

REPORT

The purpose of this report is to consider a Planning Proposal request lodged by Brown Smart Consulting to amend The Hills Local Environmental Plan (LEP) 2012 to rezone land adjacent to the existing Round Corner Town Centre to permit commercial and residential development.

1. THE SITE

The site is located at Nos. 488-494 (Lot 2 in DP 839151) Old Northern Road, Dural and is zoned RU6 Transitional under LEP 2012. The site is adjacent to the Round Corner Town Centre and the bus interchange on the northern side of the Old Northern Road and Stonelea Court intersection.

The site area is approximately 2 hectares and is mostly cleared apart from a dwelling at the southern edge of the site. There is also a small concentration of Sydney Sandstone Gully Forest vegetation in the south western portion of the site. The topography of the land slopes towards the western boundary of the site resulting in significant views towards the Blue Mountains.

The site is also adjacent to the South Dural Precinct located within the Hornsby Shire Local Government Area and the nearby Glenhaven North Precinct which is situated west of Old Northern Road and generally comprising land adjoining Glenhaven Road, Old Glenhaven Road, Mills Road, Logie Road, Robson Road, Kylie Avenue and Edgecliff Road, Glenhaven. These Precincts are subject to Landowner Nominated Urban Release Applications to the NSW Government, with an estimated residential yield of 3,000 dwellings and 2,000 dwellings respectively.

An aerial image of the subject site and extract from LEP 2012 is provided (figure 1) below:

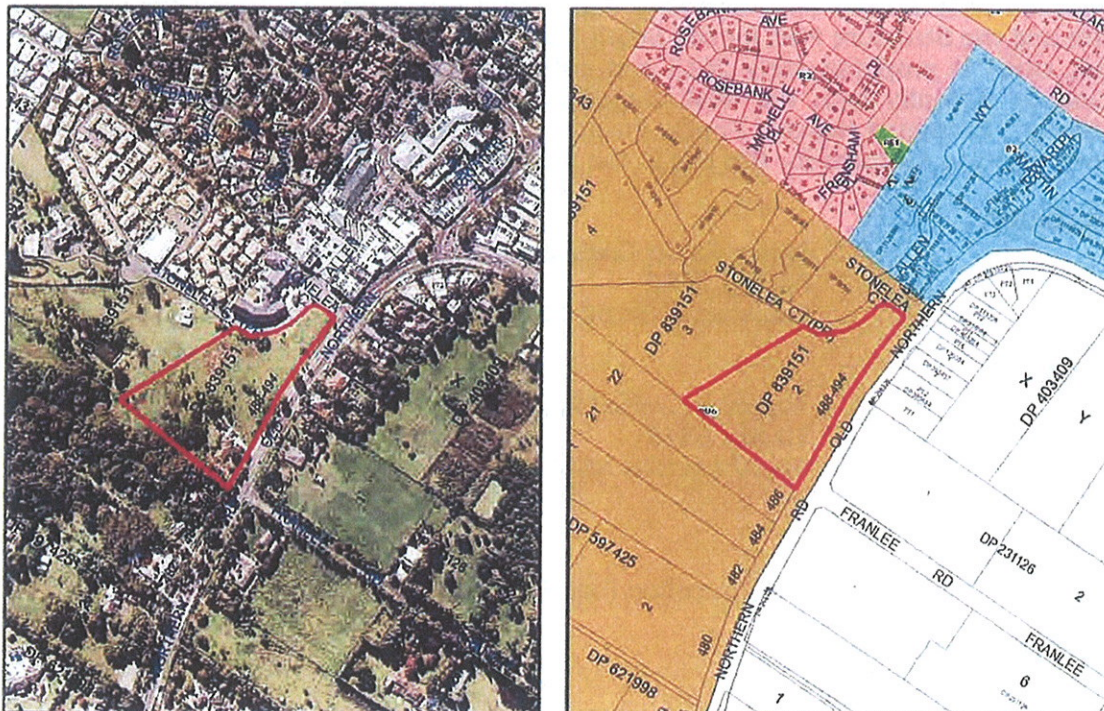


Figure 1
Aerial Photo & Zone Map - LEP 2012

2. THE PROPOSAL

To accommodate a mixed use development on the site, the planning proposal seeks to amend Local Environmental Plan 2012 (LEP 2012) as follows:

1. Amend the Land Zoning Map from RU6 Transition zone to part B2 Local Centre and part R3 Medium Density Residential, to permit:
 - (a) 9,000m² commercial gross floor area (GFA) comprising:
 - 3,000m² of supermarket floor space;
 - 3,000m² restaurant; and
 - 3,000m² of specialty shops across two (2) levels.
 - (b) 8,000m² residential floor space comprising twenty-two (22) x three (3) bedroom townhouses;
2. Amend the Floor Space Ratio Map to identify a ratio of 0.75:1 in relation to that part of the site to be zoned B2 Local Centre.

The development concept that supports the application identifies that all parking is intended to be provided underground and a public plaza would be provided on the corner of Old Northern Road and Stonelea Court.

The concept also proposes to extend the existing bus interchange on Old Northern Road along the frontage of the site. A bus shelter would be incorporated into the extended bus bay and form part of the public plaza on the southern side of the Old Northern Road and Stonelea Court intersection. No mechanism has been offered to secure the elements of the proposal that provide a public purpose.

Illustrative cross sections of the concept development submitted with the application are included in Figures 2 and 3 below:

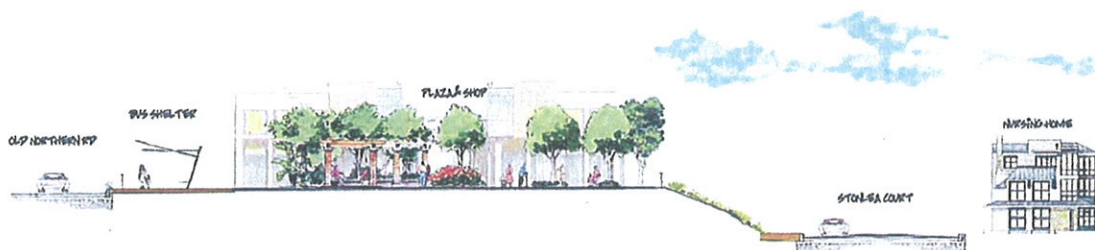


Figure 2
Northern Cross Section



Figure 3
Southern Cross Section

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Two options with respect to access and parking have been submitted by the applicant. These options are summarised below:

- Option 1: Access to commercial development via an intersection at Old Northern Road/Franlee Road and access to residential development via Stonelea Court; or
- Option 2: Access to both commercial and residential development via an intersection at Old Northern Road / Franlee Road.

The above options are illustrated in Figures 4 below:

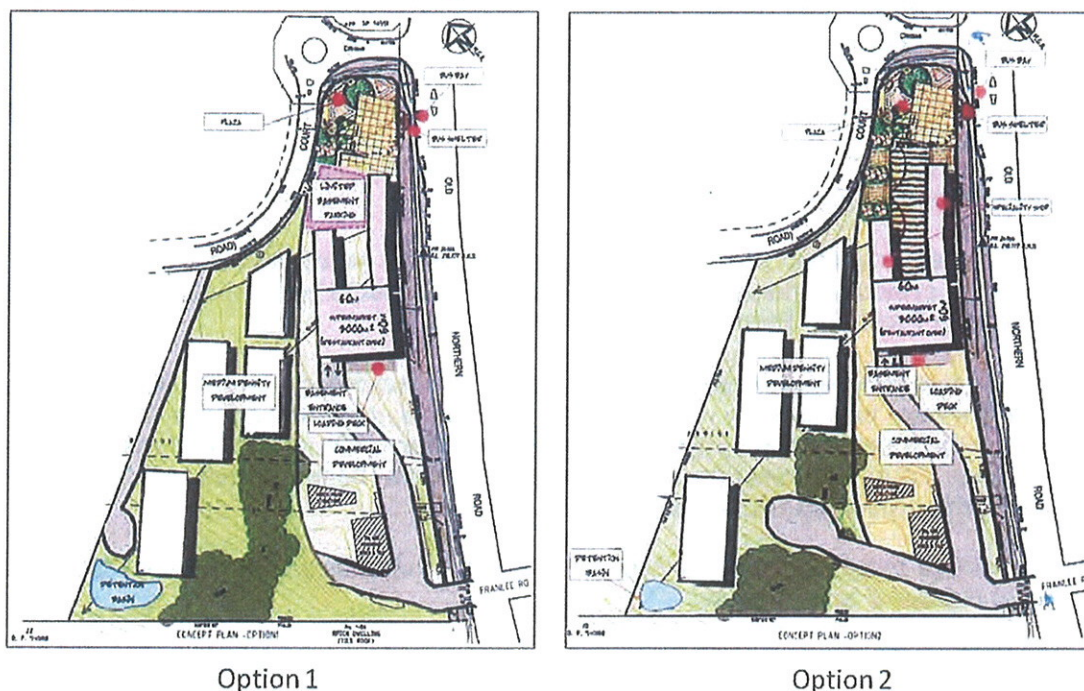


Figure 4
Access Options

It is important to note that the Planning Proposal deals with a change in the land use zoning, floor space ratio, building heights and does not "lock in" the concept plan nor contribution to public space and infrastructure.

3. STRATEGIC CONTEXT

• Metropolitan Plan for Sydney 2036

The strategic plan prepared by the NSW Government entitled the *Metropolitan Plan for Sydney 2036* aims to integrate land use and transport planning to provide a framework for the growth and development of the Sydney region to 2036. The planning proposal is generally consistent with this direction as it would provide both jobs and living opportunities in a location which is highly accessible by public transport, walking and cycling. While zoned Rural, its close proximity to the Centre and the adjoining land uses does not result in the loss of productive agricultural land.

• Draft North West Subregional Strategy

The draft *North West Subregional Strategy* was prepared by the NSW Government to implement the Metropolitan Plan and the State Plan. The planning proposal is consistent

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with this draft strategy as it provides both employment and living opportunities and capitalises on public transport infrastructure.

• **Ministerial Section 117 Directions**

Section 117(2) of the *Environmental Planning and Assessment Act 1979* (EP&A Act) enables the Minister for Planning and Infrastructure to issue directions that councils must address when preparing planning proposals for a new LEP. The relevant Section 117 Directions are:-

- a) Business and Industrial Zones
- b) Rural Zones
- c) Heritage Conservation
- d) Residential Zones
- e) Home Occupations
- f) Integrating Land Use and Transport
- g) Planning for Bushfire Protection
- h) Approval and Referral Requirements
- i) Site Specific Provisions
- j) Implementation of the Metropolitan Plan for Sydney 2036

The planning proposal is generally consistent with these directions.

• **Metropolitan Development Program**

The NSW State Government has prepared a Metropolitan Development Program (MDP) for Sydney which aims to plan for Sydney's growth until 2031. Outside the growth centres any proposed zone change from rural to urban is required to meet a set of sustainability criteria.

The MDP Strategy indicates the government will consider land release proposals outside the growth centres where they are of exceptional environmental performance and do not require major infrastructure. New land release proposals are only added to the MDP if they meet the sustainability criteria contained the Metropolitan Strategy.

In summary this criteria includes the following elements:-

- Infrastructure provision – Mechanisms in place to ensure utilities, transport, open space and communication are provided in a timely and efficient way.
- Access – Accessible transport options for efficient and sustainable travel between homes, jobs, services and recreation to be existing or provided.
- Housing Diversity – Provide a range of housing choices to ensure a broad population can be housed.
- Employment Lands – Provide regional/local employment opportunities to support Sydney's role in the global economy.
- Avoidance of Risk – Land uses conflicts, and risk to human health and life, avoided.
- Natural Resources – Natural resources limits not exceeded/environmental footprint minimised.
- Environmental Protection – Protect and enhance biodiversity, air quality, heritage, and waterway health.
- Quality and Equity in Services – Quality health, education, legal, recreational, cultural and community development and other government services are accessible.

While the site is potentially a logical expansion of Round Corner being adjacent to the Town Centre (with access to infrastructure such as water, sewer, etc) and will not result in loss of productive agricultural land, it is still necessary for the proponent to address

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the above criteria and liaise with the Department of Planning and Infrastructure to have the land included in the MDP.

- **The Hills Shire Local Strategy**

The Residential, Integrated Transport, Centres and Employment Lands Directions and Rural Strategy are the relevant components of the Local Strategy to be considered in assessing this application.

- Residential Direction

The North West Subregional Strategy sets a target for the Shire to contribute an additional 36,000 dwellings from 2004 to 2031 to accommodate a share of Sydney's population growth. The Residential Direction indicates that there is sufficient capacity to accommodate these targets.

On the grounds that the subject site is zoned for rural purposes, the proposal is not consistent with the Residential Direction which identifies that future housing growth can be accommodated within existing zoned land. However, the land is adjacent to the Round Corner Town Centre and presents an opportunity to provide additional housing choice in an accessible and convenient location.

- Integrated Transport Direction

A key objective of the Integrated Transport Direction is to ensure that planning and future development supports the provision of an efficient transport network. Relevant actions include planning for a concentration and/or intensity of land use activities around major public transport nodes.

The proposal for a medium density residential outcome together with commercial/retail outcomes on the subject site is consistent with this objective. More specifically, the subject site is located immediately adjacent to a bus interchange on Old Northern Road which is serviced by bus routes operated by Busways and Hillsbus. These bus services provide public transport services and linkages to the various centres in the locality and beyond, including Castle Hill, Rouse Hill, Baulkham Hills, Blacktown, M2 pickup/drop off points and direct to North Sydney/Milsons Point.

- Employment Lands Direction

The North West Subregional Strategy establishes an employment target for the Shire from 2001 to 2031 of 47,000 jobs. The Employment Lands Direction demonstrates that there is capacity to meet this target with capacity for 55,574 additional jobs to 2031. Much of this growth is to be accommodated in the Norwest Business Park, future Box Hill Industrial & Business Precinct and the major centres of Castle Hill and Rouse Hill.

Whilst Round Corner is not specifically identified under the Employment Lands Direction, smaller employment precincts have a role to play in delivering the required targets. According to a retail study submitted with the application, rezoning the subject site to accommodate 9,000m² of commercial GFA will contribute an estimated 326 full and part time jobs on site post-development. Further, the development will provide employment close to dwellings, services and transport infrastructure.

- Centres Direction

The Centres Direction aims to support the development of the Shire's Centres as places where the community have access to services, jobs, shopping and public transport. The Direction identifies that the Round Corner Town Centre requires assistance to improve

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the centre in terms of appearance, amenity and accessibility. The centre is spread over a wide area with walking between the various areas made difficult due to grade changes, lack of logical linkages and fragmented ownership.

The Direction also recommends that the Town Centre would benefit from a process of targeted revitalisation or re-development of the building stock to improve economic performance to meet the needs of incoming residents. The applicant suggests that the rezoning and development of the subject site would assist with meeting these outcomes.

Future retail demand of approximately 70 speciality shops by 2031 is identified by the Centres Direction as required to meet future demand in the Northern Sector of the Shire. Should this growth is provided outside of the Round Corner Centre, the existing issues facing the Centre will continue to apply. As a result it is considered that the Planning Proposal is premature because the development of the subject land for retail purposes will only further fragment and reduce the opportunity for targeted revitalisation of existing underutilised areas within the centre.

4. MATTERS FOR CONSIDERATION**a. Expansion of Round Corner Town Centre**

The planning proposal is supported by a retail study prepared by Hill PDA Pty that considers the existing retail hierarchy, identifies a trade area and analyses the need for additional retail floor space based on population and expenditure growth to 2022. The study also considers the NSW Governments Draft Centres Policy (2009) which focuses on the following six key principles:

1. The need to reinforce the importance of centres and clustering business activities;
2. The need to ensure the planning system is flexible, allows centres to grow and new centres to form;
3. The market is best placed to determine need. The planning system should accommodate this need whilst regulating its location and scale;
4. Councils should zone sufficient land to accommodate demand including larger retail formats;
5. Centres should have a mix of retail types that encourage competition; and
6. Centres should be well designed to encourage people to visit and stay longer.

Whilst the Draft Centres Policy indicates that the preferred location for new retail and commercial development is in centres, it recognises that there may be exceptions to this approach. Whilst the draft policy has not been finalised, recent planning decisions would indicate that retail demand or impact on adjoining centres should not be a cause for refusing a rezoning.

In terms of retail demand, the Hill PDA study makes the following recommendations:

- Based on existing population trends, existing demand for 16,400m² of shop-front floor space exists.
- There is an existing oversupply of supermarket floor space by 1,961m², although there is currently limited choice and competition in this segment of the retail market. However, it is noted that if South Dural and North Glenhaven were released this would situation would change and revert to an undersupply.
- Future development of the South Dural and Glenhaven North Precincts could lead to an additional 15,000 residents within the trade area.

- Assuming South Dural and Glenhaven North were released, future demand of 7,500m² of supermarket floor space (two additional full line supermarkets) in 2022 and over 52,000m² of retail floor space could be supported.

Using this analysis, the proposal to provide an additional 9,000m² of commercial GFA within Round Corner is generally supported by the study. Any potential impact on trade for the existing Town Centre is somewhat mitigated by the fact the site would form an extension to the existing centre and therefore increase the overall turnover of the centre.

Relevant issues still to be resolved include the impact that the release of South Dural and Glenhaven North will have on the Town Centre. Based on Hill PDA's report, demand exists for additional retail floor space and significant opportunities will be available to reconsider the current extent of the Town Centre and relevant development standards. For example, the South Dural Precinct Plan submitted as part of the Land Owner Nominated Sites process identifies a higher density precinct adjacent to the Round Corner Town Centre. This raises the possibility that the future extent of the Town Centre could potentially straddle two separate Local Government Areas. Whilst this would be an undesirable outcome from a governance perspective, convenient access to shopping facilities will require detailed precinct planning and consultation with Hornsby Shire Council.

It is important to view Round Corner in the context of the wider Precinct. Rightly, the existing centre should be reinforced by the future South Dural Precinct and the proposed zone, building heights and floor space ratio may not be appropriate in that context. Further, traffic access through Round Corner is a significant issue and with the increasing role of Annangrove Road in the future road hierarchy, this issue also needs to be addressed.

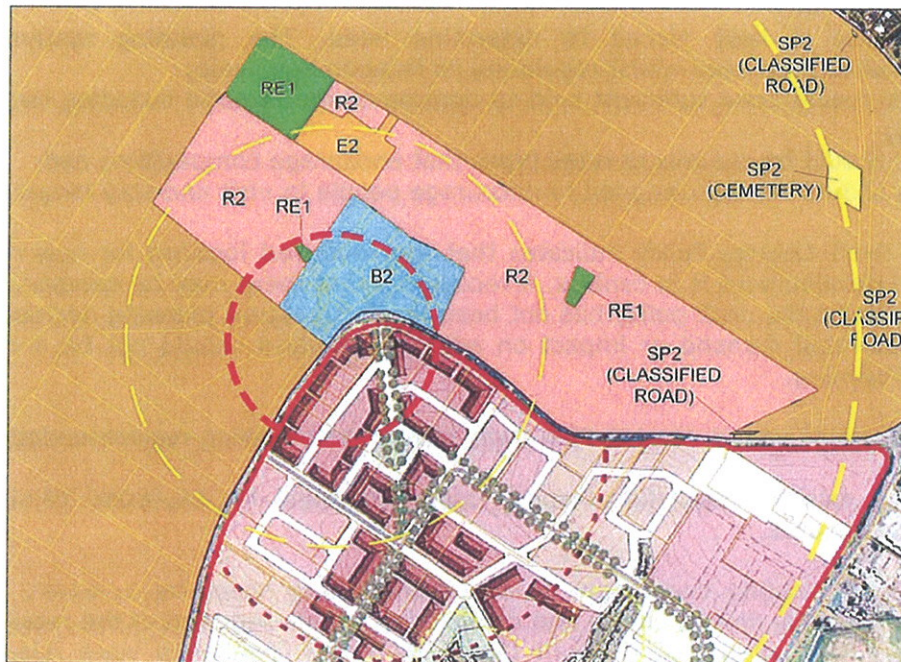


Figure 5
Round Corner Overlay

Figure 5 illustrates that approximately one third of land within the South Dural Precinct would be located within 200m of the existing bus facility on Old Northern Road. Assuming this denotes the mid-point of the centre, future planning for the expansion of

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the town centre will need to consider a wider range of issues including but not limited to the following:

- future boundary of the Round Corner Town Centre;
- potential for expansion of urban zoning and density;
- local traffic management including opportunity to bypass Kenthurst Road for regional traffic;
- utility service requirements; and
- establishment of a Business Improvement District as suggested in Council's Centres Direction.

Included within Council's 2012-2013 program is the preparation of a Land Capability and Traffic Study for the Round Corner Town Centre, which will consider the future growth of the Town Centre in a wider context. The above issues require further consideration as part of this study prior to Council determining to proceed with the rezoning of the subject site.

b. Traffic, Parking and Access

The planning proposal is supported by a Traffic and Transport Study prepared by the applicant to assess existing traffic and transport conditions, operating conditions of surrounding intersections and future traffic conditions with respect to the proposed rezoning. The study also considers the following access scenarios to the site:

- T intersection access with Old Northern Road from Stonelea Court; and
- Signalised four way intersection with Franlee Road.

The traffic study concludes that the planning proposal will not impact markedly on existing traffic conditions surrounding the site and makes the following recommendations:

- Access to the site should be located from Franlee Road;
- Access to Stonelea Court should be limited to residential uses only;
- Bus infrastructure improvements in the form of improved passenger facilities and layover areas on Old Northern Road should be considered as part of any redevelopment of the site.

The applicant has consulted with Roads and Maritime Services (RMS) on the grounds that Old Northern Road is a classified road. Preliminary advice suggests the RMS is supportive of the proposal subject to meeting relevant design standards such as the gradient of driveway access from the site to the proposed signalised intersection. This would need to be confirmed should the planning proposal proceed.

c. Topography and View Lines

The subject site holds a prominent location on the ridgeline of Old Northern Road with significant long range views to the west including the Blue Mountains. The planning proposal notes that concept development incorporates these views into the public domain area with a forecourt opening onto the centre.

As part of any development application that may be submitted to Council, design elements such as stepped built form, building separation and adequate public domain will be critical to retaining the significance of this major view corridor.

d. Drainage

The planning proposal notes that drainage will be controlled through a proposed detention basin prior to discharging from the site. Onsite stormwater detention (OSD) is required in accordance with Council's OSD policy for the rural part of the Hawkesbury River catchment area. Water cycle management, water sensitive urban design (WSUD) initiatives and impacts on downstream watercourses are fundamental features which will need to be built into any future development of the site.

e. Services

No utilities and services report was submitted with the planning proposal. However, the application states that the site will have adequate accessibility to public infrastructure including a full range of utility services such as electricity, telecommunication, gas, water, sewer and stormwater drainage.

Delivery of services will likely be a requirement of the Gateway determination, prior to exhibition of the proposal.

f. Environment***Bushfire***

A significant portion of the site is identified as bushfire prone land (indicated below), either as Category 1 or Buffer Zone on Council's Bush Fire Prone Land Map. Development on this site would be subject to the requirements of the *NSW Rural Fires Act 1997* and Asset Protection Zones would need to be provided where applicable. Should the proposal proceed, consultation requirements with the NSW Rural Fire Service will be established by the Gateway determination.

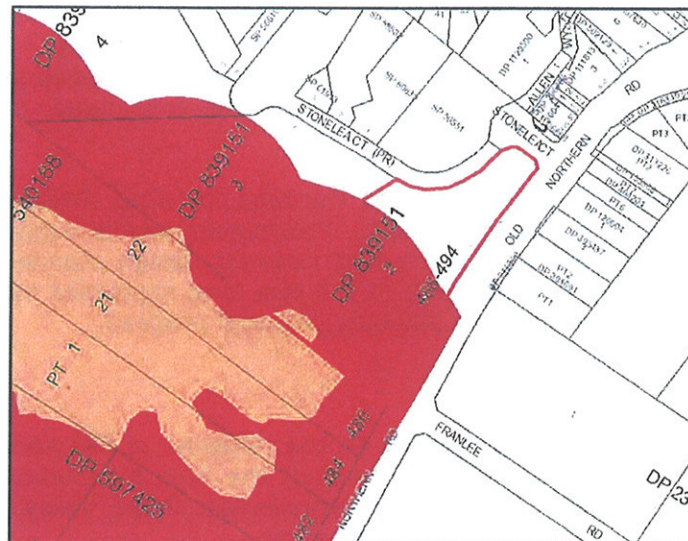


Figure 6
Bush Fire Prone Map

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Contamination

State Environmental Planning Policy No. 55 Remediation of Land (SEPP 55) requires a Council, in rezoning land, to be satisfied that the land can be made suitable for the intended purpose. To comply with SEPP 55 and the State Government's *Managing Land Contamination Guidelines* a rezoning application must consider contamination and remediation.

The planning proposal application states that prior to future development of the site, appropriate investigations will be undertaken to ensure that any contamination of the Site is identified and remediated. Any development application lodged with Council on the subject site will require a site history which identifies any past land use activity that could potentially result in contamination as listed in Table 1 of *Managing Land Contamination, Planning Guidelines SEPP 55 Remediation of Land*.

Flora and Fauna

There are a number of trees on the eastern and southern boundaries of the site and a number of *Acacia* species present both adjacent to the building and forming regrowth within the grasslands. Future development of the site would potentially involve the removal of some of this native vegetation. As a result, a flora and fauna report will be required and should be provided as part of the Gateway Process.

CONCLUSION

The planning proposal to rezone the subject site has been assessed against both regional and local planning strategies to establish the context of the proposal.

Given existing demand for additional retail floor space with the trade area of Round Corner Town Centre and the current traffic issues experienced in the locality, the outcomes of the Land Capability and Traffic Study as identified in Council's Delivery Program will form the basis for future planning and possible expansion of the Town Centre and surrounding urban areas.

On the grounds that a decision on the South Dural Residential Precinct is imminent and that the review of the Round Corner Town Centre, it is recommended that the rezoning be deferred to allow the wider changes to the Town Centre to be fully considered.

IMPACTS**Financial**

The proposal is considered to be a major rezoning application and attracts a fee of \$21,218.00. If the planning proposal is not supported and a resolution of Council is passed not to proceed with the planning proposal 50% of the application fee will be refunded.

There are no other financial implications associated with the subject planning proposal.

Hills 2026

The planning proposal is not consistent with Council's Hills 2026 on the grounds that the proposal does not promote balanced urban growth or contribute to a modern local economy. As detailed in the report, the future expansion of the Round Corner Town Centre should be considered in a wider context in order to meet the objectives of Council's Community Strategic Direction.

RECOMMENDATION

The planning proposal to rezone land at Lot 2 DP 839151, known as Nos. 488-494 Old Northern Road, Dural from RU6 Transition to part B2 Local Centre and part R3 Medium Density Residential under The Hills LEP 2012 be deferred to allow consideration of:

- 1 The outcome of the South Dural Residential Release through the Department of Planning & Infrastructure's Landowner Nominated Housing Supply process; and
- 2 The outcome of the wider study of the Land Capability and Traffic Study for Round Corner Town Centre.

ATTACHMENTS

1. Planning Proposal Application (124 Pages)