

ORDINARY COUNCIL

ORD05

SUBJECT: PROPOSED REZONING OF LANDTURN 'TRIANGLE' SITE AT NARELLAN FOR RETAIL EXPANSION

FROM: Director Governance

BINDER: Amendment No 13 Landturn Narellan

PURPOSE OF REPORT

The purpose of the report is for Council to consider rezoning land at 339 Camden Valley Way, Narellan (known as the Landturn 'Triangle' site) to allow for an expansion of the Narellan Town Shopping Centre to the northern side of the Camden Valley Way.

BACKGROUND

Landturn Pty Ltd owns a 7.28 hectare site located at 339 Camden Valley Way, Narellan that is bounded by Camden Valley Way, The Northern Road and The Old Northern Road. The site is currently zoned 'B5 – Business Development' and is intended to be used primarily for the sale of bulky goods, with 11,300 square metres of retail uses allowed on the site.

The Landturn 'Triangle' site and the Narellan Town Shopping Centre are in common ownership. The owners of the site are seeking to change the zoning of the 'Triangle' site to 'B2 – Local Centre' to facilitate an expansion of the Narellan Town Shopping Centre to the northern side of the Camden Valley Way. The proposal includes construction of a pedestrian bridge to link the two sides of the shopping centre and public domain improvements to Camden Valley Way.

The request to rezone the land is supported by a retail demand study prepared by Deep End Services on behalf of the landowner, and by a peer review report prepared by Hill PDA on behalf of Council (and funded by the landowner).

MAIN REPORT

Landturn Pty Ltd owns a 7.28 hectare site located at 339 Camden Valley Way, Narellan that is bounded by Camden Valley Way, The Northern Road and The Old Northern Road, **shown in Figure 1 – Location Map below.**

The land is currently zoned 'B5 – Business Development' and was intended to be used primarily for bulky goods retail, although an additional 11,300sqm of retail floorspace was permitted on the site. It is proposed that the bulky goods retail floorspace that is displaced by this rezoning proposal be relocated to the Gregory Hills employment lands, and is the subject of a separate report.

The owners of the site also own the Narellan Town Shopping Centre located on the southern side of Camden Valley Way. It is proposed to extend the existing shopping centre northwards into the 'triangle' site. A preliminary urban design vision prepared for the site suggests that it could accommodate approximately 45,000sqm of additional retail floorspace. If this is supported by Council, the Shopping Centre will expand to a total floorspace of approximately 88,250sqm, making Narellan a "Major Centre". This will provide opportunities for an expanded and higher order of retail shopping for the

residents of the Camden LGA. This will reduce escape expenditure to other centres, creating more local jobs. It will also provide an opportunity to revitalise the Narellan town centre and improve the Camden Valley Way public domain.

Figure 1 – Location Map



A Planning Proposal is provided in **Attachment 1 to this report** and proposes to rezone the site to 'B2 – Local Centre' to enable the site to be developed as a retail shopping centre. This would result in a shopping centre that straddles Camden Valley Way.

To connect and integrate both parts of the shopping centre, it is proposed to construct a pedestrian bridge over Camden Valley Way. This will require the approval of the NSW Roads and Maritime Services (RMS, previously known as the RTA). It is understood that the applicant has commenced discussions with RMS, however the RMS will be formally consulted as part of the planning process should Council provide 'in principle' support for the rezoning.

Planning Proposal

The Planning Proposal includes the following suggested amendments to Camden Local Environmental Plan 2010 (LEP 2010):

- rezone the 'triangle' site and the adjoining part of Camden Valley Way to B2 – Local Centre;
- amend the relevant Height Control Map to specify a maximum height of 20 metres on the 'triangle' site, the adjoining part of Camden Valley Way and the site of the existing Narellan Town Shopping Centre. A planning process will be undertaken to establish development controls in relation to height guidelines that will satisfy streetscape and urban design objectives; and
- amend the relevant Floor Space Ratio Map to allow a floor space ratio of 1:1 across the 'triangle' site, including the former road reserve on the north eastern part of the site.

It may also be necessary to amend Schedule 1 of LEP 2010 and Part D of Camden Development Control Plan 2010 (DCP 2010) to respond to and reflect the new proposed LEP provisions.

Proposed zoning, height and floor space maps are presented in Figure 2 below.

Figure 2 – Proposed LEP Amendments

Top Line = Current Maps and Bottom Line = Proposed Maps



Economic Justification for the Rezoning

The proposal to rezone the land to allow a retail shopping centre has been supported by a retail demand study undertaken by Deep End Services on behalf of the applicant. A copy of this study is provided in **Appendix 2** to the Planning Proposal provided in **Attachment 1 to this report**.

This study has been peer reviewed by Hill PDA on behalf of Council, at the cost of the applicant. Hill PDA has been involved in similar retail demand studies on behalf of the NSW Government for the growth centre areas, including as part of the Austral/Leppington North precincts. The Hill PDA peer review report is provided in **Appendix 3** to the Planning Proposal provided in **Attachment 1 to this report**.

The main findings of the retail demand analysis and peer review are summarised below:

- The Narellan Town Centre (NTC) catchment is forecast to grow by 237% between 2011 and 2036. The existing population of the NTC catchment is 86,660 and is made up of residents of Narellan-Camden and parts of Wollondilly and the Growth Centre Precincts. The total forecast population will be approximately 205,800 people in 2036. (For further detail refer to Table 5 on page 26 of the Deep End Services Report in Appendix 2 of the Planning Proposal).
- Currently about 35% of NTC catchment household expenditure on retail goods “escapes” to other centres. This equates to around \$390m per year. This ‘escape expenditure’ will increase over time if there are no expanded retail facilities in the NTC catchment. Escape expenditure is an important issue as the retail sector is a major source of employment. A significant reduction in escape expenditure will only result from the introduction of new, higher order retailing. The provision of more supermarket and neighbourhood retailing, while important in new growth areas, will have little or no effect on escape spending. It is expected that the proposed expansion of the Narellan Town Shopping Centre would generate over 1,000 direct jobs and 690 indirect jobs.
- In Australia, the accepted current rate of floorspace per capita for retail planning purposes is 1.7sqm per person. The NTC currently provides 1.39sqm per person, which is below the average floorspace provision. When the population grows to the projected 205,800 people in 2036, the retail floorspace provision in NTC will drop to 1.05sqm per person, which is considered very low.
- Based on current planning (including the full development of retail centres in the Growth Centre precincts such as Oran Park and Leppington), there is an estimated undersupply of retail floorspace in the region of approximately 50,000sqm to 127,000sqm. The Narellan Town Shopping Centre is proposing an additional 53,380sqm of floorspace.
- There is a demonstrable need for additional discount department store (DDS) floorspace in Narellan. Given the forecast population for the South West Growth Centre precincts of at least 300,000 people, at least 7-8 DDSs will be required. On this basis, the provision of additional DDS floorspace in Narellan will have no impact on developing further DDS based shopping centres in Oran Park, Leppington and other possible locations in the South West Growth Centre.
- Council’s peer review report states that there is sufficient justification for the rezoning in economic terms, given identified needs and the proximity of the

subject site to the existing Narellan Town Shopping Centre. However, if the rezoning were to proceed, economic impact upon existing centres would need to be carefully considered and quantified once the final floorspace mix and timing or staging of development is known. Council will require that an economic impact assessment be undertaken as part of the rezoning process.

Consistency with State and Local Strategies

The proposed rezoning is consistent with the following State and local government strategies:

- The NSW State Plan 2021;
- The Metropolitan Plan for Sydney 2036;
- The draft South West Sydney Subregional Strategy;
- The draft Centres Policy 2009; and
- Camden 2040.

Planning Process

The proposed rezoning of the 'triangle' site requires consideration of a number of planning issues and will require a number of studies to undertaken including:

- traffic, access and parking;
- economic impact assessment;
- noise;
- stormwater and drainage; and
- urban design principles.

Given the uncertainty at this stage regarding whether Council will proceed with the rezoning of the land, it is not desirable for the applicant to incur the cost of planning studies addressing these issues at this time. Instead it is proposed that should Council be willing to provide 'in principle' support for the rezoning, then the Planning Proposal provided in **Attachment 1 to this report** will be forwarded to the Department of Planning and Infrastructure (DPI) for a Gateway Determination. If the Planning Proposal receives a favourable outcome, planning studies will then be undertaken to address the planning issues relevant to the site. The cost of preparing planning studies is to be borne by the applicant.

Once Council staff have received and considered the relevant planning studies, it is proposed to engage in a 'planning process' that may take the form of a workshop to consider the planning controls that should apply to the NTC. It is suggested that this will include consideration of planning controls for all land currently or proposed to be zoned 'B2 – Local Centre' as there may be issues (such as traffic and access) that are generated by the subject site, but that will have an impact on the NTC more broadly. It is recommended that the applicant be required to engage an appropriately qualified consultant to facilitate the workshop process and assist in the preparation of urban design controls at its own cost. The outcome of this planning process will be a draft Development Control Plan for the NTC B2 – Local Centre lands. The Planning Proposal will also be reviewed as part of this planning process and amendments may be required.

The workshop is likely to be attended by Council staff and representatives of the landowners. However, other owners of land zoned 'B2 – Local Centres' with the NTC may also be invited to participate. This is yet to be decided and will be considered following receipt of the planning studies when impacts beyond the subject site are better understood.

During this planning process, consultation with relevant State agencies will be undertaken. In particular, this will include consultation with RMS regarding the proposed pedestrian bridge across Camden Valley Way to connect and integrate the two parts of the shopping centre.

Should Council and the DPI provide 'in principle' support for the rezoning, the applicant will prepare a number of planning studies. One of the most important studies will be the traffic, access and parking study, which provides an opportunity to address the traffic congestion currently experienced in the NTC. It is imperative that traffic, access and parking issues in Narellan are addressed as part of this rezoning proposal. It is critical in its functioning as a major centre, that the proposed expansion of the shopping centre provides long term improvements to address the Narellan traffic issues.

A report would be brought to Council at the conclusion of the planning process to provide Council with an opportunity to consider any comments received by State agencies, the proposed draft Development Control Plan and any amendments to the Planning Proposal. At this stage, it would be proposed to seek community input through a public exhibition of the Planning Proposal and draft Development Control Plan.

As there will be a need for time to prepare planning studies, to undertake a workshop and prepare a draft Development Control Plan, the Planning Proposal provided as **Attachment 1 to this report** suggests that the Gateway Determination provide a period of 12 months for the plan to be made following a determination being received. The Planning Proposal also notes that should the applicant decide not to fund the preparation of the required planning studies, Council will not proceed with the Planning Proposal.

CONCLUSION

The proposed rezoning of the 'triangle' site to facilitate the expansion of the Narellan Town Shopping Centre provides a significant opportunity to revitalise the NTC and in particular, the public domain and pedestrian environment of Camden Valley Way.

The retail demand study that supports the rezoning request identifies that there is an undersupply of retail floor space, including when the proposed retail centres located in the Growth Centre precincts are fully developed as planned. The residents of the Narellan-Camden area (and the broader NTC area) are not provided with the retail floorspace per capita (1.7sqm per person) that is considered the accepted standard. Instead the current supply is 1.34sqm per person, which is set to decline to 1.05sqm per person if retail facilities are not expanded as the population increases.

The retail demand analysis and peer review indicates that there is an undersupply of retail floor space in the region of 50,000-127,000sqm. This is even after all of the proposed retail centres within the Growth Centre precincts have been developed to their full capacity. As a result, there is scope for Council to consider the addition of approximately 53,380sqm of retail on the 'triangle' site.

The proposed expansion of the Narellan Town Shopping Centre will elevate the NTC to a “major centre” and will attract higher order retail provision that is not currently available locally and has resulted in a loss of approximately \$390m of retail spending per year to other centres. If this ‘escape expenditure’ could be captured in the local area through provision of increased and higher order retail facilities, there is expected to be more local jobs. It is estimated that the expanded Narellan Town Shopping Centre would create more than 1,000 direct jobs and 690 indirect jobs, in addition to the short-term jobs that would be created during the construction phase of the development.

The current intended use of the site is primarily for the provision of bulky goods retail. This floorspace is proposed to be relocated to the Gregory Hills employment lands and is the subject of a separate report.

Should Council provide ‘in principle’ support for the rezoning request, further detailed planning studies will be undertaken following receipt of a favourable Gateway Determination. This will enable Council to undertake a planning process that includes a workshop to consider the planning issues and prepare detailed development controls for all of the B2 – Local Centre land in the NTC.

RECOMMENDED

That Council:

- i. provide in principle support of the rezoning of land at 339 Camden Valley Way, Narellan to ‘B2 – Local Centre’;**
- ii. forward the Planning Proposal to the Department of Planning and Infrastructure for a Gateway Determination;**
- iii. subject to receiving a favourable Gateway Determination:**
 - a. require the applicant to bear the cost of undertaking studies relating to traffic, access and parking; economic impact assessment; noise; stormwater and drainage and urban design principles, together with any other studies required as part of the gateway process; and**
 - b. require the applicant to fund the engagement of an appropriately qualified consultant to facilitate a workshop and assist in the preparation of urban design principles for the study area; and**
 - c. undertake a planning process to prepare detailed development controls for the B2 – Local Centre lands within the Narellan town centre; and**
- iv. be provided with a further report to allow consideration of the Planning Proposal and draft Development Control Plan prior to public exhibition.**

ATTACHMENTS

- 1. Planning Proposal**