation of the “Orange Matters”;
 - (b) assessment on the relevance of each “Orange Matter” against endorsed planning policy changes that have occurred at both the State and local

- level since Council's resolution on 15 June 2021 (now almost 3 years ago);
- (c) assessment of planning merits for certain "Orange Matters" against relevant strategic planning policies and directions; and
 - (d) undertaking further urban design, land use planning and environmental sustainability analysis to inform suitable urban planning outcomes.
4. Following the completion of further investigations, Council officers have recommended two pathways, including justification, to address each of the "Orange Matters". These are articulated in detail at **Attachment 1**. In summary, the two pathways include the following:
- (a) matters that have strategic merit and are recommended to progress as a part of the Parramatta CBD Supplementary Matters Planning Proposal (provided at **Attachment 2**);
 - (b) matters that are recommended to not proceed as a part of the Parramatta CBD Supplementary Matters Planning Proposal as they have since been resolved or superseded by another planning project or not considered to have adequate planning merit, or alternatively require significantly more analysis and are therefore recommended to proceed as a separate strategic precinct planning proposal.
5. On 21 May 2024, the Parramatta Local Planning Panel (the Panel) considered the Parramatta CBD Supplementary Matters Planning Proposal and supported Council Officer's recommendations to progress the Planning Proposal to request a Gateway Determination from DPHI, subject to it being updated to include "creative industries" as permitted with consent in the E2 Commercial Centre zone. For more information in relation to Panel's consideration of this matter, refer to the discussion below in the "**LOCAL PLANNING PANEL MEETING**" section of this report, and also to the Council officer's planning report to the Panel, and the Panel's subsequent advice, at **Attachment 3**.

PLANNING PROPOSAL

Overview

6. As outlined above, the Planning Proposal contained at **Attachment 2** to this report includes "Orange Matters" that are recommended by Council officers to progress to amend the Parramatta LEP 2023. In addition to addressing certain "Orange Matters", this Planning Proposal also makes an update to the BASIX points exceedance targets in clause 7.25(3)(c)(ii) of the Parramatta LEP 2023.
7. This Planning Proposal has been prepared consistent with Council's endorsed position on 15 June 2021 in relation to the "Orange Matters" (refer to **Attachment 1**) and sections 3.31 & 3.33 of the *Environmental Planning and Assessment Act 1979* (the EPA Act). This Planning Proposal explains the intent and justification

for the amendments to Parramatta LEP 2023. The proposed amendments by this Planning Proposal include:

- (a) rezoning of some land;
 - (b) extending the application of Area B of the Special Provisions Area Map to the rezoned land so that clause 7.28 (Additional floor space ratio for office premises) also applies;
 - (c) amendment to the land reservation acquisition area of some land;
 - (d) additional permitted use for the Parramatta CBD area; and
 - (e) amendment to some local provisions (i.e. car parking rates and high performing building design) applicable to the Parramatta CBD area.
8. The Planning Proposal is collectively referred as the 'Parramatta CBD Supplementary Matters Planning Proposal' and generally applies to the Parramatta City Centre and specific land within the Parramatta City Centre, as described in column 1 of Table 1 below.

Summary of Proposed Changes

9. Table 1 below provides a summary of the changes proposed under the Planning Proposal contained at **Attachment 2**. Further information about the initiator of each 'Orange Matter', and whether the proposed change aligns with the relevant original submission request, is available at Table 1 of **Attachment 1**.

Table 1 – Summary of changes proposed under the Planning Proposal

Site	Proposed Change(s)	Summary Justification
Land Reservation Acquisition (LRA) Map Notations: a. 328 Church Street, Parramatta (proposed lane); b. Marsden Lane, being part of 215 Church Street, Parramatta; c. Firehorse Lane, being part of 3 Fitzwilliam Street, and 25 Wentworth Street, Parramatta; d. Woodhouse Lane, being part of 21 Wentworth Street, Parramatta; e. Charles Street/Hassall Street Intersection, being part of 2 Charles Street, Parramatta; and f. Parkes Street widening, being part of 24 Parkes Street, Harris Park.	a. Deletion of entire LRA. b. Deletion of entire LRA. c. Partial deletion of LRA. d. Insertion of new splay corner LRA notation. e. Insertion of new road widening/splay corner LRA notation. f. Insertion of new road widening LRA notation.	The proposed LRA amendments are in response to the findings of the Parramatta Integrated Transport Plan (ITP) and updated urban design analysis, and they also minimise the financial implications for Council (ie. Overall, the proposed LRA removal area is significantly larger than the proposed new additions). The changes will improve safety, promote active transportation, and facilitate better traffic circulation and movement throughout the Parramatta CBD.
Walker Corporation Landholdings - 10-12 Darcy Street, Parramatta, also	Rezone from MU1 Mixed Use zone to E2 Commercial Centre zone. Extend application of Area B of the Special Provisions Area Map to the	E2 Commercial Centre zone aligns with the current significant office tower development on site, and

known as 4 & 6 & 8 Parramatta Square	rezoned land so that clause 7.28 (Additional floor space ratio for office premises) applies.	will enable consistency with the zoning and application of clause 7.28 to the other office towers at Parramatta Square.
High Performing Building Design – Clause 7.25 Update (applicable to residential development)	<p>Updates the BASIX Energy exceedance targets as specified in clause 7.25(3)(c)(ii), so that for buildings with an FSR ranging from 6:1 to 16:1, developers would need to exceed BASIX standards by the following BASIX points in order to utilise the 5% FSR bonus:</p> <ul style="list-style-type: none"> • 5-15 Storeys – 25 points • 16-30 storeys – 20 points • 31-40 storeys – 15 points • 41 or more storeys – 15 points 	<p>Updates are needed as the BASIX system has been revised through the introduction and commencement of <i>State Environmental Planning Policy (Sustainable Buildings) 2022</i> in October 2023.</p> <p>Updates are supported by a study, being the Parramatta High Performance Building Study Review (Kinesis, November 2023).</p>
Additional land use permissibility – E2 Commercial Centre zone – Water recycling facilities	Add ‘water recycling facility’ as a permissible use with consent in the E2 Commercial Centre zone.	<p>Will enable consistency between the MU1 Mixed Use zone and E2 Commercial Centre zone in the Parramatta CBD, noting that ‘water recycling facilities’ are currently permissible in MU1, but prohibited in E2. This change will enable maximum flexibility for recycled water systems, thereby improving environmental and sustainability outcomes.</p>
Maximum Residential Car Parking Rate for certain land at North Parramatta (being the part of the Parramatta CBD north of Victoria Road)	<p>Introduce a new Land Use and Transport Integration (LUTI) Map, which will identify Category A and B residential car-parking rate areas (refer to Figure 5 of Attachment 1).</p> <p>Category A will retain the current more restrictive maximum car parking rates, whereas Category B will introduce less restrictive maximum rates in the area of the Parramatta CBD north of Victoria Road.</p> <p>Amend the table in clause 7.17 to show the existing car parking rates for “Residential flat buildings, dual occupancies and multi dwelling housing” will apply to land shown as ‘Category A’ on the LUTI Map. Further, add a new Land Use type in the table for “Residential flat buildings, dual occupancies and multi dwelling housing – Category B land” (as shown on the LUTI Map), with the following rates:</p> <p><i>“The sum of the following— Resident spaces:</i></p>	<p>Changes will retain the current more restrictive maximum car parking rates for residential development on land to be referred to as Category A (which has good access to heavy rail and metro stations) and apply less restrictive rates to land referred to as Category B (in the Parramatta CBD north of Victoria Road), as this land is located well away from heavy rail and metro stations.</p> <p>The new car parking framework is based on the recommendations of the Parramatta CBD Integrated Transport Plan (ITP).</p>

	<p>(a) 0.2 space for each studio dwelling</p> <p>(b) 0.4 space for each dwelling containing 1 bedroom</p> <p>(c) 0.8 space for each dwelling containing 2 bedrooms</p> <p>(d) 1.1 spaces for each dwelling with 3 or more bedrooms</p> <p>Visitor spaces (calculated cumulatively):</p> <p>(e) 0.167 space for each dwelling up to 30 dwellings</p> <p>(f) 0.1 space for each dwelling more than 30 and up to 70 dwellings</p> <p>(g) 0.05 space for each dwelling more than 70 dwellings”</p>	
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STRATEGIC PRECINCT PLANNING PROPOSAL – PARRAMATTA WESTFIELD SITE

10. The Parramatta Westfield landholdings is situated at 142 and 171 Church Street, Parramatta, consisting of multiple blocks extending along Argyle Street, Aird Street, Marsden Street, Campbell Street, Fitzwilliam Street and Church Street. The site is the single largest private land holding in the Parramatta CBD, measuring 6.43 ha in land area. In comparison, this is larger than Parramatta Square (including public domain) at about 2.84 ha, the Powerhouse Museum site at about 1.81 ha, and the Parramatta Metro site at about 1.76 ha, combined.
11. Consistent with Council’s resolution of 15 June 2021, Council officers undertook further investigations in relation to this matter (refer to **Attachment 1**). Following these further investigations, Council officers are of the view that further analysis is needed to appropriately determine the future planning policy framework for this highly significant site. This further analysis needs to consider at least the following:
- a. **Land Economics** – The impacts of the COVID pandemic on both the office and retail market are continuing to evolve and will impact the future for this site. Further economic analysis is needed to help inform the policy framework for this significant site.
 - b. **Land Use and Urban Design** – Given its strategic location near the Parramatta Transport Interchange and Parramatta Square, and also its large size, this site has significant potential in providing for future employment generation for the Parramatta CBD, in particular in large floor plate commercial office towers to match those of Parramatta Square. Further analysis is needed to determine the appropriate scale/type of residential development that would be suitable for the site, including site location considerations, so that strategic commercial and residential land use objectives can be properly balanced and managed.
12. In light of the above considerations, associated site complexities, and the significance of this large site in the Parramatta CBD, Council officers

recommend not progressing this matter as a part of this planning proposal, and rather that Council commence preliminary work on a separate strategic precinct planning proposal specifically for the Westfield site, given its strategic importance, and also to allow more time where these issues can be further investigated.

PLANNING PROPOSAL ASSESSMENT

13. An assessment of the strategic merits of the Planning Proposal, including key planning considerations, is provided in the Council officer's report to the Panel – refer to copy at **Attachment 3**.

LOCAL PLANNING PANEL MEETING

14. The matter was considered by the Panel at its Meeting on 21 May 2024 (report at **Attachment 3**) and the Panel provided the following advice to Council:
 - (a) *That Council approve the recommended pathways for resolving the outstanding "Orange Matters" arising from the exhibition of the Parramatta CBD Planning Proposal, as detailed in the table at **Attachment 1**.*
 - (b) *That Council approve the Parramatta CBD Supplementary Matters Planning Proposal at **Attachment 2**, subject to it being updated to include "creative industries" as permitted with consent in the E2 Commercial Centre zone, for the purpose of seeking a Gateway Determination from the Department of Planning, Housing and Infrastructure.*
 - (c) *That Council advise the Department of Planning, Housing and Infrastructure that the CEO will be seeking to exercise its plan-making delegations for this Planning Proposal, as authorised by Council on 26 November 2012.*
 - (d) *That Council delegates authority to the CEO to correct any minor anomalies of a non-policy and administrative nature that arise during the plan-making process.*
 - (e) *That Council resolve to prepare a separate strategic precinct planning proposal for the Westfield site at 142 and 171 Church Street, Parramatta, given its strategic significance to the Parramatta CBD, and that Council officers prepare further urban design, land use and economic analysis to inform the policy framework for this planning proposal.*
15. It should be noted that in providing their advice to Council, the Panel recommended that the Planning Proposal be *"updated to include "creative industries" as permitted with consent in the E2 Commercial Centre zone"*. This was in response to a submission to the Panel made by Walker Corporation in relation to the proposed rezoning of their land at Parramatta Square under the Planning Proposal. In their submission, Walker Corporation noted that the proposed rezoning from MU1 Mixed Use to E2 Commercial Centre would make

“creative industries” prohibited development on their land. This was of concern as it would make the newly approved ABC Studios on their land a prohibited land use, as this development was characterised as a “creative industry” in their approved development application (DA/482/2022).

16. Under the provisions of *Parramatta LEP 2023*, “creative industries” are defined as follows:

“creative industry means a building or place the principal purpose of which is to produce or demonstrate arts, crafts, design or other creative products, and includes artists’ studios, recording studios, and set design and production facilities.”

17. To address this issue, Council officers further recommended to the Panel that the use of “creative industries” be added as permitted with consent across the entire E2 Commercial Centre zone. This was considered justifiable for the following reasons:

- a. The Parramatta CBD area primarily consists of two main zones, being the MU1 Mixed Use zone and the E2 Commercial Centre zone. The primary difference between the two zones is the permissibility of residential development. “Creative industries” are already permissible with consent in the MU1 zone. This change to make “creative industries” permissible in the E2 zone would ensure that “creative industries” are permissible with consent across the entire Parramatta CBD area.

- b. The “creative industries” use is consistent with the objectives of the E2 Commercial Centre zone, in particular the following:

i. To strengthen the role of the commercial centre as the centre of business, retail, community and cultural activity.

ii. To encourage investment in commercial development that generates employment opportunities and economic growth.

iii. To strengthen the role of Parramatta City Centre as a regional business, retail and cultural centre and as a primary retail centre in the Six Cities Region.

- c. “Creative industries”, including recording studios, set design and production facilities, are strategically desired for the Parramatta CBD area as they bring significant economic benefits, including supporting businesses and job creation, add to the cultural fabric of the CBD, and are a compatible land use with office development, as evident with the approval of the ABC Studios at Parramatta Square.

18. The Panel’s advice to Council, including making “creative industries” permissible with consent in the E2 Commercial Centre zone, is consistent with the Council Officer’s recommendation now provided in this report. Subject to Council endorsement, the Planning Proposal at **Attachment 2** will be updated to include “creative industries” as permitted with consent in the E2 Commercial Centre zone, prior to it being forwarded to DPHI for the purpose of seeking a Gateway Determination.

PLAN MAKING DELEGATIONS

19. It is recommended that Council request to DPHI to exercise its plan making delegations for this Planning Proposal. This means that after the Planning Proposal has received a Gateway Determination, complied with any conditions (including any requirements for public exhibition), Council officers can deal directly with the Parliamentary Counsel on the legal drafting and finalisation of the amendment to the LEP facilitated by this Planning Proposal.

CONSULTATION & TIMING

Stakeholder Consultation

20. Council officers contacted the original submitters (associated with private land holdings) who lodged submissions to the Parramatta CBD Planning Proposal that were later resolved as the 'Orange Matters' to advise them of this project. Further consultation with all affected landowners will occur during the public exhibition of the Planning Proposal.

Councillor Consultation

21. Table 2 below provides a summary of the Councillor consultation that has been undertaken in relation to this matter.

Table 2 – Consultation undertaken with Councillors in relation to the CBD 'Orange Matters'.

Date	Councillor	Councillor Comment	Council Officer Response	Responsibility
24 April 2024	Councillor Briefing Note provided	No comments received.	N/A.	Group Manager City Strategic Planning
6 May 2024	Councillor workshop	Councillors provided comments in relation to the proposed Category B car parking rates and also the proposed pathway to address the Westfield site.	Council officers explained that the position for the car parking rates is supported by the Parramatta ITP and the suggested pathway for the Westfield site is due to the complexities associated with this site and its strategic significance.	Group Manager City Strategic Planning

22. The project timeline is detailed in Part 6 of the Planning Proposal (refer to **Attachment 2**). The timeline indicates that the Planning Proposal should be completed within 12 months, subject to all necessary approvals from both Council and DPHI throughout the statutory planning process.

LEGAL IMPLICATIONS FOR COUNCIL

23. There are no legal implications for Council associated with this report.

FINANCIAL IMPLICATIONS FOR COUNCIL

24. Under this Planning Proposal, 79sqm of land is being added to the Land Reservation Acquisition Map, but 1,098sqm is being removed, resulting in a net reduction of 1,019sqm of land being identified for acquisition by Council (refer to Table 3). This significant net reduction in land acquisition area will result in an associated net reduction in Council's financial liability in terms of acquisition costs, should the land not be secured through redevelopment opportunities.

Table 3 – Land area changes to Land Reservation Acquisition Map under the Planning Proposal

Site	Additions (sqm)	Retention (sqm)	Deductions (sqm)
2 Charles St, Parramatta (splay corner)	40		
24 Parkes St, Harris Park (road taper)	35		
Firehorse Lane, Parramatta (part removal)		71	473
21 Wentworth St, Parramatta (splay corner)	4		
215 Church St, Parramatta (Marsden Lane)			187
328 Church St, Parramatta (full removal)			438
Totals	79	71	1,098

25. There are no financial impact on the budget arising from approval of this report as recommended.

CONCLUSION AND NEXT STEPS

26. The Planning Proposal demonstrates both strategic and site-specific planning merits and is consistent with the Parramatta CBD planning policy framework, as established by the Parramatta CBD Planning Proposal. It is recommended the Planning Proposal be endorsed by Council, updated as per the Panel's advice to include "creative industries" as permitted with consent in the E2 Commercial Centre zone, and then forwarded to DPHI for a Gateway determination.
27. Subject to Council's endorsement of the Planning Proposal (including the update as advised by the Panel) and recommended pathways to address the 'Orange Matters', Council officers will forward the updated Planning Proposal to DPHI seeking a Gateway Determination, and then commence preliminary work to inform the policy framework for a separate strategic precinct planning proposal for the Westfield site.




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Jennifer Concato
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Gail Connolly
Chief Executive Officer

ATTACHMENTS:

1	↓	Recommendations to the Parramatta CBD Planning Proposal	31
		 'Orange Matters'	Pages
2	↓	Parramatta CBD Supplementary Matters Planning Proposal	95
			Pages
3	↓	Parramatta Local Planning Panel Council Officer Report and	20
		 Panel's Advice	Pages

REFERENCE MATERIAL