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Kweku Aikens  
Strategic Planner  
Liverpool City Council  
33 Moore Street  
Liverpool NSW 2170

Dear Kweku,

## **ADDITIONAL INFORMATION TO PLANNING PROPOSAL RZ-3/2020 – 193 MACQUARIE STREET AND 77-83 MOORE STREET, LIVERPOOL 2170**

This letter has been prepared by *Urbis Pty Ltd* (Urbis) on behalf of *Archer and Beckett Pty Ltd* (the Proponent) in response to a request for additional information regarding the revised Planning Proposal (RZ-3/2020) submitted to Liverpool City Council (Council) on 18 January 2021.

Council requested additional information regarding the estimated number of dwellings and jobs anticipated to be delivered by the proposal for the land at 193 Macquarie Street and 77-83 Moore Street, Liverpool within the Liverpool CBD (the Site).

This letter seeks to address Council's request and to demonstrate the economic benefits associated with the revised Planning Proposal and its consistency with Council's local strategies.

### **1. REVISED PLANNING PROPOSAL**

The revised Planning Proposal (RZ-3/2020) seeks to relocate the Site from 'Area 11' to 'Area 8' on the Floor Space Ratio (FSR) Map in the *Liverpool Local Environmental Plan 2008* (LLEP 2008). The intended outcome of the revised Planning Proposal is to amend LLEP 2008 to enable the Site's redevelopment for a future mixed-use development to support the growth of jobs and homes in the Liverpool City Centre – a metropolitan centre.

The revised Planning Proposal was supported by the following technical studies:

- Urban Design Report;
- Addendum Heritage Impact Statement; and
- Survey Plan.

### **2. ECONOMIC BENEFITS**

An assessment of the employment outcomes has been carried out, which is based on the indicative development concept submitted with the revised Planning Proposal (RZ-3/2020) in January 2021 (refer to the indicative concept design included within **Appendix A – Urban Design Report**).



This assessment quantifies the economic benefit of the indicative concept design and confirms that the proposal is able to make a substantial contribution to the provision of jobs in the Liverpool City Centre.

## Summary of Findings

As shown in Table 1 below, it is estimated that the commercial and retail floor space within the first three levels of the indicative development concept could accommodate up to **195 jobs on an ongoing basis**. This estimate is based on Urbis benchmarks of employment density, which is informed by Landcom's *Workspace Ratios for Job Enabling Land Uses in Greater Sydney 2018*.

The current employment rate of four jobs on the existing site has been adopted. This reflects jobs at the existing bakery under normal operating conditions, noting that there are currently two people employed at the bakery. When compared to the four jobs currently on site, the indicative concept development could generate **an uplift of 191 additional jobs**.

Table 1 – Uplift of Operational Jobs on Site

Land Use	Scale (GFA sqm)	Workspace Ratio (sqm per job)	Total Jobs
Residential	14,789	0	0
Retail	1,439	35	41
Commercial Office	3,080	20	154
<b>Total Jobs in Proposed Development Concept</b>			<b>195</b>
<b>Total Current Jobs on Site</b>			<b>4</b>
<b>Total Job Uplift</b>			<b>191</b>

Source: Archer and Beckett; Landcom; Urbis (2021)

The REMPLAN modelling tool has been used to assess the potential economic contributions of the ongoing operation of the indicative development concept in terms of jobs and Gross Value Added (GVA). An explanation of the REMPLAN methodology is included at Attachment A of this letter.

The economic contribution that could be delivered as part of the indicative concept development includes:

- A total of **314 additional jobs**, including 191 additional direct jobs on site and 123 indirect jobs in the surrounding region.
- A total of **\$66.6 million in GVA** to the economy each year, including \$43.3 million direct GVA and \$23.3 million indirect GVA.

Table 2 – Economic Contributions of the Indicative Development

	Direct	Indirect	Total
<b>Avg Employment Per Annum (Total Jobs)</b>	191	123	<b>314</b>
<b>Avg Gross Value Added Per Annum (\$M)</b>	\$43.3	\$23.3	<b>\$66.6</b>

Source: REMPLAN; Urbis (2021)

Based on the above economic assessment, the indicative development concept that could be achieved as part of the revised Planning Proposal has both site-specific and economic merit, and will make a substantial contribution to jobs in the Liverpool local government area (LGA).

### 3. STRATEGIC FRAMEWORK

Liverpool City Council is committed to growing the economic function of the Liverpool CBD and has commissioned several local studies to identify strategies to achieve its vision:

*“To foster an 18-hour walkable city with a lively and well-integrated mix of activities, in order to attract private investment and stimulate Liverpool’s communities to make greater use of the City Centre and its attributes.”*

The following sections set out the role of the indicative development concept I in responding to Council’s local studies and identifies the contribution of the site to Liverpool’s night-time economy.

#### 3.1. CITY ACTIVATION STRATEGY 2019-2024

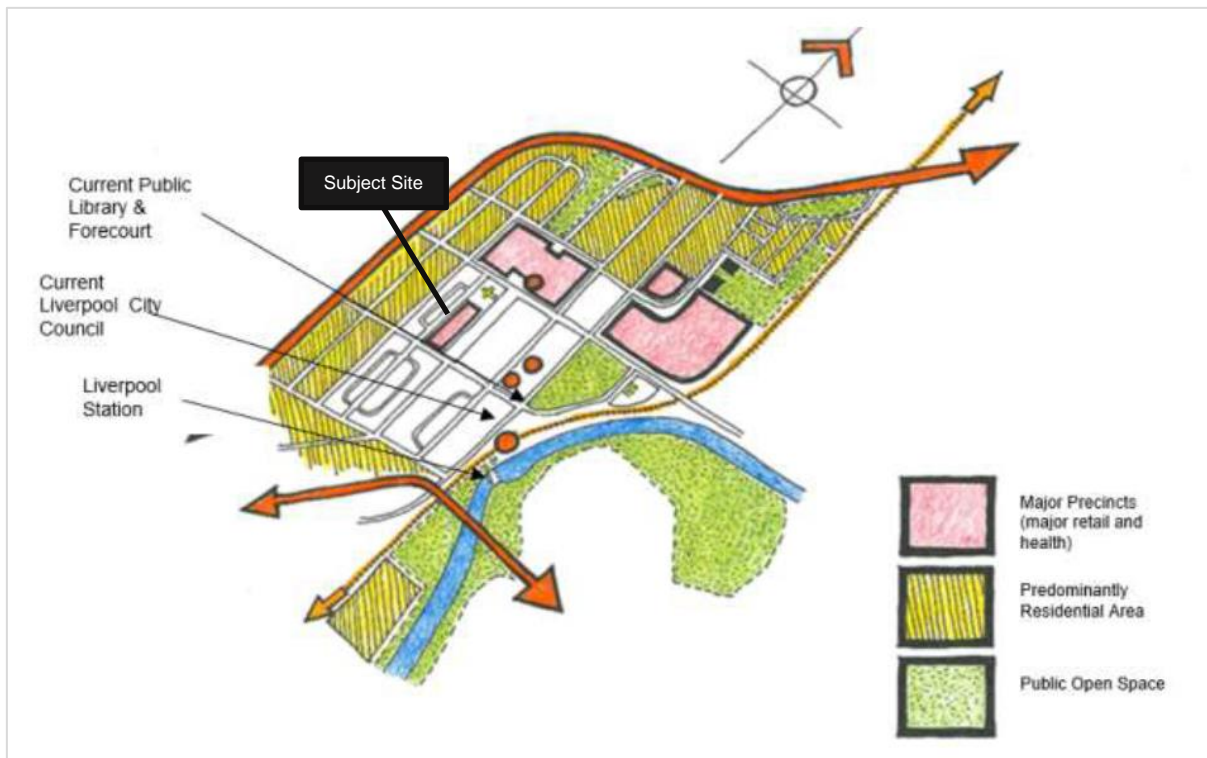
The *City Activation Strategy 2019-2024* (the Strategy) aims to support Council in creating a well-integrated and economically vibrant City Centre. The Strategy provides an innovative model for precinct activation and recommends short-term (1-2 years), medium-term (3-5 years) and long-term (6+ years) activation initiatives to support Council in delivering the desired outcomes for Liverpool’s City Centre.

The site is identified as a ‘Major Precinct’ (major retail and health) within the Strategy as indicated in **Figure 1** below due to its proximity to the Macquarie Street Mall and Liverpool Plaza. Although the majority of the City Activation initiatives are focused on the public domain, the revised Planning Proposal provides opportunities to contribute towards the relevant recommendations contained within the Strategy. Specifically, the Strategy recommends that Liverpool Council:

*“... strengthen the public activation offer to balance the currently well-developed Macquarie Mall/Westfield end of the City Centre with the less developed offering at its southern end”.*

Through the potential future redevelopment of the site which is located at the southern end of Macquarie Street Mall, the indicative development concept facilitated by the revised Planning Proposal facilitates a unique opportunity for the site to act as a gateway. It also allows the opportunity to incorporate a range of active ground floor retail uses and public domain improvements to encourage Council’s vision for an 18-hour economy. The proposal is therefore consistent with the aims and objectives of the *City Activation Strategy*.

Figure 1 – Existing Circumstances in the Liverpool City Centre



Source: Liverpool City Council

### 3.2. LIVERPOOL CENTRES AND CORRIDORS STUDY

Council commissioned the *Liverpool Centres and Corridors Study 2020* (the Study) as part of the LEP Review process and to inform Council's *Local Strategic Planning Statement* which was finalised in 2020.

The Study involved a review of the existing retail centres hierarchy within the LGA and provided recommendations regarding future retail and business development. Key directions for retail planning are identified within the Study, including the following which is relevant to the proposal:

*"Where possible, higher-density residential development, community facilities, social infrastructure and open space should be co-located with local centres which have good public transport accessibility and other attributes required to support higher density development."*

The proposed development concept facilitated by the revised Planning Proposal would allow for a true mixed-use development at the site within the Liverpool City Centre and co-located with existing access to major retail centres and public transport, as well as future transport infrastructure (Fifteenth Avenue Smart Transit corridor).

Based on the indicative concept design included within the Urban Design Report (submitted with the revised Planning Proposal), the proposal can deliver approximately **180 dwellings under the 'Area 8' controls**. The increased population resulting from the proposal will benefit from the site's location within the vicinity of existing services and infrastructure. Additional commercial and retail uses required

to be delivered under the Area 8 controls will also provide local services and improved amenity to future residents.

The Study identifies that there is a large amount of development capacity in the Liverpool CBD much of which has been created by the Liverpool LEP 2008 Amendment 52 (which the site was excluded from). The Study suggests the following in regard to future development resulting from Amendment 52:

*"If development in the City Centre occurs on a fragmented basis there is a risk that it will not deliver the kinds of retail or commercial development which increase the vibrancy and economic activity of the Liverpool CBD. Site amalgamation may be required, and if developers are focused on the residential portion of their developments, they may neglect the retail and commercial components."*

Any development delivered under the existing 'Area 11' controls, particularly in relation to the adjacent sites to the north and west that are subject to the 'Area 8' controls, could result in an inconsistent built form and exacerbate the fragmentation of development in the City Centre.

Clause 7.5A of LLEP 2008 provides incentivised uplift for development that delivers a minimum of 20% commercial gross floor area (GFA). Under the existing 'Area 11' controls, the proposal could deliver approximately 2,603 m<sup>2</sup> of commercial and retail floor space. Under the proposed 'Area 8' controls, any future development is required to deliver a significant amount of retail and commercial floor space. Based on the indicative development concept, this equates to approximately 4,518 m<sup>2</sup> which will result in a net increase in commercial floor space that is able to be delivered on site.

If the site is redeveloped under the existing 'Area 11' controls, the proposal will not deliver the retail or commercial development required to increase the vibrancy and economic activity of the Liverpool CBD. Therefore, the proposal is consistent with, and is able to deliver upon, the directions and recommendations identified in the Liverpool Centres and Corridors Study.

## 4. CONCLUSION

The proposal will help deliver the economic objectives set out within relevant local and strategic planning studies prepared for Liverpool City Council.

The evidence-based economic analysis undertaken for the site indicates that the indicative development concept included within the revised Planning Proposal will result in additional jobs and commercial floor space within the Liverpool City Centre. The proposal will also encourage new businesses into the city centre and double the residential population while fostering Liverpool's vision for a modern, walkable, and vibrant 18-hour economy in the CBB.

We welcome the opportunity to work closely with Liverpool City Council to ensure the progression of this Planning Proposal which supports the vision and long-term objectives for the Liverpool CBD.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Toni Walter", with a stylized flourish at the end.

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## **ATTACHMENT A      REMPLAN METHODOLOGY**

# REMPLAN METHODOLOGY

This Economic Analysis uses **REMPLAN** to model the potential economic benefits associated with the proposed development. REMPLAN is an Input Output model that captures inter-industry relationships within an economy. It can assess the area specific direct and flow on implications across industry sectors in terms of employment, wages and salaries, output and value added (Gross State Product).

The potential economic benefits of the proposed development have been quantified in terms of value added expenditure generation and employment generation:

- Expenditure Generation – Estimation of the direct and indirect expenditure impacts resulting from the proposed development. This estimates value added expenditure impacts to the regional and state economies during both the development and operating phases
- Employment Creation – Estimation of the direct and indirect employment impacts resulting from the proposed developments. This estimates employment impacts using standard industry jobs per sq.m benchmarks and regional employment multipliers for New South Wales.

Key points regarding the workings and terminology of the model are as follows:

- REMPLAN uses either the value of investment or employment generation as the primary input. For this analysis, the value of total upfront investment has been used as the key input to assess the benefits of the construction phase, whereas future employment at the centre is the input to assessing the ongoing economic benefits of the operational phase
- Outputs from the model include direct and indirect employment and value added (i.e. economic growth) generated through the project
- Employment generated includes all full-time and part-time jobs created over the life of the construction phase; or in terms of the on-going operations, total on-going jobs generated
- Both the direct and indirect benefits are modelled for employment and value added
- Direct refers to the effect felt within the industry where the investment is being made. For example, during the construction phase, new direct jobs are created within the construction industry
- Indirect effects are:
  - Those felt within industries that supply goods to the industries directly affected (industry effects)
  - Those felt by industries that benefit from the wages that are earned and spent by those employed within the industries directly affected (consumption-induced effects).

For the purposes of this analysis, consumption-induced effects have been excluded. Consumption-induced effects are prone to overstate the benefits of a particular investment as they overestimate the impact of wage and salary increases in the local economy. This is accepted industry practice.