CCL057-15 DRAFT EMPLOYMENT LANDS STUDY - DRAFT INDUSTRIAL LANDS PLANNING CONTROL RECOMMENDATIONS

Report Author/s	Executive Planner, Ms N Stores		
	Manager Strategic Planning, Ms C Gregory		
File	14/784		
Previous Reports Referenced	COW084-14 - Hurstville Employment Lands Study - Council		
	- 03 Sep 2014 7:00pm		
Community Strategic Plan Pillar	Economic Prosperity		
Existing Policy?	No New Policy Required? Yes		
Financial Implications	Within Budget		
Reason for Report	For Approval		
Interested Parties			
Company Extract included	Not required		

EXECUTIVE SUMMARY

Council considered a report on 3 September 2014 for the preparation of an Employment Lands Study covering all the industrial areas (i.e. lands zoned IN2 Light Industrial) and commercial centres (i.e. lands zoned B1 Neighbourhood Centre and B2 Local Centre). The draft Employment Lands Study has been prepared by the consultants, Jones Lang LaSalle and SJB.

The draft study provides Council with a strategic direction for the employment lands to ensure sufficient land is zoned to accommodate future employment growth and provides proposed zones, building heights and floorspace ratios (FSR) for each of the areas. The information from the study and other studies will be used to inform the preparation of a Planning Proposal and Development Control Plan (DCP) to review the zones and planning controls for the employment lands.

The draft Study provides a detailed land use survey and analysis of the strengths, weaknesses and opportunities of the employment lands; a market assessment; a review of the NSW State Government's employment targets; and a review of the effectiveness of the existing planning controls. It provides a draft Industrial Lands Strategy and Commercial Lands Strategy which recommends planning controls for the employment lands.

The draft Study will be presented to Council in two stages to encourage effective community consultation of the strategies and as further urban design work is currently being undertaken on the commercial lands.

- Stage 1: Industrial Lands preliminary planning control recommendations (presented in this report)
- Stage 2: draft Commercial Lands Strategy (to be presented to Council in 2016)

Community consultation of the draft Strategies will be undertaken with information from the draft Employment Lands Study presented to the community prior to the preparation of a Planning Proposal.

This report considers the Industrial Lands preliminary planning control recommendations in the draft Employment Lands Study and recommends Council's endorsement for community consultation. Also the report notes that further detailed work including traffic and infrastructure review, urban design analysis and value capture assessment is currently being undertaken to inform a future Planning Proposal for the review of the zones and planning controls for the industrial lands.

AUTHOR RECOMMENDATION

THAT Council endorse the preliminary planning control recommendations for the industrial lands as presented in this report from the draft Employment Lands Study for the purpose of community consultation.

THAT Council endorse the Acting General Manager to make modifications to any numerical, typographical, interpretation and formatting errors, if required, in the finalisation of the draft Employment Lands Study for public consultation.

THAT Council note that further detailed work and studies (including urban design, traffic and infrastructure review, and economic assessment of the legitimate value capture potential resulting from the uplift in land values from the proposed changes to the zones and planning controls) are currently being undertaken to inform the preparation of a Planning Proposal and Development Control Plan for the review of the zones and planning controls for the industrial areas.

FURTHER THAT a report be presented to Council following the consultation process.

REPORT DETAIL

There has been increasing pressure over the past few years to rezone and review the planning controls for some of the industrial areas and commercial centres in the LGA. A number of submissions were made to Council on the draft Comprehensive LEP and a number of Planning Proposals have been submitted seeking to rezone and amend the planning controls.

Council resolved on 12 April 2012, as part of the preparation of the Comprehensive LEP, to undertake a review of the commercial centres zoning, height and floor space ratios. On 27 November 2013 Council resolved to prepare an Employment Lands Strategy for all industrial zoned lands to provide a clear strategic direction for the employment lands.

Council engaged a consultant team (Jones Lang LaSalle, Cox Architecture and SJB) to undertake the employment lands study which included an Industrial Lands Strategy and Commercial Lands Strategy.

Draft Hurstville Employment Lands Study

The draft Employment Lands Study covers all lands zoned IN2 Light Industrial, B1 Neighbourhood Centre and B2 Local Centre under the Hurstville LEP 2012 (but does not include the B3 Commercial Core and B4 Mixed Use Zone in the City Centre).

The purpose of the study is to provide:

- a strategic direction for the employment lands to ensure sufficient land is zoned to accommodate future employment and population growth; and
- a draft Industrial Lands Strategy and Commercial Lands Strategy
- which recommend zoning and broad planning controls for the industrial and commercial areas.

This study along with other studies (urban design and traffic analysis) will be used to inform and support a Planning Proposal to amend the zones and planning controls for some of the areas.

Some of the specific objectives of the study were to:

1. Set clear a clear strategic direction for all employment lands within the Hurstville Local Government Area:

- Review all recent employment and economic studies for the Hurstville LGA/St George Region:
- 3. Undertake an analysis of the supply and demand for commercial, retail and residential floor space in the Local Centres and Neighbourhood Centres and industrial floor space in the industrial areas for the next 10 and 20 years;
- 4. Review and provide advice on achieving the employment targets in the NSW State Government's draft South Sub-regional Strategy and the draft Metropolitan Strategy for Sydney, for the employment lands within Hurstville LGA;
- 5. Review the existing planning controls (LEP & DCP) for all employment lands and provide comment on whether the controls are achieving the forecast employment targets;
- 6. Ensure sufficient land is zoned to accommodate existing and potential growth across a range of employment types;
- 7. Provide recommendations for new planning controls (including, zoning, height, floor space ratio and land uses) to achieve the forecast dwelling and employment targets;
- 8. Investigate alternative opportunities for existing employment lands including revitalisation of these areas.

The draft Study comprises two parts:

Background Information Report

This report provides the background information and research on all the industrial and commercial employment lands. This includes:

- a review of existing background information and economic studies;
- a Land Use Survey of all businesses providing information on current employment numbers, floorspace, vacancy and land uses;
- a SWOT analysis (i.e. an analysis of the strengths, weakness, opportunities and threats) for each of the commercial centres and industrial areas);
- a market assessment of the office and retail market looking at significant structural and market trends, sectors, supply and demand dynamics, shifts in user demand and requirements, etc.
- key drivers and demand trends;
- the future location and operational requirements for office, retail and industrial.

This information was then used to inform the preparation of the industrial and commercial lands strategies.

Draft Industrial and Commercial Lands Strategy

Only the preliminary planning control recommendations for the industrial lands are presented in this report. Further work is being undertaken on the commercial lands as outlined above.

The following work has been undertaken to justify the planning recommendations:

- review of the current planning controls and their effectiveness;
- review of the employment targets for the industrial areas and whether these targets are achievable under the existing planning controls;
- a broad feasibility analysis and scenarios for development in the industrial areas to identify whether the existing controls are capable of accommodating growth;
- advice on opportunities for regenerating underutilised industrial lands and approaches to regenerate employment lands that encourage new employment activities and realise potential impacts of such development (e.g. capacity to manage additional traffic in a locality)
- draft planning control recommendations for industrial zoned lands (i.e. zoning, height, FSR, etc). It is noted that some of the recommended building heights and FSRs are currently subject to further urban design testing.

- review of existing and previous Planning Proposals and submissions relating to the industrial lands.

Staging of the draft Employment Lands Study

Council is presenting the draft study in two stages to encourage effective community consultation of the strategies and as the Council has requested further urban design work to be undertaken on the commercial lands.

- Stage 1: Industrial Lands preliminary planning control recommendations (presented in this report)
- Stage 2: draft Commercial Lands Strategy (to be presented to Council in 2016)

Additional Work and Studies to inform the Planning Proposal and Development Control Plan

The draft Employment Lands Study along with other studies will be used to assist in the preparation of a Planning Proposal to amend the zones, building heights, FSRs and other clauses in Hurstville LEP 2012 for some of the employment lands.

The additional studies and work to be undertaken include:

- detailed urban design analysis
- traffic analysis
- preliminary contamination investigations
- detailed economic assessment of the legitimate value capture potential resulting from the uplift in land values from the proposed changes to the zones and planning controls to inform existing and future voluntary planning agreement offers.
- defining the legal structure to ensure the value capture as part of any future Planning Proposal and Development Applications.
- review of the infrastructure, services and facilities which will be required as a result of these proposed changes.

This work is required to be completed prior to any Planning Proposal being finalised to ensure that Council has adequately addressed and planned for the proposed changes.

Community Consultation

Prior to preparing the Planning Proposal, community consultation will be undertaken to seek feedback on the preliminary planning control recommendations for the industrial lands.

The preliminary planning control recommendations from the draft ELS and some supporting documentation will be provided for public comment for a period of no less than 21 days. A community consultation program will be followed during the consultation period, including:

- Newspaper advertisements
- Media release
- Information on Council's website
- Information at Council's libraries
- Letters to land owners, key stakeholders and interested persons
- Information sessions (if required)

Council staff will be available during office hours to answer telephone or face-to-face enquiries on the draft Industrial Lands Strategy. If requested, information sessions can also be provided during the consultation period.

It is noted that additional community consultation will be undertaken as part of the Planning Proposal process for the industrial lands.

Councillor Workshops

Councillor workshops have been provided by the consultants and Council staff on 11 February 2015, 30 September 2015, 14 October 2015, and 21 November 2015, to present the work and outcomes of the draft Employment Lands Study.

Overview of the Industrial Areas

There are six locations within Hurstville LGA which are zoned IN2 Light Industrial under Hurstville LEP 2012:

- 1. Peakhurst Industrial Area
- 2. Kingsgrove Industrial Area
- 3. Hurstville East (corner Durham Street and Forest Road)
- 4. Penshurst Forest Road and Arcadia Street
- 5. Penshurst Penshurst Lane
- 6. Beverly Hills (Penshurst Street)

The Peakhurst industrial area is the largest area, covering approximately 56 hectares. The Kingsgrove industrial area is Hurstville's second largest with 28 hectares. Provided below is a snapshot of the land area, number of employees and approximate gross floor area within each of the industrial areas.

IN2 Light Industrial Areas	Land Area (m2)	No. of Employees	Gross Floor Area
Peakhurst	559,678.2	2,553.0	341,185.7
Kingsgrove	280,727.2	1,276.7	280,951.5
Penshurst - Forest Road	13,251.1	63.6	7,570.0
Beverly Hills – Penshurst Street	14,519.6	61.4	6,817.4
Hurstville East – Durham Street	13,083	43.0	10,127.1
Penshurst - Penshurst Lane	4,223.7	8.6	1,950.0
Grand Total	885,482.8	4,006.4	648,601.7

Summary of the Planning Recommendations

The draft Study states that "employment targets have become a heightened focus in recent years at a state level, which it can be assumed will flow into the targets set at a subregional level and ultimately at a local government level. The NSW Governments interest in infrastructure will also add a consideration to the target setting as it is expected that significant employment growth will be focussed in regions where new and historic investment in infrastructure i.e. road and rail has occurred. Hurstville, as a historic beneficiary will be expected to produce a "fair share" of employment growth and for the reasons identified in the Stage 1 Report as well as the body of this report there are a number of barriers to this growth.

As such, consideration has been had to the analysis undertaken above and recommendations are provided in this section for potential revisions or refinements to the planning controls related to IN2 Light Industrial zoned land which will help accommodate this growth.

The table below summarises these recommendations by industrial area.

Recommendations for IN2 Light Industrial Areas

Industrial Area	Current	Recommendations
Beverly Hills,	Zone: IN2 Light	Zone: R2 Low Density
Penshurst Street	Industrial	FSR: Remain As Is or adopt 0.6:1 as for other
	FSR: 1:1	R2 Low Density Residential zones

Industrial Area	Current	Recommendations
	Height: 10 m	Height: 9 metres
Hurstville East, Durham Street/Forest Road	Zone: IN2 Light Industrial & R2 Low Density Residential	Zone: B4 Mixed Use FSR: 2.5:1 (with a minimum 0.5:1 non- residential floorspace requirement in the B4
	FSR: 1:1 Height: 10 m	Zone) Height: 23-30 m (30 m along Durham Rd and Forest Rd, with 23 m along the residential interface)
Kingsgrove Industrial Area	Zone: IN2 Light Industrial FSR: 1:1 Height: 10 m	Zone: B7 Business Park FSR: 2:1 Height: 23 m
Peakhurst Industrial Area	Zone: IN2 Light Industrial FSR: 1:1 Height: 10 m	Zone: Remain As Is FSR: Remain As Is Height: 13-15m Subdivision: Increase minimum subdivision from 650m² to 1,000m² *except the rezoning of part of 705 Forest Road to B1. (subject to further review as part of the draft Commercial Lands Strategy).
Penshurst, Forest Road & Arcadia Street	Zone: IN2 Light Industrial FSR: 1:1 Height: 10 m	Zone: IN2 Light Industrial FSR: 1:1 Height: 13-15 m Subdivision: Increase minimum subdivision from 650m ² to 1,000m ²
Penshurst, Penshurst Lane	Zone: IN2 Light Industrial FSR: 1:1 Height: 10 m	Zone: R3 Medium Density Residential FSR: 2.5:1 Height: 18 m

The recommendations in the majority of instances retain the application of the current IN2 Light Industrial zone with revisions to the maximum permitted height controls and minimum subdivision size permitted. The less successful industrial areas at Beverly Hills and Penshurst Lane are recommended for consideration to be rezoned to R2 Low Density and R3 Medium Density Residential respectively. The Hurstville Industrial Area is recommended for consideration of application of the B4 Mixed use zone.

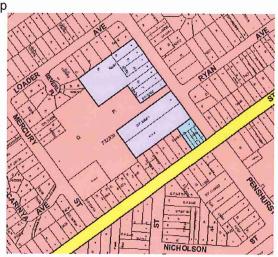
Provided below is an extract from the draft Study of the proposed planning recommendations for each of the six (6) industrial areas.

1. Beverly Hills, Penshurst Street

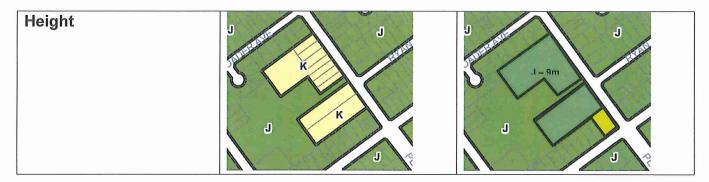
The Beverly Hills Industrial area is a relatively small industrial area made up of lots fronting Penshurst Street to the North of Stoney Creek Road. The area is in close proximity to rail infrastructure (800 metres from Beverly Hills station). The area has limited scope for intensive light industrial land uses due to potential amenity conflicts and relative isolation from similar land

uses. While we have considered the potential for the area to be repurposed for alternate employment opportunities, its various issues make it an unrealistic, unviable employment option. As such, we have recommended rezoning to R2 Low Density Residential. This being limited to a 9.0m height limit, consistent with the surrounding area. The FSR could retain the existing 1:1 which applies or for consistency with the application of the R2 Low Density Residential zone apply an FSR of 0.6:1.





Beverly Hills, Penshurst Street	Current	Recommendations
Summary	Zone: IN2 Light Industrial FSR: 1:1 Height: 10 m	Zone: R2 Low Density FSR: Remain As Is or adopt 0.6:1 as for other R2 Low Density Residential zones Height: 9 metres
Zone	IN2 IN2 B1	R2 R2 B1
FSR	F	Remain as is or apply 0.6:1 for consistency with all other R2 Low Density Residential zones



2. Hurstville East, Durham Street/Forest Road

"The Hurstville industrial area is a small industrial area situated on land adjoining the eastern edge of the Hurstville City Centre. The area is bounded by Forest Road to the West, Roberts Lane to the East and Durham Street to the South. The area is well serviced by transport, walking distance from both Allawah and Hurstville railway stations (350 and 900 metres respectively).

...the area should be rezoned to a B4 Mixed use zoning. This rezoning will assist in better leveraging off the railway infrastructure and proximity to the City Centre. The use of the B4 Mixed use zone is considered appropriate as the area effectively acts as an extension of the Hurstville City Centre and if necessary the City Centre boundary could be redefined to include this portion of B4 Mixed Use zoned land.

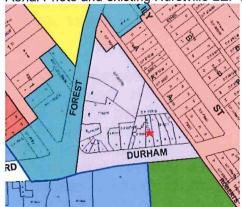
The rezoning should also be implemented with a minimum non-residential floor space requirement of 0.5:1, being the current requirement for B1 Neighbourhood Centre and B2 Local Centre zones, ensuring that non-residential uses are provided at the street levels to provide minimum street activation and a vibrant centre as well as continued employment potential in the centre.

The suggested height and FSR ranges have not been tested for urban design outcomes. If a planning proposal is to be pursued to implement the B4 Mixed Use zone urban design testing should be a part of the detailed consideration. The height and FSR ranges have been suggested in recognition of the scale and density of adjacent development in the B4 zones and the surrounding R2 Low Density Residential zone. Lower heights have been suggested at the interface of the residential and non-residential zones. Urban design testing, as recommended, could further focus on this relationship and the implementation of appropriate interface design controls.

The height ranges have been suggested to facilitate achieving the ADG recommended floor to ceiling heights in residential flat building and shop top housing developments. In the B4 Zone a minimum 4.0m floor to ceiling height is recommended at Part 4C of the ADG for ground floor non-residential uses. To achieve the recommended floor to ceiling heights of 2.7m for the residential floors, a floor to floor height of 3.1 is recommended. The suggested 23m height would accommodate 6 storeys with roof and plant within the height limit and 30.0m would accommodate 8 storeys with roof and plant within the height limit.

No alterations to permissible land uses are considered necessary, however to ensure that minimum employment uses are included a control should be implemented in the LEP requiring that a minimum FSR of 0.5:1 in any development comprise commercial premises, being the group term covering business, office and retail premises. This will ensure that the B4 zone contributes to employment land targets, maintains vibrancy and requires non-residential uses at ground floor level. The control could be augmented by a DCP provision addressing active street

front requirements. The minimum FSR requirement in the LEP is preferred to an active street front provision as a minimum contribution to employment land targets can be more meaningfully predicted and delivered. The active street frontage control does not necessarily preclude a "veneer" of retail floor space being provided in a development".





Hurstville Industrial	Current	Recommendations
Summary	Zone: IN2 Light Industrial & R2 Low Density Residential FSR: 1:1 Height: 10 m	Zone: B4 Mixed Use FSR: 2.5:1 Height: 23-30 m (30 m along Durham Rd and Forest Rd, with 23 m along the residential interface)
Zone	IN2	B4 B4
FSR	S F F F F F F F F F F F F F F F F F F F	U-2.5 F F F
Height	J J J J J J J J J J J J J J J J J J J	U-30m U-30m U-30m

It is noted that a Planning Proposal has been lodged with Council for the Hurstville East industrial area and is currently being assessed by Council.

3. Kingsgrove Industrial Area

"The Kingsgrove industrial area is Hurstville's second largest, covering 25.5 hectares. The western end of the estate comprises large lots while the eastern portion is more fragmented, comprising small industrial units. The area is well buffered from residential and other uses by parkland reserves, major roads and the M5 Motorway.

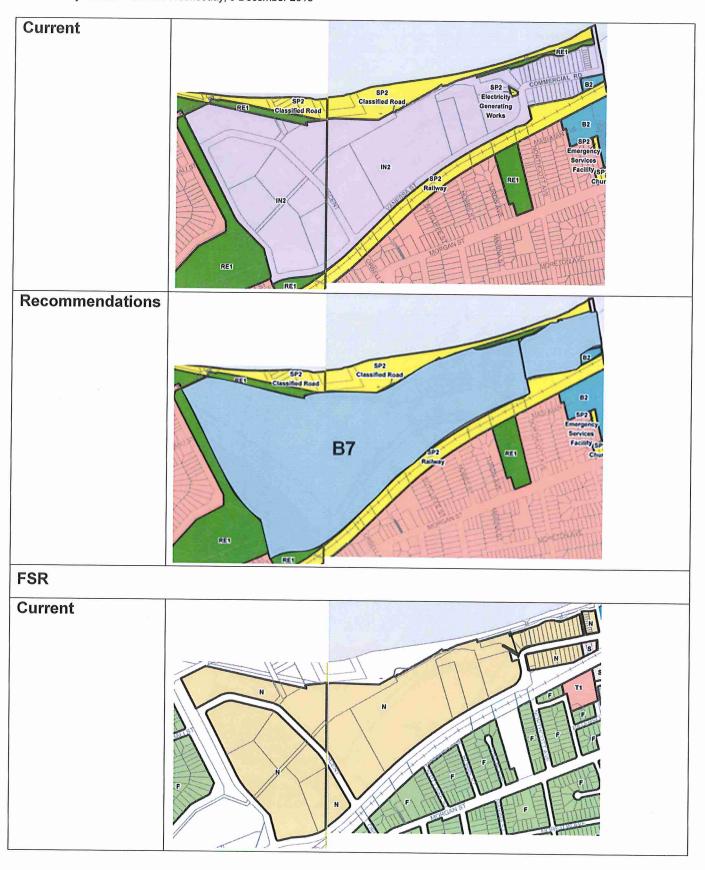
...demand for more warehouse style loading facilities and larger office component industrial can be accommodated within the Kingsgrove industrial area. The catalyst for this change, which is expected to be a medium to longer term opportunity, is a change in planning controls of the area. We recommend a rezoning to B7 Business Park. ..., the B7 Business Park is the preferred alternate zone, primarily to preclude and support the desirable prohibition on retail premises to minimise traffic generating activities such as bulky goods premises in this location. The alternate B6 Enterprise Corridor zone, in the mandated zone objectives, specifically supports retail premises, which in the traffic management context is considered to be inappropriate for Kingsgrove. Additionally, we recommend increases to FSR and height controls to invigorate the area, and assist the feasibility of redevelopment.

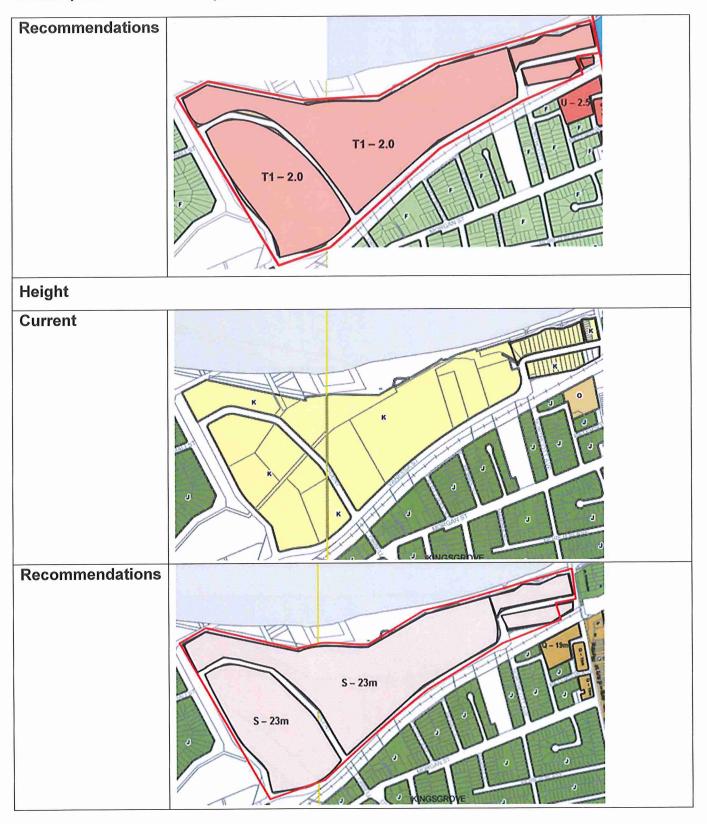
In order for this rezoning to achieve the desired outcome as described in the Opportunities section, it must prohibit residential and bulky goods premises".





Hurstville Industrial	Current	Recommendations
Kingsgrove Industrial IN2	Zone: IN2 Light	Zone: B7 Business Park
	Industrial	FSR: 2:1
	FSR: 1:1	Height: 23 m
	Height: 10 m	
Zone		





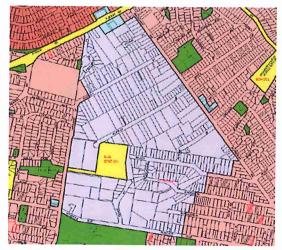
4. Peakhurst Industrial Area

"The Peakhurst industrial area is the largest, diverse industrial zoned area in the Hurstville LGA, comprising approximately 56 hectares. As the area is currently an adequately functioning industrial area, our planning recommendations for the Peakhurst Industrial area are related to the two common barriers across industrial land; the current building height and fragmentation. As such we recommend that this area increase the minimum lot size for subdivision to 1,000sqm. We additionally recommend increasing the height of building from 10.0m to 13.0m to help the area achieve the full FSR potential and provide greater scope for higher level clearance requirements for light industrial land uses. A DCP provision should address any residential zone

interface requiring physical setbacks, landscaping and lower heights to mitigate potential adverse impacts of development that shares a boundary with residential land uses".

Aerial Photo and existing Hurstville LEP 2012 Zoning Map





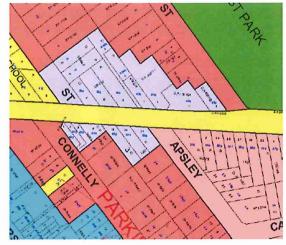
Industrial Area	Current	Recommendations
Peakhurst Industrial	Zone: IN2 Light	Zone: Remain As Is
IN2	Industrial	FSR: Remain As Is
	FSR: 1:1	Height: 13m
	Height: 10 m	Subdivision: Increase minimum subdivision
		from 650 sqm to 1,000 sqm
		*except the rezoning of part of 705 Forest
		Road to B1. (subject to further review as part
		of the draft Commercial Lands Strategy)

5. Penshurst Industrial, Forest Road

"The Penshurst Industrial, Forest Road area is located along Forest Road in close proximity to the Penshurst Local Centre (along Penshurst Street). Surrounding land uses are predominantly low and medium density residential. Key land uses in the zone are auto related services, which service the local community and benefit from frontage to Forest Road / proximity to the Penshurst Local Centre. The area is a well-functioning industrial area which provides essential services to the community and currently is fully occupied. As such our planning recommendations are related to the two common barriers across industrial land; the current building height and fragmentation.

As such we recommend that this area increase the minimum lot size for subdivision to 1,000sqm. We additionally recommend increasing the height of building from 10.0m to 13.0m and 15.0m (the lower end applies to where there is residential interface) to help the area achieve its full FSR potential".





Industrial Area	Current	Recommendations
Penshurst Industrial,	Zone: IN2 Light	Zone: IN2 Light Industrial
Forest Road	Industrial	FSR: 1:1
	FSR: 1:1	Height: 13 m -15m
	Height: 10 m	Subdivision: Increase minimum subdivision
		from 650 sqm to 1,000 sqm

6. Penshurst Industrial, Penshurst Lane

"Penshurst Lane Industrial Area is a very small industrial area of three lots totalling 4,223sqm, adjoining the Penshurst B2 Local Centre zone. Access to the site is highly constrained and the area has a very low employment population of approximately 9 persons.

As discussed..., the area is highly constrained for redevelopment due to the access. We have considered other employment uses; however, these are believed to be unviable with the centre hidden away from the main retail and services provided by the B2 Local Centre. As such, we have recommended rezoning the land R3 Medium Density Residential which will provide the best possible financial incentive to improve accessibility of the centre and properly leverage off the rail infrastructure.

The FSR and heights suggested should be subject to urban design testing as part of any planning proposal. The suggested height range would accommodate a 5 storey development consistent with the recommended floor to floor heights recommended in Part 4C of the ADG. The suggested FSR which has not been subject to urban design testing is consistent with the FSR recommended for the adjoining centre and recognizes that the site is to the south of medium density residential development and abuts a rail line to the south. The site has the potential to accommodate taller buildings with minimal amenity impacts to surrounding existing development".



Penshurst, Penshurst	Current	Recommendations
Lane		
Summary	Zone: IN2 Light Industrial	Zone: R3 Medium Density
	FSR: 1:1	Residential
	Height: 10 m	FSR: 2.5:1
		Height: 18 m
Zone	IN2	R3
FSR		U-2.5
Height	K	P-18m

Conclusion

The draft Employment Lands Study covers all the industrial areas and commercial centres in the LGA and provides Council with a future strategic direction for these lands. This study has been prepared to inform the preparation of a Planning Proposal and DCP to review the zones and planning controls for these lands. The draft Study is presented in two stages:

- Stage 1: Industrial Lands preliminary planning control recommendations (presented in this report)
- Stage 2: draft Commercial Lands Strategy (to be presented to Council in 2016)

The draft Study provides a detailed land survey and analysis of the employment lands and reviews market trends, the State Government's employment targets and the effectiveness of the

current planning controls applying to the areas. This information has been used prepare planning recommendations including zones, maximum building heights and FSRs for the areas.

It is proposed that the preliminary planning control recommendations and supporting documentation be placed on public exhibition to engage the community and receive feedback. Subject to Council's resolution a community consultation program will be undertaken to ensure that the community is well informed of the proposed changes.

This report recommends that the preliminary planning control recommendations for the industrial lands from the draft Employment Lands Study be endorsed for the purpose of community consultation for a period of no less than 21 days.

The comments received during the public consultation will be considered in the preparation of a Planning Proposal which it is anticipated will be reported to Council in 2016. It is noted that other detailed work and studies are also being undertaken to inform the preparation of the Planning Proposal.

Minute No. 450

RESOLVED THAT the matter be deferred for further consideration.

(Moved Councillor C Hindi / Councillor R Kastanias)

For:

His Worship the Mayor, Councillor V Badalati, Deputy Mayor, Councillor D

Sin, Councillor C Drane, Councillor C Hindi, Councillor R Kastanias,

Councillor N Liu, Councillor P Sansom, Councillor C Wu

Against:

Councillor J Mining, Councillor M Stevens, Councillor B Thomas

