

9 March 2021

2200411

Mr David Smith
A/Director City Economy & Growth
Liverpool City Council
By email.

Dear David,

SGS PEER REVIEW OF ORANGE GROVE PLANNING PROPOSAL – RZ-8/2020

We write on behalf of Gazcorp Pty Ltd, the owner of The Grove shopping Precinct and the applicant of Planning Proposal RZ- 8/2020 in response to the economic peer review which has been prepared by SGS Economics. Gazcorp supports many aspects of the report and the conclusions that SGS draws in its assessment, but has concerns with some of the comments made, in particular with respect to the following topics:

- Scope of the economic review and comments made which are outside of the ambit of the Planning Proposal, particularly in respect of the design of the centre.
- Scale of food and drink premises and proposed restriction on these uses.
- The impact and assessment of the additional 2,000m² GFA on the Fashion Spree site.
- Recommendations would be inconsistent with the standardised Liverpool LEP objectives and land use permissibilities of the B5 zoning of the site and surrounds.

These points are discussed in more detail below.

1.0 Scope of SGS review

Many of the comments made by SGS in their review are subjective and outside of the scope of the Planning Proposal review that Council commissioned.

An example of this is the repeated reference to a 'substantial hospitality presence' (mentioned pages 4,18 and 21). We are not sure where this description of the development has arisen from as the documents submitted with the PP only state that the area surrounding the urban park will be occupied by various uses. There is no information on what split of uses will be retail, business premises and food and drink premises as Gazcorp itself does not yet have this information. None of the tenants to be located within this area have been secured and it is not Gazcorp's intention that restaurants will 'dominate' this area.

Another example of their subjective commentary is their lack of support for a "strong entertainment offering"(page 20) which refers to uses (recreational indoor facilities) that have been allowable in the B5 zone for over 9 years (e.g., Bowling, Gymnasiums, Child play areas, etc) and have been operating on the subject site with no effect on the Liverpool Town Centre.

SGS also mentions multiple times that the "office premises" use is not consistent with The Grove site, and its standalone centre designation (page 19). While no office premises are being considered in the DA that is soon to be lodged for the expansion of The Grove, SGS comments fail to recognise that the use is mentioned in 3 of the 4 zone objectives and has been allowed uncapped in the B5 zone since 2012.

These are only a few examples selected in reviewing the report, and Gazcorp's requests that LCC responds to the SGS report and asks for the subjective comments which are outside the scope of the report to be reviewed/removed.

2.0 Design of the Centre

In addition to the above subjective comments, SGS further digresses with its review of the design of the site. Although SGS has only seen a small snapshot of the entire precinct, the design discussions about "separating" the land uses, and the potential detrimental economic consequences if they are allowed to seamlessly be joined don't make sense. All existing land uses on site don't currently operate in "isolation" of one another (as it seems to be suggested by SGS). There is no hard wall up between them, and customers are free to roam between the Fashion Spree Outlet Centre, the Homemaker Centre, and the fast food and convenience precinct.

The design vision doesn't aim to join all the retail components into "a single cohesive shopping centre" as suggested on page 4 of SGS's report. It rather aims to improve the Pedestrian / Vehicle conflict points under the existing site arrangements in a much more contemporary urban setting. Currently there are four crossing points that cause traffic conflicts on a regular basis. The proposed design of the centre will resolve this and allow for the flow of both pedestrians and cars to occur somewhat more freely and safely - with pedestrian safety being paramount.

The two centres will continue to operate as separate entities and will have a different retail focus with Fashion Spree retaining its outlet focus and The Grove retaining a bulky goods focus with additional convenience retail offerings introduced in the forthcoming development application. Rather than being separated by a road dominated by vehicles, the design seeks to create a new tree lined street and open space which improves the amenity of the centres and the safety of pedestrians travelling between them.

To suggest that the design of the centre should seek to separate out the two centres would be contrary to all Council studies and planning proposals prepared on the site to date, which have considered all of the land parcels as 'one precinct'. This would also be inconsistent with the comments made by Council's design excellence panel which supported the generation of a cohesive outcome on the site. Furthermore, improvements in pedestrian permeability across the precinct and resolution of traffic conflicts would have no effect on potential economic impacts on other centres arising from development at The Grove. It is the quantum of development and likely sales redirection that informs economic impacts rather than design issues, particularly in the context of assessing a Planning Proposal.

3.0 Additional 2,000m² of floorspace on Fashion spree site & restriction of Food and Drink Premises

SGS incorrectly states that cumulative impacts have not been examined, but the EIA's prepared for Amendment 61 were undertaken in the context of examining cumulative impacts arising from the initial development of Fashion Spree. Notwithstanding this error, SGS conclude that the addition of 2,000m² of additional floorspace would have no significant impact on existing centres within the Liverpool LGA.

However, SGS does conclude that a restriction on Food and Drink Premises should remain on the Fashion Spree site. The imposition of such a restriction would be discriminatory and would stand in contrast to their comments regarding the uncapping of the specialised retail premises, to align it with the standard B5 objectives and permissible land uses. It is also completely illogical given such uses have been allowable on the B5 zoned lands on an unrestricted basis since the early 90's (including on all other lots in the Precinct) with no impact or concern on the Liverpool CBD having ever been raised. In fact, all development of food and drink premises on the site have been undertaken in an orderly manner, with each DA having been assessed on its individual merits – as it should – against the objectives of the zone and the relevant controls contained within Council's planning controls.

SGS also understand this to be case, stating on page 14 that “While this would appear to be consistent with the intention of the B5 zone (having no cap)...”. Their comments further down the page that “the addition of large amounts of food and drink premises could create additional economic competition with the Liverpool CBD” is purely a hypothetical comment about what “could” occur on site and should be left to the merit based assessment that Council would no doubt vigorously undertake if “large amounts” of individual food and drink premises ever do get lodged in due course.

This would be similar to the outcome proposed for The Grove which is not currently subject to such a restriction and where it will be at the DA stage that an assessment for consistency with the zone objectives would be undertaken. This would also be the case for business premises, where an assessment could be made to determine if these were of a level that would be ancillary to the retailing occurring on the site.

4.0 Stand Alone Retail Centre

Finally, SGS makes comments in respect of concern for the Fashion Spree centre turning into a normal retail centre (page 19 in particular). As Council is aware, this issue was dealt with in significant detail during the Planning Proposal and development applications for the operation of the outlet centre (Fashion Spree). Consequently, the operation of that centre has strict conditions of consent and a Plan of Management which limit the type of retailing that can occur on that part of the site. Gazcorp cannot change this without further lodging an application with Council and as such it is within Council’s control to ensure that the centre continues to operate as approved.

It is noted that Gazcorp has also never once sought to amend or alter the restrictions placed by Council to control the outlet retailing use over the past 7 years since receiving the rezoning. In fact, it has gone to further lengths to strengthen the outlet retailing component on site through its approval and imminent construction start for its expansion on the eastern side of the existing centre.

5.0 Conclusion

As has been demonstrated in this letter, many of the comments and conclusions made by SGS in its peer review are subjective and seek to impose restrictions on the Fashion Spree site beyond what is necessary, given the development application process that will follow the Planning Proposal, and also that these uses are able to occur elsewhere in the B5 zone without restriction.

The proposed changes are intended to deliver a better development outcome for the community, including improved amenity, while being consistent with the intended functions for each part of the centre as expressed in Clauses 21 and 24 of Schedule 1 of the LEP.

Yours sincerely,



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