

PLANNING PROPOSAL FOR A WOOLWORTHS SUPERMARKET AND LIQUOR STORE (SHOPS) AT 17-19 SMITH ST CHATSWOOD

ATTACHMENTS:	1. COUNCIL REPORT DATED 11 MAY 2012 2. EXTRACT FROM AMENDED PLANNING PROPOSAL JANUARY 2014 INCLUDING DETAILS OF WOOLWORTHS ONLINE STRATEGY 3. LETTER FROM TRAFFIC CONSULTANTS DATED 23 JANUARY 2014 RE AMENDED PLANNING PROPOSAL
RESPONSIBLE OFFICER:	LINDA MCCLURE, STRATEGIC PLANNING MANAGER
AUTHOR:	JANE HOSIE, STRATEGIC PLANNER
CITY STRATEGY LINK:	5.1.1 LOCAL BUSINESS
MEETING DATE:	3 FEBRUARY 2014

Purpose of Report

The purpose of this report is to advise Council on the status of a Planning Proposal for a Woolworths supermarket and liquor store in the East Chatswood industrial area at 17-19 Smith St, Chatswood and to recommend that Council refer the Planning Proposal to the Gateway for consideration for public exhibition.

Background and Chronology

The following outlines the background and events in the process of the Planning Proposal to date.

14 November 2011

The Planning Proposal for a full line (3,950sqm) supermarket and liquor store in the East Chatswood industrial area was lodged with Council. "Shops" are a prohibited use in the Light Industrial zone under the previous planning instrument, Willoughby Local Environmental Plan (WLEP) 1995 and in the Light Industry (INZ) Zone under WLEP 2012.

28 May 2012

Council resolved to reject the Planning Proposal for reasons outlined in the report to Council dated 21 May 2012 (Attachment 1) and summarised below:

1. *The Planning Proposal does not satisfy the strategic assessment criteria to justify a rezoning of industrial land under the Draft Metropolitan Strategy for Sydney to 2031.*
2. *The Planning Proposal is inconsistent with the following relevant strategic plans:*
 - i. *Willoughby City Strategy*
 - ii. *Metropolitan Plan for Sydney 2036,*
 - iii. *Draft Inner North Sub Regional Strategy*
 - iv. *Draft Metropolitan Strategy for Sydney to 2031.*
 - v. *Employment Lands Development Program (ELDP)- Report 5- Inner North Subregion (May 2011)*
 - vi. *Section 117 Direction 1.1 Business and Industrial zones*
 - vii. *Section 117 Direction 3.4 Integrating Land Use and Transport.*
 - viii. *Draft Centres Policy*

3. *A supermarket will encourage the emergence of a new centre in East Chatswood, an area unsupported by any increasing housing density and outside the existing centres hierarchy, as it would create a precedent because additional retail and business uses would be attracted to the supermarket complex.*
4. *Significant local and regional traffic issues would be generated from a supermarket on the subject site at the scale outlined in the Planning Proposal. There would be major implications to the Smith St, Eastern Valley Way and Castle Cove intersections which have not been resolved.*
5. *There is no compelling net benefit to the community from the Planning Proposal.*

30 November 2012

The Proponent submitted a Pre-Gateway review request application to the Department of Planning as Council had not supported the Planning Proposal.

25 June 2013

The Department of Planning wrote to Council advising that there may be merit in the Planning Proposal and that a review of the proposed instrument was justified and forwarded the Planning Proposal to the Sydney East Joint Regional Panel (JRPP).

20 November 2013

The JRPP met to discuss the Planning Proposal. At that meeting Woolworths indicated an alternative larger proposal incorporating a warehouse/ distribution and logistical facility to service on-line customer orders and pickups in addition to the previously proposed retailing supermarket and liquor store. The elements of the alternative proposal involving warehouse and distribution and on-line collection facilities did not require rezoning of the industrial zone.

The JRPP recommended that the Planning Proposal should not be submitted for a Gateway Determination. (The "Gateway" is effectively the Minister or his delegate deciding whether a Planning Proposal to amend an LEP should proceed to public exhibition.)

17 December 2013

The Department of Planning advised that contrary to the JRPP advice the Deputy Director as Delegate of the Minister has decided that the Planning Proposal should proceed to public exhibition and that Council can choose to be the RPA for processing the instrument. If so, it should advise the Department in January and submit a Planning Proposal to the Department by 14 February 2014.

19 December 2013

By letter dated 19 December 2013 Council Officers advised the Proponent that it is Council's position that it should be the RPA for the matter. Council requested that the Proponent submit an updated Planning Proposal clarifying the details of the proposed additional elements which were submitted to the JRPP meeting on the 20 November 2013 in order for Council and the Gateway to consider any additional issues as a consequence of this change.

24 January 2014

The Proponent confirmed that it is now proposed that the Smith St site would be more than just a full line supermarket and liquor store. Woolworths advised that it is adapting to changing retail patterns with an emphasis on online customer requirements and its facilities are *"taking on the form of what is commonly seen as warehousing, distribution and logistics centres which need to be positioned in more accessible locations and purpose built forms."*

Amended Planning Proposal

Attachment 2 is an extract from the amended Planning Proposal received on 24 January 2014 which outlines Woolworth's online retailing strategy and the functions proposed for the Smith St facility. (A complete copy of the Planning Proposal including all appendices will be available at the Council meeting). Essentially, it would be the originally proposed supermarket and liquor store as well as warehouse and distribution centre for its online orders " *managed by a small fleet of trucks operating 24 hours a day seven days a week.*"

The proposed warehouse/distribution use is permitted in the existing Light Industrial zone however the retail supermarket and liquor store component requires an amendment to WLEP 2012.

A concept plan showing the size of the supermarket/liquor store as well as the proposed warehouse/distribution facility has not been included with the amended Planning Proposal documentation. This would assist Council and the public in assessing the impact of the Planning Proposal. It was previously stated in the original Planning Proposal that the supermarket floor space would be 3,900sqm however this information has been omitted from the most recent Planning Proposal although it is still referred to as "full line".

The proponent submitted an updated study of the floor space of the East Chatswood industrial area to the JRPP on 20 November 2013 which was prepared by Location IQ clarifying that the vacancy rate in the area has improved from 20% originally in 2011 to 9.5% in November 2013. It is consistent with Council Officer's survey of the area.

State Environmental Planning Policy 55- Remediation of Land applies to the site as it is changing from an industrial to a commercial use. The Proponent is required to undertake and submit a preliminary investigation report in accordance with: a) Environment Protection Authority (EPA) "Contaminated Sites- Guidelines for Consultants Reporting on Contaminated Sites" and b) Managing Land contamination Planning Guidelines SEPP 55- Remediation of land. This information is also required to be submitted to Council prior to public exhibition.

In relation to the additional floor space and functions of the proposal, an additional traffic analysis has not been submitted. The Proponent has submitted a letter from traffic consultants, Colston Budd Hunt and Kafes Pty Ltd (Attachment 3) advising that the addition of an online facility will have a similar or less traffic impact than the original proposal. However, Council's Senior Traffic Engineer has advised that the letter is inadequate and that further analysis of the proposed operation of the facility at peak usage times is required to fully assess the traffic impact.

In summary, it is considered appropriate that the Department of Planning and Infrastructure and the Minister be advised that there is outstanding information required to be included in the Planning Proposal documentation, prior to any public exhibition of the amended planning proposal.

Planning Proposal Appraisal

Council has previously resolved not to support the original Planning Proposal for a supermarket and liquor store at 17 -19 Smith St and the addition of a warehouse/distribution facility as now proposed does not alter the original reasons for refusal. Council Officers have previously highlighted the Planning Proposal's non- compliance with relevant state, regional and local planning policies. The new proposal increases the scale of activity and traffic generated by the site.

However as noted, Council has been advised that the Department of Planning and Infrastructure considers that the proposal may have merit, and that the local community should be able to review and comment on the proposal via public exhibition.

In the circumstances it is recommended that Council seek the best outcome for the future of the community, the East Chatswood Industrial area and the existing commercial centres and businesses by continuing to be involved in the planning process for the site as the relevant Planning Authority to oversee and manage any Planning Proposal public exhibition.

Relevant Planning Authority (RPA)

As previously advised to Councillors in a memo dated 6 January 2014, the Department of Planning and Infrastructure has asked whether Council wishes to be the Relevant Planning Authority (RPA) for processing the Planning Proposal. This means that Council would be responsible for preparing, and submitting a Planning Proposal to the Department for a Gateway determination, arranging the public exhibition in accordance with the Gateway decision (e.g. public consultations, timing) and reporting back to the Department on the outcome of the public exhibition and consideration of submissions.

Council was requested to advise the Department of Planning and Infrastructure by 17 January 2014. Given the timing of the required response Council Officers have already advised that Council does want to retain the position of RPA. This allows Council to maintain some control over the public consultation rather than leaving it with the Department to oversee.

Community Consultation

Subject to the Gateway determination and the timing of the additional information regarding the revised Concept and Planning Proposal, it is recommended that the 28 day exhibition period be carried out with notice of the exhibition given in the North Shore Times, on Council's website and in writing to:

- i) adjoining landowners,
- ii) property owners in the East Chatswood industrial area and in the existing commercial areas of Castle Cove, Castlecrag, Penshurst St, Westfield and Chatswood Chase in Chatswood CBD,
- iii) property owners of the residential streets within 1 km of the site.
- iv) local Progress Associations and Kurringai Council.

It is also proposed to hold a public question and answer session during the exhibition period.

Project Timeline

Planning Proposal Presented to Council	3 February 2014
Planning Proposal submitted to Gateway/ LEP review panel	February 2014
Gateway Determination received by Council	April 2014
Report of SEPP 55 - Preliminary Investigation from Applicant, submission of concept plans, additional traffic report	May 2014
Community Consultation (28 days) including public information session	June 2014
Outcomes of community consultation reported to Council	August 2014
Planning Proposal submitted to DoPI	September 2014

Conclusion

Although the Planning Proposal has not been supported by Council or the JRPP, given the advice from the Department of Planning and Infrastructure that the Planning Proposal should proceed to public exhibition, it is recommended that Council be the Relevant Planning Authority so it can have management of the public exhibition process.

In addition, it is recommended that the Minister be advised that there is outstanding information that should be provided to the Gateway by the Proponent and included in the Planning Proposal documentation. Specifically:

- i) A concept plan showing the lay out of the proposed retail space and warehouse facility including proposed floor space for each component,
- ii) Updated land use and vacancy study for the East Chatswood Industrial Area (as provided to the JRPP in November 2013),
- iii) State Environmental Planning Policy 55- Remediation of Land information,
- iv) Updated Traffic report addressing the revised proposed and peak usage times for all uses operating concurrently.

This information can be provided whilst the matter is considered by the Gateway prior to Determination and public exhibition.

OFFICER'S RECOMMENDATION

THAT:

- 1. Council be the Relevant Planning Authority (RPA) for processing the Planning Proposal.**
- 2 The Planning Proposal be forwarded to the Department of Planning and Infrastructure seeking a Gateway Determination under Section 56 of the Environmental Planning and Assessment Act 1979.**
- 3. The Gateway and proponent be advised that there is outstanding documentation required to be included in the Planning Proposal prior to any public exhibition as outlined in this report.**
- 4. Council recommend to the Gateway that the community consultation program be adopted as outlined in this report.**

[17-19 Smith Street, East Chatswood, Planning Proposal - Attachment 1](#)

[17-19 Smith Street, East Chatswood, Planning Proposal - Attachment 2](#)

[17-19 Smith Street, East Chatswood, Planning Proposal - Attachment 3](#)