Item: 13.05

#### Subject: PLANNING PROPOSAL - AIRPORT BUSINESS PARK

Presented by: Development and Environment, Melissa Watkins

#### Alignment with Delivery Program

4.5.1 Carry out strategic planning to manage population growth and provide for coordinated urban development.

#### RECOMMENDATION

That Council:

- 1. Endorse the Planning Proposal attached at Attachment 1 pursuant to section 3.33 of the *Environmental Planning and Assessment Act 1979* to amend the Port Macquarie-Hastings Local Environmental Plan 2011 in relation to the Port Macquarie Airport and surrounding lands in accordance with the Planning Proposal.
- 2. Forward the Planning Proposal to the Department of Planning, Industry and Environment for a Gateway Determination, and request that the Determination not authorise Council to be the local planmaking authority.
- 3. Prepare draft Development Control provisions in respect of the Airport Business Park as outlined in this report in accordance with clause 18 of the *Environmental Planning and Assessment Regulation 2000*.
- 4. Prepare a draft Section 9.11 Airport Business Park Roads Contribution Plan as described in this report.
- 5. Commit to bind any purchaser of the Council owned Business Park Zone to contribute proportionally to the cost of upgrading Boundary Street and the Hastings River Drive/Boundary Street intersection.
- 6. Receive a further report providing details of the draft Development Control provisions in 3 above for approval prior to the Planning Proposal and draft Development Control provisions being exhibited concurrently.
- 7. Receive a report following the public exhibition to assess any submissions received.
- 8. Delegate authority to the Director Development and Environment to make minor amendments to the Planning Proposal prior to submission for Gateway Determination.

#### **Executive Summary**

On 21 November 2018, Council resolved to rezone 23.75 hectares of Council-owned land adjoining the Port Macquarie Airport to B7 Business Park and that a report regarding a Planning Proposal in respect of the land be reported to the February 2019 Council Meeting.



Following the November meeting, King and Campbell Pty Ltd was invited to submit a Planning Proposal on behalf of the landowner (PMHC Airport). The proposal, received on 4 June 2019, involves a reconfiguration and expansion of the existing B7 Business Park zone and rezoning of the remainder of Council's Airport land and Thrumster lands to reflect the State Government's Biodiversity Certification Assessment. A body of work, primarily completed to inform the site selection process, has been submitted to support the Planning Proposal.

This report provides a summary of the proponent's Planning Proposal request, followed by an assessment by Council's Development and Environment Division (D&E) to inform the content of the Planning Proposal put forward for Gateway Determination by Council, as the Planning Proposal Authority.

A Planning Proposal prepared by Council's D&E Division is included as Attachment 1 to this report. The Planning Proposal is based largely on the information provided by King and Campbell on behalf of the proponent.

As the 'Planning Proposal Authority', Council is responsible for the Planning Proposal, the quality of the information provided in support of the proposal and its referral for Gateway determination.

It is recommended that Council endorse the Planning Proposal and forward it to the Department of Planning, Industry and Environment for a Gateway Determination. It is also recommended that as Council is also the land owner, that it does not seek to use its delegated authority as the Local Plan Making Authority.

#### Discussion

#### BACKGROUND

#### Council Meeting November 2018

At the Meeting held on 21 November 2018, Council considered a report on the proposed expansion of the existing Business Park Zone at the Port Macquarie Airport. This initiative is consistent with the *Port Macquarie Urban Growth Management Strategy 2017-2036* and the *North Coast Regional Plan 2036*.

The precinct has been investigated and includes Council land adjoining the Port Macquarie Airport and three properties in private ownership adjoining Boundary Street. The staff report in November 2018 recommended that the Council land be confirmed as the most suitable land to supply a gross area of 20.5 hectares (ha) of Business Park zoning in the precinct, and that a further report be provided to Council on a Planning Proposal for the land.

Council accordingly resolved as follows:

#### RESOLVED: Levido/Hawkins

#### That Council:

1. Notes the assessment in this report and confirms that the Council owned land within the Port Macquarie Airport Precinct Investigation Area, as shown coloured light brown in Attachment 15, is the most suitable land to supply





23.75 hectares of gross developable Business Park zoning in the Airport Precinct Investigation Area.

- 2. Receive a further report to the February 2019 Council meeting in respect of a Planning Proposal for the Council owned land as identified in 1 above.
- 3. Advise landowners within the Airport Precinct Investigation Area of the outcome of this decision.

CARRIED: 7/0 FOR: Alley, Dixon, Griffiths, Hawkins, Intemann, Levido and Pinson AGAINST: Nil

The purpose of this report is to consider the preparation of a Planning Proposal in relation to the Council land.

#### Council roles and responsibilities

For context and transparency, the roles and responsibilities of Council in relation to this Planning Proposal are as follows:

- **PMHC Airport** Landowner and proponent seeking a rezoning, represented by King and Campbell Pty Ltd
- **Development and Environment** Provides advice to Council as the 'Planning Proposal Authority' to assess the Planning Proposal and determine the appropriate content of any Planning Proposal and related planning documents
- **Elected Council** As the 'Planning Proposal Authority' (PPA) Council is responsible for the Planning Proposal, the quality of the information provided in support of the proposal and its referral for Gateway determination.

The PPA is responsible for ensuring that the level of detail in the Planning Proposal document is sufficient to respond to the statutory requirements of the *Environmental Planning and Assessment Act 1979* and related guidelines. The PPA must ensure the information is accurate, current and sufficient for issuing a Gateway Determination and detailed enough for the purposes of consulting with government agencies and the general community.

#### Probity review

In recognition that Council has a role as Airport operator, landowner and planning proposal authority in this matter, Council's D&E Division engaged Cardno (NSW/ACT) Pty Ltd to independently review the planning process and provide probity reports and recommendations on the statutory procedures involved in preparing a Planning Proposal for a proposed Airport Business Park rezoning.

The Preliminary Probity report covered the period from 16 March 2016 to 7 November 2018 and concluded that Cardno had not observed or detected evidence of partiality, bias or probity issues of concern in the planning process leading up to the presentation of the 21 November 2018 report to Council.

A Final Probity report will review Council's processes for a Business Park Planning Proposal against the ICAC guideline. In particular, the report will address whether or not there are any probity issues of concern in relation to the exhibition and NATURA

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assessment processes involved in preparing a Planning Proposal and the final recommendations to Council.

#### Preparation of a Planning Proposal

Following Council's November 2018 resolution, the proponent King and Campbell Pty Ltd, was invited to submit the basis for a Planning Proposal to meet the requirements of the Department of Planning and Environment's *A Guide to Preparing Planning Proposals 2018.* A draft Planning Proposal was received from King and Campbell Pty Ltd on 4 June 2019 and has been reviewed by Council's D&E Division.

Consultation has taken place with the proponent in relation to potential planning controls for the proposed Business Park zoning, including zone extent and configuration, lot size, height of buildings, floor space ratios and permitted uses. The proponent has requested that in addition to the proposed Business Park zoning, the Planning Proposal should implement the Biodiversity Certification outcomes approved by the NSW Minister for the Environment for Council's Airport and Thrumster lands.

This report provides a summary of the proponent's Planning Proposal request, followed by an assessment by Council's D&E Division to inform the content of the Planning Proposal that will be put forward for Gateway Determination by Council, as the Planning Proposal Authority.

#### The Proponent's Planning Proposal Request

The objectives and intended outcomes of the proponent's Planning Proposal can be summarised as follows:

- To provide for a reconfigured and expanded Business Park area east of Boundary Street to reflect the importance of the Port Macquarie Airport as a regional hub
- To consolidate existing airport infrastructure with future airside and general aviation land uses generally west of Boundary Street, and
- To reflect the Biodiversity Certification Assessment outcomes for clearing and conservation of native vegetation within the Port Macquarie Airport and adjoining Council-owned Thrumster lands.

Figure 1 shows the site included in proponent's Planning Proposal. The site covers an area of approximately 760 ha and includes the Port Macquarie Airport and Council's Thrumster lands, together with a small area of Crown Land impacted by the Airport Obstacle Limitation Surface (OLS).

It falls within a larger area that has undergone a Biodiversity Certification Assessment approved by the Minister for the Environment on 7 September 2018. Figure 1 also shows the total area covered by the Biodiversity Certification Assessment.

Areas within the site referred to in the proponent's Planning Proposal as 'Airport Business Park', 'Airport Lands' and 'Thrumster Lands' are shown shaded blue, yellow and red, respectively.





Figure 1: Areas within the site (Source: King & Campbell Pty Ltd, Planning Proposal Request)



#### AGENDA

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Figures 2 and 3 show the existing and the proposed zoning of the land.



The proponent requests the following Land Zone Map amendments to the *Port Macquarie-Hastings Local Environmental Plan (PMH LEP) 2011* to achieve the intended outcomes:

- Zone B7 Business Park to 19.1 hectares (ha) of land on the eastern side of Boundary Street. When combined with the existing 4.65 ha of Zone B7 on the western side of Boundary Street, the reconfigured Business Park will have a total area of 23.75 ha, resulting in an overall increase of 10.45 ha of Zone B7 compared to the existing situation.
- Zone SP2 Infrastructure (Air transport facility) to the Airport Lands:
  - required to be cleared to satisfy Commonwealth Government Civil Aviation Safety Authority (CASA) Code 4C aerodrome standards for the OLS, and
  - generally west of Boundary Street to incorporate existing airport infrastructure with future airside and general aviation uses. This includes 17 ha of existing Zone B7, of which 8.4 ha is currently occupied by Airport related uses.
- Zone E2 Environmental Conservation to the Biodiversity Certified conservation lands within the Airport and Thrumster Lands (i.e. future Biobank Site). This includes areas identified for clearing and or conservation cropping adjacent to the Airport runway, and areas identified for essential infrastructure within the Biobank site (i.e. roads, fire trails, services corridors), as permitted by the Biodiversity Certification Assessment.
- Zone E3 Environmental Management to the northern extent of the Partridge Creek Residential Precinct in Thrumster to reflect the intended use of this land for Asset Protection Zones and public open space, consistent with existing zoning in the Thrumster Urban Release Area.

The proponent also requests Land Use Table amendments in relation to the B7 zone to:

- Strengthen the zone objectives to confirm the strategic intent of the proposed Business Park and recognise its place in the retail hierarchy for the region. The proposed changes are shown in red text:
  - 1 Objectives of zone
    - To provide a range of office and light industrial uses, within large scale/format developments.
    - To encourage employment opportunities.
    - To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area.
    - To create business park employment opportunities within large scale/format developments that are of a high visual quality and that will respect the natural environment within which they are located.
    - To ensure that development does not conflict with the hierarchy of business and retail centres in the Port Macquarie-Hastings region and the



role of the Greater Port Macquarie Central Business District as the focal point for subregional functions and service delivery.

 Revise permitted land uses in Zone B7 to ensure that the proposed Business Park will support a range of land uses that are consistent with the zone objectives, as follows:

Delete permitted uses:

- Landscaping material supplies
- Plant nurseries
- Takeaway food and drink premises
- Timber yards

Include additional permitted uses:

- + Food and drink premises
- + Self-storage units

Delete prohibited uses:

- Electricity generating works
- Function centres, and
- Industrial training facilities

In addition, the proponent has requested:

- Amendments to the Lot Size, Floor Space Ratio and Height of Buildings Maps for the proposed Zone B7 to permit:
  - A minimum lot size of 2,000sqm to encourage large scale/format developments consistent with the revised Zone B7 objectives
  - A maximum floor space ratio of 0.65:1 to ensure consistency with the traffic studies undertaken in support of the Airport Business Park, and
  - A maximum building height of 11.5m to support the desired outcome for large scale/format developments.
- Schedule 1 amendment to permit vegetation clearing and/or conservation cropping adjacent to the Airport runway as an additional use, to the extent that this use is permitted under the Biodiversity Certification approval.
- Amendment to the Additional Permitted Uses Map in connection with the Schedule 1 amendment above.
- New clause to Part 7 'Additional local provisions' to confirm that the site is subject to Biodiversity Certification approval, as follows:

7.17 Port Macquarie Airport and surrounding lands

(1) The objectives of this clause are as follows:



- (a) to identify land that has been conferred for biodiversity certification under section 26 H of the Threatened Species Conservation Act 1995
- (b) to allow development for essential infrastructure, including roads, fire trails and sewerage services on the lands that have been identified as certified;
- (2) This clause applies to:
  - (a) land that is shown as "Certified Land" on the Biodiversity Certification Land Map.
- (3) Development consent must not be granted to development on land to which this clause applies unless the consent authority is satisfied that the development:
  - (a) is consistent with the Order conferring biodiversity certification -Port Macquarie Airport and surrounding lands (NSW Government Gazette No. 87 of 7 September 2018).
- New Biodiversity Certification Land Map Sheet in connection with the new clause above.

As background to and in support of the Planning Proposal request, the proponent has submitted:

- Economic Impact Assessments
- Traffic Impact Assessments
- Biodiversity Certification
- Aboriginal Archaeology Assessment
- Geotechnical Assessments
- Sewerage Services Strategy
- Stormwater Management Strategy
- Water Supply Infrastructure Strategy

The majority of this work was completed ahead of the proposed Business Park site selection process, as reported to Council in November 2018. These reports are available on request.

#### PLANNING ASSESSMENT (D&E DIVISION)

To assist in determining the strategic and site-specific merit of a Planning Proposal request, and justification for the preparation of a Planning Proposal, the NSW Department of Planning Industry and Environment have established the following assessment criteria.

<u>Note</u>: As the proposed rezoning of the Airport Lands and Thrumster Lands reflects the approved Biodiversity Certification, the assessment primarily focuses on the proposed Airport Business Park.



#### A. Does the proposal have strategic merit?

1. Will it give effect to the relevant regional plan (i.e. North Coast Regional Plan 2036)?

The Regional Plan City Map for Port Macquarie identifies the existing Airport Business Park as 'Business Centre'. Proposed Business Park zoning outside this area is mapped as 'Investigation Area – Employment Land'.

Action 6.1 of the Regional Plan recommends that in planning for economic growth around airports, Councils consider new infrastructure needs and introduce planning controls that encourage clusters of related activity. Also recommended is the need to promote new job opportunities that complement existing employment nodes around airport precincts, and the need to deliver infrastructure and coordinate the most appropriate staging and sequencing of development (Action 7.1).

The retention of Zone SP2 Airport related uses west of Boundary Street and consolidation of Zone B7 Business Park uses east of Boundary Street recognises the close linkage between the existing and proposed Airport lands and the current and future Airport operations.

Direction 6 of the Regional Plan requires that new commercial precincts, outside of centres, be of an appropriate size and scale relative to the area they will be servicing to deliver positive social and economic benefits for the wider community and maintain the strength of the regional economy. This matter is discussed in more detail under Question 2 below in context of the centres hierarchy.

2. Will it give effect to a relevant local strategic planning statement/strategy that has been endorsed by the department (i.e. Port Macquarie-Hastings Urban Growth Management Strategy 2017-2036)?

The Regional Plan and the *Port Macquarie-Hastings Urban Growth Management Strategy 2017-2036* (UGMS) present a strong case to prepare a Planning Proposal to facilitate an expanded Business Park at the Airport. Planning for the development of an expanded Business Park at the Port Macquarie Airport to create opportunities for technology and airport related businesses, is listed as a priority economic development action in the UGMS (Action 15).

A key aim in the UGMS is to maintain the primacy of the Port Macquarie CBD and the existing hierarchy of centres in the Port Macquarie-Hastings region. Office uses are particularly important to the vibrancy, function and attractiveness of the CBD as a Regional City. Council will also focus on opportunities for office uses associated with the establishment of an expanded Business Park at the Airport and in the proposed Health and Education Precinct.

Consistent with the Regional Plan (Direction 6), new commercial precincts outside of centres are required to be of an appropriate size to maintain the strength of the regional economy. The UGMS requires that Council review detailed economic assessments as part of investigations for proposed Business zones to ensure that a balanced approach to supply and demand is achieved.

In order to assess the appropriate level of opportunity for office space at the Airport, Council's D&E Division commissioned Hill PDA consultants to provide advice on the



relationship between a proposed Airport Business Park expansion and the existing hierarchy of business centres in the Port Macquarie-Hastings.

The Hill PDA report is based on a survey of floor space and assessment of employment trends and population forecasts, as well as modelling of low and medium growth scenarios to project business park office space demand and land requirements for the Port Macquarie-Hastings LGA to 2036. Hill PDA has concluded that from a centres hierarchy perspective, the maximum amount of B7 Business Park land that can be recommended in the expanded Airport Business Park is 20 ha gross developable land.

In addition, the proponent has commissioned Gillespie Economics and Augusta consultants to consider the opportunity for commercial development at the Airport Business Park. Both of these reports, together with the Hill PDA assessment conclude that there are significant commercial development opportunities in the proposed Business Park.

The proponent's Planning Proposal seeks to reinforce the unique location and characteristics of the proposed B7 Airport Business Park, while ensuring that potential impacts on the centres hierarchy are mitigated through:

- Amended B7 Business Park zone objectives to place additional emphasis on large-scale floorplate development
- Changes to the land uses permitted with consent in the B7 zone to ensure that the precinct functions as a Business Park, different to a town centre.
- A minimum 2,000sqm lot size which is larger than that typically provided in other commercial and industrial zones (i.e. 1,000sqm), and
- A maximum 0.65:1 Floor Space Ratio (FSR) for development of the site to ensure that future traffic generation is within the capacity of the road network, noting that the hypothetical development scenario used to inform traffic modelling for the Airport Business Park selection process is based on a maximum FSR of 0.7:1.

The scale of the Business Park has been considered by Council's D&E Division and having regard to the revised permitted uses, strengthened B7 zone objectives and proposed lot sizes and floor space ratio controls, it is considered that the proposed 23.75 ha of B7 zoning at the Airport is unlikely to result in significant economic impacts on the centres hierarchy.

#### B. Does the proposal have site-specific merit, having regard to the following?

## 1. The natural environment (including known significant environmental values, resources or hazards)

Biodiversity impacts associated with rezoning and developing the Airport Lands, Thrumster Lands and proposed Business Park Area have been addressed in the Biodiversity Certification Assessment approved by the Minister for the Environment in September 2018.

Under *State Environmental Planning Policy (Coastal Management) 2018*, a large extent of the site is mapped as either 'Coastal Wetlands' or 'Proximity Area for Coastal Wetlands'. With the exception of environmental protection works and



emergency or routine maintenance works, all works within the mapped area will be designated development for the purposes of the *Environmental Planning and Assessment Act 1979.* Where development is designated development, an Environmental Impact Statement is to be prepared and submitted with a Development Application.

The existing vegetated areas within the proposed Business Park area are mapped as bushfire prone land. This vegetation has been Biodiversity Certified and will be cleared as development occurs. Future development of the Business Park will need to provide adequate Asset Protection Zones to the Biobank lands (i.e. future E2 zones to the east and south) and to rural land adjoining to the north. Subject to receiving a Gateway Determination, consultation on this matter will be required with the NSW Rural Fire Service.

The site includes lands mapped as Classes 2, 3 and 5 Acid Sulfate Soils (ASS). Groundwater assessments completed on behalf of the proponent by Regional Geotechnical Solutions in October 2015 and November 2017 to inform the development potential of the proposed Business Park land, confirmed the presence of both Actual and Potential ASS. An ASS Management Plan will be required prior to any on-site works where groundwater will be present. The proponent's Planning Proposal notes that a proposed Low-Pressure Sewerage Scheme will minimise potential issues associated with the Actual and Potential ASS, as deep excavation will not be required.

The Planning Proposal notes that only minor filling (1,500m3) will be required to achieve flood-planning levels for fringe areas in the north and south of the proposed Business Park to comply with Council's *Hastings River Flood Study 2018*.

## 2. The existing uses, approved uses, and likely future uses of land in the vicinity of the proposal

Rural lands adjoin the site to the north and west, the Thrumster Urban Release area to the south and established residential to the east. Newman Senior Technical College is located within the existing B7 Airport Business Park area with frontage to Boundary Street. The college is a senior secondary school (students in Years 11 & 12) that provides vocational education and training. The Port Macquarie shooting range adjoins the site to the southeast and is zoned RE2 Private Recreation. The proposed Business Park is generally compatible with and/or sufficiently buffered from these adjoining uses.

3. The services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for infrastructure provision

#### Road Infrastructure Capacity

In the absence of any certainty regarding a future alternative road access, it is assumed that all access to the proposed Business Park will be via Boundary Street.

In the lead up to the site selection process, the proponent commissioned a Traffic Engineering report by TPS Group (June 2016) to address traffic planning for development of the Airport Precinct Investigation Area for Business Park purposes.



Based on an indicative Hastings River Drive/Boundary Street intersection design prepared by Council's Transport and Stormwater Network (T&SN) Section, TPS Group 'reverse engineered' their traffic modelling to determine the future capacity of the intersection. TPS also estimated the amount of land in the investigation area that could be developed for Business Park, using the existing road network.

The TPS Group report modelled traffic generation assuming a hypothetical Business Park mix of uses across the total investigation area and concluded that the intersection, with a modified lane arrangement, would be capable of accommodating 100% of the proposed Business Park development traffic in 2030 (i.e. approx. 20,000 vehicles/day).

Council's Transport and Stormwater Network (T&SN) Section reviewed the TPS Group report and concluded that the TPS Group land use scenarios did not meet all of Council's normal Level of Service and Degree of Saturation targets. Council's T&SN modelling concluded that a maximum 50% of the investigation area (i.e. 20.5 ha) could be developed for Business Park, until such time as a secondary access to the Port Macquarie Airport becomes available.

The proponent engaged SLR consultants to peer review the TPS Group report and Council's T&SN review of that report. SLR agreed with TPS Group's conclusion that the full Business Park development can be catered for at 2030 with a modified lane arrangement for the Hastings River Drive/Boundary Street intersection.

After reviewing the SLR report and noting that the constraining factor is the capacity of the intersection, Council's T&SN restated their earlier conclusion that the proposed upgraded intersection would only have capacity to provide for 50% (i.e. 20.5ha) of the investigation area for Business Park development.

The proponent's Planning Proposal request contends that the proposed rezoning of an expanded Airport Business Park footprint to 23.75 ha is not likely to have unacceptable impacts on the capacity of existing road infrastructure.

King and Campbell, note that the proposed Airport Business Park footprint (23.75 ha) will result in an estimated 16.03 ha of net developable land, which represents 58% of the net developable area modelled by TPS Group. King and Campbell note that this represents a 14% increase in the net developable area that will ultimately be achieved at the Airport Business Park and consider this a minor increase to the footprint and traffic volumes accepted by T&SN for the proposed Airport Business Park.

The Planning Proposal request notes that the proposed maximum Floor Space Ratio of 0.65:1 is less than that assumed for the traffic modelling (i.e. 0.7:1). This represents a 2% reduction in modelled traffic volumes.

Also noted is that the traffic modelling undertaken of the 2030 performance of the Hastings River Drive/Boundary Street intersection is a model of a long-term outcome. There are many parameters in the broader road network (e.g. decisions with respect to other road and intersection upgrades and development rates across the LGA) that will also impact the performance of the intersection and therefore, the results of the future modelling. Various traffic engineering parameters are inputs into the modelling of the future performance of the intersection.



Having regard to the above, Council's T&SN has accepted that on balance, the impact of a 14% increase in the footprint of net developable B7 zone is within the accuracy limits that can be expected to be achieved with the modelling of the future traffic outcomes.

#### Infrastructure Funding

The TPS Group and SLR reports together with Council's T&SN Section review of these reports recognise that development of the proposed Business Park, together with an assumed doubling of traffic generated by existing land uses in the area, will require upgrading of the Hastings River Drive/Boundary Street intersection and improvements to Boundary Street. These works are currently not listed in Council's future works program.

The Planning Proposal request acknowledges that in the absence of a local roads contribution plan, it is anticipated that the intersection improvements will be specified as a condition of development consent for the establishment of the Airport Business Park, including details of a proposed trigger for these works. King and Campbell expect that apportionment of the share of the costs of the intersection works between the Business Park and other development would be negotiated through a Works in Kind Agreement at that time.

The D&E Division assessment is that an upgrade of Boundary Street is a fundamental requirement for the proposed Business Park, which will generate a significant proportion of demand for the upgrade. In this case, Council cannot enter into a Planning Agreement to obtain a commitment in relation to road upgrades. Any sale of the Council owned Business Park land could be contingent upon a Planning Agreement to demonstrate to the community, that the development of Council owned land has been treated in the same way as any other proposed development. This in-principle commitment is shown as Part 5 of the recommendation.

In addition, it is proposed that Council's D&E Division prepare a draft Section 9.11 Contributions Plan to enable collection of developer contributions towards road infrastructure required to service the proposed Airport Business Park. The draft Plan will identify the level of developer contributions applicable to road and intersection works to accommodate future development of the proposed Business Park area overtime and can be referenced in any future Planning Agreements. The proposed Contributions Pan will need to be in place prior to development of the Business Park but need not delay the proposed referral of a Planning Proposal to the Department of Planning, Industry and Environment for a Gateway Determination.

#### <u>Sewerage</u>

The Planning Proposal request presents two options for sewerage infrastructure, being a conventional gravity sewerage scheme and a low-pressure sewerage scheme. The options have been assessed by Council's Water and Sewer Section and are considered to adequately demonstrate that it will be possible to service the proposed Business Park land in the future. A decision on which option to progress will be determined at the later Development Application stage.



## YOUR NATURAL AND BUILT ENVIRONMENT

#### Water supply

The Port Macquarie Airport and existing developed Business Park lands are currently serviced by reticulated water supply. Based on modelling undertaken by Council's Water and Sewer section and assuming preliminary densities provided by the proponent, the proposed Business Park can be serviced by water supply subject to augmentation of connection from the Oxley Highway ultimately linking to the existing infrastructure in Boundary Street.

#### Stormwater drainage

King and Campbell has submitted a Stormwater Management Plan in support of the proposed Business Park rezoning. The Plan recommends a stormwater treatment train approach, primarily using bio-retention basins/swales centrally located within the proposed road network. The concept has been assessed by Council's Transport and Stormwater Network Section and is considered to provide a satisfactory response to stormwater management issues to support a Planning Proposal.

## C. Will the proposal give effect to any endorsed local strategies or strategic plans?

In addition to the UGMS as discussed in Question A2, the proposal will give effect to the following endorsed Council strategies:

#### Towards 2030 Community Strategic Plan

The Planning Proposal satisfies the key strategies of this Plan for both 'business and industry' and 'natural and built environment' in that it will:

- Provide for employment lands in close proximity to a transport hub
- Attract investment to a location that is well serviced and connected to the greater Port Macquarie area
- Provide for effective management and maintenance of urban infrastructure and services
- Facilitate development that is compatible with the natural and built environment
- Provide for the effective integration of transport systems, and
- Restore and protect natural areas, consistent with the approved Biodiversity Certification of the Port Macquarie Airport and surrounding lands.

#### Economic Development Strategy 2017 – 2021

The Mission of this Strategy is 'To lead, create and proactively support an environment that stimulates sustainable industry, business and investment growth.'

Strategic objective 5 'Ensure appropriately zoned land and precinct planning to encourage business investment and the development of new industries', and strategic objective 18 'Support the growth of the Port Macquarie Airport precinct' are relevant to the Planning Proposal.

The Planning Proposal satisfies these objectives by proposing that all Council owned land on the eastern side of Boundary Street be zoned SP2 Airport Infrastructure for use in conjunction with Airport operations and that a reconfigured and expanded B7



Business Park area be provided on the western side of Boundary Street with close proximity to the Airport.

#### Port Macquarie Airport Master Plan 2010 and Addendum Report 2013

Known as the 'Airport Master Plan', these documents set out a 20-year vision for the Airport and provide the strategic direction to guide future development to reinforce the region's economic development and tourism potential. Priority objectives are:

- To provide adequate infrastructure and facilities to meet forecast demand for future regular public transport airline operations, and
- To provide opportunity for commercial property development to promote employment opportunities, facilitate economic development, and support the long-term financial viability and sustainability of the Airport business.

Implementation of the approved Biodiversity Certification is necessary to meeting current CASA standards. The Master Plan also identified areas to the north and east of the Existing Airport facilities for non-aviation uses, including a proposed Business Park, subject to detailed investigation are rezoning.

#### Other Planning Matters for Consideration

1. Existing B7 Business Park zone planning controls

GEM Planning on behalf of Lewis Land Group for Sovereign Hills Project raised the lack of land use planning controls applying to the existing B7 Business Park area compared to other business areas in the Local Government Area when the Airport Biodiversity Certification Assessment and Strategy was exhibited for public comment in 2016.

The Newman College site forms part of the existing B7 Business Park lands and no planning controls apply to the land with exception of a 0.65:1 Floor Space Ratio control. Pending advice from King and Campbell, it is considered reasonable that a minimum 2,000sqm lot size and maximum 11.5m building height, also apply to the Newman College site for consistency with the proposed B7 Business Park area.

#### 2. Proposed Additional Local Provision and Biodiversity Certified Land Map

The proponent's draft LEP provision in relation to Biodiversity Certified land is specific to the Airport and Thrumster Lands, which represents approximately 74% of a larger land area that is subject to the Biodiversity Certification approval (i.e. *Order conferring biodiversity certification – Port Macquarie Airport and surrounding lands*) gazetted on 7 September 2018. The footprint covered by the Order is shown in Figure 1.

To ensure that all Biodiversity Certified land is identified now, and in the future if needed, a more generic provision is proposed. A general explanation of the intent of the provision can be included in the Planning Proposal to enable Parliamentary Counsel to draft a suitable clause prior to notification of the LEP.

Consultation will be required with the Department of Planning Industry and Environment regarding technical mapping requirements for the proposed Biodiversity Certified Land Map.



# YOUR NATURAL AND BUILT ENVIRONMENT

#### 3. Proposed Schedule 1 amendment

Vegetation clearing and conservation cropping are not land uses that can be included in the land use tables of the Standard Instrument LEP. Therefore, the proposed use of schedule 1 to permit these works is not appropriate. Clearing and conservation cropping adjacent to the Airport runway is permitted under the Biodiversity Certification Assessment and will be include in the LEP via the additional local provision and inclusion of the land on the proposed Biodiversity Certified Land Map.

#### 4. Preparation of Development Control Plan Provisions

It is proposed that Council's D&E Division prepare draft development control plan (DCP) provisions in consultation with the proponent, to guide future development of the proposed Airport Business Park with the aim of facilitating higher amenity office and commercial uses.

The draft controls will comprise, but not be limited to, provisions related to streetscape and building form, building setbacks, landform, vehicle access, landscaping, and Airport operational requirements. It is recommended that the draft controls be concurrently exhibited with the Planning Proposal.

#### Recommended Planning Proposal

Having regard to the strategic and site-specific merit of the Planning Proposal as outlined above, Council's D&E Division has prepared a formal Planning Proposal (at **Attachment 1**) to amend the PMH LEP 2011. The land to which the Planning Proposal relates comprises all land subject to the Biodiversity Certification, in addition to Newman College, pending receipt of advice from King and Campbell.

The Planning Proposal seeks to amend the *Port Macquarie-Hastings LEP 2011* as follows:

- Amend the Land Zone Map to rezone the Port Macquarie Airport and Councilowned Thrumster lands to provide for a reconfigured and expanded Business Park area of 23.75 ha and to reflect the Biodiversity Certification Assessment outcomes, as shown in Figure 4.
- Amend the Lot Size Map to permit a minimum lot size of 2,000sqm for the proposed B7 Business Park land and Newman College, as shown in Figure 5.
- Amend the Lot Size Map to permit a minimum lot size of 40 hectares for the proposed E2 Environmental Conservation and E3 Environmental Management lands over the Airport Lands and northern extent of the Thrumster Lands, as shown in Figure 5.
- Amend the Height of Buildings Map to permit a maximum building height of 11.5 metres for the proposed B7 Business Park land and Newman College, as shown in Figure 6.



- Amend the Floor Space Ratio Map to permit a maximum floor space ratio of 0.65:1 for the proposed B7 Business Park land and Newman College, as shown in Figure 7.
- Amend the permitted uses in the Zone B7 Land Use Table, as specified in the proponent's Planning Proposal request.
- Include an additional clause under Part 7 'Additional local provisions' to identify land that is subject to Biodiversity Certification. The general intent of this clause is outlined in the Planning Proposal. Parliamentary Counsel will draft the provision prior to the making of the LEP.
- Include a Biodiversity Certification Assessment Land Map to identify Biodiversity Certified land in connection with the proposed additional local provision. Consultation will occur with the Department of Planning, Industry and Environment to determine technical mapping requirements.





Figure 4: Existing and proposed Land Zone







Figure 5: Existing and proposed Lot Size





Blank - no maximum

Figure 6: Existing and proposed Height of Buildings



#### AGENDA

#### ORDINARY COUNCIL 17/07/2019



Blank - no maximum

Figure 7: Existing and proposed Floor Space Ratio



#### Options

The following options are available to Council:

- 1. Endorse the Planning Proposal as shown in Attachment 3, as recommended.
- 2. Endorse the recommended Planning Proposal with amendments.
- 3. Defer or not support the preparation of a Planning Proposal.

The Planning Proposal (**Attachment 1**) has been prepared to address the requirements of the Environmental Planning and Assessment Act, in accordance with the State Government's Guidelines for the preparation of Planning Proposals. Option 1 is recommended.

#### **Community Engagement & Internal Consultation**

Should Council resolve to proceed with the preparation of a Planning Proposal, as recommended, public consultation will take place following referral to the NSW Department of Planning Industry and Environment's Gateway in accordance with the normal requirements of *Environmental Planning and Assessment Act 1979*.

Subject to the Planning Proposal proceeding to public exhibition (post-Gateway), Council's D&E Division will write to all adjoining and adjacent landowners including, the three adjoining landowners in the Airport Business Park Investigation Area, advising of the Planning Proposal and inviting submissions as part of the public exhibition process.

As detailed in Council's D&E Division report to the 10 August 2016 Ordinary Council Meeting, Council's D&E Division will also invite submissions from Mr John Jeayes and Lewis Land Group for Sovereign Hills Project (represented by GEM Planning). This will ensure that any actual or perceived overlapping and/or outstanding issues can be considered and addressed prior to a final decision on the Planning Proposal.

For the purpose of the public exhibition, a *Statement of Council Interest* will be included in the Planning Proposal, consistent with the Department of Planning Industry and Environment's *Best Practice Guideline - LEPs and Council Land 1997*.

The draft development provisions for the Airport Business Park and draft Contributions Plan will be reported back to Council for endorsement prior to being concurrently exhibited with the Planning Proposal.

Internal consultation in relation to this matter has occurred with managers and staff of Council's Transport and Stormwater Network, Sewer and Water, Natural Resources and Contributions Planning sections.

#### **Planning & Policy Implications**

The proposal to rezone land within the Airport Precinct investigation area for Business Park development is consistent with the *North Coast Regional Plan 2036* and the *Port Macquarie-Hastings Urban Growth Management Strategy 2017-2036*.



The proposed rezoning of the remainder of the Airport Lands and Council's adjoining Thrumster Lands is consistent with the approved Biodiversity Certification Assessment.

In terms of the proposed B7 Business Park zoning, under the *Port Macquarie-Hastings Local Environmental Plan 2011* the B7 zone allows office premises as well as light industrial uses. This use of the zone is a response to the changing nature of manufacturing, industry and business services in NSW and is considered appropriate, based on the assessment of the centres hierarchy, to optimise the future employment generating potential of the Airport precinct.

The proposed draft Development Control Plan provisions will provide detailed guidance for future development of the precinct, including policy for urban design and landscaping, having regard to operational requirements of the Airport and the gateway status of the precinct.

The proposed Contributions Plan will enable the collection of developer contributions towards the provision of essential road infrastructure required to service the proposed Business Park.

Given the direct interest of Council as both the landowner and the proponent in respect of the proposal, it is recommended that Council not seek delegation from the Department of Planning, Industry and Environment to be the local plan-making authority for the Planning Proposal.

Cardno's Final Probity report will address whether or not there are any probity issues of concern in relation to the exhibition and assessment processes involved in preparing a Planning Proposal and the final recommendations to Council.

#### **Financial & Economic Implications**

As discussed in the report, there are no significant economic impacts expected on the existing and proposed hierarchy of business centres in the Port Macquarie-Hastings because of the proposed Airport Business Park rezoning.

The cost of servicing development of the proposed Business Park and the risk associated with the upfront funding of servicing will be significant, particularly for roads. This risk is to be mitigated through the development of a Contributions Plan for roads infrastructure.

Other major infrastructure costs in developing the proposed Business Park relate to sewer servicing, water supply and stormwater management. These requirements will need to be assessed and resolved in conjunction with a future application to develop the proposed Business Park.

In relation to the planning process, the proponent has paid the stage 1 rezoning fee in accordance with Council's current Schedule of Fees and Charges. A stage 2 fee will be payable when the Planning Proposal proceeds to public exhibition.

The Probity Report has been funded by Council's Development and Environment Division as part of the assessment process.



The preparation of the Planning Proposal, draft Development Control Plan and draft Contributions Plan will be completed by Council staff as part of Council's Strategic Land Use Planning program.

#### Attachments

1<u>View</u>. Planning Proposal - Airport Business Park





4. Request the General Manager write to the Local Member for Port Macquarie, Leslie Williams MP requesting an extension to the current grant funding agreement for the Bold Street, Laurieton pedestrian crossing, to cater for the additional community engagement process and related timelines.

CARRIED: 9/0 FOR: Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido, Pinson and Turner AGAINST: Nil

#### 13.04 NORTH BROTHER LOCAL CATCHMENTS FLOOD STUDY - PUBLIC EXHIBITION SUBMISSIONS REPORT

Mr Simon Hancox, PRD Nationwide Laurieton, addressed Council in opposition of the recommendation and answered questions from Councillors.

#### RESOLVED: Cusato/Turner

That Council:

- 1. Adopt the North Brother Local Catchments Flood Study (2019) report (Attachment 1).
- Acknowledge the submissions made during the exhibition period and advise those who made submissions of the outcome of Council's consideration of this matter.
- 3. Proceed with the Floodplain Risk Management Study (FRMS) phase.

CARRIED: 9/0 FOR: Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido, Pinson and Turner AGAINST: Nil

#### 13.05 PLANNING PROPOSAL - AIRPORT BUSINESS PARK

Councillor Cusato declared a Pecuniary Interest in this matter and left the room and was out of sight during the Council's consideration, the time being 8:15pm.

Ms Donna Clarke, Land Dynamics, representing neighbouring Missen land in Boundary Street, Port Macquarie, addressed Council in opposition of the recommendation and answered questions from Councillors.

Mr Tony Thorne, King and Campbell Pty Ltd, representing Port Macquarie-Hastings Council, addressed Council in support of the recommendation and answered questions from Councillors.

Dr John Wilkins addressed Council in opposition of the recommendation and answered questions from Councillors.



#### MOTION

#### MOVED: Intemann/Alley

That Council:

- 1. Endorse the Planning Proposal attached at Attachment 1 pursuant to section 3.33 of the Environmental Planning and Assessment Act 1979 to amend the Port Macquarie-Hastings Local Environmental Plan 2011 in relation to the Port Macquarie Airport and surrounding lands in accordance with the Planning Proposal.
- 2. Forward the Planning Proposal to the Department of Planning, Industry and Environment for a Gateway Determination, and request that the Determination not authorise Council to be the local plan-making authority.
- 3. Prepare draft Development Control provisions in respect of the Airport Business Park as outlined in this report in accordance with clause 18 of the Environmental Planning and Assessment Regulation 2000.
- 4. Prepare a draft Section 9.11 Airport Business Park Roads Contribution Plan as described in this report.
- 5. Commit to bind any purchaser of the Council owned Business Park Zone to contribute proportionally to the cost of upgrading Boundary Street and the Hastings River Drive/Boundary Street intersection.
- 6. Receive a further report providing details of the draft Development Control provisions in 3 above for approval prior to the Planning Proposal and draft Development Control provisions being exhibited concurrently.
- 7. Receive a report following the public exhibition to assess any submissions received.
- 8. Delegate authority to the Director Development and Environment to make minor amendments to the Planning Proposal prior to submission for Gateway Determination.

#### FORESHADOWED MOTION

MOVED: Pinson/

That Council:

- 1. Defer consideration of the planning proposal for the purpose of seeking further information and a Councillor Briefing to clarify concerns over the Missen land.
- 2. Request the General Manager bring a report back to the September 2019 Council Meeting for further consideration.

#### THE MOTION WAS PUT

RESOLVED: Intemann/Alley

That Council:

1. Endorse the Planning Proposal attached at Attachment 1 pursuant to section 3.33 of the Environmental Planning and Assessment Act 1979 to amend the Port Macquarie-Hastings Local Environmental Plan 2011 in relation to the Port Macquarie Airport and surrounding lands in accordance with the Planning Proposal.



- 2. Forward the Planning Proposal to the Department of Planning, Industry and Environment for a Gateway Determination, and request that the Determination not authorise Council to be the local plan-making authority.
- 3. Prepare draft Development Control provisions in respect of the Airport Business Park as outlined in this report in accordance with clause 18 of the Environmental Planning and Assessment Regulation 2000.
- 4. Prepare a draft Section 9.11 Airport Business Park Roads Contribution Plan as described in this report.
- 5. Commit to bind any purchaser of the Council owned Business Park Zone to contribute proportionally to the cost of upgrading Boundary Street and the Hastings River Drive/Boundary Street intersection.
- 6. Receive a further report providing details of the draft Development Control provisions in 3 above for approval prior to the Planning Proposal and draft Development Control provisions being exhibited concurrently.
- 7. Receive a report following the public exhibition to assess any submissions received.
- 8. Delegate authority to the Director Development and Environment to make minor amendments to the Planning Proposal prior to submission for Gateway Determination.

CARRIED: 6/2 FOR: Alley, Dixon, Hawkins, Intemann, Levido and Turner AGAINST: Griffiths and Pinson

Councillor Cusato returned to the meeting, the time being 9:12pm.

Councillor Dixon left the meeting, the time being 9:13pm.

### 10.01 MAYORAL DISCRETIONARY FUND ALLOCATIONS - 6 JUNE TO 3 JULY 2019

#### RESOLVED: Pinson/Griffiths

That Council note the allocations from the Mayoral Discretionary Fund for the period 6 June to 3 July 2019 inclusive.

CARRIED: 8/0 FOR: Alley, Cusato, Griffiths, Hawkins, Intemann, Levido, Pinson and Turner AGAINST: Nil

Councillor Alley left the meeting, the time being 9:14pm.

Councillor Dixon returned to the meeting, the time being 9:15pm.

Councillor Alley returned to the meeting, the time being 9:15pm.