

INNOVATIVE

ITEM NUMBER	6.4
SUBJECT	Planning Proposal for Land at 55-59 Kirby Street, Rydalmere
REFERENCE	RZ/26/2016 - D06629555
REPORT OF	Senior Project Officer
LANDOWNER	Fife Capital
APPLICANT	Mecone NSW Pty Ltd

PURPOSE:

The purpose of this report is to seek the Local Planning Panel's (LPP) endorsement to proceed with the Planning Proposal for land at 55-59 Kirby Street, Rydalmere in accordance with the Council Officer recommendations and recommend that Council forward it to the Department of Planning and Environment for Gateway Determination.

RECOMMENDATION

That the Local Planning Panel recommend to Council:

- (a) **That** Council resolve to proceed with the Planning Proposal for land at 55-59 Kirby Street, Rydalmere (provided at **Attachment 1**), which seeks the following amendments to Parramatta Local Environmental Plan (PLEP) 2011:
1. Rezone the site from IN1 General Industrial to R4 High Density Residential
 2. Increase the maximum height of buildings from 12m to 20m (6 storeys)
 3. Increase the floor space ratio from 1:1 to 1.3:1
 4. Amend Schedule 1 Additional Permitted Uses within PLEP 2011 to permit *café/restaurant, shops and office premises* on 59 Kirby Street (Lot 20 DP 855339) only, providing adequate detail has been provided relating to the exact nature of the proposed uses.
- (b) **That** a site-specific Development Control Plan (DCP) be prepared and reported to Council prior to the exhibition of the Planning Proposal addressing detailed design requirements for the site, including, but not limited to:
1. Overshadowing
 2. Communal open space provision
 3. Heritage
 4. Interface with Upjohn House and Upjohn Park
 5. Built form
- (c) **That** the Applicant's Traffic Impact Assessment be updated to reflect the proposed scheme.
- (d) **That** delegated authority be given to the Acting CEO to negotiate the Voluntary Planning Agreement (VPA) on behalf of Council in addition to Section 7.12 contributions payable, and that the outcome of negotiations be reported back to Council prior to its concurrent exhibition with the draft site

specific DCP and Planning Proposal.

- (e) **That** the Planning Proposal be forwarded to the Department of Planning and Environment for Gateway determination.
- (f) **That** Council advises the Department of Planning and Environment that the Acting CEO will be exercising the plan-making delegations for this Planning Proposal as authorised by Council on 26 November 2012.
- (g) **Further, that** Council authorise the Acting CEO to correct any minor policy inconsistencies and any anomalies of an administrative nature relating to the Planning Proposal that may arise during the amendment process.

BACKGROUND

1. On 11 July 2016, Council adopted the Parramatta Employment Lands Strategy which identifies various sites, including 55-59 Kirby Street, Rydalmere, as being suitable for redevelopment for non-industrial uses. This is due to the relatively isolated location of the site within a low density residential area and accessibility constraints.
2. On 22 December 2016, Mecone (The Applicant) lodged a Planning Proposal with the City of Parramatta on behalf of landowners, FIFE Capital, to amend the planning controls applicable to 55-59 Kirby Street, Rydalmere under Parramatta Local Environmental Plan (PLEP) 2011. The proposed changes included:
 - Rezoning the site from IN1 General Industrial to R4 High Density Residential
 - Amend Schedule 1 Additional Permitted Uses within PLEP 2011 to permit *café/restaurant* and *function centre* for the site
 - Increase height of buildings from 12m to between 14m and 40m (up to 12 storeys)
 - Increase the floor space ratio (FSR) from 1:1 to 2.1:1
3. This scheme would result in approximately 1,032 new dwellings (up to 2,807 new residents) across the site.
4. Following internal assessment, in March 2017 Council officers wrote to the applicant detailing a number of concerns with the Proposal, particularly those relating to the proposed density on the site, and advised that building heights between 4-6 storeys are considered to be appropriate for this site given its low density residential context.
5. On 1 March 2018, an addendum to the original Proposal was submitted for Council officer assessment and included a revised Voluntary Planning Agreement (VPA) offer, a revised Urban Design Report, an Infrastructure Review, a traffic summary letter and updated proposed LEP maps. The revised scheme proposed to address the following changes to the original 2016 scheme:
 - Building heights from 6 to 10 storeys
 - FSR of 1.9:1
 - Changes to building setbacks and building frontages

- Improvements to open space provision and deep soil zones
 - Solar access
6. This revised scheme could yield approximately 894 new dwellings (up to 2,431 new residents)
 7. A subsequent assessment by Council officers continued to raise concerns relating to the proposed density, built form and open space, traffic impacts heritage and open space. As a result of this assessment, the Applicant was advised that building heights between 4-6 storeys are still considered appropriate for this site, with an FSR of between 1.25:1 to 1.3:1.
 8. During this time, consultation with the Roads and Maritime Services (RMS) was undertaken regarding the intersection of Kirby Street and Victoria Road. This intersection was identified as requiring an upgrade as a result of the existing safety issues of turning right from Victoria Road into Kirby Street across multiple lanes of oncoming traffic travelling at speed and the potential traffic impacts that would likely result from the proposed redevelopment. Following discussions with the Applicant, the RMS and Council officers, the RMS provided written advice in May 2018 advising that it raised no in-principle objections to the Proposal and that further investigations and consultation was required in relation to the Kirby Street / Victoria Road intersection. In addition, it was stated that a condition should be included in any future Gateway determination for this Planning Proposal that requires formal consultation with the RMS, at which time advice will be provided regarding the timing and implications or outcomes of this investigation on the required intersection upgrades.
 9. A final revised scheme was submitted in September 2018 (refer to **Attachment 2**). This scheme proposed the following:
 - Building heights from 6-8 storeys
 - FSR of 1.5:1
 - Various changes to open space provision, street network and site access in response to feedback provided on the March 2018 scheme.
 10. This scheme could yield approximately 795 new dwellings (between 1,741 and 2,164 new residents).
 11. Council officers continued to raise concern in relation to the proposed FSR of 1.5:1, maintaining the position that the lower and recommended FSR of 1.3:1 is more appropriate for the site.
 12. However, as a result of Council officers' preferred density, the Proponent stated that it was not feasible to redevelop the site at an FSR of 1.3:1 and submitted a feasibility report to support this claim with the revised proposal. Council subsequently commissioned a review of the feasibility and independent valuation which revealed that it is feasible to redevelop the site at the Council officer-recommended FSR of 1.3:1. Further detail on this matter is provided later in this report.

THE SITE

13. The subject site at 55-59 Kirby Street, Rydalmere comprises two (2) parcels of land with a total area of approximately 50,000m² (5ha) and is outlined in red in **Figure 1**. The legal descriptions for the subject properties are Lots 20 and 21 DP 855339.

14. The two lots comprising the subject site are occupied as follows:
 - 55 Kirby Street – previously occupied by a healthcare services wholesaler and is now vacant.
 - 57-59 Kirby Street – occupied by Homart Pharmaceuticals and also incorporates a local heritage item 'Upjohn House' (Item I585 within Schedule 5 of PLEP 2011) in the northern portion of the site.
15. The site is surrounded by Upjohn Park to the north, low density residential development to the east and west, and Subiaco Creek to the south. Part of the eastern boundary of the site is adjacent to Silverwater Road.
16. Existing access to the site is available for private vehicles and pedestrians from Kirby Street.
17. The site contains riparian lands and watercourses on the southern boundary along Subiaco Creek.



Figure 1. Subject site – 55 and 59 Kirby Street, Rydalmere (Source: Applicant's Planning Proposal)

CURRENT PLANNING CONTROLS

18. The site is currently zoned IN1 General Industrial with an FSR of 1:1 and maximum height of building of 12m. These are shown in **Figures 2, 3 and 4** below.
19. The surrounding land use zones comprise of RE1 Public Recreation on the northern boundary, R2 Low Density Residential and SP2 Infrastructure

(Silverwater Road) on the eastern boundary, R2 Low Density Residential and W1 Natural Waterways to the south and R2 Low Density Residential to the west. Refer to **Figure 2**.

20. Part of the subject site at 59 Kirby Street is subject to a local heritage listing and is identified as item I585 under Schedule 5 of PLEP 2011 as it contains Upjohn House, a locally significant heritage item in the northern portion of the site. Refer to **Figure 5**.

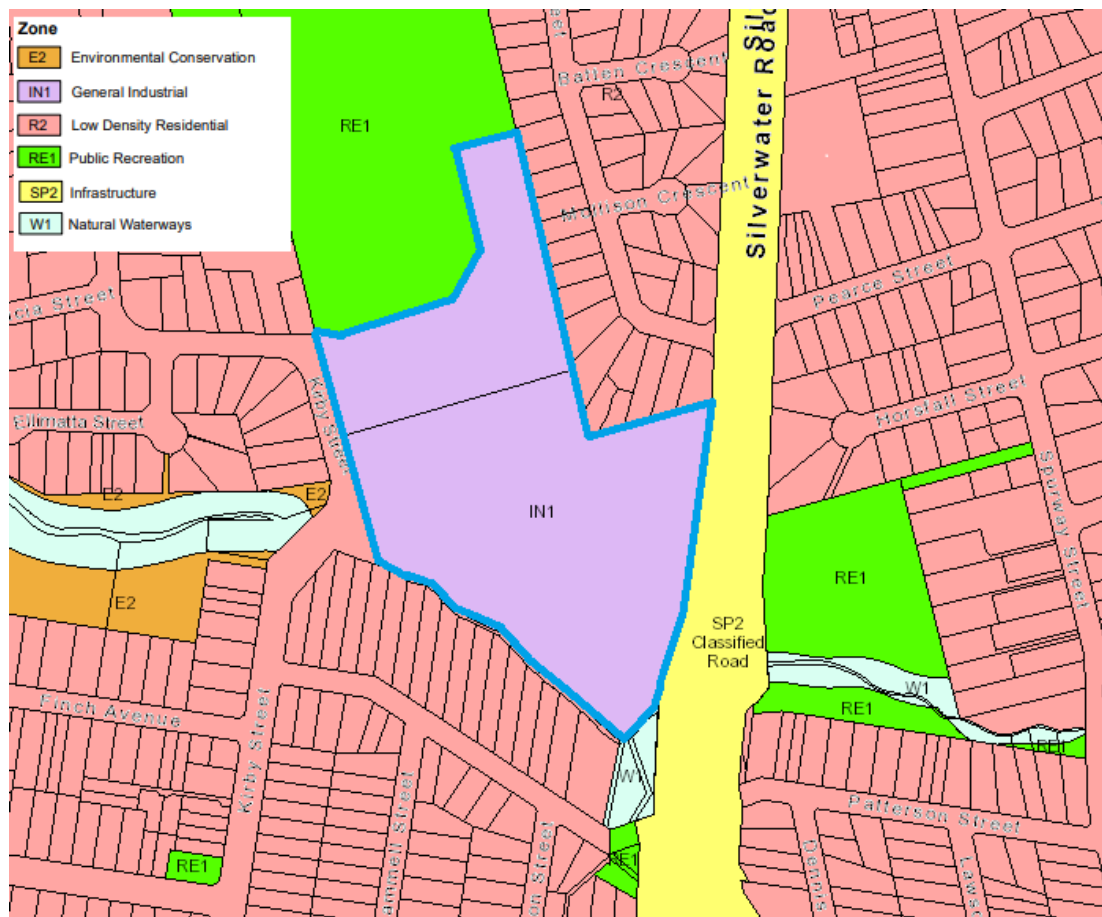


Figure 2. Current IN1 General Industrial zone applicable the site under PLEP 2011

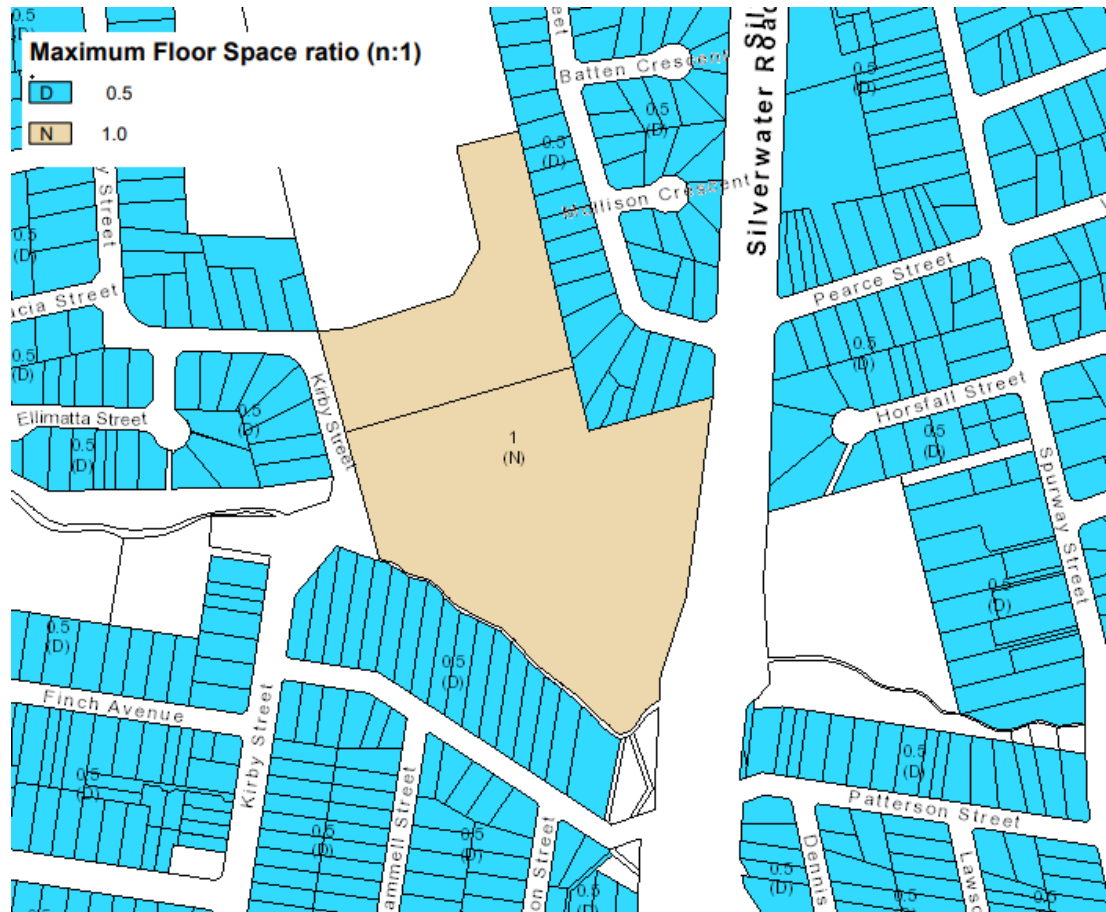


Figure 3. Current FSR of 1:1 applicable to the site under PLEP 2011

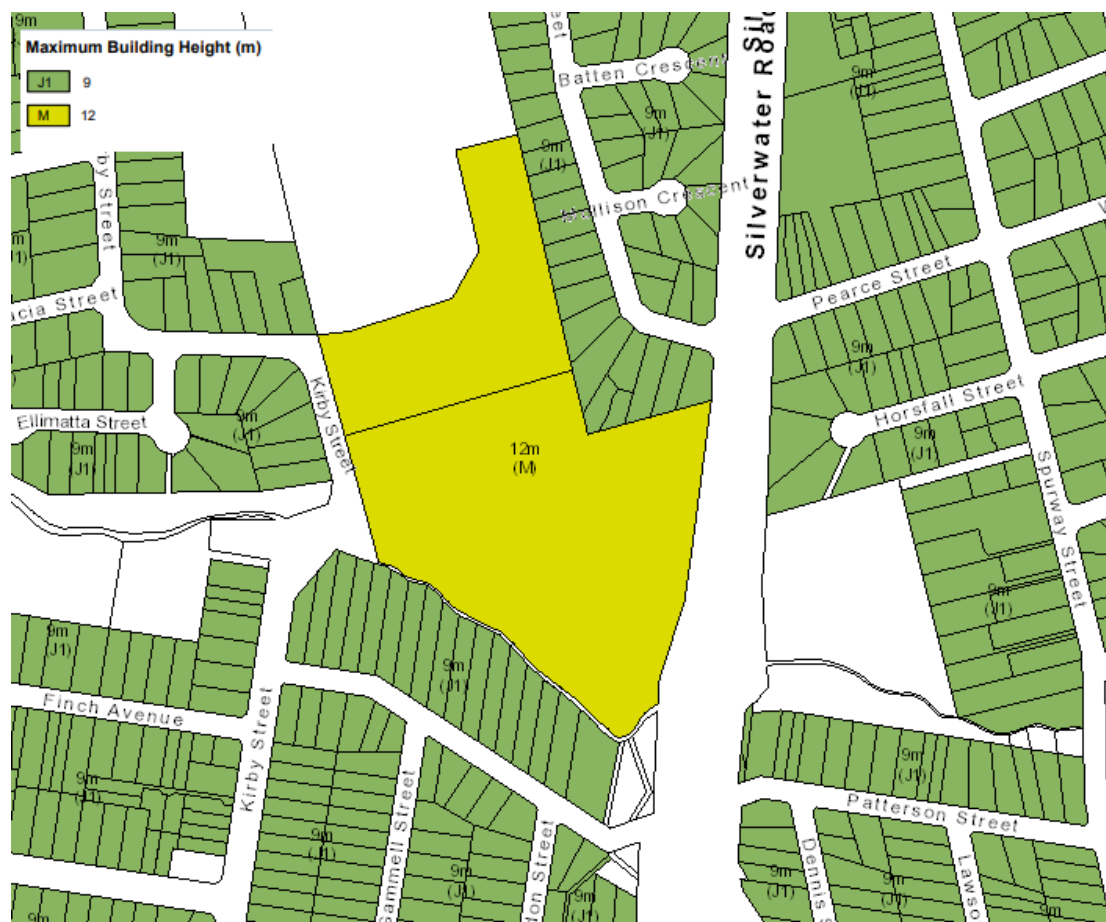
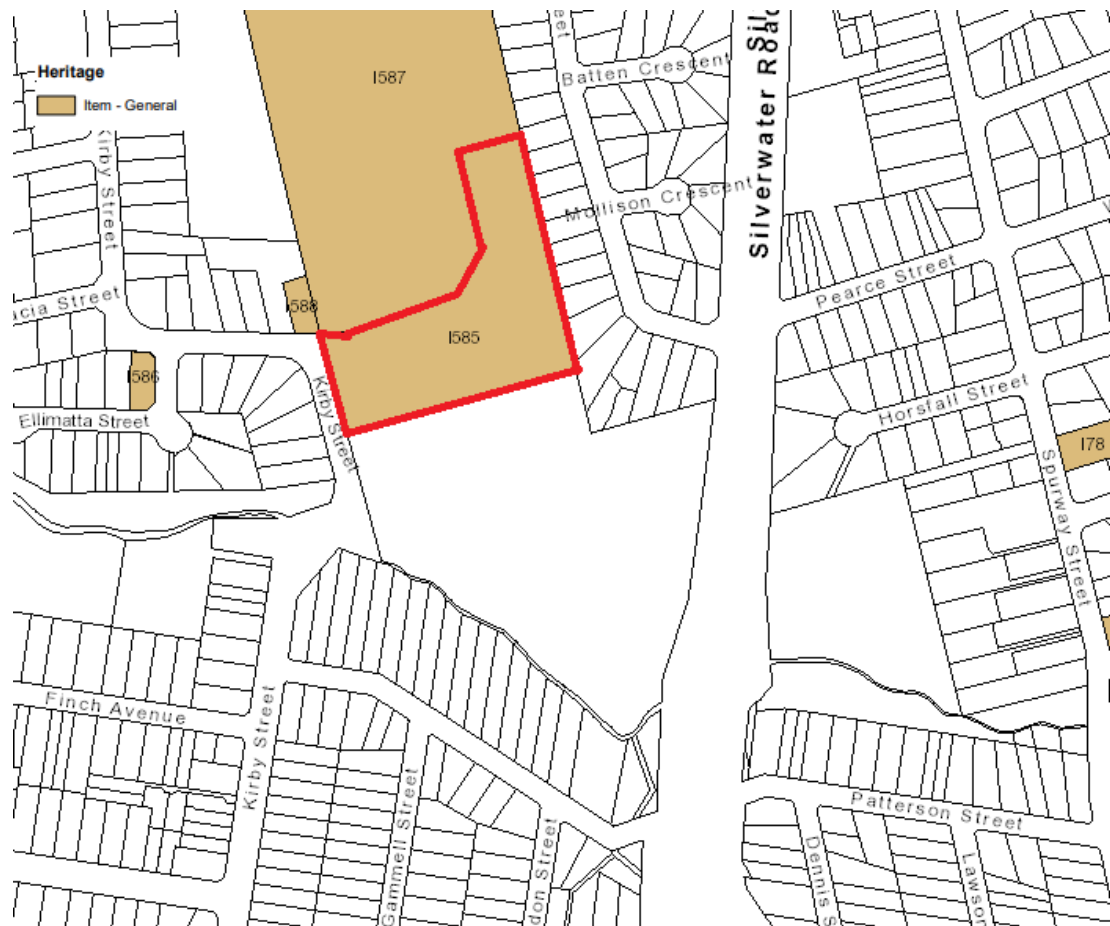


Figure 4. Current 12m building height limit applicable to the site under PLEP 2011**Figure 5.** Location of heritage listed item I585 on 59 Kirby Street outlined in red

THE APPLICANT'S PLANNING PROPOSAL

21. The final revised Planning Proposal (refer to **Attachment 2**) seeks to amend PLEP 2011 by rezoning the two lots from IN1 General Industrial to R4 High Density Residential, increasing the FSR from 1:1 to 1.5:1 and increasing the maximum height of building from 12m to 31m. Refer to **Figures 6, 7 and 8**.
22. The Planning Proposal also seeks to amend Schedule 1 Additional Permitted Uses of PLEP 2011 to permit café/restaurant and shops and office uses, which are not currently permissible in the R4 High Density Residential zone.

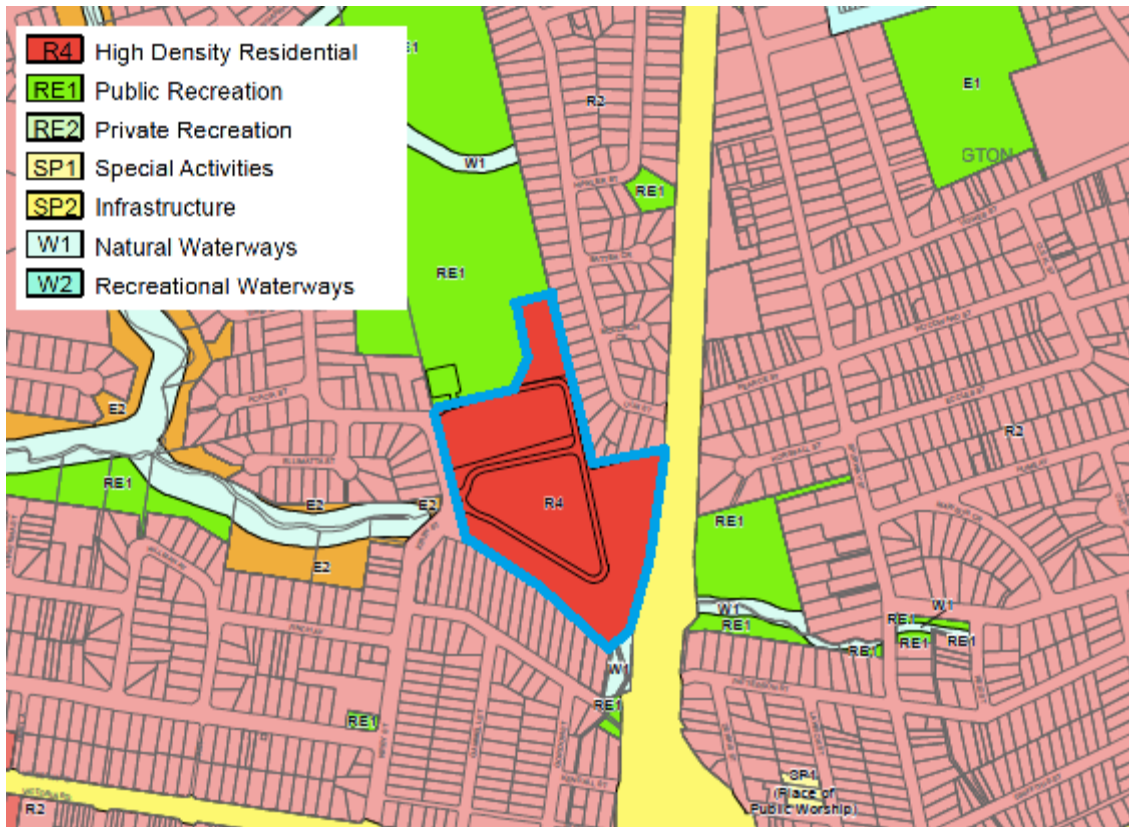


Figure 6. Site outlined in blue showing the proposed R4 High Density residential zone

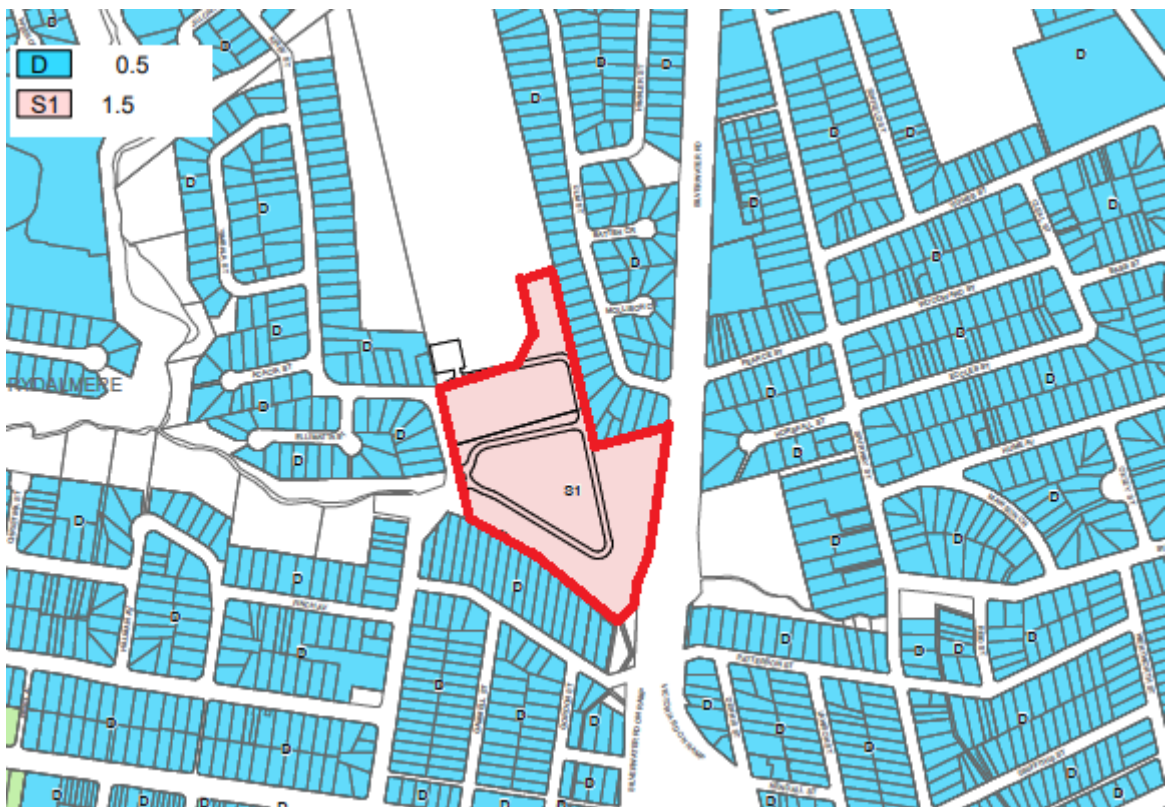


Figure 7. Site outlined in red showing the applicant's proposed 1.5:1 FSR



Figure 8. Site outlined in blue showing the applicant's proposed 31m building height limit

23. The Planning Proposal intends to enable redevelopment of the site for residential flat buildings ranging from 6 to 8 storeys and provide for some small scale employment uses to ensure consistency with the directions of the Employment Lands Strategy which requires an equivalent number of jobs as capable under the existing industrial zone to be provided on the site as part of any redevelopment. A dwelling yield of approximately 795 apartments could be achieved by this development and based on occupancy rates for high density living in the local area of between 2.19 and 2.72 persons per dwelling, could result in up to 2,162 additional residents.
24. The Applicant's Planning Proposal (contained at **Attachment 2**) is accompanied by the following supporting documents:
 - Urban Design and Architecture Report prepared by Bureau of Urban Architecture
 - Urban design and landscape plans prepared by Jane Irwin Landscape Architecture
 - Conservation Management Strategy prepared by Tropman and Tropman Architects
 - Ecological Assessment Report prepared Eco Logical
 - Traffic Impact Assessment prepared by Traffix and RMS letter
 - Phase 1 Preliminary Site Investigations Assessment prepared by Molino Stewart
 - Revised VPA Analysis prepared by AEC

- Economic Impact Assessment prepared by AEC
 - Utility Infrastructure Investigations Review prepared by Insync Services
 - Civil Engineering Survey prepared by AT&L
 - Site Survey prepared by Project Surveyors
25. For the purposes of relevancy, only the first six documents listed above are included as **Attachments 3-7** to this report. The remaining supporting documents are available to view upon request.
26. Council officers do not support the applicant's proposed FSR of 1.5:1 and maximum building height of 31m and recommend that a lower FSR of 1.3:1 and maximum building height of 20m (6 storeys) be endorsed and the planning proposal updated to reflect these changes. Justification for this recommendation is provided in the following sections.

ASSESSMENT

Strategic Merit

27. Council officers consider this Proposal to have strategic merit in principle in relation to redeveloping the site for non-industrial uses, however do raise some concern with the extent of the proposed density on the site.

Central City District Plan

28. The Central City District Plan, prepared in March 2018 by the Greater Sydney Commission, covers the Central City District which includes Blacktown, Cumberland, Parramatta and The Hills. The role of this Plan is to help deliver the ten directions of the overarching Greater Sydney Region Plan *A Metropolis of Three Cities* and contains a number of Planning Priorities and Objectives that address infrastructure provision and collaboration, liveability, productivity and sustainability. Within the District Plan, Greater Parramatta is identified as a Metropolitan Centre.
29. The Proposal is considered to be largely consistent with the Priorities of the Plan and although the Plan makes reference to Rydalmere in general, it focuses on enabling opportunities near the Parramatta Light Rail Stage 1 corridor, of which this site is not within the vicinity. Further, *Planning Priority C5 Providing housing supply, choice and affordability, with access to jobs, services and public transport* (page 37) identifies the importance of a place-based approach to providing housing and that it must consider the local context. Although the Proposal is providing for new housing, the proposed density of 1.5:1 with corresponding building heights of up to 31m is not sympathetic to the adjacent low density residential character with an FSR of 0.5:1 and 9m height limit.

Greater Parramatta and the Olympic Peninsula (GPOP)

30. The GPOP document was prepared in 2016 by the Greater Sydney Commission and includes Strathfield, Westmead, Carlingford, Lidcombe and Granville, establishing a vision for the GPOP area. It comprises four distinct quarters, one of which is identified for 'Essential Urban Services, Advanced Technology and Knowledge Sectors' in which Rydalmere is included. However, this quarter is concentrated on the industrial area of Rydalmere between Victoria Road and the Parramatta River and does not encompass the eastern part of Rydalmere where the subject site is located. The GPOP therefore does not focus on or prioritise the area within which this Proposal applies.

Employment Lands Strategy

31. Council's Employment Lands Strategy (ELS) (adopted July 2016) provides a consolidated set of land use planning actions to guide future development of Parramatta's employment lands precincts. The subject site is identified as Precinct 10 – Rydalmere (Kirby Street) within the Strategy which has historically been occupied by two large pharmaceutical companies. Given the relatively low employment density (19 persons/ha) as stated in the ELS, the precinct is operating at a relatively inefficient level and relies heavily on the pharmaceutical companies. As with other industrial areas within the LGA occupied by pharmaceutical manufacturing companies, if these uses were to cease operation and relocate, reusing the buildings for other industries may be difficult due to the purpose-built design. In addition, older industrial estates often have poor accessibility and are quite isolated, such as is the case with the Kirby Street site.
32. As a result, the ELS identifies Kirby Street as being suitable for future non-industrial uses and requires a structure plan to be prepared to ensure the future land use and built form outcome for the precinct is appropriate. However, during the exhibition phase of the (then) draft ELS, the landowners made a submission expressing an interest in redeveloping the site and considered that a planning proposal was an appropriate mechanism for pursuing residential development, providing key considerations were addressed. These include, but are not limited to, loss of employment lands, potential site contamination, heritage, traffic impacts, natural environment (including Subiaco Creek and riparian corridor), residential density in context of the surrounding low density residential and infrastructure and services to support residential development on the site. As a result, this planning proposal is required to address these considerations. It is noted that the ELS does not specify the type or density of future residential development to be located on the site.

Comparison to other Proposed Developments

33. The justification for the proposed increase in density above that recommended by Council officers lacks planning merit, particularly when comparing this site to other sites within the Parramatta LGA which are better located to public transport and considered suitable for increased residential density. For example, the site at 266 Victoria Road and 26 Kissing Point Road, Rydalmere (known as the ADHAC site) is currently subject to a Planning Proposal to increase the density on this 20ha site with a proposed FSR is 1.5:1 (gross) and various building heights with a maximum of 84m (up 20 storeys) on some parts. Although this Planning Proposal is still under assessment, higher densities on this site are considered to be more appropriate given the context, being surrounded by major arterial roads and close to the proposed Stage 1 Parramatta Light Rail corridor and education facilities. With this in mind, it is therefore not considered appropriate to apply an equivalent FSR to a site such as Kirby Street that is less accessible and within a low density residential context.

Proposed Uses / Additional Permitted Uses

34. The Applicant is proposing to redevelop the site for high density residential uses consisting of residential flat buildings. This is a permissible land use within the proposed R4 High Density Residential zone and Council officers raise no objections to the proposed use in principle.

35. However, the applicant also proposes to amend Schedule 1 – Additional Permitted Uses within PLEP 2011 to permit the following uses on the site:
- café / restaurant
 - shops
 - office premises
36. The applicant has indicated that the additional uses are to be located within the heritage precinct of Upjohn House (north east portion of 59 Kirby Street), which Council officers support. To ensure this does occur, Council officers consider it appropriate to apply the additional permitted uses clause to 59 Kirby Street only (Lot 20 DP855339) to ensure these uses are clustered on the site and not dispersed amongst the residential component. This will also ensure that Upjohn House is given adequate consideration and incorporated into the redevelopment.
37. Council officers support sympathetic adaptive re-use of Upjohn House and understand these uses are intended to address the requirement of the ELS to provide for employment generating uses / jobs on the site as part of any redevelopment, there is no in-principle objection to the proposed uses. However, further refinement is required by the applicant to demonstrate that these uses will not detract from the heritage significance of Upjohn House or negatively impact on the interface between Upjohn House and Upjohn Park and the adjacent residential amenity. Relevant controls should be included in the site-specific DCP to address potential interface and amenity impacts on surrounding residents.
38. The Proposal also makes reference to locating a sports club on the site within the heritage precinct or Upjohn House itself. Council officers raise concern over the suitability of this site for this use in relation to amenity and social concerns and further details are required to be provided by the applicant addressing the operational aspects of this proposed use, including whether liquor is proposed to be sold / consumed on site. This information is required prior to the issue of a Gateway determination. Until this information is provided, Council officers are unable to support this proposed use.

Urban Design

39. The current proposed scheme submitted by the Applicant is a significant improvement on the previous iterations and appreciates the applicant has worked closely with Council officers in revising their scheme. However, concerns remain regarding the proposed density on the site and the ability of the site to integrate with the surrounding low density residential character.
40. The applicant's proposed scheme intends to demonstrate a natural response to the site's conditions with minimal impacts on surrounding residents. This is done by:
- locating height in the central part of the development and to the south to minimise overshadowing on surrounding residents,
 - providing landscaped setbacks along the western and southern boundaries to allow or the retention of existing vegetation and trees; and
 - optimizing built form at locations that are separated by natural and built barriers such as Silverwater Road, Upjohn Park and Subiaco Creek.
41. The proposed scheme identifies a series of 'U' shaped buildings and one triangular building with heights stepping up from 2 storey podiums to 8 storeys

across the site. The heights of the commercial buildings surrounding Upjohn House to the north of the site range from 1 to 2 storeys.

Density, Floor Space Ratio and Height of Building

42. The applicant's proposal is seeking an increase to the permissible density on the site, with a proposed dwelling yield of up to 795 new dwellings (between 1,741 and 2,162 new residents). This will have a noticeable effect on the character of the area which is predominantly low density single storey detached residential dwellings.
43. The applicant is proposing to increase the permissible floor space ratio (FSR) on the site from 1:1 to 1.5:1 and maximum building height of 31m. Council officers have raised significant concerns relating to this increase and do not support this change. The site is located within a low density residential area and such an increase will result in built forms that are not considered to be sympathetic to the existing character of the area. Council officers acknowledge that the site is suitable for some increase in density and an FSR of 1.3:1 and maximum building height of 20m is considered a more appropriate response by Council officers from an urban design perspective.
44. In addition, there is also a discrepancy between the number of storeys that can be achieved within 31m for high density residential development. The applicant is proposing a maximum of 8 storeys on the site, however it is possible to achieve a 10 storey development within 31m using Council's approach to converting a numerical building height to storeys. Feedback on the suitable FSR and building height has been provided to the Applicant on multiple occasions through the process, however the response has stated that redeveloping the site at an FSR of 1.3:1 is not feasible. Further detail on the feasibility matters is contained later in this report. Refer to **Figure 9** below showing the applicant's proposed scheme.
45. The site is relatively isolated and apart from the bus service on Victoria Road and small retail centre at Ermington, is not within close proximity to any major transport nodes or existing town centres that would typically be associated with development of the proposed density.

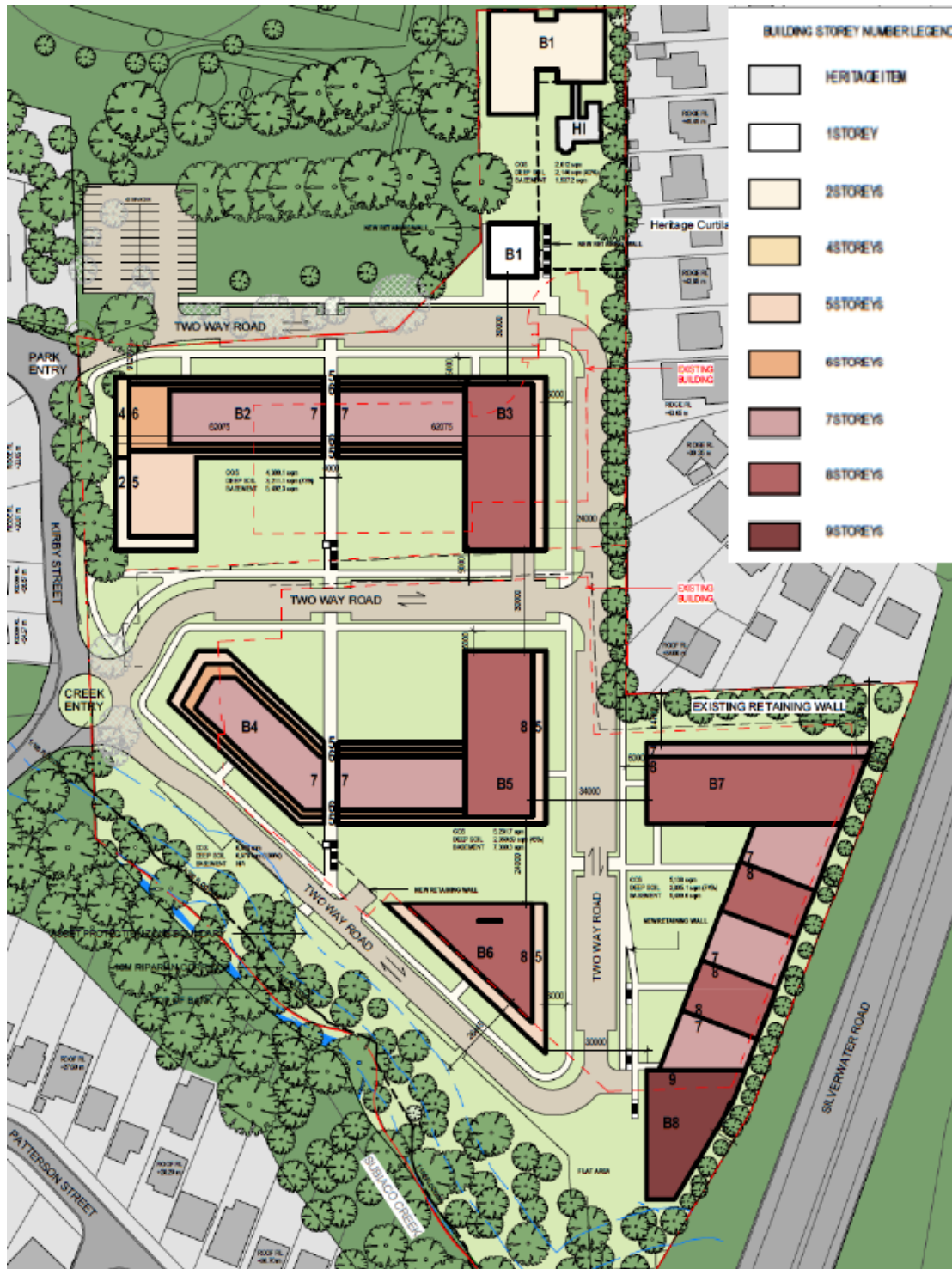


Figure 9. The Applicant’s proposed scheme

46. In addition, the subject site has a steep slope towards the southern boundary and riparian corridor. The proposed building heights may result in a negative outcome for the viability of this sensitive vegetation due to overshadowing. Refer to the shadow diagram provided at **Figure 10** below.



Figure 10. Diagram showing the extent of overshadowing from the proposed scheme at 9am, 12pm and 3pm on 21 June (Source: Applicant's planning proposal)

Built Form

47. The built form of the development should address the street level and the central north-south through-site links need to clearly define public and private spaces. Major level changes need to be absorbed by the built form and walled street frontages are not supported. The reliance on steps, terraces and lifts to connect the public domain is also not supported. The constrained setback to the noise walls on Silverwater Road results in poor amenity and potential loss of tree canopy.
48. As a result, it is recommended a design with a block-layout that providing more centralised courtyards and a street-aligned building form with increased setback and a courtyard towards Silverwater Road is used instead. Refer to **Figure11** below for an indicative and preferred scheme that is considered to result in a better built form outcome for the site as it addresses the urban issues raised by Council officers. Note that a maximum building height of 6 storeys has been applied for visual purposes only and does not imply that this height is appropriate across the entire site.

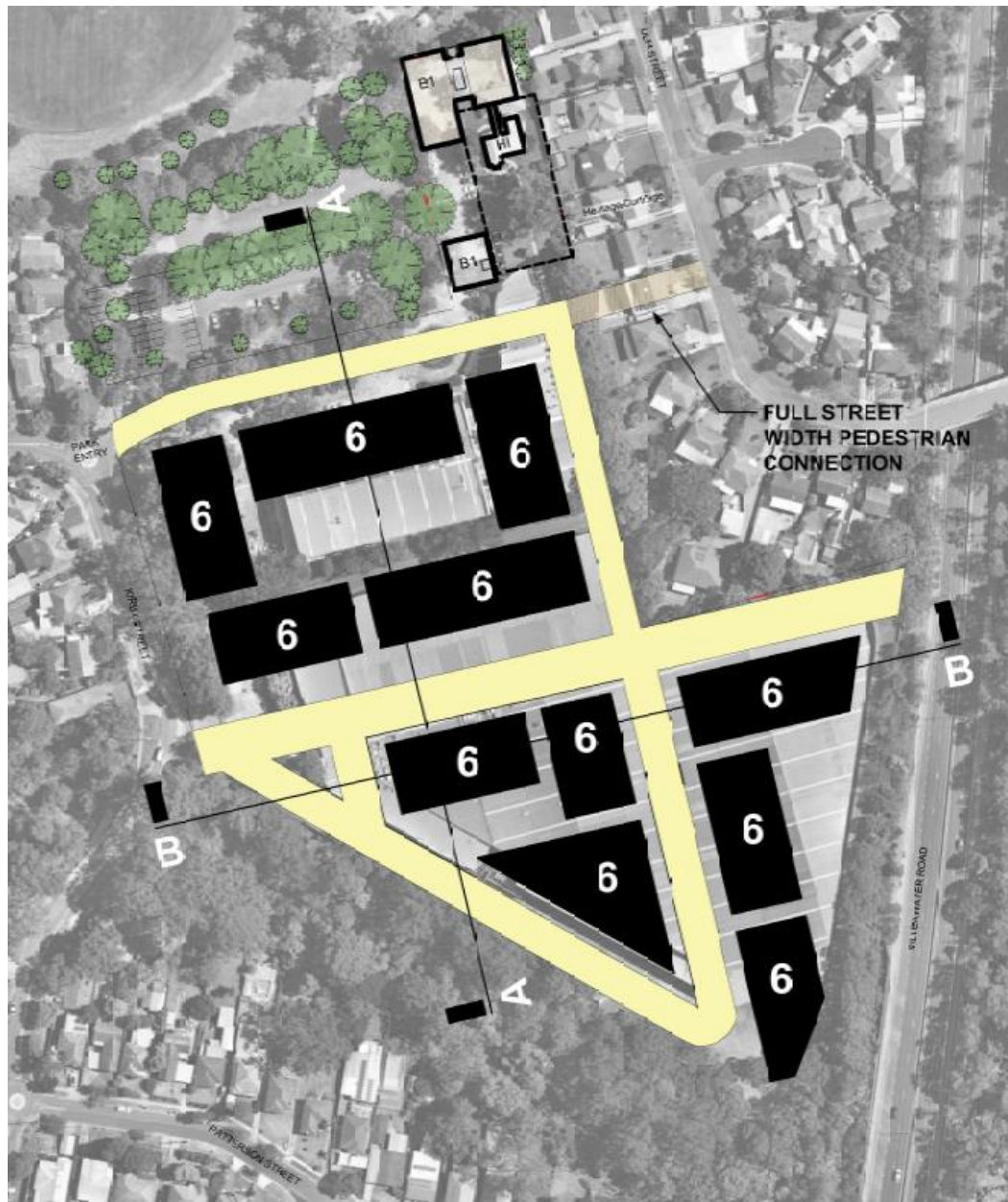
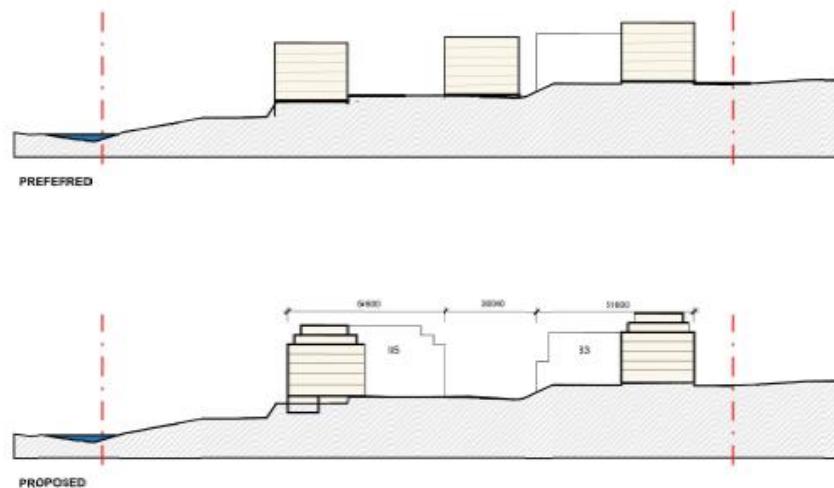


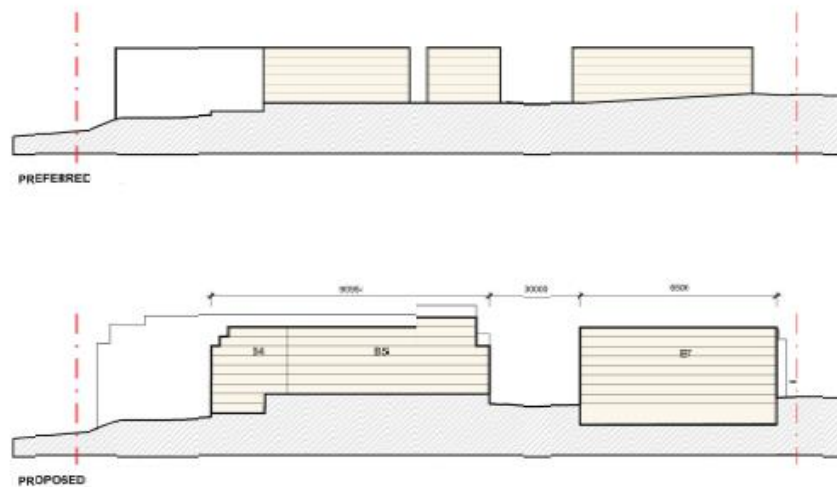
Figure 11. Council officers' preferred scheme

49. The two site sections contained in **Figure 12**, compare Council officers' indicative preferred scheme to the applicant's scheme from a north-south direction (Section A) and east-west direction (Section B). These sections highlight that the applicant's scheme produces a bulkier built form than that of the preferred scheme. The preferred scheme consists of a layout with smaller buildings on each block, which allows greater permeability across the site, improves the provision of communal open space by providing central courtyards and gives the impression of a less dense built form environment. It is considered this scheme produces a more appropriate response to the site and surrounding low density residential context compared to the applicant's.

50.



A - A COMPARATIVE SECTION: LOCATION 5



B - B COMPARATIVE SECTION: LOCATION 2

Figure 12. Site sections comparing the two schemes

Pedestrian Access

51. The provision of a pedestrian connection through to Ulm Street should be investigated further to provide better connectivity to Upjohn Park for the residential area to the east of the site.
52. There are concerns relating to the extent of the proposed development in proximity to Upjohn House and the impact this may have on the heritage significance and public accessibility. It is recommended that any buildings within the curtilage of the heritage item be limited in height and the site specific DCP incorporate controls to reduce the bulk and scale of these buildings.

Traffic and Transport

53. Numerous issues have been identified in relation to potential traffic and transport impacts as a result of the Proposal. These relate to implications on the Kirby Street / Victoria Road intersection, site access, trip generation and parking rates.

Victoria Road / Kirby Street Intersection

54. Extensive discussions have occurred throughout the preparation of the Proposal between Council officers, the Applicant's traffic consultant, the Roads and Maritime Services (RMS) and Transport for NSW (TfNSW) regarding potential traffic implications on the Victoria Road / Kirby Street intersection. This intersection is a known 'black spot' with a high occurrence of vehicular crashes resulting from vehicles turning right from Victoria Road into Kirby Street across three lanes of traffic (including a bus priority lane) and vehicles turning right from Kirby Street into Victoria Road.
55. As a result of discussions with RMS/TfNSW and further traffic modelling undertaken by the Applicant's traffic consultant for the network, a need to undertake upgrades to the Victoria Road / Kirby Street intersection has been identified. This would be in the form of signalisation. Refer to **Figure 13** below for an example of the intersection upgrades that may occur.



Figure 13. Proposed upgrades to the Victoria Road / Kirby Street intersection (Source: Traffix)

56. The applicant initially proposed to undertake these upgrades as part of the future redevelopment of the site. However, further advice from RMS/TfNSW stated that the RMS's Bus Network Development is currently undertaking bus priority investigations along the Victoria Road corridor, including this intersection, which is anticipated to be completed in mid-2019. As a result, it is recommended that any upgrades to this intersection be deferred until the investigations have been completed to ensure the appropriate traffic management measures are implemented to cater for both the bus priority

network and increased private vehicle demand generated by redevelopment of the subject site.

- 57. To enable the Proposal to proceed and to ensure adequate traffic safety measures are implemented in the meantime, it is proposed that a condition be placed in the Gateway determination that requires consultation with RMS/TfNSW be undertaken during the public consultation phase of the Proposal to address this issue prior to a permanent traffic management solution being implemented (signalisation). This approach has been agreed to by RMS/TfNSW, Council officers and the applicant.

Site Access

- 58. Existing site access is provided via a roundabout to 57-59 Kirby Street and is considered satisfactory. However, existing access to 55 Kirby Street at the southern end of the site is not considered suitable for any intensification of use due to its configuration (raised and semi-raised medians installed to reduce speed and corner cutting). As a result of Council officers' feedback, the applicant has amended the Proposal, identifying a new roundabout at this location. Council officers support this measure, however will need approval from the Parramatta Traffic Committee prior to construction. Refer to **Figure 14** below for the location of the new roundabout identified by a red arrow.

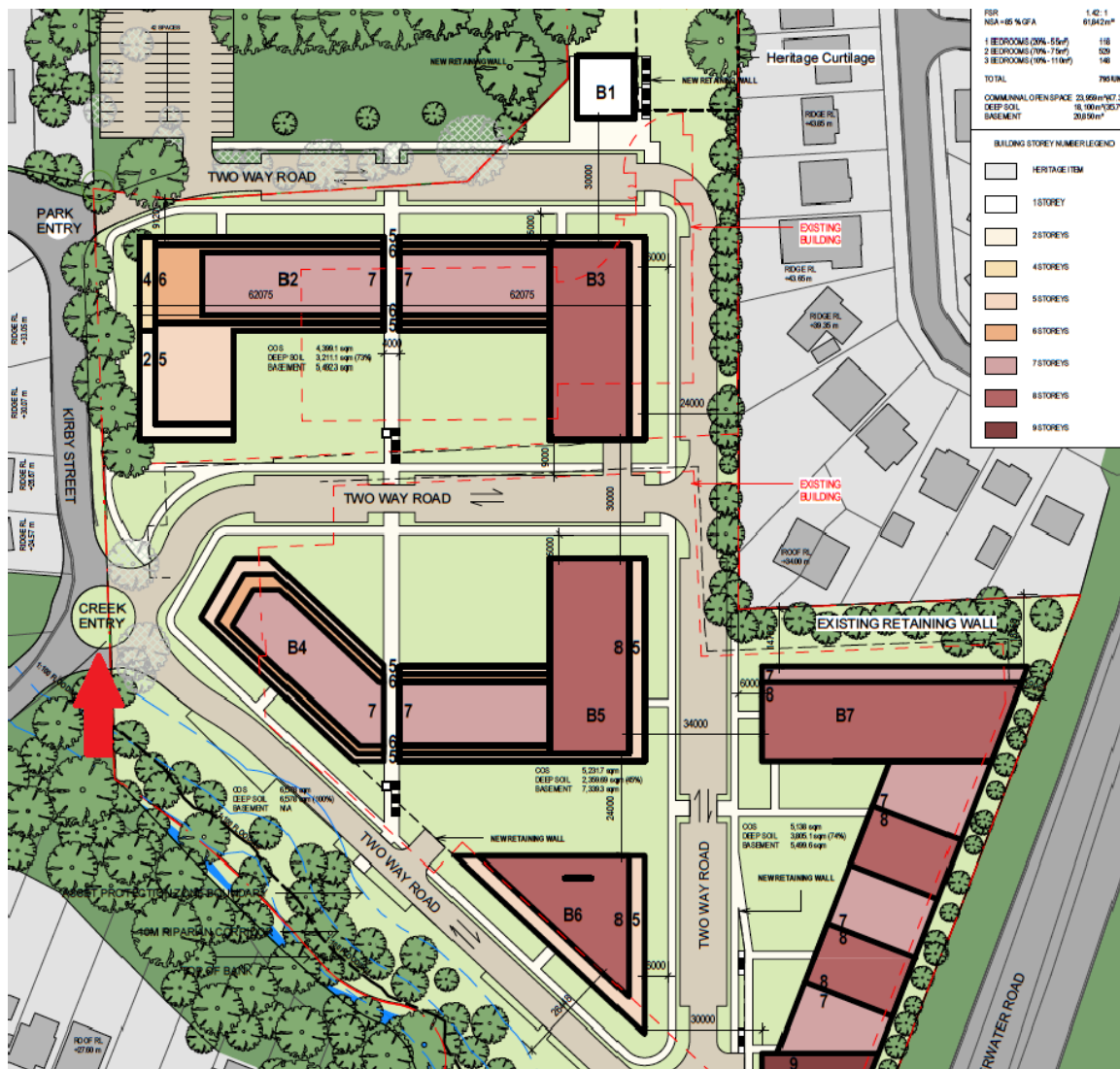


Figure 14. Location of new roundabout providing access to the southern part of the site

Trip Generation

59. In its letter of 1 November 2017, the RMS approved a traffic generation rate of 0.5 trips per dwelling for the morning and afternoon peak periods for the proposed development. This rate has subsequently been applied in a later revision of the Applicant's Traffic Impact Assessment (TIA) but only for the morning peak period. A lower rate of 0.4 trips per dwelling has been applied for the afternoon peak period which is inconsistent with the rate approved by the RMS and may have implications on the overall traffic generated from the Proposal. Should the applicant wish to use the lower rate of 0.4, this will need to be approved by RMS during the public consultation phase of the Proposal. It is also noted that the submitted Revised TIA from October 2018 is not current and does not reflect the most recent discussions and analysis that have occurred throughout the process or the revised Proposal. A revised TIA will need to be provided prior to exhibition that reflects the current Proposal to ensure all aspects of the potential traffic implications have been considered.

Parking Rates

60. The Revised TIA refers to a dwelling yield of 1,000 units, however the Proposal indicates that approximately 795 dwellings will be provided under the proposed scheme. As a result, the proposed visitor parking rate is considered to be excessive and the TIA is required to be updated to reflect to the actual proposed dwelling yield prior to exhibition.

Active Transport

61. The Proposal provides the opportunity to improve the walking and cycling network in this area that was not previously possible. It is recommended that the existing footpath that runs from the southern entry to Upjohn Park along the western boundary of the site be widened to 3m concrete to accommodate a shared path. This path should be provided on the subject site and not encroach into the sensitive vegetation in this location. A shared path along Patterson Street would also be supported as this will improve access to the bus services on Victoria Road and Spurway Street and Ermington shops.
62. Currently, pedestrian accessibility to Upjohn Park by residents to the east of the site is restricted and it is recommended that options be explored to create a through-link from Ulm Street. As this would require property acquisition, further investigations are required to be undertaken as part of future VPA negotiations. Provision for this would also be included in the site-specific DCP.

Open Space and Environment

63. The proposal raises a number of concerns with Council officers relating to open space provision and potential impacts on the ecologically sensitive Subiaco Creek riparian corridor and is outlined below.

Subiaco Creek Riparian Corridor

64. The Subiaco Creek forms the southern boundary of the site and is both part of the 'Green Grid' in the *Central City District Plan* and a 'primary corridor' in the *Parramatta Biodiversity Strategy 2015-2025*. A key priority of the District Plan is the delivery of green grid connections and this proposal provides an important opportunity to secure this connection for biodiversity and recreation in addition to undertaking rehabilitation and restoration of the riparian corridor.

65. This land is significantly constrained and has no development potential. To ensure public access is secured in perpetuity consistent with the principle of the 'Green Grid', the Subiaco Creek riparian corridor should be dedicated to Council as a 'public reserve'. This will also facilitate consistent ongoing management of the corridor but is subject to any necessary remediation work being undertaken prior to transfer into Council ownership. Dedication of this land can be discussed in further detail as part of future VPA negotiations. Refer to **Figure 15** for a map showing the constrained land on the site.

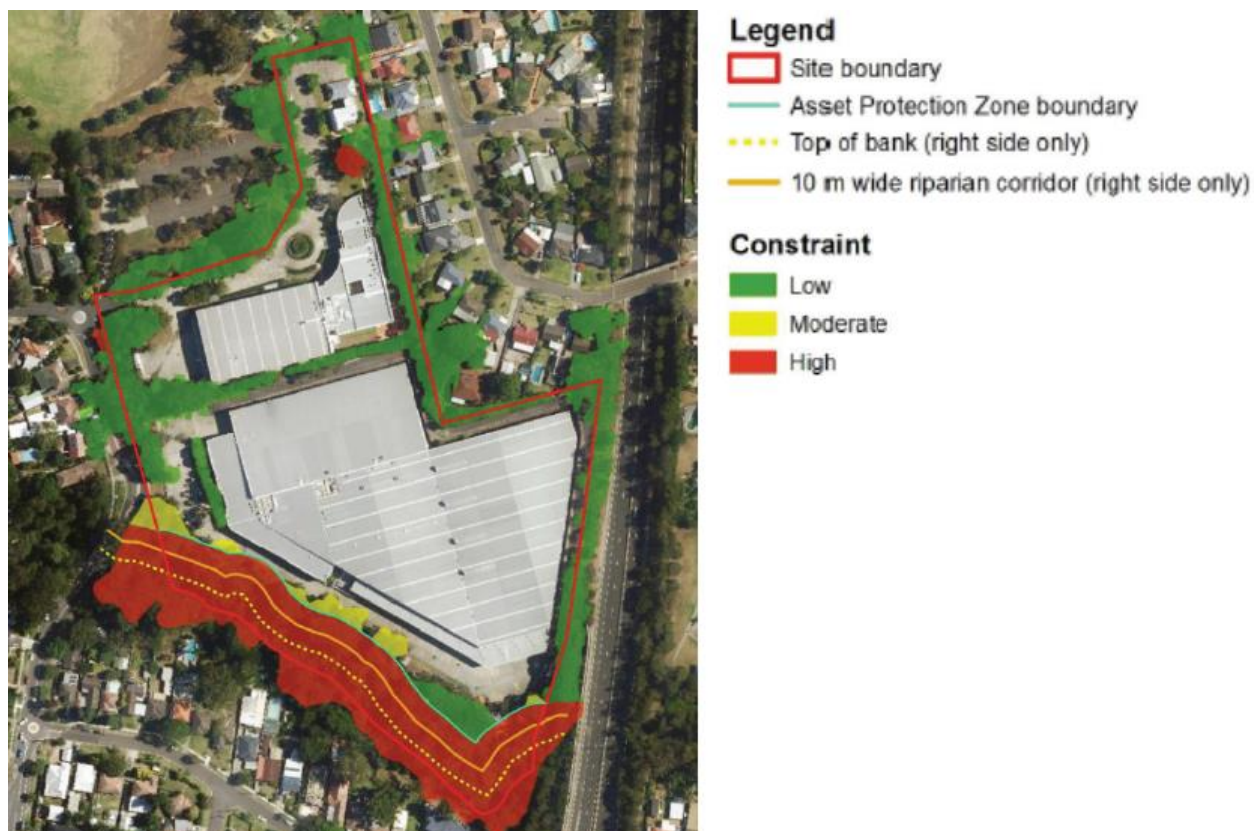


Figure 15. Image showing the constrained (undevelopable) land on the site (source: the Applicant's Planning Proposal)

Overshadowing

66. The revised building heights continue to inappropriately overshadow the riparian corridor. Native vegetation (Coastal Enriched Sandstone Moist Forest) within this corridor is adapted to the current environment, with the proposed duration and extent of shading likely to modify the vegetation structure and facilitate a proliferation of shade tolerant weed species. Council officers recommend that building heights transition down towards Subiaco Creek to reduce the extent of overshadowing on native vegetation and relevant controls to ensure this occurs be included in the site-specific DCP.
67. In addition, the proposed building heights, although reduced from the previous design, still result in significant overshadowing of the proposed new open spaces and further design revision is required to ensure solar access is maximised and the overall amenity of new open spaces within the site are improved with appropriate controls to be included in the site-specific DCP to be prepared by the applicant.

Open Space Provision

68. Council's draft Social Infrastructure Strategy requires a minimum of 20% of a high density residential site to be allocated as useable public open space to

ensure that public open space is designed to provide for a diversity of recreational opportunities and to allow easy adaptation in response to changing community preferences. The Proposal indicates that approximately 23,959m² (47.3%) of the site will be provided for communal open space, however, this is on the form of smaller 'communal' spaces that provide for limited recreational capacity and are also subject to considerable overshadowing during the winter months. The amenity of these spaces is also compromised by underground car parking which restricts soil depths and limits the ability to incorporate large trees. Although Subiaco Creek riparian corridor contributes to a significant proportion of open space within the site, its use is limited due to the vegetated riparian zone and flooding affectation. As a result, a redesign of the site is required and the proposed 'communal' open spaces should be consolidated into larger public open spaces within the site as much as practicable to ensure quality and useable open space is provided with relevant controls to be contained within the site-specific DCP.

69. The Proposal will generate a significant demand for outdoor sport provision and current NSW Government guidelines require between 5 and 10 ha of land to be provided within 2km of most dwellings for active use purposes. Council officers acknowledge that there are limitations to the extent to which the site can provide for public open space for active uses. As a result, given the site's proximity to Upjohn Park, the applicant will be required to contribute towards any necessary reconfiguration and upgrade of the sporting facilities at Upjohn Park to satisfactorily provide for the increased demand facilitated by the Proposal. It is noted that the current VPA does not include any of the identified works and therefore a revised VPA will need to be negotiated between Council and the Applicant to ensure the park provides for a better experience for residents and the broader community as part of any future VPA. Further detail regarding the VPA for this site is included later in this report.

Relationship to Upjohn House and Upjohn Park

70. The heritage listed 'Upjohn House' has a historic connection with Upjohn Park, being the clubhouse of the former golf course which now comprises the park. Currently, Upjohn House and Park are separated by a visually intrusive boundary fence which is the result of the subdivision of the park from the adjoining property.
71. The Proposal provides an important opportunity to restore the visual connection between the Upjohn House and Upjohn Park, however, the proposed building 'B1' to the north and west of Upjohn House will prevent this visual connection from being reinstated and will also reduce the aesthetics of the adjacent park. Council officers do not support the location of this building and consider that it should be reconfigured to allow the visual and physical connection to be restored between Upjohn House and Upjohn Park which will create a better experience for residents and users of the park and repurposed Upjohn House.

Road Encroachment on Upjohn Park

72. The current access arrangement to both Upjohn Park and the subject site is via two driveways coming off one roundabout. This arrangement is not considered satisfactory as it is not consistent with the current Australian Standard (AS2890.1). Under this standard, a minimum 6m separation distance is required between a driveway access and an intersection and the current arrangement provides only 4m. Retention of this current access arrangement is not supported as part of redevelopment of the subject site.

73. In order to resolve this issue, discussions between the applicant and Council officers took place where it was agreed that in order to rectify this issue, some public land could be used in order to improve site access to the park and car park as well as the subject site providing that upgrades to the existing car park and Upjohn Park were undertaken by the applicant. The current size of the Upjohn Park car park exceeds the needs of the park and the surplus space that was formerly used by the car park could be used to provide for better active recreation facilities, such as a hard court. As such, it is considered that some public benefit would be gained with this arrangement.
74. Although Council officers do not raise an issue with the use of some Council land for the road in principle to provide improved access to the park and car park, the extent of land proposed to be occupied requires some further refinement and it is recommended that this be undertaken by the Applicant to the satisfaction of Council as part of the DCP and VPA processes. Refer to **Figure 16** showing the location of the potential road circled in blue.

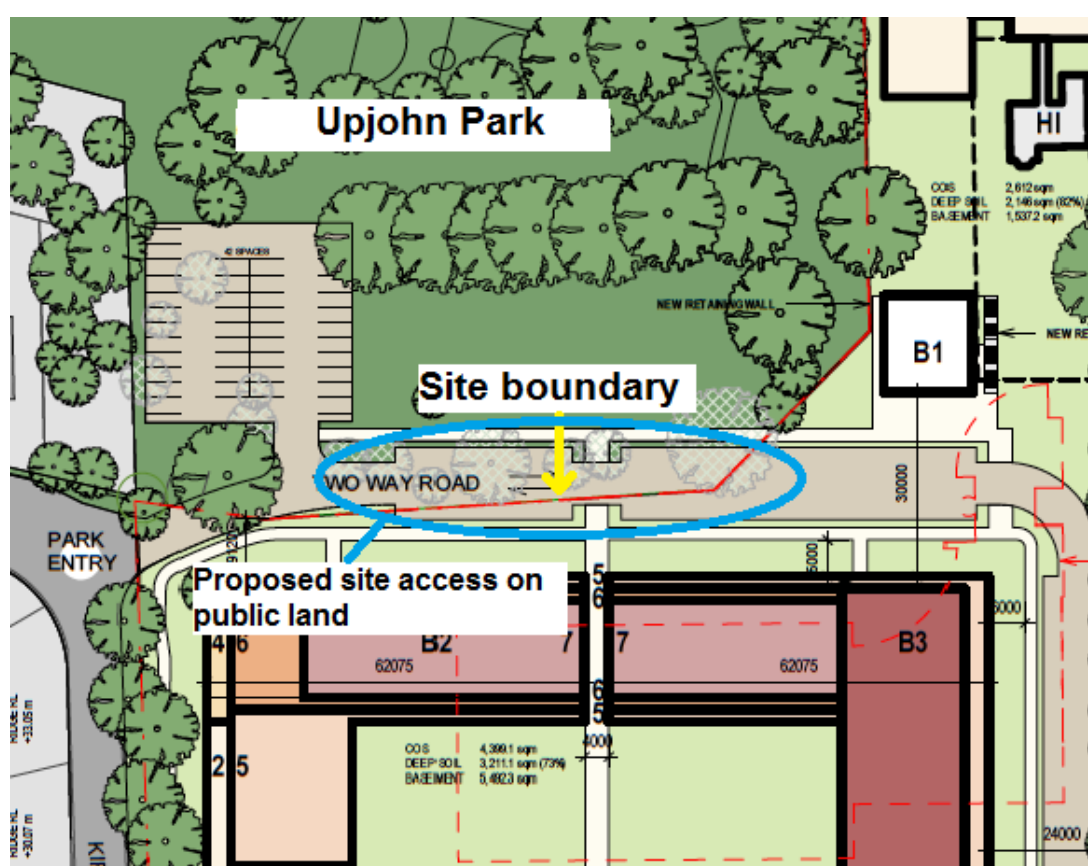


Figure 16. Location and extent of private access road located on Council-owned land

Tree Retention

75. Future development proposals will be required to consider the retention of existing mature trees, assessed as having 'High Retention Value' by an appropriately qualified arborist. It is recommended that an Existing Tree Management Plan be provided prior to exhibition that incorporates tree protection measures in accordance with relevant Australian Standards to ensure any constraints are identified and taken into consideration future development.

Social Outcomes

76. The applicant has not provided a Social Impact Assessment with the Proposal and is therefore difficult for Council officers to ascertain the full extent of how the Proposal intends to address any impact on the social needs as a result of the proposed development.
77. The population generated by the proposed development will create additional demand on local social infrastructure, which is already at capacity or nearing capacity as a result of cumulative development in the area. The proposal will generate demand for 104m² of library space, 173 m² of flexible community meeting space, 64 child care places and 66 out of school hours care places.
78. The proposed development intends to deliver a dwelling mix of 20% one-bedroom, 70% two-bedroom and 10% three-bedroom apartments, which is supported by Council officers. It also includes a reference to a potential 5%-10% contribution towards providing affordable rental housing as part of a future VPA offer, however this is not reflected in the proposed dwelling mix. The provision of affordable rental housing on the site will need to be in accordance with Council's requirements which is up to 10% of the total number of dwellings as per Council's Affordable Rental Housing Policy 2018. Based on a dwelling yield of 795 units between 40 and 70 affordable housing dwellings would be required.
79. Additional detail is also required relating to the intended uses, users and model of operation for the proposed retail, community sports buildings within the heritage precinct to the north of the site as terminology used in the proposal is unclear, particularly in relation to the 'sports club'. Should this use facilitate the supply of alcohol or participation in gambling then its appropriateness for this location and any potential implications on surrounding residents and the wider community will need to be determined. This can be further investigated as part of any future development application on the site.
80. It is recommended that a contribution as part of a future Voluntary Planning Agreement (VPA) be made towards the provision of child care facilities off-site and a district level community facility (library and community hub spaces) in the Rydalmere, Ermington, Melrose Park corridor reflective of the need generated from the expected population increase.

Heritage

81. Part of the subject site contains Upjohn House, a heritage item of local significance and is identified as I585 within Schedule 5 of PLEP 2011. The Victorian-era brick residence was built c1885 and is located in the north-east portion of 59 Kirby Street. It was formerly part of a larger 11-acre estate which has subsequently been subdivided, some of which now comprises the adjacent heritage listed Upjohn Park. The property, originally known as 'Netherlands' was used as a residence until 1916, a nursery until 1936 and a golf course club house until 1956 when it was then purchased by Upjohn Pharmaceuticals. The building is currently vacant. The residence is one of the earliest houses built in the area and is a rare and good representation of Victorian-era housing in the locality. Refer to the Applicant's Conservation Management Strategy (CMS) contained at **Attachment 5** for full details of the heritage item, its significance and recommendations for appropriate future uses.
82. The Applicant's Planning Proposal intends to incorporate the heritage item into the redevelopment of the site and adaptively re-use Upjohn House to provide a focal point for the development. The proposed built form around Upjohn House could provide approximately 2,500m² of floor space for non-residential uses.

83. The CMS identifies future use opportunities for the item in the form of community, commercial (function centre and offices) and residential. The applicant considers the proposed revitalisation of the heritage precinct to be generally consistent with the CMS.
84. Council officers have no objection to the repurposing of the item in principle. However, concern is raised in relation to the proposed building adjacent to Upjohn House along the north and west boundaries (identified as the light brown/pink 'B1' on page 14 of the Urban Design and Architecture Report) and the intended uses of this building. The proposed two-storey building is within close proximity to Upjohn House and is not considered acceptable as it will detract from the heritage significance of this item and have a detrimental impact on the relationship between the item and adjacent Upjohn Park. Refer to **Figure 9** for locations of the proposed non-residential buildings.
85. While it is acknowledged that to be consistent with the requirement of the ELS a component of employment generating land uses must be provided on the site, there is some concern regarding the proposed uses detailed in the Proposal, including, retail, community / leisure. there is no in-principle objection to the proposed uses and it is also recommended that the additional permitted uses be restricted to 59 Kirby Street only. However, further refinement is required by the applicant to demonstrate that these uses will not detract from the heritage significance of Upjohn House or negatively impact on the interface between Upjohn House and Upjohn Park and the adjacent residential amenity. Relevant controls should be included in the site-specific DCP to address potential interface and amenity impacts on the heritage item.

SITE-SPECIFIC DEVELOPMENT CONTROL PLAN

86. Given the extent and scale of redevelopment proposed on the site, a site specific Development Control Plan (DCP) is required to be prepared by the applicant. Any future site specific DCP would guide the redevelopment of the site, having regard to the local context and detailed design requirement for the site, including, but not limited to, the following:
- Overshadowing
 - Communal open space provision
 - Interface with Upjohn House and Upjohn Park
 - Built form
87. The site specific DCP can be prepared once the planning proposal has been submitted for Gateway determination and the extent of the development on the site is established. The draft document will be reported separately to Council at a later stage.

FEASIBILITY ASSESSMENT

88. Council officers engaged the services of BEM Property to undertake a review of the applicant's VPA analysis report prepared by AEC and also provide an assessment of the value uplift that could be achieved on the site under three different uplift scenarios. This review was undertaken due to the discrepancy between the applicant and Council officers regarding the feasibility of redevelopment on the site at the two different FSRs, being the Council officer recommended 1.3:1 and applicant's proposed 1.5:1. The applicant considers that redevelopment of the site at an FSR of 1.3:1 is not viable.
89. Both the applicant's AEC report and the BEM report consider the following three options for the value uplift:

- Option 1- Land value with existing planning controls (IN1 General Industrial, FSR of 1:1)
- Option 2 – R4 High Density Residential, FSR 1.3:1
- Option 3 – R4 High Density Residential, FSR 1.5:1
90. AEC has utilised the Residual Land Value (RLV) approach which making an assumption on the costs associated with the development and involves using a number of variables to reach an estimated value.
 91. The preferred approach, and that used by BEM, for establishing land value is undertaking Direct Comparison (DC) exercise which is an evidence-based approach that compares the subject property to sales of other comparable development sites based on per m² of gross floor area (GFA).
 92. As a result of using the two different approaches, there are significant differences between the value of GFA per m², current and estimated land values and estimated value uplifts on the site.
 93. According to the AEC report the estimated value of GFA is less than \$1,000/m² and land value decreases by approximately \$3.5m when applying the R4 High Density Residential zone with an FSR of 1.3:1 and results in a negative value uplift on the site given the value assigned to the existing industrial development. Under the 1.5:1 FSR scenario, the overall land value increases by approximately \$4.8m resulting in a value uplift of approximately \$4.8m. As a result, the AEC report concludes that rezoning the site to R4 High Density Residential with an FSR of 1.3:1 is not viable given it results in lesser property value for redevelopment than if the current planning controls on the site remained. The report therefore states that an FSR of 1.5:1 is required for redevelopment to be viable
 94. However, the valuation approach utilised of the BEM report identifies significantly different values overall. Based on the comparable sales evidence, a per m² of GFA value for the subject site of less than \$1,500/m² is considered appropriate given the constraints (access and heritage) of the site. However, a more conservative and realistic value range has been applied for the purposes of this analysis of \$1,200/m² to \$1,300/m². This has a significant impact on the estimated land values and value uplifts of and results in between \$17m and \$30m under the two FSR scenarios. The BEM report concludes that redevelopment with an FSR of 1.3:1 is feasible on this site. Refer to **Table 1** below for a comparison and summary of the differences between the findings of the two valuations.
 95. In conclusion, Council officers consider the findings of the BEM report to be a more accurate valuation given the approach that has been utilised and knowledge of GFA values that have been applied to other comparable sites within the Parramatta LGA that are subject to planning proposals. As a result, Council officers retain the position that redevelopment of the site is feasible with an FSR of 1.3:1.

		AEC	BEM
Option 1 FSR 1:1 (existing)	Existing value	\$68m	\$60m - \$68m
Option 2 FSR 1.3:1	Value m ²	\$978	\$1,200
	Land Value	\$64,482,250	\$79.2m - \$85.8m
	Land value uplift	-\$3,517,750	\$19.2m - \$17.8m
Option 3 FSR 1.5:1	Value m ²	\$957	\$1,300
	Land value	\$72,823,173	\$91.3m - \$98.9m
	Land value uplift	\$4,823,173	\$31.3m - \$30.9m

Table 1. AEC and BEM land value uplift comparison

SECTION 9.1 DIRECTIONS (FORMERLY 117 DIRECTIONS)

96. Section 9.1 of the Environmental Planning and Assessment Act 1979 sets out the range of matters that need to be considered when the Relevant Planning Authority (in this instance City of Parramatta Council) is preparing an amendment to an LEP. Council officers are satisfied that the planning proposal meets the requirements of these Directions set by the Minister for Planning. Refer to Section 3.2.4 of the attached Planning Proposal (**Attachment 1**) for an assessment of the consistency of the proposal with the relevant Section 9.1 directions

VOLUNTARY PLANNING AGREEMENT

97. The applicant has indicated a willingness to enter into a Voluntary Planning Agreement (VPA) with Council and submitted a formal Letter of Offer including the following items with the March 2018 iteration of the Planning Proposal:
- Subiaco Creek Park – a 5,500m² corridor running along the southern boundary of the site (240km in length). Habitat works to remove introduced plants and improve water quality and walking path and picnic facilities within the 'Coastal Enriched Sandstone Moist Forest'.
 - The Ponds Walk Extension – Further develop connections to The Ponds Walk, including east/west connections to existing link under Silverwater Road.
 - Kirby Street – Upgrade to southern Kirby Street intersection and provision of roundabout to access the southern part of the site.
 - Kirby Street / Victoria Road Intersection – Construction of the signalised intersection
 - Upjohn Park – Embellishment and regrading of playing fields, redevelopment of existing car park, general amenities upgrades, implementation of Council's master plan

- Cycleway and Pedestrian Connections – Shared path connections to join existing infrastructure (to Pearce and Patterson Streets) and mirror existing pedestrian / cycle link between Patterson Street and Eccles Park
 - Upjohn House – Development and construction of a two-storey multi-purpose recreational pavilion to include community facility, gym, café, swimming pool and sports club.
 - Sustainability Works – Exceed mandatory sustainability requirements.
 - Public Open Spaces and Parks – Embellishment and improve accessibility.
98. This report seeks Council's endorsement to commence VPA negotiations with the Applicant in relation to this Planning Proposal in accordance with Council's Planning Agreements Policy adopted on 26 November 2018. As per section 2.5.3 of the Policy, VPA negotiations are to be based on capturing 50% of the value uplift, which is the rate applicable for Planning Proposal's outside the CBD which have not received Gateway determination.

PLAN-MAKING DELEGATIONS

99. New delegations were announced by the then-Minister for Planning and Infrastructure in October 2012, allowing Councils to make LEPs of local significance. On 26 November 2012, Council resolved to accept the delegation for plan-making functions. Council has resolved that these functions be delegated to the CEO.
100. Should Council resolve to proceed with the staff-recommended planning proposal (**Attachment 1**), it is intended that Council will be able to exercise its plan-making delegations. This means that once the planning proposal has been to Gateway, undergone public exhibition and been adopted by Council, Council officers will deal directly with the Parliamentary Counsel Office on the legal drafting and mapping of the amendment. The LEP amendment is then signed by the CEO before being notified on the NSW Legislation website. When the planning proposal is submitted to Gateway, Council will advise the DP&E that it will be requesting to exercise its delegation.

CONCLUSION

101. It is considered that this planning proposal has strategic merit to proceed. However, Council officers maintain concerns over matters relating to the proposed density, open space provision, impacts on the environmentally sensitive vegetation, heritage interface, traffic and transport and provision of community benefits. The primary concern relates to the proposed FSR and maximum building heights on the site and Council officers consider the lower FSR of 1.3:1 and 6 storey height limit to be more appropriate and recommend the planning proposal be amended to reflect these changes. Despite the applicant stating that it is not feasible to redevelop the site with an FSR of 1.3:1, independent advice demonstrates that redevelopment at this density is viable at this density. Should this proposal proceed, these concerns must to be resolved before submission to the DPE for gateway determination.

CONSULTATION

102. The applicant's Planning Proposal and supporting documents were referred internally to Council's Urban Design, Social Outcomes, Traffic and Transport, Open Space and Recreation and Heritage teams for comment.
103. Community consultation has not been undertaken relating to this planning proposal.

104. Should Council resolve to endorse this planning proposal with the recommended changes, it (and all related information) will be submitted to the Department of Planning and Environment for Gateway Determination. Community consultation will be undertaken as required by the Gateway determination.

FINANCIAL IMPLICATION FOR COUNCIL

105. There are no financial implications for Council associated with this report.

Amberley Moore
Senior Project Officer Land Use Planning

Michael Rogers
Service Manager Land Use Planning

Jennifer Concato
Acting Director Strategic Outcomes & Development

ATTACHMENTS:

1 ↓	Planning Proposal for 55-59 Kirby Street, Rydalmere	40 Pages
2 ↓	Applicant's Revised Planning Proposal for 55-59 Kirby Street Rydalmere	81 Pages
3 ↓	Revised Urban Design Architecture Report	59 Pages
4 ↓	Revised Landscape Analysis	32 Pages
5 ↓	Revised Conservation Management Strategy	80 Pages
6 ↓	Revised Ecological Assessment Report	64 Pages
7 ↓	Revised Traffic Impact Assessment	35 Pages

REFERENCE MATERIAL

recommendation. (*Jane Fielding dissented from the Panel decision*)

6.4 SUBJECT Planning Proposal for Land at 55-59 Kirby Street, Rydalmere

REFERENCE RZ/26/2016 - D06629555

REPORT OF Senior Project Officer

PUBLIC ADDRESS

Esther Cheong of the AEC Group was present to address the Panel in support of the development and in particular to address the valuation and proposed FSR in support of the development.

Georgia Sedgmen of Mecone addressed the Panel as the Town Planner in support of the development.

Richard Huxley of Bureau of Urban Architecture addressed the Panel in support of the development and in particular to address the Master Plan Design.

Michael Wiseman of Fife Capital address the Panel as the Land Owner in support of the development.

12

DETERMINATION

That the Local Planning Panel recommend to Council:

a) **That** Council resolve to proceed with the Planning Proposal for land at 55-59 Kirby Street, Rydalmere (provided at **Attachment 1**), which seeks the following amendments to Parramatta Local Environmental Plan (PLEP) 2011:

1. Rezone the site from IN1 General Industrial to R4 High Density Residential
2. Increase the maximum height of buildings from 12m to 20m (6 storeys)
3. Increase the floor space ratio from 1:1 to 1.3:1
4. Amend Schedule 1 Additional Permitted Uses within PLEP 2011 to permit *café/restaurant, shops and office premises* on 59 Kirby Street (Lot 20 DP 855339) only, providing adequate detail has been provided relating to the exact nature of the proposed uses.

(b) **That** a site-specific Development Control Plan (DCP) be prepared and reported to Council prior to the exhibition of the Planning Proposal addressing detailed design requirements for the site, including, but not limited to:

1. Overshadowing
2. Communal open space provision
3. Heritage
4. Interface with Upjohn House and Upjohn Park
5. Built form

c) **That** the Applicant's Traffic Impact Assessment be updated to

reflect the proposed scheme.

- d) **That** delegated authority be given to the Acting CEO to negotiate the Voluntary Planning Agreement (VPA) on behalf of Council in addition to Section 7.12 contributions payable, and that the outcome of negotiations be reported back to Council prior to its concurrent exhibition with the draft site specific DCP and Planning Proposal.
- e) **That** the Planning Proposal be forwarded to the Department of Planning and Environment for Gateway determination.
- f) **That** Council advises the Department of Planning and Environment that the Acting CEO will be exercising the plan-making delegations for this Planning Proposal as authorised by Council on 26 November 2012.
- g) **Further, that** Council authorise the Acting CEO to correct any minor policy inconsistencies and any anomalies of an administrative nature relating to the Planning Proposal that may arise during the amendment process.

REASONS FOR DECISION

The panel generally supports the findings contained in the report and endorses the recommendation contained in the report.

The decision of the panel was unanimous

The meeting terminated at 6.31pm.

THIS PAGE AND THE PRECEDING PAGES ARE THE MINUTES OF THE LOCAL PLANNING PANEL HELD ON TUESDAY, 19 MARCH 2019.