

COFFS HARBOUR CITY COUNCIL



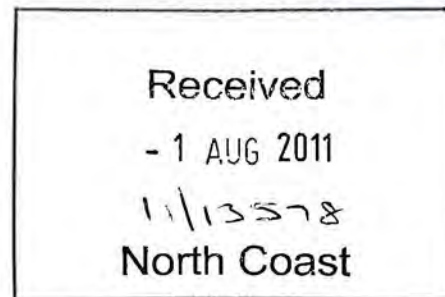
Our ref: 2538670

29 July 2011



PGF001007

Mr S Murray
Regional Manager
NSW Planning & Infrastructure
Locked Bag 9022
GRAFTON NSW 2460



Dear Mr Murray

Planning Proposal – Rezoning of Lot 1, DP579511 and Lot 500, DP776362, Corner of Clarence and Pullen Streets, Woolgoolga – to allow a Supermarket

On 28 July 2011, Council resolved:

1. *That Council endorse, for the purposes of seeking a "Gateway determination" by NSW Planning and Infrastructure, the planning proposal seeking rezoning for business purposes to allow a supermarket at Lot 1 DP579511 and Lot 500 DP776362 Pullen Street, Woolgoolga.*
2. *That Council forward the planning proposal to NSW Planning and Infrastructure, seeking endorsement of a gateway determination.*
3. *That Council inform the proponent of Council's decision.*

Council is now seeking a Gateway Determination by the Department of Planning and Infrastructure.

In support of our request, please find attached:

- Planning Proposal;
- Council Report;
- URBIS' Planning Proposal Report.

For further information please contact Clyde Treadwell, Manager of Land Use Planning on 6648 4650.

Yours faithfully

Chris Chapman
Director of Land Use, Health and Development

CTT:kdll
Attach.

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CELEBRATING THE SESQUICENTENNIAL YEAR

PLANNING PROPOSAL

**REZONING OF LOT 1 DP579511 AND LOT 500 DP776362 CORNER OF
CLARENCE AND PULLEN STREETS, WOOLGOOLGA
TO ALLOW A SUPERMARKET**

29 July 2011

Contact

Clyde Treadwell
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PART 1 - OBJECTIVES OR INTENDED OUTCOMES

To enable the redevelopment of the former Raj Mahal Site at 39-41 Clarence Street, Woolgoolga (Lot 1 DP 579511 and Lot 500 DP 776362) for the development of retail purposes specifically a supermarket, and associated car parking.

This outcome will enable progression toward development approval and construction of a supermarket. This is estimated to generate 120 new jobs, plus jobs through the construction phase and other indirect economic advantages for the local Woolgoolga community.

While the site is currently zoned for commercial purposes, this zoning does not allow for a supermarket. The intended outcome of the planning proposal is to amend the existing planning controls to enable the construction of a supermarket and associated at grade car parking/loading areas (refer Figure 1) at the corner of Pullen Street and the Pacific Highway, Woolgoolga.

The development concept for the site (which will ultimately be the subject of a development application (DA)) comprises:

- A 3,400m² supermarket on a single level;
- At grade car parking;
- Provision of services and loading bays; and
- Vehicular access from Pullen Street.

The objective of the planning proposal is:

- To describe the subject site, the locality in which it is situated, the current zoning and the reason for the need to locate a supermarket on the subject land.
- To request an amendment to the Local Environmental Plan (LEP) to permit retail development.
- To address the 'gateway' assessment criteria under Part 3 of the EP&A Act 1979.
- To provide justifications for the LEP amendment and demonstrate the net community benefits which follow.
- To demonstrate that the planning proposal is consistent with the broad strategic direction for the locality.

PART 2 - EXPLANATION OF PROVISIONS

Proposed Amendments to Coffs Harbour LEP 2000

Development is controlled by Coffs Harbour City LEP 2000.

Currently LEP 2000 identifies the zone on the site as 3D Business Tourist Services Zone.

This zone permits only low scale retailing and tourist service operations.

The location of the subject site and the existing zoning under LEP 2000 is included within Figure 1 below.

Figure 1 – Existing Zoning under LEP 2000



- Note:
- 2A – Residential Low Density
 - 2E - Residential Tourist Zone
 - 3D - Business Tourist Service Centre
 - 5A - Special Uses Community Purposes Zone
 - 6A - Open Space Public Recreation Zone

A site specific amendment is sought to the permissible uses on the subject land, so as to allow retailing for the purposes of a 'shop', as defined under LEP 2000, hence allowing the development of a supermarket.

However, in order to ensure the small-scale retail vibrancy of the nearby Beach Street Precinct is maintained (and following Council's previous direction on this matter), the site-specific amendment includes a minimum tenancy size of 1,000m² Gross Floor Area (GFA).

The following provision is sought to be included within Part 4, Clause 24 of the Coffs Harbour LEP 2000 so as to enact the site specific rezoning:

Development on land known as Lot 500 DP 776362 and Lot 1 DP 579511, being the site on the corner of Pullen Street and the Pacific Highway Woolgoolga, may be undertaken for the purposes of retail development. The minimum tenancy size on the site shall be 1,000m² GFA.

It is anticipated that the provision of smaller tenancy spaces (i.e. less than 1,000m²) in association with a supermarket on the site would adversely impact upon the nearby Beach Street Precinct – thus the need for the minimum tenancy provision. This is reflected in Council's recently adopted Employment Lands Strategy (ELS) (Business Lands Strategy).

PART 3 – JUSTIFICATION

Section A - Need for the planning proposal

1. Is the planning proposal a result of any strategic study or report?

Council's Woolgoolga Business Lands Review, completed in October 2006, identifies significant escape expenditure from Woolgoolga to other centres (Moonee and Park Beach Plaza) for general grocery shopping. It also identified that whilst located outside of the main retail centre of Woolgoolga, the subject site is the best placed to accommodate a new supermarket, especially given the impending construction of the Highway Bypass by 2013. An extract from the Business Lands Review states:

Woolgoolga and the immediate rural surrounds are experiencing considerable growth in population of around two to two and a half per cent every year. Currently households in this area generate around \$130 million retail expenditure and this will grow to around \$200 million (in constant 2006 dollars) by 2021. Currently around \$41 million of this expenditure is supermarket expenditure, which will increase to \$65 million by 2021. This level is sufficient to support at least one medium to large full-line supermarket as well as one or two smaller supermarkets. Because Woolgoolga does not have a full-line supermarket or department store there is a considerable level of expenditure that escapes the area to the higher order centres of Moonee, Park Beach Plaza, Coffs Harbour and Grafton. The inclusion of these facilities would go a long way to improving the capture rate of local expenditure and reducing the number of trips to higher order centres and reducing associate travel costs....

A currently available site is on the corner of Pullen Street and the Pacific Highway.

Advantages with this site include

- An available and suitable sized parcel of land;
- Is in single ownership with an owner that is willing to develop;
- Comprises existing bitumen which may be reusable for car parking;
- Has strong visual exposure on the highway;
- Has potential to provide a convenient centre for shoppers;
- Has been subject to vandalism and neglect; and
- Has generated no economic return to the owner or to local community since it became vacant.

The Coffs Harbour ELS, endorsed May 2010, identifies the following regarding the Woolgoolga Pacific Highway Business Precinct (within which the site is located).

Given the precinct's land availability and arterial access, there is an opportunity to provide space for bulkier land uses that are unable to find sites in the main Woolgoolga East Precinct and serve a broad catchment. ... Though significant retail or commercial expansion is not anticipated in this study, this may be appropriate where detailed local planning investigations and retail simulation modelling demonstrates that expansion would not be to the detriment of the Woolgoolga East precinct and where expansion to accommodate forecast demand at Woolgoolga East is not possible given development encumbrances.

Further to the above, Council's recommendations, relating to particular issues raised as part of considering the ELS, also justifies the amendment to the current planning control. The recommendation of Issues 2 and 5 described within Council's Report of 13 May 2010 is highlighted below.

Issue 2:

Seek to retain the "village character" of Woolgoolga beach side area and allow for a larger (supermarket) development to occur adjacent the current Pacific Highway in the location from Pullen Street to the Woolgoolga Creek bridge.

Issue 5:

Suggestion that the current business zone is too restrictive and that a more appropriate Business zone be used to allow for the expansion of the precinct whilst recognizing some of the existing business uses.

Recommendation:

That as part of the Standard LEP (SLEP) process the land adjacent the current Pacific Highway in the location north of Pullen Street to the Woolgoolga Creek Bridge be zoned to a Business zone permitting retail development.

The proponent prepared a submission to the public exhibition of Council's ELS.

The submission sought to:

- Examine whether there were any financially feasible expansion options associated with the Woolgoolga East Business Precinct (WEBP).
- Identify other development encumbrances and issues associated with the expansion of the WEBP.
- Identify other site opportunities for a supermarket development.

The submission found the key reasons why the development of a supermarket within the Woolgoolga Pacific Highway Precinct (WPHP) would not be to the detriment of the WEBP were:

- Escape expenditure is currently occurring outside the town with the WEBP identified as only offering 'top up shopping' services.
- The supermarket within the WPHP would satisfy unmet demand for supermarket space.
- Analysis shows that there is capacity to develop a supermarket within the WPHP whilst retaining the opportunity to upscale the existing small supermarkets within WEBP.
- It allows the retention of small business tenancy space and the character associated with the WEBP given that approximately one third of the existing business zone within the WEBP would be required to be redeveloped if a full line supermarket was to be located there.
- Employment opportunities would be created which would supplement the current retail employment base in Woolgoolga East – a leading supermarket chain indicates that some 120 new jobs would be generated by a 3,400m² full line supermarket plus those during the construction and development phase. Industry standards show that this number of jobs is realistic.
- It will involve a stand-alone store without any substantial specialty retail space. Accordingly there will be no direct competition with the specialty retail sector within the WEBP.
- It allows Woolgoolga to differentiate its various centres, with the WEBP providing a fine grained and small-scaled coastal village character, whilst the highway precinct provides for bulkier uses servicing a broader catchment.

The findings of the proponent's submission also demonstrated that there were numerous encumbrances which prevented the location of a full line supermarket within the WEBP, including:

- The retail centre is developed with minimal vacant sites remaining.
- Overall the centre is of a modest/finite size.
- Peripheral locations are not zoned to support retail / commercial use, are held in multiple land ownership, or otherwise accommodate alternate and public uses (caravan park, pool, sporting field) that are unlikely to be rezoned.
- There are geographic limitations to expansion with the beach located adjacent immediately to the north.

- Excessive cost to acquire, consolidate and undertake development in a tightly held market – particularly for a supermarket which would potentially require contiguous sites totalling over 9,000m².
- Long term leases over existing premises are in place.
- Potential loss of small user suites traditionally occupied by local businesses in order to consolidate and create larger tenancies (replacement of existing space rather than net addition), and consequent loss of employment base.
- Potential traffic impacts on the local street system and pedestrian environment generated by both shoppers and delivery vehicles.
- The 'big box' format of a supermarket is inconsistent with the beachside character of fine grain retailing of the WEBP.
- There are potential amenity impacts from a supermarket operation on the neighbouring residential dwellings due to land availability constraints.

Ultimately the submission found that given the identified economic need, the acceptable impact on the WEBP, and also the various encumbrances on this Precinct preventing its expansion, an alternate supermarket site should be investigated in the WPHP. The analysis found that the subject site was an ideal location for a supermarket. Furthermore a leading chain, the intended tenant of the site, have confirmed by letter of its support and commitment toward the site.

All of the above demonstrates that the planning proposal is based upon results and analysis of various strategic studies and reports prepared for the Woolgoolga township and can be justified on this basis.

2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

The proponents submission analysed the WEBP and found that there were no sites that are suitable to accommodate a full line supermarket within the existing retail zone or on immediately surrounding land. The following characteristics of the town centre contribute to this difficulty:

- Highly fragmented land ownership;
- Generally small land holdings;
- Long term leases (to 2017) issued for tenants of the larger site; and
- Site turnover is low, demonstrating tightly held parcels.

Site amalgamations within the existing retail zone have also been investigated, and have been demonstrated to be unfeasible financially when replacing retail with retail, and when compared to the acquisition costs of the subject land fronting the Pacific Highway

Other than progressing a planning proposal, thereby amending the existing planning controls, it would appear that there are no other means of achieving a supermarket in Woolgoolga within the short to medium term.

3. Is there a net community benefit?

Retail analysis undertaken for the Woolgoolga Business Lands Review and supported by an independent retail demand study for a retail chain identifies sufficient escape expenditure to accommodate a full-line supermarket at Woolgoolga. The subject site is able to cater to the existing retail demand in the short term as well as meet future demand arising from future residential growth planned for the town in the medium to longer term. This will provide significant community benefits to the Woolgoolga area residents including:

- Provision of a full line supermarket in an accessible location to those both within the town and in rural areas to the north and south, without the need to accommodate additional car parking in the vicinity of the already busy WEBP.
- Remove the requirement to travel long distances to Moonee, Coffs Harbour or Grafton for weekly grocery needs.
- Improve employment opportunities for the local community without the need for employees to travel long distances. These employment opportunities include:
 - approximately 120 full-time and part-time jobs associated with the ongoing operation of the supermarket; and
 - Significant additional job opportunities associated with the construction process.
- Provide an economic use for land which has remained largely vacant and disused for many years.
- Reducing the potential impact on the WEBP through the provision of a supermarket only, with no retail specialty shops.

Overall, the benefits to the community are considered substantial.

Section B - Relationship to strategic planning framework.

4. Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?

The Mid North Coast Regional Strategy (MNCRS) is the applicable regional strategy for the Woolgoolga area. The MNCRS makes the following references to Woolgoolga:

- Woolgoolga is identified as a 'major town' within the Mid North Coast Regional Strategy.
- The MNCRS states that "Centres such as ... Woolgoolga ... are also expected to undergo some growth and redevelopment of their commercial centres reflecting their role as major towns".

The MNCRS outlines that 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.

The Woolgoolga Pacific Highway Business Precinct is largely zoned for Business Tourist purposes and is an essential component of the Woolgoolga Centre. Retailing within this zone, in the context of Woolgoolga (or many other regional towns of this size) could not be considered 'out of centre' retailing.

Furthermore, the ELS (May 2010) seeks to provide retailing within this Precinct. On this basis, the proposed amendment is consistent with the MNCRS and local strategy objectives.

The subject site is also located on an arterial road and is best placed to cater for demand from future residential areas in the north and south, removing the impact of increased traffic on the local streets around the WEBP.

5. Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?

Our Living City – A Settlement Strategy for Coffs Harbour

Coffs Harbour City Council has endorsed the "Our Living City – A Settlement Strategy for Coffs Harbour" as the residential land use component of the Local Growth Management Strategy.

Issues identified within the Strategy which relate to Woolgoolga are as follows:

Council has nominated the South Woolgoolga area for 'special investigation'. Additional studies are to be completed prior to the investigation of these lands to determine whether there is any need to supply additional employment generating (industrial) land uses in these locations.

The strategy identifies 'Special Investigation Areas' and 'Possible Future Urban Investigation' to the north and south of Woolgoolga. The investigation areas around Woolgoolga correspond with those areas within the MNCRS identified for residential and employment land release.

Coffs Harbour 2030 Plan

This is a strategic level document which identifies the specific strategies that Coffs Harbour community have identified that need to be undertaken to move towards achieving a more sustainable society.

There are no precise action items which specifically relate to Woolgoolga or subject site, or retail/commercial development in general.

Employment Lands Strategy

This Strategy was prepared in November 2009 and was endorsed by Council in 2010.

The proponent provided a submission to Council during the exhibition period.

The Council-endorsed ELS provides the following commentary on the WEBP (Beach Street) and the Pacific Highway Business Precinct.

Woolgoolga East Business Precinct – “The precinct should continue to serve the local community and the principal retail centre for Woolgoolga. Under Scenario 3, the precinct has a supply-demand shortfall of around 12,000m². Opportunities to accommodate demand (through an expansion of the zoned B2 area or through an adjustment to development controls) to meet future demand should be explored through detailed local planning studies.

Woolgoolga Pacific Highway Business Precinct – “The local service functions of the retail and industrial components play an important future role and zoning should aim to preserve and enhance these. In addition, given the precinct’s land availability and arterial access, there is an opportunity to provide space for bulkier land uses that are unable to find sites in the main Woolgoolga Business Precinct and serve a broad catchment. Some such uses (e.g. building supplies) might locate in the light industrial zone. Though significant retail or commercial expansion is not anticipated in this study, this may be appropriate where detailed local planning investigations and retail simulation modelling demonstrates that expansion would not be to the detriment of the Woolgoolga East Precinct and where expansion to accommodate forecast demand at Woolgoolga East is not possible given development encumbrances.”

The above clearly provides for the ability of larger buildings (including those involving retail and commercial uses) to locate within the Woolgoolga Pacific Highway Business Precinct. This ability is contingent upon detailed local planning investigations and retail modelling demonstrating that expansion would not be to the detriment of the WEBP and where expansion to accommodate forecasted demand at Woolgoolga East is not permissible given development encumbrances.

In respect to economic impact issues, a separate analysis was undertaken by Council using a consultant which found that there is sufficient escape expenditure from Woolgoolga to accommodate a full line supermarket within the retail catchment.

In respect to the analysis of the WEBP, expansion opportunities and development (and economic) encumbrances were investigated by the proponent in a detailed analysis and submission to the ELS. The conclusions of this report support the location of a supermarket on the subject site.

On this basis, the planning proposal is consistent with the most recent and primary local strategy applying to the site (the ELS) and should be supported, enabling the amendment to the existing LEP.

Council's report, dated 13 May 2010, recommended a change to the zoning of the subject site enabling retail development. Although this change is on the basis of the broader Standard LEP process, the following provides the basis for more immediate change by this planning proposal via amending the existing LEP.

- A tenant for the proposed supermarket (resulting from this planning proposal) has been identified and has committed to the site.
- An immediate retail need has been identified for Woolgoolga. The construction of a supermarket will immediately address escape expenditure and provides economic benefits for the town.
- The completion of the Woolgoolga bypass is now certain and the immediate approval and construction of the supermarket coincides with the bypass completion.
- Notwithstanding the above, traffic analysis demonstrates traffic impacts on nearby intersections along the Pacific Highway (up until the bypass operation) remain acceptable.
- The amendment to the LEP 2000 provide immediate and certain employment growth for Woolgoolga including:
 - Approximately 120 full-time and part time jobs associated with the supermarket's ongoing operation;
 - Additional (and immediate) jobs associated with the construction process; and
 - Additional economic multipliers and benefits for the town and outer-lying community.

6. Is the planning proposal consistent with applicable state environmental planning policies (SEPP)?

SEPP 55 – Remediation of Land

No preliminary site investigations have been undertaken however, given the broad category of land use is not proposed to be changed, it is likely that the site is either suitable for the change in land use, or can otherwise be remediated if required to enable suitability. The relevant studies can be undertaken following the gateway determination if required.

SEPP 71 – Coastal Protection

The subject site is located within the Coastal Zone, and is therefore subject to the provisions of SEPP 71. Clause 7 requires that the matters for Consideration under Clause 8 should be taken into account by a Council when it prepares a draft LEP that applies to land within the Coastal Zone.

The Clause 8 matters for consideration are the following:

Clause 8 Matter for Consideration	Comment
(a) the aims of this Policy set out in clause 2,	See below
(b) existing public access to and along the coastal foreshore for pedestrians or persons with a disability should be retained and, where possible, public access to and along the coastal foreshore for pedestrians or persons with a disability should be improved,	Not applicable
(k) measures to reduce the potential for conflict between land-based and water-based coastal activities,	Not applicable
(l) measures to protect the cultural places, values, customs, beliefs and traditional knowledge of Aboriginals,	Not applicable. No known indigenous heritage values apply to the site
(m) likely impacts of development on the water quality of coastal waterbodies,	Not applicable. Runoff will be accommodated within the existing urban stormwater system.
(n) the conservation and preservation of items of heritage, archaeological or historic significance,	Not applicable. The site is not identified as being of heritage significance under Coffs Harbour LEP 2000
(o) only in cases in which a council prepares a draft local environmental plan that applies to land to which this Policy applies, the means to encourage compact towns and cities,	The site is located on an arterial road, within an established urban area and central to the likely future urban area and catchment. It is intended that the site accommodate a supermarket only, with no associated specialty stores, so as not to adversely impact upon the offer available within the WEBP.
(p) only in cases in which a DA in relation to proposed development is determined: (i) the cumulative impacts of the proposed development on the environment, and (ii) measures to ensure that water and energy usage by the proposed development is efficient.	Having regard to the location of the site in an urbanised area, and also having regard to the likely form of development, environmental impacts can be appropriately managed.

Aims of the SEPP 71 Policy:

Aims of the Policy	Comment
(a) to protect and manage the natural, cultural, recreational and economic attributes of the New South Wales coast, and	There is an identified demand for retail (especially a full-line supermarket) in the catchment. There are no anticipated negative impacts on the natural, cultural or recreational attributes of the coast.
(b) to protect and improve existing public access to and along coastal foreshores to the extent that this is compatible with the natural attributes of the coastal foreshore, and	Not applicable.
(c) to ensure that new opportunities for public access to and along coastal foreshores are identified and realised to the extent that this is compatible with the natural attributes of the coastal foreshore, and	Not applicable.
(d) to protect and preserve Aboriginal cultural heritage, and Aboriginal places, values, customs, beliefs and traditional knowledge, and	Not applicable.
(e) to ensure that the visual amenity of the coast is protected, and	Not applicable.
(f) to protect and preserve beach environments and beach amenity, and	Not applicable.
(g) to protect and preserve native coastal vegetation, and	Not applicable.
(h) to protect and preserve the marine environment of New South Wales, and	Not applicable.
(i) to protect and preserve rock platforms, and	Not applicable.
(j) to manage the coastal zone in accordance with the principles of ecologically sustainable development (within the meaning of section 6 (2) of the <i>Protection of the Environment Administration Act 1991</i>), and	Not applicable.
(k) to ensure that the type, bulk, scale and size of development is appropriate for the location and protects and improves the natural scenic quality of the surrounding area, and	This would be addressed at DA stage. Although having regard to the urbanised area, in which, the site is located; particularly its highway position, and also the distance of the site from the coastline; it is considered that the impacts of any built form outcome is likely to be acceptable in the context of SEPP 71.
(l) to encourage a strategic approach to coastal management.	Not applicable.

SEPP Infrastructure 2007

Consultation is required with authorities as part of the gateway rezoning process. Any future traffic generating development will be referred to the RTA under this SEPP at DA stage.

7. Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?

Direction 1.1 – Business and Industrial Zones

Requirement	Comment	Meets Requirement?
<p>(1) The objectives of this direction are to:</p> <p>(a) encourage employment growth in suitable locations,</p> <p>(b) protect employment land in business and industrial zones, and</p> <p>(c) support the viability of identified strategic centres.</p>	<p>The proposed zoning retains the commercial land use category on this site, yet seeks a site specific amendment to allow retailing on the site.</p> <p>Employment land will not be reduced, and the planning proposal allows for the realisation of significantly increased number of jobs on the subject site, especially for young people who may otherwise seek work elsewhere. In this respect some 120 full time and part time jobs are estimated as part of the supermarket operation in addition to immediate employment associated with the construction process as well as multiplier effects. Woolgoolga is identified as a 'major town' within the Mid North Coast Subregional Strategy.</p> <p>Amending the existing LEP in the manner proposed will enable retail development is consistent with the level and range of services which are expected within such a centre.</p>	Yes
<p>(4) A planning proposal must:</p> <p>(a) give effect to the objectives of this direction,</p> <p>(b) retain the areas and locations of existing business and industrial zones,</p> <p>(c) not reduce the total potential floor space area for employment uses and related public services in business zones,</p> <p>(d) not reduce the total potential floor space area for industrial uses in industrial zones, and</p> <p>(e) ensure that proposed new employment areas are in accordance with a strategy that is approved by the Director- General of the Department of Planning.</p>	<p>The proposal is broadly consistent with the objectives of this direction.</p> <p>The business zoning of the land will be retained, yet the type of commercial uses will be expanded to enable the development for retail purposes.</p> <p>Floorspace for employment will be increased from that existing but will not exceed the maximum 1:1 FSR available on the site.</p> <p>The site is not a new employment area, and retains the same broad commercial land use category.</p>	Yes

Direction 3.4 – Integrating Land Use and Transport

Requirement	Comment	Meets Requirement?
<p>(1) The objective of this direction is to ensure that urban structures, building forms, land use locations, development designs, subdivision and street layouts achieve the following planning objectives:</p> <p>(a) improving access to housing, jobs and services by walking, cycling and public transport, and</p> <p>(b) increasing the choice of available transport and reducing dependence on cars, and</p> <p>(c) reducing travel demand including the number of trips generated by development and the distances travelled, especially by car, and</p> <p>(d) supporting the efficient and viable operation of public transport services, and</p> <p>(e) providing for the efficient movement of freight.</p>	<p>A supermarket in this location will result in a greater number of existing and future residents of Woolgoolga being able to access grocery needs by foot rather than car.</p> <p>Public transport bus services operate along the Pacific Highway from Coffs Harbour and Grafton on a daily basis. This makes the site accessible from the Pacific Highway to towns further north and south, which is not available to the WEBP due to the lack of internal public transport services within the town.</p> <p>Although private transport is likely to be the dominant mode of transport, the site's location is central to the town and its hinterland and is well serviced by main roads.</p> <p>Freight and deliveries to the site will be easily accessible due to the site's proximity to the Pacific Highway.</p>	<p>Yes</p>
<p>(4) A planning proposal must locate zones for urban purposes and include provisions that give effect to and are consistent with the aims, objectives and principles of:</p> <p>(a) improving Transport Choice – Guidelines for planning and development (DUAP 2001), and</p> <p>(b) the Right Place for Business and Services – Planning Policy (DUAP 2001).</p>	<p>The site is an existing commercially zoned land parcel. Its amendment to allow for retailing purposes is appropriate in the context of this direction.</p> <p>The proposal is located in an existing urban commercial zone on the only public transport corridor in Woolgoolga. The land is central to the broader catchment of Woolgoolga and residential areas to the north.</p> <p>The use will be better located in terms of transport than the WEBP.</p>	<p>Yes</p>

Direction 5.1 – Implementation of Regional Strategies

Requirement	Comment	Meets Requirement?
(1) The objective of this direction is to give legal effect to the vision, land use strategy, policies, outcomes and actions contained in regional strategies.	The proposal is consistent with the MNCRS as it assists with providing development to enable Woolgoolga to become a Major Town as identified in the strategy.	Yes
(4) Planning proposals must be consistent with a regional strategy released by the Minister for Planning.	The proposal is consistent with the MNCRS as discussed in Section 4.2 of this Report. Woolgoolga is identified as a Major Town within the strategy, and a supermarket is considered to be a component of such a categorisation. The strategy does not provide specific guidelines as to the location of such a facility.	Yes

Direction 5.4 – Commercial and Retail Development along the Pacific Highway, North Coast

Requirement	Comment	Meets Requirement?
<p>(1) The objectives for managing commercial and retail development along the Pacific Highway are:</p> <p>(a) to protect the Pacific Highway’s function, that is to operate as the North Coast’s primary inter and intra-regional road traffic route;</p> <p>(b) to prevent inappropriate development fronting the highway</p> <p>(c) to protect public expenditure invested in the Pacific Highway,</p> <p>(d) to protect and improve highway safety and highway efficiency,</p> <p>(e) to provide for the food, vehicle service and rest needs of travellers on the highway, and</p> <p>(f) to reinforce the role of retail and commercial development in town centres, where they can best serve the populations of the towns.</p>	<p>A Traffic Impact Assessment prepared in light of the future operation of the site indicates that there will not be any significant impact on the operation of the Pacific Highway prior to the 2013 opening of the Woolgoolga bypass.</p> <p>This Traffic Impact Assessment Report (April 2007) prepared on behalf of the proponent has been submitted to Council.</p> <p>From the opening of the bypass this section of the Pacific Highway, fronting the site, will become a secondary arterial road, carrying local traffic only. As such, Direction 5.4 will no longer apply to the subject land.</p>	Yes

<p>3) This Direction applies when a relevant planning authority prepares a planning proposal for land in the vicinity of the existing and/or proposed alignment of the Pacific Highway.</p>	<p>Noted</p>	<p>Noted</p>
<p>(4) A planning proposal that applies to land located on “within town” segments of the Pacific Highway must provide that:</p> <p>(a) new commercial or retail development must be concentrated within distinct centres rather than spread along the highway,</p> <p>(b) development with frontage to the Pacific Highway must consider impact the development has on the safety and efficiency of the highway.</p> <p>(c) for the purposes of this paragraph, “within town” means areas which, prior to the draft local environmental plan, have an urban zone (eg: “village”, “residential”, “tourist”, “commercial”, “industrial”, etc) and where the Pacific Highway speed limit is less than 80km/hour.</p>	<p>The subject land is located within an existing commercial zone, forming a commercial centre along the Highway. The commercial zone is not proposed to be expanded or extended. This planning proposal involves the addition of retailing (allowing a supermarket) for the site.</p> <p>A Traffic Impact Assessment has been prepared having regard to the likely traffic levels along the Pacific Highway and those generated by a supermarket on the site. The assessment concluded that there will be no significant impact on the operation of intersections with the Pacific Highway as a result of the proposal. There are existing traffic operation concerns which relate to the operation of the roundabout and nearby pedestrian crossing. These may be slightly increased as a result of a supermarket on the site, however are not largely significant enough to warrant any specific upgrades. These matters will be further addressed with any formal DA process.</p>	<p>Yes</p>
<p>(5) A planning proposal that applies to land located on “out-of-town” segments of the Pacific Highway must provide that:</p> <p>(a) new commercial or retail development must not be established near the Pacific Highway if this proximity would be inconsistent with the objectives of this Direction.</p> <p>(b) development with frontage to the Pacific Highway must consider impact the development has on the safety and efficiency of the highway.</p>	<p>Not applicable</p>	<p>Not applicable</p>

<p>(c) for the purposes of this paragraph, “out-of-town” means areas which, prior to the draft local environmental plan, do not have an urban zone (eg: “village”, “residential”, “tourist”, “commercial”, “industrial”, etc) or are in areas where the Pacific Highway speed limit is 80km/hour or greater.</p>		
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Section C - Environmental, social and economic impact

8. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

No. The site is not located on land identified as being of significant ecological or habitat value and is not identified as having likelihood for threatened species etc. The site is already developed and is located within an established urban setting.

9. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

The management and impact on traffic on the local road system is an important issue to consider.

This issue was uncertain in 2006 when the proponent first approached Council regarding this proposal, due to the timing of the Woolgoolga by-pass, and the related alleviation and reduction in potential conflict between local and through traffic at the Pacific Highway and Pullen Street intersection. However, greater certainty is now available in respect to the timing of the by-pass’s construction – being 2013. The proponent recognised the need to address this issue in a manner that involved Council, the DoP and the RTA to progress a planning proposal and subsequent DA.

Accordingly, a Traffic Impact Assessment was undertaken in 2007 and was submitted to Council.

It is important to note the assessment was prepared on the basis of both a supermarket and Discount Department Store (DDS) and therefore its results can be considered an overly conservative estimate of the likely traffic impacts, given the planning proposal now only involves a supermarket (with no DDS). Even accommodating the DDS, the study found that the overall traffic impact on the locality will be minimal.

Modelling of the anticipated traffic generation on the site was based on the methodology outlined in the *RTA Guide to Traffic Generation Developments*. Peak hour traffic generation arising from the development was calculated at 430 vehicles per hour, occurring on Thursday afternoons. In terms of this traffic's effect on the operation of the surrounding road network, this would be an effective 301 vehicles using the Clarence Street/Pacific Highway roundabout to access the site (based on a conservative 70% of all traffic accessing the site).

Overall, the report found that the resultant impact on the operation of the surrounding road network would be minimal as a result of the development of the site. The Level of Service of the surrounding intersections, in a case which does not account for the construction of the bypass, would not be adversely affected by traffic generated by a supermarket (and DDS) on the site.

This Traffic Impact Assessment could be further updated and submitted to Council following the gateway determination, if required. However, the scope and results of the 2007 Traffic Assessment is sufficient to enable Council's consideration and progression of the planning proposal to the P&I.

Other impacts not already considered in this report which may result from the operation of retail uses are:

- Operating hours;
- Litter; and
- Pedestrian movements in the vicinity.

It is considered that these elements can be easily managed through appropriate operational management plans which will be detailed and approved as part of any DA to Council.

It is noted that the site is not listed as being of heritage significance under LEP 2000, nor is the land bushfire prone.

10. How has the planning proposal adequately addressed any social and economic effects?

The planning proposal will help to address the identified demand for retailing services within Woolgoolga, whilst providing improved pricing competition within the catchment. The proposal will improve employment opportunities in the local area and importantly provide immediate employment opportunities.

In respect to economic impact issues, a separate analysis was undertaken by Council which found that there is sufficient escape expenditure from Woolgoolga to accommodate a full line supermarket within the retail catchment.

In respect to social impact issues, the proposal provides the following benefits:

- Provision of a full line supermarket in an accessible location to those both within the town and in rural areas to the north and south, without the need to accommodate additional car parking in the vicinity of the already busy WEBP.
- Remove the requirement to travel long distances to Moonee, Coffs Harbour or Grafton for weekly grocery needs.

- Improve employment opportunities for the local community without the need for employees to travel long distances. These employment opportunities include:
 - Approximately 120 full-time and part-time jobs associated with the ongoing operation of the supermarket; and
 - Significant additional job opportunities associated with the construction process.
- Provide an economic use for land which has largely remained vacant and disused for many years.
- Reducing the potential impact on the WEBP through the provision of a supermarket only, with no retail specialty shops. Placing a 1000m² minimum on the floorspace of any one tenancy will ensure that no small specialty shops are located in conjunction with the supermarket. This will help to minimise any impacts on the existing specialties within the WEBP.

Section D - State and Commonwealth interests.

11. Is there adequate public infrastructure for the planning proposal?

The site is already developed for a commercial purpose and is located within an existing urban development.

The site is currently serviced by water, electricity, gas and telecommunications.

It is anticipated that the supply would be sufficient to accommodate a development resulting from the site-specific amendment.

Specific investigations will be undertaken following gateway determination.

12. What are the views of State and Commonwealth public authorities consulted in accordance with the gateway determination?

Extensive government agency consultation has not yet been undertaken and will be done post gateway determination. Some consultation has taken place with the Roads and Traffic Authority who indicate, that while they don't have objections to the proposal, specific criteria and conditions need to be addressed.

PART 4 – COMMUNITY CONSULTATION

The proposed rezoning could potentially be classified as a 'low impact' planning proposal, and therefore only require 14 days public notification. However given the high level of community interest in this matter for numerous years the public notification timeframe may be set at 28 days.

This will be confirmed during the gateway assessment.

The community consultation will be managed by Council and conducted via the normal statutory process, however the proponent has indicated their willingness to participate pre-consultation as deemed necessary by Council.

PLANNING PROPOSAL – REZONING OF LOT 1 DP579511 AND LOT 500 DP776362 CORNER OF CLARENCE AND PULLEN STREETS, WOOLGOOLGA - TO ALLOW A SUPERMARKET

Purpose:

The purpose of this report is to seek Council's endorsement of the planning proposal to progress a rezoning to NSW Planning and Infrastructure (P&I) to enable the redevelopment of the former Raj Mahal Site at 39-41 Clarence Street, Woolgoolga (Lot 1 DP 579511 and Lot 500 DP 776362) for retail purposes; specifically a supermarket, and associated car parking.

The planning proposal seeks to specifically preclude small retail specialty shops by inclusion in the LEP a minimum tenancy size of 1000m² Gross Floor Area (GFA).

Background:

In July 2009, the NSW Government changed the way that local environmental plans (LEPs) are developed and approved. This system is known as the 'gateway' plan-making process.

The gateway process has the following steps:

- **Planning proposal** - The relevant planning authority is responsible for the endorsement of the planning proposal, which explains the effect of and justification for the plan.
- **Gateway** - The Minister (or delegate) determines whether the planning proposal is to proceed. This gateway acts as a checkpoint to ensure that the proposal is justified before further studies are done and resources are allocated to the preparation of a plan. A community consultation process is also determined at this time. Consultations occur with relevant public authorities and, if necessary, the proposal is varied.
- **Community consultation** - The proposal is publicly exhibited (generally low impact proposals for 14 days, others for 28 days). A person making a submission may also request a public hearing be held.
- **Assessment** - The relevant planning authority considers public submissions and the proposal is varied as necessary. Parliamentary Counsel then prepares a draft LEP — the legal instrument.
- **Decision** - With the Minister's (or delegate's) approval the plan becomes law and is published on the NSW legislation website.

A planning proposal is a document that explains the intended effect of a proposed LEP and sets out the justification for making that plan. It will be used and read by a wide audience including the general community as well as those who are responsible for deciding whether or not the proposal should proceed. As such it must be concise and accessible to its audience. It must also be technically competent - founded on an accurate assessment of the likely impacts of the proposal and supported where necessary by technical studies and investigations.

The preparation of a planning proposal is the first step in preparing a LEP. Throughout the course of preparing the proposed LEP, the planning proposal evolves. This is particularly the case for complex proposals in which the initial gateway determination will confirm the technical studies and consultation required to justify the proposal. As the studies and consultation are undertaken, relevant parts of the planning proposal will be updated, amended and embellished.

The planning proposal is attached to this report (refer Attachment 1).

Previous Council Decisions

The debate over the zoning of this precinct in Woolgoolga has been an ongoing matter since LEP 1988. Council has consulted with the community on this issue numerous times including:

- in 1996 with the preparation of the Woolgoolga Town Centre Study to provide a strategic plan for the town;
- during 1998 and 1999 with the preparation of LEP 2000;
- during the consideration of LEP Amendment 16 in 2002;
- with the establishment of the Woolgoolga Business Lands Working Group to progress the Woolgoolga Business Lands Review in 2002;
- with consideration to the Woolgoolga Business Lands in 2007; and
- with the preparation of the Employment Lands Strategy (ELS) in 2009.

The Woolgoolga Business Lands Review, completed in 2006 and reported to Council on 7 June 2007, identified that whilst the subject site is located outside the main retail centre of Woolgoolga, it is best placed to accommodate a new supermarket. Council's decision on the Woolgoolga Business Lands Review was that

1. *Council note the findings of the Review of Woolgoolga Business Lands, as well as the submissions received as a result of public exhibition of the review.*
2. *Council actively engage the Roads and Traffic Authority and the Department of Planning in relation to the timing of the Woolgoolga bypass and planning for lands adjacent to the current Pacific Highway.*
3. *Make no amendments to the current LEP and consider review of zones as part of the Standard LEP review. This outcome would enable the WBLR to inform changes to all business zones and would meet the future timing of the bypass in accordance with the requirements of the Department of Planning to progress minor amendments to the LEP in a strategic manner.*

Subsequently, Council commissioned the Coffs Harbour Employment Lands (Business Lands) Strategy to be a part of the Local Growth Management Strategy. The Coffs Harbour Employment Lands (Business Lands) Strategy recommended that *"as part of the SLEP process the land adjacent the current Pacific Highway in the location north of Pullen Street to the Woolgoolga Creek Bridge be zoned to a Business zone permitting retail development."*

The ELS process received widespread community input. The Strategy was on public exhibition for three months. Three Community Information Sessions were held, one in each of the following locations: Coffs Harbour, Toormina and Woolgoolga. The exhibition process was well patronised and as a result some 485 submissions were received.

The majority of submissions received focused on the future of the Woolgoolga Business zoned lands, with the higher percentage of these submissions supporting the development of a supermarket on the subject site.

On the 27 May 2010 Council resolved that:

1. *Council adopt the revised Employment Lands Strategy as provided under separate cover to the Councillors, and in accordance with recommendations detailed in the Issues section of this report – by excluding the sections of the Employment Lands Strategy dealing with Industrial zoned lands and maintain adopted position of endorsement of the Industrial Lands Strategy.*

2. *The revised Employment Lands Strategy be progressed to the Department of Planning for information.*
3. *The revised Employment Lands Strategy be used to inform the Standard Local Environmental Plan project.*
4. *Council inform all submission writers of Council's decision.*
5. *Council further investigate enhancing the Woolgoolga Business Lands Strategy and that a collaborative approach of business operator representatives, community members and Councillors be involved and Council investigate the possibility of additional commercial zoned land in the Beach Street 3C business zone.*
6. *Council staff investigate the possible expansion of the Toormina commercial area.*

At the meeting 24 June 2010, Council considered a report (L10/8) seeking Council's endorsement for a variation of Council's adopted Local Growth Management Strategy (Employment Lands Component), to allow for finalisation of zonings of land in draft Coffs Harbour LEP 2010 (now draft LEP 2011).

That report recommended that Council endorse minor variations to components of the Local Growth Management Strategy, which can be reflected in zones in draft LEP 2011, when it is reported to Council. Council considered that this was an administrative requirement to allow the draft LEP to be finalised. Council resolved:

1. *That Council endorse Map 2 of this report and Map 1, Lot 500, DP776362, (approx 6,500m²) 39 Clarence Street, Woolgoolga be zoned B4 and Lot 1, DP579511 (approx 3,900m²) 41 Clarence Street, Woolgoolga, be zoned B6.*
2. *That Council update the Employment Lands Strategy to reflect these changes.*
3. *That the revised Employment Lands Strategy be progressed to the Department of Planning*
4. *That the revised Employment Lands Strategy be used to inform draft Local Environmental Plan 2010.*
5. *That all persons directly affected by the draft Plan be advised of Council's decision by notification in relevant newspapers.*

Description of Item:

The planning proposal is to progress a rezoning to enable the redevelopment of the former Raj Mahal Site at 39-41 Clarence Street, Woolgoolga (Lot 1 DP579511 and Lot 500 DP776362) for retail purposes; specifically a supermarket, and associated car parking.

This outcome will enable progression toward development approval and construction of a supermarket. This is estimated to generate 120 new jobs, plus jobs through the construction phase and other indirect economic advantages for the local Woolgoolga community.

While the site is currently zoned for commercial purposes, this zoning does not allow for a supermarket. The intended outcome of the planning proposal is to amend the existing planning controls to enable the construction of a supermarket and associated at grade car parking/loading areas at the corner of Pullen Street and the Pacific Highway, Woolgoolga.

The development concept for the site (which will ultimately be the subject of a DA) comprises:

- a 3,400m² supermarket on a single level;
- at grade car parking;
- provision of services and loading bays; and

- vehicular access from Pullen Street.

Sustainability Assessment:

Any amendment to the Coffs Harbour LEP has to address environmental, social, civic leadership and economic sustainability criteria.

This planning proposal is seeking to amend zones relating to existing zones in LEP 2000.

- **Environment**

The site is subject to low risk Acid Sulfate Soils classification; and potential flood risk. These environmental matters can be addressed and appropriate mitigation measures implemented to ensure that no adverse environmental impacts are associated with the rezoning and subsequent commercial development.

The planning proposal aims to ensure the City's development is carried out in an environmentally sustainable manner. The site is not located on land identified as being of significant ecological or habitat value.

The site is already developed and is located within an established urban environment. It is therefore unlikely that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal.

- **Social**

The planning proposal seeks to promote equitable access to the provision of social services and facilities for the community. This is achieved by including provisions and objectives which reflect Council's long term strategic vision for the City as endorsed in the Our Living City (OLC) Settlement Strategy, Business Lands Strategy and the Coffs Harbour 2030 Plan.

- **Civic Leadership**

The planning proposal seeks to implement appropriate and relevant actions of the Coffs Harbour 2030 Plan to achieve the following outcomes:

- Council has a strong and diverse local economy underpinned by sustainable business and industry;
- our City is a lively and diverse place where people live, work and play;
- our built environment achieves sustainable living by only best practice urban design and infrastructure development to create attractive buildings;
- Coffs Harbour has urban spaces that are functional, accessible and useable by all the community to enjoy;
- Coffs Harbour has integrated, accessible, eco focused transport system achieved by implementing plans and policies with cycleways, walking tracks and footpaths; and
- Our transport system and road network is well maintained safe and functional.

By implementing these community endorsed actions, as part of this planning proposal, Council can demonstrate a transparent decision making process.

- **Economic**

The continued economic growth and development of the City is an outcome of the planning proposal. The proposal identifies a site to enable the development of a supermarket to service the Woolgoolga and Northern Beaches area.

The planning proposal reinforces the business hierarchy established in the endorsed OLC Settlement Strategy and Business Lands Strategy, leading to enhancement of functional smaller business centres.

Broader Economic Implications

The planning proposal aims to improve the retail services and associated employment opportunities offered to Woolgoolga enabling it to develop as a "major town"; a place to live, shop, work and play.

The planning proposal provides new retail options and opportunities in the Woolgoolga catchment while creating an accessible, functional urban place in both the built environment and public domain.

Delivery Program/Operational Plan Implications

There are no immediate financial implications or impacts on Council by progressing the planning proposal – this process is on a user pays basis – i.e. the administration and processing costs associated with the planning proposal are covered by the proponent/landowner.

Additional fees (as established in Council's fees and charges) will be required to be paid to progress the proposal to the government agencies.

The implementation of a new LEP (to provide choice in retail land supply) is an outcome sought by the Council's Delivery Program. Council's resolution to progress the planning proposal will enable these outcomes to be achieved.

Consultation:

Consultation with a number of State government bodies and stakeholders will be necessary should Council endorse the planning proposal and should P&I endorse the gateway process.

Some of the key stakeholders include the RTA, the Chamber of Commerce and the general public.

The planning proposal will also be forwarded to various State government bodies with a request for their feedback during the exhibition stage.

Related Policy and / or Precedents:

Council is undertaking this process in accordance with the guidelines associated with planning proposals. All statutory requirements will be complied with.

This planning proposal has been commissioned in response to a landowner's request. It accords with the Council's Local Growth Management Strategy in accordance with requirements of the Mid North Coast Regional Strategy.

Statutory Requirements:

- The Department of Planning Standard Instrument (LEPs) Orders (gazetted March 2006, amended September 2006 and July 2008).
- The Mid North Coast Regional Strategy March 2009.
- The North Coast Regional Environmental Plan.
- Various Ministerial Directions.

The statutory processes under the Environmental Planning and Assessment (EP&A) Act 1979 and Regulations must be followed in the preparation of the planning proposal and its exhibition.

Issues:

The following are the key issues Council has identified requiring addressing in the documents the planning proposal:

- (i) Demonstrate how the proposal is compatible with agreed State and Regional Strategic direction for development in the area.

Comment:

The planning proposal document provided to Council demonstrates how the proposal is compatible with the Our Living City Settlement Strategy and the Mid North Coast Regional Strategy; which identifies Woolgoolga as a major Town; providing justification to support the proposed rezoning.

The proposal also accords with the Woolgoolga Business Lands Review which identifies that whilst the site is located outside the main retail centre of Woolgoolga, it is best placed to accommodate a new supermarket.

The Coffs Harbour Employment Lands (Business Lands) Strategy recommended that "as part of the SLEP process the land adjacent the current Pacific Highway in the location north of Pullen Street to the Woolgoolga Creek Bridge be zoned to a Business zone permitting retail development."

The subject land is located some 800 metres from the proposed major transit nodes associated with the existing Highway and proposed Bypass

A major bus interchange is currently located at the corner of Pullen Street and the Pacific Highway – immediately adjacent the site

The planning proposal can be supported based on the justification provided.

- (ii) Demonstrate how the proposal is consistent with State and Regional Policies and Ministerial (Section 117) directions.

Comment:

The planning proposal adequately addresses the Ministerial directions to enable Council to support the document and to seek a "Gateway" decision from P&I.

- (iii) How the proposal addresses Woolgoolga as a Major Town under the Mid North Coast Regional Strategy.

Comment:

The planning proposal document addresses how this retail proposal will assist Woolgoolga become a Major Town as identified in the Mid North Coast Regional Strategy. This matter is adequately addressed to enable Council to support the document and to seek a "Gateway" decision from P&I.

- (iv) Will the proposal facilitate a permanent employment generating activity or result in a loss of employment lands?

Comment:

Retail analysis undertaken for the Woolgoolga Business Lands Review identifies sufficient escape expenditure to accommodate a full-line supermarket at Woolgoolga.

The subject site is able to cater to the existing retail demand in the short term as well as meet future demand arising from future residential growth planned for the town in the medium to longer term. This will provide significant community benefits to the Woolgoolga area residents including:

- Provision of a full line supermarket in an accessible location to those both within the town and in rural areas to the north and south, without the need to accommodate additional car parking in the vicinity of the already busy Woolgoolga East Business Precinct.*
- Remove the requirement to travel long distances to Moonee, Coffs Harbour or Grafton for weekly grocery needs.*
- Improve employment opportunities for the local community without the need for employees to travel long distances. These employment opportunities include approximately 120 full-time and part-time jobs associated with the ongoing operation of the supermarket. There will be significant additional short term job opportunities associated with the construction process.*
- Provide an economic use for a site which has remained largely untenanted, vacant and disused for many years*
- Reducing the potential impact on the Woolgoolga East Business Precinct through the provision of a supermarket only, with no retail specialty shops.*

Overall, the benefits to the community are considered substantial. Based on this Council can support seeking a "Gateway" decision from P&I.

(v) Will the proposal be complementary and compatible with surrounding land uses?

Comment:

The site is located within an existing developed urban area in Woolgoolga. There is the expectation that the character of the locality will remain urban into the future. The future character of the locality may be enhanced with the opening of the Woolgoolga Pacific Highway bypass.

The rezoning to allow retail development is compatible with the adjoining urban land uses. Council can support seeking a "Gateway" decision.

(vi) Is the proposal likely to create a precedent; or create or change the expectations of the landowner or other landholders?

Comment:

The proposal demonstrates that it will not create a precedent or change the landowner expectations, given the sites location in an Urban area. Council can support seeking a "Gateway" decision from P&I.

Implementation Date / Priority:

The timeframe for a planning proposal is established in the EP&A Act. The timeframe is triggered once the matter is forwarded to P&I by Council (i.e. after Council endorsement).

Recommendation:

- 1. That Council endorse, for the purposes of seeking a “Gateway determination” by NSW Planning and Infrastructure, the planning proposal seeking rezoning for business purposes to allow a supermarket at Lot 1 DP579511 and Lot 500 DP776362 Pullen Street, Woolgoolga.**
- 2. That Council forward the planning proposal to NSW Planning and Infrastructure, seeking endorsement of a gateway determination.**
- 3. That Council inform the proponent of Council’s decision.**

PLANNING PROPOSAL

Summary

To enable the redevelopment of the former Raj Mahal Site at 39-41 Clarence Street, Woolgoolga (Lot 1 DP 579511 and Lot 500 DP 776362) for the development of retail purposes specifically a supermarket, and associated car parking.

This outcome will enable progression toward development approval and construction of a supermarket. This is estimated to generate 120 new jobs, plus jobs through the construction phase and other indirect economic advantages for the local Woolgoolga community.

While the site is currently zoned for commercial purposes, this zoning does not allow for a supermarket. The intended outcome of the planning proposal is to amend the existing planning controls to enable the construction of a supermarket and associated at grade car parking/loading areas (refer Figure 1) at the corner of Pullen Street and the Pacific Highway, Woolgoolga.

The development concept for the site (which will ultimately be the subject of a development application (DA)) comprises:

- A 3,400m² supermarket on a single level;
- At grade car parking;
- Provision of services and loading bays; and
- Vehicular access from Pullen Street.

The objective of the planning proposal is:

- To describe the subject site, the locality in which it is situated, the current zoning and the reason for the need to locate a supermarket on the subject land.
- To request an amendment to the Local Environmental Plan (LEP) to permit retail development.
- To address the 'gateway' assessment criteria under Part 3 of the EP&A Act 1979.
- To provide justifications for the LEP amendment and demonstrate the net community benefits which follow.
- To demonstrate that the planning proposal is consistent with the broad strategic direction for the locality.

Part 2 - Explanation of Provisions

Proposed Amendments to Coffs Harbour LEP 2000

Development is controlled by Coffs Harbour City LEP 2000.

Currently LEP 2000 identifies the zone on the site as 3D Business Tourist Services Zone.

This zone permits only low scale retailing and tourist service operations.

The location of the subject site and the existing zoning under LEP 2000 is included within Figure 1 below.

Figure 1 – Existing Zoning under LEP 2000



Note: 2A – Residential Low Density
2E – Residential Tourist Zone
3D – Business Tourist Service Centre
5A – Special Uses Community Purposes Zone
6A – Open Space Public Recreation Zone

A site specific amendment is sought to the permissible uses on the subject land, so as to allow retailing for the purposes of a 'shop', as defined under LEP 2000, hence allowing the development of a supermarket.

However, in order to ensure the small-scale retail vibrancy of the nearby Beach Street Precinct is maintained (and following Council's previous direction on this matter), the site-specific amendment includes a minimum tenancy size of 1,000m² Gross Floor Area (GFA).

The following provision is sought to be included within Part 4, Clause 24 of the Coffs Harbour LEP 2000 so as to enact the site specific rezoning:

Development on land known as Lot 500 DP 776362 and Lot 1 DP 579511, being the site on the corner of Pullen Street and the Pacific Highway Woolgoolga, may be

undertaken for the purposes of retail development. The minimum tenancy size on the site shall be 1,000m² GFA.

It is anticipated that the provision of smaller tenancy spaces (i.e. less than 1,000m²) in association with a supermarket on the site would adversely impact upon the nearby Beach Street Precinct – thus the need for the minimum tenancy provision. This is reflected in Council's recently adopted Employment Lands Strategy (ELS) (Business Lands Strategy).

Part 3 – Justification

Section A - Need for the planning proposal

1. Is the planning proposal a result of any strategic study or report?

Council's Woolgoolga Business Lands Review, completed in October 2006, identifies significant escape expenditure from Woolgoolga to other centres (Moonee and Park Beach Plaza) for general grocery shopping. It also identified that whilst located outside of the main retail centre of Woolgoolga, the subject site is the best placed to accommodate a new supermarket, especially given the impending construction of the Highway Bypass by 2013. An extract from the Business Lands Review states:

Woolgoolga and the immediate rural surrounds are experiencing considerable growth in population of around two to two and a half per cent every year. Currently households in this area generate around \$130 million retail expenditure and this will grow to around \$200 million (in constant 2006 dollars) by 2021. Currently around \$41 million of this expenditure is supermarket expenditure, which will increase to \$65 million by 2021. This level is sufficient to support at least one medium to large full-line supermarket as well as one or two smaller supermarkets. Because Woolgoolga does not have a full-line supermarket or department store there is a considerable level of expenditure that escapes the area to the higher order centres of Moonee, Park Beach Plaza, Coffs Harbour and Grafton. The inclusion of these facilities would go a long way to improving the capture rate of local expenditure and reducing the number of trips to higher order centres and reducing associate travel costs....

A currently available site is on the corner of Pullen Street and the Pacific Highway.

Advantages with this site include

- An available and suitable sized parcel of land;*
- Is in single ownership with an owner that is willing to develop;*
- Comprises existing bitumen which may be reusable for car parking;*
- Has strong visual exposure on the highway;*
- Has potential to provide a convenient centre for shoppers;*
- Has been subject to vandalism and neglect; and*
- Has generated no economic return to the owner or to local community since it became vacant.*

The Coffs Harbour ELS, endorsed May 2010, identifies the following regarding the Woolgoolga Pacific Highway Business Precinct (within which the site is located).

Given the precinct's land availability and arterial access, there is an opportunity to provide space for bulkier land uses that are unable to find sites in the main Woolgoolga East Precinct and serve a broad catchment. ... Though significant retail or commercial expansion is not anticipated in this study, this may be appropriate where detailed local planning investigations and retail simulation modelling demonstrates that expansion would not be to the detriment of the Woolgoolga East precinct and where expansion to

accommodate forecast demand at Woolgoolga East is not possible given development encumbrances.

Further to the above, Council's recommendations, relating to particular issues raised as part of considering the ELS, also justifies the amendment to the current planning control. The recommendation of Issues 2 and 5 described within Council's Report of 13 May 2010 is highlighted below.

Issue 2:

Seek to retain the "village character" of Woolgoolga beach side area and allow for a larger (supermarket) development to occur adjacent the current Pacific Highway in the location from Pullen Street to the Woolgoolga Creek bridge.

Issue 5:

Suggestion that the current business zone is too restrictive and that a more appropriate Business zone be used to allow for the expansion of the precinct whilst recognizing some of the existing business uses.

Recommendation:

That as part of the Standard LEP (SLEP) process the land adjacent the current Pacific Highway in the location north of Pullen Street to the Woolgoolga Creek Bridge be zoned to a Business zone permitting retail development.

The proponent prepared a submission to the public exhibition of Council's ELS.

The submission sought to:

- Examine whether there were any financially feasible expansion options associated with the Woolgoolga East Business Precinct (WEBP).
- Identify other development encumbrances and issues associated with the expansion of the WEBP.
- Identify other site opportunities for a supermarket development.

The submission found the key reasons why the development of a supermarket within the Woolgoolga Pacific Highway Precinct (WPHP) would not be to the detriment of the WEBP were:

- Escape expenditure is currently occurring outside the town with the WEBP identified as only offering 'top up shopping' services.
- The supermarket within the WPHP would satisfy unmet demand for supermarket space.
- Analysis shows that there is capacity to develop a supermarket within the WPHP whilst retaining the opportunity to upscale the existing small supermarkets within WEBP.
- It allows the retention of small business tenancy space and the character associated with the WEBP given that approximately one third of the existing business zone within the WEBP would be required to be redeveloped if a full line supermarket was to be located there.
- Employment opportunities would be created which would supplement the current retail employment base in Woolgoolga East – a leading supermarket chain indicates that some 120 new jobs would be generated by a 3,400m² full line supermarket plus those during the construction and development phase. Industry standards show that this number of jobs is realistic.

- It will involve a stand-alone store without any substantial specialty retail space. Accordingly there will be no direct competition with the specialty retail sector within the WEBP.
- It allows Woolgoolga to differentiate its various centres, with the WEBP providing a fine grained and small-scaled coastal village character, whilst the highway precinct provides for bulkier uses servicing a broader catchment.

The findings of the proponent's submission also demonstrated that there were numerous encumbrances which prevented the location of a full line supermarket within the WEBP, including:

- The retail centre is developed with minimal vacant sites remaining.
- Overall the centre is of a modest/finite size.
- Peripheral locations are not zoned to support retail / commercial use, are held in multiple land ownership, or otherwise accommodate alternate and public uses (caravan park, pool, sporting field) that are unlikely to be rezoned.
- There are geographic limitations to expansion with the beach located adjacent immediately to the north.
- Excessive cost to acquire, consolidate and undertake development in a tightly held market – particularly for a supermarket which would potentially require contiguous sites totalling over 9,000m².
- Long term leases over existing premises are in place.
- Potential loss of small user suites traditionally occupied by local businesses in order to consolidate and create larger tenancies (replacement of existing space rather than net addition), and consequent loss of employment base.
- Potential traffic impacts on the local street system and pedestrian environment generated by both shoppers and delivery vehicles.
- The 'big box' format of a supermarket is inconsistent with the beachside character of fine grain retailing of the WEBP.
- There are potential amenity impacts from a supermarket operation on the neighbouring residential dwellings due to land availability constraints.

Ultimately the submission found that given the identified economic need, the acceptable impact on the WEBP, and also the various encumbrances on this Precinct preventing its expansion, an alternate supermarket site should be investigated in the WPHP. The analysis found that the subject site was an ideal location for a supermarket. Furthermore a leading chain, the intended tenant of the site, have confirmed by letter of its support and commitment toward the site.

All of the above demonstrates that the planning proposal is based upon results and analysis of various strategic studies and reports prepared for the Woolgoolga township and can be justified on this basis.

2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

The proponents submission analysed the WEBP and found that there were no sites that are suitable to accommodate a full line supermarket within the existing retail zone or on immediately surrounding land. The following characteristics of the town centre contribute to this difficulty:

- Highly fragmented land ownership;
- Generally small land holdings;

- Long term leases (to 2017) issued for tenants of the larger site; and
- Site turnover is low, demonstrating tightly held parcels.

Site amalgamations within the existing retail zone have also been investigated, and have been demonstrated to be unfeasible financially when replacing retail with retail, and when compared to the acquisition costs of the subject land fronting the Pacific Highway

Other than progressing a planning proposal, thereby amending the existing planning controls, it would appear that there are no other means of achieving a supermarket in Woolgoolga within the short to medium term.

3. Is there a net community benefit?

Retail analysis undertaken for the Woolgoolga Business Lands Review and supported by an independent retail demand study for a retail chain identifies sufficient escape expenditure to accommodate a full-line supermarket at Woolgoolga. The subject site is able to cater to the existing retail demand in the short term as well as meet future demand arising from future residential growth planned for the town in the medium to longer term. This will provide significant community benefits to the Woolgoolga area residents including:

- Provision of a full line supermarket in an accessible location to those both within the town and in rural areas to the north and south, without the need to accommodate additional car parking in the vicinity of the already busy WEBP.
- Remove the requirement to travel long distances to Moonee, Coffs Harbour or Grafton for weekly grocery needs.
- Improve employment opportunities for the local community without the need for employees to travel long distances. These employment opportunities include:
 - approximately 120 full-time and part-time jobs associated with the ongoing operation of the supermarket; and
 - Significant additional job opportunities associated with the construction process.
- Provide an economic use for land which has remained largely vacant and disused for many years.
- Reducing the potential impact on the WEBP through the provision of a supermarket only, with no retail specialty shops.

Overall, the benefits to the community are considered substantial.

Section B - Relationship to strategic planning framework.

4. Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?

The Mid North Coast Regional Strategy (MNCRS) is the applicable regional strategy for the Woolgoolga area. The MNCRS makes the following references to Woolgoolga:

- Woolgoolga is identified as a 'major town' within the Mid North Coast Regional Strategy.
- The MNCRS states that "*Centres such as ... Woolgoolga ... are also expected to undergo some growth and redevelopment of their commercial centres reflecting their role as major towns*".

The MNCRS outlines that 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.

The Woolgoolga Pacific Highway Business Precinct is largely zoned for Business Tourist purposes and is an essential component of the Woolgoolga Centre. Retailing within this zone, in the context of Woolgoolga (or many other regional towns of this size) could not be considered 'out of centre' retailing.

Furthermore, the ELS (May 2010) seeks to provide retailing within this Precinct. On this basis, the proposed amendment is consistent with the MNCRS and local strategy objectives.

The subject site is also located on an arterial road and is best placed to cater for demand from future residential areas in the north and south, removing the impact of increased traffic on the local streets around the WEBP.

5. Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?

Our Living City – A Settlement Strategy for Coffs Harbour

Coffs Harbour City Council has endorsed the "Our Living City – A Settlement Strategy for Coffs Harbour" as the residential land use component of the Local Growth Management Strategy.

Issues identified within the Strategy which relate to Woolgoolga are as follows:

Council has nominated the South Woolgoolga area for 'special investigation'. Additional studies are to be completed prior to the investigation of these lands to determine whether there is any need to supply additional employment generating (industrial) land uses in these locations.

The strategy identifies 'Special Investigation Areas' and 'Possible Future Urban Investigation' to the north and south of Woolgoolga. The investigation areas around Woolgoolga correspond with those areas within the MNCRS identified for residential and employment land release.

Coffs Harbour 2030 Plan

This is a strategic level document which identifies the specific strategies that Coffs Harbour community have identified that need to be undertaken to move towards achieving a more sustainable society.

There are no precise action items which specifically relate to Woolgoolga or subject site, or retail/commercial development in general.

Employment Lands Strategy

This Strategy was prepared in November 2009 and was endorsed by Council in 2010.

The proponent provided a submission to Council during the exhibition period.

The Council-endorsed ELS provides the following commentary on the WEBP (Beach Street) and the Pacific Highway Business Precinct.

Woolgoolga East Business Precinct – *"The precinct should continue to serve the local community and the principal retail centre for Woolgoolga. Under Scenario 3, the precinct has a supply-demand shortfall of around 12,000m². Opportunities to accommodate demand (through an expansion of the zoned B2 area or through an adjustment to development controls) to meet future demand should be explored through detailed local planning studies.*

Woolgoolga Pacific Highway Business Precinct – *“The local service functions of the retail and industrial components play an important future role and zoning should aim to preserve and enhance these. In addition, given the precinct’s land availability and arterial access, there is an opportunity to provide space for bulkier land uses that are unable to find sites in the main Woolgoolga Business Precinct and serve a broad catchment. Some such uses (e.g. building supplies) might locate in the light industrial zone. Though significant retail or commercial expansion is not anticipated in this study, this may be appropriate where detailed local planning investigations and retail simulation modelling demonstrates that expansion would not be to the detriment of the Woolgoolga East Precinct and where expansion to accommodate forecast demand at Woolgoolga East is not possible given development encumbrances.”*

The above clearly provides for the ability of larger buildings (including those involving retail and commercial uses) to locate within the Woolgoolga Pacific Highway Business Precinct. This ability is contingent upon detailed local planning investigations and retail modelling demonstrating that expansion would not be to the detriment of the WEBP and where expansion to accommodate forecasted demand at Woolgoolga East is not permissible given development encumbrances.

In respect to economic impact issues, a separate analysis was undertaken by Council using a consultant which found that there is sufficient escape expenditure from Woolgoolga to accommodate a full line supermarket within the retail catchment.

In respect to the analysis of the WEBP, expansion opportunities and development (and economic) encumbrances were investigated by the proponent in a detailed analysis and submission to the ELS. The conclusions of this report support the location of a supermarket on the subject site.

On this basis, the planning proposal is consistent with the most recent and primary local strategy applying to the site (the ELS) and should be supported, enabling the amendment to the existing LEP.

Council’s report, dated 13 May 2010, recommended a change to the zoning of the subject site enabling retail development. Although this change is on the basis of the broader Standard LEP process, the following provides the basis for more immediate change by this planning proposal via amending the existing LEP.

- A tenant for the proposed supermarket (resulting from this planning proposal) has been identified and has committed to the site.
- An immediate retail need has been identified for Woolgoolga. The construction of a supermarket will immediately address escape expenditure and provides economic benefits for the town.
- The completion of the Woolgoolga bypass is now certain and the immediate approval and construction of the supermarket coincides with the bypass completion.
- Notwithstanding the above, traffic analysis demonstrates traffic impacts on nearby intersections along the Pacific Highway (up until the bypass operation) remain acceptable.
- The amendment to the LEP 2000 provide immediate and certain employment growth for Woolgoolga including:
 - Approximately 120 full-time and part time jobs associated with the supermarket’s ongoing operation;
 - Additional (and immediate) jobs associated with the construction process; and
 - Additional economic multipliers and benefits for the town and outer-lying community.

6. Is the planning proposal consistent with applicable state environmental planning policies (SEPP)?

SEPP 55 – Remediation of Land

No preliminary site investigations have been undertaken however, given the broad category of land use is not proposed to be changed, it is likely that the site is either suitable for the change in land use, or can otherwise be remediated if required to enable suitability. The relevant studies can be undertaken following the gateway determination if required.

SEPP 71 – Coastal Protection

The subject site is located within the Coastal Zone, and is therefore subject to the provisions of SEPP 71. Clause 7 requires that the matters for Consideration under Clause 8 should be taken into account by a Council when it prepares a draft LEP that applies to land within the Coastal Zone.

The Clause 8 matters for consideration are the following:

Clause 8 Matter for Consideration	Comment
(a) the aims of this Policy set out in clause 2,	See below
(b) existing public access to and along the coastal foreshore for pedestrians or persons with a disability should be retained and, where possible, public access to and along the coastal foreshore for pedestrians or persons with a disability should be improved,	Not applicable
(k) measures to reduce the potential for conflict between land-based and water-based coastal activities,	Not applicable
(l) measures to protect the cultural places, values, customs, beliefs and traditional knowledge of Aboriginals,	Not applicable. No known indigenous heritage values apply to the site
(m) likely impacts of development on the water quality of coastal waterbodies,	Not applicable. Runoff will be accommodated within the existing urban stormwater system.
(n) the conservation and preservation of items of heritage, archaeological or historic significance,	Not applicable. The site is not identified as being of heritage significance under Coffs Harbour LEP 2000
(o) only in cases in which a council prepares a draft local environmental plan that applies to land to which this Policy applies, the means to encourage compact towns and cities,	The site is located on an arterial road, within an established urban area and central to the likely future urban area and catchment. It is intended that the site accommodate a supermarket only, with no associated specialty stores, so as not to adversely impact upon the offer available within the WEBP.
(p) only in cases in which a DA in relation to proposed development is determined: (i) the cumulative impacts of the proposed development on the environment, and (ii) measures to ensure that water and energy usage by the proposed development is efficient.	Having regard to the location of the site in an urbanised area, and also having regard to the likely form of development, environmental impacts can be appropriately managed.

Aims of the SEPP 71 Policy:

Aims of the Policy	Comment
(a) to protect and manage the natural, cultural, recreational and economic attributes of the New South Wales coast, and	There is an identified demand for retail (especially a full-line supermarket) in the catchment. There are no anticipated negative impacts on the natural, cultural or

	recreational attributes of the coast.
(b) to protect and improve existing public access to and along coastal foreshores to the extent that this is compatible with the natural attributes of the coastal foreshore, and	Not applicable.
(c) to ensure that new opportunities for public access to and along coastal foreshores are identified and realised to the extent that this is compatible with the natural attributes of the coastal foreshore, and	Not applicable.
(d) to protect and preserve Aboriginal cultural heritage, and Aboriginal places, values, customs, beliefs and traditional knowledge, and	Not applicable.
(e) to ensure that the visual amenity of the coast is protected, and	Not applicable.
(f) to protect and preserve beach environments and beach amenity, and	Not applicable.
(g) to protect and preserve native coastal vegetation, and	Not applicable.
(h) to protect and preserve the marine environment of New South Wales, and	Not applicable.
(i) to protect and preserve rock platforms, and	Not applicable.
(j) to manage the coastal zone in accordance with the principles of ecologically sustainable development (within the meaning of section 6 (2) of the <i>Protection of the Environment Administration Act 1991</i>), and	Not applicable.
(k) to ensure that the type, bulk, scale and size of development is appropriate for the location and protects and improves the natural scenic quality of the surrounding area, and	This would be addressed at DA stage. Although having regard to the urbanised area, in which, the site is located; particularly its highway position, and also the distance of the site from the coastline; it is considered that the impacts of any built form outcome is likely to be acceptable in the context of SEPP 71.
(l) to encourage a strategic approach to coastal management.	Not applicable.

SEPP Infrastructure 2007

Consultation is required with authorities as part of the gateway rezoning process. Any future traffic generating development will be referred to the RTA under this SEPP at DA stage.

7. Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?

Direction 1.1 – Business and Industrial Zones

Requirement	Comment	Meets Requirement?
(1) The objectives of this direction are to: (a) encourage employment growth in suitable locations, (b) protect employment land in business and industrial zones, and (c) support the viability of identified strategic centres.	The proposed zoning retains the commercial land use category on this site, yet seeks a site specific amendment to allow retailing on the site. Employment land will not be reduced, and the planning proposal allows for the realisation of significantly increased number of jobs on the subject site, especially for young people who may otherwise seek work elsewhere. In this respect some 120 full time and part time jobs	Yes

	<p>are estimated as part of the supermarket operation in addition to immediate employment associated with the construction process as well as multiplier effects. Woolgoolga is identified as a 'major town' within the Mid North Coast Subregional Strategy.</p> <p>Amending the existing LEP in the manner proposed will enable retail development is consistent with the level and range of services which are expected within such a centre.</p>	
<p>(4) A planning proposal must:</p> <p>(a) give effect to the objectives of this direction,</p> <p>(b) retain the areas and locations of existing business and industrial zones,</p> <p>(c) not reduce the total potential floor space area for employment uses and related public services in business zones,</p> <p>(d) not reduce the total potential floor space area for industrial uses in industrial zones, and</p> <p>(e) ensure that proposed new employment areas are in accordance with a strategy that is approved by the Director- General of the Department of Planning.</p>	<p>The proposal is broadly consistent with the objectives of this direction.</p> <p>The business zoning of the land will be retained, yet the type of commercial uses will be expanded to enable the development for retail purposes.</p> <p>Floorspace for employment will be increased from that existing but will not exceed the maximum 1:1 FSR available on the site.</p> <p>The site is not a new employment area, and retains the same broad commercial land use category.</p>	Yes

Direction 3.4 – Integrating Land Use and Transport

Requirement	Comment	Meets Requirement?
<p>(1) The objective of this direction is to ensure that urban structures, building forms, land use locations, development designs, subdivision and street layouts achieve the following planning objectives:</p> <p>(a) improving access to housing, jobs and services by walking, cycling and public transport, and</p> <p>(b) increasing the choice of available transport and reducing dependence on cars, and</p> <p>(c) reducing travel demand including the number of trips generated by development and the distances travelled, especially by car, and</p> <p>(d) supporting the efficient and viable operation of public transport services, and</p> <p>(e) providing for the efficient movement of freight.</p>	<p>A supermarket in this location will result in a greater number of existing and future residents of Woolgoolga being able to access grocery needs by foot rather than car.</p> <p>Public transport bus services operate along the Pacific Highway from Coffs Harbour and Grafton on a daily basis. This makes the site accessible from the Pacific Highway to towns further north and south, which is not available to the WEBP due to the lack of internal public transport services within the town.</p> <p>Although private transport is likely to be the dominant mode of transport, the site's location is central to the town and its hinterland and is well serviced by main roads.</p> <p>Freight and deliveries to the site will be easily accessible due to the site's proximity to the Pacific Highway.</p>	Yes

<p>(4) A planning proposal must locate zones for urban purposes and include provisions that give effect to and are consistent with the aims, objectives and principles of:</p> <p>(a) improving Transport Choice – Guidelines for planning and development (DUAP 2001), and</p> <p>(b) the Right Place for Business and Services – Planning Policy (DUAP 2001).</p>	<p>The site is an existing commercially zoned land parcel. Its amendment to allow for retailing purposes is appropriate in the context of this direction.</p> <p>The proposal is located in an existing urban commercial zone on the only public transport corridor in Woolgoolga. The land is central to the broader catchment of Woolgoolga and residential areas to the north.</p> <p>The use will be better located in terms of transport than the WEBP.</p>	<p>Yes</p>
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Direction 5.1 – Implementation of Regional Strategies

Requirement	Comment	Meets Requirement?
(1) The objective of this direction is to give legal effect to the vision, land use strategy, policies, outcomes and actions contained in regional strategies.	The proposal is consistent with the MNCRS as it assists with providing development to enable Woolgoolga to become a Major Town as identified in the strategy.	Yes
(4) Planning proposals must be consistent with a regional strategy released by the Minister for Planning.	The proposal is consistent with the MNCRS as discussed in Section 4.2 of this Report. Woolgoolga is identified as a Major Town within the strategy, and a supermarket is considered to be a component of such a categorisation. The strategy does not provide specific guidelines as to the location of such a facility.	Yes

Direction 5.4 – Commercial and Retail Development along the Pacific Highway, North Coast

Requirement	Comment	Meets Requirement?
<p>(1) The objectives for managing commercial and retail development along the Pacific Highway are:</p> <p>(a) to protect the Pacific Highway's function, that is to operate as the North Coast's primary inter and intra-regional road traffic route;</p> <p>(b) to prevent inappropriate development fronting the highway</p> <p>(c) to protect public expenditure invested in the Pacific Highway,</p> <p>(d) to protect and improve highway safety and highway efficiency,</p> <p>(e) to provide for the food, vehicle service and rest needs of travellers on the highway, and</p> <p>(f) to reinforce the role of retail</p>	<p>A Traffic Impact Assessment prepared in light of the future operation of the site indicates that there will not be any significant impact on the operation of the Pacific Highway prior to the 2013 opening of the Woolgoolga bypass.</p> <p>This Traffic Impact Assessment Report (April 2007) prepared on behalf of the proponent has been submitted to Council.</p> <p>From the opening of the bypass this section of the Pacific Highway, fronting the site, will become a secondary arterial road, carrying local traffic only. As such, Direction 5.4 will no longer apply to the subject land.</p>	<p>Yes</p>

<p>and commercial development in town centres, where they can best serve the populations of the towns.</p>		
<p>3) This Direction applies when a relevant planning authority prepares a planning proposal for land in the vicinity of the existing and/or proposed alignment of the Pacific Highway.</p>	<p>Noted</p>	<p>Noted</p>
<p>(4) A planning proposal that applies to land located on "within town" segments of the Pacific Highway must provide that:</p> <p>(a) new commercial or retail development must be concentrated within distinct centres rather than spread along the highway,</p> <p>(b) development with frontage to the Pacific Highway must consider impact the development has on the safety and efficiency of the highway.</p> <p>(c) for the purposes of this paragraph, "within town" means areas which, prior to the draft local environmental plan, have an urban zone (eg: "village", "residential", "tourist", "commercial", "industrial", etc) and where the Pacific Highway speed limit is less than 80km/hour.</p>	<p>The subject land is located within an existing commercial zone, forming a commercial centre along the Highway. The commercial zone is not proposed to be expanded or extended. This planning proposal involves the addition of retailing (allowing a supermarket) for the site.</p> <p>A Traffic Impact Assessment has been prepared having regard to the likely traffic levels along the Pacific Highway and those generated by a supermarket on the site. The assessment concluded that there will be no significant impact on the operation of intersections with the Pacific Highway as a result of the proposal. There are existing traffic operation concerns which relate to the operation of the roundabout and nearby pedestrian crossing. These may be slightly increased as a result of a supermarket on the site, however are not largely significant enough to warrant any specific upgrades. These matters will be further addressed with any formal DA process.</p>	<p>Yes</p>
<p>(5) A planning proposal that applies to land located on "out-of-town" segments of the Pacific Highway must provide that:</p> <p>(a) new commercial or retail development must not be established near the Pacific Highway if this proximity would be inconsistent with the objectives of this Direction.</p> <p>(b) development with frontage to the Pacific Highway must consider impact the development has on the safety and efficiency of the highway.</p> <p>(c) for the purposes of this paragraph, "out-of-town" means areas which, prior to the draft local environmental plan, do not have an urban zone (eg: "village", "residential", "tourist",</p>	<p>Not applicable</p>	<p>Not applicable</p>

"commercial", "industrial", etc) or are in areas where the Pacific Highway speed limit is 80km/hour or greater.		
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Section C - Environmental, social and economic impact

8. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

No. The site is not located on land identified as being of significant ecological or habitat value and is not identified as having likelihood for threatened species etc. The site is already developed and is located within an established urban setting.

9. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

The management and impact on traffic on the local road system is an important issue to consider.

This issue was uncertain in 2006 when the proponent first approached Council regarding this proposal, due to the timing of the Woolgoolga by-pass, and the related alleviation and reduction in potential conflict between local and through traffic at the Pacific Highway and Pullen Street intersection. However, greater certainty is now available in respect to the timing of the by-pass's construction – being 2013. The proponent recognised the need to address this issue in a manner that involved Council, the DoP and the RTA to progress a planning proposal and subsequent DA.

Accordingly, a Traffic Impact Assessment was undertaken in 2007 and was submitted to Council.

It is important to note the assessment was prepared on the basis of both a supermarket and Discount Department Store (DDS) and therefore its results can be considered an overly conservative estimate of the likely traffic impacts, given the planning proposal now only involves a supermarket (with no DDS). Even accommodating the DDS, the study found that the overall traffic impact on the locality will be minimal.

Modelling of the anticipated traffic generation on the site was based on the methodology outlined in the *RTA Guide to Traffic Generation Developments*. Peak hour traffic generation arising from the development was calculated at 430 vehicles per hour, occurring on Thursday afternoons. In terms of this traffic's effect on the operation of the surrounding road network, this would be an effective 301 vehicles using the Clarence Street/Pacific Highway roundabout to access the site (based on a conservative 70% of all traffic accessing the site).

Overall, the report found that the resultant impact on the operation of the surrounding road network would be minimal as a result of the development of the site. The Level of Service of the surrounding intersections, in a case which does not account for the construction of the bypass, would not be adversely affected by traffic generated by a supermarket (and DDS) on the site.

This Traffic Impact Assessment could be further updated and submitted to Council following the gateway determination, if required. However, the scope and results of the 2007 Traffic Assessment is sufficient to enable Council's consideration and progression of the planning proposal to the P&I.

Other impacts not already considered in this report which may result from the operation of retail uses are:

- Operating hours;
- Litter; and
- Pedestrian movements in the vicinity.

It is considered that these elements can be easily managed through appropriate operational management plans which will be detailed and approved as part of any DA to Council.

It is noted that the site is not listed as being of heritage significance under LEP 2000, nor is the land bushfire prone.

10. How has the planning proposal adequately addressed any social and economic effects?

The planning proposal will help to address the identified demand for retailing services within Woolgoolga, whilst providing improved pricing competition within the catchment. The proposal will improve employment opportunities in the local area and importantly provide immediate employment opportunities.

In respect to economic impact issues, a separate analysis was undertaken by Council which found that there is sufficient escape expenditure from Woolgoolga to accommodate a full line supermarket within the retail catchment.

In respect to social impact issues, the proposal provides the following benefits:

- Provision of a full line supermarket in an accessible location to those both within the town and in rural areas to the north and south, without the need to accommodate additional car parking in the vicinity of the already busy WEBP.
- Remove the requirement to travel long distances to Moonee, Coffs Harbour or Grafton for weekly grocery needs.
- Improve employment opportunities for the local community without the need for employees to travel long distances. These employment opportunities include:
 - Approximately 120 full-time and part-time jobs associated with the ongoing operation of the supermarket; and
 - Significant additional job opportunities associated with the construction process.
- Provide an economic use for land which has largely remained vacant and disused for many years.
- Reducing the potential impact on the WEBP through the provision of a supermarket only, with no retail specialty shops. Placing a 1000m² minimum on the floorspace of any one tenancy will ensure that no small specialty shops are located in conjunction with the supermarket. This will help to minimise any impacts on the existing specialties within the WEBP.

Section D - State and Commonwealth interests.

11. Is there adequate public infrastructure for the planning proposal?

The site is already developed for a commercial purpose and is located within an existing urban development.

The site is currently serviced by water, electricity, gas and telecommunications.

It is anticipated that the supply would be sufficient to accommodate a development resulting from the site-specific amendment.

Specific investigations will be undertaken following gateway determination.

12. What are the views of State and Commonwealth public authorities consulted in accordance with the gateway determination?

Extensive government agency consultation has not yet been undertaken and will be done post gateway determination. Some consultation has taken place with the Roads and Traffic Authority who indicate, that while they don't have objections to the proposal, specific criteria and conditions need to be addressed.

Part 4 – Community Consultation

The proposed rezoning could potentially be classified as a 'low impact' planning proposal, and therefore only require 14 days public notification. However given the high level of community interest in this matter for numerous years the public notification timeframe may be set at 28 days.

This will be confirmed during the gateway assessment.

The community consultation will be managed by Council and conducted via the normal statutory process, however the proponent has indicated their willingness to participate pre-consultation as deemed necessary by Council.



25th June 2010

The General Manager
Coffs Harbour City Council
Locked bag 155
Coffs Harbour NSW 2450

Index:	C.H.C.C.
INT REF No.	
29 JUN 2010	
OFFICE/BLD	
DTWKS No	

Dear Sir,

RE: Proposed Rezoning for Lot 1 DP 579511 & Lot 500 DP 776362 Off Pullen Street, Woolgoolga – Planning Proposal Report

I refer to the above mentioned site, which includes the former "Raj Mahal" and adjoining café property which Buildev control and seek to develop for a supermarket, employing approximately 120 people.

Woolgoolga and the subject site have been reviewed numerous times by Council over many years as to future land use changes, and most recently Council has identified the subject land within the Coffs Harbour Employment Lands Strategy (ELS) as a potential supermarket site.

Our submission to the ELS and now the attached Planning Proposal Report clearly concludes that there is no other suitable sites in Woolgoolga for a new supermarket.

The Planning Proposal Report attached with this covering letter outlines the planning matters that require assessment and consideration by Council in order to progress to a Draft Local Environmental Plan.

Buildev request that the subject sites be considered for rezoning to an appropriate business zone to allow for a supermarket under the Department of Planning's "gateway" determination process, together with any notification to government agencies and public exhibition.

As you may appreciate, the current cadastral boundaries do not ideally match likely building and site designs for a supermarket. The design of a new supermarket that respects car parking, building setbacks, landscaping, loading docks, acoustic impacts and visual appearance is being developed with our architects to help inform the relevant zoning map.

Buildev look forward to delivering a development that will provide a positive economic and employment contribution to Woolgoolga and the surrounding area. Please find attached a cheque for \$4500, being Council's rezoning fees for this lodgement stage.

Please feel free to contact me anytime to clarify or expand upon the above.

Yours sincerely

Darren Williams


Development Manager
Buildev Development (NSW) Pty Ltd

SCANNED

REC. No. 625468
DATE 28/6/10
AMT. 4,500 -

Buildev Development (NSW) Pty Ltd
ABN 31 115 089 122

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Planning Proposal Report

'Raj Mahal' site, (39-41 Clarence Street) Pacific
Highway, Woolgoolga

June 2010



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1 Introduction

1.1 Objectives and Intended Outcomes

This report constitutes a "Planning Proposal" accompanying an application to amend the provisions of the Coffs Harbour LEP 2000 (CHLEP) ultimately allowing the development of the subject site for retail purposes (specifically a supermarket).

This outcome will enabling immediate progression toward development approval and construction, in turn facilitating 120 new jobs, plus jobs through the construction phase and other indirect economic advantages for the local Woolgoolga community.

The Planning Proposal is submitted to Coffs Harbour Council for assessment and determination under Part 3 of the Environmental Planning and Assessment Act 1979. It has been prepared having regard to the following Department of Planning Guidelines

- A guide to preparing local environmental plans, and
- A guide to preparing planning proposals.

The site is currently zoned for commercial purposes, but does not allow for a supermarket. The intended outcome of the planning proposal is to amend the existing planning controls to enable the construction of a supermarket and associated at grade car parking/loading areas (Refer Figure 1) at the corner of Pullen Street and the Pacific Highway, Woolgoolga. The development concept for the site (which will ultimately be the subject of a development application) comprises:

- A 3,400 m² supermarket on a single level
- At grade car parking
- Provision of services and loading bays
- Vehicular access from Pullen Street.

The objective of this planning proposal report is:

- To describe the subject site, the locality in which it is situated, the current zoning and the reason for the need to locate a supermarket on the subject land.
- To request an amendment to the LEP to permit retail development
- To address the 'gateway assessment criteria under Part 3 of the Environmental Planning and Assessment Act 1979.
- To provide justifications for the LEP amendment and demonstrate the net community benefits which follow.
- To demonstrate that the Planning Proposal is consistent with the broad strategic direction for the locality.

2 Subject Site

2.1 Regional and Local Context

The site is located within Woolgoolga, a coastal town approximately 24km north of Coffs Harbour and 60km south of Grafton, on the mid North Coast of NSW. Woolgoolga is one of the larger townships within the Coffs Harbour LGA and has an urban area population of approximately 4300 (2006 census).

The property is bounded by the Pacific Highway to the east, Pullen Street to the south, Moore Street to the west and commercially zoned land to the north.

The site is located within an existing commercial (tourist) zone, which fronts both sides of the Pacific Highway approximately between Pullen Street in the south and Woolgoolga Creek in the north. This business precinct is herein referred to as the Woolgoolga Business Precinct. Land to the west of the site is zoned low density residential. Further west of the existing developed land is residentially zoned land that is as yet undeveloped. Council's West Woolgoolga DCP specifies the manner in which it may be developed for low density residential dwellings.

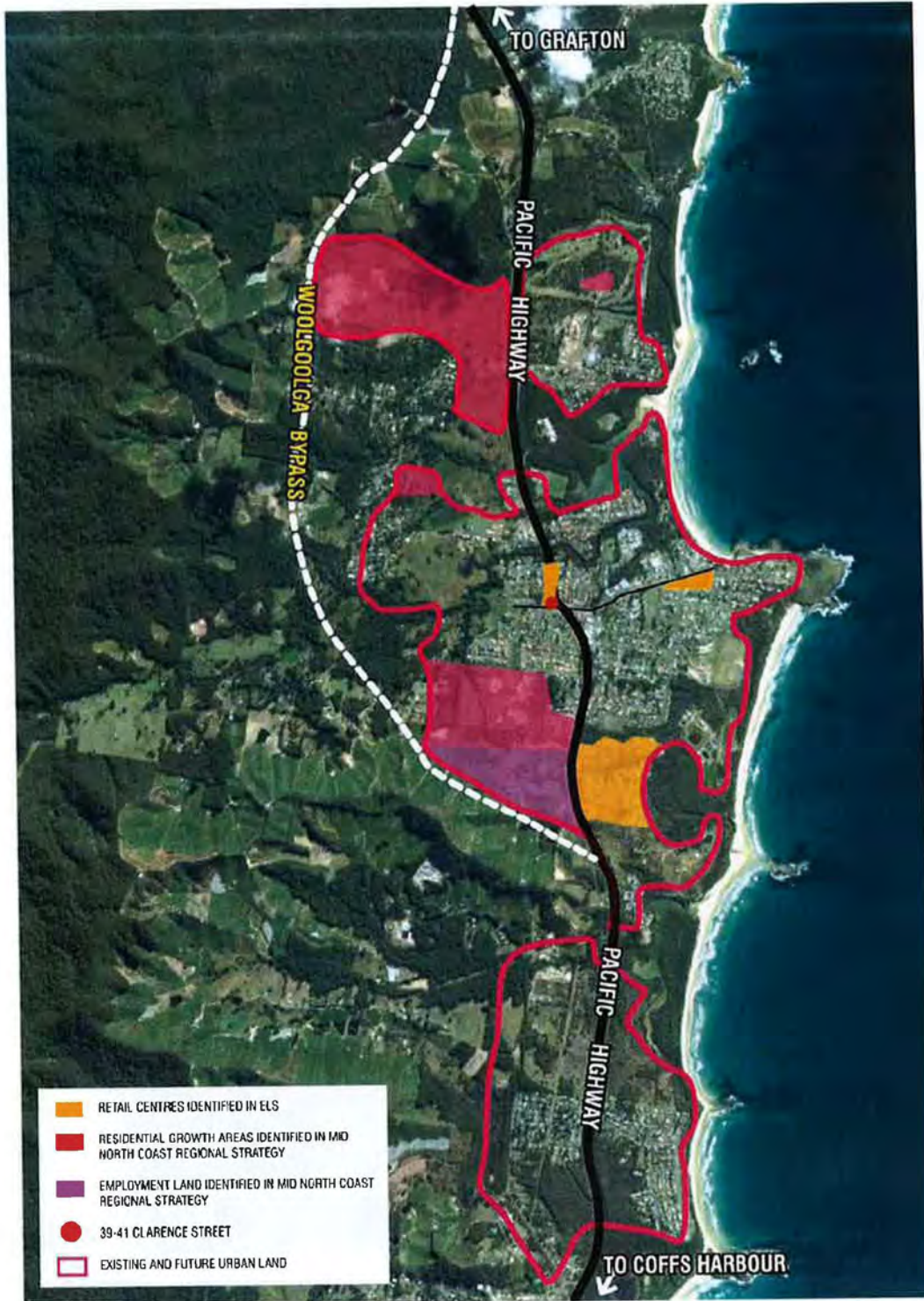
To the east of the highway is more residentially zoned land, tourist facilities, Woolgoolga public school and the town's main retail and tourist accommodation precinct fronting Beach Street, herein referred to as the Woolgoolga East Business Precinct. The Woolgoolga East Business Precinct is approximately 1km away from the subject site and bound by Beach Street, Queen Street, Fawcett Street and Trafalgar Lane. Another non-residential precinct is bound by the Pacific Highway, Clarence Street and both sides of River Street, almost across the road from the subject site. The Woolgoolga Industrial Precinct is located further south on the eastern side of the Highway.

Figure 1 – Woolgoolga Pacific Highway Precinct Opportunities



Identified urban release areas are located further to the north and south of Woolgoolga urban area, both on the western side of the Pacific Highway.

Figure 2 – Regional Location Map



2.2 Site Description and Existing Development

The site comprises two allotments and is legally described as Lot 500 DP 776362 (to the south) and Lot 1 DP 579511 (to the north). The total site area is approximately 10,100m².

The subject site is currently developed for the following:

Lot 500

- The 'Raj Mahal' a former restaurant and tourist facility which is now derelict
- At-grade hard paving formerly used for car parking is located at the rear of the property and is accessed off Moore Street
- Some vegetation and overgrown gardens surround the existing building

Lot 1

- A run down house which was used as a café, fronts the Pacific Highway, and is also derelict.
- At-grade hard paving formerly used for car parking is located towards the rear of the property and is accessed off the Pacific Highway. This hard paving is contiguous with that at the rear of Lot 500.
- Some grassed land and vegetation is located at the western boundary.

The following shows various photographs of the site.



Picture 1 – Pacific Highway (northerly aspect)



Picture 2 – River Street (northerly aspect)



Picture 3 – Clarence Street (westerly aspect)



Picture 4 – Pacific Hwy/Clarence St Intersection (view south)

3 Explanation of the Provisions

3.1 Proposed Amendments to Coffs Harbour LEP 2000

Development on the site is currently governed by Coffs Harbour LEP 2000 (CHLEP 2000). CHLEP zones the site 3D Business Tourist Services Zone, permitting only low scale retailing and tourist service operations.

The location of the subject site and the existing zoning of surrounding lands is included within Figure 3 below.

Figure 3 – Woolgoolga Pacific Highway Precinct Current LEP Zoning Map



WOOLGOOLGA PACIFIC HIGHWAY PRECINCT ZONING MAP

A site specific amendment is sought to the permissible uses on the subject land, so as to allow retailing for the purposes of a 'shop', as defined under CHLEP 2000, hence allowing the development of a supermarket.

However, in order to ensure the small-scale retail vibrancy of the nearby Beach Street Precinct is maintained (and following Council's previous direction on this matter in 2007), the site-specific amendment includes a minimum tenancy size of 1,000m² GFA.

The following provision is sought to be included within Part 4 of the Coffs Harbour LEP 2000 so as to enact the site specific rezoning:

Development on land known as Lot 500 DP 776362 and Lot 1 DP 579511, being the site on the corner of Pullen Street and the Pacific Highway Woolgoolga, may be undertaken for the purposes of retail development. The minimum tenancy size on the site shall be 1,000m² GFA.

It is not anticipated that the provision of small tenancy spaces (i.e. less than 1,000m²) in association with a supermarket on the site will adversely impact upon the nearby Beach Street Precinct. This is reflected in Council's recently adopted Employment Lands Strategy, nevertheless Buildev is honouring its previous commitment to Council as part of its Council's 2007 resolution which stated:

3.2 Proposed Amendment to Coffs Harbour Business Lands DCP

No amendment is sought to the Business Lands DCP, which provides for a maximum FSR of 1:1 on the land, with no maximum height limit nominated.

4 Justification

This section addresses the existing town planning framework and demonstrates that the site specific amendment allowing 'shops' (specifically a supermarket) is justified.

4.1 Need for the Planning Proposal

Is the planning proposal a result of any strategic study or report?

The Woolgoolga Business Lands Review, commissioned by Council and completed in October 2006, identifies significant escape expenditure from Woolgoolga to other centres (Moonee and Park Beach Plaza) for general grocery shopping. It also identified that whilst located outside of the main retail centre of Woolgoolga, the subject site is the best placed to accommodate a new supermarket, especially given the impending construction of the Highway Bypass by 2013. An extract from the Business Lands Review states:

Woolgoolga and the immediate rural surrounds are experiencing considerable growth in population of around two to two and a half per cent every year. Currently households in this area generate around \$130 million retail expenditure and this will grow to around \$200 million (in constant 2006 dollars) by 2021.

Currently around \$41 million of this expenditure is supermarket expenditure, which will increase to \$65 million by 2021. This level is sufficient to support at least one medium to large full-line supermarket as well as one or two smaller supermarkets.

Because Woolgoolga does not have a full-line supermarket or department store there is a considerable level of expenditure that escapes the area to the higher order centres of Moonee, Park Beach Plaza, Coffs Harbour and Grafton. The inclusion of these facilities would go a long way to improving the capture rate of local expenditure and reducing the number of trips to higher order centres and reducing associate travel costs.

...

A currently available site is on the corner of Pullen Street and the Pacific Highway. Advantages with this site include

An available and suitable sized parcel of land

Is in single ownership with an owner that is willing to develop

Comprises existing bitumen which may be reusable for car parking

Has strong visual exposure on the highway

Has potential to provide a convenient centre for shoppers

Has been subject to vandalism and neglect and

Has generated no economic return to the owner or to local community since it became vacant.

The Coffs Harbour Employment Lands Strategy (May 2010), also recently endorsed by Council, identifies the following regarding the Woolgoolga Pacific Highway Business Precinct (within which the site is located).

Given the precinct's land availability and arterial access, there is an opportunity to provide space for bulkier land uses that are unable to find sites in the main Woolgoolga East Precinct and serve a broad catchment. ... Though significant retail or commercial expansion is not anticipated in this study, this may be appropriate where detailed local planning investigations and retail simulation modelling demonstrates that expansion would not be to the detriment of the Woolgoolga East precinct and where expansion to accommodate forecast demand at Woolgoolga East is not possible given development encumbrances.

Further to the above, Council's recommendation to particular issues raised as part of considering the Employment Lands Strategy also justifies the amendment to the current planning controls. The recommendation of issues 2 and 5 described within Council's Officers Report of 13 May 2010 is highlighted below.

Issue 2:

Seek to retain the "village character" of Woolgoolga beach side area and allow for a larger (supermarket) development to occur adjacent the current Pacific Highway in the location from Pullen Street to the Woolgoolga Creek bridge.

Issue 5:

Suggestion that the current business zone is too restrictive and that a more appropriate Business zone be used to allow for the expansion of the precinct whilst recognizing some of the existing business uses.

Recommendation:

That as part of the SLEP process the land adjacent the current Pacific Highway in the location north of Pullen Street to the Woolgoolga Creek Bridge be zoned to a Business zone permitting retail development.

As part of informing Council's Employment Lands Strategy, Urbis prepared a submission (Urbis Submission to Council Draft ELS March 2010). A copy of this submission is contained in **Appendix 1**. The Urbis submission sought to:

- Examine whether there were any financially feasible expansion options associated with the Woolgoolga East Business Precinct.
- Identify other development encumbrances and issues associated with the expansion of the Woolgoolga East Business Precinct.
- Identify other site opportunities for a supermarket development.

The Urbis submission found the key reasons why the development of a supermarket within the Woolgoolga Pacific Highway Precinct would not be to the detriment of the Woolgoolga East Business Precinct were:

- Escape expenditure is currently occurring outside the town with the Woolgoolga East Business Precinct identified as only offering 'top up shopping' services.
- The supermarket within the Woolgoolga Pacific Highway Precinct would satisfy unmet demand for supermarket space.
- Analysis shows that there is capacity to develop a supermarket within the Woolgoolga Pacific Highway Precinct whilst retaining the opportunity to upscale the existing small supermarkets within Woolgoolga East Business Precinct.
- It allows the retention of small business tenancy space and the character associated with the Woolgoolga East Business Precinct given that approximately one third of the existing business zone within the Woolgoolga East Business Precinct would be required to be redeveloped if a full line supermarket was to be located there.
- Employment opportunities would be created which would supplement the current retail employment base in Woolgoolga East – Coles Group indicate that some 120 new jobs would be generated by a 3,400sq.m full line supermarket plus those during the construction and development phase. Industry standards show that this number of jobs is realistic.
- It will involve a stand-alone store without any substantial specialty retail space. Accordingly there will be no direct competition with the specialty retail sector within the Woolgoolga East Business Precinct.

- It allows Woolgoolga to differentiate its various centres, with the Woolgoolga East Business Precinct providing a fine grained and small-scaled coastal village character, whilst the highway precinct provides for bulkier uses servicing a broader catchment.

The findings of the Urbis submission also demonstrated that there were numerous encumbrances which prevented the location of a full line supermarket within the Woolgoolga East Business Precinct, including:

- The retail centre is fully developed with no vacant sites remaining.
- Overall the centre is of a modest / finite size.
- Peripheral locations are not zoned to support retail / commercial use, are held in multiple land ownership, or otherwise accommodate alternate and public uses (caravan park, pool, sporting field) that are unlikely to be rezoned.
- There are geographic limitations to expansion with the beach located adjacent immediately to the north.
- Excessive cost to acquire, consolidate and undertake development in a tightly held market – particularly for a supermarket which would potentially require contiguous sites totalling over 9,000sq.m.
- Long term leases over existing premises are in place.
- Potential loss of small user suites traditionally occupied by local businesses in order to consolidate and create larger tenancies (replacement of existing space rather than net addition), and consequent loss of employment base.
- Potential traffic impacts on the local street system and pedestrian environment generated by both shoppers and delivery vehicles.
- The 'big box' format of a supermarket is inconsistent with the beachside character of fine grain retailing of the Woolgoolga East Business Precinct.
- There are potential amenity impacts from a supermarket operation on the neighbouring residential dwellings due to land availability constraints.

Ultimately the Urbis submission found that given the identified economic need, the acceptable impact on the Woolgoolga East Business Precinct (WEBP), and also the various encumbrances on the WEBP preventing its expansion, an alternate supermarket site should be investigated in the Woolgoolga Pacific Highway Precinct (WPHP). The analysis found that the subject site was an ideal location for a supermarket. Furthermore Coles, the intended tenant of the site, have confirmed in its letter of 3 March 2010 of its support and commitment toward the site (this letter is contained in **Appendix 2 – Coles Letter Dated 3 March 2010**).

All of the above demonstrates that the Planning Proposal is based upon results and analysis of various strategic studies and reports prepared for the Woolgoolga township and can be justified on this basis.

Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

The Urbis submission May 2010 analysed the Woolgoolga East Business Precinct and found that there were no sites that are suitable to accommodate a full line supermarket within the existing retail zone or on immediately surrounding land. The following characteristics of the town centre contribute to this difficulty:

- Highly fragmented land ownership.
- Generally small land holdings
- Long term leases (to 2017) issued for tenants of the larger sites

- Site turnover is low, demonstrating tightly held parcels

Site amalgamations within the existing retail zone have also been investigated, and have been demonstrated to be unfeasible financially when replacing retail with retail, and when compared to the acquisition costs of the subject land fronting the Pacific Highway (Refer to details within **Appendix 1**).

Other than progressing a Planning Proposal and thereby amending the existing planning controls, there are no other means of achieving a supermarket in Woolgoolga within the short to medium term.

Is there a net community benefit?

Retail analysis undertaken for the Woolgoolga Business Lands Review (HillPDA 2008) and supported by an independent retail demand study for Coles identifies sufficient escape expenditure to accommodate a full-line supermarket at Woolgoolga.

The subject site is able to cater to the existing retail demand in the short term as well as meet future demand arising from future residential growth planned for the town in the medium to longer term.

This will provide significant community benefits to the Woolgoolga area residents including:

- Provision of a full line supermarket in an accessible location to those both within the town and in rural areas to the north and south, without the need to accommodate additional car parking in the vicinity of the already busy Woolgoolga East Business Precinct.
- Remove the requirement to travel long distances to Moonee, Coffs Harbour or Grafton for weekly grocery needs.
- Improve employment opportunities for the local community without the need for employees to travel long distances. These employment opportunities include:
 - Approximately 120 full-time and part-time jobs associated with the ongoing operation of the supermarket.
 - Significant additional job opportunities associated with the construction process.
- Provide an economic use for land which has remained vacant and disused for many years
- Reducing the potential impact on the Woolgoolga East Business Precinct through the provision of a supermarket only, with no retail specialty shops.

Overall, the benefits to the community are considered substantial.

4.2 Relationship to Strategic Planning Framework

Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy

The Mid North Coast Regional Strategy (MNCRS) is the applicable regional strategy for the Woolgoolga area. The MNCRS makes the following references to Woolgoolga:

- Woolgoolga is identified as a 'major town' within the Mid North Coast Regional Strategy.
- The MNCRS states that "Centres such as ... Woolgoolga ... are also expected to undergo some growth and redevelopment of their commercial centres reflecting their role as major towns. 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".

The Woolgoolga Pacific Highway Business Precinct is largely zoned for Business Tourist purposes and is an essential component of the Woolgoolga Centre. Retailing within this zone, in the context of Woolgoolga (or many other regional towns of this size) could not be considered 'out of centre' retailing.

Furthermore, the Employment Lands Strategy (May 2010) seeks to provide retailing within this Precinct. On this basis, the proposed amendment is consistent with the MNCRS and local strategy objectives.

The subject site is also located on an arterial road and is best placed to cater for demand from future residential areas in the north and south, removing the impact of increased traffic on the local streets around the Woolgoolga East Business Precinct.

An extract from the MNCRS is shown below in Figure 4, which identifies the locations of the future release lands.

Figure 4 – Extract for Mid North Coast Regional Strategy



Is the planning proposal consistent with the local Council's Community Strategic Plan or other local strategic plan

Our Living City – A Settlement Strategy for Coffs Harbour

Coffs Harbour Council has drafted "Our Living City – A Settlement Strategy for Coffs Harbour". Issues identified within the Strategy which relate to Woolgoolga are as follows:

- "Council has nominated the South Woolgoolga...areas for 'special investigation'. Additional studies are to be completed prior to the investigation of these lands to determine whether there is any need to supply additional employment generating (industrial) land uses in these locations'.

Response:

The strategy identifies 'Special Investigation Areas' and 'Possible Future Urban Investigation' to the north and south of Woolgoolga. The investigation areas around Woolgoolga correspond with those areas within the MNCRS identified for residential and employment land release.

- "Council has lobbied with the DoP, believing that recently published projections of 91,800 persons by 2031 are too low. A revised figure of 99,000 persons by 2031 has been adopted as a basis for estimating land requirements and rates of urban land depletion.
- "Despite significant population growth projected for Coffs Harbour, which is well above State averages, (the AEC Retail Strategy identified) there is limited demand for additional retail floorspace for the next five years (to 2013). It is currently estimated that there is more than 25,000m² of oversupply in the retail market. This became 36,000m² when the moonee shopping centre and aldi supermarket began trading."
- "Over the next five years, the analysis projects demand for additional retail development in the areas of groceries and speciality food, food and liquor catering, clothing and accessories, motor vehicles and parts, other goods and personal services. There is no potential for additional bulky goods floorspace over the next 10 years as the market consolidates. ... The strategy makes clear that there is no demand for any new supermarkets in the next five years (from feb 2008) given the recent approval of the Moonee Beach Shopping Centre and Aldi developments.

Response:

The retail demand figures quoted above are inconsistent with the more recent analysis undertaken for the Woolgoolga Business Lands Review (HillPDA) and the Council endorsed Employment Lands Strategy (May 2010), which identifies spare capacity within the Woolgoolga catchment for an additional 12,00m² of retail space.

Coffs Harbour 2030 Plan

This is a strategic level document which identifies the specific strategies that Coffs Harbour community have identified that they need to undertake in their moves towards achieving a more sustainable society.

There are no specific action items which specifically relate to Woolgoolga or subject site, or retail/commercial development in general.

Employment Lands Strategy

This Employment Lands Strategy was prepared by SGS Economics in November 2009 and was recently placed on public exhibition. Urbis provided a submission during the exhibition period. (Refer Urbis Submission to ELS, March 2010 – Refer **Appendix 1**).

The Council-endorsed ELS provides the following commentary on the Woolgoolga East Business Precinct (Beach Street) and the Pacific Highway Business Precinct.

- Woolgoolga East Business Precinct – "The precinct should continue to serve the local community and the principal retail centre for Woolgoolga. Under Scenario 3, the precinct has a supply-demand

shortfall of around 12,000 sqm. Opportunities to accommodate demand (through an expansion of the zoned B2 area or through an adjustment to development controls) to meet future demand should be explored through detailed local planning studies.

- Woolgoolga Pacific Highway Business Precinct – *"the local service functions of the retail and industrial components play an important future role and zoning should aim to preserve and enhance these. In addition, given the precinct's land availability and arterial access, there is an opportunity to provide space for bulkier land uses that are unable to find sites in the main Woolgoolga Business Precinct and serve a broad catchment. Some such uses (eg building supplies) might locate in the light industrial zone. Though significant retail or commercial expansion is not anticipated in this study, this may be appropriate where detailed local planning investigations and retail simulation modelling demonstrates that expansion would not be to the detriment of the Woolgoolga East Precinct and where expansion to accommodate forecast demand at Woolgoolga East is not possible given development encumbrances."*

The above clearly provides for the ability of larger buildings (including those involving retail and commercial uses) to locate within the Woolgoolga Pacific Highway Business Precinct. This ability is contingent upon detailed local planning investigations and retail modelling demonstrating that expansion would not be to the detriment of the Woolgoolga East Business Precinct and where expansion to accommodate forecasted demand at Woolgoolga East is not permissible given development encumbrances.

In respect to economic impact issues, a separate analysis was undertaken by Council's Consultant Hill PDA which found that there is sufficient escape expenditure from Woolgoolga to accommodate a full-line supermarket within the retail catchment.

In respect to the analysis of the Woolgoolga East Business Precinct, expansion opportunities and development (and economic) encumbrances were investigated by Urbis in a detailed analysis and submission to the ELS. The conclusions of this report (Refer to section 4.1 above and in their entirety in **Appendix 1**) support the location of a supermarket on the subject site.

On this basis, the Planning Proposal is consistent with the most recent and primary local strategy applying to the site (the Employment Lands Strategy) and should be supported, enabling the amendment to the existing LEP.

We also note that Council's Officers have also recommended change to the zoning of the subject site enabling retail development in their report dated 13 May 2010. Although this change is on the basis of the broader Standard LEP process, the following provides the basis for more immediate change via amending the existing LEP.

- A tenant for the supermarket (resulting from this Planning Proposal) has been identified and has committed to the site – Refer Coles letter dated 3 March 2010. (**Appendix 2**).
- An immediate retail need has been identified for Woolgoolga. The construction of a supermarket will immediately address escape expenditure and provides economic benefits for the town.
- The completion of the Woolgoolga bypass is now certain and the immediate approval and construction of the supermarket coincides with the bypass completion.
- Notwithstanding the above, traffic analysis demonstrates traffic impacts on nearby intersections along the Pacific Highway (up until the bypass operation) remain acceptable.
- The amendment to the CHLEP provide immediate and certain employment growth for Woolgoolga including:
 - Approximately 120 full-time and part time jobs associated with the supermarket's ongoing operation.
 - Additional (and immediate) jobs associated with the construction process.
 - Additional economic multipliers and benefits for the town and outer-lying community.

Is the planning proposal consistent with applicable SEPPs

SEPP 55 – Remediation of Land

No preliminary site investigations have been undertaken however, given the broad category of land use is not proposed to be changed, it is likely that the site is either suitable for the change in land use, or can otherwise be remediated if required to enable suitability. The relevant studies can be undertaken following the gateway determination if required.

SEPP 71 – Coastal Protection

The subject site is located within the Coastal Zone, and is therefore subject to the provisions of SEPP 71.

Clause 7 requires that the matters for Consideration under Clause 8 should be taken into account by a Council when it prepares a draft LEP that applies to land within the Coastal Zone.

The Clause 8 matters for consideration are the following:

Table 1 – Clause 8 Matters for Consideration

Clause 8 Matter for Consideration	Comment
(a) the aims of this Policy set out in clause 2,	See below
(b) existing public access to and along the coastal foreshore for pedestrians or persons with a disability should be retained and, where possible, public access to and along the coastal foreshore for pedestrians or persons with a disability should be improved,	Not applicable
(c) opportunities to provide new public access to and along the coastal foreshore for pedestrians or persons with a disability,	Not applicable
(d) the suitability of development given its type, location and design and its relationship with the surrounding area,	The proposal will result in the operation of a supermarket on land within an existing commercial zone along an arterial road. Future retailing will be highly accessible in this location, within an established urban subdivision. The design of the store will be assessed at DA stage.
(e) any detrimental impact that development may have on the amenity of the coastal foreshore, including any significant overshadowing of the coastal foreshore and any significant loss of views from a public place to the coastal foreshore,	Not applicable
(f) the scenic qualities of the New South Wales coast, and means to protect and improve these qualities,	The site is located away from the coast. Any future development on the land will not impact on the scenic qualities of the coast
(g) measures to conserve animals (within the meaning of the <i>Threatened Species Conservation Act 1995</i>) and plants (within the meaning of that Act), and their habitats,	Not applicable
(h) measures to conserve fish (within the meaning of Part 7A of the <i>Fisheries Management Act 1994</i>) and marine vegetation (within the meaning of that Part), and	Not applicable

Clause 8 Matter for Consideration	Comment
their habitats	
(i) existing wildlife corridors and the impact of development on these corridors,	The site is located within an established urban subdivision and is not affected by wildlife corridors
(j) the likely impact of coastal processes and coastal hazards on development and any likely impacts of development on coastal processes and coastal hazards,	Not applicable
(k) measures to reduce the potential for conflict between land-based and water-based coastal activities,	Not applicable
(l) measures to protect the cultural places, values, customs, beliefs and traditional knowledge of Aboriginals,	Not applicable. No known indigenous heritage values.
(m) likely impacts of development on the water quality of coastal waterbodies,	Not applicable. Runoff will be accommodated within the existing urban stormwater system.
(n) the conservation and preservation of items of heritage, archaeological or historic significance,	Not applicable. The site is not identified as being of heritage significance under Coffs Harbour LEP 2000
(o) only in cases in which a council prepares a draft local environmental plan that applies to land to which this Policy applies, the means to encourage compact towns and cities,	The site is located on an arterial road, within an established urban area and central to the likely future urban area and catchment. It is intended that the site accommodate a supermarket only, with no associated specialty stores, so as not to adversely impact upon the offer available within the Woolgoolga East Business Precinct.
(p) only in cases in which a development application in relation to proposed development is determined:	Having regard to the location of the site in an urbanised area, and also having regard to the likely form of development, environmental impacts can be appropriately managed.
(i) the cumulative impacts of the proposed development on the environment, and	
(ii) measures to ensure that water and energy usage by the proposed development is efficient.	

Table 2 – Aims of the Policy

Aims of the Policy	Comment
(a) to protect and manage the natural, cultural, recreational and economic attributes of the New South Wales coast, and	There is an identified demand for retail (especially a full-line supermarket) in the catchment. There are no anticipated negative impacts on the natural, cultural or recreational attributes of the coast.
(b) to protect and improve existing public access to and along coastal foreshores to the extent that this is compatible with the natural attributes of the coastal foreshore, and	Not applicable.
(c) to ensure that new opportunities for public access to and along coastal foreshores are identified and realised to the extent that this is compatible with the natural	Not applicable.

Aims of the Policy	Comment
attributes of the coastal foreshore, and	
(d) to protect and preserve Aboriginal cultural heritage, and Aboriginal places, values, customs, beliefs and traditional knowledge, and	Not applicable.
(e) to ensure that the visual amenity of the coast is protected, and	Not applicable.
(f) to protect and preserve beach environments and beach amenity, and	Not applicable.
(g) to protect and preserve native coastal vegetation, and	Not applicable.
(h) to protect and preserve the marine environment of New South Wales, and	Not applicable.
(i) to protect and preserve rock platforms, and	Not applicable.
(j) to manage the coastal zone in accordance with the principles of ecologically sustainable development (within the meaning of section 6 (2) of the <u>Protection of the Environment Administration Act 1991</u>), and	Not applicable.
(k) to ensure that the type, bulk, scale and size of development is appropriate for the location and protects and improves the natural scenic quality of the surrounding area, and	This would be addressed at DA stage. Although having regard to the urbanised area. In which, the site is located particularly its highway position, and also the distance of the site from the coastline, it is considered that the impacts of any built form outcome is likely to be acceptable in the context of SEPP 71.
(l) to encourage a strategic approach to coastal management.	Not applicable.

SEPP Infrastructure 2007

Consultation is required with authorities as part of the gateway rezoning process. Any future traffic generating development will be referred to the RTA under this SEPP at DA stage.

Is the planning proposal consistent with applicable Ministerial Directions (s117 directions)

Direction 1.1 – Business and Industrial Zones

Table 3 – Direction 1.1 – Business and Industrial Zones

Requirement	Comment	Meets Requirement?
(1) The objectives of this direction are to: (a) encourage employment growth in suitable locations, (b) protect employment land in	The proposed zoning retains the commercial land use category on this site, yet seeks a site specific amendment to allow retailing on the	Yes

Requirement	Comment	Meets Requirement?
<p><i>business and industrial zones, and</i></p> <p><i>(c) support the viability of identified strategic centres.</i></p>	<p>site.</p> <p>Employment land will not be reduced, and the planning proposal allows for the realisation of significantly increased number of jobs on the subject site, especially for young people who may otherwise seek work elsewhere. In this respect some 120 full time and part time jobs are estimated as part of the supermarket operation in addition to immediate employment associated with the construction process as well as multiplier effects.</p> <p>Woolgoolga is identified as a 'major town' within the Mid North Coast Subregional Strategy. Amending the existing LEP in the manner proposed will enable retail development is consistent with the level and range of services which are expected within such a centre.</p>	
<p><i>(4) A planning proposal must:</i></p> <p><i>(a) give effect to the objectives of this direction,</i></p> <p><i>(b) retain the areas and locations of existing business and industrial zones,</i></p> <p><i>(c) not reduce the total potential floor space area for employment uses and related public services in business zones,</i></p> <p><i>(d) not reduce the total potential floor space area for industrial uses in industrial zones, and</i></p> <p><i>(e) ensure that proposed new employment areas are in accordance with a strategy that is approved by the Director-General of the Department of Planning.</i></p>	<p>The proposal is broadly consistent with the objectives of this direction.</p> <p>The business zoning of the land will be retained, yet the type of commercial uses will be expanded to enable the development for retail purposes.</p> <p>Floorspace for employment will be increased from that existing but will not exceed the maximum 1:1 FSR available on the site.</p> <p>The site is not a new employment area, and retains the same broad commercial land use category.</p>	Yes

Direction 3.4 – Integrating Land Use and Transport

Table 4 – Direction 3.4 – Integrating Land Use and Transport

Requirement	Comment	Meets Requirement?
<p><i>(1) The objective of this direction is to ensure that urban structures, building forms, land use locations, development designs, subdivision and street layouts achieve the following planning objectives:</i></p> <p><i>(a) improving access to housing, jobs and services by walking,</i></p>	<p>A supermarket in this location will result in a greater number of existing and future residents of Woolgoolga being able to access grocery needs by foot rather than car.</p> <p>Public transport bus services</p>	Yes

Requirement	Comment	Meets Requirement?
<p><i>cycling and public transport, and</i> (b) <i>increasing the choice of available transport and reducing dependence on cars, and</i> (c) <i>reducing travel demand including the number of trips generated by development and the distances travelled, especially by car, and</i> (d) <i>supporting the efficient and viable operation of public transport services, and</i> (e) <i>providing for the efficient movement of freight.</i></p>	<p>operate along the Pacific Highway from Coffs Harbour and from Grafton on a daily basis. This makes the site accessible from the Pacific Highway to towns further north and south, which is not available to the Woolgoolga East Business Precinct due to the lack of internal public transport services within the town.</p> <p>Although private transport is likely to be the dominant mode of transport, the site's location is central to the town and its hinterland and is well serviced by main roads.</p> <p>Freight and deliveries to the site will be easily accessible due to the site's proximity to the Pacific Highway.</p>	
<p>(4) <i>A planning proposal must locate zones for urban purposes and include provisions that give effect to and are consistent with the aims, objectives and principles of:</i> (a) <i>Improving Transport Choice – Guidelines for planning and development (DUAP 2001), and</i> (b) <i>The Right Place for Business and Services – Planning Policy (DUAP 2001).</i></p>	<p>The site is an existing commercially zoned land parcel. Its amendment to allow for retailing purposes is appropriate in the context of this direction.</p> <p>The proposal is located in an existing urban commercial zone on the only public transport corridor in Woolgoolga. The land is central to the broader catchment of Woolgoolga and residential areas to the north. The use will be better located in terms of transport than the Woolgoolga East Business Precinct.</p>	Yes

Direction 5.1 – Implementation of Regional Strategies

Table 5 – Direction 5.1 – Implementation of Regional Strategies

Requirement	Comment	Meets Requirement?
<p>(1) <i>The objective of this direction is to give legal effect to the vision, land use strategy, policies, outcomes and actions contained in regional strategies.</i></p>		
<p>(4) <i>Planning proposals must be consistent with a regional strategy released by the Minister for Planning.</i></p>	<p>The proposal is consistent with the MNCRS as discussed in Section 4.2 of this Report.</p> <p>Woolgoolga is identified as a Major Town within the strategy, and a supermarket is considered to be a component of such a categorisation. The strategy does</p>	Yes

Requirement	Comment	Meets Requirement?
	not provide specific guidelines as to the location of such a facility.	

Direction 5.4 – Commercial and Retail Development along the Pacific Highway, North Coast

Table 6 – Direction 5.4 – Commercial and Retail Development along the Pacific Hwy, North Coast

Requirement	Comment	Meets Requirement
<p>(1) <i>The objectives for managing commercial and retail development along the Pacific Highway are:</i></p> <p>(a) <i>to protect the Pacific Highway's function, that is to operate as the North Coast's primary inter- and intra-regional road traffic route;</i></p> <p>(b) <i>to prevent inappropriate development fronting the highway</i></p> <p>(c) <i>to protect public expenditure invested in the Pacific Highway,</i></p> <p>(d) <i>to protect and improve highway safety and highway efficiency,</i></p> <p>(e) <i>to provide for the food, vehicle service and rest needs of travellers on the highway, and</i></p> <p>(f) <i>to reinforce the role of retail and commercial development in town centres, where they can best serve the populations of the towns.</i></p>	<p>A Traffic Impact Assessment prepared in light of the future operation of the site indicates that there will not be any significant impact on the operation of the Pacific Highway prior to the 2013 opening of the Woolgoolga bypass. This Assessment (Traffic Impact Assessment, Roadnet, April 2007) has been submitted to Council. Further comment on this issue is made in Section 4.3 of this report.</p> <p>From that time, this section of the Pacific Highway fronting the site will become a secondary arterial road, carrying local traffic only. As such, Direction 5.4 will not longer apply to the subject land.</p>	Yes
<p>(3) <i>This Direction applies when a relevant planning authority prepares a planning proposal for land in the vicinity of the existing and/or proposed alignment of the Pacific Highway.</i></p>	Noted	Noted
<p>(4) A planning proposal that applies to land located on "within town" segments of the Pacific Highway must provide that:</p> <p>(a) new commercial or retail development must be concentrated within distinct centres rather than spread along the highway,</p> <p>(b) development with frontage to the Pacific Highway must consider impact the development has on the safety and efficiency of the highway.</p> <p>(c) For the purposes of this paragraph, "within town" means areas which, prior to the draft local environmental plan, have an urban zone (eg: "village", "residential", "tourist",</p>	<p>The subject land is located within an existing commercial zone, forming a commercial centre along the Highway. The commercial zone is not proposed to be expanded or extended. This Planning Proposal involves the addition of retailing (allowing a supermarket) for the site.</p> <p>A Traffic Impact Assessment has been prepared having regard to the likely traffic levels along the Pacific Highway and those generated by a supermarket on the site. The assessment concluded that there will be no significant impact on the operation of intersections with the Pacific Highway as a result of the proposal. There are existing traffic</p>	Yes

Requirement	Comment	Meets Requirement
<p>"commercial", "industrial", etc) and where the Pacific Highway speed limit is less than 80km/hour.</p>	<p>operation concerns which relate to the operation of the roundabout and nearby pedestrian crossing. These may be slightly increased as a result of a supermarket on the site, however are not large significant enough to warrant any specific upgrades.</p> <p>Specific safety measures can be incorporated into the design of the site. Vehicular access is provided off a side street, whilst fencing along the site boundary fronting the Pacific Highway will act as a deterrent to customers parking on the Highway or accessing the site on foot from this frontage.</p>	
<p>(5) A planning proposal that applies to land located on "out-of-town" segments of the Pacific Highway must provide that:</p> <p>(a) new commercial or retail development must not be established near the Pacific Highway if this proximity would be inconsistent with the objectives of this Direction.</p> <p>(b) development with frontage to the Pacific Highway must consider impact the development has on the safety and efficiency of the highway.</p> <p>(c) For the purposes of this paragraph, "out-of-town" means areas which, prior to the draft local environmental plan, do not have an urban zone (eg: "village", "residential", "tourist", "commercial", "industrial", etc) or are in areas where the Pacific Highway speed limit is 80km/hour or greater.</p>	<p>Not applicable</p>	<p>Not applicable</p>

4.3 Environmental, Social and Economic Impact

Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal

No. The site is not located on land identified as being of ecological or habitat value. The site is already developed and is located within an established urban subdivision.

Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed

The management and impact on traffic on the local road system is an important issue to consider. This issue was uncertain in 2006 when Buldev first approached Council regarding this proposal, due to the timing of the Woolgoolga by-pass, and the related alleviation and reduction in potential conflict between local and through traffic at the Pacific Highway and Pullen Street intersection. However, greater certainty is now available in respect to the timing of the by-pass's construction – being 2013.

Buldev recognised the need to address this issue in a manner that involved Council, the DoP and the RTA to progress a Planning Proposal and subsequent DA. Accordingly, a Traffic Impact Assessment was undertaken in 2007 and was submitted to Council at that time (Traffic Impact Assessment, Roadnet, April 2007).

It is important to note the Assessment was prepared on the basis of both a supermarket and Discount Department Store and therefore its results can be considered an overly conservative estimate of the likely traffic impacts given the Planning Proposal now only involves a supermarket (with no DDS). Even accommodating the DDS, the study found that the overall traffic impact on the locality will be minimal.

Modelling of the anticipated traffic generation on the site was based on the methodology outlined in the RTA Guide to Traffic Generation Developments. Peak hour traffic generation arising from the development was calculated at 430 vehicles per hour, occurring on Thursday afternoons. In terms of this traffic's effect on the operation of the surrounding road network, this would be an effective 301 vehicles using the Clarence Street/Pacific Highway roundabout to access the site (based on a conservative 70% of all traffic accessing the site).

Overall, the report found that the resultant impact on the operation of the surrounding road network would be minimal as a result of the development of the site. The Level of Service of the surrounding intersections, in a case which does not account for the construction of the bypass, would not be adversely affected by traffic generated by a supermarket (and DDS) on the site.

This Traffic Impact Assessment could be further updated and submitted to Council following the gateway determination, if required. However, the scope and results of the 2007 Traffic Assessment is sufficient to enable Council's consideration and progression of the Planning Proposal to the DoP.

Other impacts not already considered in this report which may result from the operation of retail uses are:

- Operating hours
- Litter
- Pedestrian movements in the vicinity

It is considered that these elements can be easily managed through appropriate operational management plans which will be detailed and approved as part of any DA to Council.

It is noted that the site is not listed as being of heritage significance under CHLEP, nor is the land bushfire prone.

How has the planning proposal adequately addressed any social and economic effects?

The Planning Proposal will help to address the identified demand for retailing services within Woolgoolga, whilst providing improved pricing competition within the catchment. The proposal will improve employment opportunities in the local area and importantly provide immediate employment opportunities.

In respect to economic impact issues, a separate analysis was undertaken by Council's Consultant Hill PDA which found that there is sufficient escape expenditure from Woolgoolga to accommodate a full-line supermarket within the retail catchment.

In respect to social impact issues, the proposal provides the following benefits:

- Provision of a full line supermarket in an accessible location to those both within the town and in rural areas to the north and south, without the need to accommodate additional car parking in the vicinity of the already busy Woolgoolga East Business Precinct.
- Remove the requirement to travel long distances to Moonee, Coffs Harbour or Grafton for weekly grocery needs.
- Improve employment opportunities for the local community without the need for employees to travel long distances. These employment opportunities include:
 - Approximately 120 full-time and part-time jobs associated with the ongoing operation of the supermarket.
 - Significant additional job opportunities associated with the construction process.
- Provide an economic use for land which has remained vacant and disused for many years
- Reducing the potential impact on the Woolgoolga East Business Precinct through the provision of a supermarket only, with no retail specialty shops.

Placing a 1000m² on the floorspace of any one tenancy will ensure that no small specialty shops are located in conjunction with the supermarket. This will help to minimise any impacts on the existing specialties within the Woolgoolga East Business Precinct.

4.4 State and Commonwealth Interests

Is there adequate public infrastructure for the planning proposal

The site is already developed and is located within an existing urban subdivision. The site is currently serviced by water, electricity, gas and telecommunications. It is anticipated that the supply would be sufficient to accommodate a development resulting from the site-specific amendment. Specific investigations will be undertaken following gateway determination, if required.

What are the views of the State and Commonwealth public authorities consulted in accordance with the Gateway determination

Consultation has not yet been undertaken and will be done post gateway determination.

5 Community Consultation

The proposed rezoning could potentially be classified as a 'low impact' planning proposal, and therefore only require 14 days public notification. This will be confirmed during the gateway assessment.

It is anticipated that community consultation will be managed by Council and conducted via the normal statutory process, however Buildex are able to participate and in any pre-consultation if it is thought necessary by Council.

6 Conclusion

The Planning Proposal forming part of this report involves an amendment to the Coffs Harbour LEP 2000 to allow for the provision of a supermarket by expanding the permitted uses within the existing commercial zone. This amendment also includes a minimum tenancy size of 1000sqm (GFA) thereby prohibiting smaller specialty retail tenancies being constructed as part of the supermarket proposal- and ultimately reducing any potential impacts on the existing Beach Street commercial/retail Precinct as per Council's 2007 resolution.

Council's recently adopted Employment Lands Strategy (ELS) provides the local strategic platform for allowing this amendment to proceed. In respect to the Woolgoolga Pacific Highway Business Precinct (where the subject site is located), the ELS calls for detailed local planning and economic investigations of the ability to provide for such a facility within the Beach Street Precinct. Urbis prepared a detailed analysis and submission to the Draft ELS (Urbis Submission to Draft ELS, March 2010) addressing this criteria and concluded that significant development and economic encumbrances prevents the development of a supermarket within the Beach Street Precinct. Further, the Urbis analysis found that the subject site provides an ideal opportunity for a supermarket (refer **Appendix 1**).

Furthermore, the Planning Proposal is consistent with the relevant provisions of the DOP's Mid North Coast Regional Strategy.

The impact of traffic generation on the Pacific Highway near the Pullen Street intersection has previously been analysed. This shows the level of service of the surrounding intersections would not be adversely impacted by traffic generated by a supermarket (assuming the bypass is not completed). The construction of the by-pass, anticipated for completion by 2013, would further reduce this impact.

The site is located in an existing urbanised area and on the Pacific Highway. As a result, environmental impacts resulting from the construction of the supermarket can be appropriately managed.

The amendment to the existing planning controls should be expedited for the following reasons:

- A tenant for the supermarket (resulting from this Planning Proposal) has been identified and has committed to the site – Refer Coles letter dated 3 March 2010. (**Appendix 2**).
- An immediate retail need has been identified for Woolgoolga. The construction of a supermarket will immediately address escape expenditure and provides economic benefits for the town.
- The completion of the Woolgoolga bypass is now certain and the immediate approval and construction of the supermarket coincides with the bypass completion.
- Notwithstanding the above, traffic analysis demonstrates traffic impacts on nearby intersections along the Pacific Highway (up until the bypass operation) remain acceptable.
- The amendment to the CHLEP provide immediate and certain employment growth for Woolgoolga including:
 - Approximately 120 full-time and part time jobs associated with the supermarket's ongoing operation.
 - Additional (and immediate) jobs associated with the construction process.
 - Additional economic multipliers and benefits for the town and outer-lying community.

Having regard to the above, Council is requested to proceed with the Planning Proposal and refer it to the DOP for gateway determination, allowing any necessary detailed studies to be prepared as well as commencing the formal public consultation and agency referral process.

**Appendix 1 Urbis Submission to Council
Draft ELS March 2010**

**SUBMISSION TO
COFFS HARBOUR
EMPLOYMENT
LANDS STRATEGY**

March 2010



DISCLAIMER

This report is prepared on the instructions of the party to whom or which it is addressed and is thus not suitable for use other than by that party. As the report involves future forecasts, it can be affected by a number of unforeseen variables. It represents for the party to whom or which it is addressed the best estimates of Urbis Pty Ltd, but no assurance is able to be given by Urbis Pty Ltd that the forecasts will be achieved.

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Introduction

This report constitutes a submission to the Coffs Harbour Employment Lands Strategy, and has been prepared by Urbis on behalf of Buldev. Buldev have control of the land at 39-41 Clarence Street (on the corner of the Pacific Highway) located within the 'Woolgoolga Pacific Highway Precinct'. Buldev have been in discussions with Coffs Harbour Council since 2007 in respect to the rezoning of the land to allow a supermarket, and currently have a committed tenant.

The focus of this report is on the inherent expansion limitations within the 'Woolgoolga East Business Precinct' (further east of the highway) and the undersupply of land to accommodate a full line supermarket within this precinct.

Hill PDA have prepared a retail analysis of the Woolgoolga retail centre (identified within the Employment Lands Strategy) which indicates there is sufficient retail expenditure in the town to support an additional 12,000m² of retail floor space, including a full line supermarket. Specific to supermarket space in Woolgoolga, the report indicates that by 2011 a floor space shortfall of 5,400sq.m to 5,900sq.m is anticipated.

Currently, the demand for supermarkets is not being met with only 'top-up shopping' facilities available in Woolgoolga. As a result there is considerable escape expenditure to centres outside of the trade area for weekly grocery shopping. Development of a full line supermarket in Woolgoolga would seek to retain a large portion of lost expenditure, potentially draw expenditure from secondary trade areas and assist in bolstering the local economy. A significant benefit would be the creation of considerable employment opportunities not only when the supermarket is operational but also during the initial development phase. In this respect, the Coles group (a committed tenant to the site) have estimated the creation of 120 full time and part time jobs with the potential for additional secondary employment. A separate submission has been made by the Coles Group regarding this issue.

This report provides an overview of the 3 business precincts identified within the Employment Lands Strategy and seeks to identify and recommend the best option to accommodate a full line supermarket whilst ensuring any expansion would not be to the detriment of the Woolgoolga East Business Precinct.

This submission seeks that the Draft Employment Lands Strategy be amended to permit the location of a full line supermarket within the Woolgoolga Pacific Highway Precinct. As supermarket floorspace is significantly undersupplied in Woolgoolga, an amendment is sought as part of finalising the Draft Strategy to ensure the provision of a supermarket within the short term.

Such an amendment to the Draft Strategy more accurately reflects the opportunity of providing a supermarket within the Woolgoolga Pacific Highway Precinct and specifically at the 39-41 Clarence Street site. This opportunity is based on sound retail and market analysis, together with the consideration of logical urban planning principles.

Importantly, the amendment to the Draft Strategy will provide greater investment and statutory planning certainty in the delivery of a supermarket to Woolgoolga.

1 Location and Characteristics

The focus of this report is the Woolgoolga township. This section provides an overview of Woolgoolga's location and demographic characteristics, as well as those of the two other major centres in the vicinity of Woolgoolga, being Coffs Harbour and Grafton.

Woolgoolga

Woolgoolga is a coastal township located within the mid north 'Coffs Coast' region of New South Wales. Coffs Harbour is the main regional centre within the Coffs Coast area and is located 28 kilometres south of Woolgoolga. The other notable major centre in the region is Grafton which is located 55 kilometres north west. Sydney is approximately 586 kilometres to the south.

Woolgoolga is one of the larger townships within Coffs Harbour LGA and the Mid North Coast region, with a population of approximately 4300 (2006 Census). Coffs Harbour LGA has a growth rate of 1.8% (1,138 people) 2006-2011, and a forecast growth rate of 1.6% (1,112 people) 2011 – 2016. Residential release areas are identified within the Mid North Coast Regional Strategy to the north and south of the township.

The Mid North Coast Regional Strategy identifies Woolgoolga as a Major Town, being a 'second tier centre' within the Region. Woolgoolga is the only Major Town located between Coffs Harbour and Grafton. Major towns are to provide major local services and act as outreach centres for the provision of regional services. A higher dwelling density is called for in Woolgoolga, with 60% of growth to be in greenfield sites, and 40% on infill sites. Woolgoolga is also expected to undergo growth and redevelopment of its commercial areas, reflecting its role as a major town.

The most populous age group of residents is 25-54, with a median age of residents of 45, older than the median age of all Australians at 37. The town has a labour force of 1,624 with full time employment at 47%, part time employment at 35.7% and 10.7% unemployment. The main occupations are labourers, managers and technical/trade workers. The three main industries of employment are fruit and tree nut growing, school education, and café/restaurant/take away food service.

Coffs Harbour

Coffs Harbour is the primary Major Retail centre of the Mid North Coast of NSW, and major tourist destination. The Coffs Harbour urban area has a population of approximately 22,700 (2006 census). In the 2006 Census 17.9% of the population usually resident in Coffs Harbour (Suburb) were children aged between 0-14 years, and 31.5% were persons aged 55 years and over. The median age of persons in Coffs Harbour (Suburb) was 41 years, compared with 37 years for persons in Australia.

Of the 9,724 strong labour force 49.6% were employed full-time, 34.4% were employed part-time, and 9.5% were unemployed. In the 2006 Census, the most common responses for occupation for employed persons usually resident in Coffs Harbour (Suburb) were Professionals 15.6%, Clerical and Administrative Workers 15.3%, Sales Workers 13.8%, Technicians and Trades Workers 13.7% and Labourers 12.4%.

The retail sector contributes to 19.4% of total employment, followed by health and community services (11%), and accommodation, cafes and restaurants (9%). Industries set for strong growth include health and education, advanced manufacturing, retail and tourism, aviation, agribusiness, communications and technology.

Grafton

Grafton is another Major Retail centre within the Mid North Coast Region with a population of 9,955 (2006 Census). In the 2006 Census 19.7% of the population usually resident in Grafton (Suburb) were children aged between 0-14 years, and 31.1% were persons aged 55 years and over. The median age of persons in Grafton (Suburb) was 41 years, compared with 37 years for persons in Australia. Of the 3,988 strong labour force, 54.5% were employed full-time, 30.7% were employed part-time, and 8.3% were unemployed.

In the 2006 Census, the most common responses for occupation for employed persons usually resident in Grafton (Suburb) were Professionals 15.4%, Technicians and Trades Workers 14.3%, Clerical and Administrative Workers 13.9%, Sales Workers 13.7% and Labourers 12.9%.

The Agriculture, Forestry & Fishing sector is the largest in Clarence Valley LGA, accounting for 27.9% of total businesses, followed by the Construction (15.5%), Property & Business Services (13.8%) and Retail Trade (13.4%) industries.

The following extract from the Mid North Coast Regional Strategy Map places Woolgoolga in the context of the NSW coast, Coffs Harbour and Grafton.



MAJOR REGIONAL CENTRE
 Major regional centres are existing centres suited to accommodate the majority of regional population growth and employment opportunities, and to deliver state and regional services to the entire Region or within the centre's subregion. A concentration of medium to higher density living, business, employment, professional services, higher order shopping, warehouses, transport logistics and bulky goods operations will be located in these centres. They will be the focal point for subregional road and other transport networks:

- > **GRAFTON**
 Serves the Clarence Valley subregion with major services and has some regional functions; in particular it is a major centre for state government administration in the Region. It also has significant capacity to grow through infill and with future residential growth around Junction Hill and Clarence. It has land and infrastructure available to greatly increase its industrial capacity.
- > **COFFS HARBOUR**
 Serves the Coffs Harbour/Bellingen/Hambrook subregion and has several regional functions including tertiary education, health care and resort tourism. It has significant capacity to grow in the life of this Strategy. A mix of medium to high densities will be encouraged around the town centre and in key precincts such as the Jetty area and Park Beach.
- > **PORT MACQUARIE**
 Serves the Kempsey/Port Macquarie-Hastings subregion and has several regional functions including tertiary education, health care and resort tourism. It has significant capacity to grow in the life of this Strategy. New urban release areas will be developed at Thurstoner and Bonny Hills. Ongoing development of taller buildings will continue around the central business area.
- > **TAREE**
 Serves the Greater Taree/Great Lakes subregion with major services and some regional functions, notably health care. It has land and infrastructure capacity to accommodate significant industrial and residential growth. Development of taller buildings will be encouraged around the Taree town centre.

MAJOR TOWN
 Major towns have a functional role in serving their subregions with outreaches of regional services. They are self-contained with shopping and business services and may have bulky goods, warehousing, transport logistics, farm support services, health and professional services mixed with some medium density residential.

TOWN
 Like Major Towns, Towns are larger settlements, however their service catchments are limited relative to Major Towns. They have a small to medium scale concentration of retail, health and other services with lower density residential. They are reliant on major regional centres and major towns for high order services, retailing and employment.

VILLAGE - INLAND **VILLAGE - COASTAL**
 Villages are smaller settlements which have limited local services. Coastal Villages are located in the Coastal Area.

Figure 1 – Extract from Mid North Coast Strategy Map

2 Woolgoolga Retail Centre

Woolgoolga features 3 segregated retail and business precincts. The Coffs Harbour Employment Lands Strategy (ELS) prepared November 2009 by SGS Economics and Planning categorises these precincts as follows:

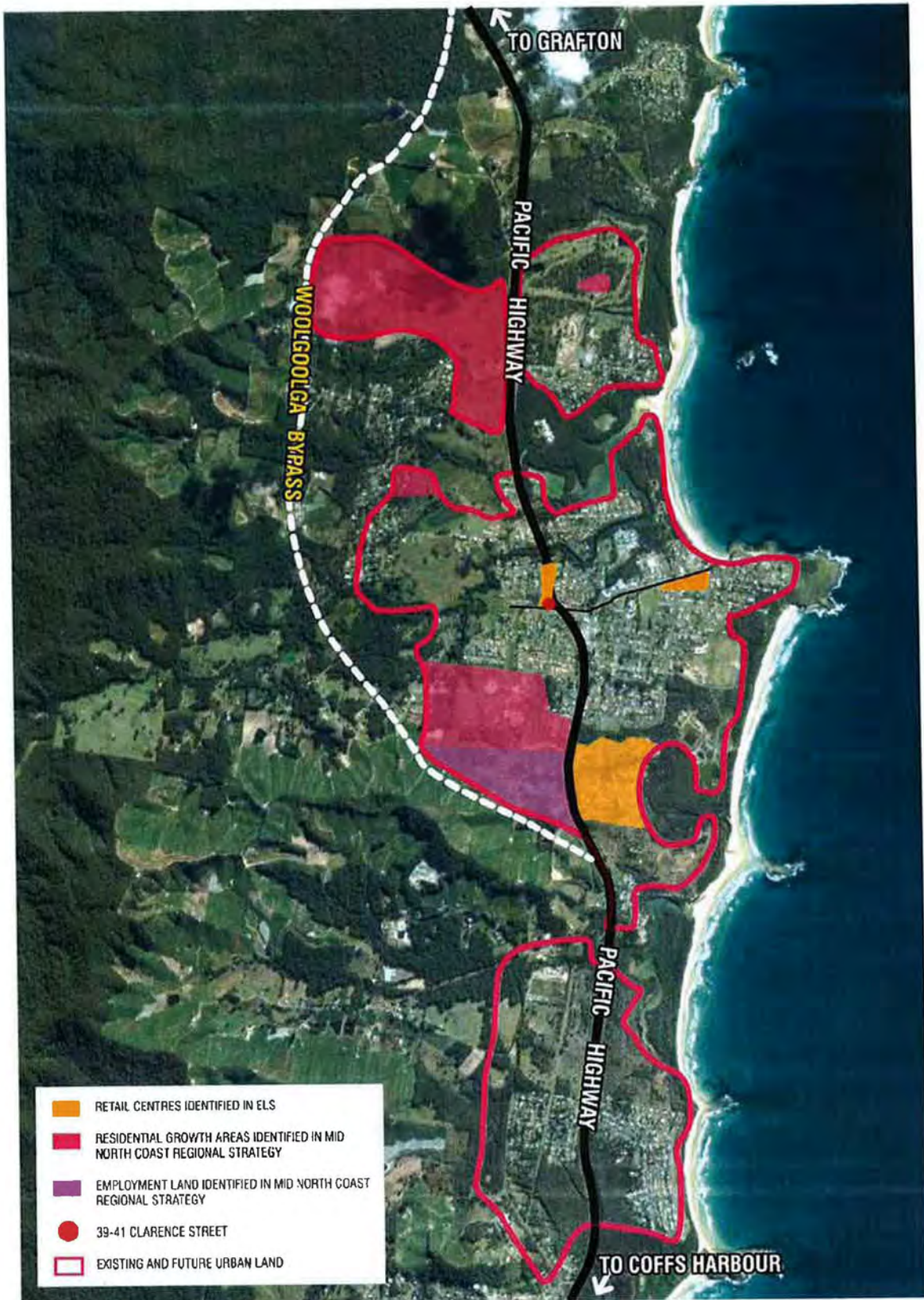
- Woolgoolga East Business Precinct (WEBP)
- Woolgoolga Pacific Highway Precinct (WPHP)
- Woolgoolga Industrial Precinct (WIP)

WEBP incorporates the main retail centre within Woolgoolga servicing local resident needs and tourists. The WEBP also includes Woolgoolga Pool and Water Slide, Woolgoolga Beach Caravan Park, Woolgoolga Bowling Club and a number of small premises used primarily for residential purposes. Going forward, WEBP has been designated under the ELS as the principal retail centre for Woolgoolga and states it should continue as a small local centre serving the local community. The main issue apparent out of the ELS is accommodating a retail supply-demand shortfall of around 12,000sq.m. The precinct has no vacant sites or vacant floorspace and little opportunity to accommodate future demands other than through major redevelopment involving multiple property owners. The ELS recommends a 'B2 Local Centre' zoning for this precinct.

The ELS identifies that the WPHP serves as a small mixed use retail and local service industrial area. It runs along the Pacific Highway, fronting both sides of this arterial road. The large size of land holdings in this precinct will allow for the bulkier land uses which cannot be accommodated within the WEBP, and which serve a broad catchment. Retail or commercial expansion may be appropriate in this location where it is not detrimental to the WEBP, and where expansion of the WEBP is not possible due to development encumbrances. The ELS recommends a B1 Neighbourhood Centre and/or IN2 Light Industrial zoning for this precinct.

The WIP is identified within the ELS as mixed local service industrial area with a range of light industrial and light manufacturing activities. The precinct should be preserved as a population serving industrial area. The ELS recommends a IN2 Light Industrial zoning for this precinct.

Figure 2 – Regional Location Map



2.1 Woolgoolga East Business Precinct

WEBP is characterised by well established single and two level strip retail development interspersed with motels and small scale residential apartment buildings. Most retail/commercial buildings are of brick construction and appear to have been built within the 1970's and 1980's. Residential cottages constructed on the retail zoned land within the centre appear of 1950's/1960's vintage.

The 'Business Town Centre' zoned component of the WEBP is geographically bound by Beach Street to the north, Trafalgar Lane to the south, Queen Street to the east, and Fawcett Street to the west. The exception is 51 Wharf Street which is located off the north western corner of Beach and Wharf Streets which accommodates a modest size strip retail complex identified as 'Sunshine Square Shopping Centre'.

Figure 3 – Woolgoolga East Business Precinct Photos



Picture 1 – Beach Street (westerly aspect)



Picture 2 – Fawcett Street (southerly aspect)



Picture 3 – Market Street (easterly aspect)



Picture 4 – Queen Street (northerly aspect)

Development immediately surrounding the retail component of the WEBP is outlined as follows:

- North – 'Woolgoolga Beach Caravan Park' occupies a substantial holding off the northern side of Beach Street which merges with 'Solitary Islands Marine Park' extending to the beach. Neighbouring to the west of the caravan park and extending to beyond Boundary Street is primarily low density residential development. Woolgoolga Bowling Club is located at the northern end of Boundary and Ganderton Streets.
- West – a large sporting reserve is located to the immediate west of the retail centre beyond which is low density residential development

- South – well established low density residential development plus a modest content of residential apartment buildings
- East – ‘Woolgoolga Swimming Pool and Water Slide’ is located off the south eastern corner of Beach Street and Queen Street. A tennis court is located adjacent to the pool complex. Low and medium density residential development extends further east to the coast.

The extract from the Coffs Harbour LEP zoning map shown in Figure 4 identifies the relative location of land uses in Woolgoolga, and the defined edge of the WEBP retail component.

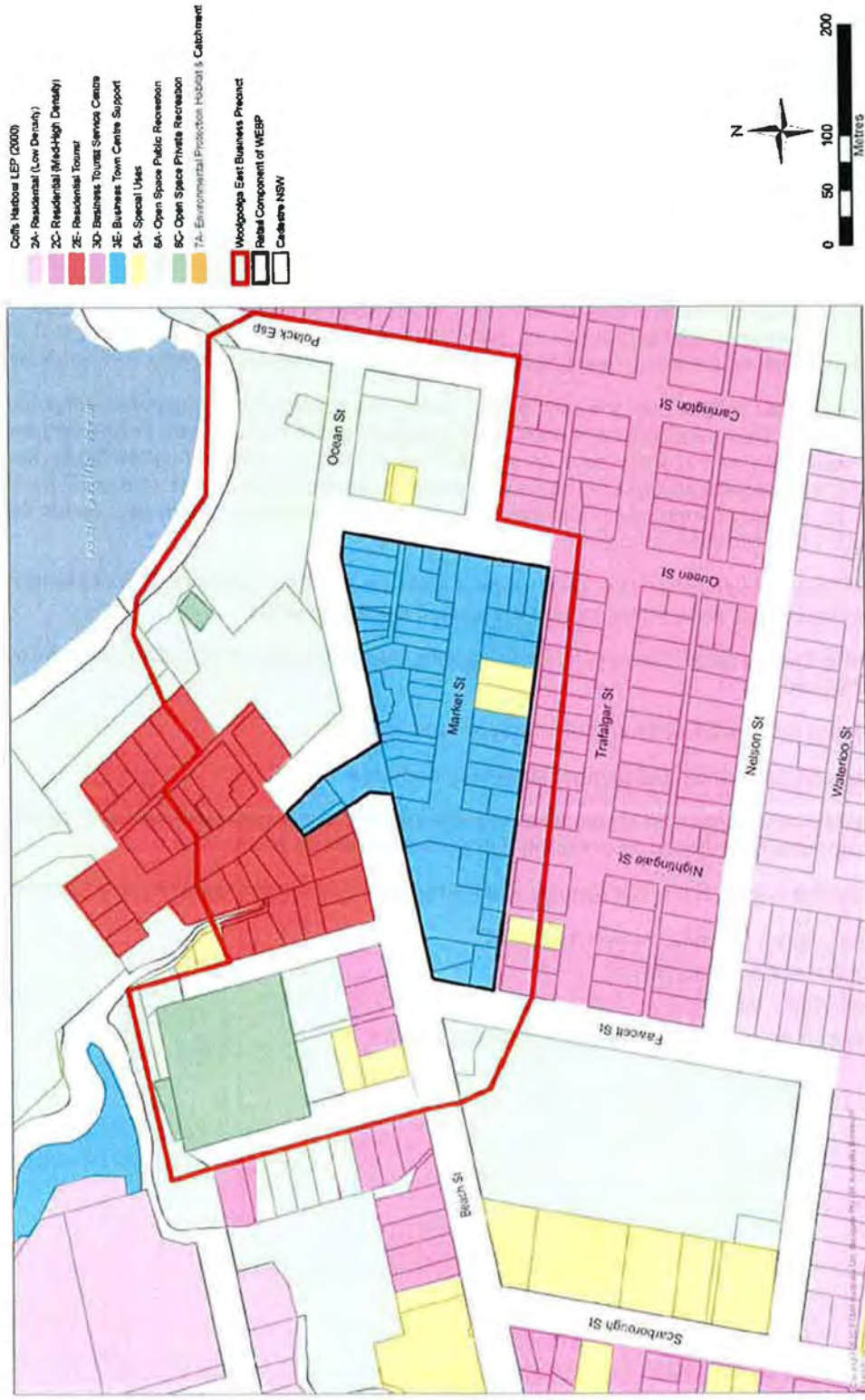
2.1.1 Commentary on WEBP land holdings

The retail component of the WEBP is fully developed and features the following physical characteristics:

- A predominantly level topography (but for the western most block which incurs an upward slope towards the rear (southern) alignment).
- ‘3(c) Business Town Centre zoned land totalling 30,698sq.m (3.0698ha) as estimated from RP Data.
- A total of 40 properties are contained within the WEBP retail component. Within this number, we note that each property containing one or more allotments and used in one line is accounted for as a single property. For example 78 Beach Street which features a motel over 2 allotments is assessed as a single property. Strata title premises are also counted as one property.
- Accounting for strata title properties as 1 owner, 38 separate proprietors have been identified in the retail centre with only 2 proprietors owning more than one property (Namoi Constructions Pty Ltd own 44 and 46 Beach Street, Munro owns 6 and 18 Market Street)
- Median lot size of 676sq.m.
- Average lot size of 787sq.m.
- Smallest lot size of 208sq.m (68 Beach Street).
- Largest lot size of 4,131sq.m (Woolgoolga Plaza, 46 Beach Street).

Included within the appendices is a table listing all retail premises within the centre identifying site area, proprietor's name and details of the improvements.

Figure 4 – Woolgoolga East Zoning Map



WOOLGOOLGA EAST ZONING MAP

2.1.2 Analysis of Market Activity

A review of property sales over the past 4 years has revealed that the cost to acquire contiguous allotments capable of supporting a development such as a supermarket is well above market expectations and would be cost prohibitive to a developer.

Property within the retail centre appears tightly held and rarely transacts. An inspection of the area has indicated minimal vacancies with none apparent along Beach Street. A number of premises are improved with multi tenanted retail improvements indicating a reasonable content of investment properties. These include Woolgoolga Plaza, 56 Beach Street, Surfside Plaza, Sunshine Square Shopping centre, The Market Place, The Nightingale Centre and the like.

Tenants include local service businesses such as 2 small scale IGA supermarkets, take away food stores, cafes, restaurants, real estate agents, banking chambers, gift shops / boutiques, surf clothing stores, a gymnasium, video stores, a medical centre, accountants and a property conveyancer..

An analysis of market activity over the past 4 year period has revealed few registered sales indicating a tightly held market. Research indicates a total of 13 sales over the past 4 years including 5 transactions considered 'out of line' with market (such as transfer to a nominated superannuation funds, family transfers, non-market transactions). One such example is the December 2008 sale of 82 Beach Street. All sales are in respect of improved properties as there are no remaining vacant sites within the retail centre. Table 1 lists the sales identified.

The only two sales which occurred in 2009 were of residences off the southern side of Market Street with no retail / commercial premises having transacted since May 2008.

After analysing the available sales evidence (excluding those considered 'out of line') the following price rates are indicated:

- Median sale price of \$1,191/sq.m of improved land area
- Average sale price of \$1,272/sq.m of improved land area

These rates are considered well above an affordable level for a retail development site capable of housing a supermarket. This is demonstrated in greater detail in Section 3.2.

Figure 5 provides a map of the Woolgoolga East Business Precinct and identifies the following:

- Retail centre perimeter within the WEBP
- Site area of each property
- Proprietor's name
- Properties that have transacted in the past 4 years

Table 1 – Woolgoolga East Business Precinct Sales Evidence Over the Past 4 Years

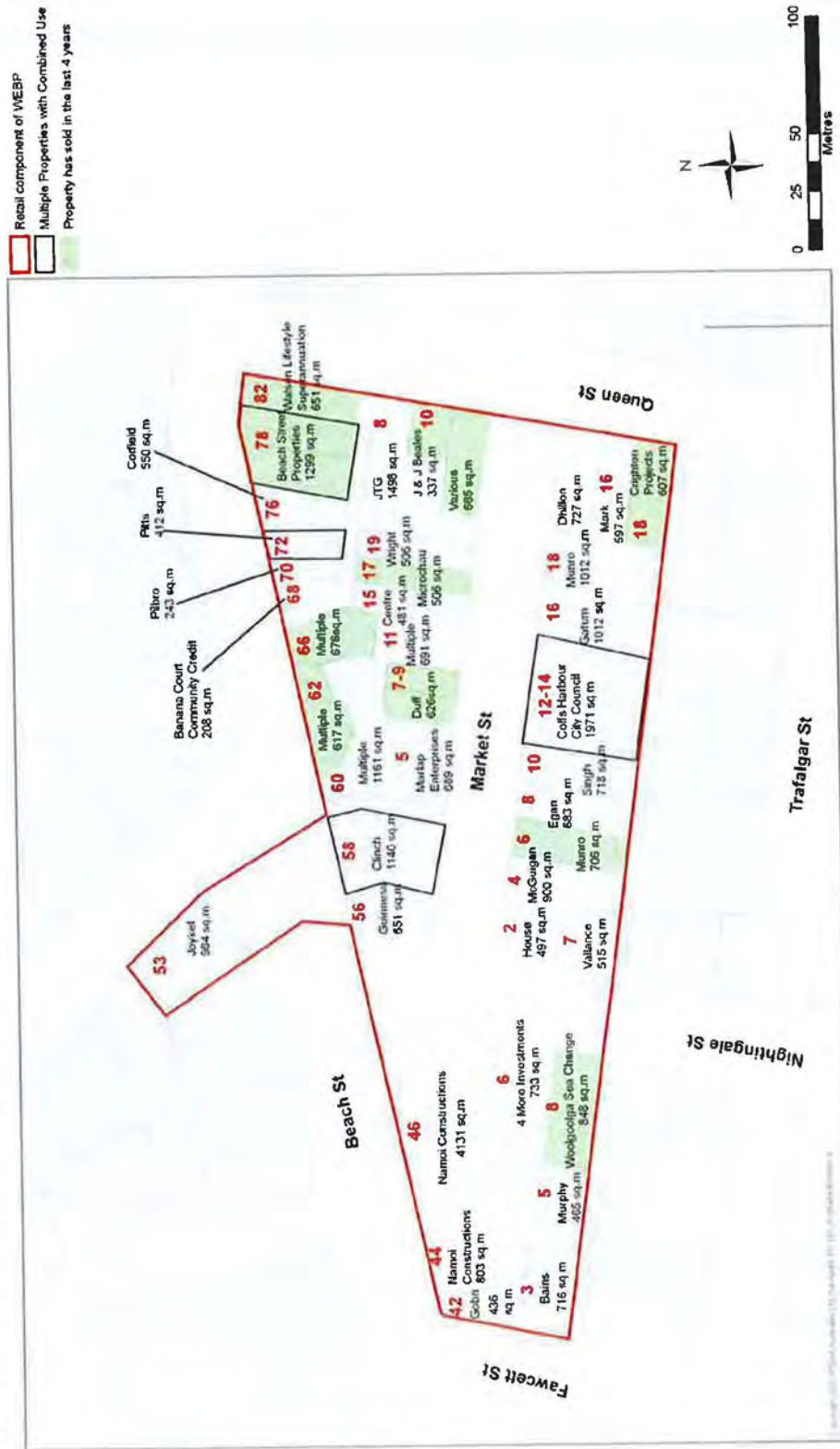
Woolgoolga Retail Centre Sales Evidence

Address	Sale Date	Sale Price	Land Area (sq.m)	Rate/sq.m (Improved Site Area)	Comments
Located in Retail Centre					
4/62 Beach Street ¹	1/08/2007	\$79,000	na	-	Part of a 1980's vintage 2 level brick strata office/retail building. Appears out of line sale having transacted between apparently related parties numerous times throughout 2007.
3/62 Beach Street	30/07/2007	\$250,000	na	-	Within the same complex as above.
5/62 Beach Street	21/01/2008	\$222,500	na	-	Within the same complex as above.
2/66 Beach Street ¹	23/08/2007	\$275,000	na	-	Residential strata unit within a 3 level brick complex (ground floor retail). The unit is understood to be used as a holiday apartment. Appears out of line sale being a transaction between 'Adams' and 'Adams'.
78 Beach Street	26/04/2006	\$2,120,000	1,299	\$1,632	Sold as 'Ocean Beach Motor Inn', now called 'Beach Motel' which is a 3 1/2 star single and two level motel complex. Appears 1980's vintage of brick and tile construction. Above average site for town centre location. Set amongst retail shops.
82 Beach Street ¹	21/12/2008	\$2,330,000	651	\$3,579	Appears non-market transaction (sale from Watson & Watson to Watson Lifestyle). Prior sale 26/02/2005 for \$1,400,000 reflecting \$2,151/sq.m improved land area. Corner lot improved with a s/s retail building featuring 4 tenancies.
6 Market Street	8/07/2009	\$460,000	709	\$649	Improved with an outdated modest appearance fibro clad residence. Level regular allotment.
7-9 Market Street	24/05/2007	\$825,000	626	\$1,318	Two adjoining properties transacting in one line, improved with a single level brick retail shop (take away food) and a 2 level brick retail/office building. Advised to have transacted at yield of 7.4% indicating an overall income of \$61,050pa (\$95/sq.m).
17 Market Street ¹	29/05/2008	\$350,000	506	\$692	Improved with a 2 level 1980's appearance building with ground floor retail (chinese restaurant) and first floor office.
8 Nightingale Street	31/01/2006	\$903,000	848	\$1,065	Peripheral location off the NW alignment of Nightingale Street and Trafalgar Lane. Improved with 'The Nightingale Centre' which is a 2 level retail and commercial building. Occupants include a book store, clothing store, conveyancers and counsellors.
10 Queen Street ¹	28/06/2007	\$422,500	337	\$1,254	Potentially out of line sale (Beale to Beale). A 2 level brick office building on compact allotment.
5/12 Queen Street	29/06/2007	\$207,500	na	-	Residential strata unit within a dated 2 level brick complex positioned off the nw corner of Queen and Market Streets.
18 Queen Street	27/08/2009	\$495,000	607	\$815	Level allotment within the south eastern periphery of the retail centre. Improved with a basic appearance outdated 3 bedroom fibro clad cottage. Prior sale 1 December 2008 for \$440,000.

¹ Appears 'out of line' sale

Source : RP Data; Commercial Property Monitor; Urbis

Figure 5 – Woolgoolga East Business Precinct Map



2.2 Woolgoolga Pacific Highway Precinct

WPHP is a mixed local service area aligning the Pacific Highway. The precinct houses 48 properties, extending north to Woolgoolga Creek and south to River Street. WEBP is located approximately 1 kilometre east. WPHP accommodates a number of motels, petrol stations, dwellings, a fire station, Masonic hall, hotel, mechanical workshops, restaurants, places of worship, low scale industry and pockets of vacant land (some 2.3 hectares). The industrial component is limited to the area south of Clarence Street. The precinct's location relative to Woolgoolga and surrounding area is shown on the Regional Location Map at Figure 2.

Topographically, the component to the north of the Clarence Street and the Pacific Highway round-about intersection appears predominantly level with the section to the south of the round-about incurring an upward slope being set well above the Pacific Highway. The northern section is well exposed with zoned premises along both sides of the Pacific Highway. Accordingly, this component is considered to represent the most suitable location for any future themed development within the precinct. It is noted the southern section has primary street frontage to River Street with rear exposure (but no vehicular access) to the Pacific Highway.

The vast majority of properties surrounding the WPHP are improved with residential dwellings configured within a low density format. Non urban acreage holdings are located to the west of Nash Street with this region anticipated to accommodate future urban expansion given the area is zoned to support residential low density development evidenced by numerous subdivisions. A map identifying relevant zoning classifications within this precinct is contained within Figure 7.

The WPHP has been identified under the ELS as potentially suitable to accommodate retail or commercial expansion where it is shown:

- *Expansion would not be to the detriment of the Woolgoolga East precinct; and*
- *Expansion to accommodate forecast demand at Woolgoolga East is not possible given development encumbrances*

Figure 6 – Woolgoolga Pacific Highway Precinct Photos



Picture 5 – Pacific Highway (northerly aspect)



Picture 6 – River Street (northerly aspect)



Picture 7 – Clarence Street (westerly aspect)



Picture 8 – Pacific Hwy/Clarence St Intersection (view south)

2.2.1 Analysis of Market Activity

An analysis of market activity over the past 4 year period has revealed few registered sales within the WPHP. Research indicates a total of 8 sales over the past 4 years including 1 transaction considered 'out of line' with market. The sales are a mix of vacant and improved premises. Table 2 lists the sales identified.

The two most recent sales occurred within mid to late 2009 and were improved with light industry themed improvements.

After analysing the available sales evidence (excluding those considered 'out of line') the following price rates are indicated:

- Median sale price of \$345/sq.m of improved land area
- Average sale price of \$313/sq.m of improved land area

It is evident that the average sale price base within the WPHP (\$313/sq.m) is some 75% below properties within the WEBP (\$1,272/sq.m) and is considered to represent an affordable price for developers.

Figure 7 – Woolgoolga Pacific Highway Precinct Current LEP Zoning Map



WOOLGOOLGA PACIFIC HIGHWAY PRECINCT ZONING MAP

Table 2 – Woolgoolga Pacific Highway Precinct Sales Evidence Over the Past 4 Years

Woolgoolga Business Precinct Sales Evidence

Address	Sale Date	Sale Price	Land Area (sq.m)	Rate/sq.m (Improved Site Area)	Comments
15 Clarence Street	16/02/2007	\$180,000	740	\$243	Vacant allotment, upward slope to rear
36 Clarence Street	21/07/2006	\$58,000	487	\$119	Compact vacant site opposite (east) of the subject
38 Clarence Street	29/09/2008	\$212,000	515	\$412	Compact allotment improved with a basic residence - opposite the subject to the east.
44 Clarence Street ¹	2/07/2007	\$158,000	2,997	\$53	Located opposite the subject (east). A vacant site (but for a basic compact shed within the southern section) comprising 3 adjoining allotments - appears non-market transaction being a sale between Featherstone and Featherstone.
48 Clarence Street	2/11/2007	\$902,000	2,615	\$345	Rosebourne Gardens Motel - located diagonally opposite the subject site. Improved with a 1980's vintage single and two level brick and tile motel. Satisfactorily presented, regular level site.
4 Dalgetty Street	23/05/2007	\$210,000	2,399	\$88	Vacant site on the corner of the Pacific Highway at the northern end of the business precinct. Woolgoolga Creek is to the immediate north (potential flood liability issues).
60 River Street	17/04/2009	\$501,500	1,043	\$481	Corner allotment improved with established office and workshop facilities
33 River Street	29/07/2009	\$630,000	1,256	\$502	Splayed allotment improved with a tyre and auto centre.

¹. Appears 'out of line' sale

Source: RP Data; Commercial Property Monitor; Urbis

2.3 Woolgoolga Industrial Precinct

WIP is located off the eastern side of the Pacific Highway, some 2 kilometres south of the WEBP and WPHP. The area accommodates primarily light industrial and manufacturing development and is not utilised for retail related purposes.

The ELS identifies the future role of the precinct to be preservation and enhancement as a population serving industrial area. We do not consider the area suitable for retail expansion or as a potential location to house a supermarket development.

3 Impacts and Limitations of Expanding the WEBP

The ELS highlights a shortfall of around 12,000sq.m retail floorspace in Woolgoolga. The WEBP is the principal retail centre in Woolgoolga with the expectation being that additional floorspace requirements will be absorbed within the existing centre. This includes the provision of a new full line supermarket.

However, there are significant limitations and impacts associated with the ability for the WEBP to support new development, particularly a full-size supermarket which would need to be constructed upon a site with a minimum area of some 9,000sq.m – see Section 3.1 below. These limitations are as follows:

- The retail centre is fully developed with no vacant sites remaining.
- Overall the centre is of a modest / finite size.
- Peripheral locations are not zoned to support retail / commercial use, are held in multiple land ownership, or otherwise accommodate alternate and public uses (caravan park, pool, sporting field) that are unlikely to be rezoned.
- There are geographic limitations to expansion with the beach located adjacent immediately to the north.
- Excessive cost to acquire, consolidate and undertake development in a tightly held market – particularly for a supermarket which would potentially require contiguous sites totalling over 9,000sq.m.
- Long term leases over existing premises.
- Potential loss of small user suites traditionally occupied by local businesses in order to consolidate and create larger tenancies (replacement of existing space rather than net addition), and consequent loss of employment base.
- Potential traffic impacts on the local street system and pedestrian environment generated by both shoppers and delivery vehicles.
- The 'big box' format of a supermarket is inconsistent with the beachside specialty retailing of the Woolgoolga East Business Precinct.
- There are potential amenity impacts from a supermarket operation on the neighbouring residential dwellings due to land availability constraints.

It is important to expand on a number of these limitations particularly with regard to the potential for accommodating a new full line supermarket. The map at Figure 7 at the end of this section shows these limitations.

3.1 Compact Size Centre with Limited Capacity to Expand

The retail centre is bound within a finite area and has limited future capacity for expansion based on surrounding land uses (and zonings) combined with geographic encumbrances.

At the date of visiting the centre there were no vacant sites remaining. A number of properties in peripheral locations are considered underdeveloped (those improved with outdated residences) but in the main most properties comprise functional brick retail/commercial structures typically over 1 or 2 levels.

To potentially support a new supermarket a considerable number of adjoining sites would need to be consolidated. Full line supermarkets can range in size between 3,200sq.m to 4,000sq.m. Given the regional location of Woolgoolga it is likely that a supermarket toward the lower end of this range would be appropriate (subject to an indicative trade analysis). Accordingly we have assumed a hypothetical stand alone supermarket with a floor area of 3,400sq.m.

To determine an estimated site area required to support such a supermarket, we have summated the supermarket floor area with an allowance for parking. Based on an average ratio of 4.5 carspaces per 100sq.m of retail floorspace, a total of 153 car spaces would be required. This reflects approximately 4,284sq.m of additional site area based on an allowance of 28sq.m per space.

The site area required to accommodate a full line supermarket is thus approximately

- Supermarket	3,400sq.m
- Car Park	<u>4,284sq.m</u>
- Total	7,684sq.m
add 20% for circulation	<u>1,537sq.m</u>
- Total Site Area Requirement	9,221sq.m

After rounding an approximate site area of 9,200sq.m is considered appropriate. Any development smaller in scale would not adequately meet the identified current and future supermarket space and therefore not provide an adequate service for the area.

There are no single sites of this scale within the WEBP and none that could readily be consolidated to create a property of this size.

3.2 Difficulty in Acquiring Contiguous Properties - Prohibitive Cost

Sales evidence indicates that value rates for property within the WEBP retail centre are well above acceptable market levels to enable development of a supermarket.

WEBP is a tightly held retail centre and as noted prior there have been less than 10 arms length transactions within the past 4 years. The average price of these transactions reflects \$1,272 per square metre of improved land area. This average rate assumes 'willing buyer / willing seller' principles meaning the transactions were at market rates.

In order to acquire multiple adjoining lots capable of accommodating a new full line supermarket (approximately 9,200sq.m), an estimated purchase price has been extrapolated based on the indicative site area requirement multiplied by the average per square metre sale price::

$$9,200\text{sq.m site @ } \$1,272/\text{sq.m average sale rate} = \$11,702,400$$

This amount is based on the average market sale rates and excludes GST. It is also reasonable to assume that proprietors of contiguous allotments **not** listed for sale would require a premium over and above market rates to entice a sale. There is however still no guarantee that all owners will sell their property (even at a premium) in such a tightly held market. Whilst this is a high level example based on an average of sales prices it provides a general indication of the cost to acquire a large enough site within the WEBP retail centre. Any specific site/s identified should be assessed individually to determine an indicative purchase price.

Therefore, it would not be financially viable for a developer to outlay such a significant amount for a development site if developing a stand alone full line supermarket.

As a check exercise to determine an indicative amount a developer could afford to outlay, we have undertaken a high level hypothetical development exercise. This has included assessing the end value of the completed supermarket and then deducting all development costs which produces an indication of the land value which can be afforded by a developer.

More specifically, this involves ascribing a hypothetical annual market rent to a 3,400sq.m supermarket, capitalising this rent at an appropriate rate of return (market yield), and then deducting all costs.

This is demonstrated as follows:

- Net Annual Supermarket Rent - 3,400sq.m @ \$275/sq.m pa	\$935,000
- Capitalised at a market yield	8%
- Value of Completed Supermarket (after rounding)	\$11,700,000

It is evident before proceeding to the next step of deducting development costs, that the end value of the supermarket is roughly the same as the cost of acquiring a development site within the WEBP retail centre. Therefore, it would not be financially viable to develop a supermarket within the existing retail component of the WEBP.

3.3 Lease Tenure

A considerable number of premises within the retail centre are improved with multi tenanted improvements. Some examples include:

- Woolgoolga Plaza
- Sunshine Square Shopping Centre
- Surfside Plaza
- The Nightingale Centre
- The Market Place

Most tenancies within each of these respective premises are subject to formal lease agreements between the lessor and lessee. Whilst each lease is different most would likely extend over a number of years with options to renew.

As an example, a copy of the Folio Identifier for Woolgoolga Plaza has been searched to identify the number of tenancies under formal lease agreements and lease expiry dates/options. The second schedule within the folio indicates a total of 11 formal lease agreements (assumed to reflect the IGA supermarket and 10 specialty stores). Expiry dates listed are as follows:

- 2011 – 2 shops, option/s to renew not indicated
- 2012 – 2 shops, 3 + 3 year option for shop 14 which if taken will extend the lease to 2018, option for the other tenancy not indicated
- 2013 – 2 shops, option/s to renew not indicated
- 2014 – 1 shop, option to renew not indicated
- 2015 – 3 shops, option/s to renew not indicated
- 2017 – 1 shop, option to renew not indicated

It is evident that a number of these leases do not expire for some years. Accordingly, to acquire and develop a site subject to current leases there will either be additional expense to terminate the leases or an extended waiting period until the current lease term (and any options taken) expire further adding to the prohibitive cost issue.

3.4 Surrounding Zonings

The boundary of the WEBP is clearly defined by public roads and laneways (Beach Street, Queen Street, Fawcett Street and Trafalgar Lane) with only one site forming part of the precinct outside of these street blocks.

Surrounding zones are residential, tourist or community-use in nature, which do not permit retail or commercial uses.

3.5 Urban Design Impacts

The WEBP is characterised by its wide streets, on street parking, and ease of pedestrian movement. The buildings are in good condition, are of a fine grain subdivision and are held in multiple ownership. This fine grain nature of development characterises the diversity of retail shops and services available within this Centre.

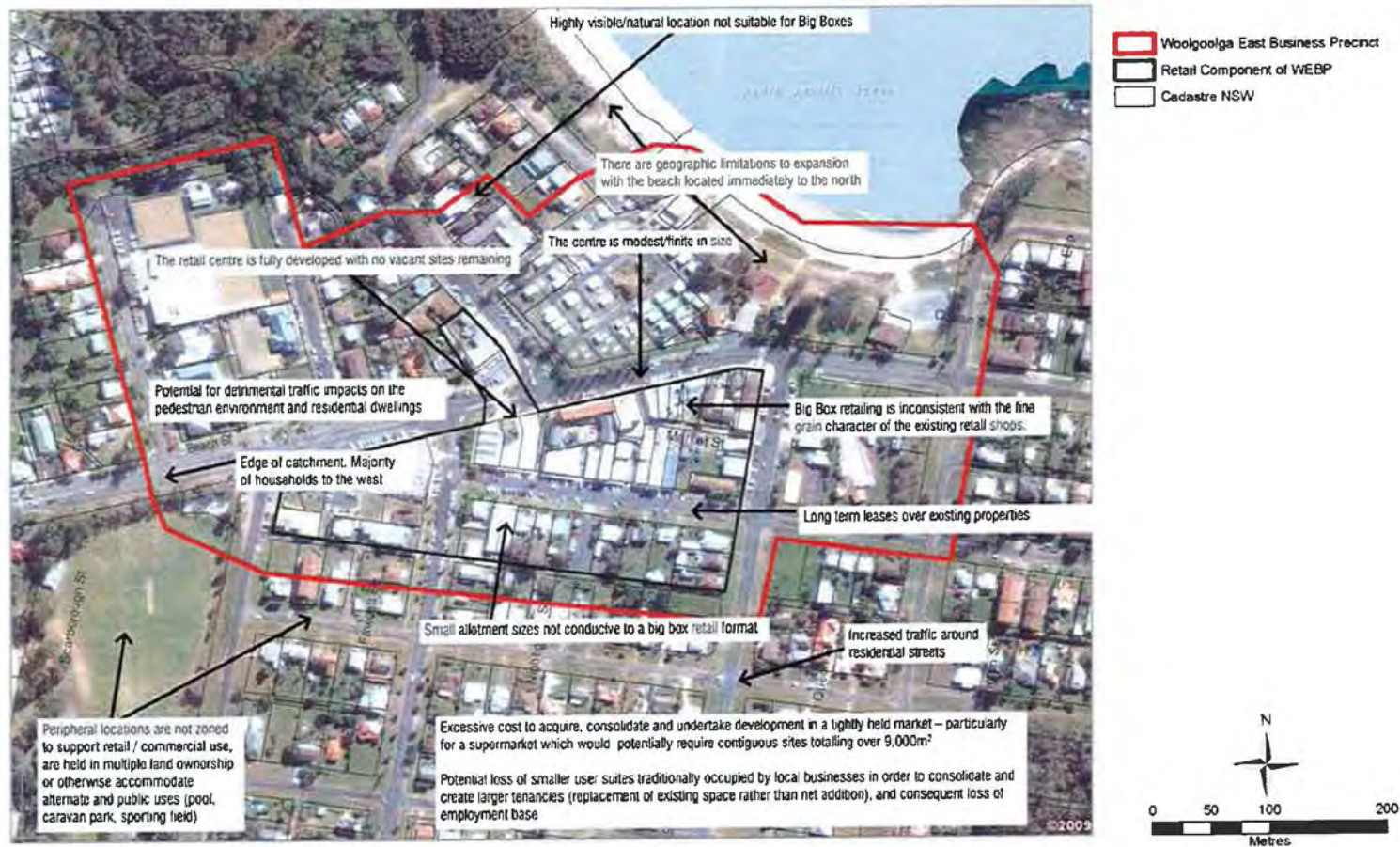
The importance of retaining the fine grain nature of the town's centre, its diversity of shops, and its village character and 'feel' is an important issue. Achieving this within the Beach Street Precinct provides the differentiation from a City environment and retains a key characteristic that has contributed to the popularity of Woolgoolga. Numerous centres have retained their fine grain town centre feel through separating the bulkier uses to another location whilst maintaining the appeal of the village character.

The development of a substantially large site for a supermarket within the Beach Street precinct would result in the loss of the characteristic fine grain lot subdivision, thereby changing the character and village feel of the Centre. This is also contrary to an objective of the Regional Strategy to retain existing characteristic subdivision patterns in towns.

3.6 Traffic and Parking Impacts

Additional traffic generated by the supermarket, both by customers and by delivery trucks, would result in higher volumes of cars on the local roads, including through traffic in residential areas. Additional car parking would be required; and the pedestrian nature of the Centre would likely be disrupted. The combination of these factors will disrupt the village character and feel, providing the potential for adverse impacts, and does not allow the Beach Street Precinct to 'differentiate' itself as a typical local seaside shopping area.

Figure 8 – Woolgoolga East Business Precinct Impacts and Limitations



WOOLGOOLGA EAST BUSINESS PRECINCT

4 WEBP Sites Potentially Capable of Supporting a Supermarket

Based on a review of existing properties within the WEBP, we have identified 2 locations which on the face of it appear potentially suitable to accommodate a stand alone full scale supermarket and associated parking. However, further analysis indicates neither of these to be physically or financially viable. These options are explored in greater detail below.

4.1 Option 1 – Western Block

The western most block within the retail centre appears potentially capable of supporting a supermarket development based on configuration (assuming consolidation), aggregate size of 8,132sq.m and well exposed location on Beach Street. The block comprises 7 separate allotments including:

- 42, 44 and 46 Beach Street
- 3 and 5 Trafalgar Lane (Fawcett Street); and
- 6 and 8 Nightingale Street

This site is considered potentially suitable given the well exposed location along Beach Street and configuration of the consolidated lots. Refer to Figure 9.

However, in terms of supporting a stand alone supermarket development with car park, a number of significant limitations have been identified:

- Existing Improvements – 46 Beach Street is improved with Woolgoolga Plaza which contains an IGA supermarket and 10 specialty stores. This plaza appears well maintained and is operating at 100% occupancy. Both 3 Fawcett Street and 8 Nightingale Street are improved with functional multi tenanted improvements. If these sites were purchased with a view to consolidate and redevelop with a full line supermarket (in isolation) a considerable number of small tenancies would be displaced without alternate accommodation available. In addition the improvements at 5 Trafalgar Lane are modern.
- Cost to acquire – the cost to acquire consecutive allotments with disjointed ownership would be considered prohibitive in this instance. This is largely attributable to 46 Market Street which is improved with Woolgoolga Plaza. As noted above the centre is well maintained and 100% occupied. Acquiring this site as an operational centre would require considerable outlay. The combined cost of acquiring this property with the remaining 6 would be at a cost not economically feasible for a developer.
- Long term leases in place – as noted within Section 3.3 there are a number of long term leases held over the property meaning that there will either be additional expense to terminate the leases or waiting until expiry to develop.
- Multiple owners – of the 7 allotments within the block, 6 are owned by different parties. The exception is 44 and 46 Beach Street which are both owned by Namoi Constructions. The remaining allotments are owned separately. It can prove very difficult to acquire contiguous properties if there is disjointed ownership and there is no guarantee that a purchase of all properties can be secured.
- Demolition of the required seven properties would negatively impact the character of the township and would create serious unemployment issues with the closure of many local businesses.
- The consolidated site would only support a smaller scale full line supermarket
- Topography – whilst primarily level along the Beach Street frontage, the site slopes relatively steeply upward toward the rear south eastern corner. Supermarkets are best suited to level sites given loading, parking and circulation requirements.

- Traffic Impacts – a supermarket in this location would generate significant truck movements to and from the site within an established pedestrian environment. Further, there would be significantly increased customer traffic to and from the site with additional safety impacts on the pedestrian environment.
- Potential amenity impacts on adjoining dwellings – this site is immediately adjacent to at least 4 residential dwellings both to the south and east across and with a limited site area potential impacts from the site may be exacerbated.

4.2 Option 2 – Southern Block

The second potential option to house a supermarket is the retail component along the southern side of Market Street which extends between Nightingale Street and Queen Street and has a rear (southern) boundary to Trafalgar Lane. The strip comprises 13 contiguous allotments with an aggregate land area of 9,946sq.m. Refer to Figure 9.

This strip of allotments is considered to represent an option for redevelopment as the majority of allotments whilst zoned for retail related use are improved with residences dating to the 1950's and 1960's. The only property currently containing retail themed improvements is 4 Market Street, with 14 and 16 collectively used as a public car park (owned by council). Therefore, from a retail perspective this area is considered underdeveloped and could potentially assist in providing a net addition to overall retail accommodation.

However, in terms of supporting a stand alone supermarket development with car park, a number of limitations have been identified:

- Site configuration - whilst sufficient in aggregate size, the allotments reach a maximum depth of approximately 50 metres which is considered too narrow to accommodate a full line supermarket with parking
- Numbers 12 and 14 Market Street are zoned 5A Special Uses, are in public ownership and are used for public parking. These are centrally positioned within the strip and would dissect the consolidated property. Further, consolidation of these allotments into private ownership would significantly reduce the availability of public car parking within the centre which accommodates current demand.
- Cost to acquire – the cost to acquire so many consecutive allotments with disjointed ownership would be considered prohibitive to undertake a stand alone supermarket development.
- Creation of traffic / access – the strip is within a secondary street location and traffic flow would likely be increased directly adjacent to residential premises. In addition, there does not appear capacity for large trucks to gain access for unloading of goods.
- Multiple owners – of the 13 allotments within the strip, 11 are owned by different parties. The exceptions are 12 and 14 Market Street which are owned by Coffs Harbour Council plus 6 and 18 Market Street (non contiguous) which are owned by Munro. The remaining allotments are owned separately. It can prove very difficult to acquire contiguous properties if there is disjointed ownership and there is no guarantee that a purchase of all properties can be secured.
- Inconsistent building form – a 'big box' retail shop is highly inconsistent with the fine grain format of the retail shops fronting Market Street and would significantly change the character of this portion of the centre
- Potential amenity impacts on nearby dwellings – the site is directly across the road from a number of residential dwellings. Site constraint may limit the ability to minimise impacts on these dwellings.
- Traffic impact – large delivery trucks, other service vehicles and customer traffic would be required to use lower order residential streets to access the site causing traffic issues and safety impacts on the immediate locality.

It is evident that the limiting factors for both options 1 and 2 are mirrored within the expansion limitations identified within Section 3.

As there are no sites deemed viable within the WEBP to support a supermarket, the next option as per the ELS is to identify a site within the mixed retail and local service Woolgoolga Pacific Highway Precinct a short distance to the west.

Figure 9 – WEBP Sites Potentially Capable of Supporting a Supermarket



5 WPHP Alternative - 39-41 Clarence Street (Pacific Highway)

The WPHP has been identified under the ELS as potentially suitable to accommodate retail or commercial expansion where it is shown:

- Expansion would not be to the detriment of the Woolgoolga East precinct; and
- Expansion to accommodate forecast demand at Woolgoolga East is not possible given development encumbrances.

The key considerations as to why development of a full line supermarket within the WPHP would not be to the detriment of the WEBP are as follows:

- Retain escape expenditure – the 'Coffs Harbour Retail Strategy' prepared by AEC Group indicates that around half of Woolgoolga households shop in Woolgoolga for groceries indicating that considerable expenditure is escaping from Woolgoolga. The 'Woolgoolga Business Lands Review Study' prepared by Hill PDA states that expenditure is primarily being lost to centres with larger full line centres such as Moonee and Park Beach Plaza. Hill PDA also indicate that by 2011 supermarket expenditure generated by the Woolgoolga primary trade area is forecast to be \$49 million. It can be reasonably extrapolated that by 2011 half of this expenditure (\$24.5m) will escape the primary trade area unless full line supermarket space is provided. The previous analysis states that WEBP currently offers 'top-up shopping' opportunities and does not have the land capacity to enable construction of an adequate supermarket. Development of a full line supermarket within the WPHP would seek to retain a large portion of expenditure, potentially drawing expenditure from secondary trade areas (such as Glenreagh) whilst still allowing for escape expenditure to the higher order centres.
- Employment opportunities would be created within the highway precinct which would supplement the current retail employment base in Woolgoolga East. Coles Group indicate 120 new jobs would be generated by a 3,400sq.m full line supermarket. Industry standards show that this figure is realistic. Additional employment opportunities would also be created during the construction and development phase.
- Satisfy unmet demand for supermarket space - the Hill PDA 'Woolgoolga Business Land Review Study' states that by 2011 the supermarket expenditure generated by the primary trade area will translate to a demand for around 7,000sq.m to 7,500sq.m of supermarket floor space. The report indicates a current trade area supply of approximately 1,600sq.m of floor space representing less than 23% of demand. Given the anticipated floor space shortfall of some 5,400sq.m to 5,900sq.m by 2011 there is significant capacity to develop a supermarket within the WPHP whilst retaining the opportunity to upscale the current small scale supermarkets in the East Precinct. Given the inherent need for additional supermarket accommodation, the dual potential to collectively increase available space within both the East Precinct and the Pacific Highway Precinct is considered a valuable opportunity to service the current shortfall rather than being a potential detriment to the WEBP in isolation.
- Retain small businesses, tenancy space and character of WEBP - in order to develop a full line supermarket within WEBP, close to one third of the total 'Business Town Centre Support' zoned land would need to be acquired for redevelopment. The result would be a significant loss of character within the centre exacerbated by demolition of a considerable content of small business premises creating serious unemployment issues plus the closure of many local businesses. There are no alternate options to relocate any of these displaced businesses within the WEBP. In addition, a considerable volume of traffic would be generated which would include large delivery vehicles leading to potential circulation issues. Development of a supermarket within the WPHP would help to retain the character of the Eastern precinct by eliminating the requirement to demolish a significant content of the existing development. Location of the WPHP aligning the Pacific Highway would also negate the impact of traffic flow and access that would be experienced in the East precinct.

- Will not compete with WEBP specialty stores – any proposal within the WPHP will be for a stand alone full line supermarket only and will not include any substantial specialty retail space. Accordingly, there will be no direct competition with specialty retail stores in the WEBP.
- Differentiation of Centres and Protection of Specialty Shops - There are a number of examples where coastal towns have retained their established fine grain retail centres, whilst complementing these with 'big box' centres on accessible sites towards the periphery of the town, so as to accommodate the retailing needs of the catchment. This separation between a 'beach/village' character and main road centres has been successfully achieved at Sawtell, Yamba and Tea Gardens. Through allowing only larger format retailing along the Pacific Highway, with a minimum GFA requirement (such as 1,000m² GFA as has previously been recommended by the Council) smaller specialties will only be able to locate in the WEBP, thereby protecting their market share in this established location.

This report has demonstrated that expansion of the WEBP is not possible due to the configuration and ownership of allotments within that centre, and prohibitive costs to acquire property to redevelop in such a tightly held market.

As such, land within the WPHP is considered below for the location of a supermarket to service the retail demand experience within the Woolgoolga retail catchment. Specifically, the 'Raj Mahal' is considered the best placed site within the WPHP for this purpose.

5.1 Site Description

The site is made up of two adjoining allotments identified as Lot 500 DP 776362 (to the south) and Lot 1 DP 579511 (to the north). As a consolidated site, the property offers a mostly level topography and is of a generally regular configuration but for the rear boundary which partially follows a curve in Mackay Street.

Primary frontage is to the western side of Clarence Street (Pacific Highway) and secondary frontage is to the northern side of Pullen Street and partially to the eastern side of Mackay Street. Indicative dimensions of the consolidated site are as follows:

- Clarence Street frontage (irregular)	-	43.27m / 20.47m / 40.79m
- Rear (western) alignment (irregular)	-	31.38m / 20.12m / 10.67m / 29.27m / 40.235m
- Pullen Street (southern) boundary	-	64.1m / 23.07m
- Northern alignment	-	93.88m

Aggregate site area is 10,434sq.m.

The subject site currently features the following improvements:

- Lot 500
 - The 'Raj Mahal' former restaurant and tourist facility which is now derelict
 - At-grade hard paving formerly used for car parking located at the rear of the property and accessed off Moore Street
 - Some vegetation and overgrown gardens which surround the existing building
- Lot 1
 - A run down café, fronting the Pacific Highway, which is also derelict.
 - At-grade hard paving formerly used for car parking which is located towards the rear of the property and is accessed off the Pacific Highway. This hard paving is contiguous with the paving at the rear of Lot 500.
 - Some grassed land and vegetation is located along the western boundary.

5.2 Land Affordability within the Pacific Highway Precinct

Acquiring land within the WPHP would be financially viable for a developer intending to undertake a supermarket development.

As with the WEBP, an analysis has been undertaken to determine an estimated purchase price of a site capable of supporting a supermarket. In this instance, an estimate has been made using 39-41 Clarence Street as an example which is considered the most suitable and appropriate site within the Pacific Highway Precinct. This site exceeds the 9,200sq.m land area adopted within the WEBP example and accordingly is large enough to accommodate a full line supermarket.

Once again, an estimated purchase price has been determined by multiplying the land area by the average per square metre sale price.

This is demonstrated as follows:

10,434sq.m site @ \$313/sq.m average sale rate	= \$3,265,842
--	---------------

This amount excludes GST and is substantially less than the equivalent WEBP assessment of approximately \$11,700,000. What a smaller site would potentially cost to acquire in Woolgoolga East. It is noted this indication of price is not construed as a valuation and is a high level indication based on averages sale prices.

To determine if this amount could be afforded by a developer, we have once again undertaken a high level hypothetical development exercise which assesses the indicative land price that a developer could afford to outlay in developing a full line supermarket.

This has included assessing the end value of the completed supermarket and then deducting all development costs which produces an indication of the land value. More specifically, this involves ascribing a hypothetical annual market rent to a 3,400sq.m supermarket, capitalising this rent at an appropriate rate of return (market yield), and then deducting all costs

This is demonstrated as follows:

- Net Annual Supermarket Rent 3,400sq.m @ \$275/sq.m pa	\$935,000
- Capitalised at a market yield	8%
- Value of Completed Supermarket (after rounding)	\$11,700,000
Less	
- Estimated development costs including professional fees, construction costs, holding costs, developer contributions, developer profit and risk, selling and legal fees, finance and interest costs	(say) <u>\$ 8,200,000</u>
- Indicative Land Value	\$ 3,500,000

Therefore, based on a high level hypothetical development exercise, a developer could afford to acquire and develop a site in the WPHP with a full line supermarket based on indicative land value rates.

It is noted that this exercise is hypothetical and has been prepared to provide a broad indication only as to indicative land costs. Once actual designs and construction costs of a proposed supermarket are determined, results are likely to vary but still indicate the area as being affordable.

5.3 Opportunities and Constraints for Retailing on this site

The 'Raj Mahal' site on the corner of Pullen Street and the Pacific Highway is considered to be the most appropriate location for a supermarket within Woolgoolga for the following reasons:

- Well exposed and easily accessible site

The site is located on land which fronts the Pacific Highway and is thus highly visible, especially from the southern approach to Woolgoolga. Located at the intersection of Pullen Street, the secondary frontages of the site are accessed via a large roundabout with site access gained from either Pullen Street or Moore Street. This arrangement avoids disruption to the flow of traffic along the Pacific Highway.

Being located on a main arterial road, the site is easily accessible from the residential area of Woolgoolga, and also from townships to the north and south. In addition, this will assist in serving the future residential release areas identified within the Mid North Coast Regional Strategy, to be located to the north and south of the Woolgoolga township, on the western side of the current Pacific Highway alignment.

- Single Ownership of a site currently redundant for its former purpose

The two allotments are held in a single ownership, with an owner who is prepared to sell. Buildings on the site are in disrepair and have not been occupied by a viable business for a number of years. Redevelopment of this site will return a viable use to this site.

- Level topography

The site is relatively flat with a current expanse of at grade car parking. There are few physical restrictions on the ability to redevelop this site for a supermarket.

- In an existing commercial zone

The identification of Woolgoolga as a Major Town within the Mid North Coast Regional Strategy, which is defined as

Major Towns have a functional role in serving their subregions with outreaches of regional services. They are self-contained with shopping and business services and may have bulky goods, warehousing, transport logistics, farm support services, health and professional services mixed with some medium density residential.

In order to be 'self contained' a full line supermarket is essential, and the subject site is considered to be the best location for this purpose.

The site is currently zoned for commercial purposes, yet allows tourist related uses rather than retailing uses. Whilst a site specific rezoning will be required in order to allow for the development of shops on the site, the retention of an overall commercial zoning is considered to be consistent with the character of this precinct, yet reflects the changing nature and retailing demands of Woolgoolga and its surrounding area.

- Realignment of the Pacific Highway by 2013

The RTA has confirmed that the Woolgoolga Bypass will commence construction towards the end of 2010, with operation expected by the end of 2013. As such, the current traffic levels experienced in the vicinity of the site will drop, and this road will become a lower order arterial road, servicing local traffic only.

The subject site is considered to better cater for the traffic demands generated by a supermarket than land within the WEBP. The WEBP is a fine grained centre with high pedestrian activity especially in the summer tourist months due to its proximity to the beach and tourist accommodation. The subject site fronting the Pacific Highway is better placed to distribute traffic along the main arterial route which will cause fewer disturbances to residential areas.

- Relative affordability

As demonstrated in section 3.2 of this report, land acquisition costs within the WEBP are considered prohibitive based on a review of current and historic sales evidence. It would not be financially feasible for a developer to acquire and develop a site of the scale required within the WEBP.

- Future expansion of Woolgoolga in line with identified release areas within the Mid North Coast Regional Strategy

The Mid North Coast Regional Strategy identifies future release areas to the north and south of Woolgoolga, west of the existing Pacific Highway location. Geographically, the subject site will be located centrally to the future urban area of Woolgoolga, and will be easily accessible to the whole catchment.

These are outlined at Figure 10 at the end of this section.

5.4 Requested Changes to the ELS

The ELS states that land within the WPHP may be used for larger format retailing if it is demonstrated that the WEBP cannot accommodate such uses, and that there will be no detrimental impact on the WBEP.

These points have been demonstrated in this report.

It is requested, therefore, that the Employment Lands Strategy be amended in the following ways:

- Reflect these findings in its identification of future potential uses for land within the Woolgoolga Pacific Highway Precinct, within section 5.4 of the ELS.
- Identify the 39-41 Clarence Street (Pacific Highway) site as the preferred location of a future supermarket serving the Woolgoolga retail catchment in the immediate future.
- Recommend a zoning for the site which permits a full line supermarket.

Figure 10 – Woolgoolga Pacific Highway Precinct Opportunities



6 Conclusion

This submission to the Draft Employment Land Strategy has analysed the retail opportunities available in Woolgoolga for a full line supermarket, and identified a preferred location for such an offer at 39-41 Clarence Street, Woolgoolga.

Section 5.4 of the Draft ELS states the following:

The local service functions of the retail and industrial components play an important future role and zoning should aim to preserve and enhance these. In addition, given the precinct's land availability and arterial access, there is an opportunity to provide space for bulkier land uses that are unable to find sites in the main Woolgoolga Business Precinct (WPHP) and serve a broad catchment. Some such uses (eg building supplies) might locate in the light industrial zone. Though significant retail or commercial expansion is not anticipated in this study, this may be appropriate where detailed local planning investigations and retail simulation modelling demonstrates that expansion would not be to the detriment of the Woolgoolga East Precinct and where expansion to accommodate forecast demand at Woolgoolga East is not possible given development encumbrances.

Separate economic analysis undertaken by Council's consultant HillPDA has found that there is sufficient escape expenditure from Woolgoolga to accommodate a full line supermarket within this retail catchment.

The key reasons why the development of a supermarket within the Woolgoolga Pacific Highway Precinct would not be to the detriment of the Woolgoolga East Business Precinct include the following:

- Escape expenditure is currently occurring outside the town with the Woolgoolga East Business Precinct identified as only offering 'top up shopping' services.
- The supermarket within the Woolgoolga Pacific Highway Precinct would satisfy unmet demand for supermarket space.
- Analysis shows that there is capacity to develop a supermarket within the Woolgoolga Pacific Highway Precinct whilst retaining the opportunity to upscale the existing small supermarkets within Woolgoolga East Business Precinct.
- It allows the retention of small business tenancy space and the character associated with the Woolgoolga East Business Precinct given that approximately one third of the existing business zone within the Woolgoolga East Business Precinct would be required to be redeveloped if a full line supermarket was to be located there.
- Employment opportunities would be created which would supplement the current retail employment base in Woolgoolga East – Coles Group indicate that some 120 new jobs would be generated by a 3,400sq.m full line supermarket plus those during the construction and development phase. Industry standards show that this number of jobs is realistic.
- It will involve a stand-alone store without any substantial specialty retail space. Accordingly there will be no direct competition with the specialty retail sector within the Woolgoolga East Business Precinct.
- It allow Woolgoolga to differentiate its various centres, with the Woolgoolga East Business Precinct providing a fine grained and small-scaled coastal village character, whilst the highway precinct provides for bulkier uses servicing a broader catchment.

The findings of this report demonstrate that there are numerous encumbrances which prevent the location of a full line supermarket within the Woolgoolga East Business Precinct, including:

- The retail centre is fully developed with no vacant sites remaining.
- Overall the centre is of a modest / finite size.

- Peripheral locations are not zoned to support retail / commercial use, are held in multiple land ownership, or otherwise accommodate alternate and public uses (caravan park, pool, sporting field) that are unlikely to be rezoned.
- There are geographic limitations to expansion with the beach located adjacent immediately to the north.
- Excessive cost to acquire, consolidate and undertake development in a tightly held market – particularly for a supermarket which would potentially require contiguous sites totalling over 9,000sq.m.
- Long term leases over existing premises are in place.
- Potential loss of small user suites traditionally occupied by local businesses in order to consolidate and create larger tenancies (replacement of existing space rather than net addition), and consequent loss of employment base.
- Potential traffic impacts on the local street system and pedestrian environment generated by both shoppers and delivery vehicles.
- The 'big box' format of a supermarket is inconsistent with the beachside character of fine grain retailing of the Woolgoolga East Business Precinct.
- There are potential amenity impacts from a supermarket operation on the neighbouring residential dwellings due to land availability constraints.

Given the identified economic need, the acceptable impact on the Woolgoolga East Business Precinct, and also the various development encumbrances on the WEBP preventing its expansion, an alternate supermarket site should be investigated in the Woolgoolga Pacific Highway Precinct. The analysis within this report has shown that the site at 39-41 Clarence Street is ideal for the location of a supermarket. The site

- Is located in an existing commercial zone (albeit requiring an amendment to the current LEP to allow a supermarket)
- Is in single ownership with an owner willing to sell
- Is financially feasible for a developer to acquire with a committed supermarket tenant available for immediate construction
- Has flat topography and is in a highly visible location
- Is easily accessible due to its proximity to the Pacific Highway.
- Is in a strategically 'central' position relative to the existing and future growth areas of Woolgoolga.

It is requested, therefore, that in the finalisation of the Draft Employment Lands Strategy, it be amended to:

- Reflect these findings in its identification of future potential uses for land within the Woolgoolga Pacific Highway Precinct, within section 5.4 of the ELS.
- Identify the 39-41 Clarence Street (Pacific Highway) site as the preferred location of a future supermarket serving the Woolgoolga retail catchment in the immediate future.
- Recommend a zoning for the site which permits a full line supermarket.

Appendix A

WEBP Property List

A.1 Woolgoolga East Business Precinct Property Summary

Woolgoolga East Business Precinct Property Summary

Address	Owner	Land Area' (sq.m)	Improvements	Comments
Beach Street				
42	Gabri Pty Ltd	436	Retail	Dated corner store used as a butcher
44	Namoi Constructions Pty Ltd	803	Retail	Appears former residence with central hair care/massage shop, 2 smaller tenancies annexed (one either side)
46	Namoi Constructions Pty Ltd	4,131	Retail	Neighbourhood shopping centre 'Woolgoolga Plaza' anchored by an IGA plus 10 specialties including a Commonwealth Bank, NRMA, Australia Post, coffee shop, butcher, real estate agent, 2 x take away stores, pharmacy and a jeweller/gift store. Car park to rear
53	Joykel Pty Ltd	984	Retail	'Sunshine Square Shopping Centre', a modest size centre accommodating 10 retail stores including cafes and general retail.
56	Guinness	651	Retail	Single level retail complex with 3 stores - bank, newsagent and discount store. 3 street frontages
58	Clinch	1,140	Retail	'Surfside Plaza', an open walk through plaza accommodating 7 shops. Currently includes tenants such as a real estate agent, gift store and restaurant
60	Various	1,161	Strata	Strata title motel / apartment accommodation
62	Various	617	Strata ret/comm	2 level brick 1980's appearance strata office/retail building.
66	Various	676	Strata res/ret	Mixed use retail and residential accommodation over 3 levels
68	Banana Court Community Credit Union Limited	208	Retail	Retail store used as a credit union
70	Pilbro Pty Ltd	243	Retail	Retail store used as a fruit shop
72	Pitts	412	Retail	Retail store used as a café
76	Corfield	550	Retail	Single level retail store used as a surf shop
78	Beach Street Properties Pty Ltd	1,299	Motel	'Beach Motel', a 3 1/2 star single and two level motel complex. Appears 1980's vintage of brick and tile construction.
82	Watson Lifestyle Superannuation Fund Nominee Pty Ltd	651	Retail	Corner lot improved with a s/s retail building containing 4 tenancies.
Market Street				
2	House	497	Comm residence	Single level clad residence which appears utilised for commercial related purposes.
4	Mcguigan	900	Retail	The Market Place', a 5 shop plaza dating to the late 1970's early 1980's. The only retail development off the southern side of Market Street.
5	Marlap Enterprises	689	Retail	Single level retail building comprising 3 tenants - PC shop, accountant and bicycle store.
6	Munro	706	Residential	Basic appearance fibro clad residence.
7-9	Duff	626	Ret/Comm	Improved with a single level brick retail shop (take away food) and a 2 level brick retail/office building.
8	Egan	683	Residential	Basic appearance fibro clad residence.
10	Singh	719	Residential	Basic appearance fibro clad residence.
11	Various	691	Strata	Single clothing store off street frontage, 3 x residential apartment to rear
12-14 ^F	Coffs Harbour City Council	1,971	Car Park	Council owned car park, comprises 2 adjoining lots

15	Centre	481	Retail	Single level retail store occupied by St Vincent De Paul
16	Gatum Pty Ltd	1,012		Basic appearance fibro clad residence.
17	Microchau Pty Ltd	506	Retail	Two level 1980's appearance building with ground floor retail (chinese restaurant) and first floor office.
18	Munro	1,012		Basic appearance fibro clad residence.
19	Wright	506	Retail	Single level retail store occupied by a physiotherapist
Queen Street				
8	JTG Pty Ltd	1,498	Retail	Modern small scale IGA supermarket.
10	J & J Beales Pty Ltd	337	Commercial	A 2 level brick office building on compact allotment
12	Various	665	Strata res	Well established two level brick residential strata unit complex positioned off the NW corner of Queen and Market Streets.
14	Dhillon	727	Residential	Basic appearance fibro clad residence.
16	Mark	597	Residential	Basic appearance fibro clad residence.
18	Crighton Projects Pty Ltd	607	Residential	Basic appearance fibro clad residence.
Nightingale Street				
6	4 More Investments Pty Ltd	733	Medical Centre	Basic appearance single level freestanding brick building utilised as a medical centre
7	Vallance	515	Residential	Outdated single level compact fibro cottage with flat metal roof.
8	Woolgoolga Sea Change Pty Ltd	848	Ret/Comm	Improved with 'The Nightingale Centre' which is a 2 level retail and commercial building. Occupants include a book store, clothing store, conveyancer and counsellors.
Fawcett Street				
3	Bains	716	Retail	1980's appearance 2 level brick building with 2 ground floor tenancies (video store and pizza shop) plus a first floor gym.
5	Murphy	465	Residential	Contemporary appearance 2 level brick apartment complex held in one line. Frontage to Tragfalgar Lane
TOTAL³		30,698		
Median Lot Size³		676		
Average Lot Size³		787		

1. Approximate only and subject to confirmation
 2. Zoned 5A Special Uses and used as a public car park
 3. Excludes 12-14 Market Street which is zoned 5A Special Uses
 Not. Properties highlighted have sold within the past 4 years
 Source: RP Data; Urbis

Sydney
Level 21, 321 Kent Street
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Tel: +612 8233 9900
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Brisbane
Level 12, 120 Edward Street
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Dubai
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**Appendix 2 Coles Letter Dated 3 March
2010**

3 March 2010

Peter Strudwick
Director
Urbis
GPO Box 5278
SYDNEY NSW 2001

Dear Mr Strudwick

Re: Coles Woolgoolga, 39-41 Clarence Street (Pacific Highway) Woolgoolga

This letter is provided in support of your submission to the Coffs Harbour Draft Employment Lands strategy, which has been prepared on behalf of Buildev.

Coles looks forward to a positive outcome in response to your submission to Council and hopefully creating the opportunity to provide employment in the Woolgoolga region, particularly for local residents. Coles confirms that it has prepared its own analysis of the Woolgoolga retail catchment. Its analysis has identified sufficient market including escape expenditure supporting the prospect of establishing a full line supermarket in Woolgoolga.

The subject site holds characteristics, which support it as the preferred supermarket location with good exposure, vehicular access, and on grade parking all being fundamental elements for a convenience based retail offer.

Coles Supermarkets has over a number of years investigated potential supermarket locations in Woolgoolga both within the existing Woolgoolga town centre and on or in close proximity to the Pacific Highway. These investigations have led us to conclude that the subject site is the only opportunity that is capable of delivering the attributes supporting sustainability for large format supermarket retailing and associated retail, including other forms of employment generation.

Coles Group believes that it is critical for any retail opportunity to be successful in Woolgoolga requires the adoption of a master plan which identifies future retail and employment lands centred around the Pacific Highway. This will also enable it to effectively service the primary and secondary catchments via the Pacific Highway arterial. Under this master plan the existing Woolgoolga town centre will continue to flourish as a boutique retail, accommodation and tourist destination.

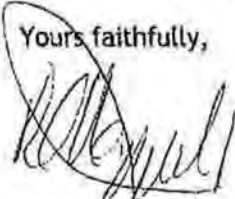
Notwithstanding the above, the prospect of future development of this type within the existing Woolgoolga town centre precinct also remains problematic and restrictive by virtue of limited land availability and its escalated value.

In summary, a key determining factor in Coles' decision to establish full line supermarket representation in Woolgoolga will be the establishment by the Coffs Harbour Employment Land Strategy of a development Master Plan for Woolgoolga identifying the subject site and surrounding lands for retail and employment generation purposes.

The establishment of a new Coles supermarket, generates approximately 120 full time and part-time employment opportunities. In addition and as an industry standard, it is generally acknowledged that secondary employment created (i.e., Supply and Service industries) would generate a similar number of opportunities. This would be in addition to the Construction Industry employment generated by the initial development.

We look forward to your further advice.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Paul Peppereil', written over a circular stamp or seal.

Paul Peppereil
**Manager Retail Leasing
Property**

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Tel: +612 8233 9900
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