

Item No: IP0914 Item 5

Subject: SYDENHAM STATION TRADITIONAL AND CREATIVE INDUSTRIES HUB

File Ref: 4778/26307.14

Prepared By: Maxine Bayley - Strategic Planner

Authorised By: Tim Moore - Director, Planning and Environmental Services

SUMMARY

The industrial lands on the western side of Sydenham Station support a wide range of industrial activities such as freight and logistics (including warehousing), manufacturing, general industry (e.g. panel beating, metal fabricators), light industry (e.g. food and beverage producers) and creative industries (e.g. fine art and music studios). The historic and fine grained subdivision means that a large number of relatively narrow fronted buildings support this diversity of uses with low vacancy rates.

Two parallel and ongoing pieces of work are focused on these industrial lands – in support of the live music industry, Marrickville and Leichhardt Councils' work with the City of Sydney's Live Music Taskforce and Council's involvement in the Future Cities Program 2014.

Both projects recognise the ongoing role of these lands for the established traditional industrial activities and identify their potential to support a wider array of people oriented uses in the form of creative/cultural oriented industry and business including entertainment, hospitality and a night economy. The Future Cities project is developing a longer term vision to optimize the history and character of the area including changes to the public domain to improve the pedestrian experience. Both pieces of work focus on future proofing rather than transforming the area.

The current review of the Marrickville Employment Lands Study (MELS) has been expanded in scope to consider the vision for the area, particularly the potential impacts of broadening the range of allowable uses.

The purpose of this report is to provide an update on the outputs from the Future Cities Program to date, to gain in-principle support for the further development of a vision for the precinct and foreshadow a future Planning Proposal for minor amendments to the current planning controls, necessary to progress the vision.

RECOMMENDATION

THAT Council:

- 1. receive and note the report;**
 - 2. give in-principle support to the development of a long term vision for revitalisation of the industrial lands adjacent Sydenham Station for traditional industry, creative industry and business with a potential night economy; and**
 - 3. consider preparing a Planning Proposal to implement the vision for the precinct when the findings of the Marrickville Employment Lands Study Review and Future Cities Program are completed.**
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Our Place, Our Vision – Marrickville Community Strategic Plan 2023

- 2.1 Marrickville is a creative community participating in arts and cultural activities at all stages of life.
- 2.2 Marrickville is a leading independent arts centre that supports the creative industries
- 3.3 The community walks, rides bikes and uses public transport.
- 3.5 Marrickville's streets, lanes and public spaces are sustainable, welcoming, accessible and clean.
- 3.9 Marrickville's built environment demonstrates good urban design and the conservation of heritage, as well as social and environmental sustainability.
- 3.11 Marrickville's economy supports local employment and provides business opportunities.
- 3.12 Marrickville's industrial areas remain an important and viable part of the local economy.
- 3.13 Marrickville is well connected to the economy of greater Sydney and to the network of global cities.

BACKGROUND

Due to their dynamic nature, the creative industries are not simply defined and consist of a wide variety of businesses and individuals. They include cultural sectors like music & performing arts, film, television & radio, advertising & marketing, software development & interactive content, writing, publishing & print media, architecture, design & visual arts. (Ref. *Valuing Australia's Creative Industries, December 2013, SGS Economics and Planning Pty Ltd for the Enterprise Connect Creative Industries Innovation Centre*).

There have been a number of recent major rezoning/development proposals for land in the Marrickville/Sydenham industrial area. The issues raised by these proposals resulted in Council securing funding from the Department of Planning & Environment to review the Marrickville Employment Lands Study 2007. This strategic study will assist in determining the appropriate future direction for the area.

DISCUSSION

Live Music and Live Performance Taskforce

The Live Music & Live Performance Taskforce was established to identify ways in which Council can encourage and support live music throughout the local government area. This follows on from work commenced in 2013 by the City of Sydney involving a taskforce to investigate pressures affecting live music and performance in Sydney. The findings of the taskforce led to the development of a 'Live Music Matters' action plan to guide the future of live music and performance in Sydney.

At its meeting of 18 February 2014 Council commended the City of Sydney and the Live Music and Live Performance Taskforce for the extensive report and recommendations for *Live Music Matters: Planning for Live Music and Performance in Sydney*. Council also considered responses to each of the taskforce's recommendations and how Marrickville Council could work collaboratively with neighbouring councils to foster live music and performance in Sydney.

In late 2013 Marrickville Council held a Live Music Information Session in order to:

- Hear about, and provide feedback on the City of Sydney's Live Music Task Forces – Live Music and Performance Action Plan and the Marrickville context.
- Engage with live music venue owners and operators in Marrickville with a view to working towards developing strategies and policy to support live music and entertainment in Marrickville.
- Provide an overview of the thinking in relation to a live music precinct for Parramatta Road and other locations.

The session was attended by over 35 people including venue owners and operators, promoters and performers within the industry. Participants were asked to indicate a preferred location for a live music precinct. All respondents indicated the industrial area around Sydenham Station as a preferred location for live music venues.

Council's ability to incubate and nurture a hub of more opportunities for live entertainment is dependent upon a number of external factors including commercial viability, the demand for these types of uses, the costs associated with their establishment and the social impacts. A report in the business papers for the 5 August 2014 Community and Corporate Services Committee meeting outlines a range of proposed measures to support live music throughout the Marrickville local government area. These included supporting live music operators with live music grants; providing support to mediate noise issues, establishing venue and rehearsal spaces; and involvement in audience development.

Future Cities Program 2014

Based on the study project submitted in March 2014, Council was this year selected to join the Future Cities Program 2014 run by the Future Cities Collaborative at the United States Studies Centre, University of Sydney. The program aims to promote sustainable urban outcomes by supporting elected leaders, together with local government and community leaders, with an evidence based approach to strategic urban planning.

The goal of the Future Cities Collaborative is to bring together policy, practice and research to inform city leaders and to build great cities where city leaders can share ideas and information.

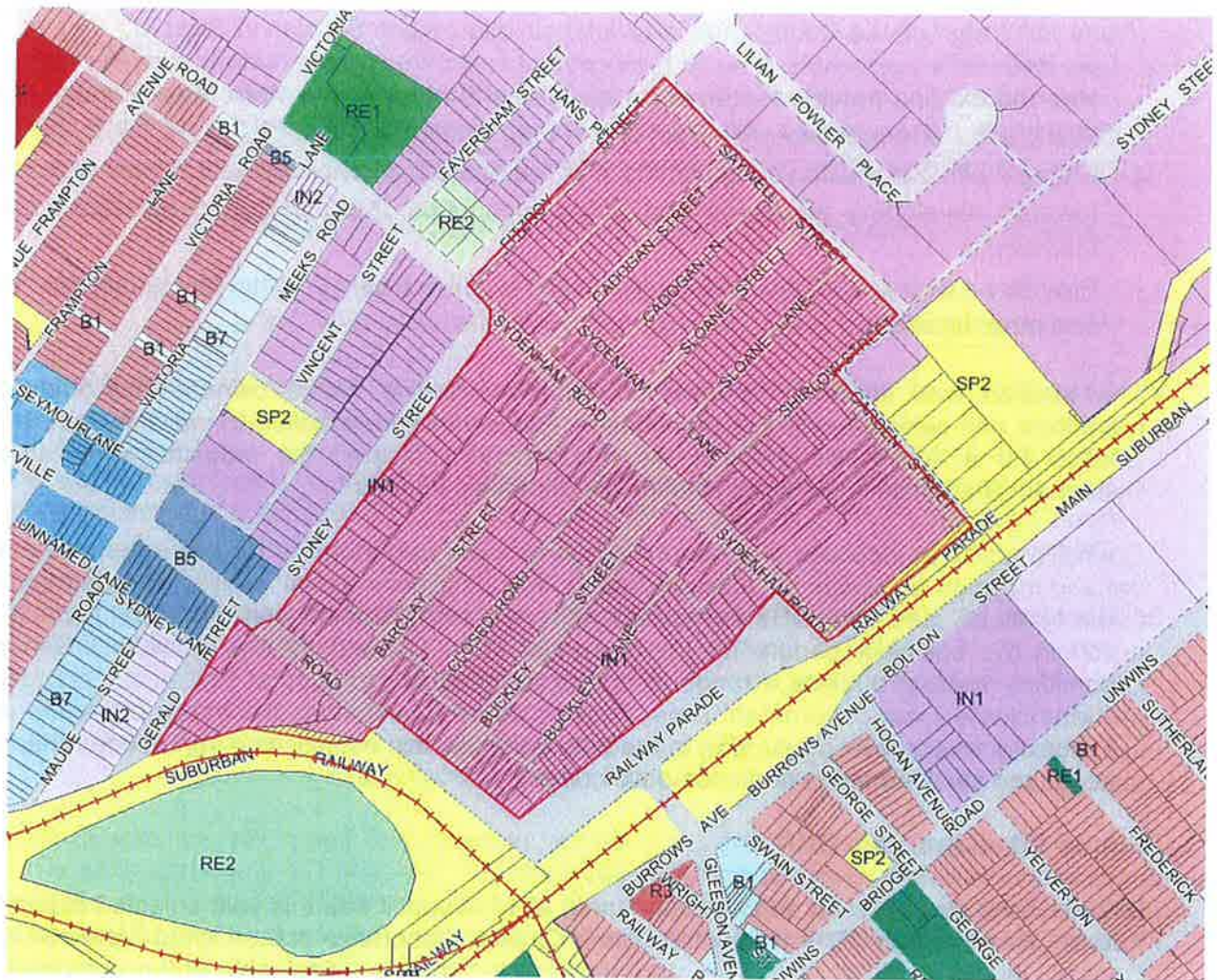


Figure 1: Future Cities Program Study Area

The study area comprises approximately 10 hectares of industrial zoned land located adjacent to main roads and Sydenham Station, a major interchange railway station, as shown hatched. The area is unique, characterised by:

1. **Fine grained subdivision and built form** – offers a human scale to the experience of these industrial lands and lends itself to the wide array of mostly light industrial uses, food and beverage production, processing and freight and logistics warehousing, in addition to some general industries such as a timber yard and panel beating.
2. **Unsuitability for residential apartments** – discounted due to the land's affection by aircraft noise. This presents as an opportunity for the protection of employment lands in the form of traditional industries and the expansion of creative industries. The isolation from residential uses allows a potential night economy, avoiding the usual impacts for permanent housing.
3. **Accessible location** – within 300m walk of Sydenham rail interchange and bordered by other employment lands and dense residential.
4. **Relationship to established entertainment strip** – commences at Broadway and extends via King Street and Enmore Road to these industrial lands but lacks safe and legible connection through to Sydenham Station.

5. **Low pedestrian priority** – despite the compact and permeable streets and lanes, human scale and existing transport node and due largely to the one way road system which has alternatives. If completed, WestConnex could relieve through traffic, especially heavy vehicles, improving prospects for greater pedestrian priority.

In addition to these features of the study area, the following external factors apply:

1. **Changing nature of manufacturing** - while the area is a major contributor to manufacturing in Marrickville, employment in manufacturing is declining.
2. **Contribution of creative industries** – significant for the national economy. Within the creative industries, music and performing arts, software development and design and visual arts show the strongest performance in terms of real annual output growth over the past 5 years. (Ref. *Valuing Australia's Creative Industries, December 2013, SGS Economics and Planning Pty Ltd for the Enterprise Connect Creative Industries Innovation Centre*).
3. **Demand for music/entertainment venues** - with associated uses to support a night economy, in accessible locations that are not in conflict with dense housing lands, as identified by Sydney's arts and entertainment community.
4. **Pressure to convert inner city industrial lands to housing** – reducing the amount of land available for employment, particularly creative industries.

In June the Mayor and staff joined a two day intensive workshop (Mayors forum) led by experts in urban design and sustainable development. Prior to the workshop a *future city scenario* was modeled for investigation and to provoke critical analysis. The modeling forecasts the potential differences between a **business as usual scenario** and an **innovation scenario** where existing uses are intensified and potential new uses and sustainability initiatives are introduced.

Business as Usual Scenario

The business as usual (BAU) scenario models an expansion of business park and freight and logistics land uses in larger 'big box' formats that could result through lot consolidation.

Some assumptions that underpin the BAU scenario are based on the observed shift towards freight and logistics in these locations. The modeled outcome shows a loss of the array of smaller building frontages and lot sizes as a result of lot consolidation through acquisition. This scenario would limit responding to the unique site characteristics and external factors identified before the workshop.

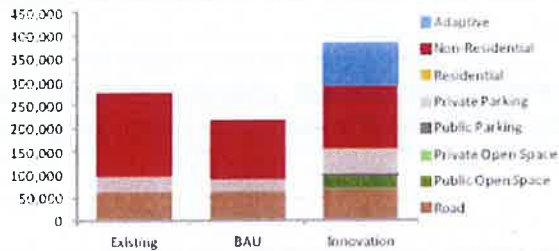
Innovation Scenario

The innovation scenario:

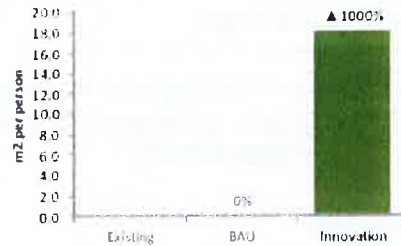
1. Enhances the industrial character and fine grain with flexible solutions through adaptable buildings.
2. Improves pedestrian priority by:
 - a) removing one way traffic system
 - b) completing a network of lanes and slow traffic speed on main through routes
 - c) creating a multi use space below the brick wall adjacent railway station
 - d) introducing a green street on Barclay Street
3. Exploits the adaptability of industrial buildings by incubating a wider mix of uses
4. Creates a sustainability identity with green streets and integrated precinct management of services such as water harvesting, community solar electricity generation, and eco-hub recycling stations.
5. Considers short term residential uses in the form of artist/artisan/key worker in residence or the 'caretaker flat' model, in specific locations and on strict terms.

A number of key performance indicators are used to estimate the performance of the 'innovation' model and 'business as usual' scenarios with results benchmarked against existing or the Sydney Metropolitan average consumption, as shown in Figure 2 below.

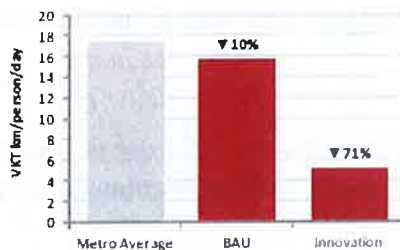
LAND USE



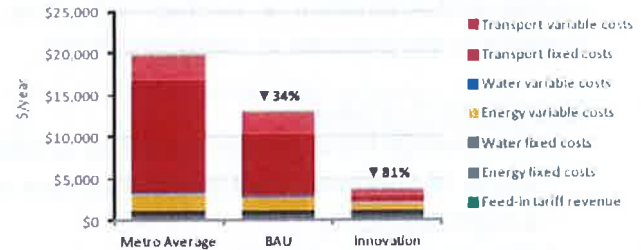
OPEN SPACE PER PERSON



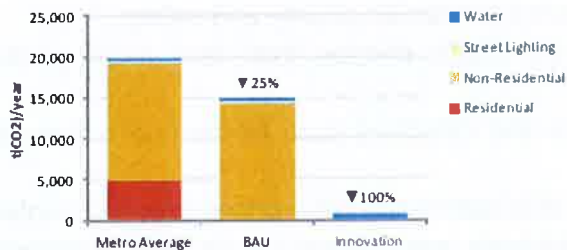
CAR USE PER PERSON



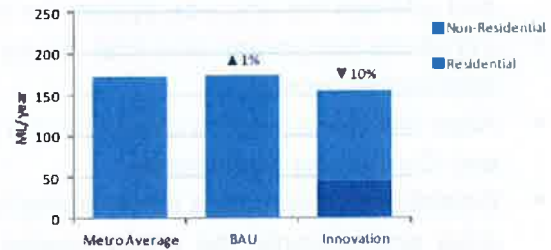
COST OF LIVING PER HOUSEHOLD



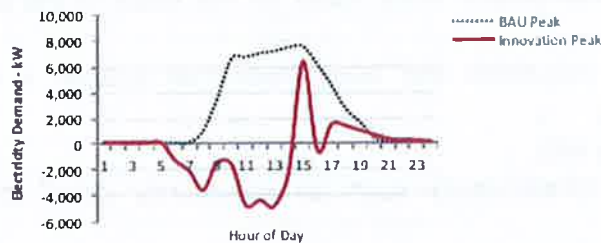
TOTAL GREENHOUSE GAS EMISSIONS



TOTAL WATER CONSUMPTION



PEAK ELECTRICITY DEMAND



PEAK SEWER DEMAND

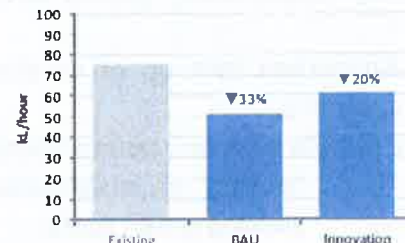


Figure 2 – Key Performance Indicators

Notably the model predicts the project could achieve a significant increase in open space (via the green street) and very significant reductions in greenhouse gas emissions.

Workshop Analysis and Outputs

With the strategic input, analysis and critique of ideas by the Future Cities Collaborative the workshop led to the drafting of:

Vision Statement - A 24 hour thriving destination where live music, traditional and creative industries belong. Since the workshop this has been simplified to: **Sydenham: Servicing a creative Sydney**

Project Commitments - to ensure the long term viability of traditional and creative industries especially live music in Marrickville and optimise the history and character of the area by adapting existing buildings.

Project Challenges – building and managing stakeholder interest, changing mindsets, working with limited resources, collaborating with the government's authority concerning land use zoning and traffic management.

Strategic Priorities

With awareness of the limited resources and taking account of the necessary support and innovation from landowners and businesses a step by step approach to implementation, review and evaluation is needed. All of the ideas and strategic priorities generated out of the workshop are grouped in possible stages.

Short term (1 -2 years):

- Commence initial rezoning overlay to allow traditional industries to co-exist alongside more forms of creative industry and business especially live music and related uses that support a night economy.
- Consider a 'free for all' approach to zoning where the impact, not the activity are controlled.
- Commence traffic management/priority investigations to determine how best to slow traffic and address the one way system for improved pedestrian priority and safety.
- Introduce temporary and trial works in the public domain that 'test' more permanent approaches/works.
- Align the vision with all other Council plans and initiatives such as the public domain plan and Connecting Marrickville.
- Establish a governance model in the form of a community led working group to continue to drive and promote the vision beyond individuals and political cycles with representation from entertainment, food, creative and existing industries, business, Council, government, community, sustainability groups and landholders. Initial ideas for the focus of the group are to:
 - a. Encourage take-up of creative industries and businesses that support a night economy;
 - b. Promote a carbon neutral identity with:
 - take-up of sustainable infrastructure such as community solar arrays, yielding green roofs;
 - an eco-hub and community recycling facility;
 - capture and re-use recycled water for irrigation.

Medium Term (2 to 3 years)

- Introduce further and more permanent public domain improvements aimed at tactical and transformative results e.g.: street tree planting, improved laneway lighting, public art.
- Monitor progress of the governance model to refine and adapt as required.
- Implement changes to improve traffic management and pedestrian priority.
- Monitor take-up of new uses and night economy.
- Consider further zoning changes/overlays to allow hotel accommodation in appropriate locations or to reinforce main streets and potential short term, limited and non-renewable term accommodation (artist/artisan/key worker in residence or caretaker flat style)

Long Term

- Monitor successes, refine approaches and continue to implement changes and improvements.

The next stage of the Future Cities Program is a study tour in September to experience USA initiatives employed to tackle similar issues with a similar context. The final stage involves project review, evaluation and implementation as part of an ongoing relationship with the Future Cities Collaborative.

Marrickville Employment Lands Study Review

The Marrickville Employment Lands Study (MELS) was commissioned by Council in 2007. The aim of the study was to identify key issues affecting Marrickville's industrially zoned land. The study also examined the changing land use requirements of businesses operating within Marrickville's industrial areas and how Marrickville Council could address some of these requirements. The MELS assisted in the development of the MLEP and MDCP 2011 and has also been referenced in recent Council submissions on major proposals within Marrickville's industrial areas.

Recently, Council has received an increasing number of enquiries and applications for non-conforming uses within industrial areas, particular affecting IN1 General Industrial zoned sites. Despite the State Government setting a policy direction for the retention of core industrially zoned land, the Department of Planning and Environment has mostly supported rezoning of industrially zoned land in this area. As a result, Council has recently commenced a review of the MELS to assist in decision making regarding industrial land. The review focuses on the LGA's largest and most important employment area – the 'core' Marrickville/Sydenham industrial area.

The MELS Review will assist in understanding the issues associated with the encouragement of creative industries, businesses and a potential night economy, along side traditional industries in the vicinity of Sydenham Station. Specifically, many of the issues that need to be examined as a result of recent large scale planning proposals overlap with matters to be considered in making any amendments to the planning controls within the Sydenham/Marrickville area. The scope of the MELS Review has been expanded to specifically consider potential land use changes within the precinct. This strategic level information is necessary for Council to determine how to achieve its vision for this area.

Current and Future Planning Framework

Under MLEP 2011 the subject land is currently zoned IN1 General Industrial. The IN1 General Industrial zone restricts non-industrial land uses to ensure that land is retained for industrial purposes. In addition to the MLEP 2011, a number of existing State and local government strategies set the direction for the management of the LGA's industrial lands. These documents include the draft Metropolitan Plan for Sydney (draft Metro Plan), draft South Subregional Strategy (dSSS), Marrickville Employment Lands Study (MELS) and the Marrickville Urban Strategy (MUS). Council is currently awaiting release of new draft Subregional Strategies from the Department of Planning & Environment which should greatly assist in setting the future direction for Marrickville's industrial lands.

The current planning strategies recognise the pressure on Councils to rezone industrially zoned land to permit other higher order land uses.

The draft Metro Plan has noted that existing industrial lands, especially in established areas, are under pressure to be rezoned to other uses, despite the expected need for them in the future, and establishes criteria for the rezoning of industrial land to other uses. It also notes that Marrickville's industrial lands are located in proximity to the 'specialised precincts' of Sydney Airport and Port Botany.

Council will need to develop a planning proposal as part of any future amendment to MLEP 2011 to achieve some aspects of the vision outlined in this report. As part of the planning proposal, Council will need to justify any changes to the IN1 General Industrial land against section 117 Local Planning Direction 1.1 Business and Industrial Zones, which permits changes to industrial zones only where it is consistent with the direction, or where Council can demonstrate that the amendment is justified by an approved study; is consistent with a relevant Regional Strategy or Sub-Regional Strategy; or where the inconsistency is considered to be a minor significance.

An assessment will also be required against the rezoning criteria contained within the draft Metropolitan Plan for Sydney (dMPS). In addition to the work done with the entertainment industry and Future Cities Collaborative, the outcomes of the MELS Review will assist Council in identifying any planning amendments required to ensure Marrickville's existing industrial lands remain viable and desirable for current business operators, whilst allowing for change. It will also provide the basis for Council's justification for any amendments to the subject area's current industrial zone.

The MELS Review is due to be completed by late September 2014. The findings of the MELS Review will be reported to Council, including specific recommendations relating to the Marrickville/Sydenham industrial precinct.

Land Use Provisions

Amendments to the planning controls currently applying to the subject area would be required to facilitate some aspects of the creative industry and business. Other land uses may be needed to support the overall vision, for example small bars, food premises, business and office premises (as subsets of creative industries only), to create an 'atmosphere' and interest in the precinct. These additional uses could be introduced with an overlay of additional permitted uses as part of an amendment to the LEP.

The MELS Review will assist in determining the range of suitable additional land uses and zoning required to achieve the vision for the precinct. The outcomes of the MELS will be able to be utilised in the development of any planning proposal enabling change within the subject precinct.

Environmental and Social Impacts

Future amendments to planning controls necessary to achieve the outlined vision will broaden the range of land uses within the precinct. The potential impacts of these changes will need to be addressed as part of any future planning proposals or subsequent to that during the assessment of development applications. Matters that will require consideration include potential conflicts between existing and new businesses, noise considerations and traffic and transport impacts. Due to the absence of traditional permanent residential land uses, the potential for significant conflicts between differing land uses are reduced and likely to be manageable.

FINANCIAL IMPLICATIONS

Nil.

PUBLIC PARTICIPATION

Public consultation would be undertaken as part of any future planning proposal.

ATTACHMENTS

Nil.

Item No: C1016 Item 2

Subject: PLANNING PROPOSAL FOR SYDENHAM STATION CREATIVE HUB

File Ref: 14/5489/51061.16

Prepared By: Maxine Bayley - Strategic Planner, Marrickville

Authorised By: Phil Sarin - Director, Planning and Environment

SUMMARY

Work has progressed towards developing a planning proposal for the Sydenham Station Creative Hub precinct since the project was last reported to Council in August 2015. A Social Impact Assessment, commissioned for the project, is attached to (and discussed in) this report. Initial community engagement in April-May 2016 generated extensive feedback on the proposal. Whilst community feedback has been generally supportive, concerns were raised from some existing business operators regarding potential negative impacts on their current and future operations. In response to these concerns, a series of information sessions were held with business operators in August-September 2016, with participants given the opportunity to make written submissions after the sessions. The results of the additional consultation have led to modest amendments to original proposal which aim to progress the original vision whilst addressing business operators' concerns. The amendments seek to retain the existing IN1 General Industrial zoning, whilst permitting select additional uses including creative uses and small bars, cafes and restaurants in select areas only.

This report recommends that Council prepares a planning proposal for the precinct and submits it to the Department of Planning & Environment for Gateway determination. Should Gateway approval be granted, the report recommends that Council prepares and places on public exhibition with the planning proposal an economic study and a strategy for a Development Control Plan (DCP) for the precinct – the latter including licensed premises controls and plans for public domain improvements.

RECOMMENDATION

THAT Council:

1. receives and notes this report;
 2. endorses the Social Impact Assessment prepared for this project, at ATTACHMENT 1;
 3. prepares a planning proposal for the Sydenham Station creative hub precinct and submits it to the Department of Planning & Environment for Gateway determination. In Area A shown on the map at ATTACHMENT 2, creative uses specified in MLEP 2011 Clause 6.12 would be permitted within the existing IN1 General Industrial zone, while in Area B, small bars, restaurants and cafes would be permitted in addition to the Clause 6.12 creative uses; and
 4. prepares and places on public exhibition with the planning proposal an economic study and strategy for a Development Control Plan (DCP) for the precinct should the planning proposal receive Gateway approval. The DCP to include (among other things) a creative industries policy, licensed premises controls and plans for public domain improvements.
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BACKGROUND

For two to three years, Council has been progressing the vision for the Sydenham Station creative hub - an entertainment and employment space where live music venues, small bars, restaurants and cafes thrive alongside traditional and creative industries.

At its meeting of 2 September 2014 Council resolved to:

- *“give in-principle support to the development of a long term vision for revitalisation of the industrial lands adjacent Sydenham Station for traditional industry, creative industry and business with a potential night economy; and*
- *consider preparing a Planning Proposal to implement the vision for the precinct when the findings of the Marrickville Employment Lands Study Review and Future Cities Program are completed.”*

Council considered an update report on this project at its 15 August 2015 meeting and resolved to endorse the recommended action plan and allocate funding to progress the preliminary actions. One of the actions identified was development of a Social Impact Assessment (SIA). Accordingly, the SIA was commissioned and completed for the project (at **ATTACHMENT 1**), and its findings are discussed in this report.

Whilst the action plan had identified a preliminary economic assessment, it was subsequently determined the funding allocated was not sufficient. It was considered appropriate to pursue a full economic study following Gateway determination and rely at this stage on the broad support lent to the proposal by the 2014 *Marrickville Employment Lands Study (MELS)* through *Action 3.2: Continue to plan for a Sydenham music/entertainment precinct*. Further discussion of the MELS and other supportive plans and strategies is in the discussion section of this report below.

Notwithstanding these supportive plans and strategies, the Department of Planning & Environment (DP&E) could (appropriately) require further investigation of employment lands or any other relevant issue after Gateway determination.

DISCUSSION

Social Impact Assessment

The abovementioned SIA (at **ATTACHMENT 1**) was commissioned by Council and completed in May 2016 by social planning academics/consultants Dr Alison Ziller and Prof Peter Phibbs.

Council's brief for the SIA required the following outputs:

1. *identification of current social issues within this precinct, relating this to lock-out laws and issues within the Newtown entertainment precinct and nearby areas, including Marrickville Road and Victoria Road;*
2. *an assessment of likely negative social impacts if the precinct were to be developed as proposed, including impacts particularly relevant to late-night venue issues, such as:*
 - *alcohol and drug related violence;*
 - *other crimes, including break and enter, personal theft, assault, vandalism and antisocial behaviour;*
 - *night-time pedestrian safety risks;*
 - *night-time transport issues, such as access to taxis and late-night public transport;*
 - *night-time car parking safety issues.*

- *an assessment of likely positive social impacts if the precinct were to be developed as proposed, including those relevant to late-night venue issues, such as:*
 - *assisting with the changing role of Marrickville's industrial areas and responding proactively to change that is already occurring (this issue will also be covered by the economic study);*
 - *improved safety through surveillance from people on the street;*
 - *creation of a vibrant precinct that facilitates positive social interactions;*
 - *creation of new venues for creative expression by performers and variety of artists; and*
 - *strengthening of creative industry sector beyond this precinct.*
- 3. *recommendations for mitigating/managing negative impacts and facilitating/promoting positive social impacts; and*
- 4. *a recommendation that reaches a conclusion about whether the Sydenham Station creative hub project should proceed based on the assessment - and if so, in what form.*

The resultant report examines the potential social impacts of the proposal specifically relating to:

1. alcohol-related harm from an increase in the number of licensed premises and/or extended trading hours;
2. increased risks for pedestrians (particularly those affected by alcohol); and
3. potential loss of low-skilled manufacturing jobs.

The SIA's overall conclusion (p.30) is that *"there are a number of risks inherent in establishing a CTI [creative and traditional industries] and entertainment precinct... at the same time, we identify a number of benefits could arise from facilitation of the creative and traditional industries already in the area by providing additional amenities, financial and management support for small scale initiatives to 'test the waters' for further initiatives, general improvements in urban design and amenity including traffic controls, improved access to Sydenham station and public toilet facilities."*

A number of risks and benefits in establishing the creative hub are identified in the SIA report, which suggests that the promotion of live music requires a well thought-out, robust and consistent policy framework. Further, the report suggests that policies should anticipate perverse consequences and proceed with caution (the precautionary principle) where adverse consequences are likely and difficult to prevent.

The SIA examines the current legislative framework regulating liquor licences - including the Liquor Act 2007, Liquor Amendment (Small Bars) Act 2013 and the roles of the Office of Liquor, Gaming and Racing (the Independent liquor authority) and local councils.

The report notes there is a relationship between alcohol-related harm and later trading and density of licences premises, and notes there are opportunities for Council to control trading hours or to limit the density of licenced premises. Consequently, the report (p. 21) states that *"Council should exercise caution in seeking to introduce live music venues to the Sydenham Creative and Traditional Industries precinct so that in the context of poor density controls, it does not lose control of the density of such venues"*. The report also identifies other anti-social impacts related to alcohol consumption - including noise and amenity issues such as public urination and safety.

The report recommends the following actions:

1. *treat live music as one of the creative industries so as to avoid expectations and pressures associated with designating an entertainment precinct. This would also encourage day time creative activities and protect existing night time industries (e.g. bakeries) from incompatible nearby uses;*
2. *prepare a creative and traditional industries precinct policy/strategy which takes account of the epidemiology of alcohol-related harm, diversity of current industries, diversity of industries in the precinct in future, the current built form and its limits and opportunities. Carry the strategy findings into both the Local Environmental Plan (LEP) and the DCP;*
3. *set clear and specific standards in the DCP to apply to development applications, including specific limits on the size and density of licensed premises, presence of packaged liquor outlets, and trading hours in the precinct and on its borders;*
4. *establish a precinct-wide limit to service of alcohol of (say) 2.00 am (consistent with the proposal's emphasis on small bars) so as to ensure that the precinct's primary raison d'être is creative and traditional industries rather than an entertainment precinct; and*
5. *use the project to require improvements in acoustics when buildings are upgraded (to protect occupants from aircraft noise).*

The report states that creation of the precinct will result in an increased risk for pedestrians, particularly if there is an increase in the number of licenced premises. It states that risks currently exist due to the relatively high level of traffic traversing the precinct (including trucks and other large vehicles) combined with a relatively poor quality of public domain and lack of lighting. Currently, there are limited pedestrian crossings in the precinct despite its close proximity to Sydenham Railway Station and the Marrickville Road commercial centre.

Potential mitigation measures are identified in the report as follows:

1. *create a quieter precinct on weekends (perhaps via posted speed limit restrictions, traffic calming devices or possibly by re-routing of traffic from Buckley Street to Sydney Street on weekends), whilst ensuring trucks are able to access roads and lanes to deliver goods to factories;*
2. *improve pedestrian routes between the precinct and major public transport routes aimed at separating pedestrians from major traffic concentrations. (For example, provide an access trail from Sydenham Station to Barclay Street along the (unnamed) lane connecting Railway Parade with Barclay Street);*
3. *improve existing pedestrian crossings and increase pedestrian crossings on Sydenham Road. In the longer term, investigate the feasibility of a pedestrian tunnel running from Sydenham station to Railway Parade; and*
4. *improve street lighting and apply crime prevention through urban design principles to street improvements and upgrades.*

The SIA highlights the importance of the creative hub proposal not displacing existing industries and employment within the precinct. It states that should the area be rezoned impacts on existing industries can be reduced by existing use rights provisions (in accordance with the Environmental Planning & Assessment (EP&A) Act) and maintaining the current subdivision pattern. Further, it states that that if the change is gradual, negative social impacts will be minimised.

Mitigation measures identified in the SIA to support existing creative and traditional industries are:

1. *in order to reduce risks to existing industries use the proposed consultation strategy to anticipate impacts of any built form changes on business operation or viability (impact of street works on truck access); and*
2. *introduce a weekend street market (perhaps in Barclay Street) based on creative and traditional industries already in the area. Encourage traditional businesses to participate as a way of increasing their turnover.*

Potential impacts on employment lands

As previously discussed, an economic study will be developed and exhibited with the planning proposal should it receive Gateway determination. This study will be required to examine (among other things) potential economic impacts of the creative hub proposal on the existing business operations.

In the absence of an economic study, it is appropriate to assess the creative hub's potential impact on employment and industrial lands against relevant current NSW Government and Council plans and strategies - *A Plan for Growing Sydney* (2014), the draft *Sydenham to Bankstown Urban Renewal Corridor Strategy* (2016) and the *Marrickville Employment Lands Study* (2014). A key forthcoming strategy is the District Plan for the Central subregion, currently being drafted by the Greater Sydney Commission with a view to public exhibition later this year. It is also appropriate to assess the creative hub proposal against the current planning proposal for the Victoria Road precinct and 'principles for rezoning employment lands' developed by Council staff as discussed further in this report.

A Plan for Growing Sydney includes an objective to identify and protect strategically important industrially-zoned land. The Plan includes *Action 1.9.2: Support key industrial precincts with appropriate planning controls*. The Plan states that the *Industrial Lands Strategic Assessment Checklist* will guide the assessment of proposed rezonings of industrial lands. The checklist poses questions about whether the site is near or within direct access to key economic infrastructure, how it contributes to a significant industry cluster, and how the proposed rezoning would impact on industrial land stocks and employment objectives in each subregion. Although the proposal is not proposing to rezone the land from its IN1 General Industrial zoning, it is considered appropriate to consider the questions raised within the checklist as follows:

- *Is the proposed rezoning consistent with State and/or council strategies on the future role of industrial lands?*

The proposal seeks to retain the current IN1 General Industrial zoning for the precinct whilst also permitting a limited range of additional land uses. As the proposal will retain the industrial function of the area it is considered to be consistent with State and Council strategies to retain industrial land.

- *Is the site:*
 - o *near or within direct access to key economic infrastructure?*
 - o *contributing to a significant industry cluster?*

The subject precinct itself is considered to be a significant industry cluster. The proposal ensures the ongoing utilisation of this land for industrial land uses through the retention of the current IN1 General Industrial zoning. The additional permitted land uses of creative industries will ensure that the precinct continues to respond to an evolving industrial sector into the future.

- *How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?*

The proposal is not seeking to rezone the industrial land from IN1 General Industrial but permits additional land uses to complement their current function. Therefore, the proposal will not negatively impact upon the available stock of industrial land to meet the future demands of industry.

- *How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?*

The inclusion of creative industries within the precinct, and small bars, cafes and restaurants within a limited section of the precinct, is anticipated to contribute to the employment rates within the LGA through increased commercial activity within the precinct. Creative industries are generally able to operate within smaller spaces, therefore employment generation across the precinct is expected to increase through their inclusion.

- *Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?*

The proposal is to keep utilising the site for industrial purposes whilst introducing a range of additional land uses including creative industries, and small bars, restaurants and cafes in a select part of the precinct. The aim of the proposal is retain the area's industrial function, whilst allowing the space to modernise and respond to current trends.

- *Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?*

The land is not considered critical to meeting an identified alternative purpose in either a NSW Government or endorsed council planning strategy.

The draft Sydenham to Bankstown strategy identifies areas that can accommodate additional dwellings and jobs within walking distance (800m radius) of 11 railway stations on the Bankstown line from Sydenham to Bankstown. In the future, this part of the Bankstown line is proposed to be upgraded to a high frequency service as part of the Sydney Metro line that extends from Rouse Hill to Bankstown via Chatswood, the City and Sydenham.

The Sydenham-Bankstown strategy identifies two areas of change within the 'Sydenham precinct'. The first is a small area outside (but adjacent to) the creative hub precinct at Meeks Road, Gerald Street and Marrickville Road. This area is identified for predominantly residential use, which is supported by Council. Land use conflicts are not anticipated, as this residential area is separated from the creative hub precinct by Marrickville Road. The second area, identical to the creative hub precinct, is identified as the 'Sydenham enterprise area'. This area is identified for intensification of employment uses, with a shift toward more contemporary creative uses. The creative hub proposal is thus considered to be consistent with the Sydenham to Bankstown strategy.

Regarding employment areas within the Sydenham precinct, the Sydenham to Bankstown strategy states: *"It is anticipated that Sydenham, an area that has traditionally been dominated by industrial activities, will have more businesses with lighter industrial activities, such as food manufacturing and distribution. Additionally it is expected that more 'creative' sectors will occupy the business areas in Sydenham. It is anticipated that an additional 1101 jobs will be*

created within the precinct by 2036 (based on Bureau of Transport Statistics forecasts). 36% of all employment in the precinct is in retail and hospitality and 29% in industry."

As has been mentioned above, the creative hub proposal has broad support from the 2014 MELS. MELS Action 3.2 - *Continue to plan for a Sydenham music/entertainment precinct* – states:

[The Sydenham Station precinct] "already has a number of live music venues. The more affordable warehouse-style buildings have been highlighted by the Live Music Reference Group as being able to assist in the area's evolution as a live music hub. The encouragement of a live music hub in the industrial area closest to Sydenham Station may require some relaxation of the controls – however, any increase in the resident population (e.g. through mixed-use zoning on the precinct fringe) should be resisted as this would jeopardise the development and operation of venues. Again, care is needed that any relaxation of controls does not jeopardise the role and function of the industrial precinct and the ability to meet forecast demand. We note that residential uses are not proposed for the Sydenham Station creative precinct due to very high aircraft noise levels and potential for noise complaints against live music venues."

The Victoria Road planning proposal (currently on public exhibition) relates to an area around Victoria Road, Marrickville to the north-west of the creative hub precinct. It proposes the rezoning of IN1 General Industrial land to a mix of medium and high density housing and a variety of business uses. The residential zonings would result in around 1,100 dwellings and the business zonings would increase the variety and density of business uses compared to that which current exists. Whilst the Victoria Road precinct does not adjoin the creative hub precinct, it is located nearby. It is not expected at this stage that the proposed land use changes in these two precincts would result in significant conflicts.

Council staff have developed a set of employment land rezoning principles to guide future rezoning proposals in light of the strong interest in rezoning industrial land in the former Marrickville Council area. It is considered useful to assess creative hub proposal against these principles, as follows:

- *Principle 1: Council will take a cautious approach to rezoning industrially zoned lands and generally only support rezoning where supported by a State and/or local planning strategy.* The creative hub proposal is consistent with this principle in that it seeks to slightly alter zoning provisions to allow additional employment uses while retaining the existing IN1 zoning. Furthermore, a cautious approach is recommended for the additional late night economy uses with small bars, cafes and restaurants only recommended to be allowed in select areas in the first instance.
- *Principle 2: Any rezoning submission that seeks to rezone industrial land must be wholly or predominantly for other employment uses (other than retail).* The creative hub proposal is consistent with this principle in that it seeks to slightly alter zoning provisions to allow additional employment uses, and no retail is proposed.
- *Principle 3: Where a rezoning submission seeks to rezone industrial land to a new employment use, the new use(s) must be based on a needs/supply & demand assessment.* At this stage, the creative hub proposal is consistent with this principle. The 2014 MELS acknowledges and supports the principle of a creative hub in this location, but warns that *"care is needed that any relaxation of controls does not jeopardise the role and function of the industrial precinct and the ability to meet forecast demand."* There is anecdotal evidence about strong demand for the additional uses proposed to be permitted, and this will be further tested by an economic study to be prepared and exhibited with the planning proposal should Gateway approval be granted.

- *Principle 4: A rezoning submission that seeks to create a predominantly residential zone / use should generally not be supported on the basis that this would result in permanent loss of employment lands. Such proposals will only be considered / supported where a needs assessment establishes that there is no viable employment uses and there is a State and / or local planning strategy that identifies a need for housing on the land. This principle is not relevant, as no residential uses are associated with the creative hub proposal.*
- *Principle 5: Marrickville Local Environmental Plan 2011 created buffer areas (B7, IN2) in some location between the core industrial area and surrounding residential areas. The continuation of this approach in suitable locations is appropriate to minimise conflicts between industrial and residential uses and act as a buffer or transition area. A minor live/work component can be included as part of this buffer area where it can be shown to provide for emerging / knowledge based and creative industries. This principle is not relevant as no residential uses are associated with the creative hub proposal.*
- *Principle 6: Retail uses will only be supported as part of mixed use developments where they are small scale and provide for the needs of the local population. This principle is not relevant as no retail uses are associated with the creative hub proposal. The creative hub proposal does not alter the permissibility or extent of small-scale retail uses that are ancillary to manufacturing within the IN1 General Industrial zone.*
- *Principle 7: Large industrial lots should be preserved for traditional IN1-type industries and any fragmentation or encroachment of incompatible land uses should be avoided. At this stage, the creative hub proposal is consistent with this principle. The creative hub precinct is predominantly made up of smaller industrial lots, and lot size was a factor in determining the precinct's location and boundary. Notwithstanding, the creative hub proposal would retain the IN1 General Industrial zoning and would thus not prohibit any IN1-type activities. Though the newly-permitted creative industries could potentially occupy large IN1 sites, it is envisaged the new creative industries would naturally seek smaller sites. This will be tested by the proposed economic study.*
- *Principle 8: Land-use changes which create fragmented or isolated industrial land holdings should be avoided. Avoiding the creation of isolated or fragmented industrial holdings was a consideration in choosing the location and boundary of the creative hub precinct.*
- *Principle 9: Land use changes that may cause conflict with the traditional land uses should not be supported. The proposed revised plan retains an IN1 General Industrial zone for the precinct in response to concerns raised by existing businesses. It is not considered likely that conflict will exist between traditional IN1 General Industrial uses and creative uses. However, the economic study will further investigate any potential for conflict between existing businesses and additional permitted land uses within the proposal and identify mitigation measures as required.*

LEP Amendments Proposed

As has been mentioned above, the recent concerns raised by business operators within the creative hub precinct has led Council staff to make modest changes to the creative hub proposal.

The proposal, as exhibited in April-May 2016, was to change the zoning of the entire precinct from IN1 General Industrial to IN2 Light Industrial and allow additional creative business uses as well as small bars, restaurants and cafes. This report however recommends that the IN1 zoning be retained, additional creative business uses be allowed across the entire precinct, and small bars, restaurants and cafes only be allowed in part of the precinct – on properties

fronting Marrickville Road and lots fronting the road running parallel to Railway Road (opposite Sydenham Station).

The rationale for retaining the IN1 zoning is that certain higher-impact industries, such as smash repairs, would be able to continue operating in the long term, even though they would benefit from existing use rights if the zoning changed. This addresses concerns expressed by several of business operators that the change in zoning would force them out (even if only in the longer term). It is not anticipated that retention of the IN1 zoning would lead to land-use conflicts between these types of industries and the newer creative businesses that would be permitted to operate.

The rationale for restricting the area where small bars, restaurants and cafes would be permitted is to avoid a situation where these uses are widely scattered throughout the precinct away from activity areas. This would be problematic from a pedestrian and personal safety perspective, particularly at night, as it would result in scattered pedestrian activity and would necessitate pedestrians crossing main roads and walking along poorly lit, secluded back streets. Several business operators raised this concern, pointing out that these kinds of businesses would most likely not survive without high levels of pedestrian traffic and good surveillance.

Accordingly, this report recommends that small bars, restaurants and cafes only be permitted along a strip fronting Marrickville Road and the road running parallel to Railway Road opposite Sydenham Station. This strip, as the main walking route between the Marrickville Road commercial strip and Sydenham Station, already has high levels of pedestrian traffic during the day, with some traffic by night. Operation of small bars and restaurants would boost pedestrian traffic levels at night and improve night-time surveillance (hence safety) along this strip. This would be supported by improved lighting, upgraded footways, new pedestrian crossings and other public domain improvements proposed to be identified in a precinct-specific Development Control Plan and implemented in the longer term. This strip could be viewed as an extension of the small bar / restaurant activity that is already becoming established along Marrickville Road. The route would become a 'gateway' link between the centre and the station. Notwithstanding, the potential establishment of an "entertainment facility" (e.g. music hall, concert hall, dance hall etc.) would continue to be permitted throughout the precinct as is currently the case in the IN1 zone under Marrickville Local Environmental Plan (MLEP) 2011.

To implement the proposal to allow additional uses in the creative hub precinct, MLEP 2011 would be amended by adding the two areas shown on the map at **ATTACHMENT 2** to the LEP's Key Sites Map. A clause would also be added to the LEP within *Schedule 1: Additional permitted uses*, as follows:

"Use of certain land at Marrickville"

- (1) *This clause applies to certain land in Marrickville as shown coloured blue on the Key Sites Map.*
- (2) *Development for the following purposes is permitted with consent:*
 - (a) *on land identified as "K" on the Key Sites Map — business premises and office premises, but only where the consent authority is satisfied that the business premises and/or office premises will be used for a creative purpose such as media, advertising, fine arts and craft, design, film and television, music, publishing, performing arts, cultural heritage institutions or other related purposes.*
 - (b) *on land identified as "L" on the Key Sites Map — restaurants or cafes, small bars and business premises and office premises, but only where the consent authority is satisfied that the business premises and/or office premises will be used for a creative*

purpose such as media, advertising, fine arts and craft, design, film and television, music, publishing, performing arts, cultural heritage institutions or other related purposes."

Land to be identified as "K" on the key sites map corresponds to "Area A" on the map at **ATTACHMENT 2** and land identified as "L" corresponds to "Area B". The only difference between Areas A and B is that Area B permits restaurants, cafes and small bars in addition to the creative business/office uses permitted across the precinct.

Community Engagement

Council undertook a preliminary, non-statutory 'public exhibition' of the creative hub proposal which included:

- a dedicated 'Your Say Marrickville' webpage;
- letters posted to occupiers and owners of all properties within the creative hub precinct;
- flyers explaining the proposal distributed to occupants (letterboxes) in a wider area around the precinct (around 8,000 in total);
- an article about the creative hub proposal in the Saturday edition of the Sydney Morning Herald in April 2016; and
- links to the project's Your Say page from other social media, including Twitter and Instagram.

The engagement was undertaken in two stages:

1. Broad community engagement to inform and obtain feedback via a survey and interactive map hosted Council's (then) *Your Say Marrickville* website – 12 Apr-17 May 2016; and
2. Additional targeted stakeholder engagement (business operators and landowners in the precinct), to provide an opportunity for one-on-one meetings with relevant Council staff to answer questions about specific properties within the precinct. Business operators and landowners were invited to make submissions directly to Council – August 2016.

375 submissions were received via the survey and interactive map hosted by Council's (then) *Your Say Marrickville* website, while a further 24 individual submissions were either emailed or posted directly to Council.

A summary report of all submissions received is included at **ATTACHMENT 3** to this report.

Whilst the majority of the 375 submissions received via the survey and interactive map were partially or completely supportive of the proposal, the majority of the 24 individual submissions to Council (which were generally from land owners / business operators in the area) objected to and / or raised concern with the proposed rezoning.

Some of the more commonly raised issues that have not been addressed in the main body of this report are discussed in detail below.

Lack of consultation

The timeframe for the project is in excess of five years, and this recent preliminary non-statutory consultation aims to commence an ongoing dialogue with business operators within the precinct and the wider community. The proposal is still in an early development phase and there is opportunity for refinement as it evolves. Should the proposal obtain Gateway approval

from the DP&E, a further statutory round of consultation will be undertaken and the outcomes reported to Council.

Impacts on existing & future business operations

The designation of the precinct as a creative and traditional industrial hub aims to ensure existing business can continue to operate within the precinct. Any public domain improvements will need to be designed to ensure that existing operations are not compromised. For example, the routes and turning paths of large vehicles will need to be considered as part of any proposed public domain modifications. The current objective of accommodating existing industries will continue to play a role in the further development of the strategy for the precinct. In general terms, it is anticipated that the public domain improvements proposed will benefit both new and existing industries through improved amenity for owners, visitors and employees.

The concerns expressed in submissions regarding the future of business operations have been noted and the proposal modified accordingly. It is noted that general industries are a prohibited land use within the IN2 Light Industrial zone and, although they can continue to operate indefinitely under the existing use right provisions of the EP&A Act, their long term viability is compromised. The ability of a business operating with existing use rights to expand or intensity may be limited and this may impact upon the ability of general industrial operations to expand over time. Accordingly, the amendments seek to retain the existing IN1 General Industrial zoning, whilst permitting select additional uses including creative uses and small bars, cafes and restaurants in select areas only.

Lack of supply of employment lands

The Inner West LGA is within the Central subregion defined by the current NSW Government metropolitan strategy - *A Plan for Growing Sydney*. Council is currently awaiting release of the applicable District Plan to guide future development in the Inner West Council area. *A Plan for Growing Sydney* identifies certain industries as priority industries, including creative industries. It also identifies one of the priorities of the central subregion to “*identify and protect strategically important industrial-zoned land*”. As is stated in other parts of this report, the creative hub proposal, by retaining the existing IN1 zoning and allowing some additional uses, is considered to represent a minor change that is consistent with the aim of retaining strategically-important industrial land.

Compensation for existing businesses

As noted above, a key objective of this project is that existing and new businesses can operate simultaneously. By retaining the existing IN1 zoning for the precinct, the aim is for the industrial character of the precinct to be retained whilst supporting new businesses through the introduction of additional complementary land uses.

Development of a strategy for the Sydenham Station creative precinct

The creation of the Sydenham Station creative precinct is a longer-term (5+ years) project involving a two-phase process, commencing with the rezoning of the area. The second phase would involve physical works to activate the area, including public domain improvements such as traffic calming and street greening. Phase two actions have ongoing financial and maintenance implication for Council.

As is noted in the SIA, a sound policy framework is integral to the successful establishment of the precinct. Hence a strategy for the precinct should be developed to cover both the initiation phase, as well as ongoing management. The strategy should address matters raised by the

SIA and the community submissions, and should propose actions to manage them within established timeframes. It should also be linked to a works program for the area which identifies infrastructure needs, costings and timeframes. The strategy should also link to a site specific Development Control Plan (DCP) for the precinct which would specify development requirements for new businesses.

Should the proposal proceed through Gateway, Council should develop such a strategy and associated DCP to guide the precinct's development and ongoing management.

FINANCIAL IMPLICATIONS

No financial commitments are required or recommended for this project at this stage of the process. Should the planning proposal receive Gateway determination, Council funding will be required to support the public exhibition, undertake an economic study and to develop a strategy for a DCP for the precinct that would include actions for public domain improvements. In the longer term, funding will be required for development of the DCP and the public domain works identified in the DCP.

PUBLIC PARTICIPATION

The public engagement process is discussed in further detail above. Relevant Council staff have been involved in this project at various stages in recent years, and some of these staff have been involved in the drafting of this report. As the precinct is well within the boundaries of the former Marrickville LGA, specific additional consultation with staff from former Leichhardt and Ashfield councils is not required. Should the planning proposal receive Gateway approval, a formal public consultation process will be undertaken that would include a minimum 8 week exhibition period.

CONCLUSION

Initial planning for the Sydenham Station creative precinct, including the development of a SIA and planning proposal, has been completed. Initial community consultation has generated extensive feedback – mostly in support, but valid concerns have also been raised by existing business operators. Though the proposal overall is considered to have strategic merit, changes to the proposal that was originally proposed are warranted, with the detail of, and rationale for these changes explained above. Accordingly, it is appropriate that the proposal proceed in accordance with the recommendations of this report – that a planning proposal be prepared and forwarded to the DP&E for Gateway determination.

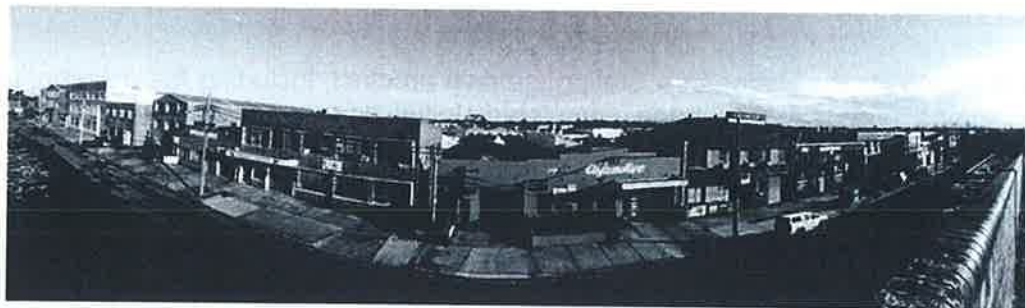
To manage the precinct effectively, this report recommends the development of a strategy for the precinct. The strategy offers a sound means to communicate the aims of the project; identify matters requiring further work or improvement (including social and economic considerations and associated costs); and provide details to be included within an precinct-specific DCP. It is recommended that Council develop this strategy should the planning proposal receive Gateway approval.

ATTACHMENTS

1. Map showing proposed Sydenham Station creative hub precinct
2. Social Impact Assessment for Sydenham Station Creative Precinct
3. Engagement Report - Sydenham Creative Hub

A creative and traditional industries hub in Sydenham: a preliminary SIA

Alison Ziller, Australia Street Company and
Peter Phibbs, Epic Dot Gov Pty Ltd
17 May 2016



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