

ITEM NO: DPG 06
FILE NO: 304869.2015
SUBJECT: Application to amend LLEP 2008 to permit 'shops' up to a maximum GFA of 21,000sqm at 10 Orange Grove Road, Warwick Farm (Orange Grove MegaCenta)

RECOMMENDATION

That Council:

1. Supports the Planning Proposal to amend Schedule 1 of *LLEP2008* to permit 'shops' as an additional use up to a maximum GFA of 21,000m² on 5 Orange Grove Road, Warwick Farm (Lot 101 DP104316 and part of Lot 23 DP1190437)
2. Receives and agrees to the Voluntary Planning Agreement from the applicant to facilitate the road upgrade at the intersection of Viscount Place and Orange Grove Road prior to submission of the Planning Proposal for Gateway.
3. Forwards the Planning Proposal to Department of Planning and Environment seeking Gateway pursuant to *s.56 of the Environmental Planning and Assessment Act 1979*.

COUNCIL DECISION

Motion: Moved: Clr Hadchiti **Seconded:** Mayor Mannoun

That Council:

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2. Forwards the Planning Proposal to Department of Planning and Environment seeking Gateway pursuant to *s.56 of the Environmental Planning and Assessment Act 1979*.
3. Delegates to the CEO to negotiate with the applicant regarding the proposed VPA subject to traffic modelling and improved pedestrian connectivity, with a separate report to be presented to Council for consideration.

On being put to the meeting the motion was declared CARRIED.

Councillors voted unanimously for this motion.

DPG 06	Application to amend LLEP 2008 to permit 'shops' up to a maximum GFA of 21,000sqm at 10 Orange Grove Road, Warwick Farm (Orange Grove MegaCenta)
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Strategic Direction	Liveable Safe City Deliver an efficient planning system which embraces sustainable urban renewal and development
Key Policy	Urban Development Plans
File Ref	304869.2015
Report By	Peter Pham - Strategic Planning
Approved By	Toni Averay - Director Planning & Growth

Property	10 Orange Grove Road, Warwick Farm 5 Viscount Place, Warwick Farm
Owner	Gazcorp Pty Ltd
Applicant	Gazcorp Pty Ltd

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from Council for a Planning Proposal to amend Schedule 1 of the *Liverpool Local Environmental Plan 2008* to permit 'shops' up to a maximum GFA of 21,000m² at the Orange Grove MegaCenta site (Lot 101 DP104316 and part of Lot 23 DP1190437).

The proposed amendment will create the flexibility to permit 'shop' uses, while supporting the main function of the subject site for 'bulky goods' retailing under the existing B5 zoning (refer to **Attachment 1**).

The justifications for the support of the planning proposal are as follows:

- The Economic Impact Assessment (EIA) and two peer reviews of the EIA found the proposal will not adversely impact the viability of existing centres including Liverpool CBD and Westfield.
- The proposal demonstrates that the development cannot be accommodated within the existing available floor space in the Liverpool CBD, existing edge-of-centre and out-of-centre locations.

- The proposal demonstrates the need to provide additional clauses to the *LLEP2008* Schedule 1 – Additional Use as opposed to rezoning because the site does not meet the objectives of the B2 - Local Centre zone. Moreover rezoning to B2 – Local Centre would open up the possibility of establishing uses (e.g. residential flat buildings or shop top housing) that would not be desirable in the locality.
- The retail diversification at The Orange Grove MegaCenta will service the demand that is currently unmet and will play an important regional role in providing bulky goods and other services for the projected population and residential growth.
- The ability to establish 'shops' within this centre will assist the viability of the centre.

The applicant has also proposed to facilitate the upgrade at the intersection of Viscount Place and Orange Grove Road through a Voluntary Planning Agreement (VPA). It is proposed that the VPA offer be made to Council prior to submission of the Planning Proposal to the Department of Planning and Environment, seeking Gateway Determination.

RECOMMENDATION

That Council:

1. Supports the Planning Proposal to amend Schedule 1 of *LLEP2008* to permit 'shops' as an additional use up to a maximum GFA of 21,000m² on 5 Orange Grove Road, Warwick Farm (Lot 101 DP104316 and part of Lot 23 DP1190437)
2. Receives and agrees to the Voluntary Planning Agreement from the applicant to facilitate the road upgrade at the intersection of Viscount Place and Orange Grove Road prior to submission of the Planning Proposal for Gateway.
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REPORT

Site Description

The legal description of the subject site is Lot 101 DP104316 and part of Lot 23 DP1190437 (5 Orange Grove Road), otherwise known as the Orange Grove MegaCenta Liverpool. It is located approximately 1.5km north of the Liverpool City Centre, and sits at the northern edge of the Liverpool LGA, bordering on the Fairfield LGA (refer to **Figure 1**).

The subject site forms part of a larger site known as the MegaCenta, which includes the approved retail outlets site (Weekend Markets) on the southern side of Viscount Place. A Dan Murphy's store is also located within The Grove Centre on the southern side of Viscount Place and fronting Orange Grove Road. A stand-alone McDonalds outlet is located opposite the Dan Murphy's store on the northern side of Viscount Place and on a separate allotment to the homemaker centre. There is also an IGA supermarket and Krispy Kreme outlet on the site on land zoned B6 – Enterprise Corridor.

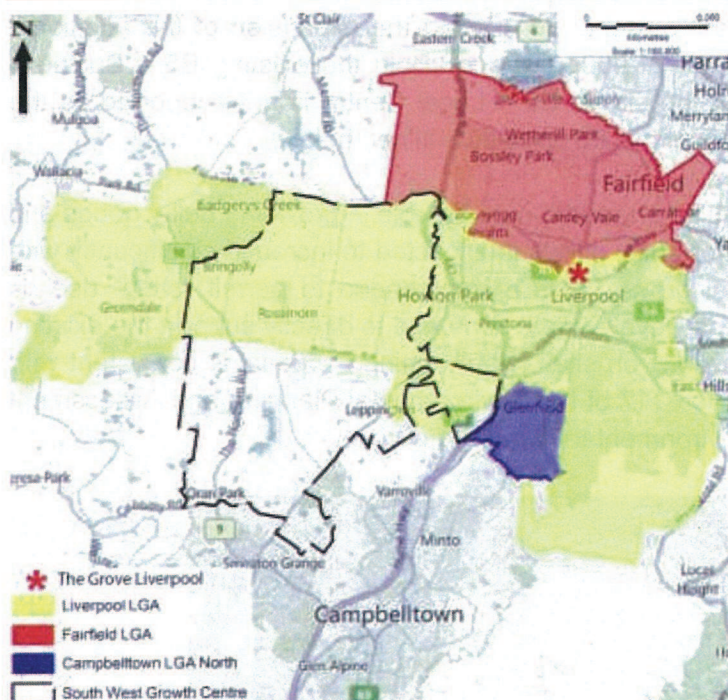


Figure 1 – Context Map
Source: Liverpool Retail Centres Hierarchy Review

Background

An initial Planning Proposal was submitted to Council in March 2015 which sought to rezone the part of the Site which is currently zoned B5 - Business Development to B2 - Local Centre. The proposed B2 – Local Centre zoning was intended to allow for the expansion of the retail uses on the site to accommodate 'shop' floor space.

Council assessed the initial proposal and concluded that the rezoning of the site from B5 - Business Development to B2 – Local Centre Zone was not supported as the proposed use did not meet the objectives of the B2 Zone and would result in poor land use outcomes. It was recommended that a better approach to achieving the intended outcome was to maintain the existing B5 – Business Development zoning and allow 'shops' under Schedule 1 of *LLEP2008* as an additional use, with a maximum GFA limit of 21,000m². The proponent subsequently amended the Planning Proposal based on the advice provided by Council officers.

Proposal

The Planning Proposal seeks to amend Schedule 1 of the *LLEP2008* under Additional Permitted Use to permit 'shops' up to a maximum GFA of 21,000m² at the Orange Grove MegaCenta site (Lot 101 DP104316 and part of Lot 23 DP1190437). The Planning Proposal will facilitate the delivery of new additional uses for 'shops' to accompany the existing B5 zoning for bulky goods retailing (refer to **Figure 2**).

The objective of the proposal is to facilitate large format and traditional retail uses within the subject site to provide for unmet demand in the broader trading area serviced by the Orange Grove MegaCenta. No other development standards are changed as a result of this

Planning Proposal. There is sufficient evidence to support the expansion of the additional 'shop' use with a maximum GFA limit 21,000m² space within the existing B5 – Business Development zone. The rezoning of the site to B2 – Local Centre is not supported as the rezoning would not meet the objective of the B2 zone as outlined below.

The Orange Grove MegaCenta plays an important regional role in providing bulky goods and large format retailing. The demand for bulky goods is expected to increase significantly with projected population and residential growth. It is recommended to permit "shop" use as ancillary to the existing B5 – Business Development zone and to directly support the existing bulky goods and other services currently on site. The Planning Proposal is consistent with the Ministerial Directions under Section 117 of the Environmental Planning and Assessment (EP&A) Act and applicable State Environmental Planning Policies.



Figure 2 – Location Map
Source: Nearnmap

Economic Impacts

The applicant commissioned Leyshon Consulting Pty Ltd (Leyshon) to prepare an Economic Impact Assessment (EIA) of the proposal, and subsequently commissioned Deep End Services to undertake a peer review of the Leyshon EIA. As part of Council's assessment, an independent peer review of both reports was undertaken by Essential Economics on behalf of Council (refer to **Attachment 2**). All three reports found that there was sufficient unmet demand in the broader catchment to support the proposal and that there were likely to be minimal adverse impacts on the existing centres as a result of the proposed development.

According to the peer review by Essential Economics, the estimated impacts would not undermine or materially affect the viability of any shopping centre. It was calculated to have marginal impact on annual sales of -5.9% on the Liverpool CBD as a whole and -7.3% on Liverpool Westfield in 2019 post development of the planning proposal. It is considered that

the proposed Orange Grove MegaCenta will service a retail demand that is currently unmet. The impacts are considered marginal and will slowly diminish over time due to the forecast increase in population within the city centre catchment. It is expected that there will be strong growth in bulky goods retailing centres with the big box retailers looking to capture market share from the department stores and some specialty retailers in traditional retail centres. It is also acknowledged, the Fairfield LGA lacks a department store, and lacks a discount department store in the south-east of the LGA. This further reinforces a lack of suitable locations to accommodate large format retail sites due to the existing fragmentation of sites zoned for retail.

The proposal within Orange Grove MegaCenta will result in economic growth and productivity benefits. Council's independent peer review of both reports indicated the proposed Orange Grove MegaCenta would achieve potential sales of approximately \$118.2m in 2019. These are similar to statistics provided by Leyshon Consulting and Deep End Services. The retail components are considered to be in line with industry averages and expectations for a retail development at the site.

All three economic impact assessment (EIA) reports establish an increase in community benefits through local employment opportunities as result of the Planning Proposal. It is estimated, that the proposal at Orange Grove MegaCenta has the potential to result in net employment growth of 576 direct jobs in retailing, including full-time and part-time positions.

Sequential Test and Site Suitability

As part of assessing the suitability of the subject site, the applicant has provided a sequential test in edge-of-centre and out-of-centre locations within the catchment area. It is to be noted, within the Draft Activity Centres Policy, the Orange Grove MegaCenta is identified as a stand-alone centre.

The applicant's sequential site analysis established that no alternative sites are available in established retail centres to accommodate the proposal. A number of constraints were identified:

- Lack of large undeveloped areas with suitable commercial zonings
- The need to preserve industrial zoned land for industrial uses
- Preserving recreational land and public amenities

The finding also demonstrates that there are no opportunities to feasibly accommodate the proposal within the City Centre, due to the fragmentation of land ownership and subdivision/lot patterns. It is also noted, that the City Centre is dominated by the Liverpool Westfield with a variety of retail and commercial spaces.

Liverpool Retail Hierarchy

The Liverpool Retail Hierarchy Study by Hill PDA was approved by Council in November 2012. It was undertaken to ensure that the roles of centres are clearly defined and that expansion of one centre will not threaten the role of another centre further up or down the

hierarchy. The review forecasts significant increases in retail growth and demand for retail floorspace over the 2006 to 2031 period.

The Liverpool Retail Hierarchy Review identifies the Orange Grove MegaCenta as a Stand Alone Centre and concluded it was suitable for diversification of uses beyond its bulky goods role, particularly if the existing outlet centre opened on the Weekend Markets site. The study also found the development of traditional retail outlets comprising a Discount Department Store (DDS) and a Full-Line Supermarket at the site could be supported and that these additional uses would most appropriately be accommodated by an amendment to Schedule 1 of *LLEP2008*, rather than a rezoning of the site. The document in support of the amendment states:

"If Council approve additional development at Orange Grove and Crossroads, this may be most appropriately accommodated through using additional uses as permissible. In doing so Council would retain a greater degree of control over the type of development, thus mitigate any potential impacts upon Liverpool City Centre and other centres" (Liverpool Retail Centres Hierarchy Review, July 2012 pg.65).

Furthermore, the statement supports the EIA and peer reviews undertaken that the amendment to permit additional 'shop' use for up to 21,000m² GFA at Orange Grove MegaCenta site is unlikely to seriously impact on any nearby centre.

Liverpool Local Environmental Plan (LLEP) 2008

An evaluation of the *LLEP2008* found an amendment to allow an additional use provision was appropriate for the following reasons:

The site is largely isolated from the surrounding residential catchment area and lacks public transport connectivity or active transport connectivity such as walking or cycling. B2 – Local Centre zoning should be applied to areas located in proximity to an immediate residential catchment with high level of public transport and active transport connectivity.

The proposal demonstrates the need to provide additional clauses to the *LLEP2008* Schedule 1 – Additional Use as opposed to rezoning because the site does not meet the objectives of the B2 - Local Centre zone. Moreover rezoning to B2 – Local Centre would open up the possibility of establishing uses that would not be desirable in the locality.

The B2 - Local Centre objective is to provide a range of retail, business, entertainment and community uses that serve the needs of people in the local area. The subject site is a regional facility servicing a very broad catchment as opposed to a local catchment. The subject site is located on Orange Grove Road, a major regional thoroughfare, and is designed for and primarily accessible by motor vehicles.

The B2 – Local Centre would allow a number of additional uses permitted for development (e.g. residential flat buildings or shop top housing) which are prohibited in the B5 – Business Development zoning. This could lead to unplanned and unintended consequences on the site which may lead to poor land use outcomes.

Recent amendments to the LLEP2008

Consideration should be given to recent amendments to Schedule 1 of *LLEP2008* to support the provision of large format retail within B5 – Business Development zoning. These amendments were assessed and approved on its merits and economic impacts on the retail hierarchy of Liverpool:

- Amendment No. 26: Permitted additional uses for 'retail premises', 'business premises', 'service station' and 'vehicle repair station' at Crossroads Homemaker Centre (Lot 200 on DP1090110) Beech Road, Casula to include a Costco Outlet on B5 – Business Development zoning
- Amendment No. 22 : Permitted 'retail premises' at 5 Viscount Place, Warwick Farm (Lot 23 on DP1190437) with a maximum of 19,000m² of retail premises permitted on the site, and restriction of 1,200 m² applied to each tenancy on B5 – Business Development zoning. The amendment facilitated the redevelopment of the Weekend Markets as an outlet retailing centre.

Traffic and Transport

A Traffic and Transport Impact Assessment has been submitted with the Planning Proposal. In regard to traffic generation and the capacity of the network to accommodate the traffic, the assessment finds that the peak demand of the Orange Grove MegaCenta can accommodate the additional vehicle movement generated. The subject site is motor vehicle dependent with strong connectivity to the sub-regional network (further indicating a lack of public transport and pedestrian connectivity to support for B2 – Local Centre zonings). It is noted that the level of public transport is generally not as frequent as traditional centres.

Voluntary Planning Agreement

The traffic and transport assessment submitted by the proponent has recommended upgrading the intersection of Viscount Place and Orange Grove Road as a result of the Planning Proposal. The proponent has offered funding be facilitated through a Voluntary Planning Agreement subject to Council approval and prior to submission of the Planning Proposal for Gateway.

Conclusion

The Planning Proposal to permit 'shops' at the Orange Grove MegaCenta will play an important regional role in providing bulky goods and large format retailing (shops). The Economic Impact Assessment reports and Council's independent peer review confirm that there are unlikely to be any adverse impacts on the viability of existing centres. In addition, the sequential test provided by the proponent demonstrates that there are no opportunities to accommodate the proposal within the Liverpool City Centre due to the fragmentation of land ownership and subdivision/lot patterns.

While there will be marginal impacts on annual sales on Liverpool CBD and Liverpool Westfield, the proposal does not directly compete with these sites. It is considered that the proposed Orange Grove MegaCenta will service a retail demand that is currently unmet. With the forecast population growth, it is appropriate to support the provision of this additional use within B5 – Business Development zoning at this location. The additional

'shop' use will be ancillary to the objectives of the existing B5 – Business Development zone and will support the existing bulky goods retailing and other services currently provided by the subject site.

It is therefore recommended that the applicant forwards the VPA offer to Council subject to approval, prior to submission of the Planning Proposal to the Department of Planning and Environment, seeking a Gateway Determination for an amendment to Schedule 1 Additional Permitted Uses of the *LLEP2008* to permit 'shops' up to a maximum GFA of 21,000m² at the Orange Grove MegaCenta site (Lot 101 DP104316 part of Lot 23 DP1190437).

CONSIDERATIONS

Economic and Financial	Further develop a commercial centre that accommodates a variety of employment opportunities.
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ATTACHMENTS

1. Planning Proposal [View](#) (Under separate cover)
2. Peer Review of Economic Impact Assessment [View](#) (Under separate cover)