



# **DEVELOPMENT AND PLANNING STANDING COMMITTEE MEETING**

**Monday 11 October 2021**

**To be held remotely via Microsoft Teams**

**6.30pm**

Committees will be held in the following order:

Development and Planning Standing Committee  
Planning for the Future Standing Committee  
Organisational Services Standing Committee  
Built and Natural Assets Standing Committee  
Service Delivery Standing Committee  
General Business Committee

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This allows our community greater access to Council proceedings, decisions and debate.

# ***Development and Planning Standing Committee Meeting***

## ***Agenda***

***Monday 11 October 2021***

***6.30pm***

**Apologies:** For the non-attendance of Councillors

**Declaration of Interests:**

**Presentations:** Nil

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***Recommendations to the Development and Planning Standing Committee  
Meeting***

***Monday 11 October 2021***

<b>21DP017</b>	Draft Planning Proposal - LEP Amendment for Additional Permitted Uses at 56-76 Mandalong Road, Morisset
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<b>Key focus area</b>	4. Diverse economy
<b>Objective</b>	4.3 Our growing population supports a thriving local economy
<b>File</b>	RZ/6/2021 - D10264294
<b>Author</b>	Strategic Planner - Tom Boyle
<b>Responsible manager</b>	Manager Integrated Planning - Wes Hain

***Executive Summary***

This report seeks Council's support for a draft planning proposal to amend the *Lake Macquarie Local Environmental Plan 2014 (LMLEP 2014)*. The proposal will enable Additional Permitted Uses (APUs) of a supermarket, restaurants or cafes, and small format retail shops, currently prohibited within the B7 Business Park zone at 56-76 Mandalong Road, Morisset.

The proposed APUs are intended to complement specialised retail premises such as hardware and homeware retail that are currently permitted. An initial development application to prepare the site for development has been lodged. Additional development applications are expected to be lodged in the coming months.

***Recommendation***

Council:

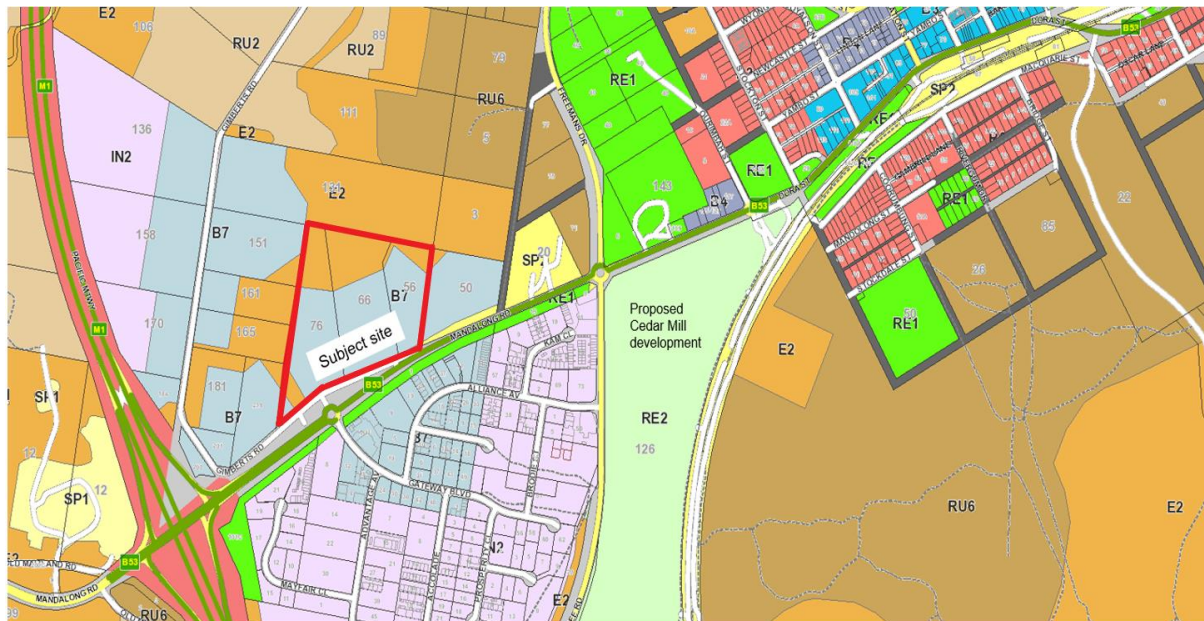
- A. requests a Gateway Determination from the Department of Planning, Industry and Environment, pursuant to the *Environmental Planning and Assessment Act 1979*, in relation to the draft planning proposal in Attachment 1,
- B. requests the use of delegations in respect of the Minister for Planning and Public Spaces plan making function under the *Environmental Planning and Assessment Act 1979* for the draft planning proposal,
- C. undertakes consultation with State Government agencies and service authorities in accordance with the Gateway Determination, and
- D. places the draft planning proposal on exhibition, subject to the outcome of the Gateway Determination.



## Discussion

The subject site is located approximately 1km west of the commercial core of Morisset Economic Centre. The site is situated on the periphery of an urban intensification area and borders a future growth investigation area identified in Council's Local Strategic Planning Statement.

Most of the site is zoned B7 Business Park and complements the established B7 Business Park and IN2 Industrial zoned land south of Mandalong Road, nearing full development of available lots. The rear of the site is zoned E2 Environmental Conservation.



**Figure 1: Site location and current land use zones (LMLEP 2014)**

Due to its proximity to the M1 Motorway, the site and land immediately north west were identified in the Morisset Structure Plan 2008 for future business park (B7 zone) and light industrial uses (IN2 zone) respectively. The objectives of the B7 zone are to provide a range of office and light industrial uses, encourage employment generating land uses, enable specialised retail, provide services to meet the day to day needs of workers in the area, and provide opportunities for high technology industries.

The site currently hosts four older residential and garage structures and is partially cleared. Lots 11 and 12, DP 777034 (66-76 Mandalong Road) have existing development consent (DA/1960/2011) for the development of a Bulky Goods Premises.

Winarch Capital Pty Ltd (the proponent) has developed a concept plan to expand and develop the site into a “destination” retail park with 26,000m<sup>2</sup> of floorspace. The retail park would contain large format retailers including hardware and homewares along with a mix of complementary food outlets, restaurants, a neighbourhood supermarket and a children's play area. Hardware and homewares stores are currently permitted with consent within the B7 Business Park zone. The proponent has lodged an initial development application (DA/1338/2021) to demolish existing structures and prepare the site for development.

The *LMLEP 2014* does not currently permit restaurants, cafes, neighbourhood supermarkets and shops in general, in the B7 Business Park zone. To support the viability of hardware and homeware specialised retail premises, the proponent seeks to amend the *LMLEP 2014* to permit limited development of the following additional uses:

- A limited number of high-quality restaurants or cafes around the proposed children's play area and public amenities, offering an alternative to take-away premises, with floor area capped at 500m<sup>2</sup>.
- A neighbourhood supermarket (a type of shop), with floor area capped at 1800m<sup>2</sup>.
- Small format retail tenancies (shops), with floor area capped at 1800m<sup>2</sup>.

Take-away food and drink premises are permissible in the B7 Business Park zone, and the concept plan nominates two additional sites for take-away premises.

Several buildings complementing the proposed hardware store are currently designed for specialised retailing, also known as large format retailing. Such retailing is permissible in the B7 Business Park zone and examples of goods that may be sold at such premises include automotive parts and accessories, household appliances and fittings, furniture, homewares, office equipment, outdoor and recreation equipment, pet supplies and party supplies. These buildings will have the capacity for conversion to six smaller tenancies of 300m<sup>2</sup> should the use of 'shops' become permissible. The proponent seeks to attract tenants focused on specialised purchases rather than frequent shopping to differentiate from services within surrounding centres. These smaller tenancies may sell goods such as sports apparel, pharmaceuticals, and warehouse-style clothing.

### **Economic study results**

The NSW Planning Policy – The Right Place for Business and Services generally encourages supermarkets, restaurants/cafes and smaller format retail to be located within centres. This is to facilitate access by means other than private vehicles, reduce trip distance, improve public transport services, and generate pedestrian foot traffic to support retail shops and dining. Mandalong Road is serviced by the 163 Morisset to Cessnock bus route which passes twice daily (morning and evening peak times) but the site is currently not connected to the footpath/shared path network. Therefore, the proposal has the potential to encourage vehicle use and draw business from the Morisset Commercial Core. However, out of centre services, such as those proposed, are acceptable when a net community benefit can be established. This includes providing evidence nearby centres will continue to operate successfully, and that public transport, walking and cycling accessibility to the site can be improved.

The economic study prepared by the proponent concludes economic impacts to existing centres including Morisset, Cooranbong and Toronto would be modest and all centres would continue to operate successfully. The economic impact is on par with a similar assessment undertaken for proposed retail and food and drink premises at the former Bunnings site, at Belmont North (21SP026). The economic study for this proposal estimates the development is expected to provide 105 direct ongoing full-time equivalent jobs and an additional 80 indirect jobs.

The proposal seeks to limit the maximum floor space area for each of the APUs. This will help ensure the proposal does not undermine the function of nearby centres, particularly Morisset. Future population growth is also expected to offset any impact to nearby centres. The population of the catchment is expected to grow to 87,560, an increase of almost 20,000, by 2036.

Development of a third supermarket within the commercial core of the Morisset economic centre faces constraints. The economic study identifies that 1.25 ha of contiguous land required for the development is not available within the B3 Commercial Core zone. This is confirmed by staff. Such land is available within the B4 Mixed Use zone, in which the proposed APUs are permissible. However, the Lake Macquarie Development Control Plan 2014 encourages a residential component in the B4 Mixed Use zone, and the proponent has

indicated this is not a commercially viable option for their development vision, in that the supermarket would not support the hardware and homeware specialised retail. Staff agree there is merit in this assessment. Development within the B4 mixed use zoned land without a residential component would also be inconsistent with the growth and housing density and diversity objectives for Morisset centre.

The proponent's economic study concludes the proposed APUs will deliver a net benefit to the community. Staff generally agree with the analysis. Any potential inconsistency with the NSW Right Place for Business and Services Policy is considered of minor significance.

### **Assessment of options**

The recommended option is for Council to support the draft planning proposal and request a Gateway Determination from the Department of Planning, Industry and Environment, pursuant to the *Environmental Planning and Assessment Act 1979*. The Gateway Determination provides an opportunity for further investigations and government agency and community consultation, guided by the Department of Planning, Industry and Environment.

### **Community engagement and internal consultation**

Internal consultation with Council's Rezoning Advisory Panel (RAP) indicated support for realising employment and economic activities on the site. The location of the site within the Morisset strategic growth area and proximity to the M1 Motorway was noted.

Some concern was raised with the potential traffic and economic impact of a supermarket and smaller format retail shops outside of existing economic centres, notably Morisset and Bonnells Bay. However, no objections were raised with the proponent's assessment of limited land within nearby centres suitable for the co-location of specialised retail premises with the proposed APUs.

Staff noted further consideration of the economic, transport and accessibility impacts of the proposal will occur following Gateway Determination and as part of State government agency consultation.

### **Key considerations**

<b>Economic impacts</b>	<p>The proposed development is expected to provide 105 ongoing full-time equivalent jobs and an additional 80 indirect jobs.</p> <p>The economic study estimates some impact to nearby centres by way of future projected lost sales. This impact will diminish over time as the population grows and demand for services increase. By 2036, the catchment area will contain a population of 87,563, an increase of almost 20,000, with growth at an average rate of 1.6 per cent per annum.</p> <p>The study estimates total sales by the catchment area centres (covering an area from Toronto to Wyee) is forecast to increase from \$451.3 million in 2021 to \$478.1 million in 2024, representing an increase of \$26.8 million over the next three years.</p> <p>The study estimates, as a result of the proposed development, a 4.9 per cent reduction in forecasted sales for food and 3.3 per cent reduction for non-food services, representing a \$21.8 million loss to businesses within Morisset, Bonnells Bay and</p>
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	<p>Cooranbong in the first trading year of 2024. This is comparable to an economic impact study undertaken for proposed APUs at the former Bunnings site, at Belmont North (21SP026). The study concludes that despite a reduction in sales in the first trading year, existing centres will continue to operate successfully.</p> <p>Around eight per cent of sales made at the site are expected to be from out of area, facilitated by the proximity of the site to the M1 Motorway.</p>
<b>Environment</b>	<p>The draft planning proposal does not impact on the adjoining E2 Environmental Conservation zoned land within the site. Environmental impacts will be considered as part of affiliated development applications.</p>
<b>Community</b>	<p>The draft planning proposal will have positive social outcomes by retaining and providing local employment opportunities for local residents and improving access to diverse retail services.</p>
<b>Civic leadership</b>	<p>Council's support for the Planning Proposal will help achieve the objective to grow and diversify our City's economy and increase local employment opportunities.</p>
<b>Financial</b>	<p>There will be no direct financial implications for Council associated with proceeding with the draft planning proposal. The proponent has paid the initial Phase 1 rezoning fee and will enter into an agreement and pay for staff resources incurred during the assessment of the draft planning proposal in accordance with Council's Amending Local Environmental Plan Procedure.</p>
<b>Infrastructure</b>	<p>An assessment of traffic impacts has been prepared for the concurrent development applications. This assessment included an allocation for traffic likely to be generated by the proposed APUs, in addition to traffic generated by the proposed specialised retail, hardware and building supplies and take away food premises. The assessment found:</p> <ul style="list-style-type: none"> <li>the existing Mandalong Road/Gateway Boulevard/Gimberts Road roundabout will operate satisfactorily under the 2021 and 2032 background traffic demand</li> <li>the Gimberts Road approach (northern leg) of the roundabout will not accommodate the development and background traffic in 2021; the addition of a southbound through and left-turn slip lane on this leg will alleviate the capacity constraint</li> <li>the proposed left-in and left-out access on the eastern part of the site will operate satisfactorily in 2021 and 2032</li> <li>the upgraded roundabout intersection will require a further addition of a left turn lane on the west approach Mandalong Road to accommodate the 2032 development traffic demand satisfactorily.</li> </ul> <p>Due to its distance from residential areas, the proposed development is likely to result in an increase of vehicle trip</p>



	<p>distance. The frequency of trips may be partially offset due to its proximity to the M1 Motorway, enabling people to access services when travelling to/from other destinations (for example, work commute).</p> <p>Associated development applications to be submitted by the proponent will trigger the need to undertake the required road upgrades.</p> <p>The draft planning proposal includes a requirement for further investigation of traffic impacts and active transport linkages prior to exhibition. Consultation with Transport for NSW is proposed as part of the Gateway Determination.</p>
<b>Risk and insurance</b>	<p>The risks associated with preparing a planning proposal are minimised by following the process outlined within the <i>Environmental Planning and Assessment Act 1979</i>, the <i>Environmental Planning and Assessment Regulation 2000</i>, and Council's Amending Local Environmental Plan Procedure.</p>

### ***Legislative and policy considerations***

*Environmental Planning and Assessment Act 1979*

*Environmental Planning and Assessment Regulation 2000*

*Lake Macquarie Local Environmental Plan 2014*

### ***Attachments***

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|----|---|----------------------|-----------|
| 1. | Draft Planning Proposal for Gateway Determination - 56-76 Mandalong Road Morisset | Under separate cover | D10335016 |
|----|---|----------------------|-----------|