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**INNOVATIVE**

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<b>ITEM NUMBER</b>	6.2
<b>SUBJECT</b>	Gateway request – Planning Proposal – 18 – 40 Anderson Street, Parramatta
<b>REFERENCE</b>	RZ/4/2018 - D06875900
<b>REPORT OF</b>	Project Officer- Land Use Planning
<b>LAND OWNER:</b>	Australia and New Zealand International Investment Group Pty Ltd
<b>APPLICANT:</b>	Landream

**PURPOSE:**

To seek the Local Planning Panel's (LPP) endorsement of amendments to the Planning Proposal at 18 - 40 Anderson Street, Parramatta in response to concerns from the Department of Planning and Environment at the request for a Gateway determination. Amendments to the Planning Proposal seek to:

- rezone the site from B5 Business Development to B4 Mixed Use;
- insert a site-specific provision requiring a minimum 3:1 non-residential FSR; and
- remove the proposed site-specific additional permitted use provisions allowing for residential accommodation and serviced apartments.

**RECOMMENDATION**

That the Local Planning Panel recommend to Council:

- (a) **That** Council endorse the proposed amendments to the Planning Proposal at 18 – 40 Anderson Street, Parramatta (included as **Attachment 1**) for the purposes of a Gateway Determination, in relation to the subject site:
  - Rezone the site from B5 Business Development to B4 Mixed Use;
  - Insert a site-specific provision requiring a minimum 3:1 non-residential FSR; and
  - Remove the proposed site-specific additional permitted use provisions allowing for residential accommodation and serviced apartments.
- (b) **Further, that** the amended Planning Proposal be forwarded to the Department of Planning and Environment with a request for a Gateway Determination to be issued.

## BACKGROUND

1. On 9 May 2018, Landream lodged a Planning Proposal seeking to amend the Parramatta LEP 2011, in part to rezone the subject site to B3 Commercial Core and to permit residential development and serviced apartments as additional permitted uses.
2. The intent of the planning proposal was to facilitate redevelopment of the existing Holiday Inn Hotel into a mixed-use development including residential, hotel and commercial uses. The proposed building form envisaged two high rise forms on the western side of the site and two lower rise forms on the eastern side. A new park and green link was proposed in the southern part of the site.
3. On 18 December 2018, the Local Planning Panel considered a report (included as **Attachment 2**) on the Planning Proposal and supported the Council officer recommendation that the Planning Proposal be sent to the Department of Planning and Environment seeking a Gateway Determination. Council on 11 February 2019 endorsed progression of the Planning Proposal seeking the following amendments to Parramatta LEP 2011:
  - *Rezone the site from B5 Business Development to B3 Commercial Core;*
  - *Amend Schedule 1 Additional Permitted Uses to add residential accommodation' and 'serviced apartments' as additional permitted uses and include a provision limiting those additional permitted uses to a maximum FSR of 3:1 (and up to 3.9:1 FSR with design excellence) and subject to a minimum FSR of 3:1 being provided as non-residential floor space;*
4. On 4 March 2019, the Planning Proposal was submitted to the Department of Planning and Environment for a Gateway determination.
5. On 28 May 2019, the Department of Planning and Environment provided the following advice (letter included at **Attachment 3**) after undertaking an initial assessment of the Planning Proposal:
  - The Department has concerns regarding the inconsistencies between this Planning Proposal and the Parramatta CBD Planning Proposal, which was issued a Gateway determination in December 2018. The Parramatta CBD Planning Proposal identified the need for the subject site to be zoned B3 Commercial Core, primarily due to flooding constraints. The general intent of the site was to be an extension of the Auto Alley precinct, largely consisting of commercial development.
  - While it is understood that further information has been prepared that may support a different land use outcome on the site, the Department has concerns with the intent to make residential accommodation an additional permitted use, which may undermine the commercial zone and the CBD Planning Proposal.
  - The Department is willing to consider how this site may be better developed to deliver Council's vision for the CBD. However, in its current form the Planning Proposal, with the intention to provide an additional permitted use

to the commercial core for residential purposes, will not be further processed.

- Council and the proponent are encouraged to discuss a better way forward for this proposal so it aligns with the Parramatta CBD Planning Proposal and amend the documentation for submission to the Department.
6. On 5 June 2019, a meeting was held between the proponent, Department and Council staff where the Department clarified their concerns. The Department was primarily concerned with maintaining the integrity of the B3 Commercial Core Zone by preventing residential uses being introduced as additional permitted uses, as they consider the approach would undermine the integrity of the B3 Zone proposed in the CBD Planning Proposal. However, no concern was raised with the actual site-specific development outcome proposed under the subject Planning Proposal, which includes residential accommodation. Therefore, the agreed approach between all parties, is to amend the Planning Proposal to rezone the site to B4 Mixed Use and insert a site-specific provision requiring a minimum 3:1 non-residential FSR to address employment targets.

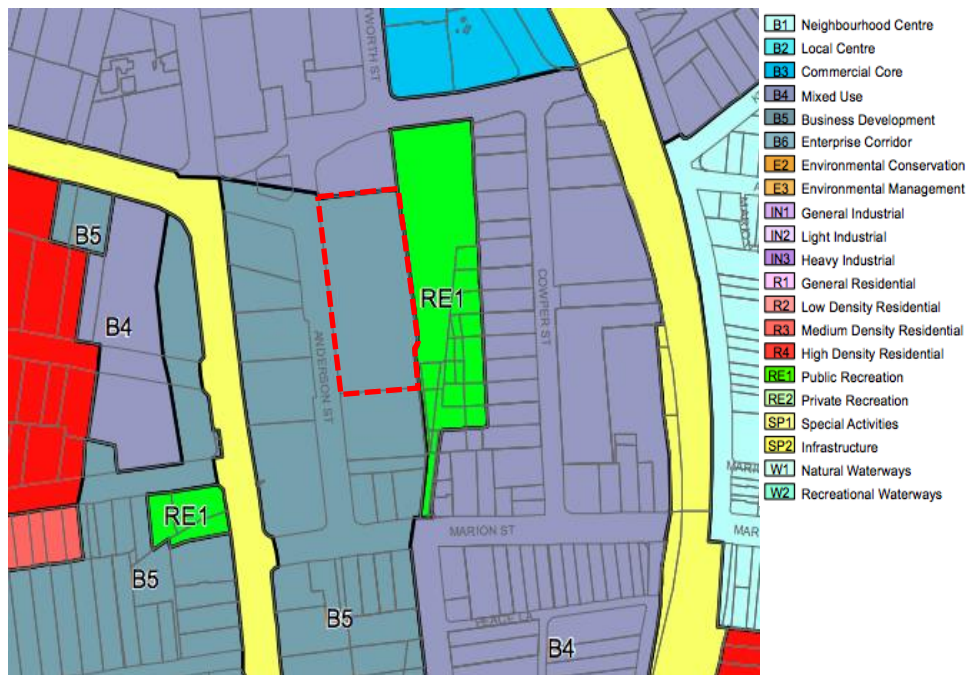
## SITE DESCRIPTION AND COUNCIL'S POSITION ON PLANNING CONTROLS FOR THE SITE

7. The subject site is located at 18 – 40 Anderson Street, Parramatta and a detailed site description is included at **Attachment 2**.
8. A comparison of current planning controls, proposed controls of the Parramatta CBD Planning Proposal and controls of the amended Planning Proposal for the subject site are shown in **Table 1** below.

**Table 1: Comparison of Controls**

	<b>Current Controls</b>	<b>CBD Planning Proposal Controls</b>	<b>Amended Site-Specific Planning Proposal</b>
<b>Zone</b>	B5 Business Development	B3 Commercial Core (Residential and Serviced Apartments not permitted in B3 Zone)	B4 Mixed Use
<b>FSR</b>	4:1	6:1	6:1  Minimum 3:1 non-residential FSR required
<b>HOB</b>	18m	Base and Incentive are part 80m and 0m and requirement to comply with Sun Access Protection provision	Part 120m and 0m and compliance with Sun Access Protection provision

9. **Figure 1** shows the current zoning of the site and surrounding area under Parramatta Local Environmental Plan 2011.



**Figure 1:** Existing zoning extracted from Parramatta LEP 2011 Land Zoning Map (the subject site is shown by dashed red line)

## ISSUES

10. In response to advice from the Department of Planning and Environment, and following a recent meeting with the applicant and Department it is proposed to make the following amendments to the Council – endorsed Planning Proposal:

- Rezone the site from B5 Business Development to B4 Mixed Use;
- Insert a site-specific provision requiring a minimum 3:1 non-residential FSR; and
- Remove the proposed site-specific additional permitted use provisions allowing for residential accommodation and serviced apartments (as these uses are permitted with consent in the B4 zone).

11. Amendments proposed to the Council – endorsed Planning Proposal are considered appropriate as they will deliver the same outcomes as the proposal previously endorsed by the Local Planning Panel and Council. Reasons in support of the amendments are outlined below:

### Flood risk

12. The primary reason for the CBD Planning Proposal applying a B3 Commercial Core zoning to the site related to flood risk. The site was originally considered for a B4 Mixed Use zoning, but ultimately a B3 business zoning was considered more appropriate as it would place fewer people at risk. However, the detailed site-specific flooding analysis conducted as part of the subject site-specific Planning Proposal demonstrates that the site is in principle suitable for residential development from a flood risk perspective. The main reason for retaining the B3 Commercial Core zoning for the site is considered to be no longer valid.

### Land use pattern

13. Council Officer's previous position was based on concerns that rezoning this site away from the B3 Commercial Core zone proposed in the CBD would be seen as a precedent by other landowners in Auto Alley who are having their sites zoned B3 Commercial Core and would then request that they also be permitted a B4 Mixed Use zoning on their site. The Department of Planning's position is that allowing residential uses on site zoned B3 Commercial Core would set a precedent undermining the integrity of the B3 Commercial Core zoned land across all of the CBD.
14. It is acknowledged that a B4 Mixed Use zoning will result in a more logical land use pattern. This site will have B4 Mixed Use zoned land to the immediate north and south under the draft Parramatta CBD Planning Proposal (as currently endorsed by Council). The site to the north (5 - 7 Parkes Street) already has development approval for a residential flat building. Additionally, land of residential character to the east of the site across Jubilee Park is zoned B4 Mixed Use under current controls and the Parramatta CBD Planning Proposal. It is considered that appropriately designed residential accommodation on the site will provide a better interface for adjoining open space and residential uses than a wholly commercial development.
15. A B3 Commercial Core zoning would result in an irregular extension of the existing commercial core and would compromise the overarching spatial planning for Auto Alley, which consists of a commercial spine along Church Street adjoining by mixed uses.

### **Employment**

16. While the B4 zone may allow for residential uses, it should not reduce the total potential floor space area for employment uses. The proposal for a minimum 3:1 FSR commercial provision will help ensure a significant commercial component within future development at the site. It is estimated that the proposal would result in additional employment (+90 full time equivalent jobs) compared to existing operations.

### **NEXT STEPS**

17. Council officers recommend that Council progress the amended Planning Proposal (included at **Attachment 1**), that incorporates amendments described in this report. Pending Council endorsement, the next step would be to send the amended Planning Proposal to the Department of Planning and Environment with a request for a Gateway Determination. If the Department provides a Gateway Determination the Planning Proposal will be placed on public exhibition before being reported back to Council.

Paul Kennedy  
**Project Officer Land Use Planning**

Jonathon Carle  
**Land Use Planning Manager**

Jennifer Concato  
**Executive Director City Strategy and Development**

**ATTACHMENTS:**

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|---|-------------------|--|----------|
| 1 | <a href="#">↓</a> | Amended Planning Proposal                          | 43 Pages |
| 2 | <a href="#">↓</a> | Report to Local Planning Panel                     | 23 Pages |
| 3 | <a href="#">↓</a> | Letter from Department of Planning and Environment | 1 Page   |

**REFERENCE MATERIAL**