

18 January 2012

Matthew Daniel
Director- Project Delivery Unit
Department of Planning and Infrastructure
23-33 Bridge Street
SYDNEY NSW 2000

Dear Matthew,

Planning Proposal- Kolotex and Labelcraft sites, George Street Leichhardt

Executive Summary

This submission has been prepared on behalf of the landowner KGS (VIC) Pty Ltd as instructed by Catylis Properties Pty Ltd.

This submission seeks:

1. Referral of this Planning Proposal to the Planning Assessment Commission (PAC) or the applicable Joint Regional Planning Panel (JRPP) under the provisions of Section 54(2)(c) of the Environmental Planning and Assessment Act enabling a gateway determination to be made.
2. Subject to the above, the appointment of either the Director General of the Department of Planning and Infrastructure, the PAC or the JRPP as the 'responsible planning authority' (RPA) to manage the planning proposal process following any gateway determination.

The Planning Proposal seeks to amend the Leichhardt LEP 2000 by changing the current Industrial 4 Zone to allow for a mix of uses (refer **Section 1** below). This will involve retaining employment land and providing opportunity for medium density housing.

The matter has a lengthy history- it was first put to Leichhardt Council in 2004, and has been the subject of considerable delay and conflicting decisions. It has twice received a favourable resolution from Council. A detailed chronology is attached at **Appendix 1**. The Planning Proposal is supported by Leichhardt Council's Planning Officers and has been the subject of an extensive community consultation process.

Most recently the Planning Proposal was considered at Council's meeting on 22 March 2011 and was deferred by Council. The Planning Officer's Report recommended the proposal proceed to gateway and is attached at **Appendix 2**. Council's Resolution is included at **Appendix 3**.

The primary reasons for requesting this matter to be heard by the PAC or JRPP relate to:

Proper process not being followed by Council

- There is a long history of this proposal being poorly managed as outlined in the attached chronology causing delay. More recently, the procedural process being followed by Council has shown to be inconsistent with DPI's adopted practice.

- In particular, the requests for information being made by Council in their resolution of 22nd March 2011 relate to DA-level detail, the provision of which will cause further extensive delay and uncertainty in being able to progress the consideration of the Planning Proposal. Importantly, the cost of undertaking the work demanded by Council without a gateway determination makes the commercial risk to the applicant too great and will ensure the Planning Proposal will not proceed.
- In addition, the commitments required of the applicant at this early stage of the process, especially in relation to the dedication of open space and provision of affordable housing, is also inconsistent with adopted DPI practice.
- The Director-General of DPI has twice written to Leichhardt Council (dated 16 March and 3 June 2011) encouraging the submission of the Planning Proposal that addresses the only outstanding information in this matter- being three matters identified in a previous gateway determination dated 22 June 2010 (all three matters have since been satisfactorily addressed and confirmed by Council's Officers).
- Following Council's resolution on 22 March 2011, the applicant met the Mayor and Ward Councillor who proposed the resolution and identified the unworkable nature of the resolution and provided a response to each point within the resolution seeking further consideration of the matter. The Councillors made it clear their position would not change and their resolution of 22 March 2011 would stand. The applicant's detailed responses to the Council resolution are included in **Appendix 12**.

Consistent with Planning Policy at all levels

- The change of zoning from industrial to mixed uses in the format indicated in the Planning Proposal is supported by Council's Officers and is consistent with metropolitan, regional and local planning policy.
- In particular, all relevant assessment criteria are met (including the DPI's most recent Employment Lands criteria checklist, released in August 2011). Furthermore, Council's Officers released their Employment Lands Study in February 2011 and have confirmed the site can be rezoned without compromising Council's future employment targets.
- The reasons for deferral of the matter by Leichhardt Council relate to additional detail that is not required to be addressed until later in the rezoning (or DA) process.

Provision of significant Housing and Employment and other opportunities/benefits

- The Planning Proposal provides the potential for a development that contains housing and employment opportunities. The anticipated development scenario provides the potential for approximately 330 dwellings, as well as 363 direct and indirect ongoing jobs- this is more than double the existing situation (estimated at 174 jobs). In addition, it is estimated that some 1782 direct and indirect construction jobs are anticipated from the project.
- This potential for housing and employment will make a significant contribution in meeting Government targets as well as providing other benefits and opportunities for the local area, including:
 - Convenient location to a range of transport facilities, open space, retail and local services, health-care services and education facilities
 - A safer road and pedestrian environment by restricting heavy vehicle movements nearer to Parramatta Road (rather than circulating within the adjoining residential area)

- Full remediation of the site through the basement excavation process
- Improved overland drainage and reduction in local flooding impacts that currently exist in the area
- Greater accessibility and permeability through the area for pedestrians and bicycles through the provision of through-site links
- Improved public domain through various street works
- These site opportunities have also been acknowledged in correspondence by the DPI. The uncertainty associated with Council's decision in March 2011 means the applicant will not proceed with the Planning Proposal on this basis. Accordingly, the opportunities and benefits associated with the proposal will not be realised.

Each of these matters is further discussed in **Sections 2-4** below and is supported by various documents that have been prepared by the applicant and Council's Officers over the past 18 months. These documents have previously been provided to Leichhardt Council and the DPI.

1. The Planning Proposal

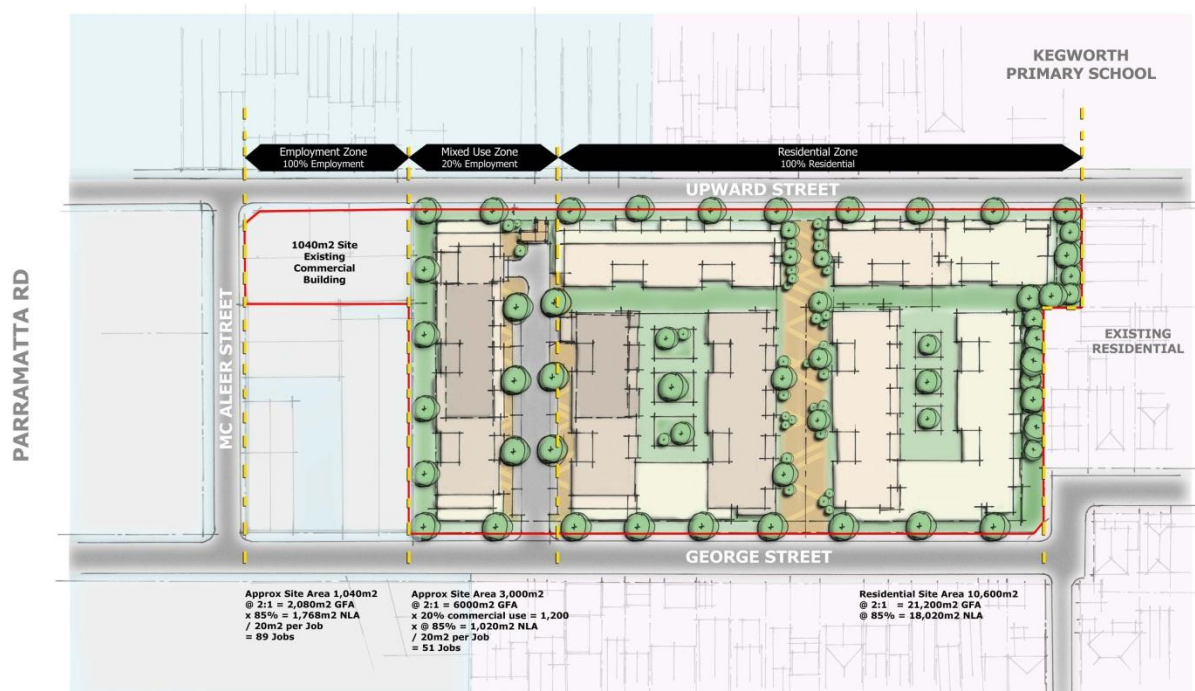
The land use diagram at **Appendix 4** (and reproduced in **Figure 1** below) represents the applicant's version of the Planning Proposal that has been previously tabled with Officers and that was considered by Leichhardt Council at its meeting of 22 March 2011.

The Planning Proposal Report lodged with Council in April 2010 has been refined since its submission to increase the level of future potential employment floor space on the site as represented in **Appendix 4**. This revised Planning Proposal addressed various concerns raised in the initial gateway determination provided by the DPI, dated 22 June 2010- a copy of which is attached at **Appendix 5**.

The applicant's (revised) Planning Proposal includes the following key differences to that previously submitted to Council in April 2010:

- The retention of the current industrial zone at the southern end of the site, termed 'employment zone' as shown on the land use plan.
- The retention of employment opportunity, but with the opportunity of medium density housing through the creation of a 'mixed use zone' in the central portion of the site. This incorporates 20% of the GFA within this zone for small-scale retail and commercial uses (equating to approx 1,200 GFA, assuming an FSR of 2:1).
- The creation of a 'residential zone' for the predominant portion of the site (to the north) allowing for medium density housing.

FIGURE 1 – APPLICANT'S PROPOSED LAND USE DIAGRAM



In considering the applicant's revised Planning Proposal, Council Planning Officer's recommended a similar zoning pattern to the applicant's land use plan and the same 2:1 FSR. The Council's Officer's recommended zoning pattern, zoning objectives and FSR is contained in Appendix D, E and H (respectively) of their Report to the 22 March Council meeting. This information is collectively included within **Appendix 6** of this submission.

2. Planning Process

Some key concerns with the process being adopted by Council that support our request for this matter to be considered by the PAC or JRPP, and to ultimately appoint either of these bodies or the Director General as the RPA (should a gateway determination be made to progress the matter) are highlighted in the following sections.

2(a) Inconsistent Resolutions

Council initially resolved (in November 2006, and again in April 2010) to refer the matter to the DPI for a gateway determination- specifically to rezone the site from industrial to allow for mixed uses. A gateway determination was made in June 2010 requesting 3 matters to be addressed as detailed in **Appendix 5**.

These three matters have since been addressed and satisfied as documented in the Officers report to the meeting of 22 March 2011 (refer to Recommendation 1 within the Officer's report). The Officer's report recommended to re-send the Planning Proposal to the DPI for a gateway determination, however (on this occasion) Council, resolved to defer the matter requiring changes to the Planning Proposal and further detailed information and commitments from the applicant (refer to Council's resolution at **Appendix 3**).

2(b) Inconsistent with Planning Officer's Recommendation

Council's March 2011 resolution (by the inclusion of the reference '*and all recommendations as outlined in the Council officer's report*') effectively requires the preparation of various significant pieces of information and adoption by Council before being referred to the DPI for gateway determination. It requires the applicant to prepare all required technical specialists reports, commitments and agreement in respect to a Voluntary Planning Agreement, dedication of a park on the site and the preparation and adoption of a site-specific Development Control Plan. It is also likely to require discussions with the RTA.

Council's March 2011 resolution is inconsistent with the resolution in April 2010 and the Planning Officer's most recent recommendation that was tabled at the Council meeting on 22 March 2011. There seems to be no technical or reasonable basis for this change in position, nor the significant level of detail to be provided before the matter can be referred for a gateway determination, especially having regard to the low level of Community interest in this matter (the context of this is set out in **Section 2(c)** below).

2(c) Extensive Community Consultation resulting in limited interest or objection

Further to the above point, this matter has involved significant proactive consultation with the local Community for the past 6 years. This consultation has occurred in two distinct periods:

1. During the course of 2005-2006 when a previous Masterplan was being contemplated for the site- this consultation involved some 14 meetings/events with the local Community. An extract of a Council report providing comment on the outcome of this earlier community consultation process is included at **Appendix 7**.

2. Most recently (and relating to the current planning proposal)- i.e. since Council's resolution of April 2010. A Community Consultation report prepared by Urbis summarising this process is included at **Appendix 8**.

The relatively low level of community interest or objection since Council's resolution in April 2010 is best demonstrated by the following:

- One of the more significant consultation activities during the course of 2010 was a Community Information and Feedback Session (CIFS) held in November 2010 where approximately 700 people were invited to attend from a catchment pre-determined by Council. Ward Councillors were briefed in advance of this meeting and provided with a copy of information tabled at the CIFS. No Councillors attended the CIFS and only 10 residents attended, of which only 1 submission was sent to Urbis arising from this meeting.
- On 24 February 2011, Council held its own public meeting and invited the same catchment as previously identified in relation to the CIFS (i.e. the same 700 residents). On this occasion 35 people attended with 2 people speaking in favour of the development and 4 people raising concerns.
- On 24 June 2011, a newsletter update was letter-box dropped to the same 700 residents located within the surrounding catchment. This newsletter was intended to provide an update of the matter following Council's resolution of 22 March 2011- specifically that the Planning Proposal was unlikely to proceed given the requests within Council's resolution. Although this newsletter provided the opportunity for further comment (including an email address), nothing was received.

2(d) Council resolution Inconsistent with adopted Department procedure

Council's March 2011 resolution is also inconsistent with the process outlined by the DPI in its Guide to preparing Local Environmental Plans (July 2009). Specifically, this documents states (on page 5):

It is appropriate in the early stages of preparing a planning proposal to identify issues that will require detailed investigation if the planning proposal is to proceed, and to acknowledge that those issues detailed specialist studies will be carried out following the initial gateway determination. The gateway determination will confirm the studies to be undertaken and whether it will be necessary to re-submit the planning proposal for a further gateway determination once they are completed, or whether, subject to the Director-General of Planning approving the form of the now updated planning proposal, it would be appropriate to proceed directly to community consultation.

And further (on page 6):

The purpose of the gateway determination is to ensure there is sufficient justification early in the process to proceed with a planning proposal. The gateway determination is a checkpoint for planning proposals before significant resources are committed to carrying out technical studies and investigations. It enables planning proposals that are not credible to be stopped early in the process before resources are committed and fruitless studies and investigations, and before State and Public Authorities are asked to commit their own resources to carrying out assessments.

In this particular case, significant documentation and detail is being requested early in the rezoning process (refer to the various bullet points within the resolution) in the circumstances where key strategic issues have been satisfied, including those three matters raised in the initial gateway determination.

We also note Council's resolution that 'forces' the applicant to prepare a Voluntary Planning Agreement in respect to Affordable housing as well as requests the *'dedication of a significant proportion of open space as a public park'*.

In respect to the open space issue, no detailed study has been prepared in respect of the need for (or appropriate quantum/type/dimension) of such open space. This work (as recommended by Council's Officers) will be prepared following a gateway determination. The Council resolution to require 'dedication of a significant proportion of open space as a public park' is not based on any specific needs analysis and is highly subjective as to what may be considered appropriate. This issue also presents significant risk and uncertainty to the applicant that will ensure the Planning Proposal will not proceed in these circumstances.

We note that in respect to the affordable housing issue, this matter has been previously identified with Council's Planning Officers as a possibility, but only on the basis of an increased FSR (over and above the 2:1 FSR identified in the Planning Proposal). The applicant has advised that the provision of such housing is not viable given Council's resolution to reduce the FSR down to 1.5:1. The commitment by the applicant to affordable housing in these circumstances, compounded by the uncertainty of whether the matter would proceed to a gateway determination, also presents significant risk to the applicant that will ensure the Planning Proposal will not proceed in these circumstances.

2(e) Requirement for Intervention

In our view, the delay associated with this matter (as identified in the chronology) together with the procedural position adopted by Council, demonstrates both an unreasonable and unsatisfactory discharge of Council's obligations in the rezoning process.

Referral to the PAC or JRPP will ensure a timely assessment and decision as to whether or not to proceed with this Planning Proposal- against the relevant criteria relating to the change in the site's land use. A decision in respect to the land use issue will also provide the applicant with confidence in committing more funds to the necessary detailed studies that will ultimately determine the form and density of the development. Without such studies, there is no proper forum to engage with the Community on detailed issues, or to provide design solutions addressing Community concerns.

Engagement of the PAC or JRPP as the RPA will allow ongoing assessment of the matter based on its technical merits and importantly will provide the applicant with confidence that ongoing decision-making will be provided in a timely and balanced manner. This confidence is especially important to the applicant given the time and costs that have been incurred to date.

3. Consistency with Planning Policy

3(a) State and Regional Planning Policy

The proposal's consistency with planning policy and relevant criteria that allows contemplation of a broader range of uses has been well documented. The reasons for Council's deferral of the Planning Proposal (refer **Appendix 3**) do not relate to policy issues- but rather built form and design issues. The resolution also calls for the *'dedication of a significant proportion of open space as a public park'* as well as *'affordable housing outcomes to be incorporated within a Voluntary Planning Agreement'* and in any case the proportion of open space associated with the development and the establishment of detailed controls for the site are matters that are more appropriately addressed later in the rezoning or DA approval process.

The Planning Proposal is consistent with metropolitan, regional and local planning policy. A previous submission to the DPI's Project Delivery Unit (Urbis submission dated 30 March 2011) has provided an assessment of the Planning Proposal (and its capacity for development) against the relevant provisions of the Metropolitan Plan 2036 and the Draft Inner West Sub-regional Strategy 2008. This submission (attached at **Appendix 9**) identifies the consistency of the proposal against these

documents. The previous Urbis submission also refers to an email provided to the DPI on 11 February 2011 which provided clarification on employment figures- that email is also included in **Appendix 9**.

The previous Urbis submission also identifies the regional importance and contribution that development of this site is likely to have reinforcing the relevance of a regional decision-making body being responsible for the initial consideration of this matter and its ongoing management throughout the rezoning process.

The previous Urbis submission also provided an assessment of the Planning Proposal against the Strategic Assessment Checklist on page 141 of the Metropolitan Plan. Since that submission was made, the DPI released their 'Draft Planning Principles for Industrial Lands' (DPI, August 2011). This document also included a checklist at Appendix 1 (called the 'Rezoning of Industrial Lands Assessment Checklist') which was intended to build upon the checklist provided on page 141 of the Metropolitan Plan. The Planning Proposal is also consistent with these draft principles.

3(b) Local Planning Policy

At the very local level Council have recently completed and endorsed their Employment Lands Study. We note that in endorsing this Study on 22 February 2011, Council considered the following comments within the accompanying Officer's Report:

*The Study also confirms that Council meet the State Government's long term employment target for the Leichhardt Local Government Area (LGA). That target is currently 500 new jobs to be created between 2004 and 2031 although it is expected to increase to approximately 1,500 additional jobs (based on more recent 2009 Transport Data Centre forecasts). **The Study has factored in these new forecasts and confirms that Council can accommodate potential future growth across a range of employment types and rezone a number of sites currently zoned Industrial –including Terry Street and George Street sites.***

The reference to the 'George Street site' above refers to the Kolotex/Labelcraft site- this confirms these sites can be zoned for non-industrial land uses, while still allowing Leichhardt Council's long-term employment targets to be met. The results of this Study reiterate the conclusions of the work completed by Urbis and submitted to Council and the DPI in June 2010 in support of the Planning Proposal. A copy of the Urbis Report, titled 'George Street Precinct- Industrial, Commercial and Residential Study' is included at **Appendix 10**. (Urbis, Draft Report 2010).

4. Project Benefits

The Planning Proposal has the potential to deliver many benefits. Preliminary block modelling and analysis has been undertaken by Reid Campbell Architects to inform the approximate development yield for the site. This analysis has considered the agreed planning principles adopted by Council for the site in 2005 as well as the constraints and opportunities provided by the adjoining and surrounding development.

The block modelling and some analysis diagrams have been submitted to Council and were included in the Council Officer's Report that was tabled Council's Meeting of 22 March 2011. These diagrams have been reproduced at **Appendix 11**.

The block modelling, using a height range of 2-6 storeys on the site and an FSR of 2:1, represents a scheme of approximately 330 units, although the unit yield and composition will be subject to further detailed analysis upon issue of any gateway determination.

The applicant's Planning Proposal (best summarised in the land use diagram at **Appendix 4**) provides a commitment (to be implemented via the appropriate LEP provision) to retain the existing industrial zoning on the southern portion of the site and allowing a mixed use zone in the central portion of the

site with a minimum retail/commercial floor space component of 20% of the GFA (assuming a FSR of 2:1). The remaining northern portion of the site is intended to be zoned for residential uses.

This development scenario identified in **Appendix 11** provides the potential for approximately 330 dwellings, as well as 363 direct and indirect ongoing jobs- this is more than double the existing situation (estimated at 174). In addition, it is estimated that some 1782 direct and indirect construction jobs are anticipated from the project. (Note: for clarification- the annotations showing jobs numbers on the land use plan at **Appendix 4** represents the 'direct' component of ongoing jobs).

The Planning Proposal (inclusive of the approximate development yield anticipated through the preliminary block modelling and analysis that has been carried out to date) includes the following benefits:

- The estimated yield arising from the Planning Proposal (330 apartments) provides the potential to meet 15% of Leichhardt's Council's share of the dwellings target within the Draft Inner Western Sub-regional Strategy.
- The estimated employment yield from the Planning Proposal more than doubles the existing levels (when measured by the number of direct and indirect jobs). In this respect the estimated 363 direct/indirect jobs (up from 174) provides a significant contribution to Leichhardt's share of the employment target within the Draft Inner Western Sub-regional Strategy.
- Further to the above, the proposal allows for the type of employment opportunities more aligned to the demand in the area (being for retail/commercial, rather than industrial) and in an area that is assessable to surrounding residential areas.
- The proposal provides the provision of entry level housing. Based on a theoretical cost model (and assuming an FSR of 2:1), the average sale price is expected to be approx. \$600,000. It is anticipated that units will range from less than \$400,000 to about \$900,000.
- The site and proposal is ideally located in respect to:
 - **Public transport-** The proposal involves the provision of housing and employment immediately proximate to the public transport services along Parramatta Road, is within walking distance of three rail stations (Lewisham, Petersham and Summer Hill), and within 400m of the planned Parramatta Road light rail station.
 - **Open Space-** The site is located within walking distance of Petersham Park (and its various recreational facilities), Hawthorne Canal (and its various open space functions) as well as various other pocket parks within the area.
 - **Retail facilities and local services-** The site is within convenient walking distance of Leichhardt Marketplace (including all key retail and commercial facilities) as well as retail, commercial and eating/entertainment facilities along Norton Street and nearby sections of Parramatta Road.
 - **Healthcare services-** The site is also within convenient distance of medical and associated professional consulting services- located within Leichhardt Marketplace and along Norton Street and Parramatta Road. In addition, the site's access to Parramatta Road provides convenient access to Royal Prince Alfred Hospital and the various specialist medical facilities within the Missenden Road Precinct.
 - **Education-** The site is located within convenient walking distance to a number of local public and private schools ranging from infant childcare, primary and high schools, as well as a TAFE

College. The University of Sydney and other educational institutions within the City and along the train line are easily accessed via public transport, as described earlier.

- The anticipated development provides the impetus and opportunity to implement changes to the local road system to address traffic management at a broader level and provide a safer road and pedestrian environment by restricting heavy vehicle movements nearer to Parramatta Road (rather than circulating within the adjoining residential area).
- The anticipated development will allow full remediation of the site through the basement excavation process.
- The anticipated development provides the impetus and opportunity to implement design and drainage measures to improve overland drainage and local flooding impacts that currently exist in the area
- The anticipated development proposal provides for greater accessibility and permeability through the area for pedestrians and bicycles through the provision of through-site links.
- The anticipated development proposal provides the impetus and opportunity for an improved public domain through various means including:
 - New public footpaths and street furniture
 - Deep soil tree planning within the edges to the site.
 - Greater surveillance over the street-particularly at the lower levels
- The anticipated development provides solutions to both shadow impact and privacy due to its specific siting, height and orientation shown in the analysis.

Given the potential significance of these benefits, it is important they be given an opportunity to be realised. Under the current situation, there is no certainty or impetus for the applicant to respond to the detailed requests for information or commitments identified within Council's March 2011 resolution.

A gateway determination will provide the applicant with confidence in committing more funds to the necessary detailed studies that will ultimately determine the form and density of the development. It will also allow other commitments (such as the provision of open space and/or affordable housing provision) to be made on the basis of proper technical analysis.

The lack of proper technical analysis of all issues collectively, and the imposition of arbitrary requirements particularly relating to the street front height and setback of future buildings on the site, is likely to result in a less than optimum urban design result. In addition, the arbitrary requirements contained within the resolution of 22 March 2011 also limits the ability to provide a development that fully complies with BASIX, limits the provision of a mix of unit types and layouts, as well as the useable nature of open space intended to enhance the amenity for both site residents and the adjoining community.

The uncertainty associated with Council's decision in March 2011 means the applicant is unlikely to proceed. Accordingly, the opportunities and benefits associated with the proposal will not be realised. In lieu of this ongoing uncertainty, the other alternative currently being contemplated for the site is adaptation of the existing building for self-storage units which is permitted in the zone and is a feasible opportunity. This alternative would utilise the main building on the site, and accordingly would not facilitate a new building on the site, nor any basement parking. Furthermore, due to the nature of self-storage facilities, such a proposal would not provide the employment outcomes on the site contemplated through the mixed use scheme.

5. Summary

For the reasons identified within this submission, we seek:

1. For the Planning Proposal in relation to the Kolotex and Labelcraft sites (currently deferred by Leichhardt Council) to be referred of to the PAC or applicable JRPP under the provisions of Section 54(2)(c) of the Environmental Planning and Assessment Act enabling a gateway determination to made.
2. Subject to the above, the appointment of either the Director General of DPI, PAC or JRPP as the 'responsible planning authority' (RPA) to manage the planning proposal process following this gateway determination.

If you have any questions in relation to this issue, please call me on 8233-9900.

Yours sincerely,



Peter Strudwick
Director

Appendix	1- Project Chronology
	2- Council Officer's Report to 22 March 2011 Council Meeting
	3- Council resolution of matter at 22 March 2011 Council Meeting
	4- Applicant's proposed land use diagram
	5- Gateway determination dated 22 June 2010
	6- Council Officer's recommended zoning pattern, zone objectives and FSR
	7- Council report extract regarding earlier Community consultation process
	8- Community Consultation report (Urbis, January 2011)
	9- Submission to DPI Project Delivery Unit (Urbis 30 March 2011 and email 11 February 2011)
	10- George St Precinct- Industrial, Commercial & Residential Study (Urbis, Draft Report 2011)
	11 – Indicative Development Scenario – block modelling and analysis (Reid Campbell Architects)
	12 – Applicants Response to Council's resolution 22 March 2011

Appendix 1. Project Chronology

Project Chronology

- In November 2006 Council resolved under Section 54 of the Environmental Planning and Assessment Act to initiate the rezoning process and commence a draft amending LEP in relation to the Kolotex site only (not including the Labelcraft portion that is included as part of the current Planning Proposal). This request was required to be sent to the DoP seeking authorisation to exhibit the draft LEP. This request was forwarded to the DoP in December 2006 including the accompanying Masterplan.
- In April 2007 the DoP's Regional Office advised Council that it was unlikely to support the proposed LEP amendment and that three key issues needed to be addressed to enable the proposal to be further progressed. These issues included the following:
 - Justification for the loss of industrial land in the context of the amount and quality or adjoining and LGA-wide land available for industrial purposes.
 - Consideration of the provisions of the 2005 Metropolitan Strategy.
 - Evidence that the future use of the Kolotex site for mixed uses would not further compromise the LGA's ability to provide local services and employment through its impact on the adjoining industrial land (i.e. the Labelcraft site).
- During 2007-2009 Catylis provided various submissions to Council and the DoP addressing each of the above issues. This information included an Employment Study relating to the Kolotex site prepared by Urbis (George Street Employment Study, Urbis June 2008).
- In August 2008 Labelcraft wrote to the DoP advising they were supportive of the rezoning proposal. Their letter to the DoP also reinforced the results of the George Street Employment Study (Urbis June 2008) indicating that their manufacturing business was no longer a sought after business within the inner city area and that only 3 of their 60 employees lived within the local area.
- During 2007-2009 the applicant's information was considered and reviewed by various people at the executive level of the DoP, including a meeting with the Director-General of the DoP, as well as staff within the Major Project Assessment Team.
- In July 2009 the DoP ultimately advised in writing that:
 - It supported the re-classification of the site allowing as 'Category 2 Employment Land' within the Inner West Sub-Regional Strategy (i.e providing policy support for a broader range of uses on the site)
 - That this re-classification applied to all the existing industrially zoned property north of McAleer Street (i.e including the 'Kolotex' site and 'Labelcraft' site).
 - That this support was contingent on *'some employment uses being retained on the site'*.
- In August 2009 (some three years after the matter was first referred to the DoP and following the satisfaction of the various initial concerns raised by the DOP) the applicant requested the DoP to re-activate the matter and allow public exhibition of the amendment to the LEP in relation to the Kolotex site.
- In November 2009 (3 months after the applicant's request) the DoP advised the applicant that a new resolution was required by Council to 're-activate' the matter before it could (again) be sent to the DoP under the new 'gateway determination' process. Accordingly, discussions with Council's Officers were re-commenced with a view of re-lodging the rezoning application, this time including the Labelcraft site.

- A Planning Proposal to rezone the Kolotex and Labelcraft site was submitted by Urbis to Leichhardt Council in April 2010.
- In April 2010, Council unanimously passed another resolution to rezone the site. The resolution involved referral to the DoP for a gateway determination.
- In June 2010, in response to Council's request for a gateway determination, the DOP requested further information be provided prior to the matter proceeding through the gateway process. This related to the following:
 1. Insufficient information to determine the split between employment and non employment uses to ensure employment generating uses will remain the dominant land use.

Response: The Land Use Plan (attached at **Appendix 4**) was tabled with the DoP and Council in August 2010 and general agreement at this meeting regarding the appropriate 'split between employment and non employment uses.

2. No details (maps etc) have been provided relating to zone boundaries, height and FSR which would allow for the future assessment of development impact.

Response: We are unsure of whether Council furnished this information to the DoP in its referral to them following the April 2010 resolution, however we can only assume that it was not. Information was provided to Council within the Planning Proposal (April 2010) regarding the zone, heights and FSR over the site. We understand that Council did not provide this in a mapping format to the DOP. Nevertheless, the information has now been completed by Council's officers.

3. Inadequate justification has been provided in relation to the consistency of the planning proposal with Council's strategic framework for this area.

Response: Council engaged consultants SGS to carry out various modelling of the subject site as well as other industrial sites across the LGA to inform future land use zoning decisions. This Employment Land Study, commissioned in August 2010, was anticipated to be finalised within 1 month, however was not completed and tabled to Council until February 2011 (over 6 months late). Catylis were first advised that the matter would be tabled in the Council meeting of November 2010, however it ultimately was considered by Council in its March 2011 meeting. Ultimately, the Employment Land Study supports the position of rezoning the land in the manner shown in the revised Land Use Plan at **Appendix 4**.

- Confirmation that each of the above issues arising from the gateway determination of June 2010 have been satisfied are included in Council's report – attached at **Appendix 2**.
- Parallel with the above planning process, Catylis engaged Urbis' Social Planning Unit to carry out community consultation. A summary of this consultation is provided in the attached Community Consultation report (Urbis January 2011) at **Appendix 8**.
- One of the more significant consultation activities during the course of 2010 was a Community Information and Feedback Session (CIFS) held in November 2010 where approximately 700 people were invited to attend from a catchment pre-determined by Council. Ward Councillors were briefed in advance of this meeting and provided with a copy of information.
- Although invited, no officers from Council, nor Councillors attended the CIFS. 10 people attended the CIFS and 1 submission was sent to Urbis arising from the CIFS.
- In February 2011, Council was provided with a copy of the Community Consultation Report.

- A further briefing was held with Council in February 2011. At that briefing, Council requested its own public meeting be conducted to discuss the proposal whereupon letters were sent to the same catchment that were previously invited to the CIFS.
- On 24 February 2011, Council's public meeting was held where 35 people attended with 2 people speaking in favour of the development and 4 people raising concerns.
- On 22 March 2011, Council considered an Officer's Report that recommended the matter be referred back to DoP for a gateway determination. However, Council did not adopt this recommendation, instead resolving the following:

That the application to rezone be deferred with clarification that the following issues be addressed:

- *FSR no greater than 1.5:1*
- *Maximum 4 storeys*
- *Maximum 2 levels to street fronts*
- *Dedication of a significant proportion of open space as a public park*
- *Addresses risk of overshadowing*
- *Addresses privacy issues*
- *Key environmental sustainability principles*
- *And all recommendations as outlined in the Council officer's report.*

Affordable housing outcomes to be incorporated in the Voluntary Planning Agreement.

CARRIED UNANIMOUSLY

- The above resolution was seen as an unworkable resolution (refer to our submission dated 18 January 2012 for further details) and accordingly attempts were made to approach Council to discuss the implications of this resolution.
- A response was sent to Council in May 2011 identifying the implications of the resolution and seeking a meeting to discuss a workable outcome for both parties. No response was received to initial emails during May 2011.
- On 7 June 2011 representatives from Catylis and Urbis met with the Mayor and a Ward Councillor (who moved the resolution of 22 March 2011) as well as a senior member of staff to discuss the implications of the resolutions. The Councillors present at this meeting made it clear their resolution of 22 March 2011 would remain.

Appendix 2.

Council Officer's Report to 22 March 2011 Council Meeting

LEICHHARDT MUNICIPAL COUNCIL

REPORT

DIVISION: ENVIRONMENTAL AND COMMUNITY MANAGEMENT

SUBJECT: PROPOSAL TO REZONE THE 'KOLOTEX' AND 'LABELCRAFT' SITES LOCATED AT 22 AND 30 - 40 GEORGE STREET, LEICHHARDT, WITH FRONTAGES TO UPWARD STREET AND MCALEER STREET

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DATE: 15 March 2011

WORD PROCESSING REF: G:\BP\REPORTS\FINAL\220311\KOLOTEX AND LABELCRAFT.DOC

DIRECTOR'S SUMMARY - ORGANISATIONAL IMPLICATIONS

Financial Implications: Processing application will result in an increase in expenditure by Council.

Policy Implications: Proposed Amendment to LEP 2000

Strategic Plan Objective: Community Well Being
Place Where We Live & Work
A Sustainable Environment
Sustainable Services & Assets

Staffing Implications: Processing application will result in an increased workload for Council staff.

Notifications: Department of Planning

Other Implications: Nil

EXECUTIVE SUMMARY

The Planning proposal site comprises land located at 22 George Street and 30-40 George Street, Leichhardt and has frontages to Upward Street and McAleer Street. The land is currently zoned Industrial pursuant to Leichhardt LEP 2000.

Council has previously considered a number of reports in relation to this matter, the most recent being on 27th April, 2010 wherein it resolved:

- (1) That Council resolve to endorse the *Planning Proposal* for an LEP Amendment in relation to the properties at 22 George Street, Leichhardt and 30-40 George Street, Leichhardt
- (2) That Council resolve to forward the *Planning Proposal* to the Department of Planning for a Gateway Determination. (**Refer Resolution C140/10**).

The Department of Planning responded to Council's decision by way of its Gateway Determination dated 22 June 2010, which included the following comments:

1. There is insufficient information to determine the "split" between employment and non employment land uses and to ensure that employment generating uses will remain the dominant land use. This is particularly relevant within the context of the current Inner West sub-regional employment targets
2. No details (maps, etc.) have been provided relating to zone boundaries, height and FSR controls which would allow assessment of the impact of any future development
3. Inadequate justification has been provided in relation to the consistency of the planning proposal within Council's strategic framework for this locality.

A Public Meeting was held on 24 February 2011. During the course of the meeting:

- o Council staff provided a history of the site and the current Planning Proposal
- o The proponents provided an outline of:
 - the Planning Proposal – amended to address issues raised by the Department of Planning
 - community consultation carried out by them in relation to the Planning Proposal
- o Those in attendance were provided with an opportunity to seek clarification, ask questions and make comments regarding the Planning Proposal.

This report:

- presents a draft response to the Department of Planning in relation to its Gateway Determination dated 22 June 2010; and
- addresses a number of issues that have arisen since the matter was last considered by Council

1. **Purpose of Report**

This report provides additional information in respect of a proposed amendment to the Leichhardt Local Environmental Plan 2000 (LEP 2000), in particular:

- Feedback from the public meeting
- The “split” between employment and non employment land uses
- Details relating to zone boundaries and FSR controls
- The consistency of the planning proposal with Council’s strategic framework
- The project’s adherence to the original principles
- Clarification of the site
- Adaptive re-use versus a new building
- Status of the previous Development Approval
- Public open space
- Voluntary Planning Agreement.

The report also recommends a way forward in relation to the ongoing consideration of the Planning Proposal.

2. **Recommendations**

That:

1. In relation to the issues raised by the Department of Planning in its Gateway Determination dated 22nd June 2010, the following response be provided:
 - a. In relation to the “split” between employment and non employment uses, based on the research and modelling completed by SGS, Leichhardt Council has confirmed:
 - (i) that a range of industrial, mixed use and residential areas can be accommodated across the planning proposal site
 - (ii) that the proposed changes in land uses and zoning can be accommodated without compromising Council’s ability to:
 - o achieve its long term employment targets – based on the 2009 Transport Data Centre forecasts, which have been incorporated into the review of the Metropolitan Strategy
 - o accommodate potential growth across a range of employment types up until 2031.
 - b. In relation to the provision of maps and details of zone boundaries and FSR controls, the Department of Planning be forwarded:
 - (i) the additional information prepared to further explain the proposal
 - (ii) the details of the additional studies and documentation required to be completed before the Planning Proposal is placed on exhibition.

- c. In relation to the justification for and consistency of the planning proposal with Council's strategic framework for this locality, based on the research and modelling completed by SGS, Leichhardt Council:
 - (i) has confirmed that these changes in land uses and zoning can be accommodated without compromising Council's ability to:
 - o achieve its long term employment targets – based on the 2009 Transport Data Centre forecasts, which have been incorporated into the review of the Metropolitan Strategy
 - o accommodate potential growth across a range of employment types up until 2031
 - (i) has now completed its Employment Land Study, the results of which will provide a framework for the production of related documents such as:
 - The Leichhardt LEP 2011
 - The Leichhardt DCP 2011
 - The Community and Cultural Plan
 - The Integrated Transport Strategy
 - The Employment and Economic Development Plan
 - Council's Strategic Sites and Corridors Study – which includes the nearby Parramatta Road Corridor and Market Town.
2. In relation to the issue of the current Planning Proposal's consistency with the original "Principles" endorsed by Council in 2006, Council note that staff have continued to pursue the original "Principles" throughout the intervening period.
3. In relation to the issue of the site, Council note that:
 - a. The area of the original Masterplan - considered by Council in the lead up to May 2006, related to the combined Kolotex and Labelcraft sites
 - b. The area in respect of which Council resolved to prepare an LEP in November 2006, related only to the Kolotex site
 - c. The current Planning Proposal – as considered by Council in April 2010, relates to both the Kolotex and Labelcraft sites.
4. In relation to the issue of adaptive re-use versus a new building on the Kolotex site, Council note that:
 - a. the previous proposal adopted by Council in 2006 was based on the adaptive re-use of the former industrial building
 - b. it was the proponents decision to pursue the adaptive re-use option in the original Masterplan and rezoning – refer Council resolution C370/05
 - c. Council staff have consistently expressed reservations regarding the merit of retaining the existing building

As such, there are no compelling reasons to continue to pursue the adaptive re-use approach.

5. In relation to the issue of the status of a former Development Approval on the site, Council acknowledge that this was an unsubstantiated statement included in error in the April 2010 report.
6. In relation to the issue of Public Open Space, Council staff enter into negotiations with the owners of both the Kolotex site and the Labelcraft site to confirm an appropriate public open space contribution for the respective landholdings, noting that Council may require at its discretion the dedication of land for open space in lieu of Open Space monetary contributions under its section 94 plan.
7. In relation to the issue of Voluntary Planning Agreements, Council note that it has a number of options available to it, thereby requiring a decision by Council. Council may:
 - A) Seek to negotiate a VPA for both the Kolotex and Labelcraft sites in accordance with the Council VPA Policy guideline;

OR:

 - B) Seek to negotiate a VPA for the Labelcraft site in accordance with the Council Policy guideline, and for the Kolotex site on the basis of previous discussions including requiring the payment of all s94 contributions in accordance with Councils current s94 Contribution plans (disregarding any Ministerial direction capping the amount of any such contribution).
8. In relation to the ongoing assessment of the Planning Proposal the applicant be requested to submit a consolidated set of the following documents for endorsement by Council prior to the commencement of the Statutory public exhibition process:
 - a) **Planning Justification Report:** The report is to include a full justification for the rezoning and analysis of planning and land-use zone choices and issues.
 - b) **Environmental Performance Report:** This report should demonstrate how the development will incorporate ecologically sustainable development principles in the design, construction and ongoing phases of the development.
 - c) **Parking, Traffic, Transport and Accessibility Report:** To be prepared by a suitably qualified transport consultant, to provide:
 - advice regarding proposed on site parking, car share, cycle paths, cycle storage facilities, road layout for the site,
 - advice regarding integration of the site with the surrounding road network and analysis of any local traffic impacts resulting from proposed redevelopment

- an analysis of opportunities to integrate the redevelopment of the site with the local public transport networks, new and existing cycle paths and new and existing pedestrian paths/networks.

with particular attention being to be given to:

- Pedestrian Network development, particularly in relation to the use of Upward and George Streets (*Possibly consider shared zones*)
- Access to Taverners Hill light rail stop. Particular attention should be given to safety issues associated with the intersection of Hathern Street and Tebbutt Street. Consideration should be given to alternative treatments to improve safety at this intersection
- The suitability and attractiveness of Parramatta Road as the main pedestrian link between the development and the Taverner's Hill light rail stop
- The impact of increased pedestrian movements across Tebbutt Street at its intersection with Parramatta Road. This intersection currently has marked crossing in Tebbutt Street with a signalised pedestrian crossing across Parramatta Road. (*Possibly consider full signalisation of this intersection*)
- The impact of increased traffic movements on the staggered intersection of George Street with Treadgold Street
- Methods to reduce parking demand with a view to reducing demand for kerbside traffic generation and parking (including provision of on-site car share and/or bike share schemes – possibly self-managed, and the provision of on-site bicycle parking facilities).
- Should employment based land uses be maintained on-site it will also be essential to address the manoeuvring of heavy vehicles both into/out of the site and from Parramatta Road. Care should also be taken to minimise the impact of such vehicle on all residential properties, most particularly these to the north of the site.
- Should employment based land uses be included in the development consideration could be given to the management of its associated on-site parking in a manner which would permit "out of hours" use by resident of nearby properties.
- Consideration should be given to any additional traffic which may access the site via Lords Road, particularly in relation to school pick-up/set down periods and the street's bus layover and Marketplace service access.
- In accessing the impact of the development on the adjacent street network consideration should be given to the impact of any additional traffic on Marion Street as this street currently experiences severe delays

during peak periods which have the potential to be exacerbated by the proposed installation of a signalised pedestrian crossing at the existing rail overpass.

- d) **Open Space Report:** Prepared by a suitably qualified consultant to provide advice on open space provision and linkages between the site and surrounding recreation, open space and community destinations. The results of the study will provide a basis for discussions with Council staff regarding an appropriate public open space contribution for the Kolotex and Labelcraft landholdings. The results of these negotiations will be reported back to Council for endorsement prior to the Planning Proposals Statutory exhibition period.
- e) **Stormwater Management Plan and Water Sensitive Urban Design Report:** To be prepared by a suitably qualified engineer and analysing the stormwater management of the proposal and any potential flooding issues. This plan must also examine opportunities for water sensitive urban design.
- f) **Contamination Report:** Prepared by a suitably qualified environmental consultant in accordance with the requirements of State Environmental Planning Policy No. 55 to confirm the site is suitable for residential use and advise of any remediation works necessary to make this site suitable for a change of land use.
- g) **Social Impact Assessment Report:** Prepared by a suitably qualified consultant in accordance with Council's Social Impact Assessment Policy.
- h) **Community Consultation Strategy:** Given the history of the site, it is recommended that a comprehensive community consultation program that goes beyond the normal statutory public exhibition period of twenty-eight (28) days, be prepared to ensure appropriate community input.
- i) **Acoustic Report:** Prepared by a suitably qualified acoustic consultant and advising of any measures required to make the site suitable for the proposed change of land use, in particular in relation to aircraft noise.
- j) **Employment Lands Report:** Prepared by a suitably qualified consultant, the report must include any necessary modelling and respond to the following points:

What are the characteristics of the land being considered for rezoning?

- Access arrangements - proximity to transport nodes/ arterials
- Building age and condition
- Land and property values
- What current function does the land perform in the employment lands market
- What is the land's future potential as employment land

What are the operational requirements of the affected businesses?

- Cost of land/ property
- Access
- Neighbouring uses/ buffering
- Site and floor areas

What alternative locations satisfy these requirements?

- What is the character of identified alternatives in terms of access, cost, neighbouring uses, site and floor areas
- What capacity exists in these areas in existing buildings and on vacant sites (this has been assessed in the modelling for sites within the LGA)

To answer these questions, researchers will need to explore the specific conditions/ requirements for the areas/ businesses affected. This will likely require some level of consultation and on-site assessment.

- k) **Development Control Plan:** The Development Control Plan is to be based on an Urban Design Study.

The Urban Design Study should reflect the design principles endorsed by Council in 2006 and examine appropriate built form for the site, including proposed building envelopes, open space provision, heights and floor space ratio. The study should also address integration with active and public transport, solar access, acoustic privacy, visual privacy, view loss and environmental and residential amenity of the site and adjoining properties and land uses.

The Development Control Plan is to be drafted in consultation with Council staff and endorsed by Council prior to the Planning Proposals Statutory exhibition period. The Development Control Plan will be placed on exhibition concurrently with the Planning Proposal during the Statutory exhibition period.

- l) **Floor Space Ratio Report:** Provide details of the proposed Floor Space Ratio, in terms of both the current Leichhardt LEP 2000 definition and the New Standard Template definition.
- m) **Voluntary Planning Agreement:** Voluntary Planning Agreements in respect of both the Kolotex and Labelcraft landholdings. The Voluntary Planning Agreements are to be drafted and endorsed by Council prior to the Planning Proposals Statutory exhibition period. The Voluntary Planning Agreements will be placed on exhibition concurrently with the Planning Proposal during the Statutory exhibition period.

3. Background

3.1 Site Description

The subject site comprises the 'Kolotex' site located at 22 George Street, Leichhardt and the 'Labelcraft' site located at 30-40 George Street, Leichhardt. Both sites are currently zoned 'Industrial' under the *Leichhardt Local Environmental Plan 2000*.



Figure 1: Existing site zoning under Leichhardt LEP 2000

3.2 History of Application

The following is a detailed summary of the history of the current Application.

a. Pre 2000

During the course of the development of LEP 2000, the operation of Industrial Zoned land was identified as an area that would require further monitoring and review once LEP 2000 was in operation. This need was identified by both Council and the former Department of Urban Affairs and Planning.

LEP 2000 also included provisions relating to the Adaptive Re - Use of non residential buildings in the Residential Zone.

b. Post 2000

The decision to review Leichhardt's Industrial Lands was a response to significant changes that had occurred to the nature of industrial and business development in the Municipality and the implications those changes were having on the viability of industrial and business uses. The main focus of the review was to investigate the effectiveness of the then current planning controls in sustaining industrial land uses and employment generating land uses in the local area.

c. 2002

In 2002 Urbis completed a report for Council reviewing Leichhardt's Industrial Lands. The report identified the need for more flexible planning controls in order to foster a range of new employment uses that would be compatible with the character of the local area. The need to protect and preserve remaining local service industries was also identified. Several investigations into specific industrial precincts were subsequently completed.

The investigations sought to identify, in consultation with landowners, options for facilitating viable employment generating re-development that was compatible with the desired future character of the precincts.

d. 2003

In May 2003 Council wrote to all owners of Industrial zoned lands within the Leichhardt LGA inviting comments on issues affecting the future use of their property for industrial and employment generating purposes.

e. June 2004

On 10th June 2004, Council's Planning Committee considered the second of two reports relating to the 2002 Urbis report and the review of Industrial Zoned Lands within the Leichhardt LGA. The June 2004 report made specific references to both:

- § The broader George/Tebbutt Street Precinct – Refer Figure 2 below.
- § The smaller Kolotex Masterplan area within the broader precinct – Refer Figure 3 over page.



Figure 2: George/Tebbutt Street Precinct

The Officers Report included the following points:

- The Urbis Report 2002 identifies the area bounded by Tebbutt Street, Upward Street, George Street and McAleer Street as an Industrial pocket. These areas are generally referred to as smaller areas of Industrially zoned land that typically comprise a smaller block or several lots.
- The George/Tebbutt Street Precinct was zoned Industrial under the County of Cumberland Planning Scheme, 1951 and remained zoned Industrial under Interim Development Order 27 (the planning controls preceding LEP 2000). This zoning reflects an expectation that the area was to develop from a predominantly residential precinct to an Industrial precinct. While there are a number of Industrial buildings currently within the precinct, there are still a significant number of residential dwellings within the Industrially zoned area. It is unlikely that these residential dwellings will convert to industrial premises, especially given their proximity to surrounding residential development.

This, coupled with the fact that the Kolotex site has remained vacant since November 2003 are an indication that the Industrial zoning provisions in parts of the George/Tebbutt Street Precinct are not achieving employment generation outcomes.

- North of McAleer Street, particularly on the Tebbutt Street frontage, the character of the area is predominantly residential and thus zoning provisions should be introduced to the area reflecting this character.
- A recommendation that a site specific provision be introduced into Leichhardt LEP 2000 that allows residential development in the Industrial zone between Upward and Tebbutt Streets, north of McAleer Street. Only when these industrial properties have been converted to residential uses should the site specific provision be removed and the area be rezoned to Residential.

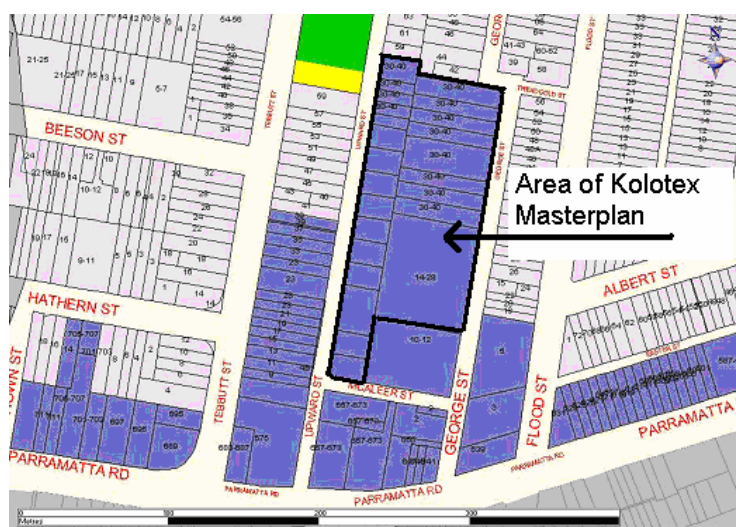


Figure 3: Kolotex Masterplan Area

The Officers Report included the following points:

- The area north of McAleer Street between George and Upward Streets (including the Kolotex Site): does not contain the same residential character as the properties fronting Tebbutt Street.
- It is within close proximity to residential areas to the north, east and west. The proposal to introduce a transition of development types from the north of the precinct has merit as it addresses the interface issues between employment generating uses and surrounding residential uses while achieving Council's objective of employment generation.
- The proposed masterplan submitted by the owners of the Kolotex site represents a sound planning approach to this area, particularly as it includes the industrial property at the north of the precinct (30-40 George Street) that abuts the Residential zone. Employment generating uses are retained on the site but they are primarily located to the south towards the Parramatta Road frontage where other industrial employment generating uses are located.

- It is appropriate to endorse the recommendation of the masterplan by giving 'in principle' support to the adaptive re-use of the Kolotex site. Issues relating to the design and building form as well as the nature of the planning process in achieving the redevelopment of the site can be resolved once the formal master planning process is under way. It is envisaged that this process will be similar to that which has occurred with the masterplan for the former Martin Bright Steels site that has developed into a separate project apart from the Industrial Lands Review process.

Council resolved to:

1. support the rezoning of a section of the George/Tebbutt Street Precinct to facilitate residential development
2. give 'in principle' support to the adaptive re-use of the Kolotex site (22 George Street, Leichhardt) and that the draft scheme submitted to Council be publicly exhibited prior to more detailed assessment that can form the basis of draft planning controls.

The plans were subsequently exhibited and 7 submissions were received from surrounding residents.

f. September 2004

A public meeting was held in September 2004 and was attended by 14 local residents, Planning Workshop Australia, and Council staff.

g. October 2004

A report was presented at the Planning Committee Meeting held on 14 October 2004 outlining the issues raised in the submissions and providing an assessment of the proposal. The issues raised included:

- § Overlooking/privacy
- § Solar access
- § Building setbacks
- § Parking
- § Traffic
- § Level of detail
- § Increased crime
- § 10-12 George Street should be included
- § Construction Impacts
- § Bulk and other visual impacts
- § Community consultation

It was resolved at the October Ordinary Meeting that "Council request the submission of additional information and the refinement of the proposal based on the issues raised in this report before considering the preparation of draft amendments to the Leichhardt Town Plan 2000."

h. March 2005

A report was presented at the Planning Committee Meeting held on 10 March 2005 informing Council of the additional information provided by the proponents to address the issues that had been raised in September 2004.

Issues addressed in the report included:

- § Land use – a progression from Industrial, to commercial/mixed use(residential on the upper floors) to residential
- § Built form and building heights – a preference for a stepping down across the site
- § Traffic – the need for an independent review
- § Widening of Upward Street
- § Parking in George Street
- § On site parking
- § Solar Access
- § Open space landscaping – as the development will result in a significant increase in residents, it was considered reasonable that additional open space be provided on the site
- § Privacy

i. June 2005

At the 9 June 2005 Planning Committee Meeting, a report was tabled which informed Council of the revisions that had been made to the draft master plan since it was reported to the March 2005 Planning Committee, in particular:

- § The scope and staging of the master plan
- § Traffic and Parking – the fact that Council had commissioned an independent review
- § Upward Street façade treatment – the need for it to be activated
- § Upward Street widening
- § Open Space / Landscaping – the inclusion of a 314.55m² public piazza located on the boundary with the Labelcraft site
- § Privacy
- § Building heights

The June Planning Committee report also recommended that Council resolve to exhibit a draft Local Environment Plan and Development Control Plan for the site. Following consideration of the report, the Committee resolved that:

The matter be deferred until an independent review of the traffic implications of the proposed development on the former Kolotex site is completed. A report is to be presented to the Planning Committee on the outcomes of this review as well as any precedent that the proposed floor space ratio for the site may have on the wider Council area. Issues were also raised concerning the extent of open space that was being provided as part of the proposed development.

j. August 2005

A further report was tabled at the 11 August 2005 Planning Committee to: present:

- the results of the independent traffic and parking assessment carried out by Cardno
- comment on Floor Space Ratio and Open Space
- recommend a set of planning and design guidelines for the redevelopment of the site.

The Cardno report concluded that:

1. The traffic generated by the proposed development is lower than the traffic generated by the site under its previous use
2. Additional traffic generated by the proposed redevelopment will have a minimal impact on the surrounding road network
3. On site parking provisions satisfy Council and RTA requirements
4. Some traffic management arrangements at intersections in the vicinity of the site be modified

In relation to FSR, the report indicated that the proponents Quantity Surveyors had confirmed that the project had a FSR of 2.0:1. The report then went on to acknowledge that the scale of the proposed development was consistent with the Parramatta Road Sector 1 Structure Plan.

In relation to open space, the report concluded that the piazza, Upward Street Road Widening and S94 Contributions would be acceptable as the public open space contribution

The Planning Committee resolved that the matter be remitted to the Strategic Planning Section with instruction that new plans be proceeded with in accordance with a floor space ratio of 1.5:1.

During the course of the following Council meeting it was resolved that the matter be referred to the Strategic Planning section to develop a set of guidelines for the redevelopment of the site. The guidelines to be prepared for the next Planning Committee meeting with a report to the subsequent Council meeting.

k. September 2005

A further report was tabled at the Planning Committee on 8 September 2005 to recommend a set of planning and design guidelines for the redevelopment of the former Kolotex site. The report canvassed two specific issues, namely the matter of Adaptive Re-Use and the proposed Planning Principles.

In relation to Adaptive Re-use the report made the following comments:

Fundamental to any guidelines or principles for the subject site is whether full site redevelopment or adaptive re-use is preferable in achieving an acceptable redevelopment outcome for the site. In this respect, discussions were undertaken at the instigation of the proposed redevelopment of the site as to whether a full site redevelopment or an adaptive re-use redevelopment was preferable. Council officers favoured the former^{#1} while the proponent preferred the adaptive re-use approach. There are advantages and disadvantages with either approach, however, adaptive re-use has advantages in heritage and sustainable development principles, in terms of the retention of embodied energy; the latter being applicable in the current situation. Accordingly, it is not considered appropriate that Council insist on either approach unless one can be shown to be flawed.

Therefore, as the proponent has chosen to pursue an adaptive re-use scheme, the following planning principles and guidelines are framed accordingly.

Note: former^{#1} above, has been corrected, due to an error in the original report.

In relation to Planning Principles it suggests the following:

Under an adaptive re-use approach to the site, the following development controls from the Leichhardt Town Plan have some application (Note – These controls apply to the conversion of non residential buildings in the Residential Zone. The subject building is a non residential building in an Industrial Zone. However, the proposal is for a mixed development and the wider precinct is likely to be rezoned to a Residential/Business Zone in the future hence the applicability of the controls):

Principle: Development should adopt a perimeter block planning approach resulting in buildings to all street alignments. Each frontage should be active (The principle ensures that there are no rear elevations that segregate the development from the public domain).

Principle: Car parking areas should not be visible from the public domain (The principle ensures elevations are consistent with surrounding future mixed land uses).

Principle: A pedestrian connection should be provided between George and Upward Streets. This should be linked to a public open space area that can service the future work, resident and local population.

Principle: The tops of buildings should be modulated with the highest structures at the southern end of the site. To maintain a reasonable scale with surrounding development the maximum height of buildings should be four storeys. Building heights should reduce to two storeys at the north end to better integrate with existing housing which is predominantly single storey.

Principle: Land uses should graduate from light industrial/commercial uses (southern end) to low density residential uses (northern end) – (This principle maintains the residential character of the northern end of the precinct and avoids potential conflicts that may be associated with residential development in the southern end).

Principle: The development should demonstrate compliance with ESD best practise and BASIX (This principle recognises that development of the scale proposed can and should embrace ESD principles).

Principle: The development must comply with the provisions of State Environmental Planning Policy No.65 – Design Quality of Residential Flat Development (this principle is a statutory requirement and recognises the importance of ensuring a high level of amenity of future residents and surrounding residences).

Principle: The maximum floor space ratio for development on the site should be 2:1.

Principle: Traffic and parking associated with any redevelopment of the site should not have an identifiable impact on the operation of the local road network.

Council resolved that:

The Policies and guidelines be put on exhibition for 28 days. Council defer any further assessment on the development application until after a report on the outcomes of the exhibition including any changes to the guidelines is brought to the November Council meeting. That the applicant be required to lodge a model of the proposal complying with the adopted guidelines.

I. February 2006

A report was presented to the February 2006 Planning Committee meeting detailing the outcomes of the exhibition of the planning principles. The following is a summary of the issues raised in submissions:

- **Traffic and parking management** – concerns were raised with the potential for increased parking and traffic on local streets surrounding the former Kolotex site, following the proposed development;
- **Impacts on privacy** – surrounding residents were concerned with the potential for overlooking and the reduction of privacy following the proposed redevelopment;
- **Impacts on views** – residents surrounding the development were concerned with the potential of the development to obstruct views;
- **Apparent bulk and scale of the development** – residents suggested the proposed bulk and scale of the proposal was inappropriate;
- **Implications for development on adjacent properties** – adjacent landholders were concerned with the proposal's potential impacts on the development potential of neighbouring properties and other implications for their properties;
- **Solar access** – neighbouring residents were concerned with the potential for the proposal to reduce solar access; and
- **Construction impacts** – neighbouring property owners and occupiers were concerned with the potential for dust, noise, and traffic and parking impacts during construction of the proposed development.

At this meeting the following recommendations were adopted:

1. The matter be deferred for consideration until the March 2006 Planning Committee meeting enabling the Committee and residents to view the model of the proposal;
2. A viewing of the model of the proposed development be undertaken during the following times:

Planning Committee Inspection of the Model:
Monday 20 February 2006 — 6:30pm

Community Inspection of Model:
Saturday 25 February 2006 — 9am-12noon
Wednesday 1 March 2006 — 6pm-8pm

Councillor Inspection of Model:
Saturday 4 March 2006 – Council works inspection.

3. More extensive traffic modelling that includes the broader traffic network be provided as part of any future submission for the Kolotex site.

m. May 2006

A report was presented to the Planning Committee meeting on 11th May 2006 to advise Council of the outcome of the viewing of the model of the proposed development of the former Kolotex Site, George Street, Leichhardt and to detail a response to traffic issues raised in submissions during the exhibition of the model.

The Planning Committee recommended that Council:

- 2.1 Endorse the planning and design guidelines for the redevelopment of the former Kolotex site – George Street, Leichhardt with the following additions:

Principle 4

The tops of buildings should be modulated with the highest structures at the southern (Parramatta Road) end of the site. To maintain a reasonable scale with surrounding development the maximum height of buildings should be four storeys. Building heights should reduce to two storeys at the north end to better integrate with existing housing which is predominantly single storey. Council will not countenance any breach of the 4 storey limit for the Kolotex site.

Principle 8

The maximum floor space ratio for development on the site should be 1.5:1.

Principle 9

Traffic (both during peaks and total trips) and parking associated with any redevelopment of the site should not have an identifiable impact on the operation of the local road network.

Additional Principle 10

Any rezoning and redevelopment of the Kolotex site should improve the open space/resident ratio for West Leichhardt.

- 2.2 Advise the applicant that in order for the proposal to proceed it will require submission of a rezoning application which will enable Council to progress a masterplan for the site consistent with the adopted planning and design guidelines.

Council at its meeting on 23 May, 2006 resolved to adopt the minutes of the Planning Committee held 11 May 2006 subject to the change to Item 4:

Item 4 Report – Exhibition of Planning Principles for the redevelopment of the former Kolotex Site The recommendation to be adopted to be as per the original (the Officers) recommendation reported to Council – that is:

- 2.1 Endorse the planning and design guidelines for the redevelopment of the former Kolotex site – George Street, Leichhardt;
- 2.2 Advise the applicant that in order for the proposal to proceed it will require submission of a rezoning application which will enable Council to progress a masterplan for the site consistent with the adopted planning and design guidelines.

n. November 2006

A report was presented to the Council meeting on 21st November 2006 to provide Council with an assessment of the Kolotex rezoning proposal. The report recommended that:

- 2.1 Council resolve to prepare a draft local environmental plan and prepare a submission to the Department of Planning Local Environmental Plan Review Panel pursuant to Section 54 of the Environmental Planning and Assessment Act 1979 to rezone the subject site to Business pursuant to Leichhardt Local Environmental Plan 2000 and to enable ground floor residential uses within the Business Zone and enable a floor space ratio of 2:1 over the subject lands.
- 2.2 Council prepare a draft local environmental plan and draft development control plan for the consideration of Council.
- 2.3 Council seek an independent auditor review of the site contamination assessment at the proponent's expense.

The reports conclusion included the following paragraph:

There are however some issues including land use distribution, building heights, the public domain plan and proposed development staging that will need to be resolved in the drafting of any development control plan or as part of the stage one of the development application process. These issues should not preclude the rezoning to proceed as these issues may be dealt with as part of preparing the detailed planning controls for the site.

In response, Council resolved unanimously in accordance with resolution C419/06 moved by HANNAFORD/COBLEY-FINCH

That:

- 2.1 Council resolve to prepare a draft local environmental plan and prepare a submission to the Department of Planning Local Environmental Plan Review Panel pursuant to Section 54 of the Environmental Planning and Assessment Act 1979 to rezone the subject site to Business pursuant to Leichhardt Local Environmental Plan 2000 and to enable ground floor residential uses within the Business Zone and enable a floor space ratio of 2:1 over the subject lands.
- 2.2 Council prepare a draft local environmental plan and draft development control plan for the consideration of Council.
- 2.3 Council seek an independent auditor review of the site contamination assessment at the proponent's expense.

o. April 2007

In April 2007 the Department of Planning advised Council that it was unlikely to support the LEP amendment as proposed unless three key issues were addressed:

- o Justification for the loss of industrial land in the context of the amount and quality or adjoining and LGA-wide land available for industrial purposes.
- o Consideration of the provisions of the 2005 Metropolitan Strategy.
- o Evidence that the future use of the Kolotex site for mixed uses would not further compromise the LGA's ability to provide local services and employment through its impact on the adjoining industrial land (i.e. the Labelcraft site).

p. 2008

The Proponent subsequently lodged submissions directly with the Department of Planning which addressed each of the identified issues. The information submitted to the Department of Planning included the George Street Employment Study (Urbis June 2008) which identified the following:

- o Approximately 60% of the all businesses, in and around the George Street precinct, are not using their premises in an industrial capacity;
- o Approximately 90% of all businesses do not provide services that specifically target the needs of local residents and businesses;
- o Of the six businesses located along Parramatta Road, only three businesses had a retail capacity that benefited from a high profile location, with the others have an office focus;
- o The buildings within the George Street precinct are generally approaching physical and economic obsolescence;
- o The area immediately surrounding the George Street precinct predominately consists of low density residential dwellings with a state primary school towards the northern end of Upward and Tebbutt Streets;
- o Some 37% of zoned industrial land in the precinct has vacant businesses. A further 25% of businesses are 'retailers' and 5% of the zoned land is being used for residential purposes only.

q. July 2009

In July 2009 the Department of Planning advised the Proponent and Council that the Department of Planning supported the re-classification of the site to 'Category 2 Employment Land' which will allow for a broader range of land uses than currently permissible on the site

r. March - April 2010

In March 2010, the applicants provided a briefing to Councillors regarding the current planning proposal.

Subsequent to the Councillor Briefing the report regarding the Planning Proposal was submitted to Council on 27th April 2010.

Council resolved to:

- (1) endorse the Planning Proposal (refer to Attachment A to the report) for an LEP Amendment in relation to the properties at 22 George Street, Leichhardt and 30-40 George Street, Leichhardt
- (2) forward the Planning Proposal to the Department of Planning for a Gateway Determination.

s. June 2010

The Department of Planning responded to Council's decision by way of its Gateway Determination dated 22 June 2010, which included the following comments:

1. There is insufficient information to determine the "split" between employment and non employment land uses and to ensure that employment generating uses will remain the dominant land use. This is particularly relevant within the context of the current Inner West sub-regional employment targets
2. No details (maps, etc.) have been provided relating zone boundaries, height and FSR controls which would allow assessment of the impact of any future development
3. Inadequate justification has been provided in relation to the consistency of the planning proposal within Council's strategic framework for this locality.

t. February 2011

A public meeting was held at Leichhardt Town Hall on Thursday 24 February 2011. Prior to the public meeting a total of 1064 invitations were posted to the owners and/or occupiers of surrounding properties. **Appendix A** contains a map of the area notified. A total of 33 people attended the public meeting. During the course of the meeting:

- o Council staff provided a history of the site and the current Planning Proposal
- o The proponents provided an outline of:
 - the Planning Proposal – amended to address issues raised by the Department of Planning – Refer **Appendix B**
 - community consultation carried out by them in relation to the Planning proposal
- o Those in attendance were provided with an opportunity to seek clarification, ask questions and make comments regarding the Planning Proposal.

The presentations made by the Council Staff and the Applicants, together with notes taken by staff during the course of the evening have since been placed on the Council web site.

Subsequent to the public meeting a total of three (3) submissions have been received, the main points of which can be summarised as follows:

1. Correspondence from a resident of Flood Street objecting to the Planning Proposal on the following basis:
 - a. Excessive Floor Space Ratio – contrary to the LEP
 - b. Insufficient employment floor space
 - c. Streetscape
 - d. Heritage
 - e. Building height
 - f. Loss of privacy
 - g. Noise
 - h. Visual intrusion
 - i. Non compliance with provisions of the LEP and DCP

2. Correspondence from a resident of Flood Street objecting to the Planning Proposal on the following basis:
 - a. Excessive Floor Space Ratio – contrary to the LEP
 - b. Insufficient employment floor space
 - c. Streetscape
 - d. Heritage
 - e. Building height
 - f. Loss of privacy
 - g. Noise
 - h. Visual intrusion
 - i. Non compliance with provisions of the LEP and DCP
3. Correspondence from the applicant – Catylis Properties:
 - a. Acknowledging that “traffic and Parking” issues have been consistently raised by the community
 - b. Summarising traffic and parking related actions and investigations to date
 - c. Confirming that a further detailed traffic and parking study will be prepared in accordance with RTA Guidelines and with input from Council’s Traffic Engineers

This report:

- presents draft responses to the Department of Planning in relation to points raised in its correspondence dated 22nd June 2010
- addresses a number of issues that have arisen since the matter was last considered by Council, in particular the projects adherence to the original principles, clarification of the site, adaptive re-use versus a new building, public open space and voluntary planning agreements.

3.2 Section 94

Over the past 2 years there have been a number of developments in relation to the provisions of S94 Contributions. The following is a summary of the key dates and events.

- 23 December 2008 Circular PS 08–017 – Outlined the State Governments intention to review Infrastructure Contributions including a \$20,000 cap on contributions.
- 13 January 2009 Leichhardt Council applied for an approval under Direction s94E EP&A Act for an exemption to the \$20,000 cap.
- 10 July 2009 Department of Planning granted approval to Leichhardt Council for an exemption under s94E of the Act (Further Direction)
- June 2010 Direction under s94E revokes previous exemption of 10 July 2009. Technically the development is now the subject of a \$20,000 cap.

Throughout this period, despite various changes in State Government Policy in relation to developer contributions, Council staff have maintained that the proponent must comply with Councils 2006 Resolution i.e. full payment of all S94 Contributions

in accordance with Council's current S94 Contribution plans is required by way of a Voluntary Planning Agreement.

3.3 The Gateway Process

In July 2009, the Department of Planning introduced a new process for amending Local Environmental Plans (LEPs). This process is known as the Gateway plan-making process – Refer **Appendix C** for Planning Proposal Flowchart.

The gateway process has the following steps:

- *Planning proposal* – the relevant planning authority (Council) is responsible for the preparation of a Planning Proposal, which explains the effect of and justification for the plan. If initiated by the Minister (rather than the local council which is mostly the case) the Minister can appoint the Director-General or a joint regional planning panel to be the relevant planning authority.
- *Gateway* – The Minister (or delegate) determines whether the Planning Proposal is to proceed. This Gateway acts as a checkpoint to ensure that the proposal is justified before further studies are done and resources are allocated to the preparation of a plan. A community consultation process is also determined at this time. Consultations occur with relevant public authorities and, if necessary, the proposal can be varied.
- *Community consultation* – the proposal is publicly exhibited (generally low impact proposals for 14 days, others for 28 days). A person making a submission may also request a public hearing be held.
- *Assessment* – The relevant planning authority considers public submissions and the proposal is varied as necessary. Parliamentary Counsel then prepares a draft local environmental plan — the legal instrument.
- *Decision* – With the Minister's (or delegate's) approval the plan becomes law and is published on the NSW legislation website

The preparation of a Planning Proposal is the first step in preparing an amendment to an LEP. The Planning Proposal for each proposed amendment is attached to this report.

A Planning Proposal is a document that explains the intended effect of the proposed LEP amendment and the justification for making it. It will be used and read by the general community as well as those who are responsible for deciding whether or not the proposal should proceed. As such it has been written with the intention of being concise, accessible, and technically competent.

4. Report

- 4.1 *The “split” between employment and non employment land uses and to ensure that employment generating uses will remain the dominant land use and within the context of the current Inner West sub-regional employment targets*

In November 2007 SGS Consultants were engaged by Leichhardt Council to undertake the Employment Lands Study. The study was completed in November 2010.

In May 2010 Council identified a number of potential corridors and sites where Council staff may be required to respond to inquiries from landowners namely:

- o Darling Street, Balmain Road and Norton Street
- o Victoria Road
- o Parramatta Road
- o SREPP 26 Land – the former Goods Yard and rail line stretching from White Bay to Lilyfield
- o Lilyfield to Dulwich Hill Light Rail Extension
- o Campbell's Cash and Carry
- o the Roche Site – opposite Callan Park

Council staff had also been requested to provide more information in respect of the George Street site. As such the Campbell's Cash and Carry site and the Roche site, together with the George Street and Terry Street sites formed the basis for the more detailed site analysis by SGS.

As previously stated the 2009 Transport Data Centre forecasts have been incorporated into the review of the Metropolitan Strategy. As such Leichhardt's future employment target is likely to increase significantly from the current target of approx 500 additional jobs to 1500 additional jobs – based on the base year of 2001.

In order to test the impact of the current rezoning requests in respect of George Street site, Council's consultants adopted the more conservative 2009 Transport Data Centre forecast rather the forecast embodied in the 2008 Inner West Sub Regional Plan.

In relation to the specific sites SGS developed a model to assess the interaction of supply and demand under a range of scenarios. These scenarios involve the removal of the subject Industrial zoned land areas from the model in order to identify the potential implications of their removal on the capacity of the Leichhardt LGA to accommodate forecast employment.

The results of the modelling confirmed that as industrial sites are removed and the resulting supply deficits are relocated to other suitable areas, the overflow demand can be redistributed to other suitable alternative areas (both industrial and business zoned lands) without resulting in supply deficits. Indeed, after the redistribution of overflow demand all precincts remained with surplus, albeit of smaller magnitude.

Furthermore, by applying the "Principles" adopted by Council in 2006 i.e. the transition in land uses across the George Street Site, from industrial at the southern (Parramatta Road) end through a mixed use area to residential at the northern (Market Town) end; an even greater level of certainty is achieved.

Based on the research and modelling Leichhardt Council is now in a position to advise the Department of Planning as follows:

- o Council has now confirmed a range of industrial, mixed use and residential areas across the site of the planning proposal in question – Refer **Appendix D and E**
- o Research carried out by SGS Consultants has confirmed that these changes in land uses and zoning can be accommodated without compromising Council's ability to
 - (i) achieve its long term employment targets – based on the 2009 Transport Data Centre forecasts, which have been incorporated into the review of the Metropolitan Strategy
 - (ii) accommodate potential growth across a range of employment types up until 2031

4.2 *No details (maps, etc.) have been provided relating zone boundaries, height and FSR controls which would allow assessment of the impact of any future development*

A series of maps and other explanatory documents were attached to the Planning Proposal forwarded to the Department of Planning by Council in May 2010. More detailed documentation has now been prepared to further assist the Department of Planning in understanding the various aspects of the Planning Proposal, including:

- o Investigation of connections and open space – Refer **Appendix F**
- o Investigation of active transport links – Refer **Appendix G**
- o Maximum Floor Space Ratio across the site – Refer **Appendix H**

In relation to the proposed future land uses and zones, staff have determined that the Enterprise Corridor – Zone B6 and Residential – Zone R1 appear to be the zones that best satisfy the objectives of Council, the proponent and the Department of Planning.

The proposed land use zones can be summarised as follows:

Zone B6 Enterprise Corridor
Objectives of the zone

- To promote business along main roads and to encourage a mix of compatible uses
- To provide a range of employment uses (including business, office, retail and light industrial uses) and residential uses (but only as part of a mixed use development)
- To maintain the economic strength of centres by limiting retailing activity
- To encourage active street frontages

Zone R1 General Residential

Objectives of zone

- To provide for the housing needs of the community
- To provide for a variety of housing types and densities
- To enable other land uses that provide facilities or services to meet the day to day needs of residents
- To improve opportunities to work from home
- To provide housing that is complementary to and compatible with the character, style, orientation and pattern of surrounding buildings, streetscape, works and landscaping.

These details should be forwarded to the Department.

Notwithstanding the above, the Planning Proposal is a work in progress and will evolve and is likely to be further refined prior to public exhibition and during the course of the community consultation phase.

4.3 *Inadequate justification has been provided in relation to the consistency of the planning proposal within Council's strategic framework for this locality.*

As stated above, SGS Consultants were engaged by Leichhardt Council in November 2007 to undertake the Employment Lands Study. The study was completed in November 2010.

Based on the research and modelling Leichhardt Council is now in a position to advise the Department of Planning as follows:

- o Council has now confirmed a range of industrial, mixed use and residential areas across the site of the planning proposal in question – Refer **Appendix D and E**
- o Research carried out by SGS Consultants has confirmed that these changes in land uses and zoning can be accommodated without compromising Council's ability to
 - (i) achieve its long term employment targets – based on the 2009 Transport Data Centre forecasts, which have been incorporated into the review of the Metropolitan Strategy
 - (ii) accommodate potential growth across a range of employment types up until 2031

In addition to the above, the results of Employment Land Study, will provide a framework for the production of related documents such as:

- The Leichhardt LEP 2011
- The Leichhardt DCP 2011
- The Community and Cultural Plan

- The Integrated Transport Strategy
- The Employment and Economic Development Strategy
- Council's Strategic Sites and Corridors Study – which includes the nearby Parramatta Road Corridor and Market Town.

4.4 Adherence to the original principles

The Planning Principles were presented to the Planning Committee on 8 September 2005. The primary purpose of the report was to recommend a set of planning and design guidelines for the redevelopment of the former Kolotex site. The following is a summary of the original Planning Principles together with a comment indicating the current status of the Planning Principle:

Principle: Development should adopt a perimeter block planning approach resulting in buildings to all street alignments. Each frontage should be active (The principle ensures that there are no rear elevations that segregate the development from the public domain).

Comment: Council staff have continued to require active street frontages with buildings erected to all street alignments.

Principle: Car parking areas should not be visible from the public domain (The principle ensures elevations are consistent with surrounding future mixed land uses).

Comment: Council staff have continued to require basement car parking.

Principle: A pedestrian connection should be provided between George and Upward Streets. This should be linked to a public open space area that can service the future work, resident and local population.

Comment: Council staff have continued to pursue multiple connections between George and Upward Streets to promote improved resident/active transport connections in the area. Staff continue to believe there is merit in the widening of Upward Street and potentially George Street.

Principle: The tops of buildings should be modulated with the highest structures at the southern end of the site. To maintain a reasonable scale with surrounding development the maximum height of buildings should be four storeys. Building heights should reduce to two storeys at the north end to better integrate with existing housing which is predominantly single storey.

Comment: Council staff have continued to pursue design options that:

- address height, overlooking, overshadowing
- step down across the site

Principle: Land uses should graduate from light industrial/commercial uses (southern end) to low density residential uses (northern end) –

(This principle maintains the residential character of the northern end of the precinct and avoids potential conflicts that may be associated with residential development in the southern end).

Comment: Council staff have continued to pursue a range of land using across the site, progressing from Industrial at the southern (Parramatta Road) end to residential at the northern (Market Town) end.

Principle: The development should demonstrate compliance with ESD best practise and BASIX (This principle recognises that development of the scale proposed can and should embrace ESD principles).

Comment: Council staff have continued to require compliance with BASIX and other best practice design and ESD principles

Principle: The development must comply with the provisions of State Environmental Planning Policy No.65 – Design Quality of Residential Flat Development (this principle is a statutory requirement and recognises the importance of ensuring a high level of amenity of future residents and surrounding residences).

Comment: Compliance with State Environmental Planning Policy No.65 – Design Quality of Residential Flat Development is mandatory

Principle: The maximum floor space ratio for development on the site should be 2:1.

Comment: The current planning proposal has a maximum FSR of 2.0:1.

Principle: Traffic and parking associated with any redevelopment of the site should not have an identifiable impact on the operation of the local road network.

Comment: Council staff have continued to require a traffic solution that minimises the impact on surrounding residential properties, in particular the possibility that all access and egress to the property be via Parramatta Road.

4.5 Clarification of the Site

The current application relates to the Kolotex and Labelcraft sites located at 22 George Street and 30 - 40 George Street Leichhardt – Refer Figure 4 below...

The previous rezoning application lodged with Council related specifically to the Kolotex site located at 22 George Street Leichhardt – Refer Figure 4 below..



Figure 4 – Kolotex Labelcraft Planning Proposal

Historically, the initial focus of this matter was the George/Tebbutt Precinct - refer Figure 2 earlier in this report. However, almost from the outset Council also gave specific consideration to the Kolotex Masterplan which comprised both the 22 George Street and 30-40 George Street landholdings – refer Figure 3 earlier in this report. Refer also Section **e June 2004** earlier in this report.

Notwithstanding the above, the rezoning application previously requested by Council and ultimately lodged with Council relates only to the former Kolotex site at 22 George Street.

The advice received from the Department of Planning in April 2007, advising Council that it was unlikely to support the LEP amendment as proposed, related only to the Kolotex site.

Throughout the intervening period Council staff have continued to liaise with the representatives of Kolotex in the terms of the Council resolution dated November 2006, namely:

- A transition of heights across the site, from taller buildings in the south to shorter buildings in the north
- A transition of uses across the site – from non - residential in the south to residential in the north
- A floor space ration of 2.0:1
- The payment of all S94 contributions in accordance with Councils current S94 plans

As such, any history as to the nature of development that Council may be prepared to support relates purely to the Kolotex site. The rezoning in relation to the Labelcraft site is a new matter and Council still has to determine its views in relation to matters such as open space, S94 etc.

4.6 Adaptive re-use versus a new building

The previous proposal adopted by Council in November 2006 (Resolution C419/06) was based on the adaptive re-use of the former industrial building – which is still located on the site.

The merits of adaptive re-use versus the development of a new building is referred to in a number of Council documents and reports, most specifically being the report was tabled at the Planning Committee on 8 September 2005. The primary purpose of the report was to recommend a set of planning and design guidelines for the redevelopment of the former Kolotex site. The report canvassed two specific issues, namely the matter of Adaptive Re-Use and the proposed Planning Principles.

In relation to “adaptive re-use” the report made the following comments:

Fundamental to any guidelines or principles for the subject site is whether full site redevelopment or adaptive re-use is preferable in achieving an acceptable redevelopment outcome for the site. In this respect, discussions were undertaken at the instigation of the proposed redevelopment of the site as to whether a full site redevelopment or an adaptive re-use redevelopment was preferable. Council officers favoured the **former^{#1}** while the proponent preferred the adaptive re-use approach. There are advantages and disadvantages with either approach, however, adaptive re-use has advantages in heritage and sustainable development principles, in terms of the retention of embodied energy; the latter being applicable in the current situation. Accordingly, it is not considered appropriate that Council insist on either approach unless one can be shown to be flawed.

Note: **former^{#1}** above, has been corrected, due to an error in the original report.

4.7 Status of a former Development Approval on the site.

The April 2010 report to Council made reference to Legal Advice in relation to the existing Development Approval. This reference was included in the report based on comments noted in an earlier Council report. The report concerned was presented to the Planning Committee meeting on 11th May 2006 to advise Council of the outcome of the viewing of the model of the proposed development of the former Kolotex Site, George Street, Leichhardt and to detail a response to traffic issues raised in submissions during the exhibition of the model.

This report that contains the reference to the status of the current consent – at Page 29 and 30, which reads in part as follows:

The following is a summary of the issues raised in submissions:

3. *An active development consent exists for the Kolotex site. Consent was granted in the 1970's for the construction of a large multi level industrial premises, which has been substantially commenced (two (2) storeys have been completed). Accordingly, the consent to complete the work on the property still applies. This fact has been confirmed by Council's Officers;*

In relation to the issue of the status of a former Development Approval on the site, Council staff acknowledge that this was an unsubstantiated statement included in error in the previous report.

4.8 Public Open Space

The issue of Public Open Space was considered on a number of occasions throughout the development of the original Masterplan in respect of the Kolotex and Labelcraft sites.

On 9th June 2005 a report was tabled at the Planning Committee Meeting which informed Council of the revisions that had been made to the draft master plan since it was reported to the March 2005 Planning Committee, in particular:

- § The scope and staging of the master plan
- § Traffic and Parking – the fact that Council had commissioned an independent review
- § Upward Street façade treatment – the need for it to be activated
- § Upward Street widening
- § **Open Space / Landscaping – the inclusion of a 314.55m² public piazza located on the boundary with the Labelcraft site**
- § Privacy
- § Building heights

The Planning Committee deferred consideration of the matter until a report was prepared incorporating amongst other things, an evaluation of the merit of the open space that was being provided as part of the proposed development.

On 11th August 2005 a further report was tabled at the Planning Committee. In relation to the issue of Public Open Space the report concluded that the piazza, Upward Street Road Widening and S94 Contributions would be acceptable as the public open space contribution

As such at the time the previous rezoning application was lodged by Kolotex no provision was made for open space other than the then proposed piazza, widening of Upward Street and S94 contribution.

Notwithstanding the above, Council always has the option of reviewing its position in relation to the provision of Open Space, in particular as the actual rezoning proposal now includes the Labelcraft site. To ensure clarity for all concerned in relation to this issue, Council staff should enter into negotiations with the owners of both the Kolotex landholding and the Labelcraft landholding to confirm an appropriate public open space contribution for the respective landholdings. It should be noted that Council may require at its discretion the dedication of land for open space in lieu of open space monetary contributions under its section 94 plan. The results of these negotiations should be reported back to Council for endorsement prior to the Planning Proposals Statutory exhibition period.

4.9 Voluntary Planning Agreement

Council resolved to support the re-zoning of the Kolotex site in November 2006 and advised the Department of Planning accordingly.

The Department of Planning did not support the rezoning at that time and as such it did not proceed.

Council adopted its current policy guideline in relation to Voluntary Planning Agreements on 19 August 2008. This policy provides that a development contribution and / or material public benefit may be negotiated where an application is made for a change to, or the revocation of an environmental planning instrument that results in a increased land value due to the change of use and/or an increase in permissible floor space. This VPA framework makes it possible for Council to share in the benefits of rezoning land via contributions for provision of public amenities or public services, affordable housing, transport or other infrastructure.

Council's VPA policy applies to the Kolotex and Labelcraft sites and was applicable since August 2008 when the policy was adopted. The latest planning proposal is different from the 2006 proposal supported by Council in that it is approximately 50% larger due to the addition of the Labelcraft site, and is no longer based on adaptive re-use. However, Council staff have been in discussions with the proponents for the Kolotex site since November 2006 and have continued to progress the application in accordance with the November 2006 Council resolution which was prior to the adoption of Council's VPA Policy. A VPA has not been part of those discussions with the exception of the payment of all S94 contributions in accordance with Councils current S94 Contribution plans (disregarding any Ministerial direction capping the amount of any such contribution).

The public benefits possibly able to be negotiated as part of a VPA are not known at this stage as there would need to be an analysis of the economic benefits of the rezoning to the developer. However, the public benefits may well exceed the current offer for uncapped s94 contributions.

It is not too late to seek a VPA in accordance with Council policy from either Kolotex or Labelcraft. However, it is acknowledged that Council staff have been in ongoing dialogue with the proponents of the Kolotex site on the basis of the November 2006 Council Resolution, which did not include a VPA as at that time Council did not have a VPA policy. No such dialogue has occurred with the proponents of the Labelcraft site.

Council has a number of options with regard to a VPA, requiring a decision by Council for staff to implement. Council may:

- A) Seek to negotiate a VPA for both the Kolotex and Labelcraft sites in accordance with the Council policy;

OR:

- B) Seek to negotiate a VPA for the Labelcraft site in accordance with the Council policy, and for the Kolotex site on the basis of previous discussions including requiring the payment of all s94 contributions in accordance with Councils current s94 Contribution plans (disregarding any Ministerial direction capping the amount of any such contribution).

The Voluntary Planning Agreements are to be drafted and endorsed by Council prior to the Planning Proposals Statutory exhibition period.

4.10 Confirmation of the Merits of Proposal

Since as far back as 2000, Council has been aware of issues regarding the suitability of certain areas of Industrially zoned land within the LGA to:

- continue to generate employment outcomes consistent with the current land use zoning
- sit in close proximity to established residential precincts.

The George Street site that is the subject of this report is one such location.

Historically the site has been used for the manufacture of clothing, however the manufacture of clothing ceased in 2002 and since that time it has proved difficult for the owners to secure a viable industrial operation on the site. The site is presently used in part for the storage of motor vehicles prior to their sale at car dealerships.

In the context of the above Council has explored options to rezone the site in order to:

- Generate employment outcomes that are consistent with the:
 - o changing demographics and business circumstances of the inner metro area
 - o the sites proximity to the Parramatta Road Corridor
 - o the sites location and vehicular access arrangements
 - o the sites proximity to the City and Public Transport
- The residential nature of the surrounding area.

Based on the above considerations the following additional matters have been investigated in order to confirm that the subject Planning Proposal has merit:

1. Potential Employment Outcomes

As stated elsewhere in the report, the proposal has been the subject of a rigorous evaluation by SGS.

The SGS Employment Land Study, provides a framework for the production of related documents such as:

- The Leichhardt LEP 2011
- The Leichhardt DCP 2011
- The Community and Cultural Plan
- The Integrated Transport Strategy
- The Employment and Economic Development Strategy

Council's Strategic Sites and Corridors Study – which includes the nearby Parramatta Road Corridor and Market Town

The proposed mixed use zone (Zone B6 Enterprise Corridor) and residential zone (Zone R1 – Residential) will facilitate a range of employment and residential outcomes that are suited to the sites location and circumstance. The SGS investigations have confirmed that the land uses incorporated within the Planning Proposal will not compromise Council's ability to

- (i) achieve its long term employment targets – based on the 2009 Transport Data Centre forecasts, which have been incorporated into the review of the Metropolitan Strategy
- (ii) accommodate potential growth across a range of employment types up until 2031

Finally the proposed mixed use zone will provide for a suitable transition from the existing Parramatta Road Corridor to the residential precinct proposed to be established on the northern end of the Planning Proposal site.

2. Design Principles

In 2006 Council endorsed a series of Design Principles to guide the future development of the Planning Proposal site. Whilst it has been confirmed that the current Planning Proposal remains consistent with those Principles, the question of the ongoing relevance of the Design Principles also needs to be addressed. In this regard the following points are made:

The proposal makes provision for:

- A transition of land uses across the site, from Industrial at the southern (Parramatta Road) end, through mixed use to residential at the northern (Market Town) end
- A range of building heights across the site, transitioning from taller commercial buildings at the southern (Parramatta Road) end to shorter residential buildings at the northern (Market Town) end.

In terms of overall guiding principles for the Planning Proposal site, the following more detailed assessment of each of the Design Principles is provided:

Principle: Development should adopt a perimeter block planning approach resulting in buildings to all street alignments. Each frontage should be active (The principle ensures that there are no rear elevations that segregate the development from the public domain).

Comment: This approach still reflects a sound approach to the planning of the site. A design that demonstrates perimeter block character is more suited to this location than other options such as podium and tower.

Principle: Car parking areas should not be visible from the public domain (The principle ensures elevations are consistent with surrounding future mixed land uses).

Comment: If parking is to be provided on site, basement parking is preferred over other options such as an upper level which generally impact significantly on building design outcomes. Basement parking facilitates buildings that address streets at the ground (pedestrian) level and optimise opportunities for active street frontages.

Principle: A pedestrian connection should be provided between George and Upward Streets. This should be linked to a public open space area that can service the future work, resident and local population.

Comment: Multiple connections between George and Upward Streets will make the site more permeable and promote improved resident/active transport connections in the area. Staff continue to believe there is merit in exploring the widening of Upward Street and potentially George Street.

Principle: The tops of buildings should be modulated with the highest structures at the southern end of the site. To maintain a reasonable scale with surrounding development the maximum height of buildings should be four storeys. Building heights should reduce to two storeys at the north end to better integrate with existing housing which is predominantly single storey.

Comment: Pursuing design options that:

- address height, overlooking, overshadowing require
- step down across the site

will ensure that the scale of the development is reflective of the surrounding buildings.

Principle: Land uses should graduate from light industrial/commercial uses (southern end) to low density residential uses (northern end) – (This principle maintains the residential character of the northern end of the precinct and avoids potential conflicts that may be associated with residential development in the southern end).

Comment: Pursuing land use options that transition across the site will ensure a style of development that is reflective of and integrates with the surrounding land uses.

Principle: The development should demonstrate compliance with ESD best practice and BASIX (This principle recognises that development of the scale proposed can and should embrace ESD principles).

Comment: Council staff are required to ensure compliance with BASIX. Likewise Council staff are committed to exploring and other best practice design and ESD principles

Principle: The development must comply with the provisions of State Environmental Planning Policy No.65 – Design Quality of Residential Flat Development (this principle is a statutory requirement and recognises the importance of ensuring a high level of amenity of future residents and surrounding residences).

Comment: Council staff are required to ensure compliance with State Environmental Planning Policy No.65 – Design Quality of Residential Flat Development

Principle: The maximum floor space ratio for development on the site should be 2:1.

Comment: A maximum Floor Space Ratio combined with the pursuit of design options that:

- address height, overlooking, overshadowing require
- step down across the site

will ensure that the scale of the development is reflective of the surrounding buildings.

Principle: Traffic and parking associated with any redevelopment of the site should not have an identifiable impact on the operation of the local road network.

Comment: Any traffic solution should continue to explore opportunities that minimise the impact on surrounding residential properties, and pursue active and public transport options.

Based on the above assessment the ongoing relevance of the Design Principles can be confirmed.

The next stage in the Planning proposal must now involve the preparation of a Development Control Plan that reflects the Design Principles endorsed by Council in 2006. The Development Control Plan must be based on sound urban design analysis and examine appropriate built form for the site, including proposed building envelopes, open space provision, heights and floor space ratio. The study should also address integration with active and public transport, solar access, acoustic privacy, visual privacy, view loss and environmental and residential amenity of the site and adjoining properties and land uses. The Development Control Plan needs to be drafted and endorsed by Council prior to the Planning Proposals Statutory exhibition period.

Conclusion

Based on the preceding information and in order to facilitate the ongoing assessment of the Planning Proposal, the applicant should be requested to submit a consolidated set of documents – all to be endorsed by Council prior to the commencement of any Statutory public exhibition process:

- a) **Planning Justification Report:** The report is to include a full justification for the rezoning and analysis of planning and land-use zone choices and issues.
- b) **Environmental Performance Report:** This report should demonstrate how the development will incorporate ecologically sustainable development principles in the design, construction and ongoing phases of the development.
- c) **Parking, Traffic, Transport and Accessibility Report:** To be prepared by a suitably qualified transport consultant, to provide:
 - advice regarding proposed on site parking, car share, cycle paths, cycle storage facilities, road layout for the site,
 - advice regarding integration of the site with the surrounding road network and analysis of any local traffic impacts resulting from proposed redevelopment
 - an analysis of opportunities to integrate the redevelopment of the site with the local public transport networks, new and existing cycle paths and new and existing pedestrian paths/networks.

with particular attention being to be given to:

- Pedestrian Network development, particularly in relation to the use of Upward and George Streets (*Possibly consider shared zones*)
- Access to Taverners Hill light rail stop. Particular attention should be given to safety issues associated with the intersection of Hathern Street and Tebbutt Street. Consideration should be given to alternative treatments to improve safety at this intersection
- The suitability and attractiveness of Parramatta Road as the main pedestrian link between the development and the Taverner's Hill light rail stop
- The impact of increased pedestrian movements across Tebbutt Street at its intersection with Parramatta Road. This intersection currently has marked crossing in Tebbutt Street with a signalised pedestrian crossing across Parramatta Road. (*Possibly consider full signalisation of this intersection*)
- The impact of increased traffic movements on the staggered intersection of George Street with Treadgold Street
- Methods to reduce parking demand with a view to reducing demand for kerbside traffic generation and parking (including provision of no-site car share and/or bike share schemes – possibly self-managed, and the provision of on-site bicycle parking facilities).

- Should employment based land uses be maintained on-site it will also be essential to address the manoeuvring of heavy vehicles both into/out of the site and from Parramatta Road. Care should also be taken to minimise the impact of such vehicle on all residential properties, most particularly these to the north of the site.
 - Should employment based land uses be included in the development consideration could be given to the management of its associated on-site parking in a manner which would permit “out of hours’ use by resident of nearby properties.
 - Consideration should be given to any additional traffic which may access the site via Lords Road, particularly in relation to school pick-up/set down periods and the street’s bus layover and Marketplace service access.
 - In accessing the impact of the development on the adjacent street network consideration should be given to the impact of any additional traffic on Marion Street as this street currently experiences severe delays during peak periods which have the potential to be exacerbated by the proposed installation of a signalised pedestrian crossing at the existing rail overpass.
- d) **Open Space Report:** Prepared by a suitably qualified consultant to provide advice on open space provision and linkages between the site and surrounding recreation, open space and community destinations. The results of the study will provide a basis for discussions with Council staff regarding an appropriate public open space contribution for the Kolotex and Labelcraft landholdings. The results of these negotiations will be reported back to Council for endorsement prior to the Planning Proposals Statutory exhibition period.
- e) **Stormwater Management Plan and Water Sensitive Urban Design Report:** To be prepared by a suitably qualified engineer and analysing the stormwater management of the proposal and any potential flooding issues. This plan must also examine opportunities for water sensitive urban design.
- f) **Contamination Report:** Prepared by a suitably qualified environmental consultant in accordance with the requirements of State Environmental Planning Policy No. 55 to confirm the site is suitable for residential use and advise of any remediation works necessary to make this site suitable for a change of land use.
- g) **Social Impact Assessment Report:** Prepared by a suitably qualified consultant in accordance with Council’s Social Impact Assessment Policy.
- h) **Community Consultation Strategy:** Given the history of the site, it is recommended that a comprehensive community consultation program that goes beyond the normal statutory public exhibition period of twenty-eight (28) days, be prepared to ensure appropriate community input.
- i) **Acoustic Report:** Prepared by a suitably qualified acoustic consultant and advising of any measures required to make the site suitable for the proposed change of land use, in particular in relation to aircraft noise.

- j) **Employment Lands Report:** Prepared by a suitably qualified consultant, the report must include any necessary modelling and respond to the following points:

What are the characteristics of the land being considered for rezoning?

- Access arrangements - proximity to transport nodes/ arterials
- Building age and condition
- Land and property values
- What current function does the land perform in the employment lands market
- What is the land's future potential as employment land

What are the operational requirements of the affected businesses?

- Cost of land/ property
- Access
- Neighbouring uses/ buffering
- Site and floor areas

What alternative locations satisfy these requirements?

- What is the character of identified alternatives in terms of access, cost, neighbouring uses, site and floor areas
- What capacity exists in these areas in existing buildings and on vacant sites (this has been assessed in the modelling for sites within the LGA)

To answer these questions, researchers will need to explore the specific conditions/ requirements for the areas/ businesses affected. This will likely require some level of consultation and on-site assessment.

- k) **Development Control Plan:** The Development Control Plan is to be based on an Urban Design Study.

The Urban Design Study should reflect the design principles endorsed by Council in 2006 and examine appropriate built form for the site, including proposed building envelopes, open space provision, heights and floor space ratio. The study should also address integration with active and public transport, solar access, acoustic privacy, visual privacy, view loss and environmental and residential amenity of the site and adjoining properties and land uses.

The Development Control Plan is to be drafted in consultation with Council staff and endorsed by Council prior to the Planning Proposals Statutory exhibition period. The Development Control Plan will be placed on exhibition concurrently with the Planning Proposal during the Statutory exhibition period.

- l) **Floor Space Ratio Report:** Provide details of the proposed Floor Space Ratio, in terms of both the current Leichhardt LEP 2000 definition and the New Standard Template definition.

- m) **Voluntary Planning Agreement:** Voluntary Planning Agreements in respect of both the Kolotex and Labelcraft landholdings. The Voluntary Planning Agreements are to be drafted and endorsed by Council prior to the Planning Proposals Statutory exhibition period. The Voluntary Planning Agreements will be placed on exhibition concurrently with the Planning Proposal during the Statutory exhibition period.

Appendix A Notification Map 24th February 2011

Appendix B Urbis Presentation 24th February 2011

Appendix C Flowchart of the Gateway Planning proposal plan-making process

Appendix D Proposed Zone Boundaries

Appendix E Potential future land use Zones

Appendix F - Investigation of connections and open space

Appendix G Investigation of active transport links

Appendix H Maximum Floor Space Ratio across the site

Appendix 3.

Council resolution of matter at 22 March 2011 Council Meeting

**ITEM 15 PROPOSAL TO REZONE THE 'KOLOTEX' AND 'LABELCRAFT'
SITES LOCATED AT 22 AND 30 - 40 GEORGE STREET,
LEICHHARDT, WITH FRONTAGES TO UPWARD STREET AND
MCALEER STREET**

C84/11 RESOLVED PLATE/PORTEOUS

That the application to rezone be deferred with clarification that the following issues be addressed:

- FSR no greater than 1.5:1
- Maximum 4 storeys
- Maximum 2 levels to street fronts
- Dedication of a significant proportion of open space as a public park
- Addresses risk of overshadowing
- Addresses privacy issues
- Key environmental sustainability principles
- And all recommendations as outlined in the Council officer's report.

Affordable housing outcomes to be incorporated in the Voluntary Planning Agreement.

CARRIED UNANIMOUSLY

Appendix 4. Applicant's proposed land use diagram

PARRAMATTA RD

MC ALEER STREET

Employment Zone
100% Employment

Mixed Use Zone
20% Employment

Residential Zone
100% Residential

UPWARD STREET

1040m2 Site
Existing
Commercial
Building

EXISTING
RESIDENTIAL

GEORGE STREET

Approx Site Area 1,040m2
@ 2:1 = 2,080m2 GFA
x 85% = 1,768m2 NLA
/ 20m2 per Job
= 89 Jobs

Approx Site Area 3,000m2
@ 2:1 = 6000m2 GFA
x 20% commercial use = 1,200
x @ 85% = 1,020m2 NLA
/ 20m2 per Job
= 51 Jobs

Residential Site Area 10,600m2
@ 2:1 = 21,200m2 GFA
@ 85% = 18,020m2 NLA

KEGWORTH
PRIMARY SCHOOL

LAND USE PLAN

GEORGE STREET LEICHHARDT

0m 10m 20m 30m
SCALE 1:500 @ A1



Appendix 5.

Gateway determination dated 22 June 2010



Planning



qB147637

10/12892

Department Generated Correspondence (Y)

Contact: Andrew Watkins
Phone: (02) 9228 6111
Fax: (02) 9228 6244
Email: Andrew.Watkins@planning.nsw.gov.au
Postal: GPO Box 39 Sydney NSW 2001

Our ref: PP_2010_LEICH_002_00 (10/11475)
Your ref: F04/00216

Mr Peter Head
General Manager
Leichhardt Municipal Council
PO Box 45
LEICHHARDT NSW 2040

Dear Mr Head,

Re: Planning Proposal to rezone the former "Kolotex" and "Labelcraft" sites at Leichhardt

I am writing in response to your Council's letter dated 11 May 2010 requesting a Gateway Determination under section 56 of the Environmental Planning and Assessment Act 1979 ("EP&A Act") in respect of the planning proposal to amend the Leichhardt Local Environmental Plan 2000 to rezone the sites at 22 and 30-40 George Street, Leichhardt to allow mixed use development.

As delegate of the Minister for Planning, I have now determined that the planning proposal should not proceed for the reasons outlined in the attached Gateway Determination.

Although I am not in a position to provide a positive gateway determination at this stage, there does appear to be a justifiable need to rezone these sites to allow for a broader range of uses which would contribute to Council achieving its sub-regional employment targets. If Council decides to re-submit a planning proposal for these sites, it should clearly differentiate between the employment and residential component and address the issue of ensuring that in any future development, the major emphasis be towards employment generating land uses. There should also be sufficient information to allow the public to understand how the LEP will control the height, scale and bulk of development on the land.

On a broader scale, Council needs to show how the future development of these sites will impact on the strategic direction of the wider area.

Council is encouraged to liaise with the Department's Regional Office in the preparation of any future planning proposal. In this regard Andrew Watkins can be contacted on 02 9228 6225.

Yours sincerely,

Tom Gellibrand
Deputy Director General
Plan Making & Urban Renewal

22/6/10

Gateway Determination

Planning Proposal (Department Ref: PP_2010_LEICH_002_00): to rezone the former "Kolotex" and "Labelcraft" sites at 22 and 30-40 George Street, Leichhardt to allow mixed use development.

I, the Deputy Director General, Plan Making & Urban Renewal as delegate of the Minister for Planning, have determined under section 56(2) of the EP&A Act that an amendment to the Leichhardt Local Environmental Plan 2000 to rezone the former "Kolotex" and "Labelcraft" sites at 22 George Street (Lots 6-9 DP79950, Lot B DP 327352, Lots 1-2 DP102461, Lots 10-13 DP83665, Lot 1 DP 104359, Lot 1 DP 1108695, Lot 5 DP1080665, Lot 15 DP 1081840) and 30-40 George Street, Leichhardt (Lot 7 DP 448755, Lot 16 DP 69760, Lot 5 DP745976, Lot 6 DP 745976, Lot 1 DP 745978, Lot 1 DP 920105, Lot 1 DP 972151, Lot 1 DP 745979, Lot 9 DP 666322.) should not proceed for the following reasons:

1. There is insufficient information to determine the "split" between employment and non-employment land uses and to ensure that employment generating uses will remain the dominant land use. This is particularly relevant within the context of the current Inner West sub-regional employment targets.
2. No details (maps, etc) have been provided relating to zone boundaries, height and FSR controls which would allow assessment of the impact of any future development.
3. Inadequate justification has been provided in relation to the consistency of the planning proposal within Council's strategic framework for this locality.

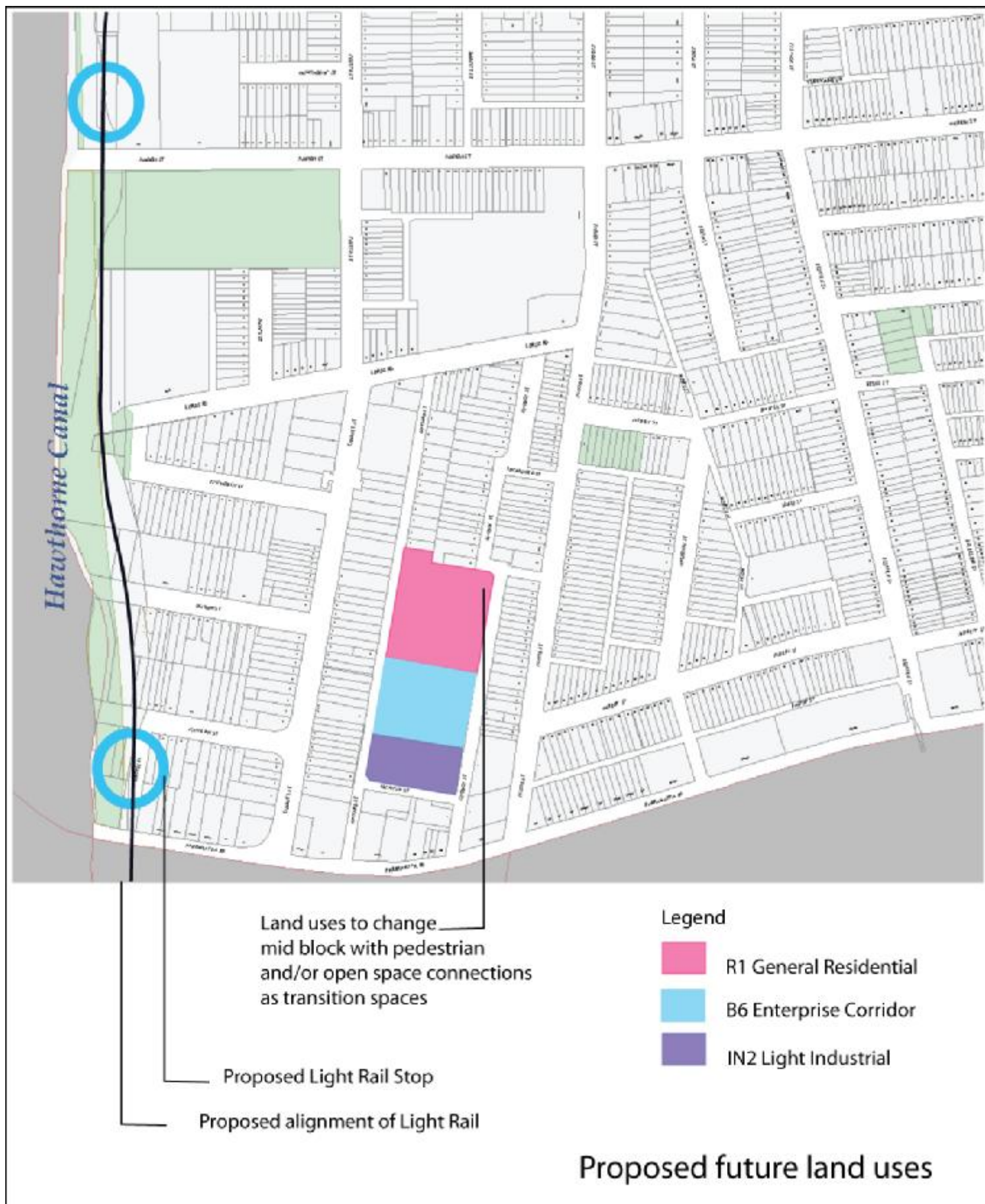
Dated 22nd day of June 2010.



Tom Gellibrand
Deputy Director General
Plan Making & Urban Renewal
Delegate of the Minister for Planning

Appendix 6.

Council Officer's recommended zoning pattern, zone objectives and FSR



The proposed land use zones can be summarised as follows:

Zone B6 Enterprise Corridor

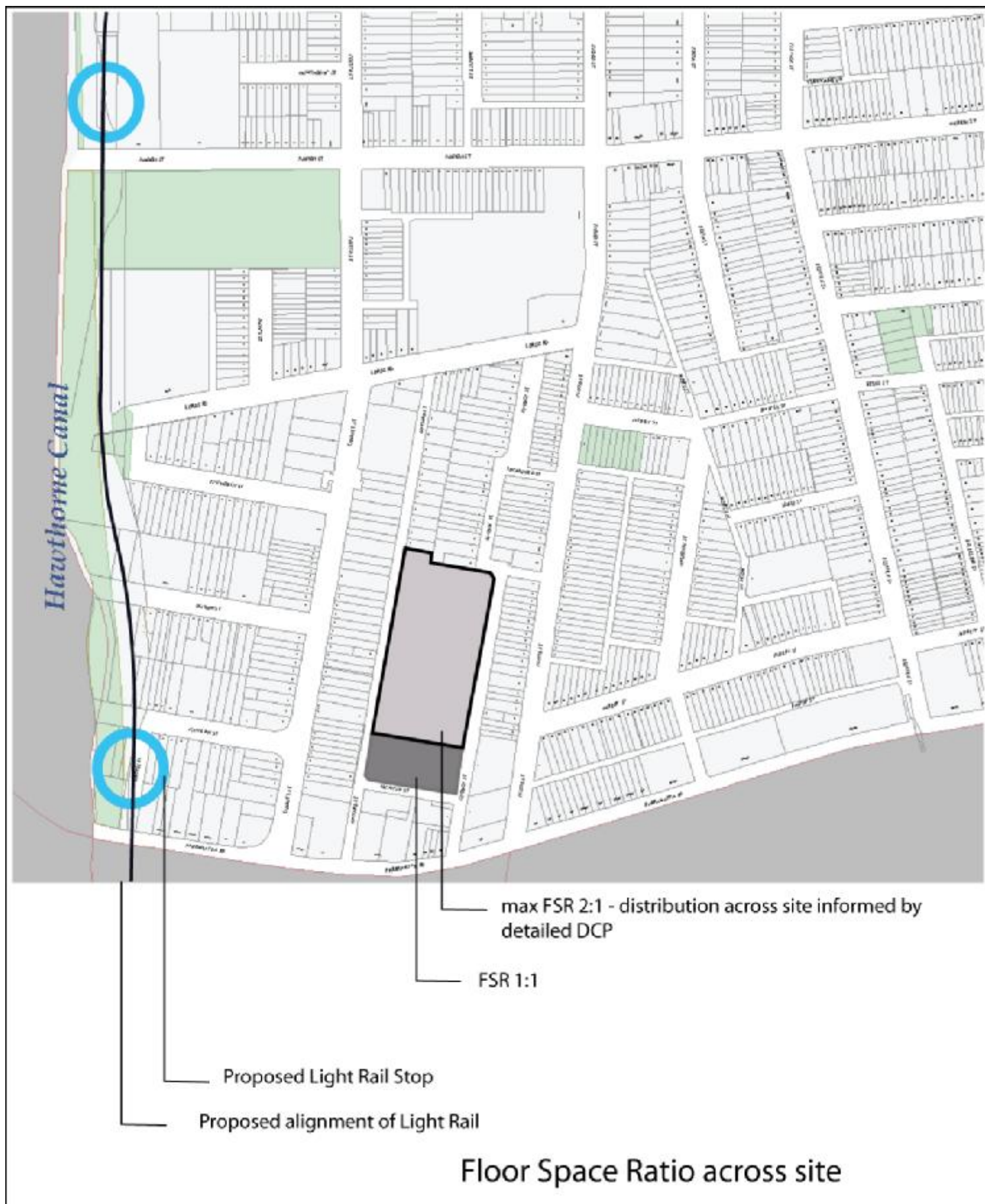
Objectives of the zone

- To promote business along main roads and to encourage a mix of compatible uses
- To provide a range of employment uses (including business, office, retail and light industrial uses) and residential uses (but only as part of a mixed use development)
- To maintain the economic strength of centres by limiting retailing activity
- To encourage active street frontages

Zone R1 General Residential

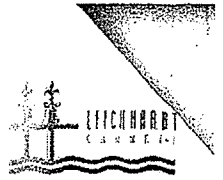
Objectives of zone

- To provide for the housing needs of the community
- To provide for a variety of housing types and densities
- To enable other land uses that provide facilities or services to meet the day to day needs of residents
- To improve opportunities to work from home
- To provide housing that is complementary to and compatible with the character, style, orientation and pattern of surrounding buildings, streetscape, works and landscaping.



Appendix 7.

Council report extract regarding earlier Community consultation process



consultant planner for the proposal (since June 2004) and is to remain in that role in conjunction with himself. Mr McDonald then provided a brief summary of the history of the rezoning proposal that is presently with Council, which culminated in the draft planning guidelines for the property being adopted for exhibition purposes by Council, late last year (2005). The applicant's team recognise that the completion of a model for the redevelopment of the Kolotex site has been highly successful.

Mr McDonald also advised the meeting that the original proposal for the redevelopment of the Kolotex site comprised a building six (6) storeys in height and a floor space ratio of 2.4:1. Since that time, the matter has been discussed at a number of Planning Committee meetings and Council Meetings. Information has also been provided on the proposal, on Council's website. It has been calculated that there have been fourteen (14) events where the community has had the opportunity to view or comment on the proposed redevelopment. This input has been very beneficial for the redevelopment proposal.

The overwhelming community response has been positive. As a result of the community input a number of changes have been made to the redevelopment proposal. The key changes are that the floor space ratio has been reduced from 2.4:1 down to 2:1. The car parking has been altered and the existing building is to be retained. The development will comprise internal balconies and the central atrium will divide the building along its spine. The atrium is of such a generous scale that trees will be able to be grown within that space.

From an Ecologically Sustainable Development (ESD) perspective, the proposal exceeds Basix and State Environmental Planning Policy No.65 (SEPP 65) requirements. The ESD aspects of the development have been enhanced by the evolution of the assessment process for the rezoning application. In that regard, the community has had very good access to the model for the redevelopment, with the owner of the Labelcraft site (Mr Terry Rowney) maintaining an open door policy for surrounding residents to view the model. Therefore, the key points for the proposed redevelopment are:

1. The proposed floor space ratio for the development is consistent with the Planning Guidelines which have been adopted by Council for the purposes of public exhibition;
2. The development proposal would generate less traffic than the former industrial use of the property;
3. An active development consent exists for the Kolotex site. Consent was granted in the 1970's for the construction of a large multi level industrial premises, which has been substantially commenced (two (2) storeys have been completed). Accordingly, the consent to complete the work on the property still applies. This fact has been confirmed by Council's Officers; and
4. The staging of the construction of the redevelopment can be internalised on the site, which will minimise impacts on surrounding residents.

Appendix 8. Community Consultation report (Urbis, January 2011)

Community Consultation Report: Kolotex and Labelcraft Sites 14 – 40 George St, Leichhardt

Prepared for KGS (VIC) Pty Ltd as instructed by
Catylis Properties Pty Ltd

January 2011

urbis



Urbis Social Planning and Social Research team has received ISO 20252 certification, the new international quality standard for Market and Social Research, for the provision of social policy research and evaluation, social planning, community consultation, market and communications research.

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Appendix A Consultation Materials

- A.1 Notification letter # 1
- A.2 Notification letter # 2
- A.3 Community Newsletter
- A.4 Community Newsletter Catchment
- A.5 Feedback Form template
- A.6 Copy of feedback forms received
- A.7 Copy of Community Information and Feedback Session display boards

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Executive Summary

Urbis has been engaged and instructed by Catylis Properties Pty Ltd ('Catylis') on behalf of the land-owner by KGS (VIC) Pty Ltd to conduct community and stakeholder engagement in relation to an application to rezone part of the former Kolotex site and the Labelcraft site at 14 – 40 George Street, Leichhardt.

The objective of the consultation was to:

- Invite participation, ideas and feedback from key stakeholders;
- Identify key issues to inform future consultation and planning;
- Allow the planning process to consider community and member values and interests;
- Communicate feedback from the community and key stakeholders to the project consultant team; and
- Provide a report to the consent authority as part of the rezoning process.

As such, this report outlines the consultation activities undertaken as part of the planning process and provides a summary of issues raised by key stakeholders.

The proposal

Catylis (on behalf of KGS (VIC) Pty Ltd) is seeking approval from the NSW Department of Planning (DoP) and Leichhardt City Council (the Council) for a Planning Proposal to amend the Leichhardt Local Environmental Plan (LEP) 2000 to facilitate a future mixed use development at the former Kolotex and Labelcraft sites at 14 – 40 George Street, Leichhardt. The Proposal seeks approval to change the zoning which applies to the site from 'industrial' to 'mixed use', allowing the site to be developed as a future mixed use scheme.

Consultation Process

The consultation process provided opportunities for key stakeholders and the local community to provide feedback on the proposal. The consultation catchment included local residents living in the immediate vicinity of the site and businesses in the Leichhardt area. The catchment adopted by Urbis for the purposes of this consultation incorporated the area previously adopted by Council in the consultation process during 2005-6 as well as expanded residential areas to the east, west and north, and businesses and properties along the Norton Street and Marion Street spines (refer Appendix A.4) including Leichhardt MarketPlace. In addition, Local and State Government agencies and other relevant organisations were actively engaged throughout the consultation period.

Urbis consultation activities included:

- Notification letters and invitations to attend community meetings;
- Two community meetings;
- 1800 number and designated email address;
- Meeting with adjoining land owner;
- Meeting with Leichhardt Council Ward Councillors;
- Community newsletter – distributed 700 to nearby residents; and
- Community Information and Feedback Session (CIFS) – including provision of community feedback forms and reply paid envelopes.

Summary of Consultation Findings

Stakeholders and the local community were interested in the development that may occur on the site if it were to be rezoned from 'industrial' to 'mixed use'. There were a number of reoccurring issues raised by the local community. There were also a number of perceived benefits associated with the rezoning proposal. Key issues, areas of interest and benefits as follows:

- Need for bulk, scale and height of development to relate well to surrounding streets;
- Concern about potential amenity impacts – particularly overshadowing and loss of privacy;
- Need for appropriate traffic management and pedestrian safety;
- Concern about any increase in traffic volumes;
- Need for adequate onsite parking (on-street parking is in-demand);
- Concern about the relative demand for proposed land uses;
- Importance of public access and facilities and local green space;
- Support for sustainable design principles and environmentally-friendly development;
- Support for inclusion of affordable housing, subject to various concerns being resolved (if such affordable housing could be proposed);
- Need for clarity about planning and consultation processes and commitments; and
- Perceived benefits – including local employment, additional housing, green belt and setbacks.

Next Steps

Leichhardt Council and the NSW DoP will consider the rezoning application for the site, allowing the commencement of more detailed technical studies as well as the preparation of a Development Control Plan for the site. A copy of this report will be provided to the NSW DoP and Leichhardt Municipal Council (the Council) and will inform the assessment process. Following this, there will be further consultation with the community as deemed necessary.

1 Introduction

Urbis has been engaged and instructed by Catylis Properties Pty Ltd ('Catylis') on behalf of the land-owner by KGS (VIC) Pty Ltd to conduct community and stakeholder engagement in relation to an application to rezone part of the former Kolotex site and the Labelcraft site at 14 – 40 George Street, Leichhardt.

This document provides a summary of consultation activities undertaken as part of the planning process, as well as a summary of issues raised by key stakeholders and the local community during the consultation period and associated responses.

Urbis conducted a transparent consultation process that enables a range of views to be heard and systematically captured. We routinely communicated the outcomes to the project management team and Leichhardt Municipal Council so that the planning process could consider suggestions where appropriate, and be informed by stakeholder and community views.

This report is provided to accompany a planning proposal seeking approval from the NSW DoP to amend the Leichhardt LEP 2000, as part of the gateway determination process. A copy of the report will be submitted to both Leichhardt Municipal Council and the NSW DoP.

1.1 The Planning Proposal

Catylis (on behalf of KGS (VIC) Pty Ltd) is seeking approval from the NSW DoP and Leichhardt Council for a Planning Proposal to amend the Leichhardt LEP 2000 to facilitate a future mixed use development at the former Kolotex and Labelcraft sites at 14 – 40 George Street, Leichhardt. The Proposal seeks approval to change the zoning which applies to the site from 'industrial' to 'mixed use', allowing the site to be developed as a future mixed use scheme.

The rezoning matter has a lengthy history with a rezoning proposal previously submitted for the Kolotex site (excluding the Labelcraft site) in 2006. The previous proposal envisaged the conversion of the existing industrial building for residential units. Community consultation was undertaken at the time.

More detailed analysis has confirmed that retaining the building will mean that residential design standards relating to solar access, privacy, acoustics and ventilation (as contained in *State Environmental Planning Policy 65*) cannot be met. It also compromised the effective management of traffic and car parking issues across the site, and may not have resulted in the improvement of localised flooding issues.

The Conceptual Plan

The planning proposal is supported by a conceptual plan for the site. The plan is a tool to assist in determining requirements for building setbacks, open space, car parking and other controls. It features:

- Various buildings and green spaces across the site, including green space around the perimeter;
- Residential units with pedestrian paths and vehicular access;
- Basement car parking meeting Council's standards;
- Localised retail facilities at ground level;
- Commercial office space for uses which may include a medical centre, childcare centre, specialist health and professional services;
- An internal road and pedestrian network to serve the site, including pedestrian thoroughfares and bicycle path through the site providing cross-linkages between George and Upward Streets; and
- Opportunities to achieve superior environmentally sustainable design (ESD) standards within the design.

The indicative conceptual plan envisages development that does not exceed a floor space ratio (FSR) of 2:1 – which was previously tabled with the community.

1.2 Consultation: Urbis Social Policy

Consultation and stakeholder engagement requires a robust and evidence-based approach. Urbis Social Policy work is conducted independently of Catylis and KGS. Our approach seeks to genuinely solicit community and stakeholder views through a well managed and articulated process.

Good stakeholder consultation and management significantly improves the outcomes of development through gauging community support for a proposal and providing insights into community needs and expectations for a site. Genuine consultation enables problem areas to be identified and proactively resolved and can therefore be a valuable risk management tool.

Rigorous and independent processes make stakeholder engagement more effective. We work independently of the Urbis Urban Planning Team in undertaking consultation to encourage equitable participation, and elicit honest input from the community and stakeholders regarding the development.

Regardless of the scale and nature of consultation, our approach to consultation is always based on the following principles:

- One size does not fit all;
- Focusing on interests and issues, not positions, based on evidence;
- Articulating options for mutual gain for the organisations and individuals who will potentially gain from the project as well as those who see themselves as being negatively affected. A key strategy is to find areas of shared interest and to work from there;
- Building consensus around shared values and goals. Where consensus cannot be achieved, issues of difference and impediments to reaching consensus are identified, described and acknowledged;
- Building understanding and collaboration through good process and quality information inputs;
- Ensuring all key stakeholders are identified and the outcomes from meetings are recorded and achievable;
- Adequate time, staff support and resources should be made available to support the processes;
- Participants must be aware of how their inputs will be used and given feedback on the outcomes; and
- Thorough and transparent review of the consultation process should occur at critical points throughout the engagement and at its conclusion.

1.3 Leichhardt Council Community Engagement Framework

The Leichhardt Community Engagement Framework indicates the community and Councils commitment to community consultation and engagement. The Council commit to the following principles in order to most effectively and fairly engage the community:

- Accurate, accessible and timely information will be provided as the basis for effective consultation;
- Participation will be encouraged by all who live, work, study and play in Leichhardt, individuals, groups and organisations;
- Barriers to participation will be identified and minimised, and practices to promote participation optimised;
- The purpose of each consultation will be clearly stated; and
- Feedback about the outcomes of consultation will be provided to participants as well as communicated to the general public.

The Framework sets out structures and processes for community engagement including methods of engagement and processes for different types of issues and outcomes. Methods of engagement adopted by council include information provision, information seeking, and involving the community.

The Community Engagement Framework expresses the importance of open, participatory and transparent community consultation.

1.4 Objectives

The objective of the consultation was to:

- Invite participation, ideas and feedback from key stakeholders;
- Identify key issues to inform future consultation and planning;
- Allow the planning process to consider community and member values and interests;
- Communicate feedback from the community and key stakeholders to the project consultant team; and
- Provide a report to the consent authority as part of the rezoning process.

As such, this report outlines consultation activities and feedback received during the consultation period. It is important to note that the feedback contained in this report cannot be read as being statistically representative of opinion within the local community.

2 Summary of Consultation and Communication Activities

This section provides a summary of the consultation activities undertaken as part of the stakeholder and community engagement process.

2.1 Stakeholder Identification

Stakeholder analysis was conducted to identify key individuals and groups to be engaged. Stakeholders were identified through an understanding of the previous proposal (2006) and the community consultation process that accompanied it. Input was also invited from key organisational stakeholders including Leichhardt Council. Analysis was undertaken in relation to the previous consultation, and Urbis ensured that those who had participated in the past were contacted first and consulted early on to ensure that they were well informed about the proposal.

The following stakeholders were identified for consultation:

- Local residents and community members – particularly those living in close proximity to the site;
- Kegworth Public School;
- Local business owners;
- Leichhardt Council Mayor;
- Leichhardt Council Ward Councillors;
- Leichhardt Council General Manager;
- State and Federal Members of Parliament;
- NSW Minister for Planning; and
- Director General of NSW Department of Planning.

2.2 Stakeholder Engagement and Participation

The following targeted stakeholder engagement activities formed part of the consultation process and provided opportunities for local community members to provide feedback on the rezoning proposal. The purpose of each consultation tool is outlined in Table 1. Consultation was undertaken over a 6 month period, from June to November 2010. Activity is outlined below.

- **Notification letter and invitation** to attend a community meeting (See Appendix A.1 for letter) – a total of 38 letters were sent on 4 June, 2010 (two weeks in advance) to the following stakeholders:
 - Leichhardt Municipal Council Mayor;
 - Three Leichhardt Council Ward Councillors;
 - State and Federal Members of Parliament (MP's)- The Hon. Verity Firth and The Hon. Amanda Fazio;
 - The Principal, Kegworth Public School;
 - The Centre Manager, MarketPlace Leichhardt;
 - The Rick Damelian Group; and
 - Twenty-nine residents in close proximity to the subject site who had raised concerns in the original consultation process.

This letter provided details of the rezoning proposal, consultation activities proposed and an invitation to meet with the consultant team to discuss the rezoning and the consultation process.

- **Meeting with adjoining land owner** – held early July 2010 to discuss the forthcoming re-engagement with the community on restarting the community consultation process.
- **Community meeting # 1** – held on 6 July 2010. It took place at 6pm in the Boardroom of the Labelcraft site. 10 people attended. This meeting provided people with the opportunity to find out more information from Urbis and Catylis Properties' representatives on the updated proposal.
- **1800 number and designated email address** kolotexlabelcraft@urbis.com.au. The phone number and email address were advertised through the newsletters and notification letters. The phone number was staffed during normal business hours. All consultation participants were advised of these avenues for feedback and enquiry.
- **Notification letter and invitation** to attend a second community meeting (See Appendix A.2 for letter) – a total of 37 letters were sent on 4 November 2010 (two weeks in advance) to the same stakeholders invited to the first community meeting:
 - Leichhardt Municipal Council Mayor;
 - Three Leichhardt Council Ward Councillors;
 - State and Federal Members of Parliament (MP's)- The Hon. Verity Firth and The Hon. Amanda Fazio;
 - Leichhardt Council Director of Environment and Community Management;
 - The Principal, Kegworth Public School;
 - The Rick Damelian Group; and
 - Residents in close proximity to the subject site who had raised concerns in the original consultation process.
- **Meeting with Leichhardt Council Ward Councillors and Mayor** – held on 16 November 2010 to discuss the rezoning proposal, the forth-coming consultation schedule and the conceptual design for the site. Further details of the rezoning proposal prepared as a result of ongoing discussions with the DoP were made available at this meeting. The Leichhardt Council Deputy Mayor, one Leichhardt Ward Councillor, a representative from the NSW DoP and Urbis Social Policy and Urban Planning were in attendance at the meeting.
- **Community meeting # 2** – held on 18 November 2010. The meeting took place at 6pm in the Community Meeting Room at Leichhardt Library, Norton Street. Five residents attended. The meeting was to inform residents that the rezoning proposal had progressed. Further details of the rezoning proposal prepared as a result of ongoing discussions with the DoP were made available at this meeting. The meeting sought participant views and provided opportunity to ask questions.
- **Community newsletter** containing information about the proposal and an invitation to attend a Community Information and Feedback Session – approximately 700 newsletters were distributed to local residents and businesses in Leichhardt on 22 November 2010 (See Appendix A.3 and A.4 for Newsletter and Distribution Catchment). The catchment was agreed and previously adopted by Council Officers.
- **Community Information and Feedback Session (CIFS)** – held on 27 November 2010, this three hour exhibition style drop-in session took place at the Leichhardt Hotel. The session provided people with the opportunity to find out more information on the updated proposal from Urbis and Catylis Properties' representatives, along with specialist planning, design and traffic consultants.
- **Community Feedback Forms** – forms were provided at the CIFS to allow community input and feedback on the rezoning proposal (See Appendix A.5 for copy of the feedback form). The form allowed respondents to document their likes/dislikes, concerns and preferences regarding the rezoning proposal and future development of the site.
 - It should be noted that the Principal of Kegworth Public School received a hand-delivered newsletter and a phone message was left. She did not speak with Urbis Social Policy directly but sent a representative from the school to the CIFS to discuss issues of concern on her behalf.
- **Other consultation undertaken** (separately of Urbis Social Policy)–

- **Council briefing and subsequent Council Meeting** – briefing held on 31 March 2010 at the Council Chambers – attended by 4 of the 12 Councillors as well as Urbis Urban Planning. All Councillors were invited to a briefing and update on the project, following a significant delay (i.e. since the original resolution to commence the rezoning process in December 2006).
 - A report was prepared following this meeting by Council's Officers assessing the applicant's Planning Proposal (i.e. rezoning application) which also included the Labelcraft site. This report recommended to proceed with the Planning Proposal.
 - At Council's meeting on 27th April 2010, it was resolved unanimously to proceed with the Planning Proposal and to forward the matter to the Department of Planning requesting a 'gateway determination' that would allow the matter to be placed on public exhibition. The applicant and its consultants attended this Council meeting, however there was no discussion or questions arising relating to this matter.
- Richard Hughes (Catylis) conducted consultation separately with one Upward Street resident living in closest proximity to the site who could not attend the CIFS. A meeting was held in late November to discuss the rezoning proposal.
- **Councillor Briefing** – held 15th February 2011 at the Council Chambers. This was an opportunity for Urbis Planning to present the rezoning proposal and Urbis Social Policy to present the consultation activities and outcomes to date. The purpose of the session was to share information with the Councillors prior to the Public Meeting which was to be held the following week.
- **Public Meeting** – held 24th February 2011 at Leichhardt Town Hall. The meeting was facilitated by the Leichhardt Council Mayor. A Leichhardt Council officer presented on the history of the Kolotex and Labelcraft sites. Urbis Planning (Director) presented on the rezoning project and Urbis Social Policy (Director) presented the consultation activities and outcomes to date. Meeting attendees then had an opportunity to ask questions and give feedback.

Table 1 (below) provides detail on the consultation techniques and tools implemented; the purpose for these techniques; those stakeholders engaged and the timing of each engagement tool.

Table 1 – Community Engagement Process

Technique/tool	Purpose	Stakeholders engaged	Timing
Notification Letter # 1	- To inform key stakeholders of the proposed rezoning and the community engagement process. - To provide key stakeholders with the opportunity to attend a small community meeting.	Key stakeholders including: - Leichhardt Municipal Council Mayor - Three Leichhardt Council Ward Councillors - State and Federal Members of Parliament (MP's)- The Hon. Verity Firth and The Hon. Amanda Fazio - The Principal, Kegworth Public School - The Centre Manager, MarketPlace Leichhardt - The Rick Damelian Group - Twenty-nine residents. Sent to 37 stakeholders.	4 June 2010.
Community meeting # 1	- To have a small, intimate discussion with key stakeholders and immediate residents. It was not intended to invite all residents within the local area, as this forum was planned for a Community Information and Feedback Session (see below). - To re-engage with residents who showed interest in regards to the proposal throughout the previous consultation (2005 -6). - To let key stakeholders know that the rezoning process is recommencing, and to update people on changes to the rezoning proposal. - To ascertain views on the rezoning proposal early on in the consultation process.	Key stakeholders and adjoining residents (from previous list). 10 stakeholders in attendance.	6 July 2010.
1800 number and designated e-mail address	To provide a point of contact for stakeholders and local community to ask questions or provide feedback about the proposal.	Key stakeholders and local community.	Early June 2010.

SUMMARY OF CONSULTATION AND COMMUNICATION ACTIVITIES

Technique/tool	Purpose	Stakeholders engaged	Timing
Notification letter # 2	To inform that the proposal has progressed after a delay and to provide key stakeholders with the opportunity to attend a second community meeting.	Key stakeholders and adjoining residents invited to Community Meeting # 1. Sent to 37 stakeholders.	4 November 2010.
Community meeting # 2	- To inform stakeholders that the rezoning proposal has been held up with DoP but has now progressed. - To update key stakeholders and adjoining residents on the latest elements of the rezoning proposal. - To provide the opportunity for key stakeholders to ask questions and give feedback.	Key stakeholders and adjoining residents invited to Community Meeting # 1. 5 stakeholders in attendance.	18 November.
One-on-one stakeholder meetings	- To discuss the forthcoming re-engagement with the community in regards to the rezoning proposal. - To discuss particular issues concerning these stakeholders.	- Leichhardt Ward Councillor and Deputy Mayor. - Adjoining land owner.	16 November 2010. - Early July 2010.
Newsletters	The newsletter was produced to ensure that neighbouring residents and businesses in the local area were informed of: - The proposed rezoning application; - The process being followed with respect to the planning proposal and indicative conceptual plan; - How the residents and members of the surrounding area could comment on the project or obtain further information; and - As an invite to the Community Information Session.	All residents and local businesses located in the immediate vicinity of the subject site. 700 invitations sent out.	22 November.

SUMMARY OF CONSULTATION AND COMMUNICATION ACTIVITIES

Technique/tool	Purpose	Stakeholders engaged	Timing
Community Information Session	▪ To provide an opportunity for members of the public and stakeholder groups to gain information about the rezoning and possible development of the site and to provide input to the planning process. ▪ The session was held for 3 hours at the Leichhardt Hotel, where the community were able to view information (primarily in poster format) about the planning process and the conceptual plan, talk with key consultants (including traffic and design) and provide feedback, comment and ideas. ▪ The information session provides an opportunity to interact with local residents informally on a one-to-one basis, giving everyone a turn to talk and to focus on the particular issues that interest them. ▪ To inform people about future opportunities for community involvement in the rezoning process.	The local community. 10 stakeholders in attendance.	27 November, 2010 from 10am to 1pm at Leichhardt Hotel.

3 Consultation Outcomes

This section provides a broad summary of what we heard throughout the consultation process. It highlights the perceived benefits and limitations of the rezoning proposal and details the concerns and issues raised by key organisations/ individuals and the local community. The findings in this section are not definitive; rather they present the views and opinions disclosed by participants involved throughout the consultation period.

3.1 Community and Stakeholder Participation

The consultation catchment included local residents living in the immediate vicinity of the site and businesses in the Leichhardt area. The catchment adopted by Urbis for the purposes of this consultation incorporated the area previously adopted by Council in the consultation process during 2005-6, as well as expanded residential areas to the east, west and north, and businesses and properties along the Norton Street and Marion Street spines (refer Appendix A.4) including Leichhardt Market Place. In addition, Local and State Government agencies and other relevant organisations were actively engaged throughout the consultation period.

The following table provides a summary of overall participation and feedback during the consultation period.

Table 2 – Summary of overall participation and feedback

Participation and Feedback Method	Number of People Consulted
Community Feedback Forms	2
Phone calls to Urbis	1
Emails to Urbis *	2
Key Stakeholder Letters	1
Attendance at Community Meeting 1 (38 invitations sent)	10
Attendance at Community Meeting 2 (37 invitations sent)	5
Attendance at one on one meetings	5
Attendance at Community Information Session (700 invitations sent)	10

*Excluding RSVP e-mails

3.2 Community Feedback

The local community were interested in the future development that may occur on the site if it were to be rezoned from 'industrial' to 'mixed use' in the Leichhardt LEP 2000. There were a number of reoccurring issues raised by the local community throughout the consultation period regarding future development on the site. Stakeholders also perceived a number of benefits associated with the rezoning proposal.

3.2.1 Summary of issues raised

The following summarises the issues raised by stakeholders throughout the consultation period. These issues should be considered in the context of the limited feedback and limited attendance at consultation forums that have occurred to date. Most of the issues were raised in relation to the conceptual plan which accompanies the Planning Proposal and represents one possible option for its

future development. The local community also offered suggestions about what they would like to see included as part of any future development on the site.

Bulk and scale of development

The local community were very concerned about the bulk, scale, and height of future development on the site and the impact this may have on surrounding land uses. Several stakeholders stated that 6 storey buildings were not appropriate for the site, one stakeholder suggesting that buildings should be no greater than 2 – 3 storeys. A couple of Leichhardt Councillors were concerned that the height of the buildings developed on the site may set a precedent for future development in the local area.

A few people were interested in the Floor Space Ratio (FSR) for the indicative conceptual plan and many people wanted to know the number of apartments that may be proposed, especially in comparison to the 2005-6 proposal. One resident supported the development of taller buildings set back from the street frontage of the site whilst another thought that the units were not set back far enough from the footpath. The local community were generally concerned with the potential over-development of the site and the impacts this may have on traffic, parking and amenity for existing residents and businesses.

During the February 2011 Public Meeting there were further concerns raised about the scale and height of the buildings in the conceptual plan. Two attendees raised concern with the FSR on the site – one suggesting this had doubled from the LEP provision of 1.5:1. Two residents and one Councillor objected to the height of the buildings in the conceptual plan and the amenity impacts this may have on people living on and around the site. Two residents were concerned with 'over development' on the site raising questions from a few residents and one Councillor about the number of apartments and the number of people that may be living on the site.

Amenity impacts

Several residents were concerned about the amenity impacts that may result from the development of the site as a mixed use precinct. Residents in closest proximity to the site were concerned with overshadowing and potential loss of privacy that may result from taller buildings being developed on the site. Some stakeholders were interested in whether light and shadow diagrams would be prepared in the future.

Many residents were concerned about noise, pollution, and traffic management during the construction period. One resident living in closest proximity to the site was very concerned about accessibility to his home during construction and the impact this may have on his family.

During the February 2011 Public Meeting several residents and two Councillors expressed concern about amenity impacts that may result from the development of the site as a mixed use precinct.

One Councillor (speaking in his capacity as a local resident adjoining the site) was particularly concerned with privacy. He stated that the Best and Less development had already impacted on his families' sense of privacy and safety. He stressed the importance of clever planning and good design in order to 'save backyards' and maintain privacy for adjoining residents. One Councillor was concerned that without knowing the total yield for the site it was difficult to understand whether there will be significant impacts on amenity for surrounding residents.

One resident was concerned about overshadowing both on the site and on surrounding residences. He emphasised the importance of good design and amenity for the residents that may be living on the site in the future.

Traffic management

Most stakeholders raised the issue of traffic management and wanted to know what measures may be proposed to manage traffic flows and parking in and around the Kolotex and Labelcraft sites. Residents living in closest proximity to the site were concerned about the adverse impacts of increased traffic volumes in the area during the construction period and final development of the site. Several residents suggested that traffic is already a problem in the area, largely during peak hours and on streets surrounding the Best & Less development on the corner of Upward Street and Parramatta Road.

Many stakeholders were concerned about the capacity of the narrow streets surrounding the site to carry increased volumes of traffic, especially Upward Street and the intersection with Flood Street. A few residents suggested that the roads may need to be widened and that Upward Street should be closed of to through-traffic, however it was acknowledged that there is limited opportunity to achieve this given land uses and land ownership. There was a degree of mistrust in relation to traffic management as several community members suggested the traffic report associated with the previous proposal was considered to be inaccurate.

Specific traffic management issues raised include:

- Concern about 'blind corner' in Upward Street and other unsafe blind corners including at Treadgold Street;
- Questions about the types of 'employment uses' likely to be contained on the site and associated traffic generation and noise issues;
- Concern about difficulty for residents entering Upward Street and exiting George Street in peak hour due to the high volume of traffic, largely associated with Best & Less;
- Concern about pedestrian safety issues associated with high traffic volumes around Kegworth Public School and preschool;
- Concern about pedestrian safety near the roundabout and zebra crossing at the intersection of Lords Road and Flood Street;
- Concern about pedestrian at zebra crossing at intersection of Parramatta Road and Tebbutt Street;
- Desire to contain traffic away from Upward Street- especially northern end with the school and residential area;
- If some streets would be one-way or two-way e.g. although MacAleer Street is two-way, there was not considered adequate room for two-way traffic flows plus on-street parking;
- Need for the traffic and car parking study to consider a wide radius of surrounding streets, not just streets in immediate proximity to the site;
- Noise associated with heavy vehicle movement is already an existing problem in the area; and
- The need for service vehicles e.g. rubbish collection and deliveries, to enter and exit via George Street or Parramatta Road.

The impacts of increased traffic volumes to the area was an issue raised by three residents and one Councillor in the February Public Meeting. One resident said that the site was "unusable" because of the issue of traffic and parking. One resident was concerned that the traffic report predicted "no increase in total traffic volumes", however suggested that this was not calculated at peak time. One Councillor said that traffic was an issue that needed greater understanding and that another traffic study was needed. The Councillor was also concerned about increased traffic generation as a result of small-scale retail on the site.

Parking

Parking was a concern raised by residents often throughout the consultation period. There was a desire for sufficient on-site parking to be provided for residents and visitors as part of any development on the site to avoid additional demand for on-street parking. A few residents suggested that the availability of

on-street parking is an existing problem in the area, exacerbated by the inadequate levels of car parking provided for the recent Best & Less development on the corner of Upward Street and Parramatta Road. A couple of residents said that they were sometimes forced to park blocks away from their homes. The local community were interested to know how mixed use development on the site may impact on parking in surrounding streets, with particular regard to the conceptual plan.

Stakeholders were generally interested to know about the type of parking that may be proposed as part of the conceptual plan. Questions were raised about the scale and format of the car parks proposed in the conceptual plan – whether basement parking was proposed, where the entry and exit points may be located, how many parking spaces may be provided, and whether parking may be free. One resident suggested that Flood Street become a 4 hour restricted parking zone.

During the February 2011 Public Meeting parking was often raised along with the issue of traffic as a key concern for residents. One resident said that parking had worsened since the development of the Best and Less headquarters on the corner of Upward Street and Parramatta Road.

Land use issues

The local community raised questions in relation to the type of land uses that may be proposed as a result of a mixed use zoning on the site. Some residents and business owners were concerned about the proposed inclusion of commercial and retail floor space on the site, raising questions about the viability and level of demand for retail/ commercial space in the Leichhardt area. It was noted by several residents that the site is in close proximity to existing commercial areas such as the Leichhardt MarketPlace and the Forum development on Norton Street. Residents pointed to the levels of vacant commercial and retail space in the locality, including vacant premises in the MarketPlace, and stressed they would not want to see vacant premises on the site.

A couple of stakeholders raised a concern about the location of service areas on the site and the access to these for heavy service vehicles and associated noise impacts. Land use conflict was raised in relation to protecting existing light industrial areas including wood working workshops from potential future conflict with residential uses which may affect the viability of these businesses.

During the Public Meeting one resident enquired about what was being done with regards to asbestos on the site.

Community and public open space

A couple of Leichhardt Councillors and a couple of residents were concerned with the provision of open-space, community facilities and parks on the site as part of possible future mixed use development. The two Councillors and some residents stressed the importance of making any future open space on the site accessible to the public. There was also support from a small group of community members for landscaping and deep soil planting as well as through-site links. One resident was concerned about reduction in green space from the previous proposal and thought that the indicative conceptual plan did not provide enough open space on the site.

One Councillor objected to the private areas surrounded by perimeter apartments represented in the conceptual plan, referring to this as a 'gated development' and against the nature of the 'open community' that Leichhardt promotes and which is valued by the community. Two Councillors said that there is a dearth of parks in west Leichhardt and that existing parks are full. They suggested that if an additional 700 – 1000 people on the site would likely generate demand for additional open space and for community facilities, including spaces for local youth, artists and others.

Public open space was further discussed in the February 2011 Councillor Briefing. There was discussion around provision and access to public open space on the site. One Councillor raised issue with the provision of developer contributions (Section 94 of the *Environmental Planning and Assessment Act 1979*).

The issue of publicly accessible open space on the site was raised by three attendees during the February 2011 Public Meeting. One Councillor stressed the importance of dedicated space for community uses. Two residents said they thought there was a lack of publicly accessible open space

depicted in the conceptual plan. One resident referred to the conceptual plan as a gated community and was concerned that local residents would have no access to the site.

Site design and redevelopment principles

A small group of stakeholders showed support for sustainable design principles to be applied as part of the conceptual plan or any future development on the site. One community meeting attendee commented that they are 'not concerned about the land use' but purely that the 'design of buildings must not adversely impact on the neighbourhood'. There was support for leading edge sustainable development such as green walls and other sustainability initiatives.

During the February 2011 Public Meeting one resident showed support for sustainable design initiatives, suggesting that the site offered a fantastic opportunity to set an example in the area of sustainability.

Affordable housing

Two Leichhardt Councillors advocated that if affordable housing was incorporated within the proposal, that such inclusion be of a high quality and well managed.

This was raised again by one of the same Councillors in the 2011 Public Meeting.

Planning and consultation processes

Throughout the consultation period people struggled to understand the complexity of the land use planning process. This was thought to be in part a result of the site's lengthy planning history – the 2005-6 rezoning proposal, masterplan and community consultation. There was a view that the consultation conducted for the past rezoning proposal and masterplan in 2005-6 was inadequate. There were statements from residents and a couple of Leichhardt Councillors that there was significant opposition to the last proposal and the associated consultation process.

There was a desire for greater clarity about the steps involved in the gateway determination process. Some stakeholders were concerned about the community and Councils level of involvement in the planning process as the State Government is the consent authority for the planning proposal.

Community consultation was felt by some to be inadequate and untrustworthy, particularly in regards to previous consultation for the Kolotex site (2005-6) and during the consideration of the development proposal associated with the Best & Less headquarters building at the corner of Upward Street and Parramatta Road. The two Leichhardt Councillors recommended that engagement with the community include consideration of the kind of principles they would like to see taken forward through the development.

During the February 2011 Public Meeting, a couple of residents said they were frustrated with voicing the same concerns at consultation forums to date. One resident felt that her concerns were not being addressed. One Councillor and two residents stressed the importance of sending written submissions to Council as this was a crucial time in the planning process.

3.2.2 Summary of perceived benefits

The local community generally supported the need to redevelop the former Kolotex and Labelcraft sites, understanding that the industrial site is currently obsolete and underused. Several stakeholders agreed that the industrial building on the Kolotex site is redundant and in need of re-development.

Some members of the local community saw great potential for the site to be developed as a mixed use precinct. A couple of residents showed support for medium density housing in the inner- west and the reuse/ rezoning of industrial sites for this purpose. One resident commented that 'these types of buildings [mixed-use] support local businesses and offer great economic and environmental benefits for the local community'. Another resident indicated support for the green belt in the indicative conceptual plan, and the large setback of buildings on the site.

During the February 2011 Public Meeting, a couple of residents were in strong support of the rezoning proposal for the following reasons:

- Sensible urban infill is more environmentally and socially sustainable than urban sprawl.
- The rezoning will contribute to better outcomes with regards to broader Sydney planning context.
- Urban infill in Leichhardt will increase housing availability close to existing infrastructure and see the use of a redundant factory site.
- Need additional and more affordable housing in the inner-west of Sydney.

4 Next Steps

Leichhardt Council and the NSW DoP will consider the rezoning application for the site, allowing the commencement of more detailed technical studies as well as the preparation of a Development Control Plan for the site. A copy of this report will be provided to the NSW DoP and Leichhardt Municipal Council and will inform the assessment process. Following this, there will be further consultation with the community as deemed necessary.

Appendix A Consultation Materials

A.1 Notification letter # 1

4 June 2010

Prefix Recipient's name
Recipient's title
Recipient's company
Recipient's address
SUBURB STATE POSTCODE

Dear Recipient's salutation,

**Proposed rezoning of Kolotex and Labelcraft sites, 14 - 40 George Street, Leichhardt:
invitation to stakeholder and community meeting, Tuesday July 6, 6 - 7pm**

I am writing to inform you that property owner is seeking to re-start a rezoning process that was initially commenced in 2006- a process which Catylis Properties is managing on their behalf. The rezoning application relates to the Kolotex and Labelcraft sites at 14 – 40 George Street, Leichhardt. It seeks to rezone the site from its current 'industrial' status to 'mixed use' – a zoning which would allow the development to include small-scale shops and offices and residential apartments.

Your invitation to a stakeholder/ community meeting

Urbis has been engaged to seek the views of the local community and key stakeholders who may have an interest in this proposal. Our role is to ensure that the planning process is properly informed by community and stakeholder views. We will be collating comments received during the consultation process and relaying them to the project management team. We will then prepare a written report detailing the outcomes of the consultation process, which will be lodged with Leichhardt Council and the NSW Department of Planning to assist in their assessment.

You have been identified as an important stakeholder and one of a select group of interested individuals with whom we wish to consult with first, at this preliminary stage of the rezoning process. A wider group, including all residents adjoining the Kolotex/ Labelcraft sites, will soon be notified of this process and invited to attend a Community Information and Feedback Session (which you will also be invited to attend). In addition, further consultation with the community will be undertaken by Leichhardt Council.

You are hereby invited to attend a community meeting:

Venue: The Boardroom, Labelcraft premises, 40 George Street, Leichhardt

Date and time: Tuesday 6 July, 6 - 7pm

RSVP: Required by June 30, call 1800 244 863 or email kolotexlabelcraft@urbis.com.au

This session is an opportunity for you to find out more information from Urbis and Catylis Properties' representatives. You will also have the opportunity to provide your comments.

If you are unable to attend this meeting, you can also seek further information or provide your comments by contacting Urbis:

Email: kolotexlabelcraft@urbis.com.au

Telephone: 1800 244 863

Fax: 02 8233 9966

Address: Kolotex/Labelcraft Rezoning, Urbis, GPO Box 5278, SYDNEY NSW 2000

Further details

The rezoning proposal has been submitted to the NSW Department of Planning by Leichhardt Council, to request that it initiates the rezoning process. The request seeks to amend the Leichhardt Local Environmental Plan 2000. This amendment would change the zoning from its current 'industrial' use to 'mixed use.' This rezoning would allow for the future redevelopment of the Kolotex and Labelcraft sites as a mixed use scheme, comprising small-scale shops and offices along with residential apartments. No development is proposed as part of this application (that will be a matter addressed in a relevant Development Application, where you will have a further opportunity to provide your comments). The rezoning proposal simply seeks to re-start the rezoning process which has been delayed since 2006.

To assist your understanding of what could be developed on the site following the rezoning proposal, a concept plan will be available for viewing at the meeting. This concept plan represents only one possible option for its future development. The concept plan provides for housing and local employment opportunities in a well connected and well serviced location, accessible to public transport and road networks. Specifically it includes:

- a mixed-use scheme for retail, commercial and residential uses and basement car parking in order to promote an active and diverse streetscape
- a floor space ratio (FSR) the same as the 2006 proposal across the site (2:1). The inclusion of the Labelcraft site has allowed a greater distribution of building form across the site (reducing building height and bulk)
- buildings ranging from 3 – 6 storeys (lower than the 2006 proposal)
- pedestrian links throughout the site and increased opportunities for green space around the perimeter
- opportunities to achieve superior environmentally sustainable design (ESD) standards within the design of any future development.

The 2006 proposal involved the conversion of the existing industrial building for residential units. Extensive community consultation was undertaken at the time and the community broadly supported the proposal, subject to careful management of building form and scale and local traffic and car parking impacts.

This previous option is not being progressed because it did not comply with residential design standards relating to solar access, privacy, acoustics and ventilation (as contained in *State Environmental Planning Policy 65*). It also compromised the effective management of traffic and car parking and flooding issues across the site.

We look forward to receiving your RSVP and providing you more information about this project on Tuesday 6 July. **RSVP by Thursday June 30 is essential to guarantee your entry to this meeting. Please bring this letter with you on the night.**

Yours sincerely,



Allison Heller
Associate Director, Social Planning

A.2 Notification letter # 2



GPO Box 5278 Sydney 2001
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Sydney NSW 2000 Australia

Tel: +612 8233 9900
Fax: +612 8233 9966

info@urbis.com.au
www.urbis.com.au

Urbis Pty Ltd ABN 50 105 256 228
Australia • Asia • Middle East

4 November 2010

Prefix Recipient's name
Recipient's title
Recipient's company
Recipient's address
SUBURB STATE POSTCODE

Dear Recipient's salutation,

**Proposed rezoning of Kolotex and Labelcraft sites, 14 – 40 George Street, Leichhardt:
invitation to stakeholder and community meeting, Thursday November 18, 6 - 7pm**

Thank you for your attendance at the community meeting which was held on July 6, 2010. It was important for us to ascertain your views on the rezoning proposal for 14 – 40 George Street at an early stage in the process. Those views have informed further work on the rezoning plan for the site which has been undertaken by the development manager of the proposal, Catylis Properties, and their clients, the property owners.

Following the July community meeting, a number of discussions have been held with the NSW Department of Planning and Leichhardt City Council. Following these discussions and as a result of the feedback received at the July meeting, the rezoning proposal has been further refined. We are now planning to hold another community meeting to update you and other adjoining residents on the latest elements of the rezoning proposal.

Background to the proposal

To refresh your memory on the background to the proposal, this represents the re-starting of a rezoning process that was initially commenced by the property owners in 2006, and which Catylis Properties is currently managing on their behalf. The rezoning application relates to the Kolotex and Labelcraft sites at 14 – 40 George Street, Leichhardt. It seeks to rezone the site from its current 'industrial' status to 'mixed use' and 'residential' – zonings which would allow the development to include small-scale shops and offices and residential apartments. Full details of the proposal were contained in the previous letter sent to you in July 2010; we would be happy to provide you with this information on request.

Urbis has been engaged to seek the views of the local community and key stakeholders who may have an interest in this proposal. Our role is to ensure that the planning process is properly informed by community and stakeholder views. We will be collating comments received during the consultation process and relaying them to the project team. We will also prepare a written report detailing the consultation process, which will be lodged with Leichhardt Council and the NSW Department of Planning to assist in their assessment.

You have been identified as an important stakeholder and one of a select group of interested individuals with whom we wish to consult with first, at this preliminary stage of the rezoning process. A wider group, including all residents adjoining the Kolotex/ Labelcraft sites, will soon be notified of this process and invited to attend a Community Information and Feedback Session (which you will also be invited to attend). In addition, further consultation with the community will be undertaken by Leichhardt Council as required by NSW planning regulations.

You are hereby invited to attend a community meeting:

Date and time: Thursday 18 November, 6 - 7pm

RSVP: Required by Tuesday 16 November, call 1800 244 863 or email
kolotexlabelcraft@urbis.com.au

Venue: Will be confirmed upon RSVP

This session is an opportunity for you to find out more information from Urbis and Catylis Properties' representatives on the updated proposal. You will also have the opportunity to provide your comments.

If you are unable to attend this meeting, you can also seek further information or provide your comments by contacting Urbis:

Email: kolotexlabelcraft@urbis.com.au

Telephone: 1800 244 863

Fax: 02 8233 9966

Address: Kolotex/Labelcraft Rezoning, Urbis, GPO Box 5278, SYDNEY NSW 2000

In addition, we will be holding a Community Information and Feedback Session (CIFS) on Saturday 20 November, to which a wider catchment of the community will be invited. You will shortly receive a letter inviting you to this exhibition. Further meetings will be held throughout the public exhibition period for the rezoning proposal, the timing of which will be determined by Council and Department of Planning.

It is important that you RSVP to this invitation. We look forward providing you with more updated information about this project on Thursday 18 November.

Yours sincerely,

A handwritten signature in black ink, appearing to read "A. Heller".

Allison Heller
Associate Director, Social Planning

A.3 Community Newsletter

KOLOTEX/ LABELCRAFT PROPOSED REZONING AND CONCEPT MASTERPLAN

14 – 40 GEORGE STREET, LEICHHARDT

urbis

Catylis Properties on behalf of KGS Victoria Pty Ltd is seeking approval from the NSW Department of Planning for a planning proposal which involves the rezoning of 14 – 40 George Street, Leichhardt.

The Proposal

This proposal has been submitted to the Department of Planning, to request that it supports an amendment by Leichhardt City Council of the Leichhardt Local Environmental Plan 2000 to change the zoning which applies to the site from 'industrial' to allow for employment-generating and residential development.

NO DEVELOPMENT IS PROPOSED AS PART OF THIS APPLICATION

(that will be a matter addressed in a relevant Development Application lodged with Council). This planning proposal simply seeks to restart the rezoning process allowing, among other things, engagement with the local community. This plan is a tool to assist in determining requirements for building setbacks, open space, car parking and other controls. It has the following features:

- the development of various buildings and green spaces across the site, including green space around the perimeter
- residential units with pedestrian paths and vehicular access
- basement car parking meeting Council's standards
- localised retail facilities at ground level
- commercial office space for uses which may include a medical centre, childcare centre, specialist health and professional services
- an internal road and pedestrian network to serve the site, including pedestrian thoroughfares and bicycle path through the site providing cross-linkages between George and Upward Streets
- opportunities to achieve superior environmentally sustainable design (ESD) standards within the design.

The conceptual plan envisages development that does not exceed a floorspace ratio (FSR) of 2:1 – which was previously tabled with the community.

A previous proposal (2006)

As you may recall, a previous rezoning proposal was submitted for the 'Kolotex' site (excluding the 'Labelcraft' site) in 2006. The previous proposal envisaged the conversion of the existing industrial building for residential units. Extensive community consultation was undertaken at the time and the community broadly supported the proposal subject to careful management of building form and scale and local traffic and car parking impacts.

This previous option is not being progressed. More detailed analysis has confirmed that retaining the building will mean that residential design standards relating to solar access, privacy, acoustics and ventilation (as contained in State Environmental Planning Policy 65) cannot be met. It also compromised the effective management of traffic and car parking issues across the site, and may not have resulted in the improvement of localised flooding issues.

The current concept plan features a total building height significantly lower than the existing 1970s approval on the site and lower than the 2006 masterplan option, which was endorsed by Council and supported by the community.

The planning application process

In order to facilitate a future mixed use development of the site, it is necessary to amend the provisions of the Leichhardt LEP 2000. Leichhardt Council has supported the applicant's request for this to be considered by the NSW Department of Planning, as part of the 'gateway determination' process.

A 'gateway determination' will establish the framework for further future community consultation and referral of the proposal to relevant State Government agencies, as well as the scope for detailed technical studies undertaken by specialist consultants addressing issues including flooding and traffic management.

The 'gateway' process will also set a statutory time period for public consultation that will be coordinated by Leichhardt Council, through which you will also have the opportunity to provide your views. However the forthcoming Community Information and Feedback Session, which will be held on Saturday 20 November, provides you with an opportunity to understand more about the proposal early in the process.

This newsletter has been produced to ensure that neighbouring residents and community in the local area are informed of:

- the proposed rezoning/ amendment of Leichhardt LEP 2000
- the process being followed with respect to the NSW Department of Planning's assessment of the planning proposal through the 'gateway determination' process
- how the residents and members of the surrounding area can comment on the project or obtain further information.



GEORGE STREET LEICHHARDT
INDICATIVE MASTERPLAN

REID CAMPBELL

Communication and consultation – have your say

Urbis, an independent Social Planning consultancy, has been engaged by Catylis Properties on behalf of JGL Investments Pty Ltd to consult and communicate with the local community and key stakeholders who have an interest in the proposal.

Our role is not to advocate for an outcome but to ensure that the planning process is informed by community and stakeholder views. Urbis will conduct a transparent consultation process that enables a range of views to be heard and systematically captured.

We will be collating comments received during the consultation process and relaying them to the project management team. We will then prepare a written report detailing the outcomes of the consultation process, which will be lodged with the Department of Planning.

YOUR INVITATION TO A COMMUNITY INFORMATION SESSION

YOU ARE INVITED to a Community Information and Feedback Session on the planning proposal

DATE AND TIME: Saturday 20 November, any time between 10am–1pm

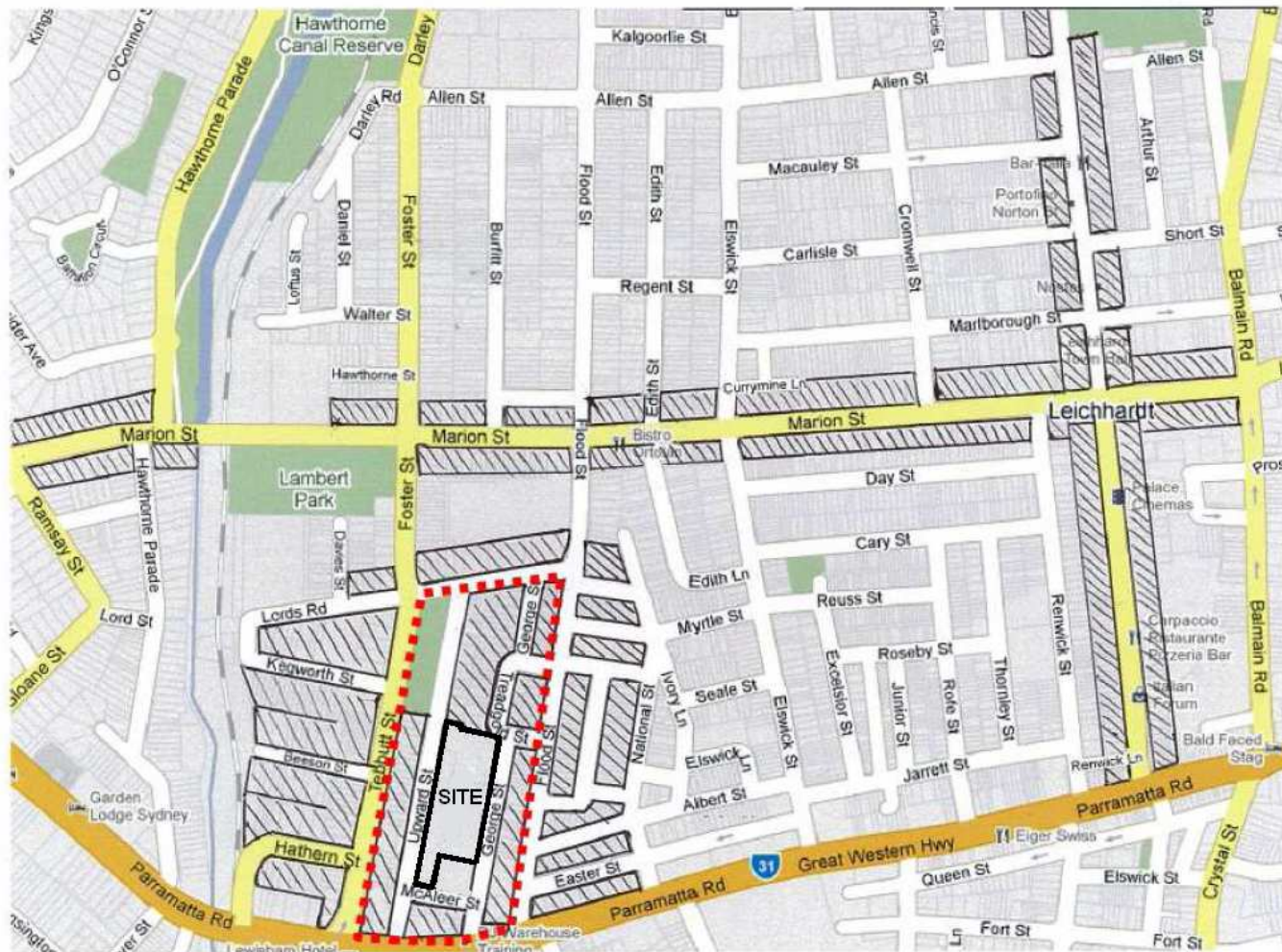
VENUE: TBC (please call 1800 244 863 on Wednesday 17 November to confirm details)

This session is an opportunity for you to find out more information from members of Urbis' consultation team, the applicant's representatives and specialist consultants who have prepared flooding and traffic studies in relation to the proposed rezoning. You will also have the opportunity to provide your comments on the proposal.

If you are unable to attend the Community Information Session, you can also seek further information or provide your comments on the proposal by contacting Urbis:

EMAIL: kolotexlabelcraft@urbis.com.au
TELEPHONE: 1800 244 863
FAX: 02 8233 9966
ADDRESS: Kolotex/ Labelcraft planning proposal
Urbis
GPO Box 5278
SYDNEY NSW 2000

A.4 Community Newsletter Catchment



LEGEND:

- Area subject of consultation in 2005/06
- Expanded area subject of current consultation

A.5 Feedback Form template

Proposed rezoning, 14 – 40 George St Leichhardt

Community Feedback Form



Have your say about the proposed rezoning

Please complete this form and return to the registration desk or:

Post Proposed rezoning, 14 – 40 George St Leichhardt
 Urbis – Social Policy
 GPO Box 5278
 SYDNEY NSW 2000

Fax 02 8233 9966

Email: kolotexlabelcraft@urbis.com.au

If you wish to provide additional feedback please feel free to append it to this form.

What 3 things do you like most about the rezoning proposal and concepts that you have viewed today?

- 1) _____

- 2) _____

- 3) _____

What 3 things do you like least about the rezoning proposal?

- 1) _____

- 2) _____

Proposed rezoning, 14 – 40 George St Leichhardt

Community Feedback Form

3) _____

What principles would you like to see included in the proposed development control plan for the site?

1) _____

2) _____

3) _____

Do you have any further comments on the proposed rezoning at this stage?

Can you please provide us with the following details to help us understand responses to the proposal?

Street Name _____

Suburb _____

Are you a resident in the area? *(please tick)*

☐ Yes

☐ No

Are you a business operator in the area? *(please tick)*

☐ Yes

☐ No

Organisation *(if applicable)* _____

Do you own a property in the area, but live elsewhere?

☐ Yes

☐ No

Thank you for your feedback

A.6 Copy of feedback forms received

Proposed rezoning, 14 – 40 George St Leichhardt

Community Feedback Form



Have your say about the proposed rezoning

Please complete this form and return to the registration desk or:

Post Proposed rezoning, 14 – 40 George St Leichhardt
Urbis – Social Policy
GPO Box 5278
SYDNEY NSW 2000

Fax 02 8233 9966

Email: kolotexlabelcraft@urbis.com.au

If you wish to provide additional feedback please feel free to append it to this form.

What 3 things do you like most about the rezoning proposal and concepts that you have viewed today?

1) Pushed back boundaries on site
Extra green areas.

2) Love the fact that behind my
property is the green belt. ✓

3)

What 3 things do you like least about the rezoning proposal?

1) Traffic

2)

Proposed rezoning, 14 – 40 George St Leichhardt

Community Feedback Form

- 3) _____

What principles would you like to see included in the proposed development control plan for the site?

- 1) Would like to see P4 restricted parking in Flood St.
- 2) moving ped crossing away from roundabout on Flood / Lords Road.
- 3) Remove parking on Theopold subject to P4 restricted parking

Do you have any further comments on the proposed rezoning at this stage?

Can you please provide us with the following details to help us understand responses to the proposal?

Street Name Flood St
Suburb Leichhardt

Are you a resident in the area? (please tick)

☒ Yes

☐ No

Are you a business operator in the area? (please tick)

☐ Yes

☒ No

Organisation (if applicable) _____

Do you own a property in the area, but live elsewhere?

☐ Yes

☐ No

Thank you for your feedback

Proposed rezoning, 14-40 George Street, Leichhardt - Community Feedback Form



Have your say about the proposed rezoning

Please complete this form and return to the registration desk or to:

Post Proposed rezoning, 14-40 George Street Leichhardt
 c/o Roberta Ryan, Urbis
 GPO Box 5278
 SYDNEY NSW 2000

Fax 02 8233 9966

Email: kolotexlabelcraft@urbis.com.au

If you wish to provide additional feedback please feel free to append it to this form.

What do you like most about the rezoning proposal and concepts that you have viewed today?

We like the idea of medium density housing for inner city & reuse / rezoning of industrial sites for this purpose but we have rarely seen it done well.

What 3 things do you like least about the rezoning proposal?

- 1) Additional traffic that will be generated by a big increase in dwellings & commercial units
- 2) Lack of sufficient designated parking spots within the proposed development for residents with more than one vehicle, their visitors & the employees leading to reduced parking on the street.
- 3) The OVER development of the site – too many units and the minimum of open space and setback from the footpath. It all looks very pretty in the drawings but if you go to the site you realize that a 3m set-back is very little proportionally to the height & volume of the proposed development on such a narrow street.

What would you like to see included as part of a development control plan for the site?

- 1) **TRAFFIC MANAGEMENT:** Our major concern is the additional traffic and vehicular movement that will be generated by this development. Our lifestyle & amenity is already very much affected by the industrial activities at the Southern end of Upward / McAleer & George Sts. **Traffic management is needed to separate the northern residential & school end of Upward Street from the development.** The street cannot cope with any additional traffic or provide more parking – especially since the redevelopment of Best and Less that has dramatically increased the traffic & parking problems in our very narrow street .

Proposed rezoning, 14-40 George Street, Leichhardt - Community Feedback Form

2) Traffic management should ensure that service entrances – rubbish collection, recycling and deliveries, enter & exit via George St or Parramatta Road – we are very much affected by the extra service traffic that is now using Upward St to access Best & Less as well as Maison, Papaya, Label Craft & other businesses and industrial units. We have truck movements at all hours of the night & day in a street where on-coming traffic is unable to pass without mounting the footpath. We are regularly woken by private sub - contractors & recycling trucks from 4:30 in the morning.

3) We would like to see a more generous set back and better balance of open space on the street in proportion to the building size.

Do you have any further comments on the proposed rezoning at this stage?

Can you please provide us with the following details to help us understand responses to the proposal?

Street Name Upward Street

Suburb Leichhardt

Are you a resident in the area?*(please tick)* Yes

Are you a business operator in the area? *(please tick)* No

Organisation *(if applicable)*

Do you own a property in the area, but live elsewhere? No

Thank you for your feedback

A.7 Copy of Community Information and Feedback Session display boards

Hello and welcome

This exhibition is here for you to review information on the proposed rezoning of 14–40 George Street, Leichhardt

Each exhibition panel is numbered. Please make your way through the display according to these numbers.

Please refer to the consultants wearing name tags if you have any questions or issues you would like to discuss.

Please take a feedback form to provide your feedback.

Thank you.

What happened to the 2006 Masterplan?

- ▶ The 2006 Masterplan applied to Kolotex site only (did not include Labelcraft site).
- ▶ In December 2006 Council resolved to commence rezoning process based on 2006 Masterplan - *this included preparing a Development Control Plan for the site.*
- ▶ Department of Planning requested more information regarding employment potential for the site - *this has 'stalled' the process.*
- ▶ The 2006 Masterplan involved retaining the Kolotex factory building, increasing its height and its adaptive re-use for residential units - this is no longer being proceeded with due to the following difficulties:
 1. limited on-site parking availability
 2. flooding constraints
 3. privacy issues
 4. poor natural light and solar access
 5. long narrow units
 6. internal noise issues
- ▶ The new rezoning proposal now includes both the Kolotex and Labelcraft site

The Rezoning Process is now re-commencing

We'd like to hear your views

- ▶ **This is a rezoning process - *it involves changing the current industrial zoning to allow for a mix of commercial and residential uses.***
- ▶ **This process does NOT involve a Development Application (DA) - *a DA will be prepared after the rezoning process where you will have an opportunity to review and comment on the DA plans before any decisions are made.***
- ▶ **We want to hear your views on the rezoning process, including possible development controls for the site to be included in a Development Control Plan (DCP) prepared by Council..**
- ▶ **The DCP will be publically exhibited during the rezoning process.**

Is a specific development being proposed?

NO

- ▶ **This is a rezoning process - It sets the future land use and development controls for the site.**
- ▶ **There are many different ways the site could be developed.**
- ▶ **The concept shown on the next group of drawings is only ONE possible outcome.**
- ▶ **These drawings are *not* Development Application (DA) drawings, but show how the key principles can be achieved.**

Privacy

- ▶ **It is important to address residential privacy but also to provide street safety surveillance and surveillance.**
- ▶ **This concept shows the orientation of balconies at the lower levels toward the street, while upper level balconies face north to get good solar access (facing away from rear yards).**
- ▶ **Built form along the northern boundary is two levels, with the third level being set-back.
A 6m deep soil landscape zone is provided within the northern boundary.**

Solar Access

- ▶ **Taller forms at the southern end of the site means shadows will be cast over the roofs of the commercial buildings.**
- ▶ **The ‘tapered’ building heights shown in this concept means the rear yards of all adjoining houses will enjoy sunlight that easily meets all recognised solar access standards.**
- ▶ **The shadow diagrams show the worse case scenario (at mid-winter).**

Land use

- ▶ **This concept has a land use pattern that responds to the key principles outlined earlier - it involves a floor space ratio (FSR) of no more than 2:1 (as previously suggested by Council).**
- ▶ **This concept responds to feedback from the Department of Planning and work carried out by Council by:**
 - 1. Retaining the employment uses at the McAleer end of the site.**
 - 2. Prescribing the potential for 1000-1200sqm of employment uses between the McAleer employment zone and the proposed new residential zone.**
 - 3. Providing a residential zone for the remainder of the site.**

Traffic and parking management

- ▶ This concept provides vehicle access via George Street only.
- ▶ The key objectives:
 1. Contain commercial and delivery traffic toward the Parramatta Road end of the site.
 2. Prescribe site access that responds to a traffic management solution for the broader precinct.
- ▶ A detailed traffic analysis will be prepared for public exhibition.

Do you have some suggestions for the traffic consultant to consider?

Please make your comments on the community feedback forms provided

Building heights

- ▶ **This concept indicates a building height that is approximately 1.5m lower than the height previously considered by Council.**
- ▶ **The heights range from two levels at the northern end to six levels at the southern end (ie the Parramatta Road end) – the six storey component is away from the street frontages.**
- ▶ **Heights are also lower at the George Street and Upward Street frontages – three storeys at these frontages.**
- ▶ **The ‘tapering’ of building heights responds to earlier community feedback – it reduces the amount of overshadowing and overlooking into private yards (refer to the following boards).**

Feedback and next steps

- ▶ **We are here to receive your feedback – please fill out the feedback form provided at the registration desk.**
- ▶ **Your feedback will be considered and provided to the Council and Department of Planning.**
- ▶ **Your feedback will be considered in the preparation of detailed studies for the site.**
- ▶ **There will be further opportunities for you to provide feedback on the scheme as the rezoning proposal progresses through the planning system.**

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Sydney, NSW 2000
Tel: +612 8233 9900
Fax: +612 8233 9966

Brisbane
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Brisbane, QLD 4000
Tel: +617 3007 3800
Fax: +617 3007 3811

Melbourne
Level 12, 120 Collins Street
Melbourne, VIC 3000
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Ground Floor, 53 Ord Street
West Perth, WA 6005
Tel: +618 9346 0500
Fax: +618 9321 7790

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Appendix 9.

Submission to DPI Project Delivery
Unit (Urbis 30 March 2011 and email
11 February 2011)

Summary of Planning Proposal against Metropolitan Plan and Draft Inner West Sub-regional Strategy (Kolotex and Labelcraft Sites, George Street, Leichhardt)

The site and proposed re-zoning (Planning Proposal) to allow for commercial/retail development together with medium density residential development will strongly contribute to the Inner West Sub-region.

The attached land use diagram represents the proposal currently with Leichhardt Council (and previously provided to the DoP- both as part of discussions associated with the existing Part 3 process and also within the Part 3A PEA (Urbis, 31 January 2011)). Key fundamentals of this Planning Proposal include the following:

- The retention of the current industrial zone at the southern end of the site, termed 'employment zone' as shown on the land use plan.
- The creation of a 'mixed use zone' in the central portion of the site incorporating 20% of the GFA within this zone for small-scale retail and commercial uses (equating to approx 1,200GFA), as well as medium density housing.
- The creation of a 'residential zone' for the predominant portion of the site (to the north) allowing for medium density housing.

Preliminary modelling and analysis has been undertaken which has shown the following and which is relevant in considering the Planning Proposal's contribution to the Inner West Sub-region (this will need to be verified through further analysis as part of preparing a site-specific DCP):

- A maximum FSR of 2:1
- A height ranging from 2-6 storeys
- Employment creation of approximately 363 direct and indirect ongoing jobs, and a further 1782 direct and indirect construction jobs (please refer to my email to the DOP dated 11 February providing further clarification of this issue in the assessment of the Part 3A application)
- An indicative residential yield of 330 apartments

Based on the information prepared by the applicant and Council in this matter (and having regard to the relevant provisions of the Metropolitan Plan 2036 and Draft Inner West Sub-regional Strategy (2008), the following is provided to support the regional importance of the site and associated Planning Proposal:

- The site has an area of approx 1.5ha and is within walking distance of three train stations, a planned light rail station, and numerous bus services associated with Parramatta Road and Marion Street Leichhardt. From a 'renewal opportunity' viewpoint and 'accessibility' viewpoint, these characteristics place the site as being unique (and significant) within the sub-region.
- Specifically the site is within 400m walking distance of the planned "Parramatta Road Light Rail Station" at the junction of Parramatta road and the existing light rail corridor near Tebbutt Street. This station forms part of 'light rail corridor' and accordingly the site forms part of the 'walking catchment' within corridor (refer pages 70-71 of the Metropolitan Plan). It therefore provides a significant opportunity for urban renewal under Action B3.2 of the Plan.
- The Metropolitan Plan dwelling target for 2036 for the Inner West Sub-region is 35,000 dwellings. Assuming the same pro-rata applied to the previous dwelling target for the Leichhardt LGA (as shown in the Draft Inner West Sub-regional Strategy), the dwelling target for the Leichhardt is 2333 dwellings. The estimated yield arising from the proposed rezoning (approx 330 apartments) therefore provides the potential to meet 15% of that target on one site alone. This capacity is considered significant in the context of the sub-region.

- Aside from the above, Urbis has carried out its own dwelling demand projections in its report (George Street Industrial Precinct, Draft Report June 2010). This report has been previously issued to both Council and the DoP. The findings of that report (refer section 5.6.1) shows an immediate under-supply of dwellings that rises to 182 (by 2016), 713 (by 2021), and ultimately to a shortage of 2231 (by 2036). Therefore the provision of 330 apartments has the ability to provide a supply of housing to address an immediate need and emerging trend within the sub-region.
- Although a defined residential mix has not been established yet (to be undertaken as part of the DCP process), the mere size of the site/project provides an ability to provide a mix of unit sizes and features that contributes to choice and affordability for potential residents within the sub-region, or those wishing to locate closer to the City from further afield. This is a rare ability, and hence contributes to the significance of the project at the regional level.
- In the DoP's letter to the applicant dated 24 July 2009, the DOP identified that it had decided to re-categorise the site from 'Category 1' to 'Category 2' employment land, allowing a greater range of uses on the site. It is noted this categorisation method is no longer being pursued as stated in the Metropolitan Plan (page 141), rather a 'Strategic Assessment Checklist' is now to be applied in the evaluation of rezoning employment land. This checklist has been addressed in further detail below and confirms consistency with the intentions of the Draft Inner West Sub-regional Strategy insofar as it relates to the rezoning of the land. The most recent letter from the DoP (dated 16 March 2011) reinforces this policy position, ie allowing a broader range of land uses.
- The Metropolitan Plan employment growth target for 2036 for the Inner West Sub-region is 25,000 jobs. Assuming the same pro-rata applied to the previous job growth target for the Leichhardt LGA (as shown in the Draft Inner West Strategy), the job growth target for the Leichhardt is 1000 jobs.
- The Planning Proposal provides a more relevant type of employment space for the site and having regard to the area of space set aside for employment and also recognised employment benchmarks, Urbis estimates that the proposed rezoning more than doubles the existing employment on the site (ie from 363 direct/indirect ongoing jobs compared to 174). This figure excludes additional construction jobs. This information is supported within Urbis' Draft Report 2010 and is summarised in our email to the DoP dated 11 February 2011. This capacity and contribution is considered significant in the context of the sub-region.

Specifically in relation to stated actions within the Draft Inner West Sub-regional Strategy, the following comments are provided demonstrating consistency with the Draft Strategy. It is noted that similar comments were made in a submission to the DoP's Regional Office on 3 September 2008:

Economic and Employment Actions

- **Action A1.2.3 [Page 36]– *Smaller industrial sites should be retained for industrial uses unless it can be clearly illustrated that they are not required to meet future demand for Employment Lands.*** The site, being part of a smaller industrial precinct in the context of other industrial precincts within the LGA, is not required to be kept in order for Council to accommodate its potential future growth across a range of employment types (this matter has now been re-confirmed by Council's Employment Lands Study adopted by Council, February 2011).
- **Action A1.4.1 [Page 37]– *A preliminary review of Employment Lands considers all such lands in the subregion should be retained for employment purposes.*** As above, the necessary strategic planning work by Council now re-confirms that the site is not of the level of employment significance that requires retention. It is, for other reasons within this summary paper, important in regional terms.

- **A1.9.1 [Page 36]– To meet the expected demand for future Employment Land activities, some intensification of existing employment lands may be required, the Department will provide guidance to Councils on how and where this may be appropriate.** This guidance has not been provided. Notwithstanding, the rezoning of the site to allow for commercial and retail uses (rather than being retained for traditional ‘industrial’ uses) provide an opportunity to intensify the site’s employment carrying capacity. In this respect, the proposed rezoning more than doubles the existing employment on the site (ie from 363 direct/indirect ongoing jobs compared to 174). This figure excludes additional construction jobs. This information is supported within Urbis’ Draft Report 2010 and is summarised in our email to the DoP dated 11 February 2011.
- **Action A1.9.2 [Page 38]- Department of Planning to work with Councils in identifying and implementing measures to manage interface issues between industrial and residential land uses.** As previously agreed between Council and the applicant (and as committed to by the applicant in its original Planning Proposal), these interface issues are intended to be addressed through the preparation of a site-specific DCP, and accordingly the Planning Proposal is consistent with this action.
- **Action A3.2 [Page 41]- Integration of employment and housing markets. The provision of a mix of housing types to accommodate a diverse workforce within the Inner West subregion is essential.** The Planning Proposal has the potential to achieve this action with the mix and size of housing being determined as part of the preparation of the site-specific DCP.
- **Action A3.3.1 [Page 41] – Local government to investigate strategies to ensure there is sufficient zoned land to enable the provision of comparatively low cost premises for start up businesses, especially along the Parramatta Road corridor.** To our knowledge this work has yet to be undertaken. Nevertheless, the Planning Proposal retains the ability for these businesses to occur on the site.

Centres and Corridors Actions

- **Action B6.1 [Page 56]- Strategic planning work is being undertaken for the Parramatta Road to City Corridor to accompany the 3 draft subregional strategy areas it spans. This work will identify further opportunities along Parramatta Road for urban development and identify infrastructure improvements to support the revitalisation of the road.** In the absence of this work being finalised, the Planning Proposal supports this important corridor.
- **Action B7.2.1 [Page 57] – The Inner West contains a number of busy roads that may be appropriate for Enterprise Corridor zoning. They provide valuable spaces for local industrial services, such as automotive services, a range of retail formats and often affordable spaces for businesses. Redevelopment within Enterprise Corridors may only include residential uses where there will be acceptable impact from road noise and pollution. This will be clarified in the guidelines currently being prepared.** The site itself is setback 1 street block from Parramatta Road and is buffered from this Road by intervening industrial development. Preliminary acoustic analysis shows that the site can be developed in a manner that is acceptable regarding likely traffic noise. Further analysis would be carried out as part of the rezoning process.

Housing

- **Action C1.4.1 [Page 64]- The Department of Planning will provide Councils with information that will assist local strategic planning, including projected demand for and supply of commercial, industrial and residential uses.** The applicant has not been provided this information, however in any case the provision of a potential 330 dwellings toward an entire LGA target of 2333 dwellings (representing approx 15%) represents a significant contribution in regional terms.
- **Action C2.1.2 [Page 65]– Councils will need to provide in their LEPs zoned capacity for a significant majority of new dwellings to be located in strategic**

and local centres. The subject site is located within 500 metres from the Leichhardt Marketplace Village centre and within 400m of the planned "Parramatta Road Light Rail Station".

Some of the above points address the 'Summary of Strategic Assessment Checklist' on page 141 of the Metropolitan Plan, however for the sake of completeness we provide the following additional points against this checklist:

(a) Consistency with Subregional Strategies

The Planning Proposal is consistent with the relevant strategies and actions (refer above).

(b) Current use of the area, and existing transport and infrastructure

The actual use of the industrially-zoned within the area is not reflective of the underlying zoning. Urbis' George Street Industrial Precinct report (Draft Report June 2010) identified the results of a land use survey showing that as at May 2010, approximately 66% of the businesses around the George Street precinct were not using their premises in an industrial capacity, this was an increase from 60% of non-industrial uses that was observed in 2008.

The above, along with the changing demographic profile of the Leichhardt LGA (also included in the Draft Urbis Report 2010) confirms that whilst the site is significant in the Inner West sub-region in terms of its size, development potential and accessibility, it is NOT significant in terms of its current or future industrial capacity.

As indicated above, the area is conveniently proximate to a number of transport modes and to this extent is significant in the regional context.

(c) Impacts on the long-term viability of the employment land precinct and any industry clusters in the precinct or surrounding area

The Draft Urbis Report 2010 also addresses this matter.

The combination of the changing demographics for the area; the limited investor sentiment for industrial land and subdued industrial leasing; the declining industrial use of the precinct; and the locational attributes of the precinct- have all reduced the immediate and long-term viability for traditional 'industrial' uses on the site. In terms of its geographic size and its industrial function, the George Street Industrial Precinct cannot be considered a significant employment cluster for industrial uses.

Whilst it is considered some commercial uses could be sustained on the site, its locational attributes also do not lend the site or the broader precinct as a commercial centre.

The DoP have previously recognised this to some degree in their decision to re-categorise the site from 'Category 1' to 'Category 2' employment land, it being noting that this categorisation method is no longer being pursued in the Metropolitan Plan.

(d) Whether the employment lands support national or state significant infrastructure

The site is located directly convenient to three railways stations, a planned light rail station and a state-owned road (Parramatta Road). To this extent, the future development of the site can support regional and state significant infrastructure, but can only do so if the significant proportion of its development were for residential purposes.

(e) Trends in local land use activity

This matter is addressed in item (b) above.

(f) Suitability and extent of measures implemented to improve an area's employment land's viability

Not relevant

(g) Potential to re-develop for industrial uses and/or new industrial uses (eg creative industries)

As indicated in the Draft Urbis Report 2010, there is limited potential to re-develop the site for industrial uses.

This being said, as part of the negotiation process with Council and to address the requests of the Regional Office of the DoP, an area of the site is being retained for future industrial purposes- refer the 'Employment Zone', as well as potential commercial and retail uses within the 'Mixed Use zone'. This space could be used for 'creative industries' and hence the Planning Proposal is also consistent with this matter.

(h) Impacts on stocks of local employment lands and the ability of remaining stocks to meet future local industrial needs

This matter has been addressed in Council's Employment Lands Study which was endorsed by Council in February 2011. In the Executive Summary of the Council Report, it was stated:

The Study has factored in these new forecasts and confirms that Council can accommodate potential future growth across a range of employment types and rezone a number of sites currently zoned Industrial –including Terry Street and George Street sites.

Appendix 10.

George St Precinct- Industrial, Commercial & Residential Study (Urbis, Draft Report 2011)

**GEORGE STREET
PRECINCT
INDUSTRIAL,
COMMERCIAL &
RESIDENTIAL STUDY**

June 2010

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Executive Summary

- KGS (Vic) Pty Ltd is seeking rezoning of the Kolotex / Labelcraft sites on George Street in Leichhardt, to allow for mixed commercial (office and retail) and residential uses. The site has an area of 1.46 hectares and is currently zoned industrial.
- The site currently accommodates the former Kolotex factory – which was vacated by Kolotex in 2004 – and the Labelcraft factory which remains occupied by Labelcraft and which manufactures clothing labels. During discussions with the DOP, Labelcraft have indicated their manufacturing business is no longer sought after within the inner city area and that only 3 of their 60 employees live within the local area.
- This report investigates the potential for different uses on the site – including industrial, commercial and residential – and assesses the employment impacts of one potential development option (albeit that development approval is not currently being sought at this stage). The report is broken into five key sections:
 1. Local and Regional Context
 2. Industrial Market Assessment
 3. Commercial Market Assessment
 4. Residential Market Assessment
 5. Potential Employment Impacts

The key findings from each section are as follows:

Local & Regional Context

- Leichhardt LGA falls within the Inner West Subregion which also comprises Canada Bay, Strathfield, Ashfield and Burwood LGAs.
- The demographic and employment profile of Leichhardt residents has changed significantly over the past 20 years as the area has regenerated and moved away from its roots as a working class suburb.
- Average per capita income of Leichhardt LGA residents is 61% above the metropolitan Sydney average and approximately 21% higher than the Inner West average. From 1996 to 2006 Leichhardt residents' average incomes increased by 76% - substantially higher than the increase experienced in the Inner West Region and Sydney (67% and 58% respectively).
- The changing demographic profile of Leichhardt is consistent with an influx of high income young white collar professionals. Consequently, a lower proportion of residents are working in industrial type employment, such as manufacturing, wholesale trade and transport and storage, while services industries, such as finance, health and education are increasing in importance.
- Between 2001 and 2006, population growth in the Inner West subregion exceeded the relative rate of metropolitan Sydney, increasing by approximately 2,800 persons annually. Leichhardt LGA grew by approximately 220 persons annually over the period.
- Regional population forecasts are provided by the NSW Department of Planning – Transport and Population Data Centre (TPDC), with the most recent figures released in April 2010. These forecasts are based on the 2006 Census and take into account long run average rates of fertility, mortality and migration. The 2010 population forecasts replace forecasts released by DoP in 2008. The forecasts indicate that the Inner West population will grow by 79,600 persons between 2006 and 2036, and Leichhardt's population will grow by 6,200 persons over the period.
- In addition to the population forecasts, the DoP also sets regional population and dwelling targets. The targets reflect Government policy positions whereas the projections are based on modelling

historical trends in demographic variables. Therefore, the targets and forecasts can vary. The DoP has established a target of 37,300 additional dwellings in the Inner West subregion by 2036. These dwellings would accommodate an additional 85,790 persons between 2006 and 2036. The target for Leichhardt LGA is 2,500 additional dwellings which would accommodate an additional population of approximately 5,250 persons. We note that this is not a population growth cap and that there is potential for this to be exceeded, particularly if projected growth in the City of Sydney can not all be accommodated.

Industrial Market Assessment

- Industrial premises in Leichhardt LGA are contained within compact precincts. The main concentrations are located in Leichhardt, Annandale and Rozelle with the subject site forming part of the south western 'Parramatta Road precinct'.
- A review of recent transactions of industrial premises reflects limited investor demand for industrial properties in the Leichhardt LGA. Since January 2009, just ten industrial properties have sold and values have remained stagnant since 2008. Demand for industrial properties for lease is also limited. The increase in the number of properties for lease since 2008 suggests that demand has eroded over the period. This is further reflected by rental values which have been stagnant since 2008.
- The experience of the Kolotex site is consistent with the broader market experience noted above – since being vacated by Kolotex, KGS has struggled to secure a long term tenancy and no potential buyers have registered any interest in the property despite active marketing. As a result, the property is predominately vacant, and is otherwise used to store cars associated with the nearby Rick Damelian car yard.
- Based on a comprehensive survey of industrial lands undertaken by Urbis in 2008, only 3% (30 ha) of land within Leichhardt LGA is used for Industrial purposes, and approximately 18% of industrial land is vacant, further reinforcing a lack of demand for industrial properties in Leichhardt LGA.
- An audit of the local land uses and business that are located within the George Street precinct which was undertaken in May 2010 revealed that:
 - o Approximately 66% of all businesses, around the George Street precinct, are not using their premises in an industrial capacity – this is an increase from 60% which was observed in 2008;
 - o Approximately 87% of all businesses do not provide services that specifically target the needs of local residents and businesses;
 - o Several businesses in the area have vacated since an audit was first undertaken in 2008, notably industrial/manufacturing companies; meanwhile, one of the two industrial properties that was previously vacant in 2008 is now utilised as an office. These changes highlight the declining prevalence of blue collar industries in Leichhardt.
- With continuing regeneration of Leichhardt, the need and demand for white collar and retail employing businesses will increase and the requirement for industrial businesses, such as light industrial uses which could potentially be located on the Kolotex and Labelcraft site, will lessen. The current and future skills of Leichhardt residents align better with the commercial, ancillary retail and residential uses anticipated as part of the site's rezoning.
- The location and features of the Kolotex / Labelcraft site are not conducive to industrial development. In particular, key constraints include the limited access to blue collar workers, poor vehicular access to the site from the Parramatta Road as a result of the 'no right turn' restriction when travelling west and the narrowness of George Street, and a lack of appropriate buffer zones between surrounding residential development and community facilities, notably the neighbouring Kegworth Public School. As such, alternative Inner West and Western Sydney industrial precincts are far more attractive and appropriate locations for future industrial development.

Office Market Assessment

- In the Inner West Sub-Region, the major office markets are Rhodes, Homebush (Sydney Olympic Park) and Burwood. A small amount of office space is also dispersed throughout commercial precincts in Leichhardt, North Strathfield, Strathfield and Ashfield.
- There is an estimated 40,000 sq.m. of office space in Leichhardt LGA – equivalent to less than 10% of total office space in the entire Inner West Subregion. The key commercial precincts are located along Norton and Darling Streets. Note that the estimated 40,000sq.m. of office space does not necessarily relate to custom-built office space, and may incorporate other building types which are utilised as offices, such as converted residential.
- A review of office space that is currently for lease in Leichhardt LGA suggests that the level of office vacancy in Leichhardt is in the order to 10% to 12%. A significant proportion of vacancy is in B and C grade converted residential premises.
- As at May 2010 three proposed developments with a commercial office component were identified within Leichhardt LGA - two have been approved and one is pending approval. Combined, the proposed developments would provide an additional 4,835sq.m. of office space in Leichhardt LGA over the next three to four years,
- Throughout the broader Inner West region the total volume of planned and proposed office space is in the order of 85,000sq.m. The expected timeframe for the developments is within the next five years. The majority of additional space will be located within the key commercial centres of Rhodes and Homebush.
- The DoP has established a target of 25,100 additional jobs in the Inner West subregion between 2006 and 2036, of which we estimate 5,020 would be office-based white collar jobs. Leichhardt's share of additional jobs is estimated to be around 1,000, of which approximately 151 would be office-based white collar jobs – this would generate demand for an additional 3,012sq.m. of office space between 2006 and 2036.
- An alternative way of considering demand for office space is to forecast jobs growth based on forecasted population growth, employment participation rates, white collar employment, and employment self containment rates. Taking this approach, we estimate that an additional 655 office-based white collar jobs will be created in Leichhardt LGA between 2010 and 2036, and this will generate demand for an additional 3,392 sq.m. of office space in Leichhardt by 2016 and an additional 13,104 sq.m. by 2036.
- Therefore, growth in office-based white collar jobs is expected to generate in the order of 3,000 sq.m. (according to DoP's job targets for the Inner West) and 13,000sq.m. (according to Urbis' white collar jobs growth forecasts) of office space in Leichhardt LGA between 2006 and 2036.
- A new office development on the subject site would face a strong degree of competition from existing as well as planned and proposed office developments in the key commercial centres of Rhodes and Homebush (SOP), and Burwood which are identified in the Inner West Subregional Strategy as a key commercial centre going forward. Having said that, there appears to be a gap in the market and opportunities to cater to small, local businesses that require small, premium office space, which is not provided in Rhodes (large floor plates), Homebush-SOP (large floor plates) or Burwood (B and C grade). Many of these small local businesses currently operate out of residential properties.
- The demand assessment, including typical office location drivers, suggests that a small amount of space – up to 2,500sq.m. – on the Kolotex / Labelcraft site in Leichhardt would be appropriate and commercially viable. We foresee that office development on the site could largely accommodate small, local professional services and IT. Further small-scale 'start-up' offices/businesses that do not require town centre or 'major strip' locations would also be suitable for the Kolotex / Labelcraft site. A small amount of supporting retail such as a café and / or convenience store would also be appropriate for servicing office workers and residents within the development.

- The combination of these small-scale uses are envisaged to provide the site (and broader precinct) with an appropriate level of activity and 'sense of place'.
- In consideration of the office developments that are currently planned or proposed in Leichhardt LGA, incorporating any more than around 2,500sq.m. within the redevelopment of the Kolotex / Labelcraft site might result in the Leichhardt office market becoming 'flooded' in the medium term (to 2016) and this would drive up vacancy and drive down rents. 'Over provision' of such space is not considered commercially viable, and further, would be counter-productive in achieving vibrancy and neighbourhood identity as mentioned above.
- Note that provision of 2,500 sq.m. of office space on the Kolotex / Labelcraft site would fill the undersupply of office space that we foresee might emerge in Leichhardt by 2021, and would account for over 80% of the office space required to support the job targets that DoP has set. Moreover, it would support a larger amount of employment than what is currently supported by the existing industrial premises on the site.
- There are a number of location and site attributes that pose challenges for office development on the Kolotex / Labelcraft site. In particular, poor road access as a result of 'no right turn' restriction from Parramatta Road, and the narrow width of George Street itself, and the lack of main road frontage which provides businesses exposure to vehicle and pedestrian traffic. Therefore, in our view future large-scale office developments would be more suitably located in the existing commercial centres of Rhodes, Homebush (SOP) and Burwood, or locally in vibrant centres such as Norton and Darling Streets in Leichhardt, where they can enjoy the benefits of co-location with other offices, good amenity in terms of access to retail and community services and excellent public transport services.

Residential Market Assessment

- In 2006 Leichhardt LGA had just over 20,000 dwellings. Separate houses and semi detached / terrace / town houses each accounted for around 35% of all dwellings. Apartments / units were also quite prevalent, accounting for 25% of all dwellings.
- The annual number of dwellings produced in Leichhardt LGA fell rapidly from 2003/04 to 2008/09, rebounding again in 2009/10. Tight levels of housing supply have contributed to the massive increase in median dwelling prices (68% from 2000 to 2010), and a subsequent increase in the proportion of renters in line with a deterioration in housing affordability.
- In Leichhardt LGA, 23 residential developments are planned, proposed or currently under construction. Combined the developments would provide 429 dwellings between now and 2014 (89 annually), primarily in an apartment or unit format.
- DoP's population forecasts suggest that an additional 2,660 dwellings will be required in Leichhardt between now and 2036. In comparison, the DoP's target is for an additional 2,500 dwellings in Leichhardt between 2006 and 2036 (2,166 between 2010 and 2036). Therefore, future demand is expected to be in the order of 2,166 and 2,660 between 2010 and 2036. We note that this level of growth could be exceeded if housing is available, given the LGAs desirable location close to Sydney CBD.
- Residential development on the Kolotex / Labelcraft could address this projected dwelling supply shortage. The site is suitable and desirable for residential development given its proximity to nearby surrounding residential areas, convenient access to buses along Parramatta Road, good access to retail services (in particular Leichhardt Marketplace), proximity to the CBD, and the desirable location along a neighbourhood street.
- According to an FSR of 2:1 (which has been identified as part of the Planning Proposal) the site has an approximate indicative yield of 330 apartments. The potential from a market demand perspective however is very dependent on timing. Broadly, and based on this preliminary assessment, we estimate there to be sufficient market potential to allow the construction of up to the indicative yield of 330 apartments between now until 2016.

- Based on our assessment of supply and demand, and in consideration of the site's demographic and economic context, in our view residential development (in conjunction with an element of commercial development) represents an optimal use for the site. In view of this demographic profile of Leichhardt LGA it would be suitable to provide a high concentration of one and two bedroom dwellings within a new residential development, with smaller unit product assisting with buyers entering into the housing market.
- Increasing the provision of dwellings in Leichhardt would assist in alleviating the deterioration in housing affordability in the LGA. Moreover, allowing higher density apartment developments is consistent with the DoP's objectives of encouraging higher density, mixed use developments within the vicinity of Parramatta Road and in close proximity to Town Centres, as outlined in the Inner West Subregional Strategy.

Potential Employment Impacts

- A potential development scenario was adopted to assess the potential employment impacts of residential and commercial development on the site vis-à-vis industrial development. The development option comprises 300 residential apartments and 2,500sq.m. of office space.
- Jobs would be created in two phases – the planning and construction phase, and the operation phase.
- Based on an estimated Capital Investment Value (CIV) of \$130 million, the development would generate an estimated 715 direct jobs on a one year full time equivalent basis. These jobs would be spread over the duration of the planning and construction phase. An additional 1,067 indirect jobs would be created in supporting industries and other businesses servicing the expenditure by the employed workers. Total employment from the planning and construction phase would therefore be in the order of 1,782 full-time equivalent jobs for the period of planning and construction.
- Based on an employment density of 20 sq.m. per employee (suitable for new suburban office) the commercial office development on the site would generate an estimated 125 direct ongoing jobs. An additional 238 indirect ongoing jobs would be created throughout all industries of the economy as a result of the jobs created on the site.
- In total the proposed development would result in the creation of 363 ongoing jobs during operation. In comparison, just 63 people are currently employed on the amalgamated Kolotex / Labelcraft site, and these jobs support an estimated 126 indirect jobs across all other industries in the economy. Therefore, in total the existing uses on the site support 189 jobs in total. Thus, the commercial uses on the site would result in a net jobs benefit of approximately 174 ongoing jobs; moreover, the potential redevelopment would generate 1,782 direct and indirect jobs during the planning and construction phase.
- Commercial and residential development on the Kolotex / Labelcraft site would not only generate additional employment; it would also generate employment which more closely matches the demographic profile of Leichhardt LGA.

Summary

- Based on our assessment of supply and demand, and in consideration of Kolotex / Labelcraft site's demographic and economic context, in our view mixed residential and commercial (office and supporting retail) development represent optimal uses for the site. Overall, commercial and residential development on the site is consistent with Council's and DoP's objectives and aspirations for Leichhardt LGA, and the Inner West Subregion.
- Alternative locations in the Inner West such as Homebush Bay, as well as the Western Sydney region are more suitable locations for future industrial development; while the commercial centres of Rhodes, Homebush and Burwood provide a superior location for future large-scale office developments.
- Importantly, our analysis reveals that replacing the existing industrial premises on the site with mixed residential and commercial development would not result in any loss of employment. In fact,

the alternative mixed use development would support 174 additional ongoing jobs than what is generated by the current operations on the site, and these jobs would more closely align with the demographic profile of the surrounding area.

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1 Background

In 2008 Urbis was engaged by Catylis Properties Pty Ltd on behalf of KGS (Vic) Pty Ltd ('KGS') to prepare an Employment Study on the Leichhardt LGA, specifically focusing on the George Street Precinct.

The purpose of the *George Street Employment Study (2008)* was to assess the impacts on employment of rezoning the former Kolotex factory site in George Street Leichhardt from industrial to allow for mixed commercial and residential development. The study focused on assessing the industrial market in Leichhardt.

The study concluded that industrial activities did not represent an optimal use for the site, given the changing business and demographic landscape of Leichhardt LGA, and indeed the George Street precinct specifically. Furthermore, the study found that residential and commercial activities would be better suited to the site and would generate greater economic benefits.

In April 2010, subsequent to the preparation of the *George Street Employment Study (2008)* and the initial rezoning application for the Kolotex site, a Planning Proposal (i.e rezoning application) was lodged with Council. The April 2010 Planning Proposal was essentially a revised rezoning application seeking inclusion of the adjoining Labelcraft factory site.

In addition to the revised 'Planning Proposal', KGS was also required to submit a revised Employment Study (i.e this Report) that considered the employment impacts of rezoning the larger amalgamated land parcel, comprising the Kolotex and Labelcraft sites. In addition to the industrial market assessment that was included in the 2008 Study, the revised assessment includes an assessment of the commercial and residential markets to further inform the revised Planning Proposal. Urbis has been engaged to prepare this updated Study.

1.1 Study Objectives

The purpose of this study is twofold:

1. To assess the opportunity for industrial, commercial office and residential development on the Kolotex and Labelcraft sites at 14-40 George Street, Leichhardt. [Note that the industrial assessment has been updated from the 2008 George Street Employment Study, while the commercial office and residential assessments are newly prepared assessments that were not included in the previous report.]
2. To assess the employment impacts of rezoning the sites from industrial to allow for commercial office and residential development.

Whilst the current Planning Proposal does not seek development approval (that will be a matter addressed in a relevant DA lodged with Council) a possible development option has been prepared for the purpose of assessing the employment impacts of rezoning and eventual redevelopment of the site.

1.2 Site Location

The site comprises the former 'Kolotex' and Labelcraft factories, located at 14-40 George Street Leichhardt. It covers an area of 1.46 ha and has frontages to George Street (along the eastern boundary), Upward Street (along its western boundary) and McAleer Street (along its southern boundary). The site is illustrated in Map 1 overleaf.

In terms of the broader regional context, the site falls within Leichhardt LGA which is part of the Inner West Subregion, along with Ashfield, Burwood, Canada Bay and Strathfield LGA's.

Map 1 Site Location



2 Local & Regional Context

This section of the report provides an assessment of the demographic and employment profile of Leichhardt LGA and the broader Inner West Subregion.

2.1 Population Growth

The Inner West Sub-region comprises five council areas and covers an area from Canada Bay to the north, Leichhardt to the east and Strathfield to the west.

Regional population figures, both historical and forecast, are provided by the NSW Department of Planning – Transport and Population Data Centre (TPDC), with the most recent figures released in April 2010. These forecasts are based on the 2006 Census information and take into account long run average rates of fertility, mortality and migration. Note that the 2010 population forecasts replace forecasts released by DoP in 2008.

Table 1 compares the historical and forecast population levels of the five LGAs within the Inner West Sub-region.

Key points to note from Table 1 are:

- The population of the Inner West Sub-region in 2006 was 227,400 people equating to over 5% of the metropolitan Sydney population at this time.
- Between 2001 and 2006, population growth in the Inner West exceeded that of metropolitan Sydney, growing at an average annual rate of 1.3%, compared with 0.7% for the metropolitan Sydney region. Significant growth during this period occurred within Strathfield (average 2.6% per annum) and Canada Bay (average 2.1% per annum) reflecting high-density residential development during this period. Leichhardt had a relatively low rate of growth at 0.4% per annum.
- The population of the Inner West Sub-region is forecast to increase by 3,300 to 3,600 residents per annum in the next 10 years to 2016, representing an annual growth rate of approximately 1.5% per annum - slightly higher than the historical rate of 1.3%

The Leichhardt LGA is bounded by the City of Sydney to the east, Marrickville LGA to the south and Ashfield LGA and Canada Bay LGA to the west. Leichhardt is a highly urbanised and highly populated area with a number of recent high and medium-density developments developed over obsolete industrial land. An example includes Balmain Shores Residential complex which comprises some 400 apartments and was completed in 2003.

From Table 1 the key points to note about Leichhardt LGA 's population include :

- The population of Leichhardt LGA was estimated at around 51,600 people in 2006, equating to 22.7% of the Inner West population
- Leichhardt's population increased by an average of 220 people per annum between 2001 and 2006. This represented average growth of between 0.4 % per annum, lower than the entire Inner West Sub-region over the same period.
- Leichhardt LGA contributed just 7.8% of Inner West population growth in the five years to 2006, particularly due to increased growth in other LGA's, namely Canada Bay LGA, which contributed around 45% from high-density residential developments in Concord and Cabarita.
- Forecast population growth in the Leichhardt LGA is expected to be accommodated by primarily infill growth, given that the area is already well developed. Leichhardt LGA is projected to increase to nearly 53,800 people by 2016, representing limited average annual growth of 0.4% per annum to 2016.

Table 1 Inner West Sub-Region Population Forecasts (2001-2036)

Inner West Sub-Region Population Forecasts (2001-2036)								
	Estimated Resident Population (No.)							
	2001	2006	2011	2016	2021	2026	2031	2036
Leichhardt	50,500	51,600	52,700	53,800	54,900	55,700	56,700	57,800
Ashfield	40,500	41,500	43,300	45,400	46,400	47,100	47,900	48,900
Burwood	30,600	32,400	34,100	37,200	41,900	46,500	51,200	56,200
Canada Bay	62,300	68,700	79,400	87,000	89,300	90,700	92,200	94,000
Strathfield	29,400	33,200	36,200	38,900	41,600	44,200	47,100	50,100
Total Inner West	213,300	227,400	245,700	262,300	274,100	284,200	295,100	307,000
Sydney SD	4,128,300	4,282,000	4,550,300	4,822,000	5,104,100	5,394,500	5,688,600	5,982,100
	Average Annual Growth (No.)							
	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026	2026-2031	2031-2036	
Leichhardt	220	220	220	220	160	200	220	
Ashfield	200	360	420	200	140	160	200	
Burwood	360	340	620	940	920	940	1,000	
Canada Bay	1,280	2,140	1,520	460	280	300	360	
Strathfield	760	600	540	540	520	580	600	
Total Inner West	2,820	3,660	3,320	2,360	2,020	2,180	2,380	
Sydney SD	30,740	53,660	54,340	56,420	58,080	58,820	58,700	
	Average Annual Growth (%)							
	2001-2006	2006-2011	2011-2016	2016-2021	2021-2026	2026-2031	2031-2036	
Leichhardt	0.4%	0.4%	0.4%	0.4%	0.3%	0.4%	0.4%	
Ashfield	0.5%	0.9%	1.0%	0.4%	0.3%	0.3%	0.4%	
Burwood	1.2%	1.0%	1.8%	2.5%	2.2%	2.0%	2.0%	
Canada Bay	2.1%	3.1%	1.9%	0.5%	0.3%	0.3%	0.4%	
Strathfield	2.6%	1.8%	1.5%	1.4%	1.3%	1.3%	1.3%	
Total Inner West	1.3%	1.6%	1.4%	0.9%	0.7%	0.8%	0.8%	
Sydney SD	0.7%	1.3%	1.2%	1.2%	1.1%	1.1%	1.0%	

Source: NSW Department of Planning, 2010

2.1.1 NSW DoP Dwelling Targets (2010)

In addition to population forecasts, the DoP also sets regional population and dwelling targets. Targets reflect Government policy positions and are defined in the Regional Strategies and the Sydney Metropolitan Strategy. In comparison, the forecasts discussed in the previous section are based on analysis and modelling of variables such as fertility, mortality and migration. Forecasts and targets can therefore differ for the same region.

Dwelling targets for the Inner West subregion were originally outlined in the Inner West Subregional Strategy (2008), forming part of the Sydney Metropolitan Strategy. The targets for the Inner West subregion were recently revised and are contained in the DoP's Metropolitan Transport Plan. Whilst revised targets are not provided for Leichhardt LGA specifically, if we assume that the dwelling target for Leichhardt is equivalent to 7% of the dwelling targets for the total Inner West subregion – as per the original dwelling targets contained in the Inner West Subregional Strategy (2008) – the revised dwelling target for Leichhardt LGA is 2,500 additional dwellings by 2036. We note however that there is no policy objective limiting housing production in Leichhardt, and therefore population growth could potentially exceed this, particularly if projected population growth for the City of Sydney can not be accommodated.

Based on historical average household sizes (and taking into account the trend toward declining household sizes), we have derived the additional population that could be supported by the targeted additional dwellings. As illustrated in Table 2, an extra 37,300 dwellings in the Inner West subregion

would accommodate 85,790 additional persons between 2006 and 2036, while an additional 2,500 dwellings in Leichhardt LGA specifically would accommodate an additional population around 5,250 over the period. This is less than indicated by official population projections and therefore is considered to be conservative.

Table 2 NSW DoP Dwelling and Population Targets (2010)

Inner West Subregion		Leichhardt LGA	
Additional Dwellings 2006-2036	Additional Persons 2006-2036	Additional Dwellings 2006-2036	Additional Persons 2006-2036
37,300	85,790	2,500	5,250

Source: NSW DoP Metropolitan Transport Plan (2010)

Notes:

- Number of additional persons derived by applying average household sizes to DoP dwelling projections. Assumed average household size of 2.3 for the total Inner West subregion, and 2.1 for Leichhardt LGA.
- Dwelling targets for Leichhardt LGA were derived by adopting DoP's 2010 dwelling targets for the entire Inner West Subregion, and applying Leichhardt's share of all dwellings as stated in the 2006 Subregional Strategy (i.e. 6.7%).

As dwelling targets are partially based on population projections, the upward revision of the population projections for the Inner West and Leichhardt LGA has meant an increase to the targets that were set in 2008. Table 3 provides a comparison of the 2008 targets and the 2010 targets. The implications of the revised targets for annual population and dwelling growth is negligible; however in absolute terms the revision is significant. Whilst we note that this is due to the extended timeframe of the 2010 targets (i.e. the targets are to 2036 instead of 2031), the targets none-the-less point to the challenges of accommodating a larger population in Leichhardt LGA over the long term.

Table 3 Changes to NSW Department of Planning Dwelling and Population Targets

Inner West Subregion				Leichhardt LGA		
	Additional dwellings / year	Additional Persons	Additional persons / year	Additional dwellings / year	Additional Persons	Additional persons / year
2010 Metropolitan Transport Plan (2006-2036)	1,243	85,790	2,860	83	5,250	175
2008 Inner West Subregional Strategy (2006-2031)	1,200	69,000	2,760	80	4,200	168
Difference	43	16,790	100	3	1,050	7

Source: NSW DoP Metropolitan Transport Plan (2010); Urbis

Notes:

2010 targets: number of additional persons derived by applying average household sizes to DoP dwelling projections. Assumed average household size of 2.3 for the total Inner West subregion, and 2.1 for Leichhardt LGA.

2008 targets: dwelling targets for Leichhardt LGA were derived by adopting the 2009 dwelling targets for the entire Inner West Subregion, and applying Leichhardt's share of all dwellings as stated in the 2008 Subregional Strategy (i.e. 6.7%).

2.2 Socio-Demographics

Key socio-demographic characteristics of the Leichhardt LGA from the 2006 Census are provided in Table 4. The data highlights that Leichhardt has seen a shift in its demographics and employment profile towards a younger, higher income, white collar population.

The key points to note from Table 4 are:

- Average per capita income of Leichhardt LGA residents is 61.3% above the metropolitan Sydney average and approximately 21% higher than the Inner West average;
- The average household size in Leichhardt is 2.2 – significantly smaller than the metropolitan Sydney average of 2.7 people.
- The average age distribution of Leichhardt LGA residents indicates a middle aged profile, with a small proportion of the population aged below 14 years and above 60 years (14% each). The median age in Leichhardt is 37.5. The low proportion of children is consistent with the low household size found in the Leichhardt LGA;
- Leichhardt's housing status reflects its location next to the Sydney CBD with high cost of housing and high rental population. Approximately 42% of residents rent – significantly higher than the Sydney metropolitan proportion of 33%.
- Car ownership is below the metropolitan Sydney average of 86% of households owning one or more cars, compared with 83% for Leichhardt LGA, reflecting the proximity to the city, transport and other services.

Table 4 Inner West Sub-Region Key Socio-Economic Characteristics, 2006

Inner West Sub-Region Key Socio-Economic Characteristics, 2006 ¹				
Characteristics	Leichhardt LGA	Inner West Sub-Region	Sydney Average	Australia Average
Personal Income				
\$0 - \$20,800	28%	39%	42%	45%
\$20,800 - \$41,600	18%	21%	25%	27%
\$41,600 - \$83,200	30%	26%	24%	22%
\$83,200 +	24%	14%	9%	7%
Average Per Capita Income	\$47,146	\$35,199	\$29,221	\$26,192
Per Capita Income Variation	+61.3%	+20.5%		
Household Income				
\$0-\$26,000	13.8%	17.7%	18.9%	21.9%
\$26,000-\$52,000	16.1%	19.8%	22.8%	26.5%
\$52,000-\$88,400	19.6%	22.6%	25.0%	26.6%
\$88,400 plus	50.6%	39.9%	33.3%	25.1%
Average Household Income	\$103,718	\$87,582	\$78,580	\$72,642
Household Income Variation	+32.0%	+11.5%		
Average Household Size	2.2	2.5	2.7	2.8
Age Distribution				
Aged 0-14	14%	16%	20%	20%
Aged 15-24	9%	13%	14%	14%
Aged 25-39	34%	27%	23%	21%
Aged 40-59	29%	27%	27%	28%
Aged 60+	14%	17%	17%	18%
Average Age	37.5	38.0	36.7	37.3
Dependency Ratio ²	28.3%	33.2%	36.2%	38.0%
Housing Status				
Owner/Purchaser ³	58%	62%	67%	71%
Renter ³	42%	38%	33%	29%
Loan Mortgage Repayments	26%	29%	29%	28%
Rent Payments	17%	18%	18%	17%
Car Ownership				
% 0 Cars	17%	17%	14%	10%
% 1 Car	51%	46%	40%	38%
% 2 Cars +	32%	37%	46%	52%

1. Usual residents

2. Dependency ratio refers to the proportion of the population between 0-14 and over 65 years

3. 'Other' Tenure Types have not been included

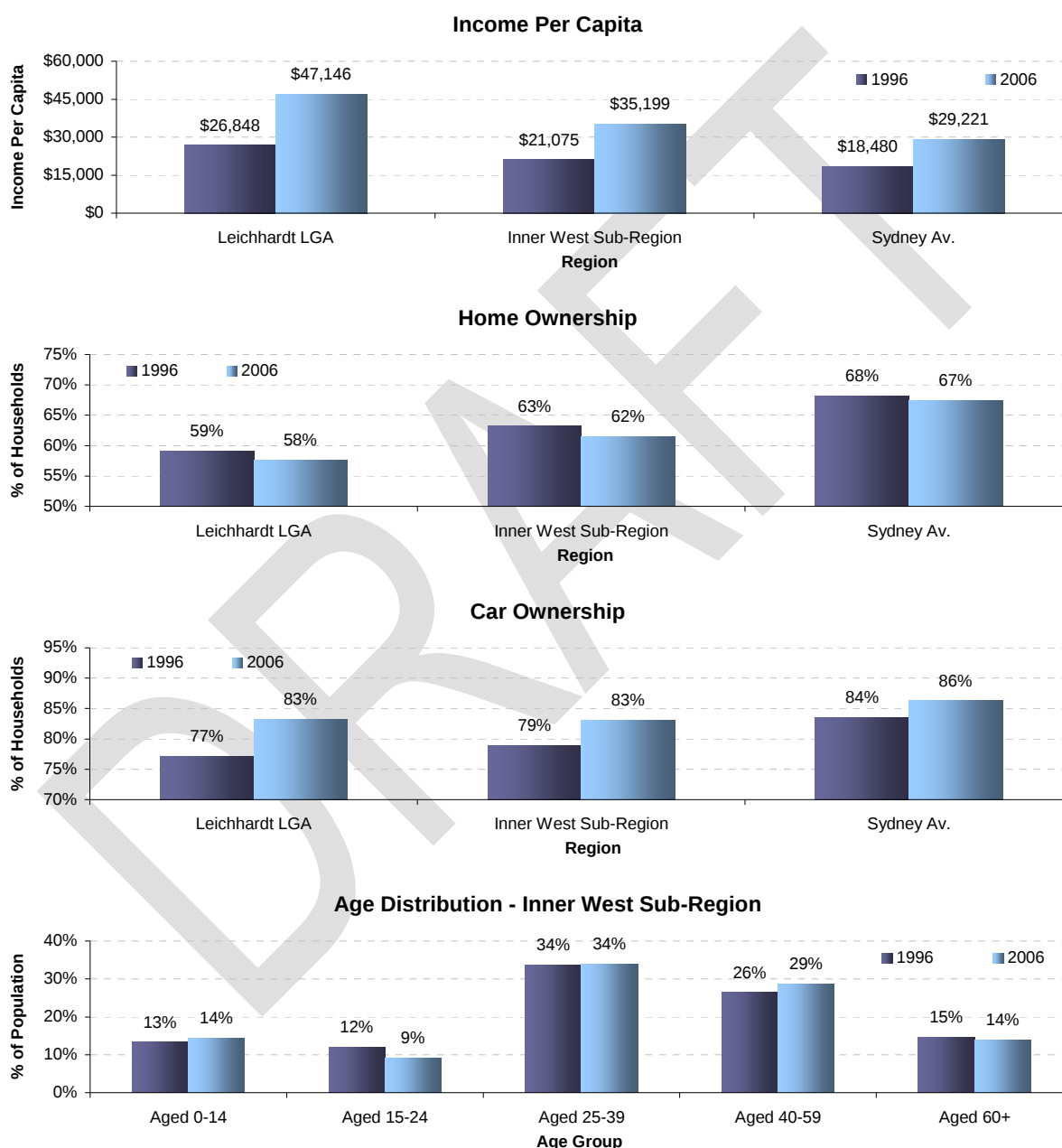
Source : ABS Census of Population and Housing 2006, Cdata 2006; Urbis

Figure 1 outlines the notable demographic changes that occurred in Leichhardt from 1996 to 2006 in comparison to the Inner Western Sydney region and metropolitan Sydney over the same period. The key findings from this analysis are as follows.

- Incomes have increased by 76%, substantially higher when compared to the growth experienced in both the Inner West region and Sydney (67% and 58% respectively).
- The population in Leichhardt has remained relatively young, with an increase in 25-39 years age cohort by a marginal 0.2% to 33.9% in 2006. In comparison, this age group in both the Inner West and Sydney decreased over the same 10 year period.

- Residents with white collar occupations have increased in proportion, with over 77% of the Leichhardt LGA residents working in white collar occupations in 2006 which compares with 74% in 1996. This proportion is higher than both the Inner West and Sydney metropolitan benchmarks.
- Similar to both Sydney and Australia, car ownership has increased with 83% of the population with at least one car. Car ownership in the region however is still below both the benchmarks.

Figure 1 Key Changes in the Inner West Subregions' Socio Demographic Profile (1996 to 2006)

Inner West Sub-Region Key Changes in Socio-Economic Profile 1996-2006

Source : ABS Census of Population and Housing 1996, Cdata 1996; ABS Census of Population and Housing 2006, Cdata 2006; Urbis

2.3 Employment Profile

2.3.1 Resident Labour Force Structure

Table 5 sets out the structure of the Inner West Labour Force based on the ABS Census statistics from 2006. As can be seen the Leichhardt LGA has a significantly lower unemployment rate than both the Inner West Region and Sydney, at 3.2% compared to 4.8% and 5.3% respectively.

Of the 29,348 residents that are employed, 70% are employed on a full time basis, approximately 6% higher than the Inner West and Sydney averages. There is also a slightly lower rate of those working part time, at around 22% compared to roughly 25% for the Inner West and Sydney. The proportion of residents not in the workforce is also lower than the Inner West Region compared to Sydney, at 23% versus 34%, partially reflecting the high proportion of residents in the working age bracket.

Table 5 Inner West Sub-Regional Labour Force Structure, 2006

Inner West Sub-Region Labour Force Structure, 2006						
Status	Leichhardt LGA		Inner West Region		Sydney SD	
	No.	%	No.	%	No.	%
Employed						
• Full-time	20,544	70.0%	54,559	64.3%	1,267,504	63.1%
• Part-Time	6,342	21.6%	21,379	25.2%	516,793	25.7%
• Away from work	1,036	3.5%	2,650	3.1%	63,937	3.2%
• Not stated	489	1.7%	2,154	2.5%	55,293	2.8%
Total	28,411	96.8%	80,742	95.2%	1,903,527	94.7%
Unemployed	937	3.2%	4,081	4.8%	106,481	5.3%
Total Labour Force	29,348	100%	84,823	100%	2,010,008	100%
Not in Labour Force	8,917		44,424		1,052,818	

Source : ABS, Census of Population, 2006; Urbis

Table 6 examines the age profile of those unemployed in Leichhardt LGA in 2006. The 20-24 and 25-34 age brackets have considerably lower unemployment rates than the Sydney average, at around 5.9% and 2.1% compared to 8.3% and 4.8% respectively.

Table 6 Leichhardt LGA Resident Unemployment by Age Band, 2006

Age Band	Males		Females		Total		Sydney
	No.	% of Labour Force	No.	% of Labour Force	No.	% of Labour Force	
15-19 years	40	12.5%	57	15.1%	97	13.9%	14.3%
20-24 years	80	8.1%	46	4.0%	126	5.9%	8.3%
25-34 years	105	2.5%	86	1.8%	191	2.1%	4.8%
35-44 years	122	2.9%	120	3.1%	242	3.0%	4.4%
45-54 years	97	3.8%	71	2.5%	168	3.1%	3.9%
55-64 years	67	3.8%	34	2.1%	101	3.0%	4.0%
65 years and over	9	2.9%	3	1.5%	12	2.3%	2.3%
Total	520	3.6%	417	2.8%	937	3.2%	5.3%

Source : ABS, Census of Population, 2006; Urbis

2.3.2 Employment by Industry

Census data for 1996 and 2006 also show that the changing demographics are resulting in a shift in the type of industries employing these residents, as outlined in Tables 7 and 8. It is clear that Industrial lands and blue collar employment is diminishing in relevance as sources of employment for Leichhardt LGA residents.

- Around 44% of Leichhardt LGA residents are working in services sectors, such as finance, education, and telecommunications, compared to an average of around 32% for Sydney. A significant sector that contributes to this variance is those residents employed in professional services industries at a rate of almost 16% compared to the metropolitan Sydney average of 8.9%.
- This trend has increased over time, with a 7.8% increase in residents employed in the Financial and Insurance Services sector from 1996 to 2006, 4.4% increase in Professional, Scientific and Technical Services and 3% increase in Education and Training.
- Industrial sectors, such as manufacturing and warehousing, are decreasing in importance, with a significant decline of 4.2% in those employed in the Manufacturing industry.

Table 7 Employment by Industry, Leichhardt LGA, 2006

Leichhardt LGA Residents Structure of Employment by Industry, 2006						
ANZSIC Industry	Leichhardt LGA		Inner West Region		Metropolitan Sydney	
	No.	%	No.	%	No.	%
Professional, scientific & technical services	4,486	15.8%	8,462	10.5%	169,350	8.9%
Financial & insurance services	2,709	9.5%	6,143	7.6%	122,185	6.4%
Education & training	2,537	8.9%	6,482	8.0%	136,633	7.2%
Health care & social assistance	2,718	9.6%	8,815	10.9%	189,217	9.9%
Total Selected Employment	12,450	43.8%	29,902	37.0%	617,385	32.4%
Total Employment	28,411	100%	80,735	100%	1,903,526	100%

Source : ABS, Census of Population, 2006; Urbis

Table 8 Inner West Sub Region Employment by Industry

Inner West Sub-Region Employment by Industry, 1996 - 2006			
	1996	2006	Change
Agriculture, Forestry and Fishing	0.1%	0.2%	+0.1%
Mining	0.0%	0.2%	+0.1%
Manufacturing	9.5%	5.3%	-4.2%
Electricity, Gas, Water and Waste Services	0.2%	0.5%	+0.4%
Construction	4.9%	4.4%	-0.4%
Wholesale Trade	6.0%	4.9%	-1.1%
Retail Trade	9.9%	6.7%	-3.1%
Accommodation and Food Services	5.4%	5.0%	-0.4%
Transport, Postal and Warehousing	4.9%	3.0%	-1.8%
Information Media and Telecommunications	5.3%	6.8%	+1.5%
Financial and Insurance Services	1.7%	9.5%	+7.8%
Rental, Hiring and Real Estate Services	1.6%	2.0%	+0.4%
Professional, Scientific and Technical Services	11.4%	15.8%	+4.4%
Administrative and Support Services	4.5%	4.1%	-0.5%
Public Administration and Safety	4.7%	5.5%	+0.8%
Education and Training	5.9%	8.9%	+3.0%
Health Care and Social Assistance	12.0%	9.6%	-2.4%
Arts and Recreation Services	4.6%	2.7%	-1.9%
Other	7.5%	4.6%	-2.9%
Total	100%	100%	
Workers (no.)	23,186	28,411	

Source : ABS, Census of Population, 1996 and 2006; Urbis

2.3.3 Employment by Occupation

Table 9 illustrates the shift away from manufacturing and related industry towards service sectors by showing the changing occupation characteristics in the Leichhardt LGA in the ten years from 1996 to 2006.

As can be seen in Table 9, there has been an 8% shift in residents employed in Blue Collar occupations to White Collar occupations. The occupation categories of Managers, Sales Workers and Community and Personal Service workers have significantly increased in proportion at the expense of Labourers and Machine Operators and Drivers

Table 9 Leichhardt LGA Occupation Characteristics

Leichhardt LGA Occupation Characteristics, 1996 - 2006

Category	1996	2001	2006	Difference 1996-2006
Managers	12%	15%	20%	+8%
Professionals	35%	36%	41%	+6%
Clerical & Administrative Workers	5%	4%	14%	+9%
Sales Workers	21%	20%	7%	-14%
Community & Personal Service Workers	7%	6%	6%	-1%
Total White Collar	80%	81%	88%	+8%
Labourers	6%	5%	4%	-2%
Machine Operators and Drivers	4%	4%	2%	-2%
Technicians & Trades Workers	10%	10%	6%	-4%
Total Blue Collar	20%	19%	12%	-8%

Source : ABS Journey to Work; Urbis

2.4 Leichhardt Resident/Worker Comparison

Tables 10 and 11 provide information on both Leichhardt LGA residents and those employed within Leichhardt who live outside the LGA.

The following tables are based on the 2006 Census and Journey to Work data. This information is particularly useful in identifying potential opportunities to retain the workforce within Leichhardt, helping to reduced traffic volume and travelling time, and encouraging spending to be directed to local business within the LGA.

2.4.1 Working within Leichhardt LGA

Table 10 shows that, including workers from other parts of Sydney and beyond, the total workforce employed in Leichhardt in 2006 was 17,755 people.

Workers commute to Leichhardt from a wide area that includes predominantly most of the Inner Western Sub-region of Sydney, with over 40% of employment in Leichhardt filled by residents in Leichhardt, Ashfield, Burwood, Canada Bay and Strathfield LGAs.

Around 4,995 Leichhardt residents are employed within Leichhardt LGA, which equates to around 28% of working Leichhardt residents. This proportion is referred to as the employment containment ratio. This means that 62% (12,760) working Leichhardt residents travel outside of Leichhardt LGA to work.

Table 10 Leichhardt LGA Workforce Place of Residence

Leichhardt LGA Workforce Place of Residence, 2006

Home LGA	<u>Work LGA</u> Leichhardt LGA	
	No.	%
Leichhardt (A)	4,995	28%
Remainder Inner West Region	<u>2,351</u>	<u>13%</u>
Total Inner West Sub-Region	7,346	41%
<u>Other LGAs</u>		
Marrickville (A)	1,128	6%
Sydney (C)	1,041	6%
Canterbury (C)	811	5%
Ryde (C)	630	4%
Bankstown (C)	415	2%
Sutherland Shire (A)	413	2%
Randwick (C)	401	2%
Parramatta (C)	380	2%
Blacktown (C)	362	2%
Rockdale (C)	305	2%
Total Remaining LGAs	<u>4,523</u>	<u>25%</u>
Total Employment	17,755	100%

Source : ABS, Census of Population, 2006; Urbis

2.4.2 Leichhardt LGA Resident Workforce

Table 11 provides an overview of the locations where residents of Leichhardt LGA work.

Sydney LGA, which comprises the Sydney CBD, Pyrmont and Surry Hills (i.e. City of Sydney), attracts 40% of Leichhardt's working population, highlighting the proximity of Leichhardt to the city where a significant number of white collar jobs are located.

A large proportion of residents also work within North Sydney, Ryde and Parramatta, which are also major providers of white collar employment.

Table 11 Leichhardt LGA Workforce Place of Employment

Leichhardt LGA Workforce Place of Employment, 2006

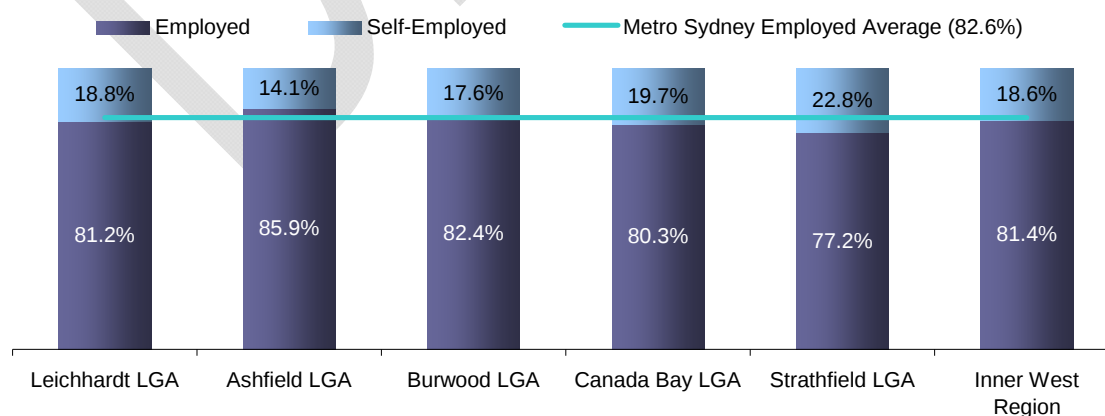
Work SLA	<u>Home LGA</u> Leichhardt LGA	
	No.	%
Leichhardt (A)	4,995	18%
Remainder Inner West Region	<u>1,167</u>	<u>4%</u>
Total Inner West Sub-Region	6,162	22%
<u>Other LGAs</u>		
Sydney (C)	11,473	40%
North Sydney (A)	1,329	5%
Ryde (C)	1,000	4%
Parramatta (C)	718	3%
Willoughby (C)	686	2%
Marrickville (A)	613	2%
Botany Bay (C)	472	2%
Randwick (C)	408	1%
Auburn (A)	366	1%
Woollahra (A)	270	1%
Total Remaining LGAs	<u>4,892</u>	<u>17%</u>
Total Employment	28,389	100%

Source : ABS, Census of Population, 2006; Urbis

2.5 Employed versus Self-employed

Figure 2 shows information relating to Leichhardt residents that are self employed versus total number employed. Leichhardt has approximately 18.8% of workers self employed, which is comparable to the Inner West Region average of 18.6%.

Figure 2 Inner West Sub-Region Employed vs. Self Employed

Inner West Sub-Region Employed vs. Self-Employed, 2006

Note: 'Self-Employed' comprises Owner managers of incorporated enterprises, Owner managers of unincorporated enterprises, and Contributing
Source : ABS, Cat 2068.0, 2006 Census of Population and Housing

3 Industrial Market Assessment

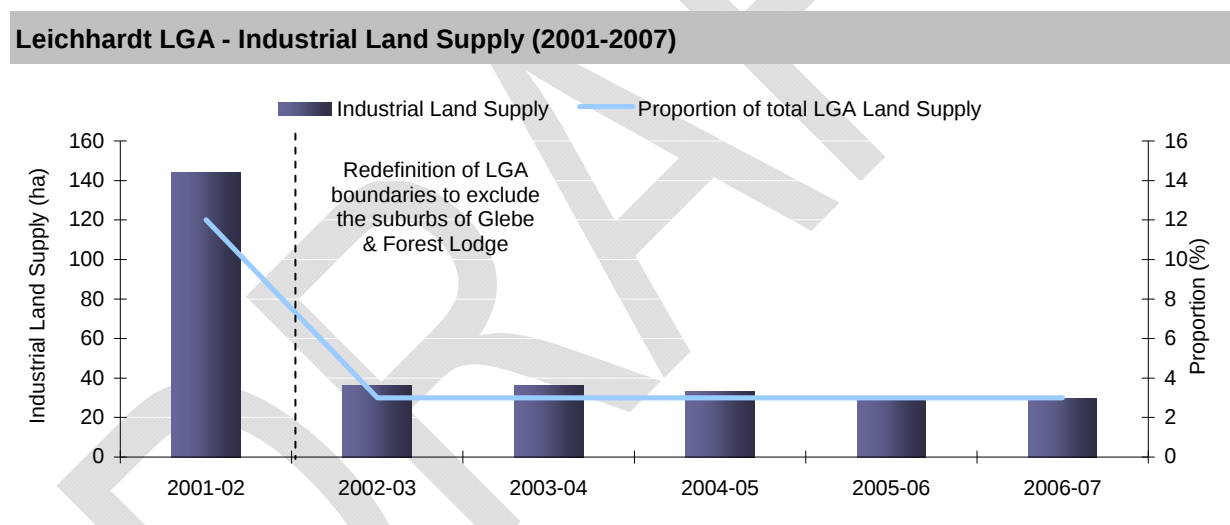
3.1 Industrial Land Supply

From 1994 to 2007 Leichhardt Council produced an annual *State of the Environment* report detailing current land supply, air and greenhouse issues, water, biodiversity, waste, noise, heritage and social issues within the LGA. These reports also outline Council action over the year to address the above mentioned issues and provide future action plans.

Figure 3 contains land supply data from each of the reports dating from 2001 through to 2007 and illustrates the change in the total volume of industrial land in Leichhardt LGA over the respective periods. No updated information on industrial land supply in Leichhardt LGA is available.

Between 2002 and 2003, there was a 108 hectare reduction in the total amount of industrial land to 36 hectares. This significant reduction is partially attributable to the realignment of the Leichhardt LGA and City of Sydney boundaries that resulted in the suburbs of Glebe and Forest Lodge being included within the City of Sydney LGA. The other main contributor to the reduction is rezoning of premises primarily for residential purposes. Based on the 2007 report, Leichhardt LGA currently supports 30 ha of industrial land which reflects 3% of total land within the council area.

Figure 3 Leichhardt LGA – Industrial Land Supply



1. In May 2003, the suburbs of Glebe and Forest Lodge were removed from Leichhardt LGA and became part of the City of Sydney
 Source : Leichhardt Council State of the Environment Report 2001 - 2007 ; Urbis

3.2 Industrial Stock Overview

Industrial premises throughout the LGA are contained within compact precincts. The main concentrations are located in Leichhardt, Annandale and Rozelle with the subject site forming part of the south western 'Parramatta Road precinct'. Leichhardt DCP – Part A identifies the subject site as being within the 'West Leichhardt Distinctive Neighbourhood'.

Industrial stock varies right across the LGA in terms of age, scale, quality, configuration, clearance, and construction materials. Most structures typically date to the 1950's and 1970's although there are a number of contemporary developments interspersed throughout the region.

Broad features of industrial stock in the LGA are outlined as follows :

- Light industrial land uses
- Basic appearance, with much of the older stock now providing an outdated street appeal
- Brick construction
- Workshops, factories/warehouses and two level office/factory buildings as the dominant stock
- Medium clearance space (Leichhardt DCP limits any new industrial development to a height of 6 metres)
- A range of floor areas from 150sq.m up to 6,000sq.m with most buildings sized up to 1,000sq.m
- Primarily torrens title ownership
- Compact site areas with minimal provision of on site open storage and car parking areas (if any)
- A higher content of basement factory and storage space to counter site area limitations.
- Location amongst residential and retail/commercial land uses

The subject site is considerably larger in size than the majority of industrial premises within the Leichhardt council area and is at present improved with an outdated, purpose built industrial facility that is redundant in terms of current industrial practices.

3.3 Market Review

As discussed in section 3.1, as at 2007 only 3% (30 ha) of land within Leichhardt LGA was used for industrial purposes. With 'general industry' not a predominant land use in the area there is limited market activity in terms of sales and leasing transactions.

In 2008, as part of the *2008 George Street Employment Study*, a market review was undertaken to understand the nature of industrial sales and leasing activity in Leichhardt. At that time investor sentiment toward the industrial property market was subdued, with just 10 industrial property transactions occurring between 2006 and 2008. The sales related to improved sites only, with no development site transactions occurring over the period. Very few industrial properties were listed for sale at that time, reflecting the limited volume of industrial properties in Leichhardt. As a result of the 2008 market review, the DoP supported the re-classification of both the Kolotex and Labelcraft site within the Inner West Sub-Regional Strategy, thereby providing policy support for a broader range of uses being permitted on the site.

The market review has been updated as part of this study, to understand changes in the level of demand for industrial properties in Leichhardt LGA since the initial review was undertaken. The updated review revealed that activity has remained subdued since the 2008 review was undertaken with just ten transactions occurring over the 18 month period to June 2010. Sales rates per square meter of improved land area over this period ranged from \$1,900 to \$5,300. Note that the higher prices were achieved for properties that had the potential to be utilised or converted to residential. The sales prices achieved since 2009 are relatively consistent with those achieved between 2006 and 2008 (\$1,500 per sq.m. to \$5,900 per sq.m.) reflecting the continued stagnant demand for industrial properties in Leichhardt.

The limited investor interest in industrial properties across Leichhardt LGA is consistent with the experience of the Kolotex site – since being vacated by Kolotex, no potential buyers have registered any interest in the property despite active marketing. As a result, the property is predominately vacant, and is otherwise used to store cars associated with the nearby Rick Damelian car yard.

A review of industrial properties currently available for lease in Leichhardt indicates that leasing activity has also declined since the 2008 George Street Employment Study was prepared. At that time, approximately 20 industrial properties were available for lease, ranging from 230sq.m. to 3,100sq.m. with rental values broadly ranging from \$60 per sq.m to \$220 per sq.m per annum. By June 2010 the

number of industrial properties for lease had increased to approximately 40 (with the large majority of these being in the suburb of Leichhardt), and asking rents have shown no movement, continuing to be in the order of \$60 per sq.m. to \$220 per sq.m. The increase in the number of properties for lease and stagnant rental values reflect the limited leasing demand for industrial properties in Leichhardt, and this is again consistent with the experience of the Kolotex site which has not attracted a long term tenant since being vacated by Kolotex in 2008.

Industrial property transactions which have occurred since 2009, and industrial properties that are for sale as at June 2010 are summarised in Tables 12 and 13 respectively; the transactions that occurred between 2006 and 2008 and which were included in the *2008 George Street Employment Study* are detailed in Appendix B.

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Table 12 Industrial Property Transactions, Leichhardt LGA (January 2009 – June 2010)

Industrial Sales in Leichhardt LGA (Jan 2009 - June 2010)

Address	Suburb	Sale Date	Price	Land Area (sq.m.)	Building Area (sq.m.)	Land Price (\$/sq.m.)	Building Price (\$/sq.m.)	Comments
26 National Street	Leichhardt	Jan-10	\$1,748,000	420	333	\$4,162	\$5,249	Vacant, two storey warehouse building with two car spaces. Approved for a photographic / graphic design studio.
2 George Street	Leichhardt	Dec-09	\$1,884,000	NA	737	NA	\$2,556	Modern, two storey factory / warehouse.
32 Walter Street	Leichhardt	Nov-09	\$792,000	NA	380	NA	\$2,084	Modern warehouse premises for sale with vacant possession. The property was passed in at \$680,000 at auction in October 2009.
21 Hill Street	Leichhardt	Oct-09	\$720,000	NA	319	NA	\$2,257	Feestanding brick industrial warehouse building, sold with vacant possession.
9A Albion Street	Annandale	Sep-09	\$1,050,000	NA	275	NA	\$3,818	Modern warehouse / factory with office space; zoned residential.
22 Nelson Street	Annandale	NA	\$1,475,000	NA	275	NA	\$5,364	Vacant warehouse premises; zoned residential.
190 Parramatta Road	Annandale	Feb-09	\$1,150,000	NA	449	NA	\$2,561	Older style, two story factory
114 Pyrmont Bridge Road	Annandale	Nov-09	\$1,900,000	NA	437	NA	\$4,348	Modern industrial building, with mixed commercial use.
118 Terry Street	Rozelle	Jan-09	\$13,000,000	1,385	NA	\$9,386	NA	The former carrier site, previously owned by Multiplex. The site is earmarked for mixed residential and commercial development.
55 Lilyfield Road	Rozelle	Jun-09	\$1,900,000	903	973	\$2,104	\$1,953	Office and industrial warehouse building; zoned Light Industrial.

Source: realcommercial.com; RP Data; PIM

Table 13 Industrial Properties for Sale, Leichhardt LGA (As at June 2010)

Industrial Properties for Sale in Leichhardt LGA (As at June 2010)

Address	Suburb	Asking Price	Land Area (sq.m.)	Building Area (sq.m.)	Land Price (\$/sq.m.)	Building Price (\$/sq.m.)	Comments
495-497 Parramatta Road	Leichhardt	Auction	NA	635	NA	NA	Vacant, two level building with access from Parramatta Road and Jarret Street. The property was passed in at Auction at \$800,000 in May 2010.
18-16 Moore Street	Leichhardt	Auction	2,300	1,445	NA	NA	Fully renovated, single level warehouse premises, with 15 car parking spaces.
NA	Leichhardt	\$1,100,000	720	550	\$1,528	\$2,000	Single level factory premises currently utilised for mechanical repairs activities.
NA	Annandale	\$1,000,000	NA	280	NA	\$3,571	Single story warehouse style premises, currently tenanted by a mechanic. Potential for conversion to residential.
2 Young Street	Annandale	\$2,280,000	575	725	\$3,965	\$3,145	Two level, older style warehouse building currently rented for \$118,000 p.a. gross on a 12 month lease.

Source: *realcommercial.com*; *RP Data*; *PIM*

3.4 Industrial Land Survey – Leichhardt

To assist with the assessment of use of industrial land within the Leichhardt LGA, eleven industrial precincts were defined based on land zonings as indicated in the Leichhardt 2000 LEP. Urbis undertook a survey of business within these precincts in December 2007. The precincts are illustrated in Map 2 and an overview of businesses by industry type is provided in Table 14. Full indication of each business within the industrial precincts is provided in Appendix A.

Key points regarding each precinct are as follows :

- Comprising approximately 26,000 sq.m of former industrial zoned land, the **Birchgrove Precinct** is the site of the Caltex refinery in Birchgrove. The site was reclaimed and became open area/parkland in 2008. The redevelopment has improved access to Sydney Harbour and the Balmain foreshore. The Birchgrove precinct has not been included in Table 14 as the future use of the site will not be industrial. If included, the level of vacant land within Leichhardt LGA will increase to 25% of total industrial land.
- The **Balmain East Precinct** comprises approximately 2,300 sq.m of industrial zoned land. The precinct contains a number of lots located on Alexander Street, Duke Street, Campbell Street and Cooper Street in Balmain East. The precinct Transport, Postal and Warehousing uses dominate the Industrial zones. Surrounding buildings are used for residential purposes.
- **Terry Street, Rozelle Precinct** includes the land bounded by Terry Street to the north and west, Wellington Street to the east and Victoria Road to the south. The Precinct comprises approximately 164,170 sq.m of land, which is largely taken up by residential, retail, Transport, Postal and Warehousing uses.
- Approximately 3,500 sq.m of land is located within the **Lilyfield Road, Rozelle Precinct**. Manufacturing and retail traders dominate the uses in the area.
- **White Bay Precinct** comprises approximately 119,000 sq.m of land that is used for industrial, retail and residential purposes. The Precinct is generally bounded by White Bay to the north and Victoria Road to the south. The site has been earmarked for a potential cruise ship terminal.
- The **Balmain Road Precinct** comprises 26 allotments (13,800 sq.m) centred on Balmain Road, Fred Street and Darling Street. Manufacturing Industries are the main users found in the Precinct.
- The **Moore Street, Leichhardt Precinct** comprises 338,100 sq.m of land clustered around Moore Street, John Street, Hill Street and Catherine Street. A myriad of Professional, Scientific and Technical users, as well as manufacturing industrial are present in the area.
- The **Pymont Bridge Road Precinct** is generally bounded by Booth Street and Pymont Bridge road to the west and Parramatta Road to the south. Professional, Scientific and Technical Services as well as residential uses dominate the precinct.
- **Parramatta Road, Leichhardt Precinct** comprises 282,200 sq.m which is largely taken up by retailers, vacant properties and a small amount of industrial users that generally do not have a local focus. This area incorporates the 'George Street Precinct' in which the former Kolotex / Labelcraft site is located.
- The **West Leichhardt Precinct** comprises 13 allotments (approximately 142,500 sq.m). A retirement Village, located on Marion Street, takes up much of the available space.

Map 2 Leichhardt Industrial Precincts

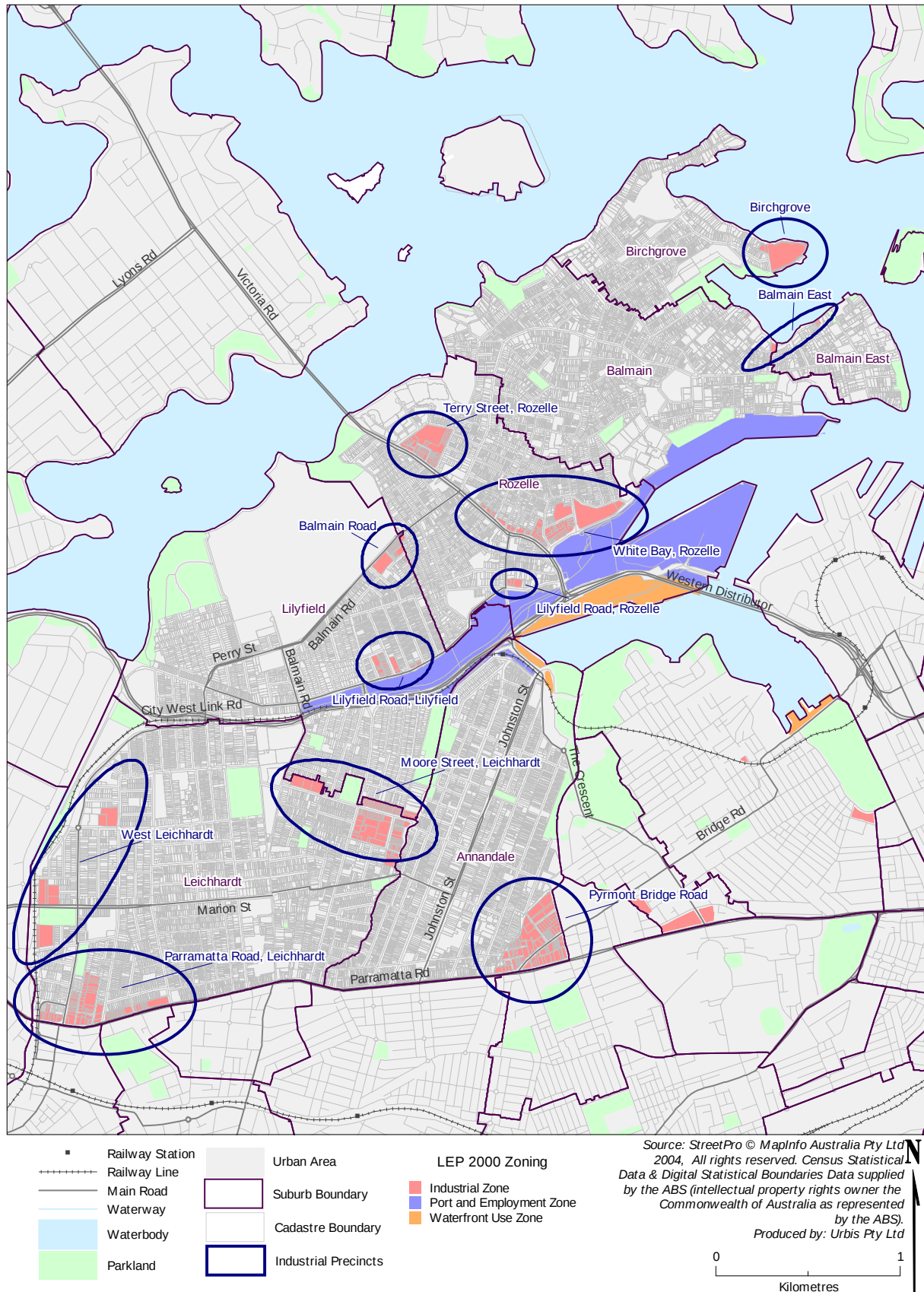


Table 14 Leichhardt Industrial Precincts by Industry

Leichhardt Industrial Precincts by Industry Type, as at December 2007

Precinct	Manufacturing	Transport, Postal & Warehousing	Wholesale Trade	Professional, Scientific & Technical Services	Retail Trade	Other Industry Type ¹	Vacant ²	Residential ³
Balmain East	0.0%	77.5%	0.0%	0.0%	0.0%	0.0%	0.0%	22.5%
Balmain Road	61.0%	0.0%	0.0%	10.7%	1.5%	8.6%	15.6%	2.5%
Lilyfield Road, Lilyfield	25.4%	0.0%	0.0%	16.1%	0.0%	17.3%	29.7%	11.4%
Lilyfield Road, Rozelle	43.1%	0.0%	0.0%	0.0%	56.9%	0.0%	0.0%	0.0%
Moore Street, Leichhardt	25.6%	7.9%	3.4%	11.5%	7.4%	28.2%	13.7%	2.3%
Parramatta Road, Leichhardt	10.0%	0.4%	3.6%	5.4%	24.7%	13.7%	36.9%	5.3%
Pymont Bridge Road	23.7%	11.7%	0.0%	9.1%	26.7%	7.6%	10.3%	10.9%
Terry Street, Rozelle	2.6%	14.4%	0.0%	1.7%	12.4%	6.3%	46.9%	15.7%
West Leichhardt	7.8%	7.8%	29.0%	0.0%	0.0%	7.8%	7.8%	39.7%
White Bay, Rozelle	6.4%	28.8%	0.0%	10.9%	12.4%	28.7%	9.4%	3.5%
Total Leichhardt LGA	17.4%	11.1%	4.1%	7.8%	14.5%	16.1%	18.8%	10.1%

1. Other Industry Type¹ includes Arts & Recreation Services; Construction; Electricity, Gas, Water & Waste Services; Financial & Insurance Services; Health Care & Social Assistance; Information Media & Telecommunications; Other Services; Public Administration & Safety; and Rental, Hiring & Real Estate Services

2. Includes Ballast Point

3. Includes Retirement uses

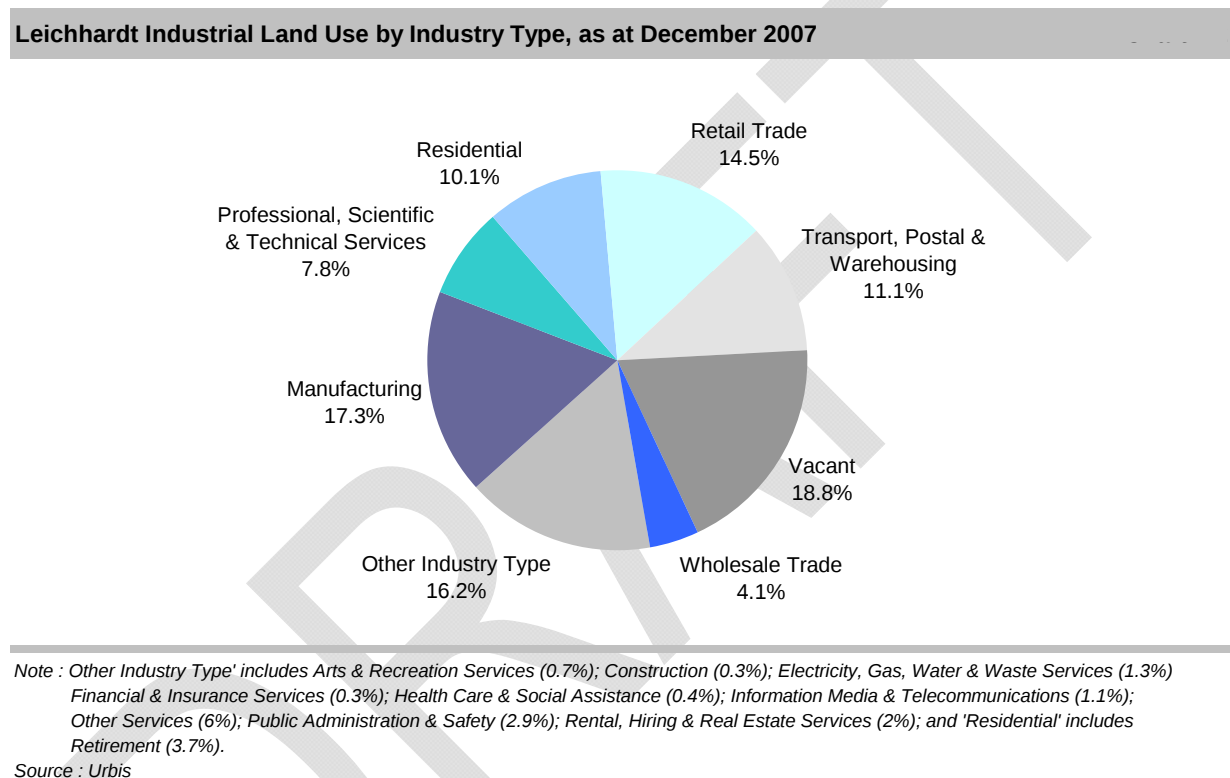
Source : Urbis

3.4.1 Industry Breakdown

Figure 4 shows the breakdown of Leichhardt LGA by industry type as a proportion of land area. Key points to note include:

- Vacant lots and buildings take up the majority of space, accounting for 18.8% of all industry types.
- Manufacturing industries such as kitchen, steelwork and scrap metal manufacturers account for 17.3% of industries surveyed.
- Residential accommodation takes up 10.1% of land within the Industrial precincts.

Figure 4 Leichhardt Industrial Land Use by Type

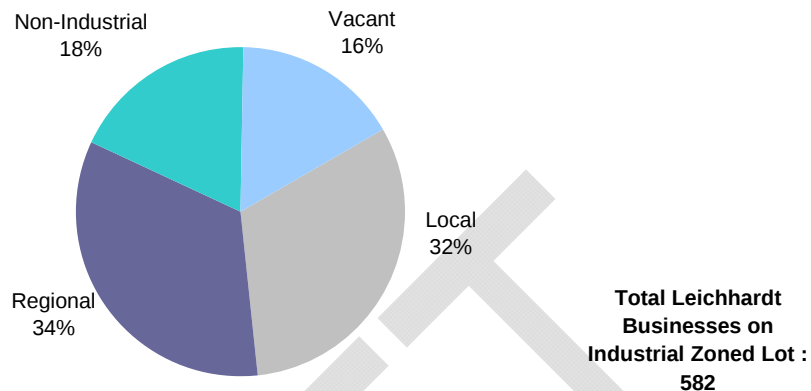


3.4.2 Regional versus Local Uses

Figure 5 illustrates the use (regional or local) of businesses that are on industrial lots in Leichhardt. Key points to note include :

- Businesses are divided somewhat evenly between local and regional uses (32% and 34% respectively).
- Local businesses include smash repairers, caterers, cafés, gyms and health care providers.
- Regional services found in Leichhardt include car dealerships, engineering/manufacturing, and publishing/advertising.
- The land use survey undertaken by Urbis revealed 16% of total industrial zoned lots were vacant as at December 2007.

Figure 5 Leichhardt Businesses on Industrial Lots – Regional & Local Use

Leichhardt Businesses on Industrial Lots - Regional and Local, as at December 2007

Note : Non-industrial is residential and retirement village uses. Vacant does not include Ballast Point/Birchgrove Precinct
 Source : Urbis

3.5 Industrial Land Survey – George Street Precinct

The local George Street Precinct is developed with a number of industrial and office buildings primarily between George Street and Upwards Street, with a small cluster of industrial uses between Upward Street and Tebbutt Street adjacent to McAleer Street. The Parramatta Road fronting properties are generally of a retailing and office nature, making the most of their high exposure locations.

The balance of the area, particularly on the eastern side of George Street and western side of Upward Street are improved with detached residential dwellings that overlook the current industrial uses. There is a direct interface in this area between long established residential uses and industrial uses, which is a point of potential conflict, particularly if the current low intensity industrial uses change in the future to higher intensity industrial uses that may produce more traffic and noise (such as smash repair operations, steel fabrication factories, etc).

A review of the George Street precinct was undertaken as part of the *2008 George Street Employment Study*, and recently updated in May 2010. The key findings to note are:

- As at May 2010, approximately 66% of the businesses around the George Street precinct were not using their premises in an industrial capacity – this is an increase from the 60% of non-industrial uses that was observed in 2008;
- Approximately 87% of all businesses do not provide services that specifically target the needs of local residents and businesses.
- One of the two industrial properties that was previously vacant in 2008 is now utilised as an office. Meanwhile a property which was previously tenanted by Vulcanite, an industrial equipment manufacturer, in 2008 is now vacant. Vulcanite has relocated to a newer facility Western Sydney. These changes highlight the declining prevalence of blue collar industries in Leichhardt.
- Of the six businesses located along Parramatta Road, only three businesses had a retail capacity that benefited from a high profile location, with the others having an office focus.
- The buildings generally are of an older style and are approaching physical and economic obsolescence.

- The area immediately surrounding the George Street precinct predominately consists of low density residential with a state primary school towards the northern end of Upward and Tebbutt Streets.

Tables 15 and 16 detail the businesses within the George Street Precinct, the nature of their operations and if it has a local service provision focus.

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Table 15 George Street Precinct – Local Business Survey

George Street Precinct - Local Business Survey (May 2010)						
No.	Business Name	Business Type	Land Use	Industrial	Local Focus	Former Use (2008)
1	Vacant	na	warehouse	na	na	Industrial equipment manufacturer
2	Computer Sales	computer	retail	✗	✓	
3	Culligan Water	water filters	office / workshop	✗	✗	
4	OSS Digital	digital print services	office	✗	✗	
4	La Maison	furniture wholesaler & manufacturer	wholesale retail	✓	✗	
5	International Laminex	laminating services, supply & equipment	retail / office / studio	✓	✗	
6	EnergyAustralia	na	electrical substation	✗	✓	
7	Best & Less	clothing retailer	warehouse	✓	✗	
8	Best & Less	clothing retailer	employee car park	✗	na	
8	na	na	car park	✗	na	
9	Best & Less	clothing retailer	head office	✗	✗	
10	Blake Publishing, Blake Education, Pascal Press	school supplies	office	✗	✗	
11	International Billiards	billiards tables & accessories	retail shop	✗	✗	
12	DJ Warehouse	disc jockeys' supplies & equipment	retail shop	✗	✗	
13	DK Blue	promotional products	office	✗	✗	
13	Paper Scissor Rock	promotional products	office	✗	✗	Vacant
13	Refine Electrical Services	electrical contractors	office / workshop	✓	✓	
13	Korthotics	physiotherapy orthotics products	warehouse	✓	✗	Vacant
13	Clickpress Group	pre-press production services	office / workshop	✗	✗	
13	Niche Product Marketing	marketing services, & public relations consultants	office	✗	✗	

Source: Urbis

Table 16 George Street Precinct – Local Business Survey

George Street Precinct - Local Business Survey (May 2010)					
No.	Business Name	Business Type	Land Use	Industrial	Local Focus Former Use (2008)
13	Imagepoint	advertising agency, graphic designers, promotional products	office / studio	x	x
13	Deveaux	event management, model agencies, promotions personnel	office / studio	x	x
13	iPL Logistics & Sampling	packing, filling & assembling services	warehouse	✓	x
13	Culture Shock	bridal wear - retail / hire	retail warehouse	x	x
13	Quantum Energy Systems	hot water systems	office / workshop	✓	x
13	Geoffrey A White & Co	chartered accountants	office	x	✓
14	Vacant (former Kolotex site)	temporary car storage	manufacturing, warehouse	na	na
15	Colourtrue Labels (Labelcraft)	labels	manufacturing, warehouse	✓	x
16	Labelcraft	labels	manufacturing, warehouse	✓	x
17	Papaya	Trade room and warehouse	retail shop warehouse	x	x
18	R Keane Service - Mercedes Benz Specialist	motor repairers	workshop	✓	x
19	Visual FX - design & imaging	digital print services	studio	x	x
20	DJ Warehouse	distribution and warehouse	warehouse, wholesale	x	x
20	na	engineering services, joinery	retail, workshop	✓	x

Source: Urbis

Map 3 George Street Precinct Survey Map



3.6 Industrial Demand Drivers: Site Location & Features

There are a range of location attributes and site features that influence the relative appeal of industrial properties. We have assessed the Kolotex / Labelcraft site, as well as alternative industrial precincts in the Inner West and Western Sydney, against these attributes and features, to gauge the relative potential for and attractiveness of industrial development across the locations. The assessment is summarised in Table 17 overleaf. As illustrated, the alternative industrial precincts are more suitable for industrial development as a result of the following key attributes:

- Access to blue collar workforce: industrial businesses need to have access to blue collar workers; failure to locate in reasonable proximity to blue collar workers might result in businesses facing difficulty in attracting employees. As discussed in section 2, the number of blue collar workers in Leichhardt has significantly declined over time; the alternative Inner West and Western Sydney regions have access to significantly larger pools of blue collar workers.
- Access to freight / major transport routes: many industrial businesses, such as manufacturing, warehousing and wholesaling businesses, require access to freight / major transport routes. The industrial precincts in the Western Sydney region are far superior to the George Street precinct in this regard, particularly when considering traffic congestion and access.
- Co-location with tenants' office headquarters: there has been a relatively recent trend toward companies co-locating their head-office and operational activities (i.e. manufacturing, warehousing) in an effort to achieve economies of scale. This has seen the emergence of large business parks in Australia, such as Norwest and Homebush Bay. Given limited office space and highly fragmented industrial space, the George Street precinct in Leichhardt does not provide an opportunity for such co-location.
- Good road access: this is particularly important to manufacturing, warehousing and logistics businesses. The Kolotex / Labelcraft site does not enjoy this feature, given that George Street can not be directly accessed when travelling West along Parramatta Road (no right turn); that George Street is a narrow suburban street; and that in gaining access to George Street also requires traversing along either Upward Street and/or Treadgold Streets- both also narrow streets with corners that are not conducive to heavy or articulated vehicles.
- Main road frontage: main road frontage is desirable for any business as it increases their exposure to vehicle and pedestrian traffic. This feature is not enjoyed by the Kolotex / Labelcraft site.
- Buffer Zones Between Residential Development and Community Facilities (e.g. schools, open space): reasonable buffer zones should be provided between industrial development, and residential development and community facilities, to shield the latter from noise and pollution associated with industrial activities. Such a buffer zone is not located around the Kolotex / Labelcraft site. Residential areas are immediately proximate to the site, while the Kegworth Public School and a child care centre are located within 100 meters of the site. In comparison, the alternative industrial zones in the Inner West (e.g. Homebush Bay) and the industrial precincts in Western Sydney provide significant buffer zones.
- Lower land values: given the significant value of the land on which the Kolotex / Labelcraft site sits, industrial development on the site is not feasible. This was demonstrated through a high level feasibility assessment in the *2008 George Street Employment Study*. By comparison, land values in the alternative Inner West industrial precincts, and in the Western Sydney region are significantly lower, making industrial development feasible in these areas.

Table 17 Location Demand Drivers for Industrial Development

Locational Demand Drivers for Industrial Development			
Demand Drivers	Kolotex / Labelcraft Site	Alternative Inner West Industrial Precincts (e.g. Homebush Bay)	Western Sydney Industrial Precincts
Access to Blue Workforce	✗	✓	✓✓
Access to Freight / Major Transport Routes	✗	✗	✓✓
Co-Location with Tenants' Office Headquarters	✗	✓	✓✓
Good Road Access	✗	✓	✓✓
Main Road Frontage	✗	✓✓	✓
Buffer Zones Between Residential Development	✗	✗	✓✓
Buffer Zones Between Community Facilities (E.g. Schools, Open Spaces)	✗	✓	✓✓
Lower Land Values	✗	✓	✓✓

Source: Urbis

3.7 Summary

The preceding review of the industrial property market in Leichhardt demonstrates that industrial uses do not represent an optimal use for the Kolotex / Labelcraft site, and that the prevalence of blue collar industries in Leichhardt is declining. This conclusion is based on the following key findings:

- The demographic profile of Leichhardt LGA has changed significantly over time. In particular, there has been a significant increase in the number of white collar workers, and a decrease blue collar workers. As such, industrial activities do not match profile of Leichhardt residents, and therefore provide little economic benefits in terms of local employment.
- Investor sentiment toward industrial properties in Leichhardt is low, as reflected by the limited number of industrial property transactions and stagnation in values since 2008.
- The demand for leasing industrial properties is also subdued, and has eroded over time as reflected by the increase in the number of industrial properties for lease since 2008.
- The number of businesses in the George Street Precinct that undertake industrial-type activities has declined since 2008.
- The location and attributes of the site are not optimal for industrial development, In particular, the poor access from Parramatta Road, the narrow width of George Street which does not provide easy access to the site for large vehicles, the lack of main road frontage, and the absence of buffer zones between residential development and community facilities.

4 Office Market Assessment

4.1 Existing Office Supply

As at February 2010, the Sydney suburban office market contained an estimated 4.67 million sq.m. dispersed across seven regions – City Fringe, North, Inner West, South, North West, South West and West. Of these, the North region was the largest, accounting for 33% (1.54 million sq.m.) of the suburban office market.

In the Inner West Sub-Region, the major office markets are Rhodes, Homebush (SOP) and Burwood. A small amount of office space is also dispersed throughout commercial precincts in Leichhardt, North Strathfield, Strathfield and Ashfield. The office stock in the major office precincts of Rhodes and Homebush (SOP) is primarily A-Grade and large format, whereas the office stock in the latter smaller precincts is highly fragmented, mainly small format and is largely B and C grade quality.

In Leichhardt LGA the key commercial precincts are located along Norton and Darling Streets. The estimated total supply of office space across the entire LGA is in the order of 40,000sq.m – equivalent to less than 10% of office space in the entire Inner West Subregion. Note however that not all of this space is necessarily custom-built office space, but may incorporate other building spaces (e.g. converted residential premises) that are utilised as offices.

Table 18 Existing Office Space in the Inner West Subregion

Existing Office Space - Inner West Sub-Region (2010)	
LGA	sq.m. NLA
Leichhardt ¹	40,000
Canada Bay (Rhodes, North Strathfield)	156,000
Strathfield (Homebush)	100,000
Burwood	93,000
Ashfield	20,000
Total	409,000

Source: Colliers, Knight Frank, Urbis

1. Based on the number of office-based white collar employees working in Leichhardt LGA, and assuming a provision of 20sq.m. NLA per employee.

4.2 Office Vacancy

Based on a review of office space that is currently for lease in Leichhardt LGA, we estimate that the level of office vacancy is in the order to 10% to 12%. A significant proportion of vacancy is in B and C grade converted residential premises.

In the past several years vacancy in the broader Inner West region has varied across office precincts. At Rhodes, vacancy increased from 4% in 2007 to 6% in July 2009. The increase was largely attributed to the completion of Building A at Rhodes Corporate Park (15,000 sq.m.) in the second half of 2007. Despite the increase, this level of vacancy is below that of most other non-CBD office markets in Sydney.

Vacancy at Homebush (SOP) fell from 13% in 2007 to 2% in July 2009 – among the lowest vacancy levels across all suburban Sydney office markets. This is despite a significant increase in supply over the period, including Commonwealth Bank of Australia's new building.

We estimate that the level of vacancy in Burwood has been at around 10% since 2007. We note that this vacancy appears to be spread through most buildings, given the given the relatively low average size of office tenancies and multi-tenant nature of most buildings in the area.

The comparatively low level of vacancy in Rhodes and Homebush (SOP) demonstrates the dominance of these commercial precincts within the region.

4.3 Planned & Proposed Future Office Supply

As at May 2010 three proposed developments with a commercial office component were identified within Leichhardt LGA - two have been approved and one is pending approval. The proposals are primarily for mixed use developments in which the office space would form part of a larger development containing residential and / or retail. Combined, the proposed developments would provide an additional 4,835sq.m. of office space in Leichhardt LGA over the next three to four years, representing a 12% increase over the existing office supply in the LGA. The planned and proposed developments are summarised in Table 19.

Table 19 Planned & Proposed Office Developments – Leichhardt LGA

Leichhardt LGA Proposed Office Developments (as at May 2010)						
Address	Type	Office Space	Planning Status	Likelihood	Expected Completion Date	Comments
314 -316 Norton Street, Leichhardt	Mixed Use	4 Units / 200sq.m.	Development Approval	Possible	2012	Mixed use development, comprising four ground floor commercial tenancies.
47- 51 Lilyfield Road, Lilyfield	Mixed Use	3,229sq.m.	Development Approval	Possible	2011	Six storey mixed use development comprising high tech offices on floors one to four, as well as ground floor retail (152sq.m.) an 86 place child care centre, The ground floor will contain a 152sq.m. cafe, 86 place child care centre.
138-152 Victoria Road, Rozelle (Balmain Tigers)	Mixed Use	1,406sq.m.	Development Application	Possible	2014	The proposed development comprises a new Balmain Tigers Leagues Club of 3,650sq m, 136 residential units, commercial office space, and retail floor space including a supermarket & fresh food market.

Source: Cordell Connect; Urbis

Throughout the broader Inner West region a number of new office developments were delayed, postponed or cancelled during the last 12 months as a result of the volatile economic climate. Despite the market demonstrating positive signs of recovery, the level of new supply expected to enter the market over the next few years is moderate.

In Canada Bay LGA, Building F at Riverside in Rhodes will add around 14,400 sq.m. NLA to the market by 2011. The building is being developed by Australand as an extension to their existing development. Due to the lack of new supply, market commentators expect that this space will be nearly fully committed by the time it comes to market, keeping vacancy tight.¹ In North Strathfield an additional 20,000 sq.m. of office space has been proposed at the Bakehouse Quarter. The development is pending approval by DoP.

In Strathfield LGA, 8 Australia Avenue at Sydney Olympic Park will bring an additional 5,100sq.m. NLA to the market by the first half of 2010. The only other proposed new office development that looks very likely to progress at Sydney Olympic Park at this stage is the Boulevard at the corner of Sarah Durack Ave and Olympic Boulevard, with a NLA of 12,000 sq.m. The development is not expected to be completed before 2011. Two other developments –Prime and 5b Uhrig Road are DA approved but have been postponed at this stage. Nevertheless we have incorporated these developments into our assessment. They would provide 17,600sq.m. and 6,400sq.m. of office space respectively.

A new office building within Burwood Council's new Civic Precinct development will bring an additional 5,500 sq.m. to the market. The development is scheduled for completion in 2013. We note that within the Metropolitan Strategy the DoP has identified Burwood as a Major Centre with potential for significant commercial office space expansion. At this stage, however, no other office developments have been formally proposed or approved.

Combined, the above mentioned proposed developments would add 85,835sq.m. NLA of office space to the Inner West office market over the next five years, equating to a 20% increase in total office space from 409,000sq.m. to 494,835 sq.m.

Table 20 Planned & Proposed Office Developments – Inner West Subregion

Potential Future Office Space - Inner West Sub-Region (2010-2015)		
LGA	Planned / Proposed Additional Office Space (sq.m. NLA)	Total Potential Office Space (sq.m. NLA)
Leichhardt	4,835	44,835
Canada Bay (Rhodes, North Strathfield)	34,400	190,400
Strathfield (Homebush)	41,100	141,100
Burwood	5,500	98,500
Ashfield	-	20,000
Total	85,835	494,835

Source: Colliers, Knight Frank, Cordell, Urbis

¹ Colliers International, *Sydney Metropolitan Office Report*, Spring 2009.

4.4 Office Demand Drivers

4.4.1 Site Location & Features

The demand for office space in a particular location is of course dependent on the nature of that location and the features of the specific site. Table 21 below provides an assessment of the Kolotex / Labelcraft site against a range of location factors and site features, relative to other key office precincts in Leichhardt and throughout the broader Inner West.

As illustrated, the alternative office precincts rate better than the Kolotex / Labelcraft site on a number of fronts, in particular:

- Proximity to a broader range of public transport: While the site enjoys access to public transport, Rhodes, Homebush (SOP) and Burwood are all located adjacent to train stations and are accessible via extensive bus networks; in comparison the George Street precinct which is located near Parramatta Road where a frequent bus service operates, but a further distance to train stations.
- Co-location with other offices: there is a general preference toward offices that are located in areas that have a commercial 'look and feel', which is present in the Norton and Darling Street precincts to some extent, and especially at Rhodes and Homebush (SOP). We note that however that there is already a move toward development of small scale offices in the George Street precinct.
- Superior road access: good access to the Norton and Darling Street commercial precincts is achieved as a result of their main road location; while Rhodes, Homebush and Burwood are accessed via main arterial roads. In comparison, George Street is a narrow, suburban street and can not be accessed when travelling west along Parramatta Road due to a 'no right turn' restriction.
- Main road frontage: main road frontage is desirable for any business as it increases their exposure to vehicle and pedestrian traffic. This feature is not offered by the Kolotex / Labelcraft site.
- Access to other facilities and services: Compared to Norton and Darling Streets, and Rhodes, Homebush (SOP) and Burwood, the George Street precinct has a more limited provision of retail and community services and facilities.

In this regard the alternative office precincts along Norton and Darling Streets in Leichhardt, and the major office hubs in Rhodes, Homebush (SOP) and Burwood, are more suitable and superior locations for future office development in the Inner West.

Table 21 Location Demand Drivers for Suburban Office Development

Locational Demand Drivers for Suburban Office Development			
Demand Drivers	Kolotex / Labelcraft Site	Major Leichhardt Office Precincts (Norton Street, Darling Street)	Major Inner West Office Precincts (Rhodes, Homebush, Burwood)
Access to White Collar Workforce	✓	✓✓	✓
Proximity to Public Transport	✓	✓	✓✓
Co-Location with Other Office Space (Activity Agglomeration)	✓	✓✓	✓✓
Good Road Access	✗	✓	✓✓
Main Road Frontage	✗	✓✓	✓
Access to Facilities & Services (e.g. Retail, Accommodation, Gyms, Civic/Community Services)	✓	✓✓	✓✓

Source: Urbis

4.4.2 Population Growth

Future population growth will drive demand for office space, as a certain proportion of the population will be employed in white collar positions that are accommodated in offices. Demand will be somewhat driven by population growth that occurs across the broad Sydney SD – since people that are employed in Leichhardt will come from all over Sydney SD. However, a significant proportion of white collar jobs in Leichhardt LGA will be accounted for by Leichhardt residents – historically this proportion has been around 28%.

An assessment of future population growth in Leichhardt therefore provides a basis for estimating future office space demand in the LGA. According to the latest population forecasts released by the DoP, the population in Leichhardt is forecast to increase by around 200 persons annually till 2036. These population forecasts feed into our white collar employment and office demand forecasts.

4.4.3 White Collar Jobs Growth

Growth in white collar employment is the key driver of office demand. In Leichhardt around 88% of the working population were employed in white collar roles in 2006. In comparison, only 45% of jobs in the LGA were white collar jobs, resulting in the need for a significant number of white collar workers from Leichhardt having to travel outside of Leichhardt to work.

Based on forecasted population growth, employment participation rates, white collar employment, and employment self containment rates (i.e. the proportion of working Leichhardt residents that are employed in Leichhardt) we have estimated future white collar employment growth. Note that these forecasts have been prepared independently of the DoP's job targets for Leichhardt, as per the Metropolitan Transport Plan 2010 – we assess these targets and their implications for office demand in section 4.5.1.

The white collar employment growth forecasts presented in Table 22 are based on the following key assumptions:

1. The proportion of employed versus non-employed persons in Leichhardt will remain constant at 55%;
2. The proportion of white collar working residents will remain stable at 88% (in line with the stable growth recorded between 2001 and 2006);

3. The proportion of working residents that are employed within Leichhardt will remain constant at 18%
4. Office-based white collar jobs continue to account for approximately 15% of all jobs in Leichhardt, as per the 2006 Census (note that non-office based white collar jobs such as healthcare and education jobs, account for an additional 30% of jobs in Leichhardt)

The forecasts suggest that an additional 655 office-based white collar jobs would be created in Leichhardt between 2010 and 2036.

Table 22 Leichhardt White Collar Job Forecasts (2010-2036)

Leichhardt LGA White Collar Jobs Forecasts (2010-2036)							
	2010	2011	2016	2021	2026	2031	2036
Population	52,480	52,700	53,800	54,900	55,700	56,700	57,800
Additional Persons (Cumulative)		220	1,320	2,420	3,220	4,220	5,100
% of Employed Catchment Population		55%	55%	55%	55%	55%	55%
# of Additional Population that are Employed		121	727	1,332	1,773	2,324	2,808
% of Working Residents that are Employed in Leichhardt		28%	28%	28%	28%	28%	28%
No. of Additional Leichhardt Residents that are Employed in Leichhardt		34	204	373	496	651	786
% Jobs in Leichhardt Accounted for by Leichhardt Residents		18%	18%	18%	18%	18%	18%
Total Additional Jobs in Catchment Area		188	1,131	2,073	2,758	3,614	4,368
Total Additional Office Based White Collar Jobs in Catchment		28	170	311	414	542	655

Source: Urbis

4.5 Office Demand Forecasts

Based on the white collar jobs growth forecasts presented in the previous section, and assuming a space requirement of 20 sq.m. per employee, there would be demand for an additional 3,392 sq.m. of office space in Leichhardt by 2016, and an additional 6,218 sq.m. by 2021. This means that planned future supply would outweigh demand by 1,443 sq.m. by 2016, however a shortage of 1,383 sq.m. would arise by 2021 according to the current volume of planned and proposed new supply.

Table 23 Study Area Office Demand Forecasts (2010-2036)

Leichhardt Office Demand Forecasts (2010-2036)					
Sq.m. NLA	2010-2016	2010-2021	2010-2026	2010-2031	2010-2036
Forecasted Additional Demand (cumulative)	3,392	6,218	8,274	10,843	13,104
Planned Additional Supply (cumulative)	4,835	4,835	4,835	4,835	4,835
Office Under/Over Supply	1,443	-1,383	-3,439	-6,008	-8,269

Source: Urbis

4.5.1 DoP Employment Targets & Implications for Office Demand

The Inner West Subregional Strategy which was released by the DoP in 2008 outlined a target for an additional 12,500 jobs by 2031, with 500 of these being located in Leichhardt LGA.

Subsequent to releasing the Subregional Strategy, the DoP released the Metropolitan Transport Plan in 2010, which states a revised target of 25,100 additional jobs in the Inner West subregion by 2036.

Whilst the MTP does not break down the job targets for individual LGA's within the subregion, if we assume that Leichhardt's share of jobs under the MTP is equivalent to its share of jobs that was stated in the Inner West Subregional Strategy (7%), then the target number of additional jobs in Leichhardt between 2006 and 2036 equates to 1,004. Assuming that 151 (15%) of these additional jobs will be office-based white collar jobs, this would generate demand for an additional 3,012sq.m. of office space between now and 2036.

Table 24 Inner West Subregion Job Targets & Space Requirements

DoP Inner West Subregion 2010 Job Targets & Office Space Requirements					
	Additional Jobs 2006-2036	Additional Office Based White Collar Jobs 2006-2036	Additional Office Space Required 2006-2036 (sq.m. NLA)	Additional Office Space Proposed to 2036 (sq.m. NLA)	Office Space Under / Over Supply by 2036 (sq.m. NLA)
Inner West Subregion	25,100	5,020	100,400	85,835	-14,565
Leichhardt	1,004	151	3,012	4,835	1,823

Source: DoP Metropolitan Transport Plan 2010; DoP Inner West Subregional Strategy 2006.

Notes:

Leichhardt jobs targets inferred by applying the proportion of total Inner West jobs that Leichhardt was expected to accommodate under the 2006 Inner West Subregional Strategy to the job targets for the Inner West subregion as reported in the 2010 Metropolitan Transport Plan.

Assumes office-based white collar jobs account for 15% of total additional employment.

4.6 Summary

The key points to note with respect to commercial office development on the Kolotex / Labelcraft site are:

- The Leichhardt office market is a relatively small market in the context of the entire Inner West subregion. Throughout the region, commercial office-based activities are primarily concentrated in the commercial centres of Rhodes, Homebush (SOP) and Burwood. These centres contain a high concentration of office space, co-located with retail, public transport and other community services. They provide a range of different types of office space, from large format A-Grade space, to small format C-Grade space. New office developments would face strong competition from these centres.
- A new office development on the subject site would also face a strong degree of competition from planned and proposed office developments. Across the Inner West region an additional 85,000sq.m. of new office space is planned or proposed for the coming years. This space would accommodate approximately 4,200 workers, which is equivalent to almost 85% of the DoP's target for new jobs in the region by 2036.
- Whilst there is generally a strong degree of competition, there appears to be a gap in the market and opportunities to cater to small, local businesses that require small, premium office space, which is not provided in Rhodes and Sydney Olympic Park (large format) and Burwood (B and C Grade);
- Demand for additional office space in Leichhardt LGA between 2006 and 2036 is expected to be in the order of 3,000 sq.m. (according to DoP's jobs targets) and 13,000 sq.m. (according to Urbis' independent white collar job growth forecasts). The key difference between the demand figures is that the former is based on a strategic target set by the DoP, while the latter is based on market factors – primarily population growth and white collar employment growth.
- The demand assessment, including typical office location drivers, suggests that a small amount of space – up to 2,500sq.m. – on the Kolotex / Labelcraft site in Leichhardt would be appropriate and commercially viable. We foresee that office development on the site could largely accommodate small, local professional services and IT. Further small-scale 'start-up'

offices/businesses that do not require town centre or 'major strip' locations would also be suitable for the Kolotex / Labelcraft site. A small amount of supporting retail such as a café and / or convenience store would also be appropriate for servicing office workers and residents within the development. The combination of these small-scale uses are envisaged to provide the site (and broader precinct) with an appropriate level of activity and 'sense of place'.

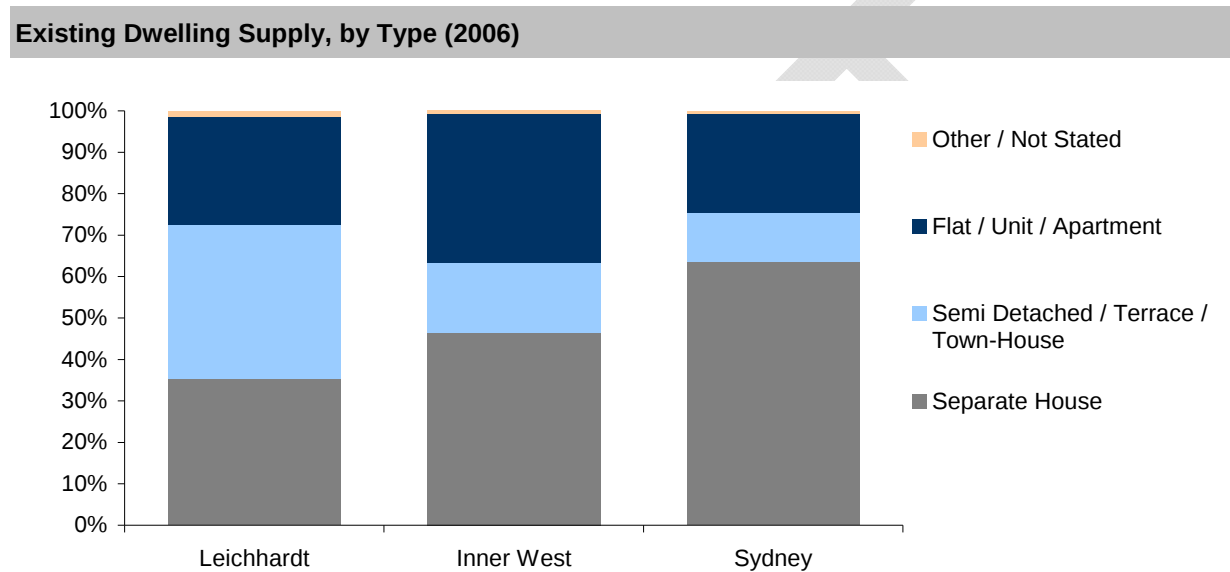
- In consideration of the office developments that are currently planned or proposed in Leichhardt LGA, incorporating any more than around 2,500sq.m. within the redevelopment of the Kolotex / Labelcraft site might result in the Leichhardt office market becoming 'flooded' in the medium term (to 2016) and this would drive up vacancy and drive down rents. 'Over provision' of such space is not considered commercially viable, and further, would be counter-productive in achieving vibrancy and neighbourhood identity as mentioned above.
- Note that provision of 2,500 sq.m. of office space on the Kolotex / Labelcraft site would fill the undersupply of office space that we foresee might emerge in Leichhardt by 2021, and would account for over 80% of the office space required to support the job targets that DoP has set. Moreover, it would support a larger amount of employment than what is currently supported by the existing industrial premises on the site.
- In our view future large-scale office developments would be more suitably located in the existing commercial centres of Rhodes, Homebush (SOP) and Burwood, where they can enjoy the benefits of co-location with other office, retail, and community facilities and services, and superior public transport facilities
- The above is consistent with the DoP's objective of concentrating jobs within these commercial / strategic centres. The Inner West subregional strategy indicates a target of concentrating 80% to 90% of new jobs in the subregion in Rhodes, Homebush and Burwood in line with a desire to strengthen their economic role and promote public transport use.

5 Residential Market Assessment

5.1 Existing Dwelling Supply

In 2006 Leichhardt LGA had just over 20,000 dwellings. Separate houses and semi detached / terrace / town houses each accounted for around 35% of all dwellings. Apartments / units were also quite prevalent, accounting for 25% of all dwellings. In comparison, apartments / units accounted for 35% of the housing stock across the entire Inner West subregion. This might suggest that there is scope to increase the provision of apartment / unit dwellings in Leichhardt.

Figure 6 Existing Dwelling Supply



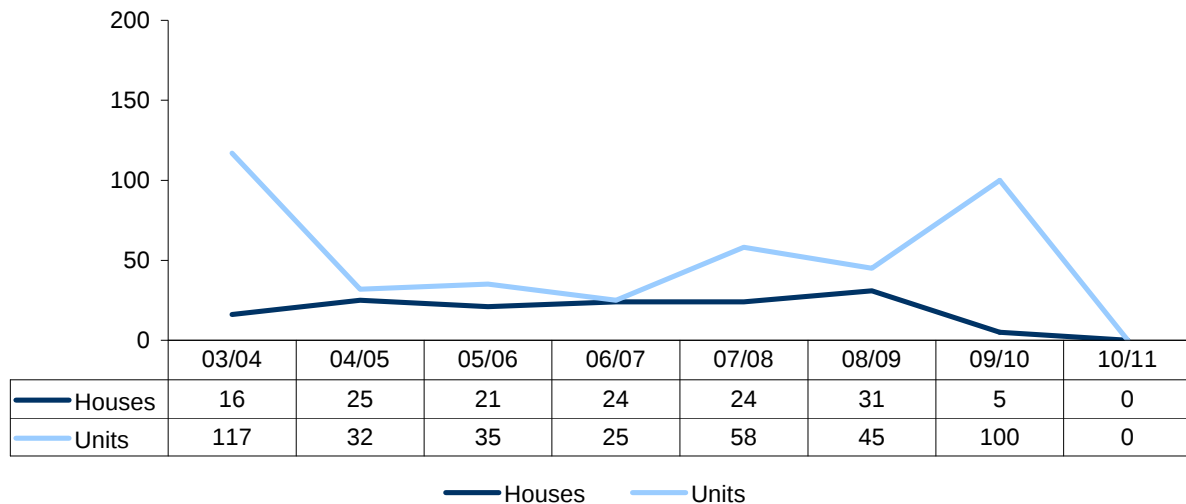
Source: ABS

5.2 New Dwelling Approvals

An assessment of New Dwelling Approvals (NDA) data produced monthly by the ABS provides a basis for assessing historical levels of new housing supply in a given area (albeit that supply won't directly correspond to approvals given that not all developments that are approved will proceed. None-the-less, there is a strong correlation between both variables.

As illustrated in Figure 7 overleaf, from 2004/05 to 2008/09 there was a significant decline in the number of unit dwellings approved in Leichhardt from the peak of 117 unit approvals in 2002/03. In 2009/10 approvals rebounded. Meanwhile, the number of new houses that were approved has been negligible over the period, as a result of constraints on low density development.

Figure 7 Leichhardt New Dwelling Approvals

New Dwelling Approvals (2003/04 - 2009/10)

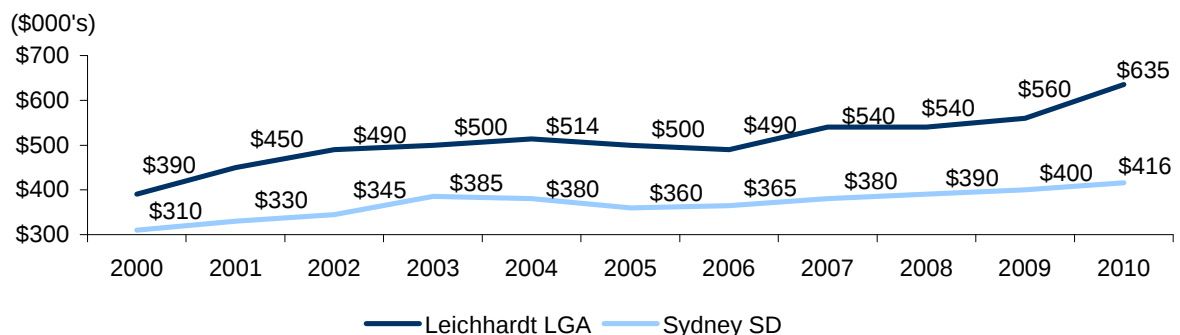
Source: ABS

5.3 Median Unit Prices

The median unit price in Leichhardt increased from \$390,000 to \$655,000 from 2000 to 2010, equating to an increase of 68%. In comparison, the median unit price across the entire Sydney Metropolitan Area increased by 34% from \$310,000 to \$416,000 over the same period. The substantial unit price increase has resulted in a deterioration of housing affordability within the LGA.

The large median unit price increase in Leichhardt LGA can be largely attributed to new housing supply not keeping pace with the high levels of population growth, as reflected by the NDA's data.

Figure 8 Leichhardt Median Unit Price Trend

Median Unit Price Leichhardt LGA (2000-2010)

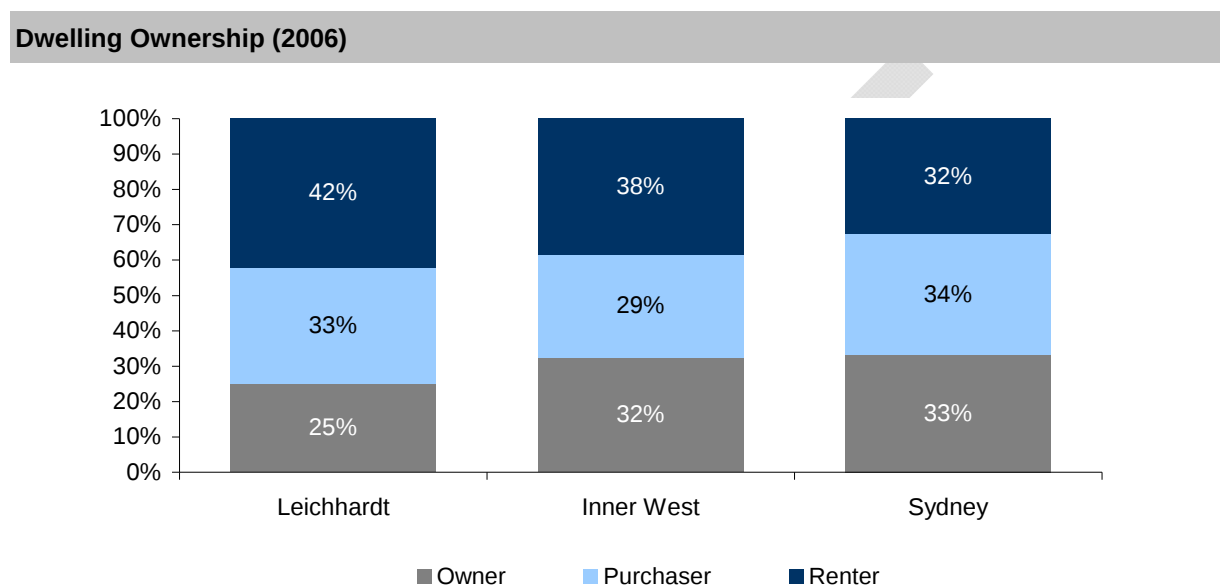
Source: RP Data

5.4 Housing Ownership

The private rental market represents 42% of all occupied private dwellings in Leichhardt compared to 38% across the entire Inner West subregion and 32% for the Greater Metropolitan Region.

The high proportion of renters in Leichhardt LGA can be largely attributed to the significant increase in dwelling prices, which has resulted in a deterioration of housing affordability in the LGA, as discussed in section 5.3.

Figure 9 Leichhardt Housing Ownership



Source: ABS

5.5 Future Dwelling Supply

In Leichhardt LGA, 23 residential developments are planned, proposed or currently under construction. Combined the developments would provide 429 dwellings between now and 2014 (89 annually), primarily in an apartment or unit format. An overview of each of the developments is contained in Appendix B; a short summary of some of the larger developments is provided below:

Balmain Tigers Leagues Club Redevelopment (Rozelle)

The Balmain Tiger Leagues Club has submitted a development application for a mixed use development comprising 136 apartments (11 x 1 bedroom, 107 x 2 bedroom; 18 x 3 bedroom). The apartments will be spread across three buildings of approximately 12 storeys each. The Balmain Tigers also intend to develop a new Club House, 1,400 sq.m. of commercial office space, 9,500 sq.m. of retail floor space for a supermarket, fresh food market, and mini majors, and a pedestrian footbridge over Victoria Road. The development would have a total floor space of 31,000 sq.m. and is scheduled for completion in 2014.

Edward Street Public Housing Development (Lilyfield)

Construction commenced in August 2009 of a public housing development in Lilyfield. The development will comprise of 88 apartments within 6 blocks that vary between two and three storeys in height. The Department of Housing expects the apartments to be completed by the end of 2010.

Johnston Street Townhouses (Annandale)

A DA has been submitted for the development of 21 townhouses on Johnston Street in Annandale. The mix of townhouse sizes will be as follows: 17 x 3 bedroom and 4 x 3 bedroom + home office. If approved, the development is scheduled for completion in 2010.

5.6 Dwelling Demand Forecasts

5.6.1 Dwelling Requirement According to DoP Population Projections

Based on the DoP's recently updated population forecasts for Leichhardt LGA, we have derived the number of dwellings that will be required going forward. The dwelling demand forecasts are presented in Table 25. As illustrated, the population projections translate to a requirement for 611 additional dwellings by 2016, increasing to 2,660 additional dwellings by 2036. Assuming all current planned and proposed new dwellings are developed, and if no other dwelling developments progress other than those that are currently planned and proposed, there would be shortage of approximately 182 dwellings by 2016; a shortage of 713 dwellings by 2021; and by 2036 this shortage would have increased to approximately 2,231 dwellings.

Table 25 Leichhardt Dwelling Demand Forecasts

Leichhardt Dwelling Demand Forecasts (2010-2036)						
	2010-2011	2010-2016	2010-2021	2010-2026	2010-2031	2010-2036
Additional Persons (cumulative)	220	1,320	2,420	3,220	4,220	5,320
Required Dwellings (cumulative)	100	611	1,142	1,548	2,069	2,660
Planned Additional Supply (cumulative)	62	429	429	429	429	429
Dwelling Under / Over Supply	-38	-182	-713	-1,119	-1,640	-2,231

Source: Urbis

5.6.2 DoP Dwelling Targets

As noted, the dwelling demand forecasts presented above are based on the DoP's population forecasts for Leichhardt LGA. Since the population projections are different to the population targets set by DoP for Leichhardt LGA, the associated dwelling requirement is therefore also different – to recap, the DoP's target is for 2,500 additional dwellings in Leichhardt LGA between 2006 and 2036. Note that this timeframe varies slightly to our dwelling projections presented above, which relate to a timeframe of 2010 to 2036. If we pro-rata the DoP's targets to establish consistency in timeframes, the dwelling requirement over the period 2010 to 2036 will be around 2,166 dwellings.

5.7 Summary

The key points to note with respect to the potential for new residential development on the Kolotex / Labelcraft site are:

- The annual number of new dwellings that have been established in Leichhardt has fallen substantially since 1998/99.
- The tight level of housing supply has resulted in a massive 68% increase in median unit prices in Leichhardt since 2000. In comparison, the median unit price increase across the entire Sydney Metropolitan area was 34%.

- As a result of the deterioration in housing affordability, Leichhardt LGA has attracted a very high proportion of renters – 42%, compared to 32% across the entire Sydney metropolitan area.
- Population projections in addition to dwelling targets established by the DoP suggest that there will be a requirement for between approximately 2,100 and 2,700 dwellings in Leichhardt LGA between 2010 and 2036.
- If all residential projects that are currently planned and proposed in Leichhardt LGA proceed, an additional 429 dwellings will be provided in Leichhardt by around 2014. If no other developments are approved and proceed, a shortage of around 182 dwellings would arise by 2016, increasing to 713 dwellings by 2021, and further increasing to a shortage of 2,231 dwellings by 2036.
- Residential development on the Kolotex / Labelcraft could address this projected dwelling supply shortage. The site is suitable and desirable for residential development given its proximity to nearby surrounding residential areas, convenient access to buses along Parramatta Road, good access to retail services (in particular Leichhardt Marketplace), proximity to the CBD, and the desirable location along a neighbourhood street.
- According to an FSR of 2:1 (which has been identified as part of the Planning Proposal) the site has an approximate indicative yield of 330 apartments. The potential from a market demand perspective however is very dependent on timing. Broadly, and based on this preliminary assessment, we estimate there to be sufficient market potential to allow the construction of up to the indicative yield of 330 apartments between now until 2016.
- In view of this demographic profile of Leichhardt LGA it would be suitable to provide a high concentration of one and two bedroom dwellings within a new residential development, with smaller unit product assisting with buyers entering into the housing market.
- Increasing the provision of dwellings in Leichhardt would assist in alleviating the deterioration in housing affordability in the LGA. Moreover, allowing higher density apartment developments is consistent with the DoP's objectives of encouraging higher density, mixed use developments within the vicinity of Parramatta Road and in close proximity to Town Centres, as outlined in the Inner West Subregional Strategy.

6 Potential Employment Impacts

This section assesses the potential employment impacts of rezoning the Kolotex / Labelcraft site from its current industrial use to mixed commercial and residential uses. Whilst development approval is not currently being sought at this stage, we refer to a potential development option for the site in order to demonstrate the potential employment impacts of rezoning. The development option comprises 2,500sq.m. of commercial space and 330 residential apartments. The estimated Capital Investment Value (CIV) for the potential option is \$130 million.

The development option proposed for the site would generate employment in two distinct phases:

- The **planning and construction phase**. A number of jobs are created as a result of the planning and construction of the built forms and infrastructure.
- The **operational phase**. The commercial businesses will provide on-going employment.

In addition to the direct employment generated during these two phases, there are multiplier (or indirect) effects throughout the local, state and national economies. These multiplier effects are a result of, for instance, the sourcing of goods and services from suppliers to the businesses on the site and increased consumption generated by the wages of new employees.

Our employment impact analysis is based on Input-Output (I-O) employment multipliers produced by the ABS. The multipliers were most recently produced in 1996-97. To make the multipliers reflect the current state of the economy more accurately, appropriate adjustments have been made which capture changes in productivity and inflation since 1996-97.

6.1 Planning and Construction Phase

The estimated employment that would be generated during the planning and construction phase of the potential development is dependent on the CIV. The estimated CIV of \$130 million includes building construction costs.

Based on the CIV, the development would generate an estimated 715 direct jobs on a one year full time equivalent basis². These jobs would be spread over the duration of the planning and construction phase.

An additional 1,067 indirect jobs would be created in supporting industries and other businesses servicing the expenditure by the employed workers.

Total employment from the planning and construction phase would therefore be in the order of 1,782 full-time equivalent jobs for the period of planning and construction.

Table 26 Employment Impacts of Potential Development Option – Planning and Construction Phase

Jobs Generated by the Potential Development Option During Planning and Construction

Development Type	Est. CIV (\$2010)	Direct Jobs	Indirect Jobs	Total Jobs
Commercial & Residential	\$130m	715	1,067	1,782

Source: ABS, Urbis

² The original estimate of 600 construction jobs which was provided in Urbis' April 2010 Planning Proposal was based on a high level estimated development cost of \$100 million. Since this time development cost estimates have been refined and revised upwards to \$130 million.

6.2 Operating Phase

Assuming 2,500sq.m. is incorporated with a redevelopment of the Kolotex / Labelcraft site, and based on an employment density of 20sq.m. per employee, the commercial office development would generate an estimated 125 direct ongoing jobs.³ An additional 238 indirect ongoing jobs would be created throughout all industries of the economy as a result of the jobs created on the site. Therefore, in total the proposed development would result in the creation of 363 ongoing jobs.

In comparison, the current industrial uses of the entire amalgamated Kolotex / Labelcraft accommodates only 63 people. These 63 jobs support an estimated 126 indirect jobs. Therefore, during the operating phase the net jobs benefit of commercial uses over the industrial uses would be approximately 174 jobs (i.e. 363-189=174).

Table 27 Employment Impacts of Potential Development Option Vis-à-Vis Industrial Uses – Operating Phase

Operating Jobs Generated by the Potential Development Option Vis-à-Vis Industrial Uses				
	GFA (sq.m.)	Direct Jobs	Indirect Jobs	Total Jobs
Commercial	2,500	125	238	363
Industrial	10,000	63	126	189

Source: ABS, Urbis

6.3 Summary – Employment Impacts

The potential development option would generate an estimated 1,782 direct and indirect jobs during the planning and construction phase and 363 ongoing jobs. In comparison, the existing premises and uses on the site generate just 189 jobs. Therefore, the net jobs benefit of permitting commercial and residential development on the site would be significant.

The commercial jobs accommodated on the site would suit the growing population of white collar workers in Leichhardt LGA, and thus contribute to maintaining / improving employment containment rates for Leichhardt. Additional economic and infrastructure benefits would also be generated as a result of reduced travel times for Leichhardt's labour force.

Therefore, the potential mixed commercial and residential development on the Kolotex / Labelcraft site would have a net economic benefit in terms of employment.

³ The original estimate of 75 to 150 operational jobs which was provided in Urbis' *April 2010 Planning Proposal* was based on an assumed office floor space of between 1,500sq.m. and 3,000sq.m., and an assumed employment density of 20sq.m. per employee. Our revised estimate is based on an assumed floor space of up to 2,500sq.m. but also assumes an employment density of 20sq.m. per employee. Therefore the estimates are consistent.

Appendix A Businesses by Industrial Precinct

DRAFT

Leichhardt Industrial Land Use Overview, as at December 2007

Table A.1

Business Name	Industry	Location	Lot size as % of Precinct
Balmain East			
Ferry offices/depot	Trans., Post. & W'housing	Alexander Street	22%
Residential	Residential	Duke Place	22%
Svitzer	Trans., Post. & W'housing	Cooper Street	56%
Balmain Road			
APCS	Info. Media & Telecomm.	Fred Street	3%
Atom Industries	Prof., Sci. & Tech Services	Fred Street	11%
Coffee Lounge	Retail Trade	Balmain Road	1%
Fedwood Timber Products	Manufacturing	Balmain Road	11%
Glass & furniture factory	Manufacturing	Balmain Road	50%
Physiotherapist	Health Care & Soc. Assist.	Darling Street	6%
Residential	Residential	Balmain Road	1%
		Fred Street	1%
Vacant	Vacant	Balmain Road	9%
		Fred Street	6%
Birchgrove			
Ballast Point	Ballast Point	Ballast Point Road	100%
Lilyfield Road, Lilyfield			
Accounting offices	Prof., Sci. & Tech Services	Lilyfield Road	1%
Betts Group	Prof., Sci. & Tech Services	Justin Street	2%
Blinds/Curtains	Manufacturing	Justin Street	5%
CBON Printing/Embroidery	Manufacturing	Justin Street	5%
Citi Blinds and Shutters	Manufacturing	Halloran Street	9%
Collins Textile Group	Manufacturing	Halloran Street	6%
Compass Bros	Prof., Sci. & Tech Services	Halloran Street	1%
Cytech Intersearch	Prof., Sci. & Tech Services	Justin Street	2%
DR King Plumbing Service	Other Services	Halloran Street	5%
Energy Advice	Elec., Gas, Water & Waste Services	Justin Street	2%
GCI Aus office	Fin. & Ins. Services	Justin Street	2%
Good Manors	Prof., Sci. & Tech Services	Halloran Street	1%
Haycraft Duloy	Prof., Sci. & Tech Services	Justin Street	1%
John Haycraft	Prof., Sci. & Tech Services	Justin Street	1%
Legal offices	Prof., Sci. & Tech Services	Lilyfield Road	1%
Mandy Lights	Prof., Sci. & Tech Services	Justin Street	2%
Office	Prof., Sci. & Tech Services	Justin Street	3%
Production	Prof., Sci. & Tech Services	Justin Street	2%
Residential	Residential	Halloran Street	2%
		Justin Street	6%
		Lilyfield Road	3%
Subaru Service	Other Services	Halloran Street	9%
Vacant	Vacant	Justin Street	3%
		Lilyfield Road	26%
Volzen Pty Ltd	Prof., Sci. & Tech Services	Justin Street	1%

Source : Urbis

Leichhardt Industrial Land Use Overview, as at December 2007 (cont.)

Table A.2

Business Name	Industry	Location	Lot size as % of Precinct
<u>Lilyfield Road, Rozelle</u>			
Arthur Bailey Surgico	Manufacturing	Lilyfield Road	43%
Auctioneer	Retail Trade	Lilyfield Road	57%
<u>Moore Street</u>			
Air Conditioning	Construction	Moore Street	1%
Alfa Romeo Service Centre	Other Services	Moore Street	1%
Allsize Cartons	Trans., Post. & W'housing	John Street	3%
Annandale Animal Hospital	Prof., Sci. & Tech Services	Moore Street	0%
Astam Books	Info. Media & Telecomm.	John Street	1%
Bakehouse Café	Retail Trade	Moore Street	1%
Bass Plastics	Manufacturing	Moore Street	1%
Bathroom Fittings	Manufacturing	John Street	4%
Biscuit factory	Manufacturing	Moore Street	1%
Bureau of Meteorology	Prof., Sci. & Tech Services	Moore Street	1%
Business & Professional Finance	Fin. & Ins. Services	Moore Street	1%
Christie Civil Contracting	Prof., Sci. & Tech Services	Moore Street	1%
City Scrapbooking	Info. Media & Telecomm.	John Street	0%
Detergents Galore	Manufacturing	Moore Street	1%
Di Enue Creative Solutions	Prof., Sci. & Tech Services	Moore Street	1%
Electrical Substation	Elec., Gas, Water & Waste Services	John Street	0%
Engineering	Prof., Sci. & Tech Services	Moore Street	1%
Feed Warehouse	Trans., Post. & W'housing	White Street	2%
Food Transport	Trans., Post. & W'housing	White Street	2%
GasWeld Discount Tool Centre	Retail Trade	Moore Street	1%
Gerry's Glass	Manufacturing	Moore Street	2%
Heward Sewing Machines	Other Services	Moore Street	0%
Hiten Manufacturing	Manufacturing	John Street	3%
Ilve	Manufacturing	Moore Street	3%
K.S.A. Truck Parts & Repair	Other Services	Moore Street	2%
Laser Sonics	Prof., Sci. & Tech Services	Hill Street	1%
Leichhardt Council	Public Admin. & Safety	Moore Street	16%
Life Time Catering Hire	Rent., Hiring & R.E. Services	John Street	3%
Marble Granite Stone	Manufacturing	Moore Street	1%
Marketing	Prof., Sci. & Tech Services	Moore Street	1%
Meditrax	Manufacturing	Moore Street	1%
Moores Corp	Prof., Sci. & Tech Services	Moore Street	1%
Musical Instruments	Retail Trade	Moore Street	1%
Network Connect Australia	Manufacturing	Hill Street	1%
New Art Embroidery	Manufacturing	Hill Street	1%
Office	Prof., Sci. & Tech Services	Hill Street	2%
		Moore Street	2%
Pan Pacific Packaging	Trans., Post. & W'housing	John Street	1%
Pet Depot	Retail Trade	Moore Street	0%
Pet Grooming	Other Services	Moore Street	0%

Source : Urbis

Leichhardt Industrial Land Use Overview, as at December 2007 (cont.)

Table A.3

Business Name	Industry	Location	Lot size as % of Precinct
<u>Moore Street (cont.)</u>			
Plumbers Supplies	Wholesale Trade	John Street	3%
Publisher Textiles	Manufacturing	Moore Street	1%
Raffan Kelaher & Thomas	Retail Trade	John Street	4%
Residential	Residential	Hill Street	1%
		Moore Street	2%
Roblan	Manufacturing	Catherine Street	7%
Spectak	Prof., Sci. & Tech Services	Moore Street	1%
Speranza Kitchens	Manufacturing	Catherine Street	1%
The Federation Press	Info. Media & Telecomm.	John Street	1%
Tiger Workwear Retail	Retail Trade	John Street	1%
Vacant	Vacant	Hill Street	1%
		John Street	2%
		Moore Street	11%
Webster Care	Health Care & Soc. Assist.	Moore Street	1%
<u>Parramatta Road, Leichhardt</u>			
Aluminium Welding	Manufacturing	Parramatta Road	0%
Banner Shop	Retail Trade	Parramatta Road	1%
Berlina Bodyworks	Other Services	Parramatta Road	1%
Best & Less Office/Warehouse	Vacant	Parramatta Road	6%
Blake Publishing	Info. Media & Telecomm.	Parramatta Road	1%
Culligan/Everpure Water	Prof., Sci. & Tech Services	Upward Street	1%
DJ Warehouse	Trans., Post. & W'housing	Parramatta Road	0%
Electrical Substation	Elec., Gas, Water & Waste Services	Tebbutt Street	1%
Fast Fit Bullbars	Retail Trade	Parramatta Road	1%
Formula 1 Spare Parts	Retail Trade	Parramatta Road	1%
John R Turk Wholesale Electrical	Wholesale Trade	Parramatta Road	1%
La Maison Showroom	Retail Trade	Parramatta Road	3%
Labelcraft	Manufacturing	George Street	3%
Leichhardt Auto. Specialists	Other Services	Parramatta Road	1%
Mazda AMR Parts & Service	Other Services	George Street	3%
Motown Motor Sales	Retail Trade	Parramatta Road	1%
Near New Car & Truck Rental	Rent., Hiring & R.E. Services	Parramatta Road	3%
Office	Prof., Sci. & Tech Services	George Street	5%
Pool & Billiard Tables	Retail Trade	Parramatta Road	0%
R.Keane Service Mercedes Benz	Other Services	George Street	2%
Residential	Residential	Tebbutt Street	5%
		Upward Street	0%
Rick Damelian	Retail Trade	Parramatta Road	16%
Simply Shopfittings	Manufacturing	George Street	1%
Smash Repairs	Other Services	Tebbutt Street	0%
Stonemason & Artist	Manufacturing	Parramatta Road	1%
Sydney Wholesale Direct	Wholesale Trade	Parramatta Road	1%
Tanta Wholesale Meats	Wholesale Trade	Hathern Street	1%

Source : Urbis

Leichhardt Industrial Land Use Overview, as at December 2007 (cont.)

Table A.4

Business Name	Industry	Location	Lot size as % of Precinct
<u>Parramatta Road, Leichhardt (cont.)</u>			
Terry Hogan Prestige Cars	Retail Trade	Parramatta Road	1%
Three of a Kind Furniture	Retail Trade	Parramatta Road	1%
UEW Electrical Wholesale	Wholesale Trade	Parramatta Road	1%
Vacant	Vacant	George Street	14%
		Parramatta Road	9%
		Tebbutt Street	1%
		Upward Street	7%
Visual FX Design & Imaging	Info. Media & Telecomm.	George Street	1%
Workrite Systems	Manufacturing	Tebbutt Street	0%
Workwear Manufacturing	Manufacturing	George Street	3%
<u>Pymont Bridge Road</u>			
AGL Energy	Elec., Gas, Water & Waste Services	Parramatta Road	2%
A-Plan Kitchens	Manufacturing	Parramatta Road	1%
Billy Hyde Music	Retail Trade	Parramatta Road	2%
Camperdown Mews	Retail Trade	Parramatta Road	3%
Camperdown Service Centre	Other Services	Parramatta Road	0%
Cat National Hire	Rent., Hiring & R.E. Services	Booth Street	3%
DePoortere Carpets & Furniture	Retail Trade	Pymont Bridge Road	0%
Drummond Golf	Retail Trade	Parramatta Road	1%
Electronics	Prof., Sci. & Tech Services	Gordon Street	0%
Endoscopy Centre	Prof., Sci. & Tech Services	Parramatta Road	1%
Flash Photobition	Manufacturing	Booth Street	18%
Grocery Store	Retail Trade	Pymont Bridge Road	0%
Heart Research Institute	Prof., Sci. & Tech Services	Pymont Bridge Road	1%
Ilve	Manufacturing	Pymont Bridge Road	2%
Kitchens	Manufacturing	Pymont Bridge Road	0%
Malt Shovel Brewery	Manufacturing	Parramatta Road	1%
Media/Promotions Offices	Prof., Sci. & Tech Services	Cahill Street	2%
Mobil Petrol Station	Retail Trade	Parramatta Road	2%
N Stenning	Manufacturing	Parramatta Road	1%
Newform Tapware	Manufacturing	Guihen Street	1%
Office	Prof., Sci. & Tech Services	Gordon Street	0%
		Parramatta Road	1%
		Pymont Bridge Road	3%
Persian Carpet Studio	Retail Trade	Parramatta Road	1%
Post Business Centre	Trans., Post. & W'housing	Chester Street	3%
Repco	Retail Trade	Pymont Bridge Road	2%
Residential	Residential	Bignell Lane	1%
		Mathieson Street	1%
		Pymont Bridge Road	6%
		Water Street	4%
Showroom	Retail Trade	Chester Street	12%

Source : Urbis

Leichhardt Industrial Land Use Overview, as at December 2007 (cont.)

Table A.5

Business Name	Industry	Location	Lot size as % of Precinct
<u>Pymont Bridge Road (cont.)</u>			
Storage King	Trans., Post. & W'housing	Booth Street	1%
		Pymont Bridge Road	6%
Sydney Home Loan Centre	Prof., Sci. & Tech Services	Parramatta Road	1%
Sydney Prop Specialist Hire	Rent., Hiring & R.E. Services	Mathieson Street	2%
Sydneyside Furniture	Retail Trade	Parramatta Road	1%
Tiles/Flooring	Retail Trade	Parramatta Road	1%
Vacant	Vacant	Gordon Street	0%
		Guihen Street	3%
		Parramatta Road	6%
		Pymont Bridge Road	2%
Vanbar	Info. Media & Telecomm.	Gordon Street	0%
Viclean Cleaning Professionals	Other Services	Gordon Street	1%
Wakim Prestige Car Sales	Retail Trade	Pymont Bridge Road	2%
Warehouse/storage	Trans., Post. & W'housing	Cahill Street	2%
<u>Terry Street, Rozelle</u>			
Andrew Lyall Motors	Retail Trade	Victoria Road	2%
Balmain Radiators	Other Services	Crystal Street	1%
Caltex Petrol Station	Retail Trade	Victoria Road	4%
Car & Furniture Upholstery	Manufacturing	Victoria Road	1%
Catering	Retail Trade	Terry Street	1%
Electrical Substation	Elec., Gas, Water & Waste Services	Victoria Road	1%
Engineering	Prof., Sci. & Tech Services	Wellington Street	1%
Kennards	Trans., Post. & W'housing	Wellington Street	14%
Landscape	Construction	Wellington Street	1%
Marine Electrical	Other Services	Wellington Street	0%
Mechanic	Other Services	Crystal Street	2%
Promotions	Prof., Sci. & Tech Services	Terry Street	1%
Residential	Residential	Crystal Street	8%
		Terry Street	1%
		Wellington Street	7%
Rigging Specialists	Retail Trade	Wellington Street	0%
Settings Furniture	Retail Trade	Victoria Road	2%
Smash Repairs	Other Services	Victoria Road	2%
Steelworks	Manufacturing	Crystal Street	2%
United Petrol Station	Retail Trade	Victoria Road	4%
Vacant	Vacant	Terry Street	47%
<u>West Leichhardt</u>			
Arquilla Bulk Trading	Wholesale Trade	Allen Street	8%
Campbells Cash & Carry	Wholesale Trade	Allen Street	21%
Gym	Arts & Rec. Services	Lords Road	8%
Retirement Village	Retirement	Marion Street	40%
Scrap metal	Manufacturing	Lords Road	8%
Storage	Trans., Post. & W'housing	Lords Road	8%
Vacant	Vacant	Lords Road	8%

Source : Urbis

Leichhardt Industrial Land Use Overview, as at December 2007 (cont.)

Table A.6

Business Name	Industry	Location	Lot size as % of Precinct
<u>White Bay, Rozelle</u>			
Auto Mechanic	Other Services	Mullens Street	5%
Auto Repairs/Electric	Other Services	Robert Street	0%
Balmain Cars	Retail Trade	Victoria Road	1%
Balmain European Car Repairs	Other Services	Crescent Street	0%
Balmain Prestige	Other Services	Victoria Road	2%
Bates Landscaping/Metalcraft	Manufacturing	Loughlin Street	1%
Big Box Self Storage	Trans., Post. & W'housing	Parsons Street	4%
CC's Gourmet Pizza	Retail Trade	Victoria Road	1%
Chippendale Restorations	Other Services	Crescent Street	6%
Christie Associates	Prof., Sci. & Tech Services	Victoria Road	0%
Communications	Prof., Sci. & Tech Services	Mullens Street	1%
Electronics	Prof., Sci. & Tech Services	Mullens Street	2%
Equip Office Furniture	Retail Trade	Victoria Road	2%
Framing	Retail Trade	Mullens Street	1%
Glebe Auto Electrical	Other Services	Robert Street	2%
Goodyear	Retail Trade	Victoria Road	1%
Hire One Tools & Equipment	Rent., Hiring & R.E. Services	Victoria Road	1%
Kennards	Trans., Post. & W'housing	Victoria Road	3%
Mannings Funerals	Other Services	Victoria Road	1%
Marketing	Prof., Sci. & Tech Services	Mullens Street	1%
Martin's Seafood	Retail Trade	Mullens Street	6%
Mechanic	Other Services	Victoria Road	1%
Office	Prof., Sci. & Tech Services	Mullens Street	5%
Peugot Service	Other Services	Robert Street	2%
Picture Framing	Retail Trade	Victoria Road	1%
Plumber	Elec., Gas, Water & Waste Services	Mullens Street	5%
Promotions	Prof., Sci. & Tech Services	Mullens Street	1%
Psychology	Health Care & Soc. Assist.	Robert Street	0%
Publishing	Info. Media & Telecomm.	Mullens Street	1%
Residential	Residential	Crescent Street	2%
		Robert Street	1%
Shutters & Blinds	Manufacturing	Mullens Street	5%
Sign Ware	Manufacturing	Victoria Road	0%
Signs Pty Ltd	Manufacturing	Robert Street	0%
Smash Repairs	Other Services	Robert Street	0%
Solicitors	Prof., Sci. & Tech Services	Robert Street	0%
Storage	Trans., Post. & W'housing	Mullens Street	19%
Storage King	Trans., Post. & W'housing	Parsons Street	2%
T&P Clinic	Other Services	Robert Street	2%
Tyre Plus	Retail Trade	Robert Street	0%
Vacant	Vacant	Loughlin Street	2%
		Mullens Street	5%
		Victoria Road	2%
Yellow Express Couriers	Trans., Post. & W'housing	Victoria Road	2%

Source : Urbis

Appendix B Industrial Property Transactions (2008)

APPENDICES

Leichhardt LGA - Industrial Sales

L

Address	Suburb	Price (\$'000)	Sale Date	Land Area (sq.m)	Land Area (\$/sq.m)	Building Area (sq.m)	Improved (\$/sq.m)	Vendor/Purchaser	Comments
16 Beattie Street	Balmain	\$1,700	25/10/06	291	\$5,842	291	\$5,842	Murphy/ Galoustian and Han-Lee and Huie	Regular shaped building constructed on an elongated parcel. Primarily residential location. Dated brick factory with a modest street appearance. Satisfactory clearance. Purchase price appears at the top end of market.
10/111 Moore Street	Leichhardt	\$895	8/11/06	3,854	N/A	365	\$2,452	Utmissions Pty Ltd/ Doyle & Smith	Industrial brick strata unit within a complex of 10 constructed within the late 1980's. Features 325sq.m of warehouse and 40sq.m of office accommodation. Sold with VP - as advised the purchaser isto owner occupy.
9 Hill Street	Leichhardt	\$700	5/04/07	470	\$1,489	600	\$1,167	Topwillow Pty Ltd/ Nifuno Pty Ltd	Two level industrial building building of early 1980's vintage on a rectangular shaped allotment. Appears to represent good buying.
2 George Street	Leichhardt	\$1,700	19/09/07	737	\$2,307	800	\$2,125	Tolloppe and Trolloppe/ Wheeler-Smith and Wheeler-Smith	Older style medium to high clearance brick factory with gable roof and corner frontage to McAleer Street. The improvements appear updated and contain an office component. Built to site boundaries. Gentle downward cross-slope towards McAleer Street. Located adjacent to the Kolotex site.

Source : Publicly available market information sources; Urbis

APPENDICES

Leichhardt LGA - Industrial Sales (cont.)

Address	Suburb	Price (\$'000)	Sale Date	Land Area (sq.m)	Land Area (\$/sq.m)	Building Area (sq.m)	Improved (\$/sq.m)	Vendor/Purchaser	Comments
37 Tebbutt Street	Leichhardt	\$1,000	26/04/07	336	\$2,976	256	\$3,906	Horne/ Millerclarke Pty Ltd & Mosglade Pty Ltd	Dated 256sqm warehouse with offices adjoining a 2 bedroom federation cottage. Medium clearance and vehicle access to the warehouse, with separate upstairs office space plus a mezzanine area, kitchen and toilet facilities. The house is in good order and in close proximity to schools, shops, restaurants and transport. Two street frontages and potential for joint or severed usage.
3 Wellington Street	Rozelle	\$1,320	17/08/07	279	\$4,731	283	\$4,664	Scandrett & Scandrett/ Paquala Nord Pty Ltd	Rectangular lot, high clearance factory with roller shutter access
47 Lilyfield Road	Rozelle	\$3,800	18/01/07	1,983	\$1,916	1,200	\$3,167	Astor Electroplating / Desane Properties	Regular shaped allotment within industrial location. Largest recent industrial sale within the LGA. Older style factory with part saw tooth roof.

Source : Publicly available market information sources; Urbis

Appendix C Planned & Proposed Residential Developments in Leichhardt LGA

Leichhardt LGA Proposed Residential Developments (as at May 2010)

Address	Type	Dwellings (No.)	Planning Status	Likelihood	Est. Completion Date	Comments
314 -316 Norton Street, Leichhardt	Mixed Use	6	Development Approval	Possible	Unknown	Mixed use development comprising 2x1 bedroom, 2x2 bedroom and 2x3 bedroom apartments and 4 ground floor commercial tenancies.
38 - 42 Evans Street, Balmain	Townhouse	14	Commenced Construction	Likely	2010	Development of 14, two storey townhouses.
138-152 Victoria Road, Rozelle (Balmain Tigers)	Mixed Use	136	Development Application	Possible	2014	Mixed use development containing commercial, retail, entertainment and residential components. The residential component includes 11 x 1 bedroom apartments, 107 x 2 & bedroom apartments and 18 x 3 bedroom apartments.
33 Marion Street, Leichhardt	Townhouse	4	Construction Commenced	Likely	2010	Demolition of existing dwelling and construction of 2 x 3 bedroom & 2 x 2 bedroom townhouses over a basement carpark.
140 -148 Beattie Street, Balmain	Townhouse	10	Constuction Commenced	Likely	2011	Residential component of development comprises 4 x 3 storey terrace houses, 2 x 2 storey townhouses, 1 x 2 storey terrace house, 1 x 2 storey townhouse & 2 units. Construction commenced mid Novemeber 2009.
117 - 25 Beeson Street Leichhardt	Units	21	Construction Commenced	Likely	Unknown	The development involves alterations and additions to an existing industrial building to convert into 21 units with parking for 22 vehicles. Construction commenced November 2009.

Source: Cordell Connect; Urbis

Leichhardt LGA Proposed Residential Developments (as at May 2010)

Address	Type	Dwellings (No.)	Planning Status	Likelihood	Est. Completion Date	Comments
64 Charles Street, Lilyfield	Townhouses	4	Building Application	Firm	2012	Construction certificate issued, developer waiting for all approvals.
90 Johnston Street, Annandale	Student Housing	24	Construction Commenced	Likely	2010	Low cost housing, including 16 bedsitter and 6 x1 bedroom units.
10 Emma Street, Leichhardt	Units	12	Contract Let	Firm	2012	Conversion of existing warehouse to provide 12 residential units (5 x 1 bedroom, 3 x 2 bedroom, 4 x 3 bedrooms).
44 Norton Street, Leichhardt	Units	4	Construction Commenced	Definite	2011	Small commercial tenancy at ground floor & 4 x 1 bedroom dwellings located at the first and second floors. Construction commenced February 2010
418 Darling Street, Balmain	Mixed use	12	Construction Commenced	Definite	2010	Construction of a 3 storey mixed use development comprising 8 residential units (4 x 2 & 4 x 1 bedrooms). Construction commenced July 2009.
65 -69 Nelson Street, Rozelle	Mixed Use	11	Construction Commenced	Likely	2010	Construction commenced January 2009 Construction of a mixed use building containing 11 residential units, 8 x 1 & 3 x 2 bedrooms & professional suites.
18 Moore Street, Rozelle	Units	5	Contract let	Likely	2011	Construction was expected to commence September 2008 Conversion of a warehouse to contain 5 dwellings.
31 - 47 North Street, Leichhardt	Units	8	Construction Commenced	Likely	2010	Construction of 8 x 2 bedroom dwellings over existing basement car park for 34 vehicles.
271 - 281 Balmain Road, Lilyfield	Units	88	Construction Commenced	Likely	2011	Construction of 88 public housing apartments within 6 blocks varying between 2 & 3 storeys in height. Construction commenced in August 2009

Source: Cordell Connect; Urbis

Leichhardt LGA Proposed Residential Developments (as at May 2010)

Address	Type	Dwellings (No.)	Planning Status	Likelihood	Est. Completion Date	Comments
689 Darling Street, Balmain	Units	5	Construction Commenced	Likely	2010	Ground floor office and retail space and 5 x 1 bedroom units including balcony over Darling Street footpath
1 - 15 Barr Street, Balmain	Unit / Home Office	3	Development Approval	Possible	2011	Alterations to the existing commercial units including the change of use of the tenancies to 3 residential units with home offices.
145 Marion Street, Leichhardt	Mixed Use	4	Development Approval	Possible	2012	Construction of a mixed commercial/residential building containing 2 commercial units on the ground floor & 2 x 1 bedroom and 2 x 2 bedroom residential units above
88 Johnston Street, Annandale	Units	7	Development Application to be submitted	Possible	2012	Construction of 5 x 1 bedroom and 2 x 2 bedroom units.
233 Johnston Street, Annandale	Townhouse	21	Development Application to be submitted	Possible	2012	Construction of 21 residential townhouses including 17 x 3 bedrooms, 2 x 3 bedrooms + home office, 2 x 3 bedrooms adaptable and home office.
283 Parramatta Road, Leichhardt	Mixed Use	8	Development Approval	Possible	2010	Alterations & additions to existing mixed use development to create 2 commercial premises and 8 x 1 bedroom units with roof decks & strata subdivision.
170 Beattie Street, Balmain	Townhouse	19	Development Approval	Possible	2012	Construction of 19 three storey townhouses.

Source: Cordell Connect; Urbis

DRAFT

Sydney
Level 21, 321 Kent Street
Sydney, NSW 2000
Tel: +612 8233 9900
Fax: +612 8233 9966

Brisbane
Level 12, 120 Edward Street
Brisbane, QLD 4000
Tel: +617 3007 3800
Fax: +617 3007 3811

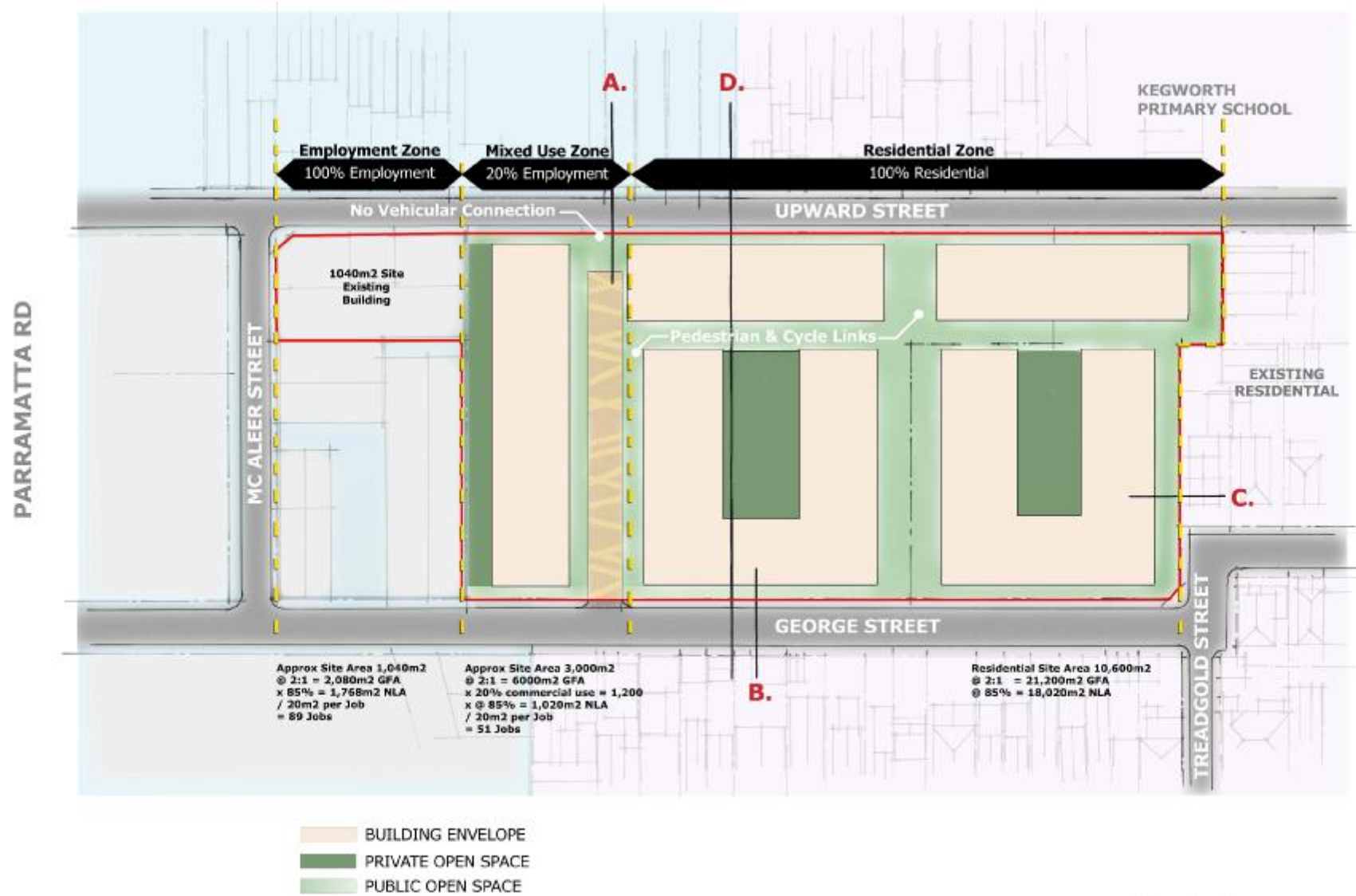
Dubai
Level 4, Attareen Building,
Saaha Offices, Old Town Island
Downtown Burj Dubai, UAE
Tel: +971 4 4200212
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Melbourne
Level 12, 120 Collins Street
Melbourne, VIC 3000
Tel: +613 8663 4888
Fax: +613 8663 4999

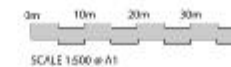
Perth
Ground Floor, 53 Ord Street
West Perth, WA 6005
Tel: +618 9346 0500
Fax: +618 9321 7790

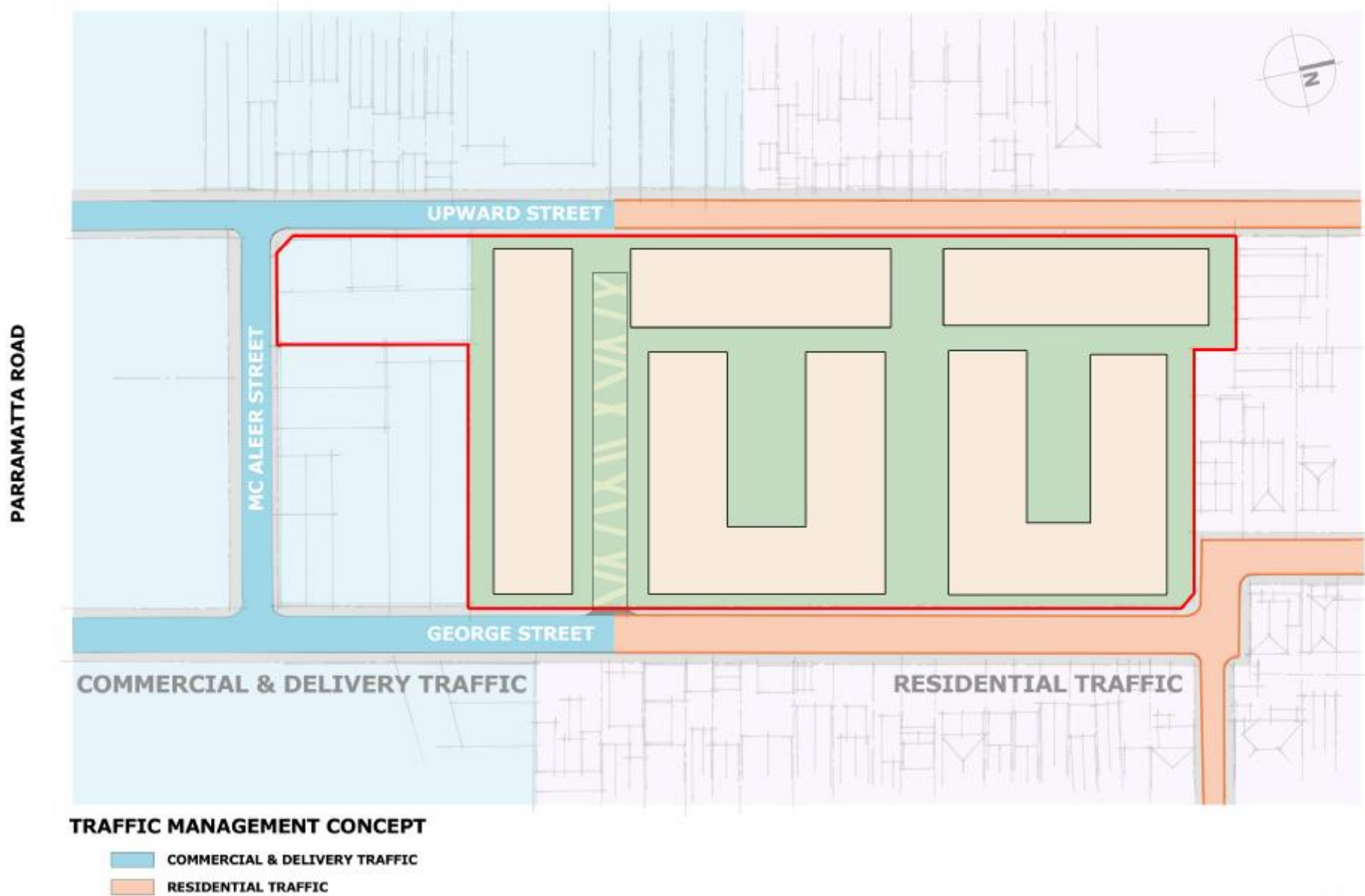
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info@urbis.com.au

Appendix 11. Indicative Development Scenario – block modelling and analysis (Reid Campbell Architects)

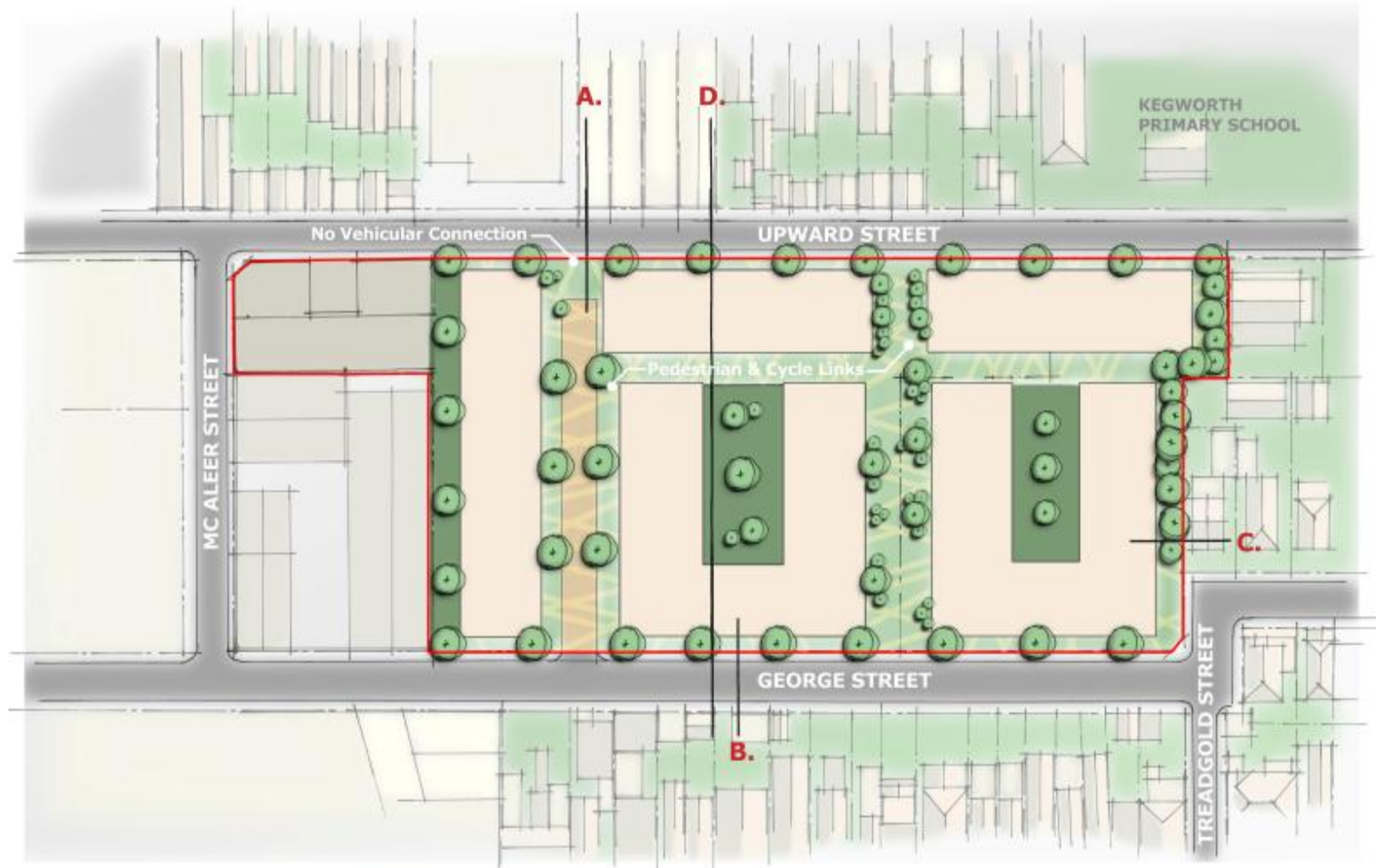


LAND USE PLAN





PARRAMATTA RD

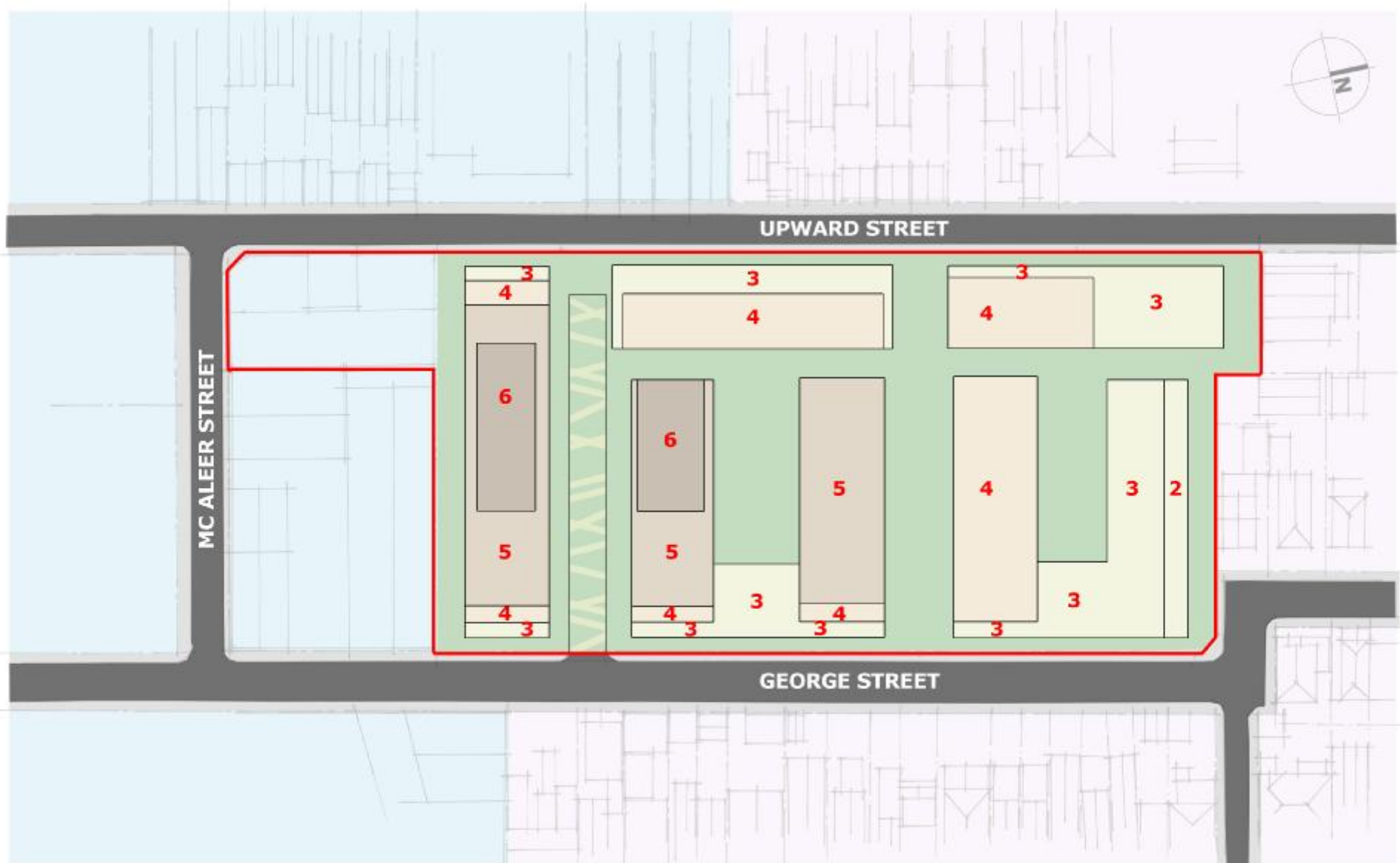


- BUILDING AREA
- PRIVATE OPEN SPACE
- PUBLIC OPEN SPACE
- INTERNAL SHADED ZONE

LANDSCAPE OPEN SPACE 46% SITE AREA



INDICATIVE MASTERPLAN



BUILDING HEIGHTS PLAN

UPWARD STREET

GEORGE STREET

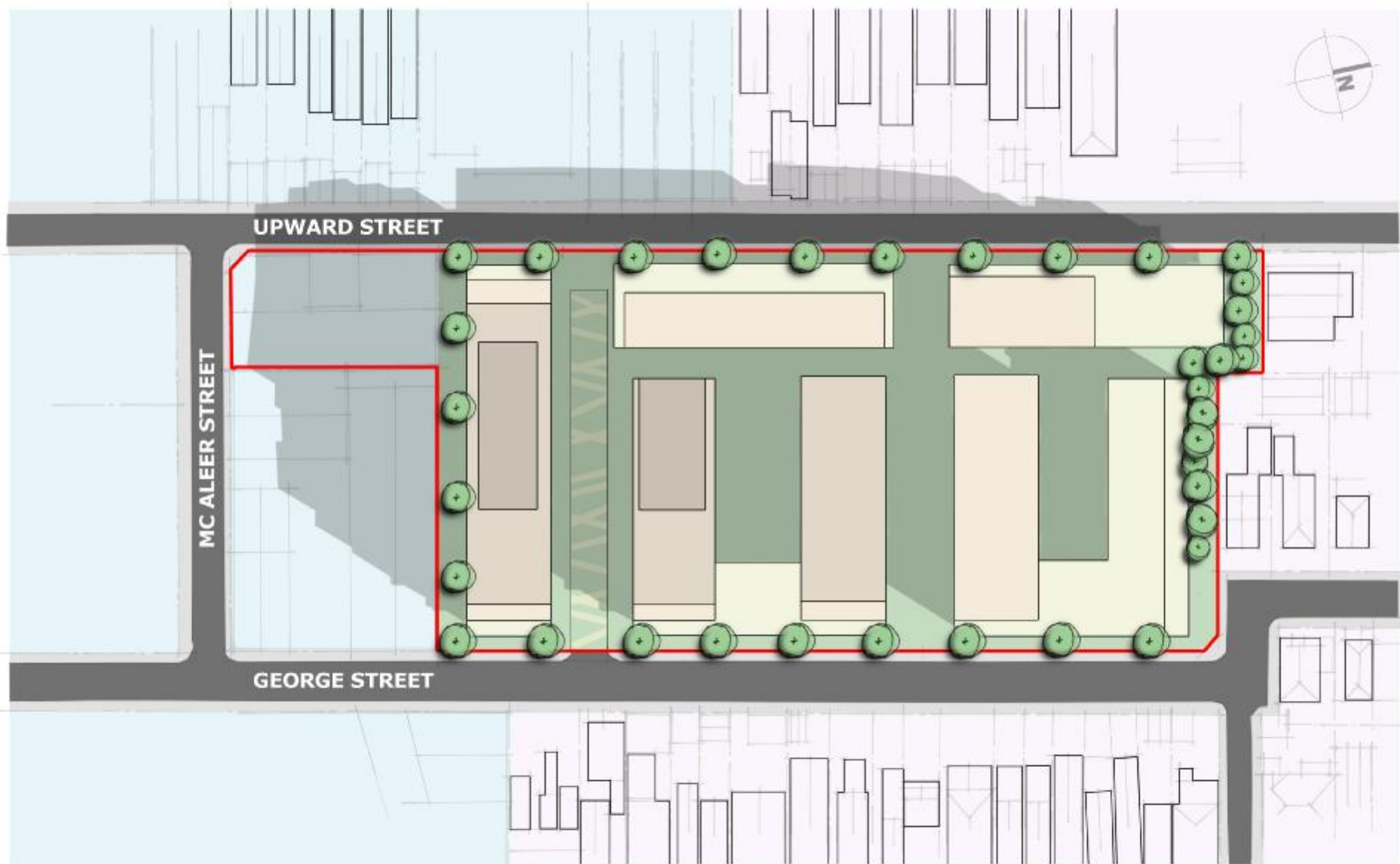
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STREET TO PROVIDE
SURVEILLANCE & SECURITY

OUTLOOK TO UPPER UNITS
RESTRICTED AWAY FROM PRIVATE
YARDS

TREES & LOUVRE SCREENS TO
ENSURE PRIVACY TO NEIGHBOURS

LOW LEVEL UNITS OVERLOOKING
STREET TO PROVIDE
SURVEILLANCE & SECURITY

VISUAL PRIVACY



SHADOW DIAGRAM
9AM - MID WINTER
(WORST CASE)

PARRAMATTA ROAD

MC ALEER STREET

UPWARD STREET

GEORGE STREET



SHADOW DIAGRAM
3PM - MID WINTER
(WORST CASE)

PARRAMATTA ROAD

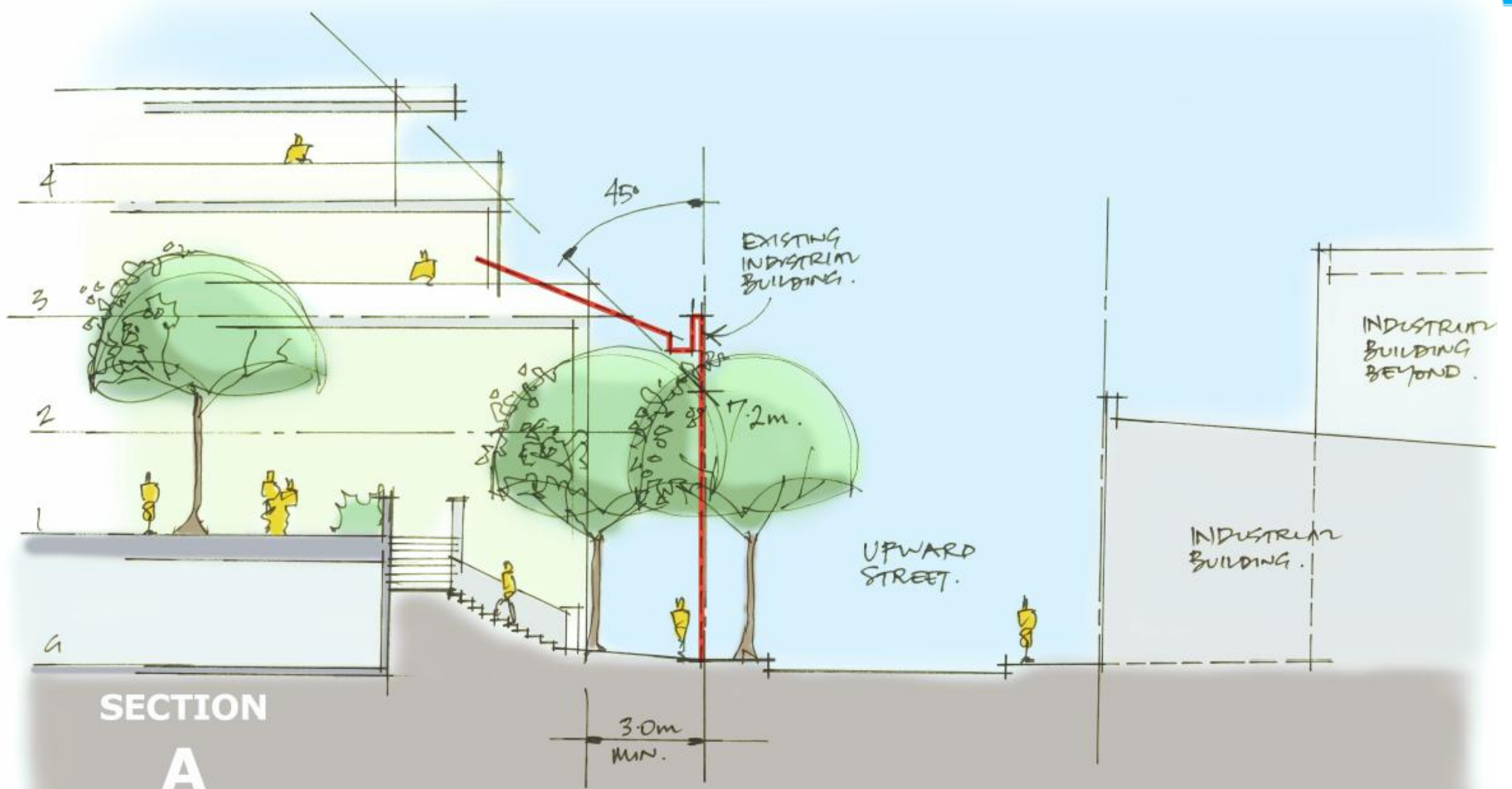
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UPWARD STREET

GEORGE STREET

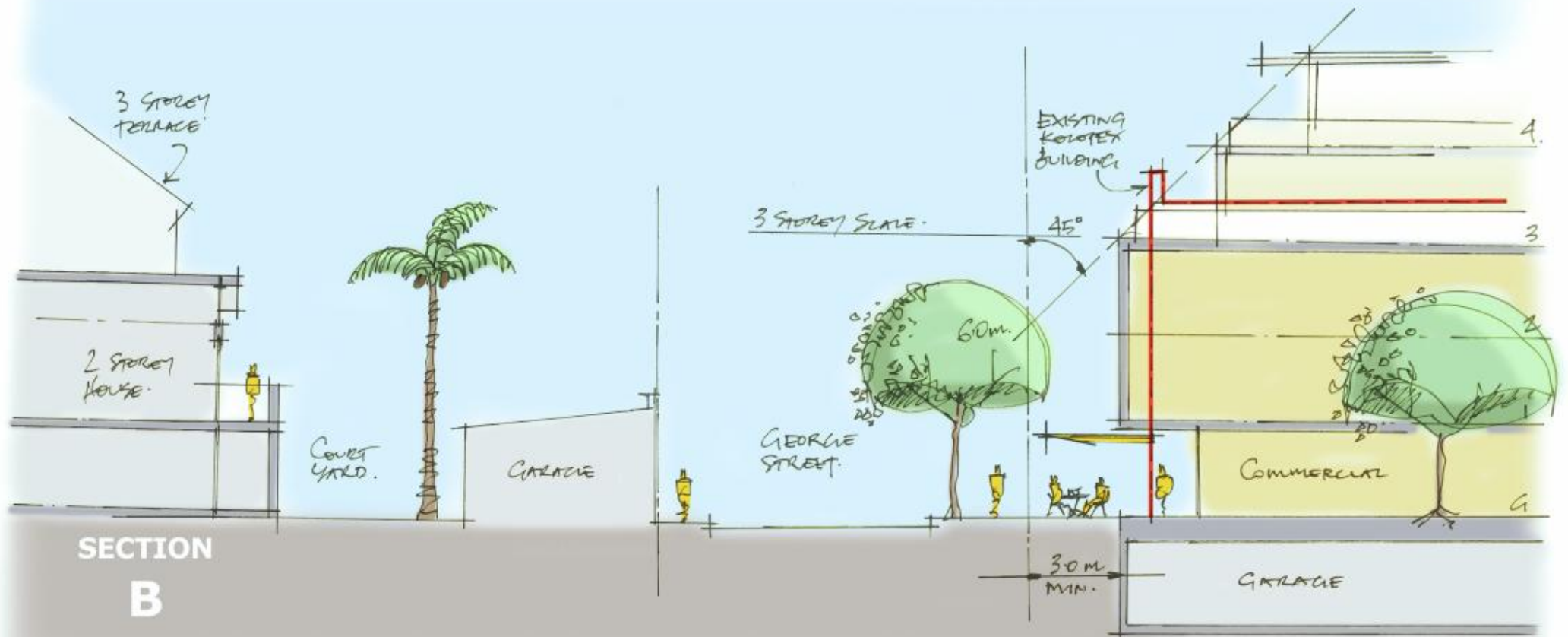
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BICYCLE LINKS ONLY

VISUAL & PEDESTRIAN THROUGH LINKS



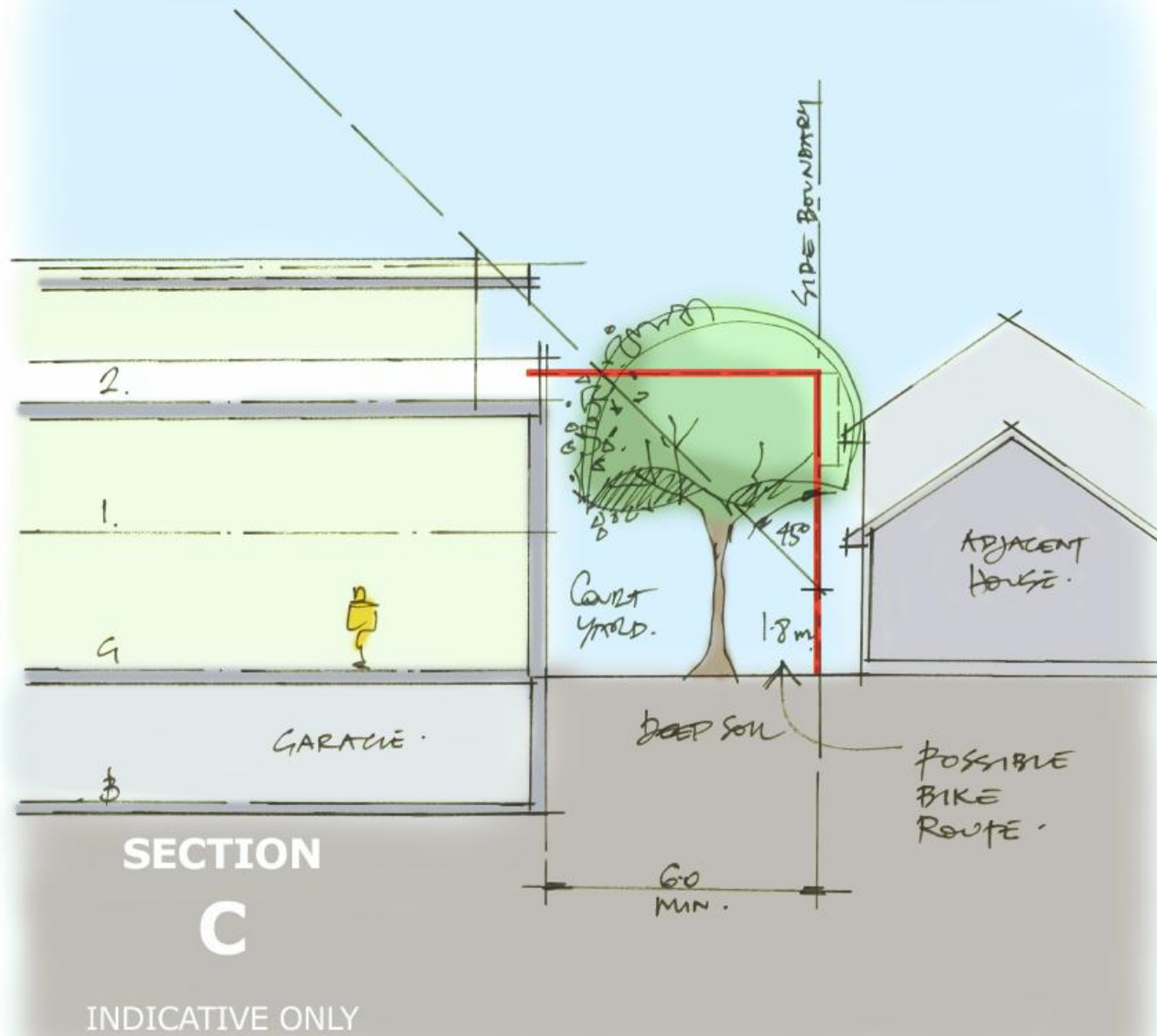
SECTION
A

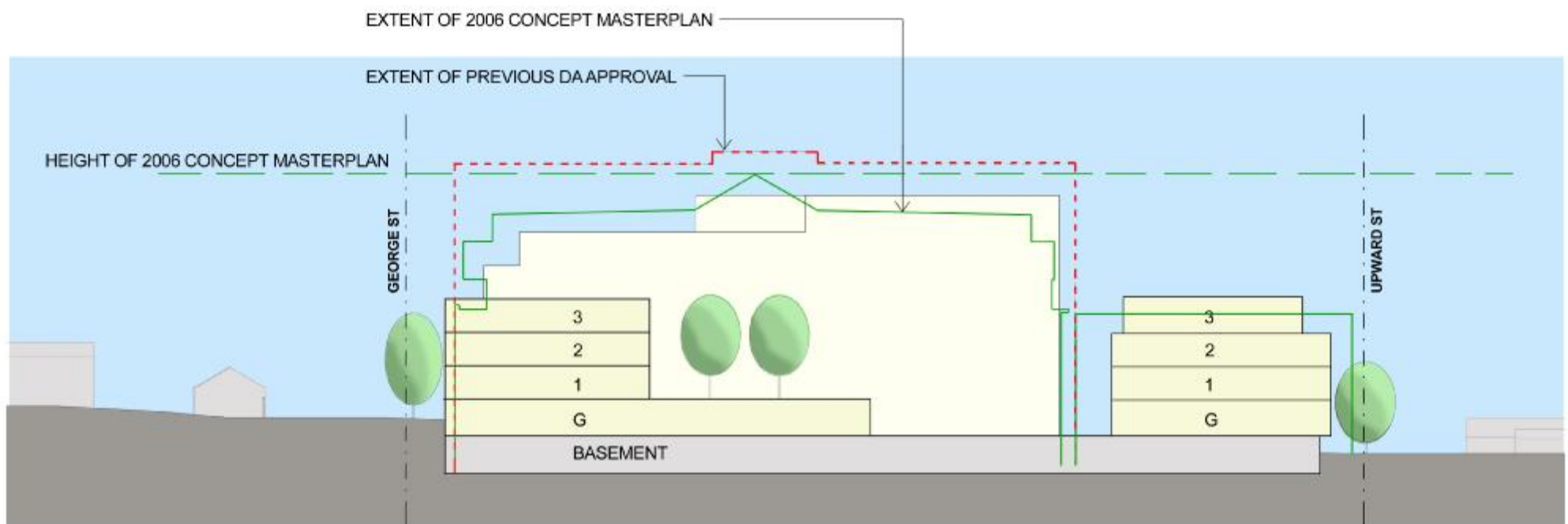
INDICATIVE ONLY



SECTION B

INDICATIVE ONLY





SECTION D
INDICATIVE ONLY

Appendix 12. Applicants Response to Council's resolution 22 March 2011

PROPOSAL TO REZONE THE 'KOLOTEX' AND 'LABELCRAFT' SITES LOCATED AT 22 AND 30 - 40 GEORGE STREET, LEICHHARDT, WITH FRONTAGES TO UPWARD STREET AND MCALEER STREET

That the application to rezone be deferred with clarification that the following issues be addressed:

CP Ref	Council Resolution	Applicants Response
1	FSR no greater than 1.5:1	Not Commercially Viable – even without Council’s extended wish list. Refer attached Feasibility Summary. Note: Fixed Costs regardless of FSR: • Demolition Cost - \$2m plus • Site Contamination Remediation - \$4m plus
2	Maximum 4 storeys	This is possible but will create a development with greater bulk and larger foot print and does not allow consideration of a proposal based on design ‘merit’ and analysis to determine the best design outcome rather than a design limitation that does not take into consideration other design issues, e.g. solar orientation, access and security, etc. In addition the large site area allows for ‘modulated and stepped’ building heights to achieve superior design and ESD outcomes.
3	Maximum 2 levels to street fronts	This is an achievable outcome; refer to the comment for item 2.

4	Dedication of a significant proportion of open space as a public park	Open Space will have to be offset against Section 94 contributions. What is definition of 'significant'?
5	Addresses risk of overshadowing	We have produced shadow diagrams which show overshadowing is limited and significantly better than statutory requirements. The have been provided to Council and the Community.
6	Addresses privacy issues	We have produced design principles to address this and provided these in written and plan format to Council and the Community – note potential conflict with requirement to 'activate' building frontage to all roads.
7	Key environmental sustainability principles	Agreed. This is a statutory as well as marketing requirement and the building will be designed to meet the highest standards. Note: moving from adaptive re-use to new build to get better outcomes for Acoustic, Solar and Overlooking. What else does Council require? Do they have examples they wish to use as a model for discussion? Does Council have proposed DCP Clauses for discussion?
8	All recommendations as outlined in the Council officer's report	See Notes Below.
9	Affordable housing outcomes to be incorporated in the Voluntary Planning Agreement.	Not achievable without increased FSR.

ALL RECOMMENDATIONS AS OUTLINED IN THE COUNCIL OFFICER'S REPORT

Page #	Ref #	Officer Comments	Applicant's Comments
Page 15	J	AUGUST 2005 Report Notes that: The report prepared by Council's Consultant CARDNO stated that: <i>The project had a FSR of 2.0:1</i> <i>The scale of the proposed development was consistent with the Parramatta Road Structure Plan</i>	2:1 FSR is required to obtain a viable development – refer feasibility study. All discussions with Council and DoP have been for 2:1 FSR
		Notwithstanding the Cardno advice the Planning Committee proposed an FSR of 1.5:1	No Basis for this decision is provided
Page 16	K	SEPTEMBER 2005 Principle: ... to modulate tops of buildings with highest buildings at southern end of site. ...maximum height of buildings to be 4 storeys Principle: Max FSR should be 2:1	Current proposal achieves this On what design basis is this established, given the scale of the site? Contradicts previous Planning Committee decision
Page 18	M; 2.1	May 2006 Principle 8: FSR to be 1.5:1	Contradicts item above
Page 19	N; 2.1	Council resolve to prepare draft LEP @ 2.0:1 Note: Final Para regarding resolving issues as part of DCP during the re-zoning process.	Contradicts item above As per the current 'Gateway' legislation.
Page 20	r	March – April 2010 Council resolved to refer application to DoP for Gateway determination.	Application was for FSR 2.0:1 and more than 4 storeys

Page 23	3.3	NOTE: <i>This Gateway acts as a checkpoint to ensure that the proposal is justified before further studies are done and resources are allocated to the preparation of a plan.</i>	This 'correct' principle is at odds with most of the Council resolutions of March 22 2011.
Page 31	4.8	Open Space in previous scheme consisted of a 'Public Piazza' of 314.55m2	Is this considered 'significant' open space?
Page 32	4.9 Para 4	Mention of Public Benefits as part of VPA	There has been no opportunity to discuss this issue. What Public benefits do the Council think they can have at FSR of 1.5:1? Will the Council consider negotiating development trade-offs (e.g. increased FSR) for public benefits such as provision of child care, community facilities and affordable housing? The Social Assessment and Impact Report will determine which public benefit issues are affected by the proposed development and need to be addressed.
Page 33	4.10	Merits of the Proposal	This has never been acknowledged in a Council Meeting.
Page 34	4.10 (1)	Proposed mixed Use zone to be Zone B6 Enterprise Corridor.. And Residential Zone r! - Residential	What does this mean for existing Buildings fronting McAleer Street? Does R1 allow more than 4 Storeys?
Page 34	4.10 (2)	DESIGN PRINCIPLES	Can these be numbered in future for better reference?
	A	Perimeter block planning	Current proposal complies.
	B	Car parking	Current proposal included basement car parking.

	C	Pedestrian Connection between George and Upward Streets This should be linked to public open space Comment: Staff continues to believe there is merit in exploring widening of Upward and George Streets.	Current Proposal Complies Current proposal provide link through 'linear' public open space. Is Council considering 'compulsory acquisition' of land from the Applicant for this?
	D	Tops of Buildings Modulated 4 storey height limit to "maintain a reasonable scale with surrounding development" 2 storey Height at Northern end	Current Proposal Complies Does not account for size of the site when compared to surrounding development and design and bulk benefits gained by the ability to step the higher levels a long way from street frontages. Current Proposal Complies
	E	Graduate Land uses from South to North (Employment to Residential) Reference to '<i>low density' residential at northern end</i>	Current Proposal Complies Low density indicates single dwelling houses. Is this Council's intention?
	F	Development to comply with best practice ESD and BASIX	Agreed. The Applicant has consistently affirmed this principle.
	G	Development must comply with Environmental Planning Policy No.65	Agreed.

	H	Maximum Floor Space of 2:1	Agreed. Council resolution is for 1.5:1 which makes the project unviable. The Applicant reaffirms its willingness to work with Council officers to address areas of concern:- traffic, privacy, building height, overshadowing etc. AS PART OF THE GATEWAY PROCESS.
	I	Traffic	Applicant has provided written advice to Council regarding its intention to carry out extensive additional traffic studies. Council has an independent report from CARDNO confirming that a development of FSR 2:1 will result in an improved traffic situation than when Kolotex occupied the site.
Page 37		CONCLUSION Council officers require numerous reports to be prepared by the applicant to be endorsed by Council – <i>prior to the commencement of any public exhibition process.</i>	The applicant has already prepared many of the reports many of the reports mentioned in the Council officers report and is prepared to undertake the necessary work to enhance these reports and prepare the additional ones, in consultation with Council officers, prior to the Planning Proposal being placed on Public Exhibition <i>as part of the Gateway process.</i> Council is not able to commence a statutory public exhibition process outside of the Gateway Determination which, following advice from the Department of Planning, is the Minister's determination that the Planning Proposal should proceed.

COMMENT ON REQUESTED DOCUMENTS

Page #	Ref #	Document/Report	Applicant's Comment
Page 37	a)	Planning Justification Report:	Agreed. This can be done from existing reports prepared by Urbis.
	b)	Environmental Performance Report:	Agreed. Following Gateway Determination. A Report setting out ESD benchmarks can be prepared immediately in consultation with Council Officers and basic principles have already been put forward. Detailed design – to at least DA level will be required to determine issues such as glass selection and performance, choice of building materials and performance etc. This level of detail is inappropriate at pre-rezoning stage. In addition a detailed report on construction issues will require input from a builder and as the applicant has not yet determined a construction delivery methodology input from a 'random' builder will be both expensive and potentially inaccurate.
	c)	Parking, Traffic, Transport and Accessibility Report:	Agreed. Following Gateway Determination. A preliminary report has been completed and provided to Council. The applicant has previously confirmed their intentions in this matter. Refer to the attached letter to Council dated 1st March 2011 setting out the Applicant's intentions regarding this report. No response was received from Council.

			We note the detailed issues in the Officers report and will advise the Traffic Consultant to include these issues where they relate to the proposed re-zoning and future development of the site.
Page 38	d)	Open Space Report	Agreed. Following Gateway Determination and subject to determination of relevance. The Applicant is willing to provide such a report and act in accordance with its findings. However as the Council resolution requires a 'substantial' (undefined term) of open space to be included in the design the report will be a waste of the applicants resources and time and including Council Officers time reviewing the report. A negotiated outcome, regardless of need as determined by a Report, may be the only available outcome – if the development can bear the cost.
	e)	Stormwater Management Plan	Agreed. Following Gateway Determination. A preliminary report has been completed and provided to Council. This will also determine various basic design criteria such as floor heights and site entry points, which makes final determination of design prior to completion of this report impossible.
	f)	Contamination Report	Agreed. Following Gateway Determination. A preliminary report has been completed.
	g)	Social Impact Assessment Report	Agreed. Following Gateway Determination. A preliminary report has been completed and provided to Council.

	h)	Community Consultation Report	Agreed. Following Gateway Determination. A preliminary report has been completed and provided to Council.
	i)	Acoustic Report	Agreed. Following Gateway Determination. A preliminary report has been completed and provided to Council.
Page 39	j)	Employment Land Report	Agreed. Following Gateway Determination. A preliminary report has been completed and provided to Council.
	k)	Development Control Plan	Agreed. Following Gateway Determination.
	l)	Floor Space Ratio Report	Agreed. Following Gateway Determination.
Page 40	m)	Voluntary Planning Agreement	Agreed. Following Gateway Determination.