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Planning Proposal



12 Frederick Street, St Leonards

Prepared for DEXUS Projects Pty Ltd

May 2016

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1 Introduction

This report has been prepared on behalf of DEXUS Projects Pty Ltd in support of a Planning Proposal to amend the Willoughby Local Environmental Plan 2012 (WLEP 2012) in relation to land at 12 Frederick Street, St Leonards. The Planning Proposal seeks to:

- Permit the additional use of “hospital” on the southern portion of the site via an amendment to Schedule 1 of the WLEP; and
- Permit a maximum floor space ratio (FSR) of 3:1 for hospital-related buildings on the southern portion of the site.

The Planning Proposal will facilitate the development of a major new private hospital at the corner of Reserve Road and Westbourne Street, St Leonards. The site is located in a focal position relative to the specialised health precinct of the Royal North Shore Hospital, with the North Shore Private Hospital situated to the immediate west of the site and the Kolling Institute of Medical Research situated to the immediate south of the site.

The Planning Proposal is consistent with the relevant strategic objectives of *A Plan for Growing Sydney* seeking to provide capacity for additional mixed use development in St Leonards and to support health related infrastructure and land uses around Royal North Shore Hospital. The proposal will also contribute to the urban renewal of St Leonards, as envisaged in *A Plan for Growing Sydney*, through the provision of complementary land uses, increased employment capacity and a superior built form outcome to the current development on the site.

The proposed hospital comprises State significant development (SSD) under the provisions of the *State Environmental Planning Policy [State and Regional Development] 2011* [SRD SEPP] as it is development for the purpose of a hospital that has a capital investment value of more than \$30 million. The Secretary’s Environmental Assessment Requirements (SEARs) for the proposed hospital development were issued on 29 March 2016.

As the site is zoned IN1 General Industrial, in which hospitals are prohibited, WLEP 2012 must be amended in order for the hospital development application to proceed to determination.

A previous Planning Proposal to rezone the site to B4 Mixed Use was not supported by Willoughby City Council, as Council considered the proposal premature prior to the completion of State and local strategic studies being prepared for the St Leonards/Artarmon area.

Council subsequently wrote to the Department of Planning and Environment (DPE) on 21 March 2016 in response to consultation on the request for SEARs for the proposed hospital and advised it would be likely to consider more favourably an amendment to Schedule 1 of WLEP 2012 to make hospitals an additional permitted use on the site. This approach has been confirmed in subsequent discussions between DEXUS and Council officers.

This report has therefore been prepared in support of a request to Council, as the Relevant Planning Authority (RPA), under section 56 of the *Environmental Planning and Assessment Act 1979* (EP&A Act), to refer the Planning Proposal to DPE for the issue of a Gateway Determination.

2 The site and locality

2.1 Site Location

The proposed hospital site is located on the corner of Reserve Road and Westbourne Street, St Leonards, in the Willoughby LGA.

The site is rectangular in shape with an area of 6,194 m² and is part of a larger 2.6 hectare site, known as 12 Frederick Street, St Leonards, which is legally described as Lot 1 in DP 591747. Lot 1 in DP 59174 is bounded by Frederick Street to the north, Reserve Road to the west, Westbourne Street to the south and mixed warehousing and related development to the east. Refer to Figures 1 and 2.

A development application to subdivide the site and create a separate lot for the hospital is currently being prepared for lodgement with Council.

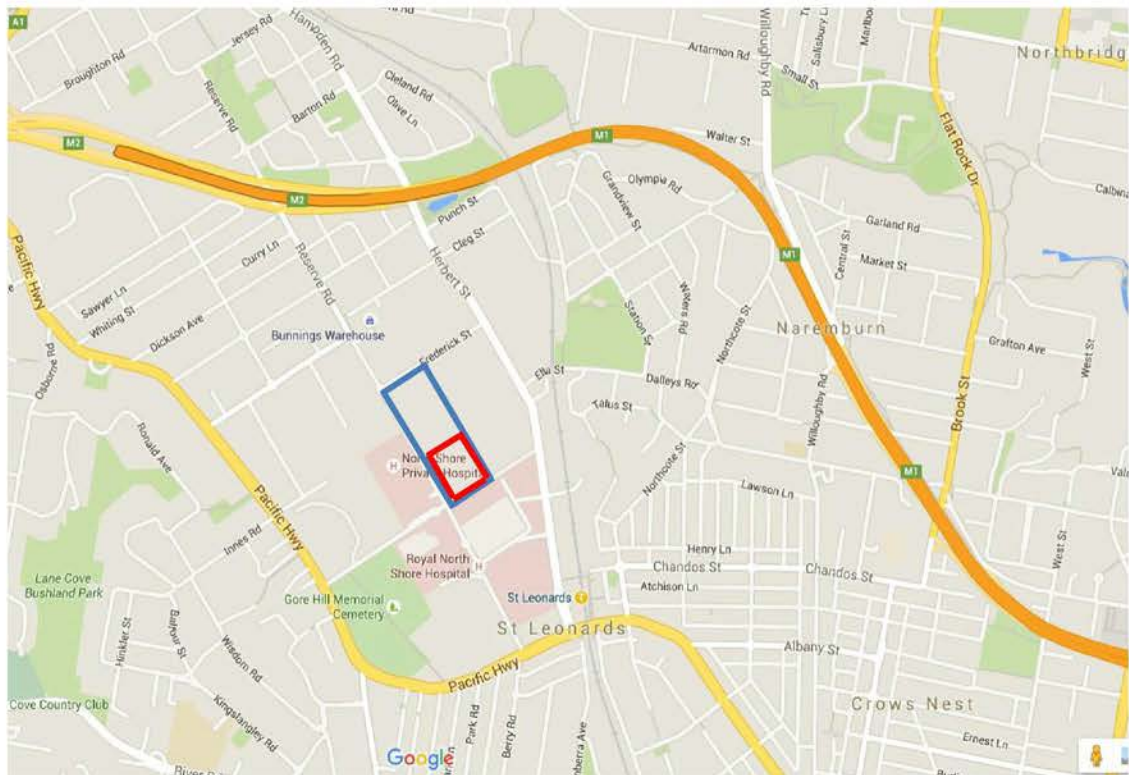


Figure 1: Location Plan with Lot 1 DP 591747 shown in blue outline and site of the proposed North Shore Private Hospital shown in red outline [Source: Google Maps]



Figure 2: Site Plan with Lot 1 DP 591747 shown in blue outline and site of the proposed North Shore Private Hospital shown in red outline [Source: Six Maps]

2.2 Site Description

The site is currently occupied by mixed warehousing, office and recreational uses in buildings ranging in height from 2 to 4 storeys. The southern part of the site, where the proposed hospital is to be developed and subject to this Planning Proposal, is partially occupied by these buildings which are setback from Reserve Road and Westbourne Street due to the significant difference in level from Reserve Road. This part of the site contains a former helipad, which is a cleared, flat area at the corner of Reserve Road and Westbourne Street, then a steep partially vegetated embankment which falls to the north-east. This vegetated embankment continues east along Westbourne Street. The vegetation consists mainly of native regrowth and exotic species, with some areas of significant weed infestation, and mature trees along the Westbourne Street frontage. Refer to Figures 2 to 4 and site survey plans at Attachment 1.

There are two vehicle access points to the site from Reserve Road and an internal road along the eastern boundary of the site which is accessed via Frederick Street.



Figure 3: View looking south across site, showing driveway access from Frederick Street and existing buildings on site, and Kolling Institute building on Westbourne Street.

2.3 Surrounding Development

The site is located approximately 500 m to the north-west of St Leonards railway station, within the broader St Leonards/Artarmon employment area. The uses and character of this area continue to evolve such that there is a clear delineation between the more traditional industrial type uses to the north and more business and knowledge economy related uses in the south, where the subject site is located.

Development to the immediate north of the site includes large-format retail, including the Home HQ retail centre and a Bunnings Warehouse store. Relevantly, WLEP 2012 has recently been amended to add “hospital” as an additional permitted use at 10 Herbert Street, St Leonards, located to the immediate north-east of the site, to facilitate the development of a 170 bed mental health hospital.

To the immediate south of the site is the Kolling Institute of Medical Research and other facilities which are part of the Royal North Shore Hospital (refer Figures 3 to 5). To the east of the site is mixed warehousing and related development, with the North Shore Private Hospital and car park located to the west of the site across Reserve Road. These sections of Westbourne Street and Reserve Road with frontage to the site are owned by Health Administration Corporation (HAC).

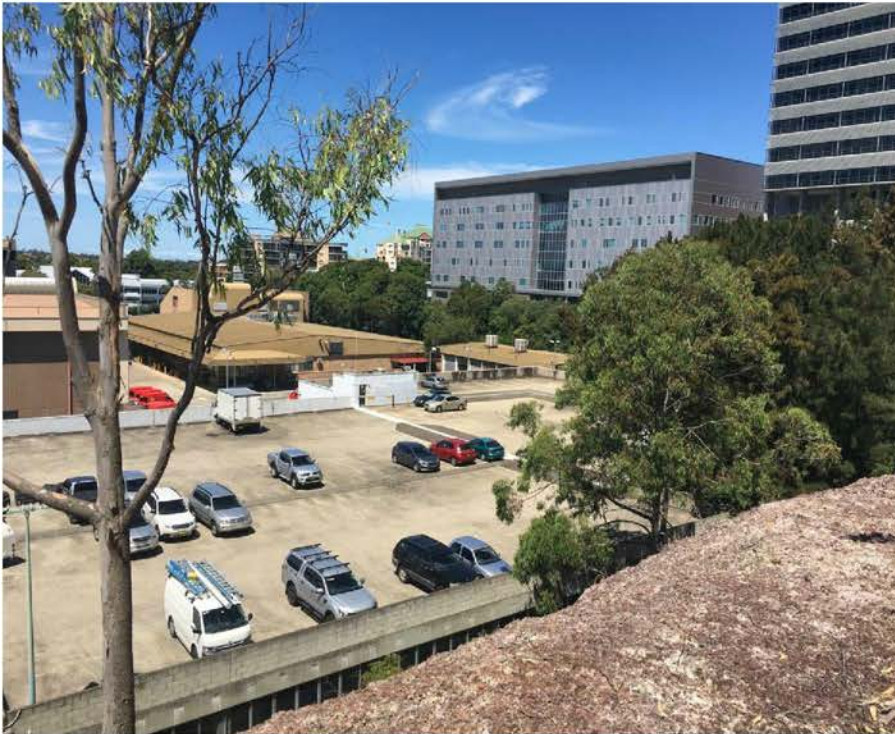


Figure 4: View looking south-east across site from Reserve Road



Figure 5: View looking east along Westbourne Street, with Kolling Institute to the south of the site

2.4 Planning Context

2.4.1 Zoning

The site is zoned IN1 General Industrial under WLEP 2012, as shown in Figure 5 below.

Permitted and prohibited development in the IN1 zone is outlined below:

Permitted without consent

Nil

Permitted with consent

Building identification signs; Business identification signs; Depots; Freight transport facilities; Garden centres; General Industries; Hardware and building supplies; Industrial training facilities; Light industries; Neighbourhood shops; Places of public worship; Pubs; Roads; Take away food and drink premises; Vehicle sales or hire premises; Warehouse or distribution centres; Any other development not specified in item 2 or 4

Prohibited

Agriculture; Air transport facilities; Airstrips; Amusement centres; Animal boarding or training establishments; Biosolids treatment facilities; Boat building and repair facilities; Boat launching ramps; Boat sheds; Camping grounds; Car parks; Caravan parks; Cemeteries; Charter and tourism boating facilities; Commercial premises; Correctional centres; Crematoria; Eco-tourist facilities; Educational establishments; Entertainment facilities; Environmental facilities; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Forestry; Function centres; Health services facilities; Heavy industrial storage establishments; Heavy industries; Helipads; Highway service centres; Home occupations (sex services); Industrial retail outlets; Information and education facilities; Marinas; Mooring pens; Mortuaries; Open cut mining; Passenger transport facilities; Port facilities; Recreation facilities (major); Registered clubs; Research stations; Residential accommodation; Restricted premises; Rural industries; Sewage treatment plants; Signage; Tourist and visitor accommodation; Veterinary hospitals; Water recycling facilities; Water supply systems; Wharf or boating facilities; Wholesale supplies

Land to the north is also zoned IN1 General Industrial. However, on the site to the immediate north (land bound by Herbert, Cleg and Frederick Streets and Reserve Road, Artarmon), additional uses, including bulky goods premises, garden centres, hardware and buildings supplies, and landscaping material supplies, are permitted with consent under Schedule 1 of WLEP 2012.

Land to the east is zoned IN2 Light Industrial. However, as noted in Section 2.3, Schedule 1 of WLEP 2012 has recently been amended to allow development for the purposes of a “hospital” as an additional permitted use on land at 10 Herbert Street.

Land to the west and south of the site, including Reserve Road and Westbourne Street, is zoned SP2 Infrastructure (Hospital).

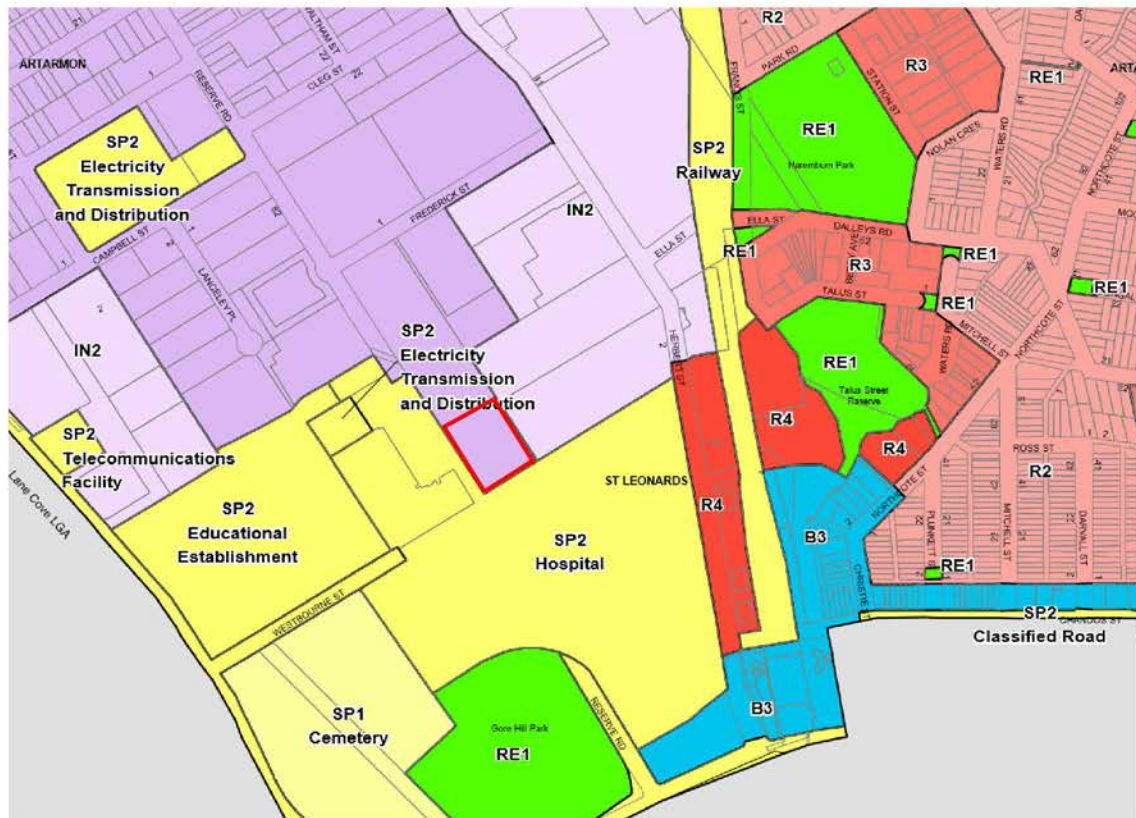


Figure 6: Zoning Map extract with site subject to current Planning Proposal shown in red outline (Source: WLEP 2012)

2.4.2 Floor Space Ratio

Under WLEP 2012, the site has a maximum FSR of 1:1. However, clause 4.4A of the LEP provides that the FSR may exceed 1:1 if:

- The site is greater than 1,000 m²
- The FSR will not exceed 1.5:1; and
- Site coverage will not exceed 45%.

3 Proposed Development

3.1 Proposal Description

The Planning Proposal is aimed at facilitating the development of a private hospital on the site, comprising the following:

- 128 inpatient beds
- Operating theatres
- Emergency department
- Support services including:
 - Medical records
 - Administration
 - Central Stores
 - Linen Services
 - Waste Management
 - Housekeeping
- Bridge link across Reserve Road to the existing North Shore Private Hospital
- Medical Centre comprising:
 - Radiology / Diagnostic Imaging Centre
 - Specialist medical consulting suites
 - Retail tenancies such as café, florist and pharmacy
- Landscaping and tree planting along Westbourne Street and Reserve Road
- Approximately 220 on-site car parking spaces (final number to be determined through detailed design for hospital DA submission)

The building would have a height up to 6 stories, comprising a tower form set back from a 2 storey podium over 3 levels of lower ground level car parking and basement loading dock. Vehicle access to the car park and loading dock would be provided along the eastern boundary of the site off Westbourne Street, while access to the ambulance bay along the northern façade of the building would be provided off Reserve Road.

An indicative section, site plan and perspective are provided in Figures 5 and 6 below.

The proposed hospital has an estimated capital investment value of \$80 million and is anticipated to generate up to 500 construction jobs and approximately 166 FTE positions during operation.

As outlined in Section 6.2.1, the proposed hospital is SSD and the Minister for Planning is the consent authority. SEARs were issued by the Department of Planning and Environment on 29 March 2016 and it is intended to lodge a DA for the proposal with the Department shortly.

A DA for site preparation works and subdivision will also be shortly lodged with Council. The site preparation works involve demolition of existing structures on the site, while the subdivision will create a separate lot (proposed Lot 1 DP 591747) for the hospital, with the remainder of the site to comprise a new Lot 2 DP 591747.

3.2 Project Benefits

The proposed private hospital will provide the following key benefits:

- Improved access to private emergency and medical and surgical services within the area.
- Improved options for general practitioners to refer private patients to a local private facility.
- Reduced waiting times for patients who require emergency care, providing an improvement to the timing of acute and sub-acute emergency services in the region, through the provision of more emergency services.
- Provide an opportunity to further strengthen the role of the Royal North Shore Campus as a centre of excellence for medical provision.
- Further employment opportunities and retention of significant medical expertise which is present on the campus.
- Further synergies across the campus attracting key medical staff, which will help grow and sustain the campus.
- Opportunities for key specialist services to be co-located within the facility and integrated health services provision

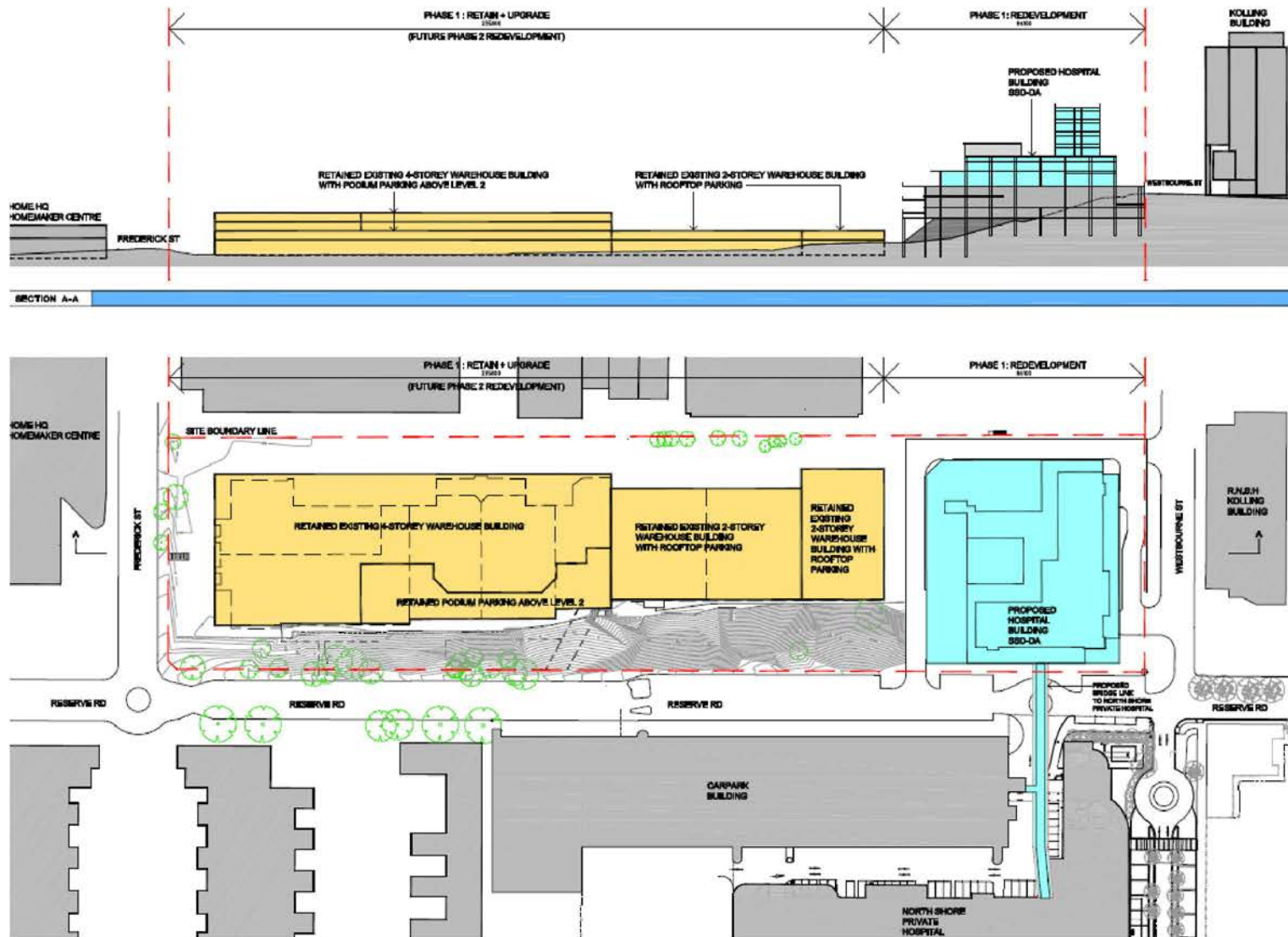


Figure 7: Indicative hospital section and site plan (Source: DEXUS)



Figure 8: Indicative hospital perspective from intersection of Reserve Road and Westbourne Street (Source: DEXUS)

4 Proposed Amendments to Willoughby LEP

4.1 Objective of Planning Proposal

The objective of the planning proposal is to facilitate the development of a private hospital on the southern part of the site known as 12 Frederick Street, St Leonards, which will complement and strengthen the specialised health and related functions of the St Leonards strategic centre.

4.2 Zoning and Permitted Land Uses

It is proposed to retain the existing IN1 zoning across the entire site at 12 Frederick Street and, in relation to the southern portion of the site (proposed Lot 1 DP 591747), permit an additional use to enable the development of the proposed private hospital.

This would occur under the provisions of clause 2.5 of WLEP 2012, which states:

2.5 Additional permitted uses for particular land

- (1) *Development on particular land that is described or referred to in Schedule 1 may be carried out:*
 - (a) *with development consent, or*
 - (b) *if the Schedule so provides—without development consent, in accordance with the conditions (if any) specified in that Schedule in relation to that development.*
- (2) *This clause has effect despite anything to the contrary in the Land Use Table or other provision of this Plan.*

It is proposed to add the additional permitted use of “hospital” on the southern portion of the site. “Hospital” is defined in the WLEP 2012 as:

hospital *means a building or place used for the purpose of providing professional health care services (such as preventative or convalescent care, diagnosis, medical or surgical treatment, psychiatric care or care for people with disabilities, or counselling services provided by health care professionals) to people admitted as in-patients (whether or not out-patients are also cared for or treated there), and includes ancillary facilities for (or that consist of) any of the following:*

- (a) *day surgery, day procedures or health consulting rooms,*
- (b) *accommodation for nurses or other health care workers,*
- (c) *accommodation for persons receiving health care or for their visitors,*
- (d) *shops, kiosks, restaurants or cafes or take away food and drink premises,*
- (e) *patient transport facilities, including helipads, ambulance facilities and car parking,*
- (f) *educational purposes or any other health-related use,*
- (g) *research purposes (whether or not carried out by hospital staff or health care workers or for commercial purposes),*
- (h) *chapels,*
- (i) *hospices,*
- (j) *mortuaries.*

4.3 Floor Space Ratio

It is proposed to increase the FSR for the southern portion of the site where the private hospital is proposed (i.e. proposed Lot 1 in DP 591747) to 3:1 for buildings that are, or a part of a hospital.

The proposed private hospital will have a FSR of between 2.5 and 3:1, to be confirmed through further detailed design.

The proposed FSR of 3:1 will therefore provide the necessary flexibility accommodate the proposed private hospital development.

5 Strategic Planning Framework

5.1 NSW Making it Happen

NSW Making it Happen sets out the NSW Premier's priorities to grow the economy, deliver infrastructure, and improve health, education and other services across NSW. It outlines the Government's program of investing \$68.6 billion over 4 years in transport, roads, schools, hospitals and renewed sports and cultural infrastructure.

Although *NSW Making it Happen* relates to investment in public infrastructure and services, the provision of the proposed new private hospital will enhance medical services provision in the Sydney metropolitan area and contribute to the achievement of key NSW Government priorities such as encouraging business investment, creating jobs, cutting waiting times for planned surgeries, and improving access to hospital emergency departments.

The Planning Proposal is therefore consistent with these State-level strategic objectives.

5.2 A Plan for Growing Sydney

A Plan for Growing Sydney sets out the NSW Government's vision for Sydney to be "a strong global city, a great place to live" and includes a number of supporting goals and directions. The Plan's key goals are:

1. A competitive economy with world-class services and transport.
2. A city of housing choice with homes that meet our needs and lifestyle.
3. A great place to live with communities that are strong, healthy and well-connected.
4. A sustainable and resilient city that protects the natural environment and has a balanced approach to the use of land and resources.

There are a number of Directions under Goal 1 that are of particular relevance to the Planning Proposal, including:

Direction 1.6: Expand the global economic corridor

This Direction is aimed at growing high-skilled jobs and mixed use activities in the Global Economic Corridor, which extends from Macquarie Park through the Sydney CBD to Port Botany and Sydney Airport.

The subject site is located within the Global Economic Corridor and the Planning Proposal supports this direction through the provision of additional employment opportunities, including high-skilled jobs, and the capacity for additional mixed-use development that complements and strengthens the specialised health functions of St Leonards.

Direction 1.7: Grow strategic centres – providing more jobs closer to home

St Leonards is identified as one of Sydney's strategic centres under this Direction. Strategic centres are defined as "areas of intense, mixed economic and social activity that are built around the transport network and feature major public investment in services such as hospitals and education and sports facilities."

This Direction seeks to focus employment growth in strategic centres in order to improve access to jobs and services, including health centres and hospitals. The Planning Proposal is consistent with this Direction as it will facilitate additional employment opportunities and health services in a strategic centre which is well located in relation to major transport infrastructure (i.e., St Leonards Railway Station).

Direction 1.9: Support priority economic sectors

This Direction seeks to support the growth of industry clusters in cost-effective locations, with a focus on a number of priority industries, including professional services.

The Planning Proposal seeks to facilitate the provision of professional (medical) services in a strategic centre already recognised as having a specialised health function around Royal North Shore Hospital.

Direction 1.10: Plan for education and health services to meet Sydney's growing needs

This Direction aims to support the provision of health and education services to cater for Sydney's growing and changing population. It includes specific actions relating to the growth of health services including:

- Action 1.10.2: Support the growth of complementary health and tertiary education activities in strategic centres.
- Action 1.10.3: Plan for expansion of health facilities to service Sydney's growing population.

The Planning Proposal would implement this direction and these actions through by enabling the provision of substantial new hospital facilities which complements the existing health services of St Leonards and provides expanded health services provision for Sydney's growing population.

The Plan also identifies the following priorities for the St Leonards strategic centre, which are of relevance to and clearly supported by the Planning Proposal:

- Work with council to provide capacity for additional mixed-use development in St Leonards including offices, health, retail, services and housing.
- Support health-related land uses and infrastructure around Royal North Shore Hospital.

5.3 Willoughby City Strategy 2013-2029

The *Willoughby City Strategy* is the Council's community strategic plan, a long term vision and plan for the future of the City to help guide decision making and planning until 2029.

The Strategy specifically notes that St Leonard's business district adjunct to the Royal North Shore Hospital and North Sydney TAFE precinct is a major employment, health and education centre. The new facilities at the Royal North Shore Hospital have created a modern regional hospital with associated infrastructure.

It also includes a goal [5.1.1(e)] to implement St Leonards Strategy as a specialist centre for health and education with neighbouring councils.

The Planning Proposal will support this goal by reinforcing the specialist health functions of the St Leonards centre.

6 Statutory Planning Framework

6.1 Legislation

6.1.1 Environmental Planning and Assessment Act 1979

The *Environmental Planning & Assessment Act 1979* [EP&A Act] provides the statutory framework for planning in NSW.

Division 4 of Part 3 of the EP&A Act sets out the procedures for the making of LEPs. These include the matter to be addressed in a planning proposal, as outlined in section 55(2). These matters, and an explanation of how they have been addressed in this report include:

(a) a statement of the objectives or intended outcomes of the proposed instrument,

The purpose of the proposed amendment to WLEP is to facilitate the development of a private hospital on a site which is adjacent to and which will strengthen the specialised health functions of the St Leonards strategic centre.

(b) an explanation of the provisions that are to be included in the proposed instrument,

The provisions to be included in the proposed instrument are explained in Section 4.

(c) the justification for those objectives, outcomes and provisions and the process for their implementation (including whether the proposed instrument will comply with relevant directions under section 117),

The strategic justification for the proposed instrument is outlined in Section 5. A consideration of the proposal against relevant directions under section 117 is outlined in Section 8.

(d) if maps are to be adopted by the proposed instrument, such as maps for proposed land use zones; heritage areas; flood prone land—a version of the maps containing sufficient detail to indicate the substantive effect of the proposed instrument,

It is understood that Council, in consultation with DEXUS, will prepare maps demonstrating the proposed LEP amendments should it support the Planning Proposal.

(e) details of the community consultation that is to be undertaken before consideration is given to the making of the proposed instrument.

Subject to Council supporting the Planning Proposal, Council will determine the community consultation to be undertaken in relation to the proposed instrument. As noted in Section 8.4, DEXUS is also undertaking community consultation in relation to the proposal.

6.2 Environmental Planning Instruments

6.2.1 State Environmental Planning Policy [State and Regional Development] 2011

The *State Environmental Planning Policy [State and Regional Development] 2011* [SRD SEPP] declares certain types of development and infrastructure to be of State and regional significance.

Clause 8 of SRD SEPP declares a development to be State Significant Development where a development is not permitted without consent and is listed in Schedule 1 or 2 of the SRD SEPP. Schedule 1 of the SRD SEPP includes:

*14 Hospitals, medical centres and health research facilities
Development that has a capital investment value of more than \$30 million for any of the following purposes:*

- (a) hospitals,*
- (b) medical centres,*
- (c) health, medical or related research facilities (which may also be associated with the facilities or research activities of a NSW local health district board, a University or an independent medical research institute).*

The proposed private hospital development on the subject site has a capital investment value of over \$30 million and therefore meets the above criteria for State significant development. An Environmental Impact Statement (EIS) for the hospital is currently being prepared in accordance with the SEARs issued on 29 March 2016. In this regard, it is noted that section 89E(5) of the EP&A Act provides that a DA for SSD that is wholly or partly prohibited may be considered in accordance with a concurrent planning proposal that would make the development permissible.

6.2.2 SEPP No 55 – Remediation of Land

State Environmental Planning Policy No. 55 – Remediation of Land [SEPP 55] applies to the State and requires planning authorities, when preparing Planning Proposals that would permit a change the use of land, to consider whether the land is contaminated and, if it is contaminated, the suitability of the land for the proposed change of use or whether the land requires remediation to be made suitable for its proposed use.

A Phase 1 contamination assessment and Detailed Site Investigation have been undertaken by Coffey Geotechnics Pty Ltd (Attachment 3). These assessments, which are outlined in more detail in Section 7.4, conclude that the site is suitable for the proposed hospital development, in accordance with SEPP 55.

6.2.3 Willoughby LEP 2012

The Planning Proposal is considered to be consistent with the aims of WLEP 2012 (clause 1.2) and the objectives of the plan's FSR controls (4.4), as outlined in Attachment 2.

7 Potential Environmental Issues

7.1 Built Form

The proposed built form of the new hospital is subject to detailed design being undertaken in support of the State significant DA currently being prepared for lodgement with the Department of Planning and Environment.

Key features of the indicative design (refer to Figures 7 and 8) include:

- A building height up of to 6 storeys in height, comprising a tower form set back from a 2 storey podium. This is significantly smaller than the 11 storey Kolling Institute to the immediate north of the site and would provide a suitable transition in scale from the Kolling Institute to the lower scale 2-3 storey development to the north of the site. The tower will also be set back from the podium, which will reduce the bulk and scale of the building when viewed along both streets and, in the case of Westbourne St, will provide increased separation from the Kolling Institute which has a zero setback on all levels.
- A pedestrian bridge above Reserve Road linking Level 1 of the new hospital to the existing North Shore Private Hospital. The pedestrian bridge will be designed to be architecturally integrated with the new building in terms of materials and finishes. The structure would also be in keeping with the dense urban character of the locality which is defined by large-scale institutional buildings and similar to the existing pedestrian bridge across Herbert Street which connects the hospital precinct to St Leonards Railway Station. Although there are limited long distance district views north along Reserve Road, these are not considered to be significant views and therefore the proposed pedestrian bridge is unlikely to have any impacts in this regard.
- The building's ground level would be built to the level of Westbourne Street and Reserve Road. This overcomes the existing situation on the site whereby existing development is set significantly below street level with no physical interface or integration with Westbourne Street and Reserve Road. Accordingly, the proposed development will result in a superior built form outcome that is more consistent with the broader Royal North Shore Hospital precinct and will provide the opportunity to activate the site's street frontages.

7.2 Traffic and Parking

A Traffic and Parking Review has been prepared by GTA Consultants in support of the Planning Proposal (Attachment 4). The traffic report describes the existing road network surrounding the site and notes that the site is well serviced by high frequency public transport services (both rail and bus).

In terms of car parking requirements, the traffic report notes that the Willoughby Development Control Plan (WDCP) requires the provision of 136 spaces for the proposed hospital development. Although final car parking numbers are being determined through detailed design as part of the EIS for the hospital, it is proposed that approximately 220 spaces will be provided and will therefore comply with WDCP's requirements.

The report also undertakes a preliminary traffic impact assessment and predicts that the proposed hospital development would generate an additional 58 and 80 vehicle trips in the morning and afternoon peak respectively. This equates to approximately 1 vehicle every minute.

The report states that this would not adversely impact the surrounding local road network or create any operational or safety issues.

The report concludes that the proposed hospital development is not anticipated to result in any significant traffic or parking implications, noting that a more detailed assessment of traffic issues will be undertaken as part of the DA being prepared for the hospital.

7.3 Ecology

A Flora and Fauna assessment has been undertaken in support of the development application being prepared for the hospital development on the site. The assessment found that the vegetation on the site does not comprise remnant bushland vegetation. It does not conform to the community descriptions for remnant vegetation communities present in the locality and it does not conform to any threatened ecological community listed under the *Threatened Species Conservation Act 1995* and the *Environmental Protection and Biodiversity Conservation Act 1999*.

The vegetation is comprised largely of introduced trees and shrubs, of which many are considered to be environmental weeds. Nine species are declared noxious weeds under the *Noxious Weeds Act 1993* for the Willoughby LGA, six are listed as undesirable trees under the *Willoughby Development Control Plan 2006* and three are also recognised Weeds of National Significance.

Accordingly, the assessment found that it is highly unlikely that the site supports any threatened plant species.

The assessment also found that given the limited patch size, disconnect from surrounding habitat, low composition of native species and intensity of surrounding industrial and infrastructure land use, the subject site is of marginal value for native fauna and very poor value for threatened fauna species.

7.4 Contamination

As outlined in Section 6.2.2, a Phase 1 contamination assessment and Detailed Site Investigation (Attachment 3) have been undertaken by Coffey Geotechnics Pty Ltd in accordance with SEPP 55 and the *Managing Land Contamination – Planning Guidelines SEPP 55 Remediation of Land*.

The Phase 1 Preliminary Site Investigation identified a number of potential sources of contamination, including former quarrying operations, fuel storage (on/off-site), fill materials and a former printing workshop (off-site). Coffey undertook a program of investigation to assess the significance of the potential sources of contamination in the context of the proposed development. This investigation did not identify concentrations of chemicals of potential

concerns (COPCs) in soil or groundwater samples above the adopted health or ecological investigation criteria.

Based on the findings of this investigation, the investigations conclude that the site is suitable for the proposed hospital and medical centre development in accordance with Clause 7 of SEPP55.

7.5 Noise and Amenity

As required by the SEARs, the EIS being prepared for the hospital development will consider potential noise and amenity issues in the context of the site's industrial zoning and surrounding industrial and mixed use development. The hospital building will need to be appropriately designed to ensure that any noise from existing or future industrial uses does not negatively impact on staff and patients.

Council has recently amended the WDCP to provide that potential noise impacts of the proposed hospital at 10 Herbert Street on adjoining development and, equally, the noise impacts of adjoining development on the hospital, are fully considered in the DA for that hospital. It is understood that Council will seek a similar amendment to the WDCP in relation to the proposed hospital at 12 Frederick Street.

7.6 Infrastructure and Servicing

The site is adequately serviced with potable water, sewer, stormwater, electricity and telecommunications services. Consultation will be undertaken with all relevant service providers in relation to any required capacity augmentation of existing services to the stadium.

7.7 Public Benefit

It is anticipated that the inclusion of "hospital" as an additional permitted use on the site will not result in any appreciable increase in demands on public infrastructure. The forecast full time employment of the hospital of 166 FTE and the proposed hospital site is located in an established urban area that is well served by public transport and with good access to a range of services and facilities in the St Leonards and Chatswood centres.

However, DEXUS will continue discussions with Council regarding a specific public benefit offer as part of a Voluntary Planning Agreement (VPA) should the Planning Proposal proceed through the LEP Gateway process.

8 Assessment against Departmental Guidelines

The Planning Proposal has been considered against the requirements in DPE's guideline *A Guide to Preparing Planning Proposals*.

8.1 Parts 1 and 2

Parts 1 and 2 are addressed in Section 4 of this report, which outlines the objective of the Planning Proposal and an explanation of the proposed amendments to WLEP 2013 to achieve this objective.

8.2 Part 3 – Justification

8.2.1 Need for the Planning Proposal

Q1. Is the planning proposal a result of any strategic study or report?

No. The Planning Proposal is not the result of a specific strategic study or report but is the outcome of ongoing investigations by DEXUS into the highest and best use for the site in accordance with the applicable strategic planning objectives for the site and broader St Leonards Centre outlined in *A Plan for Growing Sydney*.

Q2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

Yes. The proposed private hospital is not permissible under the IN1 General Industrial zoning of the site, while the current maximum FSR of the site of 1.5:1 would not accommodate the proposal. Accordingly, WLEP 2012 must be amended if the proposal is to proceed.

A previous Planning Proposal seeking to rezone the entire 12 Frederick Street site to B4 Mixed Use and to increase the maximum FSR to 3:1 was not supported by Council. Subsequent written and verbal advice from Council officers is that an amendment to Schedule 1 to enable hospitals as an additional permitted use on the southern part of the site and to increase the maximum FSR for hospital related buildings on this part of the site to 3:1 is the most appropriate means of amending WLEP 2012 to enable the DA for the proposed hospital to be assessed and determined as permissible development.

8.2.2 Relationship to Strategic Planning Framework

Q3. Is the planning proposal consistent with the objectives and actions of the applicable regional or sub-regional strategy (including the Sydney Metropolitan Strategy and exhibited draft strategies)?

Yes. Section 5 of this report outlines the proposal's consistency with metropolitan, regional and sub-regional strategic planning objectives.

Q4. Is the planning proposal consistent with a council's local strategy or other local strategic plan?

Yes. As outlined in Section 5, the proposal is consistent with the Willoughby City Strategy.

It is also understood that Council is undertaking on-going investigations of employment land in the LGA to inform a strategy for identifying land for retention or potentially suitable for redevelopment. As the Planning Proposal will retain the industrial zoning of the subject site and will facilitate a hospital development estimated to generate 166 FTE during operation, it is considered that the proposal will strengthen the employment capacity of the site and will not compromise any strategy to retain employment land in the LGA.

Q5. Is the planning proposal consistent with applicable State Environmental Planning Policies?

Yes. Relevant SEPPs (SRD SEPP and SEPP 55) are addressed in Section 6 of this report.

Q6. Is the planning proposal consistent with applicable Ministerial Directions (s. 117 directions)?

Yes. The planning proposal is consistent with the relevant Section 117 Directions. A full assessment is included at Attachment 5.

8.2.3 Environmental, Social and Economic Impact

Q 7. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

No. As outlined in Section 7.3 of this report, a Flora and Fauna Assessment undertaken in support of the EIS being prepared for the site has found the site does not support any ecologically significant flora and fauna species.

Q8. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

No. Relevant environmental issues are outlined in Section 7 and no adverse impacts are likely to result from the Planning Proposal.

Q9. Has the planning proposal adequately addressed any social and economic effects?

Yes. The Planning Proposal will facilitate the development of a 128 bed private hospital and associated medical facilities and services on the site which will provide enhanced health services for the community and, as outlined in Section 5, is consistent with relevant State and local policy and strategic planning directions.

The proposal will also have a positive economic impact as it will provide approximately 166 FTE positions during operation and will strengthen the viability of the St Leonards strategic centre through the provision of complementary health services and the renewal of a key site within the centre.

8.2.4 State and Commonwealth Interests

Q10. Is there adequate public infrastructure for the planning proposal?

As outlined in Section 7.6, the site is located in an established urban area that is well serviced by public transport and which has good access to a range of services and facilities in the St Leonards and Chatswood centres. While it is anticipated that the proposal will not lead to any appreciable increase in demand for public infrastructure, DEXUS will continue discussions with Council regarding a specific public benefit offer as part of a VPA should the Planning Proposal proceed through the LEP Gateway process.

Q11 - What are the views of State and Commonwealth public authorities consulted in accordance with the Gateway determination?

Relevant State and Commonwealth public authorities will be consulted through the formal exhibition of the Planning Proposal, should it proceed through the LEP Gateway process, as well as the through the exhibition of the EIS for the proposed hospital development on the site.

8.3 Part 4 - Mapping

It is understood that Council will prepare maps of the proposed LEP amendments should it support the Planning Proposal.

8.4 Part 5 - Community Consultation

Community consultation on the Planning Proposal will occur in accordance with the public exhibition requirements outlined through part of the LEP Gateway determination. Further, the EIS for the proposed hospital development on the site will be publicly exhibited and the opportunity for community submissions invited, following lodgement of the hospital DA with DPE.

DEXUS has also commenced its own consultation program, having undertaken a letterbox drop of adjoining landowners in February 2016 notifying them of the proposal to redevelop the site. DEXUS has also engaged KJA (communications and engagement consultants) to develop a consultation plan for the site.

9 Conclusion

This report has been prepared on behalf of DEXUS Property Group in support of a Planning Proposal to amend WLEP 2012 to facilitate the proposed development of a private hospital on the southern part of land at 12 Frederick Street, St Leonards. These amendments include the inclusion of "hospital" as an additional permitted use on the site and to increase the maximum permitted FSR for hospital related buildings to 3:1.

The proposed hospital development is SSD and an EIS is currently being prepared for the proposal in accordance with the SEARs issued on 29 March 2016.

This report demonstrates that the proposal is consistent with relevant State and local strategic planning objectives and statutory planning requirements. The site is highly suitable for the development of a private hospital, given its proximity to existing health and medical facilities of

the North Shore Private Hospital and the broader Royal North Shore Hospital Precinct. The proposal will facilitate additional employment in the St Leonards strategic centre and would not result in any adverse social, economic or environmental impacts.

On the basis of the above, it is concluded that the Planning Proposal outlines appropriate and supportable amendments to WLEP 2013 which warrants referral to DPE for the issue of a LEP Gateway Determination.