
Item: 12.09

**Subject: AIRPORT PRECINCT INVESTIGATION AREA - SITE SELECTION
FOR PROPOSED 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 co-ordinated urban development.

RECOMMENDATION

That Council:

- 1. Note the assessment in this report which confirms that the Council owned land within the Port Macquarie Airport Precinct Investigation Area, as shown in Attachment 15, is the most suitable land to supply 20.5 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.**

Executive Summary

This report provides an assessment of a proposed rezoning of land known as the Airport Precinct Investigation Area which includes land adjoining the Port Macquarie Airport in Council ownership and other land in private ownership adjoining Boundary Street. Investigations for expansion of the existing Airport Business Park are listed as a key action in the *Port Macquarie-Hastings Urban Growth Management Strategy 2011–2031*.

In recognition that Council has a role as Airport operator, landowner and planning authority in this matter, Council's Development and Environment Division commissioned Cardno (NSW/ACT) to independently review the planning process and prepare probity reports and recommendations in relation to the land use planning statutory process regarding the Airport Business Park Planning Proposal.

Key issues in assessing a proposed rezoning of the land include the capacity of existing road infrastructure to service an expanded Business Park at the Airport and the impact of the proposal on other business centres in the Local Government Area.

From a traffic and centres hierarchy perspective, it is considered that a maximum 50% of the investigation area (i.e. 20.5 ha) can be rezoned for Business Park uses until such time a secondary access to the Port Macquarie Airport becomes available and there is further economic expansion opportunities within the centres hierarchy.

Council's Strategic Land Use Planning staff have developed planning criteria to assess the capability and suitability of land within the Airport Precinct Investigation Area to arrive at a conclusion as to where the 20.5 ha of Business Park land should be located. The assessment of the criteria indicates that the Council Airport property has a number of clear advantages that distinguish it from the other sites in the investigation area.

Consequently, it is recommended that the Council owned land within the Airport Precinct Investigation Area be confirmed as the most suitable land to supply 20.5 ha of gross developable Business Park zoning in the Airport Precinct.

If the recommended approach is adopted by Council, the next step is to undertake more detailed consultation regarding configuration of zones and content of Local Environmental Plan changes (Planning Proposal) based generally on the concept submitted for Council by King and Campbell (at **Attachment 15**). A further report is proposed to be presented to Council in February 2019, subject to the outcomes of that consultation.

In general terms, subject to further consultation in relation to zone boundaries, it is expected that the Planning Proposal would result in a reconfiguration of the existing B7 Business Park and SP2 Infrastructure - Air transport facility zones on the Council land.

Based on the concept prepared for Council by King and Campbell, this should result in:

- An increase in the amount of undeveloped B7 Business Park zone from 13.3ha at present to 20.5ha
- A shift in the location of the B7 Business Park zone further away from Airport operations, and
- A change in zone to SP2 Infrastructure - Air transport facility for areas nearer the Airport which will permit uses that are ordinarily ancillary and incidental to Airport operations.

Land Ownership/Proponents

There are four landowners in the Airport Precinct Investigation Area, as follows:

- Port Macquarie-Hastings Council
- JW Missen, Kingswood Estates Pty Ltd and FL & LE Wilkins
- BW & KE Gilson
- KD Ireland.

As discussed in this report, two of these landowners, Port Macquarie-Hastings Council and JW Missen, Kingswood Estates Pty Ltd and FL & LE Wilkins, are seeking a rezoning of their properties for Business Park purposes.

Discussion

This report is presented in four parts:

- Part 1: Background
- Part 2: Key issues
- Part 3: Planning criteria
- Part 4: Conclusions and options

The report has been prepared by Council's Development and Environment (D&E) Division with input from Council's Transport and Stormwater Network (T&SN), Water and Sewer, and Environment sections, noting that Council's Airport is a landowner and stakeholder in the process. The roles and responsibilities of Council in this process are as follows:

- Elected Council - consider D&E assessment and determine the most suitable land for a proposed Business Park zoning within the Airport Precinct Investigation Area
- PMHC Airport – landowner and proponent seeking a land rezoning
- D&E - assess and make recommendations on rezoning
- T&SN – traffic assessment and advice
- Water & sewer – water and sewer assessment and advice
- Environment – flooding and biodiversity assessment and advice.

An organisational restructure of Council came into effect on 1 May 2017 which included the transfer of the Strategic Land Use Planning function from the Development and Environment Division to the new Strategy and Growth Division. The Strategic Planning team is responsible for Council's strategic land use planning responsibilities associated with the Airport Business Park Planning Proposal.

In addition to Strategic Land Use Planning, the new Strategy and Growth Division includes Council's Economic Development, Community and Place, and Assets functions. The Assets section has responsibility for Council's land in the Airport Precinct Investigation Area, as an asset.

To avoid any real or perceived conflict of interest, the Strategic Land Use Planning team has continued to report to Council's Director of Development and Environment and will continue to do so in relation to the Planning Proposal for the Airport precinct, as was the case prior to the restructure.

PART 1: BACKGROUND

The Port Macquarie Airport is owned and operated by Port Macquarie-Hastings Council. The existing operations include a small number of airport related businesses in a B7 Business Park zone, which adjoins the Airport fronting Boundary Street. Council's Corporate Performance Division manages/operates the Airport.

In 2006, Council commissioned the preparation of an Industrial Land Strategy for the Port Macquarie-Hastings local government area by AEC Group. An investigation area was identified at the Airport in the *Port Macquarie-Hastings Industrial Land Strategy 2007 (ILS)*. The aim being to provide a *"large dedicated site close to the urban area of Port Macquarie to accommodate future local services growth,*

accommodate any transferred demand from the rezoning of industrial areas to commercial, and to accommodate emerging business technology park style development."

The investigation area included land in Council ownership and other land in private ownership adjoining Boundary Street. In February 2006 Luke and Company consultants lodged an application on behalf of one of the private landowners (Missen), seeking a rezoning for industrial purposes. Assessment of the application was deferred pending completion of the ILS.

Following adoption of the ILS, Council resolved in August 2007 to prepare a draft local environmental plan to initiate a rezoning of the Airport Precinct Investigation Area for industrial purposes and to prepare a Structure Plan for the existing zoned 4(t) Industrial Technology land adjacent to the Airport (now zoned B7 Business Park).

Following notification of the proposal, the former Department of Planning advised on 11 November 2007 that whilst there was in principle support for additional industrial/business technology development at the Airport, a rezoning was premature as Council's review of the Airport Master Plan was incomplete. Also the Department questioned the need for additional industrial land having regard to the stock of existing, undeveloped Zone 4(t) land in the locality. Consequently, a rezoning was not able to be progressed.

Council proceeded with the preparation of a Masterplan for the Airport between 2008 and 2010. Council also commissioned reports by HillPDA in relation to retail and industrial supply and demand in 2010 as a precursor to the preparation of the Port Macquarie-Hastings Urban Growth Management Strategy. HillPDA identified the Airport Precinct Investigation Area as a major new site for business technology and local services growth.

The investigation area was subsequently included in the *Mid North Coast Regional Strategy 2009* and in the *Port Macquarie-Hastings Urban Growth Management Strategy 2011* (UGMS). The Regional Strategy highlighted the precinct as a regional priority for more detailed investigations, as discussed in this report. The UGMS identified the key issues to be addressed during planning investigations for rezoning and proposed the preparation of a Structure Plan for the investigation area.

In 2011 Council's D&E Division commenced the preparation of a Structure Plan in consultation with the affected landowners. The investigations included an ecological report by Biolink Pty Ltd and internal consultation with Council infrastructure managers and staff.

A Discussion Paper was prepared in 2012 by D&E that provided a summary of the key planning issues and identified a number of issues requiring more detailed investigation. In 2013 preliminary geotechnical investigations were undertaken for part of the investigation area to determine likely landfill requirements. This related to the flood prone parts of the investigation area and in particular to the privately owned land in the north.

In 2014, investigations were put on hold pending a review of the *Port Macquarie Airport Master Plan* and preliminary investigation into the feasibility of a north-south secondary road link to the Airport, between Hastings River Drive and the Oxley Highway. The Airport Master Plan relates principally to Airport operations and

includes consideration of new Civil Aviation Safety Authority (CASA) Obstacle Limitations Surface (OLS) requirements.

In May 2015, landowners in the investigation area were asked whether they wished to proceed with the preparation of a Planning Proposal for their land. Two parties (PMHC Airport & Missen) expressed an interest and indicated that they would commence more detailed investigations to support a rezoning. Council's D&E Division retained responsibility for the preparation of a Planning Proposal for the Airport Business Park Investigation Area.

In recognition that Council has a role as Airport operator, landowner and planning authority in this matter, Council D&E engaged Cardno (NSW/ACT) to independently review the planning process and prepare probity reports and recommendations in relation to the land use planning statutory processes for the preparation of a Planning Proposal in relation to the proposed Airport Business Park.

A preliminary probity report at **Attachment 1** and as discussed in more detail under 'Planning & Policy Implications', addresses whether there are any probity issues of concern in the process leading up to and including this report to Council. A final probity report will be provided to Council after any exhibition of a Planning Proposal, to address whether there are any probity issues of concern in the exhibition and review process and in relation to the final recommendations to Council.

PMHC Airport engaged King and Campbell Pty Ltd to co-ordinate the investigations for Council's land. Detailed investigations have included the preparation of a Biodiversity Certification (BioCertification) Assessment and Strategy for Council owned land around the Airport.

The BioCertification Assessment and Strategy, which was approved by the NSW Minister for the Environment on 7 September 2018, includes allowance for expansion of the existing Airport Business Park over Council's land, should this be the outcome of a Planning Proposal. The BioCertification process aims to provide an option for larger-scale development and biodiversity conservation offset (i.e. at a more strategic level). In this case, the BioCertification has been applied to all of Council's Airport and nearby Thrumster lands. This means that Council is able to submit an application for development and conservation outcomes, provided they are consistent with the approved BioCertification Strategy.

As detailed in D&E's report to the 10 August 2016 Ordinary Council Meeting, six (6) submissions were received to the public exhibition of the BioCertification Assessment and Strategy. Two of these, from John Jeayes and GEM Planning Projects, raised concerns about the BioCertification process and also foreshadowed planning process and probity issues. A copy of these submissions is included here as **Attachment 2** and the key issues raised with respect to the Business Park proposal, are addressed in this report.

King and Campbell for PMHC Airport, has also commissioned traffic modelling, sewer, water and stormwater concept proposals, a geotechnical assessment and an Aboriginal heritage assessment to inform the preparation of a Planning Proposal for Council's land.

Land Dynamics has been engaged to coordinate detailed investigations for the Missen property. Staff from Council D&E, T&SN, Water and Sewer and Environment

met with Land Dynamics in August 2015, February 2016 and May 2016 regarding the key issues for the preparation of a Planning Proposal for the Airport Precinct Investigation Area. A threatened species assessment in relation to the Wallum Froglet has been submitted for the Missen property, in addition to a concept plan showing sewer, water and stormwater servicing for the site.

Council D&E engaged HillPDA in August 2016 to provide advice regarding the relationship between the proposed expansion of the Airport Business Park and the existing hierarchy of business centres in the Port Macquarie-Hastings Local Government Area (LGA). That report has been reviewed by landowners in the Airport precinct and Council D&E has sought further clarification from HillPDA, as discussed in this report.

The conclusions and recommendations in this report are based on the combined information and consultations since 2007, as summarised above.

The Airport Precinct investigation area

The Airport Precinct investigation area includes the existing B7 Business Park zone and adjoining Council land to the south and east and privately owned land to the north, generally having frontage to Boundary Street. The extent of the investigation area is shown in Figure 1.



Figure 1: Airport Precinct Investigation Area

Existing precinct land uses include:

- General aviation facilities comprising two u-shaped cul-de-sac aprons which provide access to adjacent aircraft hangar facilities. The hangars are used for aircraft associated with both business and recreational activities.
- Newman Senior Technical College located on a 3.8 ha site with frontage to Boundary Street. The college is a senior secondary school (students in Years 11 & 12) that provides vocational education and training.

- A dwelling adjoining Newman College to the north.
- Former crayfish farm located on a 4 ha private property on the eastern side of Boundary Street. The crayfish farm no longer operates, however the site has been developed for a series of elongated freshwater ponds that cover the majority of the land. This property also contains a dwelling.

The Airport Precinct Investigation Area incorporates a range of zones under the *Port Macquarie-Hastings Local Environmental Plan 2011*, as follows:

- B7 Business Park over the existing General Aviation Facilities, Newman Senior Technical College and other Council-owned land in Boundary Street
- SP2 Infrastructure Air transport facility over Council land to the north and south of the B7 land
- RU1 Primary Production over the existing dwellings and vacant rural land in Boundary Street, and
- E2 Environmental Conservation over the remainder of the investigation area.

The distribution of existing land use zones is shown in Figure 2.

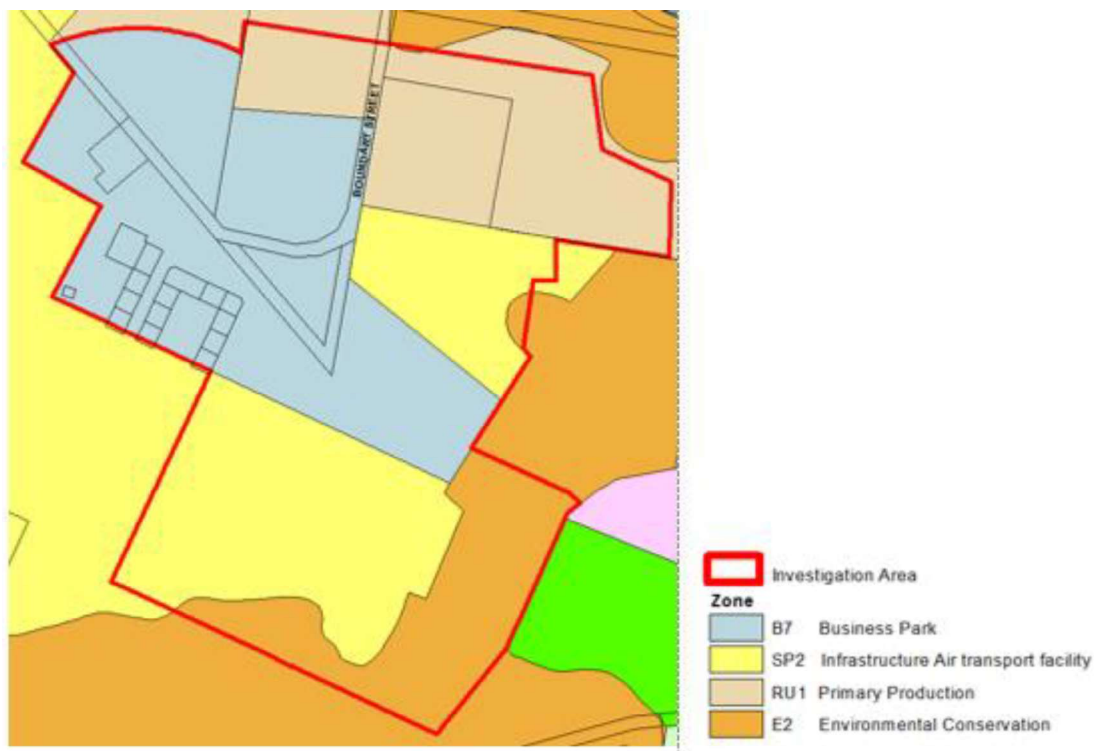


Figure 2: Existing Land Use Zoning

Strategic Land Use Planning Context

North Coast Regional Plan 2036

The Regional Plan identifies the Port Macquarie Airport as one of five busiest airports in regional NSW and maps the Airport precinct as an investigation area for

employment lands, adjoining the part of Council's land that is already zoned B7 Business Park.

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

Recognised as important gateways for business, tourism and personal travel, as well as high-value freight, Action 10.1 of the Plan requires the delivery of Airport precinct plans for Ballina-Byron, Lismore, Coffs Harbour and Port Macquarie that capitalise on opportunities to diversity and maximise the potential of value-adding industries close to Airports.

Port Macquarie-Hastings Urban Growth Management Strategy 2011-2031

The 2011-2031 UGMS has been used as a key strategic document in determining priorities in consultation with landowners as described in this report.

The rationale for retail and business development in the UGMS is based on the Department of Planning and Environment's *Settlement Planning Guidelines 2007* for the North Coast, as applicable to the Port Macquarie-Hastings area. The key principles are summarised below:

- To provide a wide range of quality shopping opportunities and commercial experiences for consumers in a hierarchy of viable retail centres consistent in scale with existing towns and villages and centrally located within each community.
- To provide for further growth in retail and commercial space to meet growth demand generated by population and household growth.
- To protect and enhance the integrity and function of existing centres, and to improve the amenity and vitality of centres as focal points for the Port Macquarie-Hastings community.
- To integrate planning for commercial uses within transport, public domain and infrastructure opportunities.
- Fragmentation and out-of-centre retailing should be resisted unless compelling reasons exist in order to maintain the healthy retail and service functioning of particular centres in the region.
- To identify opportunities for bulky goods style retailing in accessible locations in or near commercial centres and restrict this form of retailing in industrial zones.

The UGMS identifies the Airport Precinct for investigation to provide for service industry and business park industrial uses, in accordance with the 2007 *Port Macquarie-Hastings Industrial Strategy* and for a range of aviation related uses. The Strategy recommends that these investigations consider links and opportunities associated with the expected future operations of the Airport.

The aim is to reinforce the Airport Precinct as a significant gateway to Port Macquarie and to ensure that future development is compatible with further Airport operations, including height, lighting and other potential impacts.

Port Macquarie-Hastings Urban Growth Management Strategy 2017-2036

The UGMS 2017-2036 was adopted by Council on 20 June 2018. The Strategy is not yet endorsed by the NSW Department of Planning and Environment. Essentially it maintains the same principles as the 2011-2031 UGMS.

Port Macquarie Airport Master Plan 2010 & Addendum Report 2013

The Port Macquarie Airport is owned and operated by Port Macquarie-Hastings Council and is the fifth largest regional airport in NSW (by passengers) with approximately 230,000 passenger movements per annum. A doubling of passenger numbers is forecast to approximately 450,000 passengers per annum by 2030.

The *Port Macquarie Airport Master Plan 2010* and *Port Macquarie Airport Master Plan Addendum Report 2013* (i.e. Airport Master Plan) sets out a 20-year vision for the Airport and provides the framework and strategic direction to guide the future development to underpin 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.

The Master Plan identifies areas required for the ongoing operation and development of the Airport consistent with aviation demand forecasts and compliance with CASA requirements for full Code 4C aerodrome standards. This includes widening the runway and associated OLS from 150 to 300 metres (m) and the extension and/or relocation of critical aviation-related infrastructure and facilities, subject to detailed investigation and planning approval.

The Master Plan also identifies potential areas to the north and east of the existing Airport facilities for non-aviation uses, including a proposed Business Park and Airport related accommodation/hotel development, subject to detailed investigation and rezoning.

The Airport Master Plan concept for the potential long-term development of the Airport lands is at **Attachment 3**.

PART 2: KEY ISSUES

Having considered the background to the Airport Business Park investigations, the following part of this report looks at the key issues to be addressed in any Planning Proposal to rezone additional land for Business use. These issues need to be addressed by Council to comply with State planning legislation and Council's strategic planning policy position, as described in the UGMS.

The key issues are:

- A. the Centres Hierarchy in the Port Macquarie-Hastings LGA and amount of zoned land
- B. the capacity of existing road infrastructure
- C. secondary access options to the Airport.

These issues are discussed below.

A. Centres Hierarchy in the Port Macquarie-Hastings LGA

Council's adopted centres hierarchy, as outlined in Table 1 below, assists in understanding the functions of the commercial centres in the Port Macquarie-Hastings LGA and the relationship between the centres.

Table 1: Port Macquarie-Hastings Centres Hierarchy

Classification	Centres	Characteristics
Port Macquarie CBD	Town Centre Settlement City Gordon Street	The principle centre in the LGA and broader region for business services, administrative services and government functions.
Town Centres	Wauchope Laurieton	Plays a significant role in providing commercial services to residents in the LGA.
Large Villages	Lakewood Lake Innes Lake Cathie Lighthouse Plaza Bonny Hills* Thrumster*	Typically provides a small range of services to meet the daily and occasionally, weekly needs of the local catchment.
Small Villages	North Haven Kew Kendall Lighthouse Beach Flynn's Beach Waniora Parkway Bonny Hills Clifton	Generally provides only day-to-day, or occasionally weekly needs to service a small catchment.

* Future Centre.

The centres hierarchy is important because it has a major influence on guiding public and private investment in the LGA and it helps to protect the integrity and viability of existing centres. The relationship between the Airport Business Park and other centres is primarily related to opportunities for new office space because the B7 zone does not permit retail premises.

In order to assess the appropriate level of opportunity for office space at the Airport, Council D&E commissioned HillPDA consultants to provide advice regarding the relationship between the proposed expansion of the Airport Business Park and the existing hierarchy of business centres in the Port Macquarie-Hastings LGA. As noted in the Background section of this report, this included consideration of a submission from GEM Planning consultants for Sovereign Hills, received as part of the Biodiversity Certification exhibition.

The submission suggested that Council has a vested interest in applying for BioCertification of the Airport and Thrumster lands and in particular, raised concerns about the extent of Council's ownership, the lack of land use planning controls

applying to the existing B7 Business Park area compared to other business areas in the LGA, and the potential impact of the proposed Business Park expansion on other commercial centres.

As part of the brief, HillPDA were also asked to consider zone options for the Airport precinct. The B7 Business Park zone provides for a variety of light industrial uses, including high technology industries and also encourages development of strategically located out-of-centre sites through the permissibility of office premises.

Based on an assessment of employment trends and population forecasts, HillPDA modelled low and medium growth scenarios to project business park office space demand and land requirements for the Port Macquarie-Hastings LGA to 2036.

Consideration was also given to three of the six business zones in the *Port Macquarie-Hastings Local Environmental Plan 2011* (i.e. B4 Mixed Use, B5 Business Development & B7 Business Park) to assess the most appropriate zoning to apply to the Airport Precinct Investigation Area.

HillPDA noted that recent demand for office floor space in the Port Macquarie-Hastings LGA has been low. The majority of this demand has been associated with the medical sector around the Port Macquarie Base and the Private Hospitals. Other demand has mostly been for smaller office premises in the Port Macquarie CBD. Nationally, there is a trend towards office-based activities in Business Parks and towards clustering/agglomeration of like businesses, such as freight distribution through regional Airports.

HillPDA's assessment (at **Attachments 4 & 6**) has included a review of a report prepared by Gillespie Economics on behalf of PMHC Airport (at **Attachment 5**).

In summary, the following key points and conclusions have been made by HillPDA in relation to the Airport precinct:

- Overall, the demand for stand-alone office floor space in the Port Macquarie-Hastings LGA to 2036 is projected to be between approximately 61,000 sqm to 85,000 sqm. A significant component of this floor space provision will be in the CBD areas of Port Macquarie, Wauchope, Laurieton and Thrumster.
- Assuming CBD capture rates of 80%, this additional demand translates into approximately 3 ha and 4.2 ha of absolute net developable land being required for out-of-centre Business Park style office space. A lower capture rate in the commercial centres of 60% would result in a demand for up to 8.5 ha of land being required for Business Park office space.

The Gillespie Economics review for PMHC Airport was critical of the HillPDA assessment in that it did not make an adjustment to the 'business as usual' forecast for commercial office space and industrial land demand, having regard to the significant level of investment at the Airport from all levels of government. The review suggests that Airport investment will drive inward investment and relocation of businesses could be informed by consideration of other upgraded regional Airports and their surrounding developments.

HillPDA note that there are always examples where the introduction of a 'base' industry can stimulate jobs and economic growth either temporarily or in the long-

term (e.g. a new mine). However, Airports are not really a 'base' industry but transport infrastructure, required to support other industries.

HillPDA has suggested two different options for Council's consideration:

- **Option 1** is to rezone 10 hectares net developable land (i.e. 15 ha gross) for Business Park uses at the Airport precinct, noting that the disadvantage with this option is that it restricts the scenario of a significant rapid development of the precinct unless there is rezoning of further land.
- **Option 2** is to rezone up to 20 hectares gross developable land for Business Park uses. The advantage of this option is that it provides economies of scale up to the capacity of the current road network.

HillPDA have recommended option 2, noting that this option is unlikely to threaten the viability of the centres hierarchy because as identified in the 2016 HillPDA assessment, the only 'white collar' industry in the LGA to have shown significant interest in commercial space over the past decade or two has been health. This industry, as well as several others (such as real estate services, etc.) is population based and would therefore express a stronger interest in the Port Macquarie CBD, other commercial centres and the hospital precinct, rather than the Airport. Recognising that achieving a perfect forecast for employment lands is increasingly difficult the longer the planning horizon, it is preferable to err on the side of extra supply for Business Park uses in the Airport precinct to ensure that the local economy can respond rapidly to new and emerging opportunities, where required.

Option 2 from the HillPDA report quotes 20 ha, however as shown on p4 of the report that option is in fact based on the capacity of the road network which is 20.5 ha. On this basis Council D&E has assumed that option 2 is up to 20.5 ha.

Therefore, from a centres hierarchy perspective, the maximum amount of B7 Business Park land that can be recommended in the expanded Airport Business Park is 20.5 ha gross developable land. In Part 3 of this report, the most appropriate location for this 20.5 ha is considered in more detail.

B. Road infrastructure

PMHC Airport through King and Campbell, commissioned the preparation of a Traffic Engineering Report by TPS Group to address traffic planning for an expanded Business Park at the Airport Precinct. In the absence of any certainty regarding a future alternative road access, Council D&E and T&SN has assumed, for the purpose of transport planning, that all access to the Airport and proposed Business Park precinct will be via Boundary Street.

An initial TPS Group report (Dec 2015) at **Attachment 7**, was prepared based on assumptions by TPS Group regarding land use types, density and traffic generation. The report modelled traffic generation for existing development and growth of the Airport and other development on Boundary Street, plus growth of the proposed Business Park precinct at various stages of completion (i.e. 30%, 50%, 70% & 100%). A number of design options were presented for upgrade of the Hastings River Drive and Boundary Street intersection, with conclusions by TPS Group for each, based on projected traffic volumes to 2030.

Council T&SN reviewed the TPS Group report (review at **Attachment 8**) and in summary, advised that:

- The larger upgrade options for the Hastings River Drive/Boundary Street intersection are unrealistic. There are limits on the potential to expand the size of the intersection given existing land uses and having regard to the capacity of the adjoining road network. For e.g. even a minor upgrade would involve significant land acquisition of adjoining properties.
- Minor upgrades of the intersection, although costly, are realistic and suitable for accommodating increased traffic in the precinct, and
- A secondary access to the Airport cannot be seen as a given.

T&SN prepared an intersection layout considered to be indicative of the maximum size feasible for the Hastings River Drive/Boundary Street intersection. The indicative layout was based on compatibility with the adjoining road network and the maximum level of land acquisition likely to be acceptable to the community.

It was suggested to TPS Group that they “reverse engineer” their modelling based on the indicative design to determine the future capacity of the intersection with more certainty and from that, estimate the amount of land that could be realistically developed for Business Park development in the Airport precinct.

A revised TPS Group report (June 2016) at **Attachment 9**, modelled traffic generation assuming a hypothetical Business Park mix of uses across the precinct. TPS Group concluded that the intersection would be capable of providing for approximately 75% of the overall Business Park development in 2030, or approximately an additional 15,000 vehicles per day (vpd). It was also concluded that the intersection would be capable of providing for all Business Park development traffic in 2030, i.e. 20,000 vpd, if the left turn lane in the east approach were extended from 35m to 60m.

Traffic modelling is highly sensitive to input assumptions, particularly in peak periods on congested networks. Therefore, when the road network is operating at or near capacity, a minor change in modelling input parameters can have a significant impact on model outputs. Council’s T&SN section review of the revised TPS Group report (review at **Attachment 10**) identified that several of the agreed input values/modelling parameters provided by T&SN had been adjusted and that this resulted in a cumulative effect on the modelling outcomes. T&SN found that the TPS Group 100% and 75% land use scenarios still did not meet all of Council’s normal Level of Service and Degree of Saturation targets. These are commonly used parameters to assess the operating performance of a road network.

T&SN have recommended from a traffic perspective that a maximum of 50% of the Business Park investigation area be rezoned until such time a secondary access to the Port Macquarie Airport becomes available. This proportion equates to 20.5 ha of gross developable area.

In response to T&SN’s recommendation PMHC Airport has submitted a peer review of both the TPS Group report (June 2016) and the review of that report by Council T&SN (Sep 2016). A copy of the resulting SLR Consulting Australia Pty Ltd report is at **Attachment 11**. In brief, SLR support the assumptions used by TPS Group in the Sidra modelling and agree with the conclusion that the full Business Park

development can be catered for at 2030 with the modified lane arrangement for the Hastings River Drive/Boundary Street intersection, as outlined in the TPS Group report.

T&SN reviewed the SLR report (see review at **Attachment 12**) and advised that no new information has been presented that would provide adequate justification to alter T&SN's prior advice.

It is therefore assumed for the purpose of this report that up to 20.5 ha of gross developable B7 land can be accommodated through an upgraded intersection at Hastings River Drive and Boundary Street.

C. Secondary access options

Council T&SN is currently investigating secondary access options to provide flood free access to the Airport. At this stage there is no certainty that a secondary access will be feasible and therefore, Council D&E is not able to demonstrate for the purpose of a Planning Proposal that there is adequate public infrastructure for more than 20.5 ha of gross developable Zone B7 land.

King and Campbell for PMHC Airport argue that in order to maximise the potential for affordable employment land it is important that infrastructure is planned and implemented for the full footprint of the proposed Airport Business Park expansion (i.e. up to 41ha). They argue that a partial zoning will not provide the certainty required to implement the long term infrastructure planning, including future road links to/from the Airport and that there are sound planning, infrastructure and economic development grounds to include the full footprint of the Business Park precinct in a Planning Proposal.

King and Campbell propose that a legal mechanism be established, in conjunction with a Planning Proposal and the preparation of Section 94 and Section 64 Contributions Plans under the *Environmental Planning and Assessment Act 1979* and *Local Government Act 1993* respectively, to rezone the full footprint of the Airport Precinct Investigation Area. They consider that this will provide Council with the ability to stage the release of land in the precinct for future development and propose that the terms of the legal mechanism, including the associated timeframes for the staging of development, be negotiated between the relevant parties.

King and Campbell suggest that this is a similar approach to that applied by Council to rezone the Warlters Street Schools site to B3 Commercial Core in 2010. In that instance, the planning agreement entered into between Council and the Catholic Church restricted development of the B3 land to agreed timeframes which had been determined in an economic impact assessment report.

There are no examples in Council's planning for growth in the past 10 years in which land has been zoned where essential infrastructure needs may not be able to be met. In the cited case of the Warlters Street land, the planning agreement related to the timing of development based on forecast land demand and nothing else. All other infrastructure was able to be provided.

The potential economic importance of the Airport Business Park is acknowledged in accordance with local and regional strategic planning. However, in this case, the Hastings River Drive/Boundary Street intersection has absolute limits as the only

access point to the proposed Business Park expansion and there is currently no clear evidence that alternative access arrangements can be physically provided in the future, including a secondary road link.

The proposed use of a legal mechanism to stage land release is therefore not appropriate as it does not guarantee that a secondary road link can be provided to the Oxley Highway. It is not appropriate to zone land that may not be able to be serviced with road infrastructure until satisfactory arrangements for that infrastructure are in place.

On this basis, the maximum amount of B7 Business Park land that can be recommended is 20.5 ha gross developable land, based on the traffic assessment discussed in Part 2B above.

PART 3: PLANNING CRITERIA

Based on the assessment of key issues in Part 2, it is considered that Council can support an expansion of the Airport Business Park up to 20.5 ha. The question is: *Where should this 20.5 ha of B7 land be located?*

To assist in determining the relative merit of land in the Investigation Area for rezoning, five planning criteria have been applied to evaluate the potential Business Park sites within the Airport Precinct, as follows:

1. Existing planning provisions applying to the land and the relationship to future Airport operations
2. Capacity to limit or address potential environmental constraints
3. Co-ordination with other land in the Precinct, e.g. access arrangements
4. Capacity to deliver necessary infrastructure, including improvements to major transport corridors, and
5. Capacity to deliver affordable employment land to facilitate market choice.

These criteria are based on planning principles for industry in the UGMS, which are:

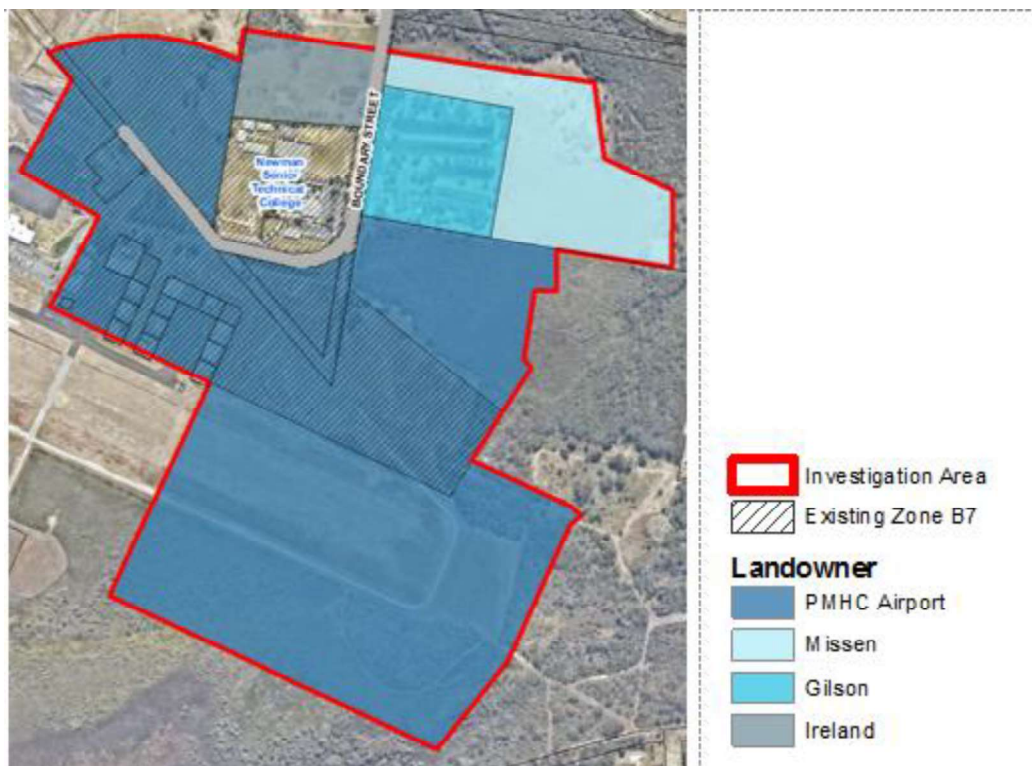
- *To provide opportunities for a range of industrial development types, in a variety of locations, generally in close proximity to urban centres and services, to service the needs of a growing population and export markets.*
- *To provide sufficient zoned industrial land to facilitate market choice, maintain affordability, and allow for expected loss of yield due to constraints.*
- *To provide industrial land to service market demand on land that is appropriate located with regard to:*
 - *the proposed urban settlement pattern (i.e. settlement areas, markets, transport & access),*
 - *environmental constraints, and*
 - *cost effective provision of urban services and infrastructure.*

Council D&E have used the planning criteria to assess the capability and suitability of land within the Airport Precinct Investigation Area to arrive at a conclusion as to where the 20.5 ha of B7 land should be located. Capability considerations relate to the physical attributes of the land and the risks of degradation associated with the

proposed Business Park use. Suitability considerations include other factors such as economics, infrastructure requirements, conflicting and complementary land uses and the planning policy framework.

The planning criteria have been circulated to precinct landowners and submissions invited to help inform this assessment. Submissions addressing the criteria have been received from King and Campbell for PMHC Airport and from Land Dynamics for Missen. Copies of the landowners' submissions are at **Attachments 13** and **14**, respectively and the key points raised are discussed in the assessment below.

All land within the Airport Precinct has been assessed against the planning criteria to determine which areas of the precinct should be prioritised for detailed rezoning investigations. Land ownership in the Investigation Area is shown below.



Criterion No. 1

Existing planning provisions applying to the land and the relationship to future Airport operations

- PMHC Airport land

The PMHC Airport property is the largest site in the Investigation Area (approx. 48 ha) and is currently zoned partly B7 Business Park, partly SP2 Airport Infrastructure and partly E2 Environmental Conservation.

King and Campbell have submitted a rezoning concept plan on behalf of PMHC Airport (**Attachment 15**), which takes into account the footprint of the existing B7 Business Park zone, the *Port Macquarie Airport Master Plan* and existing operations of the Port Macquarie Airport.

The concept plan shows a southerly extension of Boundary Street and potential for future secondary flood free access to the Oxley Highway. It proposes that all Council owned land on the western side of Boundary Street be rezoned to SP2 Airport Infrastructure for use in conjunction with Airport operations and that all Council owned land on the eastern side of Boundary Street be rezoned to B7 Business Park.

In summary, the submission:

- Notes that there is currently 25.53 ha of B7 Business Park zoned land within the PMHC Airport investigation area, of which 13.3 ha is undeveloped.
- Proposes to rezone 17.04 ha of the existing B7 zoned land on the western side of Boundary Street to SP2 Airport Infrastructure. This area includes 8.39 ha of B7 land occupied by Airport related uses and 8.65 ha of undeveloped B7 land.
- Proposes to rezone additional land on the eastern side of Boundary Street (19.1 ha) to B7, over and above the existing B7 zoned land on the eastern side of Boundary Street (4.65 ha), taking the overall proposed B7 footprint on Council owned land to 23.75 ha in area.

King and Campbell also note that their concept recognises the close linkage between the PMHC Airport land on the western side of Boundary Street and the current and future Airport operations and suggests that this land is more appropriately zoned SP2 Airport Infrastructure given its close proximity to Airport operations.

- Missen land

The Missen property has a total area of 12.75 ha and is currently zoned partly RU1 Primary Production and partly E2 Environmental Conservation. Land Dynamics have submitted a development concept on behalf of Missen (**Attachment 16**) that proposes a footprint of approximately 4.2 ha within the Investigation Area for either Zone IN1 General Industrial, or Zone B7 Business Park.

The submission from Land Dynamics does not specifically address the relationship to existing or future Airport operations. Development of the Missen property could take place without any direct impact on Airport operations.

- Gilson land

The Gilson property comprises an area of approximately 4 ha and is currently zoned RU1 Primary Production. The land has a frontage of approximately 200m to Boundary Street that provides opportunities for access off Boundary Street without any direct impact on Airport operations.

- Ireland land

The Ireland property is currently zoned RU1 and has a total area of 4.3 ha, of which approximately 2.5 ha falls within the Airport Precinct Investigation Area. Located on the eastern side of Boundary Street, the land adjoins Newman College to the north and PMHC Airport airside land to west. The site has access off Boundary Street, with no direct impact on Airport operations.

Comment:

The PMHC Airport land has the greatest potential for direct integration between landside and airside activities. It also contains a significant amount (13.3 ha) of existing undeveloped Zone B7 land which is proposed to be relocated as part of the expanded B7 Business Park zone.

King and Campbell's proposal of retaining Airport related uses east of Boundary Street and consolidating Business Park uses west of Boundary Street is generally consistent with the *Port Macquarie Airport Master Plan*. Accordingly, it is considered that the consolidation of Zone SP2 land on the western side of Boundary Street is reasonable and reflective of the appropriate use of this land.

Therefore in terms of Criterion No. 1, it is considered that the PMHC Airport land provides the most logical location for an expansion of the existing B7 Business Park zone, followed by the Gilson, Ireland and Missen properties in order of land suitability, due to proximity to Boundary Street and existing B7 zoned land.

Criterion No. 2***Capacity to limit or address potential environmental constraints***

- PMHC Airport land

Large parts of the PMHC Airport land are unconstrained in terms of biodiversity impacts. Environmental impacts associated with rezoning and developing the land have been addressed in the approved Biodiversity Certification Assessment and Strategy for the Port Macquarie Airport and surrounding land.

The flooding constraints relating to the 1:100 year flood do not apply to the PMHC Airport land. Only minor filling will be required to achieve flood planning levels on the fringe areas in the north and south of the site, in accordance with the *Port Macquarie-Hastings Flood Policy 2015*.

- Missen land

The eastern area of the development footprint proposed by Land Dynamics has previously been mapped by Biolink Pty Ltd as being affected by medium level Wallum Froglet activity. In support of a rezoning Land Dynamics have submitted a *Threatened Species Seven Part Test Assessment* report.

The assessment report concludes that removing the potential non-breeding Wallum Froglet habitat for the proposed footprint will have a negative impact by reducing connectivity between two local populations. Recommended mitigation measures include retaining a link with new breeding habitat approximately 100m wide in the east of the site and allowing rehabilitation to structured forest, together with effective stormwater treatment, as the Wallum Froglet species is sensitive to water quality.

Council's Environmental staff have reviewed the assessment report and advised that they are generally supportive of the proposed footprint, subject to an assessment of other relevant matters identified by Biolink and not addressed in the Seven Part Test Assessment (i.e. native vegetation loss, hollow-bearing trees, environmental buffer requirements & habitat to the Little Bent-Winged Bat & Koala food trees). Details

about how it is intended to secure and manage the residue environmental lands as offset will also be required to support a rezoning.

During a meeting with Council staff on 16 February 2016, Land Dynamics advised that the landowner is not willing to commission any further ecological work to progress a rezoning. It was suggested that the initial ecological assessment report submitted with the landowner's initial rezoning application and based on an earlier concept, would suffice. Council staff recommended that the 2005 assessment report, together with the work completed by Biolink Pty Ltd in 2012, be consolidated and updated to address current State government requirements to support a Planning Proposal.

The Missen property is subject to flooding from the local catchment and the Hastings River in a 1:100 year flood. As such, any proposed development is to have regard to the *Port Macquarie-Hastings Flood Policy 2015* including the permitted development areas in Figure 2 of the policy, as shown below.



Council's Environment section has advised that the blue hatched area is an absolute minimum as flood storage which is required to manage the local Clifton Drive catchment and is considered to have no practical development potential.

As the proposed footprint for the Missen property extends into the blue hatched area, a detailed Flood Study and modelling will be required to support a rezoning to demonstrate that the encroachment will not raise the flood level by more than 10mm or change the velocity of flows.

For development to meet flood planning levels, the proposed footprint will need to be filled to a height of 3.7m AHD. As there is no source of fill on the site, all fill will need to be imported. In correspondence dated 23 July 2015, Land Dynamics estimated that 146,993m³ of fill (based on an earlier but similar concept plan) will be required to achieve the flood planning level. This volume equates to approximately 2,670 truck and dog movements.

To confirm how much of the property needs to be stripped off before filling can occur (i.e. existing soil may not be able to take compaction) and to consider the likely impacts on groundwater, a geotechnical assessment will be required to support a Planning Proposal to rezone the land. A detailed estimate of total fill volumes to assess total truck movements and anticipated impact on the road network would be required at the subsequent development assessment stage.

- Gilson land

There are no known ecological constraints on the Gilson property, which has previously been used for aquaculture. However, the land is subject to flooding and fill requirements, as discussed for the Missen property above.

- Ireland land

The Ireland property is mostly cleared but does contain a hollow bearing tree previously identified by Biolink, which would need to be assessed and managed as part of any Planning Proposal.

Development of the property will also require fill due to flooding. A moratorium presently exists on filling the land in this location, pending finalisation of the Hibbard Floodway Investigation, which is currently underway. Following a decision on the final floodway alignment through Hibbard West, the moratorium may be lifted.

Comment

In terms of biodiversity, the normal principle is to avoid impacts where possible, mitigate impacts on-site where it is not possible to avoid, and offset impacts elsewhere if it is not possible to avoid or mitigate impacts on-site. On this basis, the parts of the study area most capable for development in terms of biodiversity are:

- a) The central cleared parts of the PMHC Airport property, and
- b) The Gilson, Missen and Ireland properties.

As noted above, there are some knowledge gaps in relation to biodiversity constraints relating to the Missen and Ireland properties, including details about how it is intended to secure and manage residue environmental lands. The impacts on biodiversity and offsetting arrangements for development on the PMHC Airport property are known through the approved Biodiversity Certification Assessment and Strategy.

In relation to flooding, the PMHC Airport land is considered preferable as the proposed Zone B7 area is located above the predicted 1:100 year flood level. The PMHC Airport land does not require extensive fill, as required for the other landholdings, involving a large number of truck movements, impacts on the road network, detailed monitoring regarding fill suitability and quality and, in the case of the Ireland and Missen properties, an assessment of impacts on flood flows and storage in surrounding areas.

In conclusion regarding environmental constraints, the most logical location for an expansion of the existing B7 zone is considered to be the PMHC Airport property, followed by the Gilson; Missen and then Ireland properties, in order of land capability.

Criterion No. 3***Co-ordination with other land in the precinct, e.g. access arrangements***

- PMHC Airport land

The concept plan for the PMHC Airport land shows the potential for coordinated access to existing and proposed future development to the north and west via Boundary Street. Access options are also provided via future road links to the south (as an extension of Boundary Street), to the south-east (to Lady Nelson Drive) and to the east (to The Binnacle), subject to further detailed investigation. These potential links have also been included in the Biodiversity Certification of Council's land.

The King and Campbell submission notes that the proposal for PMHC Airport provides a major intersection Gateway to the Port Macquarie Airport and associated uses and potential to link to the adjoining northern lands in the Investigation Area in the future.

- Missen land

The Land Dynamics concept shows a battle-axe access via the property's 100m frontage off Boundary Street adjacent to the northern boundary of the adjoining Gilson site. Land Dynamics have suggested that vehicle access is also available along the northern portion of the site via an existing road reserve with potential linkages to Hastings River Drive.

Access along the currently unformed road reserve and connection to Hughes Place, as an alternative or additional connection to the Airport Precinct, has previously been considered and dismissed due to ecological impacts (i.e. the road would cross State Environmental Planning Policy Coastal Management 2018 wetland & Endangered Ecological Communities) and the likely transfer of traffic congestion to the Hughes Place intersection. It has therefore been assumed by Council D&E and T&SN staff for the purpose of transport planning, that all access to the Airport and proposed Business Park Precinct will be via Boundary Street.

The internal road layout shown on the Land Dynamics concept provides for connectivity to PMHC Airport's concept road network to the south. The cul-de-sac access in the east of the Missen footprint is not considered to be suitable to service light industrial or large floorplate campus style Business Park development. A loop or perimeter road, which would also address issues relating to bushfire hazard, stormwater run-off and environmental edge effects, would be required as part of any proposed development.

The concept road layout does not provide for any future integration with the adjoining Gilson property to the east. Land Dynamics suggest that it is not necessary for the Missen and Gilson lands to be developed together, with both enjoying road frontage to Boundary Street, and with both properties being of adequate size and shape to accommodate development in their own right, subject to a variation of Council's environmental buffer requirements for the Missen land.

One the key ingredients in creating a successful Business Park for the Airport Precinct is to ensure that future development occurs in a coordinated and strategically sound way that will enhance the function, amenity and overall integration of development within the Precinct. If the Missen property is to be included as part of

a future B7 zone, there should be coordination of subdivision layout and internal road design to cater for a range of light industrial and large floorplate Business Park uses, in addition to enhanced connectivity to other businesses in the Precinct.

Coordination is also desirable in relation to filling and the delivery of service infrastructure to the Missen and Gilson sites.

- Gilson land

The Gilson property has a regular shape and a 200m frontage to Boundary Street. This land has potential to act as a key gateway site on the northern approach to the precinct and could be developed in isolation. However, it provides only 4 ha of potential B7 land and coordination with adjoining property would also be a key issue, as discussed for the Missen land above.

- Ireland land

The Ireland property is relatively small but has direct access to Boundary Street and may provide an opportunity for connections to Newman College in the future.

Comment

In terms of Criterion No. 3, all properties within the Investigation Area have access to Boundary Street and could be coordinated to provide linkages to surrounding properties and existing land uses in the precinct. The PMHC Airport land also provides opportunities for potential linkages to the south and east of the Airport which may assist in achieving flood free access to the Airport and important connections from an economic development perspective.

The PMHC Airport land has potential to provide 20.5 ha of B7 land and is therefore considered to be suitable in terms of coordination issues, followed by the Gilson, Ireland and Missen properties, in order of preference. The Missen property is considered to be the least suitable site due to its battle-axe frontage, irregular shape for potential development and more complex relationship with surrounding properties in the current development concept.

Criterion No. 4

Capacity to deliver necessary infrastructure, including improvements to major transport corridors

- PMHC Airport land

The King and Campbell submission notes that the Biodiversity Certification Assessment and Strategy includes three potential future road links to the south, the south-east and to the east. Each of these potential future road links will provide flood free access to the Airport. They will also provide an important major north-south linkage between Hastings River Drive, the Oxley Highway and the Port Macquarie CBD.

As discussed in Part 2C of this report, Council T&SN is currently undertaking preliminary investigations for a secondary access link to the Airport. At this stage however, no certainty exists that the required road infrastructure to serve more than 20.5 ha of gross developable B7 Business Park land can be provided at any point in the future. However, the PMHC Airport proposal does make provision for partial

construction of a future road network that may incorporate a secondary access, or accesses, in the future.

King and Campbell has previously submitted a Stormwater Management Plan (SMP) to support a rezoning of the PMHC Airport land. The SMP considers potential impacts on stormwater quality and quantity and recommends implementation of a stormwater treatment train approach, primarily using bio-retention basins/swales centrally located within the proposed road network. A maintenance plan has been formulated as part of the SMP to assist in the establishment and continued operation of the proposed stormwater treatment infrastructure, including recommendations on species selection and maintenance intervals.

This stormwater concept has been assessed by Council T&SN and is considered to provide a satisfactory response to stormwater management issues to support a Planning Proposal.

The Port Macquarie Airport and existing developed Business Park lands are currently serviced by reticulated water supply. The Airport Precinct can be serviced by water supply subject to augmentation of a connection from the Oxley Highway around the northern edge of the racecourse in Lady Nelson Drive.

Based on modelling undertaken by Council's Water and Sewer and assuming preliminary densities provided by King and Campbell, the design provides for a 250mm water main from the Oxley Highway to the eastern perimeter of the PMHC Airport land, reducing to 200mm and connecting to an existing 150mm main in Boundary Street, with 150mm mains providing internal reticulation and connecting through to the existing supply points in Boundary Street. The design incorporates water supply security to the proposed PMHC Airport land, as well as to the remaining lands in the Investigation Area from two directions. This is considered to be satisfactory to support a Planning Proposal.

A Sewer Strategy prepared by King and Campbell for PMHC Airport provides for two sewer pump stations at a depth of approximately 5m. The Strategy is reflective of proposed staging to make the most of the initial sewer pump station in Boundary Street, with a second sewer pump station required in the south as part of stage two. The strategy also makes provision for an additional pump station or filling at the time of developing the northern investigation lands, subject to rezoning.

A Geotechnical Assessment report prepared for PMHC Airport by RGS consultants, has identified that there will be construction issues relating to depth of excavation, high water table, existence of the coffee rock and potential and actual acid sulphate soils. More detailed geotechnical assessment will be required at the subsequent development assessment stage to inform the final design for sewerage infrastructure. The Assessment report also recommended that an Acid Sulfate Soils Management Plan be prepared as part of the approval process associated with the construction of the proposed Sewer Pump Stations and the reticulated sewerage infrastructure.

Site specific development control provisions will require that future Development Applications include detailed investigation of geotechnical conditions and groundwater levels to assess any limitations for development and associated infrastructure construction.

- Missen land

The submission from Land Dynamics notes that preliminary concept plans have previously been submitted showing sewer, water supply and stormwater infrastructure to service the proposed development footprint for the Missen property.

The water supply concept indicates that the property is dependent on both a connection via PMHC Airport's adjoining land to the south and from Boundary Street. The sewer concept shows a connection to a proposed Sewer Pump Station on the adjacent Ireland property. Council's Water and Sewer section requires that major infrastructure (i.e. sewerage pumping stations) in flood prone areas be located above the 1:100 year flood level.

The stormwater concept indicates a series of pipes and a vegetated swale to direct stormwater drainage into one of three bio-retention basins proposed in the east and north of the property. Council T&SN has advised that it would be preferable to combine the proposed two easternmost bio-retention basins into one facility to minimise the future maintenance liability for Council as the owner of stormwater infrastructure.

Council T&SN has also advised that as the adjoining Gilson property is subject to overland flooding from Boundary Street, consideration will need to be given to capturing and diverting this runoff either through or around the proposed Missen footprint, if developed ahead of the adjoining Gilson land.

As noted under consideration to Criterion No 2, the Wallum Froglet species is sensitive to water quality. Council's Environment section has advised that stormwater infrastructure is to be designed to either discharge into non-Wallum Froglet habitat (preferred), or discharge into Wallum Froglet habitat using a pH treatment train to ensure pH water quality matches the natural variation currently experienced in this habitat. The latter option may require larger than normal stormwater treatment area with the provision of Swamp Forest vegetation to achieve a corrected pH prior to discharge.

Detailed strategies for sewer servicing, water supply and stormwater management will be required to support a Planning Proposal for the Missen land. There will be staging and sequencing issues to be addressed if infrastructure is to be provided across multiple landowners/properties.

- Gilson and Ireland lands

The same principles and conclusions as outlined for the Missen property above apply regarding sewer servicing, water supply and stormwater management for any rezoning of the Gilson and Ireland lands.

Comment:

Future development within the Airport Precinct Investigation Area will depend on the extension of infrastructure, particularly water and sewer and upgrade of Boundary Street. The PMHC Airport concept provides potential for partial construction of a future road network that may incorporate a secondary access or accesses to the Oxley Highway in the future. The sewer, water and stormwater concepts provided on behalf of PMHC Airport and Missen indicate that all land within the investigation area is able to be serviced but staging and sequencing will be important considerations.

Therefore in terms of Criterion No. 4, the PMHC Airport land is considered to be the most suitable, followed by the Missen, Gilson and Ireland lands, in no particular order of preference.

Criterion No. 5***Capacity to deliver affordable employment land to facilitate market choice.***

- PMHC Airport land

Key issues relating to the affordability of the employment land relate to the cost of the delivery of infrastructure including:

- Boundary Street road infrastructure improvements
- Reticulated sewerage services
- Reticulated water supply services, and
- Catchment based stormwater drainage management facilities.

Based on the 20.5 ha of gross developable land that can be supported and given that servicing the PMHC Airport land does not require extensive fill, it is considered that this site is more likely to provide affordable employment land. The land also has the benefit of being able to provide 20.5 ha within one ownership, providing greater certainty regarding development costs.

- Missen, Gilson and Ireland lands

As discussed under Criterion No. 2, the Missen, Gilson and Ireland lands require significant volumes of fill to create a platform suitable for development. Although Council has requested supporting information regarding these costs, a great deal of uncertainty remains about the feasibility of the filling works and the costs involved, including funding towards damage to Council's road network.

Comment

It is expected that the cost of developing flood prone land will be greater due to the fact that these properties require extensive fill prior to development. In terms of criterion No. 5, the PMHC Airport land is considered suitable to deliver affordable employment land and to facilitate market choice, followed by the Gilson, Ireland and Missen properties, in no particular order of preference.

PART 4: CONCLUSIONS AND OPTIONS

The assessment of the potential sites against the evaluation criteria indicates that the PMHC Airport property is the most capable and suitable land to supply 20.5 ha of gross developable Business Park zoning in the precinct. This land has a number of clear advantages that distinguish it from the other sites as follows:

- Ability to incorporate existing undeveloped Zone B7 land into the footprint.
- Close proximity and linkages to the current and future Airport operations.
- Large site area in one ownership providing clear opportunities to accommodate large footprint Business Park development.
- Availability of flood free land avoiding the need for significant filling works.

- Ecological issues associated with rezoning and future development have already been addressed through the biodiversity certification process.
- Potential for partial construction of a future road network that may incorporate a secondary access or accesses to the Oxley Highway in the future.

Further consultation with PMHC Airport on the gross development area forming the basis of a Planning Proposal will be required, but on balance the assessment of the planning criteria indicates that the PMHC Airport land is the most viable option to provide for future Business Park lands in the precinct.

The remaining lands have some reasonable potential and will be worthwhile investigating in the longer term if a future secondary link road access becomes available and take up of the Business Park indicates that this is warranted from a strategic land use planning perspective.

Options

The following options are available to Council:

1. Not identify any land for the preparation of a Planning Proposal.
2. Defer consideration of a Planning Proposal pending further work.
3. Proceed as recommended.
4. Proceed with the preparation of a Planning Proposal for alternative land.

Having regard to the extensive work undertaken to date, including lengthy consultation with landowners and their representatives, option 3 is the preferred option.

Community Engagement & Internal Consultation

As detailed in the 'Background' section of this report, there has been significant consultation with precinct landowners concerning land use planning for the Airport investigation area. The landowners have been notified of this matter being reported to Council.

Internal consultation in relation to this matter has also occurred with managers and staff of Council's Transport and Stormwater Network, Water and Sewer, Environment, and Contribution Planning teams.

If resolved by Council as recommended, the next step is to undertake more detailed consultation regarding configuration of zones and content of Local Environmental Plan (Planning Proposal) changes based generally on the concept submitted for Council by King and Campbell (at Attachment 15). A further report is proposed to be presented to Council in February 2019, subject to the outcomes of that consultation.

Planning & Policy Implications

The proposal to rezone land within the Airport Precinct investigation area for Business Park development, as discussed in this report, is consistent with the *North Coast Regional Plan 2036* and the former 2011-2031 and adopted 2017-2036 *Port Macquarie-Hastings Urban Growth Management Strategy*.

Under the *Port Macquarie-Hastings Local Environmental Plan 2011* the B7 Business Park 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.

In preparing a Planning Proposal to rezone the proposed business park lands, consideration will be given to amending associated development standards (i.e. floor space ratio, height of buildings & lot size). A review of the Zone B7 Land Use Table will also occur to ensure that the uses listed as Permitted with consent are consistent with the main intent of the zoning.

Furthermore, development control plan provisions will need to be prepared to provide detailed guidance for future development of the precinct. High quality urban design and landscaping (having regard to operational requirements of the Airport) that contributes to the creation of an attractive streetscape and amenity, is intended to reflect the significant gateway status of the precinct. The provisions will also seek to minimise the environmental impacts of Business Park development.

Council is committed to ensuring a clear and transparent process for land use decision-making. Therefore, Cardno (NSW/ACT) Pty Ltd were engaged by Council D&E to undertake an independent review of Council's planning processes relating to the preparation of a Planning Proposal for the proposed Airport Precinct Investigation Area.

Cardno's Preliminary Probity review report (at Attachment 1) covers the period from 16 March 2016 to 7 November 2018 and considers whether the relevant planning processes have been followed and undertaken by the Council, and in particular the activities and tasks completed by Council D&E, in an unbiased way.

As part of this review and as detailed in the report, Cardno undertook a range of tasks, including:

- sighting documents, reports, technical studies, consultancy briefs, Councillor briefing material and meeting minutes
- confirming the confidentiality of sensitive information and internal file security arrangements
- reviewing Council D&E planning criteria for site assessment, and
- observing meetings between Council D&E and landowners.

In short, the report concludes that Cardno has not observed or detected evidence of partiality, bias or probity issues of concern in the planning process leading up to the presentation of this report to Council.

If Council resolves as recommended, a final Probity report by Cardno will review the processes involved in the preparation and public exhibition of a Planning Proposal for the Airport Precinct Business Park.

Financial & Economic Implications

Based on the economic assessment attached to this report (Hill PDA reports Attachments 4 & 6), there are no significant economic impacts expected on the

existing and proposed hierarchy of business centres in the Port Macquarie-Hastings in rezoning up to 20.5 ha of land within the Airport Precinct Investigation Area.

The cost of servicing Business Park development in the precinct and the risk associated with the upfront funding of servicing will be significant. The major infrastructure costs that will require a resolution relate to road infrastructure, sewer servicing, water supply and stormwater.

There is currently work being undertaken on Boundary Street by Council and further work is possible (e.g. in relation to secondary access roads to the Airport). Infrastructure requirements would need to be assessed and resolved in conjunction with any future Development Application for subdivision/development of the proposed Business Park lands.

Attachments

- 1[View](#). Preliminary Probity Review report Nov 2017
- 2[View](#). GEM Planning and J Jeayes submissions
- 3[View](#). Airport Master Plan concept
- 4[View](#). HillPDA assessment Nov 2016
- 5[View](#). Gillespie Economics Review
- 6[View](#). HillPDA review of Gillespie review
- 7[View](#). TPS Group traffic report Dec 2015
- 8[View](#). TSN review of 2015 traffic report
- 9[View](#). TPS Group traffic report Jun 2016
- 10[View](#). TSN review of 2016 traffic report
- 11[View](#). SLR peer review
- 12[View](#). TSN review of SLR report
- 13[View](#). King and Campbell submission to planning criteria
- 14[View](#). Land Dynamics submission to planning criteria
- 15[View](#). King and Campbell rezoning concept
- 16[View](#). Land Dynamics development concept

12.07 PLANNING PROPOSAL: LOT 14 DP 240042 PIONEER STREET, NORTH HAVEN - CONSIDERATION OF SUBMISSIONS

Mr Anthony Thorne, King & Campbell Pty Ltd, representing landowners Robert & Neil Tate, addressed Council in support of the recommendation.

RESOLVED: Intemann/Hawkins

That Council:

1. As a result of the consideration of submissions, amend the Planning Proposal as outlined in the report to extend the area of E2 Environmental Conservation zoned land in the southern part of the site to protect habitat for the Squirrel Glider.
2. Subject to approval under Item 1 above, take the necessary steps under section 3.35 and 3.36 of the Environmental Planning and Assessment Act 1979 (the Act) to finalise Local Environmental Plan 2011 (Amendment No 25).
3. Delegate authority to the Director Strategy and Growth to make any minor amendments to the Planning Proposal in finalising the Local Environmental Plan.
4. Notify all persons who lodged submissions and provide information of the meeting outcome.

CARRIED: 8/0

FOR: Alley, Cusato, Dixon, Griffiths, Hawkins, Intemann, Levido and Pinson

AGAINST: Nil

12.09 AIRPORT PRECINCT INVESTIGATION AREA - SITE SELECTION FOR PROPOSED BUSINESS PARK

Councillor Cusato declared a Pecuniary Interest in this item, left the room and was out of sight during the Council's consideration, the time being 7.12pm.

Mr Anthony Thorne, King & Campbell Pty Ltd, representing Council as the owner of the Port Macquarie Airport, addressed Council in support of the recommendation.

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

Councillor Cusato returned to the meeting, the time being 07:24pm.