

## LEADING

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<b>ITEM NUMBER</b>	0.0
<b>SUBJECT</b>	Supplementary - Update on Outstanding Issues: 181 James Ruse Drive, Camellia
<b>REFERENCE</b>	RZ/5/2012 - D05796928
<b>REPORT OF</b>	Snr Project Officer
<b>APPLICANT</b>	Pacific Planning (previously Statewide Planning)

### PURPOSE:

The purpose of this Supplementary Report is to provide additional information to Item 12.6 of the 12 February 2018 Council meeting.

### RECOMMENDATION

- a) **That** Council Officers continue to work with the proponent on the outstanding matters in the Planning Proposal for 181 James Ruse Drive, Camellia in accordance with the directions outlined in the Principle and Supplementary reports.
- b) **That** Council grant delegation to the Interim CEO to continue to progress negotiations with the applicant on the Voluntary Planning Agreement offer dated 29 January 2018 with the outcome of the negotiations to be reported to Council for endorsement prior to any Voluntary Planning Agreement being placed on public exhibition; and
- c) **Further, that** should Council send the planning proposal to the Department for processing, a request be made that the final notification in the Government Gazette (which will legally bring the LEP changes into force) only be undertaken once Council confirms that the draft VPA has been finalized.

### BACKGROUND

1. At the 18 December Council meeting a Council report (Item 13.3) detailing the current status of the planning proposal affecting land at 181 James Ruse Drive, Camellia was considered by Council.
2. Council's resolution from that meeting was:
 

***That** consideration of this matter be deferred to the Council Meeting to be held on 12 February 2018 with a prior Councillor Workshop to be held with information to be provided to the Workshop on planning issues over the last two months.*
3. As resolved, a further Council report progresses the issues raised in the 18 December 2018 Council report. The report is Item 12.6 in the 12 February 2018 Council meeting Business Paper ("Principal Report").
4. At the time of finalising the Principal Report, the proponent provided additional information that could not be considered as there was not sufficient time for Council Officers to review the new material and provide appropriate level of analysis and assessment. This Supplementary Report serves that purpose.

5. Also consistent with the resolution of 18 December 2017 was a request for a Councillor Briefing Session. This was subsequently held on Wednesday, 7 February 2018 with the applicant in attendance. The applicant presented details of the outstanding matters relating to the planning proposal and latest VPA offer. Council's planning staff were also in attendance at this meeting to discuss and answer Councillors' questions.
6. As detailed in the Principal report, the DPE's Housing and Urban Renewal Team have advised that the exhibition of the Camellia Town Centre Masterplan is imminent and is expected to be formally placed on public exhibition before the end of February.

### **Flooding**

7. On 29 January 2018, the applicant provided a letter from Mark Tooker of Tooker and Associates (dated 25 January 2018) in response to the matters raised at the meeting with the applicant on 23 January 2018. A copy of the letter is provided at **Attachment 1**.
8. The letter largely reiterates the content of the proponent's Flood Impact Report (prepared by Mark Tooker also of NPC, dated September 2014 and as exhibited). It does flag the issue of Overland flow path flanking the western side of the site but stops short of providing a full technical response in terms of how the proposed development responds to this overland flow path that is supported by Council's Catchment Engineers. However, it does note the proponent's willingness to work with Council and the RMS on this issue.
9. **Recommended next step:** In light of the above, no change is proposed to the 'Recommended next steps' sub-section within the 'Flooding' section in the Principal Report (Item 12.6).

### **Proponent's Economic Analysis**

10. The Principal Report recommends *a review of the applicant's economic analysis be provided in a Supplementary Report to Council prior to the 12 February 2018 Council meeting.*
11. On 29 January 2018, the proponent provided an Economic Analysis report prepared by PPM Consulting (dated 25 January 2018) in response to some of the issues raised at the meeting held on 23 January 2018. Specifically, in relation to the proponent's view that for the proposal to be economically viable, the lowest possible dwelling yield equates to 3,200 dwellings over the site. The Economic Analysis also provides the numerical calculations for the proponent's 'Alternative VPA Offer' (discussed in the VPA section below).
12. The Economic Analysis includes tables which contain total costings or valuations associated with contributions, remediation, open space dedication, embellishments, economic benefit and other elements. Other content cannot be discussed in this report because the applicant has advised that the report has been provided on a commercial in confidence basis.
13. Council Officers have concerns regarding the costings and valuations relied on within the Economic Analysis report. The value of the remediation costs has substantially risen from original estimates from approximately 3 years ago but are not currently supported by any Quantity Surveyor documentation.
14. Other factors of concern are summarized below:
  - a) The analysis states the area to be dedicated as open space equates to 36,291sqm and includes a 1,000sqm Square. However, this quantum of open space for dedication to Council has never been agreed upon

with Council Officers. The amount of 36,291sqm was included in the proponent's Open Space Report which was exhibited with the planning proposal. However, only the foreshore Park comprising 9,750sqm has been the subject of the VPA negotiations to date. Council Officers stress that Council should not agree to having the following items dedicated to it:

- i. the 1,000sqm Foreshore Square dedicated to it because it will have underground car parking beneath it.
    - ii. the local roads dedicated to it because they will contain the containment cells which will hold the contaminated material. This will pass on the ongoing management of the containment cells in perpetuity to Council and thus all risk associated with them.
  - b) The analysis includes other items of public benefit that are part of an alternative Offer to the proponent's 'Irrevocable Offer' dated 19 December 2017. These are discussed in the 'Voluntary Planning Agreement' section below.
  - c) The Density Scenario Comparisons section of the Economic Report contains analysis on two density scenarios for the Camellia Town Centre Precinct – one with 10,000 dwellings and one with 12,000 dwellings. In the analysis, it incorrectly quotes Council Officers' proportion of the proponent's site to the total area that makes up the Camellia Town Centre (proponent says 21.7% but the December Report and the Principal Report say 18%). Regardless, the proposed density for the proponent's site is best dealt with via the Department of Planning and Environment's (DPE) Camellia Town Centre Masterplan process which is anticipated for exhibition shortly.
  - d) Without the costings and values having been technically backed by QS documentation, Council Officers are limited in their ability to assess the report in any detail.
15. Until supporting Quantity Surveyor documentation is provided which Council Officers can then review and assess, at this stage, the report has little bearing on any of the recommendations within the Principal Report. Council Officers would also recommend that Council obtain permission from the owner to enable Council to obtain an independent review of the document before Council uses the document as the basis for any decision making on the density appropriate for this site.
16. **Recommended next steps:** Until supporting Quantity Surveyor documentation is provided which Council Officers can then review and assess, the report has little bearing on any of the recommendations within the Principal Report. Moving forward, further discussion with the applicant to get their agreement to an independent peer review should be held.

### Pipeline Setback

17. As noted within the Principal report, a review of the proponent's letter from Sam Khoury of Sam Khoury Consulting Engineer (dated 16 January 2018) has been addressed in the Principal Report. A copy of the letter is provided at **Attachment 2**. Therefore, no change is required to the Principal Report (Item 12.6) on this matter.

**Other Outstanding Issues**

18. No additional information was provided by the proponent in relation to the other outstanding issues. Therefore, no change is recommended to the 'Other Outstanding Issues' section in the Principal Report (Item 12.6).

**Voluntary Planning Agreement (Ref. No. F2017/03440)**

19. The Principal Report (Item 12.6) contains a recommended next step (point No.48) stating that *an assessment of the applicant's revised VPA Offer be provided in a Supplementary Report to Council prior to the 12 February 2018 Council meeting.*
20. As noted within the Principal Report, on 30 January 2018, Council Officers were in receipt of an 'alternative VPA' (dated 29 January 2018) Offer for Council's consideration. Council Officers interpret this to mean that this offer is an alternative to the offer ("Alternative Offer") made by the applicant on 14 December 2017 which was summarised in the Principal Report.
21. The 'Alternative Offer' has a total value of \$43,613,220 which is \$21,575,720 higher than the previous 'Irrevocable offer' of 14 December 2017 (\$22,037,500 value) and \$30,388,220 higher than the offer of 12 May 2015 (\$13,225,000 value) and includes:
- a) Dedication of parks (value of \$17,769,908).
  - b) Retail/commercial space and its fitout as proposed in the Irrevocable Offer (value being \$5,300,000).
  - c) Bridge over Parramatta River to UWS of 100 metres (\$2,500,000).
  - d) Public car park at the light rail station for 100 spaces (value of \$6,500,000).
  - e) Bike path for community uses (value of \$1,500,000).
  - f) Foreshore remediation and seawall (value of \$10,043,312).
22. The 'Alternative Offer' also states that a draft VPA document is attached. Whilst the documents addressed in this report were provided by the applicant via email with a Dropbox link, no such VPA document was attached to the Letter of Offer.
23. Comparing this offer to the proponent's Irrevocable Offer of 14 December 2018 or with the offer of 12 May 2015 (which had progressed somewhat up to September 2015) there are a number of matters within the Alternative Offer that require clarification:
- a) The significant increase in the amount and type of open space to be dedicated to Council (this has been discussed above – see 21a.).
  - b) The increase in value of the fit out of the retail/commercial space above and beyond the value contained within the proponent's VPA offer of 12 May 2015 which has not been supported by any Quantity Surveyor costings. (This was noted within the Principal Report).
  - c) The proposal for the bridge and bike path (which the proponent identifies as a local item) are considered regional open space items, part of which are likely to be delivered either as part of the Parramatta Light Rail (PLR) or through a State Infrastructure Contribution (SIC) as

part of the Camellia Town Centre Masterplan process. The need for the regional items would need to be tested as part of the Camellia Masterplan process, and future SIC and must therefore be agreed to by the DPE and PLR.

- d) Given the nature of the parking and traffic issues associated with the Camellia Precinct, Council Officers do not consider Camellia an appropriate location for a Council parking station of 100 spaces. The local road network is already highly constrained and the proposed additional car park would have adverse impacts on the existing and future traffic network by encouraging commuters from outside of the Camellia Precinct to park at the station.
24. Because the Alternative Offer contains elements that are not supported by Council Officers, or have not been discussed with Council Officers, or have not been supported by QS documentation, or involve potential State / Regional items, it is recommended that Council continue negotiations on a potential VPA that might provide alternative options.
25. **Recommended next steps:** That Council continue negotiations on a potential VPA that might provide alternative options and consult with relevant State Agencies on items that may be considered regional items that would be delivered outside of the VPA process (ie SIC).
26. **Note:** After close of business, Thursday, 8 February, Council Officers were in receipt of a further 'Alternate VPA Letter of Offer'. The Offer is predominantly the same as the previous 'Alternate Offer' of 29 January 2018, except its total value has been increased by \$15,500,000, as follows:
- a) The proposed public car park at the light rail station provides for an additional 150 spaces, increasing the facility to 250 spaces (and increasing the total value to \$16,500,000 – an increase of \$10,000,000 from \$6,500,000). Again, the increased value has not been supported by any QS documentation.
  - b) A public car park building screening, fire and mechanical services (value \$5,500,000). Again, the value of the item has not been supported by any QS documentation.
27. As previously outlined, Council Officers consider that the proposed car parking facility is not an appropriate location for a Council parking station as the local road network is already highly constrained and the proposed expanded car park facility would have adverse impacts on the existing and future traffic network by encouraging commuters outside of the Camellia Precinct to park at the station.
28. Also, like the offer of 29 January 2018, the revised 'Alternative Offer' states that a draft VPA document is attached to the offer. However, again no such VPA document was attached.

### **Submissions on the exhibited planning proposal**

29. A total of 15 submissions were received on the exhibited planning proposal, comprising:
- a) Two (2) submissions from local City of Parramatta residents;
  - b) Two (2) submissions from land owners within the Camellia Town Centre Precinct; and

- c) 11 submissions from State Agencies which were required to be consulted as part of the Gateway Determination.
30. A copy of each submission is attached to this Supplementary Report as follows:
- a) Local residents submissions - **Attachment 3**;
  - b) Land owner submissions - **Attachment 4**; and
  - c) State Agency and Stakeholder submissions – **Attachment 5**;
31. A summary of the issues raised in each submission along with the Council Officer response is to be provided in a Summary Table at **Attachment 6**.
32. The recommendation at the end of the Principal Report (point No.54) that provides three alternative options in the instance that Council is mindful to make a decision require Councillors to consider the submissions received during the exhibition period.
33. As noted within the Principal Report (point No.54 of Item 12.6), in considering Options A, B and C, Council *must also consider the submissions received from landowners, local residents and State Agencies as a result of the exhibition process*.
34. For Council to properly consider the Planning Proposal it must give consideration to all the submissions received before deciding whether it is appropriate to progress with the Planning Proposal.

### **Councilor Workshop Issues**

35. As discussed previously a workshop was held on 7 February 2017 (which included a presentation from the applicant). Discussion included consideration of the Council Officers recommendation to continue assessment of the Planning Proposal as well as three further options identified in the Principle report which all involve forwarding it to the Department of Planning and Environment.
36. As a result of workshop discussion, some Councillors sought assistance with wording for a potential alternate motion should they decide that they would like to support the Planning Proposal subject to the density being consistent with the future Camellia Town Centre Masterplan and subject to further negotiation on the VPA offer. The suggested wording for this potential alternate motion is as follows:-
- a) That, having considered the submissions arising from the public exhibition of the Planning Proposal for 181 James Ruse Drive, Camellia, Council resolves that:
    - i. The planning proposal documentation as exhibited be forwarded to the DPE for finalisation on the basis that the future density for the site directly relates to:
      - 1. An appropriate scale and density related to its proximity to the future Light Rail Station; and
      - 2. the proposed density distribution that the DPE determines for the precinct based on the Camellia Town Centre Masterplan process (currently believed to be 10,000 dwellings).

- ii. Council continues to work with the applicant to negotiate a VPA that delivers an appropriate quantum of community infrastructure that is required to service the needs of the future Camellia resident population including community space and a sports field and that Council consult with relevant State Agencies on items that may be considered regional items that would be delivered outside of the VPA process (ie SIC).
- iii. The outcomes of the above VPA negotiation process be reported to Council for endorsement prior to any VPA being place on public exhibition.
- iv. Upon sending the Planning Proposal to the Department of Planning and Environment, a request be made that the Department proceed with processing the Planning Proposal (subject to recommendation 1), that the final notification in the Government Gazette (which will legally bring the LEP changes into force) only be undertaken once Council confirms that the draft VPA has been finalised.

## CONCLUSIONS

37. Despite the new information submitted by the applicant that has been addressed as part of this supplementary report, it is recommended:
- a) ***That Council Officers continue to work with the proponent on the outstanding matters in the Planning Proposal for 181 James Ruse Drive, Camellia in accordance with the directions outlined in the Principle and Supplementary reports.***
  - b) ***That Council grant delegation to the Interim CEO to continue to progress negotiations with the applicant on the Voluntary Planning Agreement offer dated 29 January 2018 with the outcome of the negotiations to be reported to Council for endorsement prior to any Voluntary Planning Agreement being placed on public exhibition; and***
  - c) ***Further, that should Council send the planning proposal to the Department for processing, a request be made that the final notification in the Government Gazette (which will legally bring the LEP changes into force) only be undertaken once Council confirms that the draft VPA has been finalized.***
38. Alternate options have been identified should Council prefer to forward the Planning Proposal to the Department of Planning and Environment and potential wording for such a resolution is outlined above (Paragraph 36).

Jacky Wilkes  
**Senior Project Officer**

Robert Cologna  
**Manager Land Use Planning**

Sue Weatherley

**Director Strategic Outcomes and Development**

Sue Coleman

**Interim Chief Executive Officer**

**ATTACHMENTS:**

<b>1</b>	Flooding Letter from Tooker and Associates	27 Pages
<b>2</b>	Hazard Analysis by Sam Khoury	13 Pages
<b>3</b>	Local Resident Submissions	20 Pages
<b>4</b>	Landowner Submissions	10 Pages
<b>5</b>	State Agency and Stakeholder Submissions	72 Pages
<b>6</b>	Summary of Submissions	18 Pages

**REFERENCE MATERIAL**