

## Item 8.

### **Public Exhibition - Planning Proposal - Enterprise Area Review - Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012 Amendment**

**File No:** X025568

#### **Summary**

The City's enterprise areas include some of the most well located and valuable industrial and urban services land in Australia. This land in the southern enterprise area, contains the only remaining expanse of business and employment zoned land in the local area. Its unique position near the Sydney CBD, fringe business areas, high density residential neighbourhoods and NSW's primary trade gateways at Sydney Airport and Port Botany gives it a strong competitive advantage.

Changes to the City's planning framework in 2014 facilitated a thriving and diverse industrial and business precinct in the southern enterprise area. The current planning framework ensures that land is preserved for industrial and urban services, which is essential for the efficient functioning of cities, while also allowing the growth and evolution of enterprise.

However, maintaining a strong economic position relies on a sustained supply of suitable floor space to accommodate new high value industries and the changing needs of businesses. The City commissioned a review of its enterprise areas to ensure the planning framework remains fit for purpose. The review identified that in the main the current planning controls are working well, however there is unmet demand for commercial and flexible employment floor space that is well located to public transport.

This report recommends the Central Sydney Planning Committee approve 'Planning Proposal - Enterprise Area Review' (planning proposal) and note the recommendation that Council approve draft Sydney Development Control Plan 2012: Southern Enterprise Area Amendment (draft DCP) for public exhibition. While applying to all of the City's enterprise areas, the planning proposal and draft DCP has a particular focus on the North Alexandria precinct in the southern enterprise area.

The planning proposal will amend Sydney Local Environmental Plan 2012 to revise maximum building heights and maximum floor space ratio controls in North Alexandria. The proposed planning controls enable a cohesive built form, transitioning from tall commercial office buildings at Green Square Town Centre, to the low rise adaptively reused industrial warehouse spaces to the north and mid-rise flexible spaces in between.

The proposed planning controls will facilitate an improved public domain, including new open space and pedestrian links to improve connections to existing and planned transport infrastructure, including the new metro station at Waterloo.

The planning proposal and draft DCP include new controls which will enable growth and employment diversity in North Alexandria, through the creation of an entertainment destination, a mid-rise enterprise precinct and increased opportunity for commercial offices close to public transport. It would support improved public spaces and connectivity for workers and nearby residents.

Proposed controls align with the Local Strategic Planning Statement - City Plan 2036, adopted by Council in February 2020, particularly its priorities to protect industrial and urban services in the southern enterprise area, increase opportunities for business in strategic locations to contribute towards jobs targets, and to evolve businesses in the Green Square-Mascot Strategic Centre.

If approved, the draft planning proposal after receiving a Gateway determination from the Department of Planning, Industry and Environment, along with the draft DCP, will be publicly exhibited, giving the community and other stakeholders an opportunity to provide feedback.

## Recommendation

It is resolved that:

- (A) the Central Sydney Planning Committee approve Planning Proposal - Enterprise Area Review, shown at Attachment A to the subject report, for submission to the Department of Planning, Industry and Environment with a request for a gateway determination;
- (B) the Central Sydney Planning Committee approve Planning Proposal - Enterprise Area Review, for public authority consultation and public exhibition in accordance with any conditions imposed under the gateway determination;
- (C) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage and Planning Committee on 19 July 2021 that Council approve draft Sydney Development Control Plan 2012: Southern Enterprise Area Amendment, shown at Attachment B of the subject report, for public exhibition concurrent with the planning proposal;
- (D) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage and Planning Committee on 19 July 2021 that Council seek authority from the Department of Planning, Industry and Environment to exercise its delegation under section 3.36 of the Environmental Planning and Assessment Act 1979 to make the amending Local Environmental Plan; and
- (E) authority be delegated to the Chief Executive Officer to make any minor variations to Planning Proposal - Enterprise Area Review and draft Sydney Development Control Plan 2012: Southern Enterprise Area Amendment 2021 to correct any drafting errors or inconsistencies, or to ensure consistency with any condition of the gateway determination.

## Attachments

- Attachment A.** Planning Proposal – Enterprise Area Review
  - Attachment A1 - SGS - City of Sydney Enterprise Area Review
  - Attachment A2 - North Alexandria Urban Design Study
- Attachment B.** Draft Sydney Development Control Plan 2012: Southern Enterprise Area Amendment

## Background

### Changes are proposed to the planning controls that apply to the City's enterprise areas

1. The City's enterprise areas include all land in the City of Sydney local government area (LGA) currently zoned primarily for employment purposes under the Sydney Local Environmental Plan 2012 (Sydney LEP). The extent of the City's enterprise areas are shown at Figure 1 and include land zoned: IN1 General Industrial; B5 Business Development; B6 Enterprise Corridor; and B7 Business Park. They are mostly in the southern enterprise area, previously referred to as the southern employment lands, in the suburbs of Alexandria and Rosebery.



Figure 1: Enterprise areas within the City of Sydney

2. This report recommends the Central Sydney Planning Committee approve 'Planning Proposal - Enterprise Area Review' (planning proposal) and note the recommendation that Council approve draft Sydney Development Control Plan 2012: Southern Enterprise Area Amendment (draft DCP) for public exhibition. These are shown at Attachment A and Attachment B respectively.

3. While applying to all of the City's enterprise areas, the planning proposal and draft DCP have a particular focus on North Alexandria in the southern enterprise area. The planning proposal will amend Sydney LEP to revise maximum building heights and maximum floor space ratio controls in North Alexandria. The draft DCP includes detailed planning controls to guide development in North Alexandria as well as other changes to refresh planning controls in the southern enterprise area to reflect development and policy changes that have occurred over time.
4. North Alexandria is shown in Figure 2. It is generally bound by McEvoy Street in the north, Wyndham Street to the east and Bowden Street to the west, with properties fronting O'Riordan Street to the south down to Johnston Street forming its southern extent. Including internal roads, North Alexandria is approximately 36 hectares in area, comprising 103 lots.



Figure 2: North Alexandria boundaries

5. North Alexandria is located within the City of Sydney local government area, approximately 3.5 kilometres south of Sydney Town Hall and to the immediate west of Green Square Town Centre. Figure 3 shows the immediate context of North Alexandria, which is located between Waterloo in the north and Green Square Town Centre to the east, with Alexandria to the west and south.



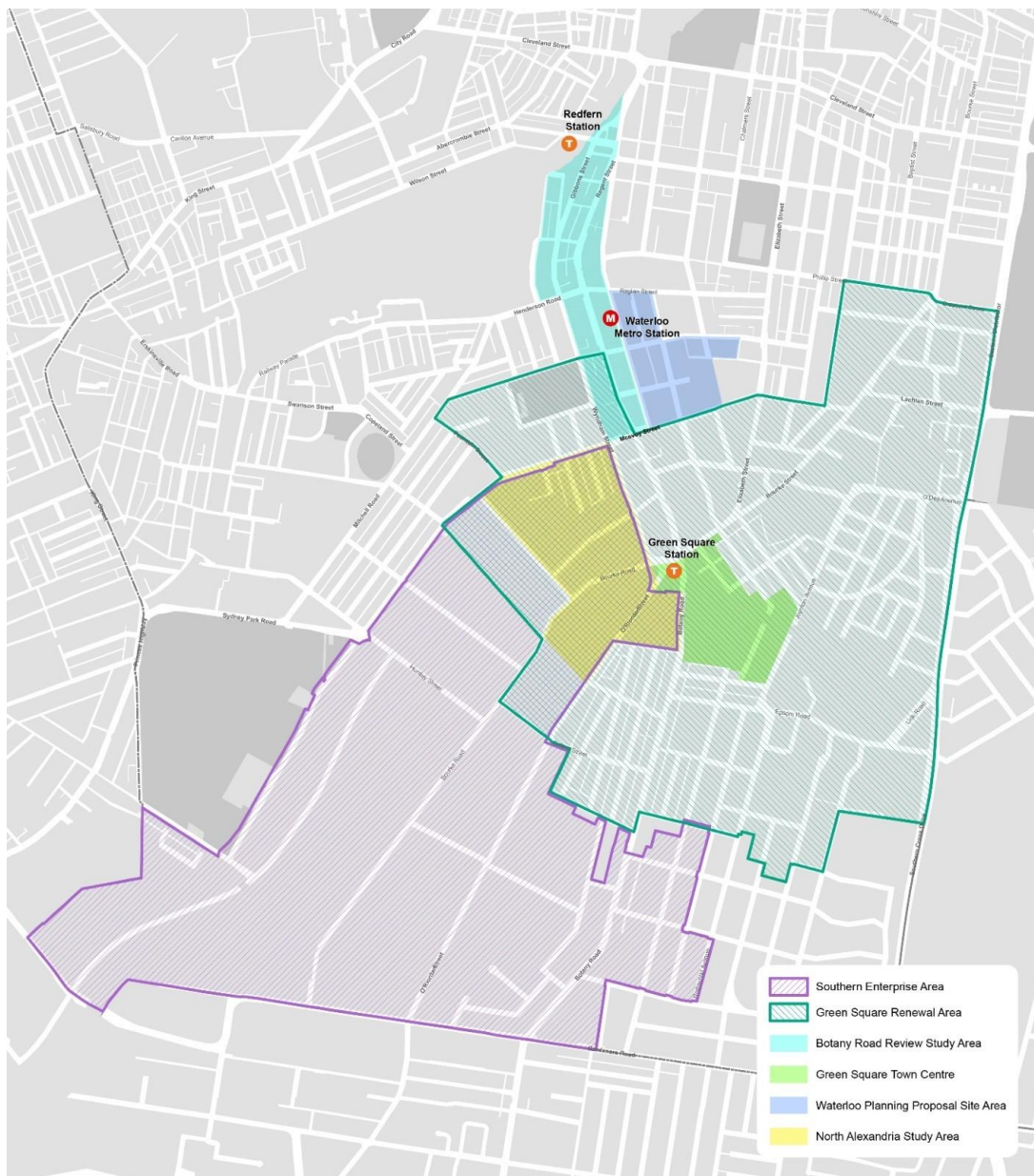


Figure 3: Contextual map

6. As shown in Figure 3, North Alexandria is at the northern end of the southern enterprise area (purple). It is uniquely positioned near the Sydney CBD, fringe business areas, high density neighbourhoods and trade gateways.
7. North Alexandria also sits in the Green Square Urban Renewal Area (dark green), which will contribute over one third of the City's local housing growth to 2036. The urban renewal area is forecast to grow to around 32,000 dwellings, housing around 60,000 to 70,000 people (depending on occupancy trends) at build out. This growth is being supported with substantial investment in local infrastructure including new roads, parks, community facilities such as Gunyama Park and Aquatic Centre and Green Square library and utilities upgrades.

8. The Green Square Town Centre (light green), at the heart of the renewal area, is to the immediate east of North Alexandria and offers a train station connecting to Central Sydney and Sydney Airport, as well as a growing employment, entertainment, retail, and services offering.
9. The City's review of the Botany Road corridor (light blue) is in progress and will inform a planning proposal to facilitate additional employment floor space in the corridor.
10. The future Waterloo Metro station and Waterloo Metro Quarter development is located to the north of North Alexandria. The approved State Significant Development concept proposal for the Metro Quarter is for three mid-rise buildings between 4 and 10 storeys along Cope Street, and three towers of 23, 25 and 29 storeys above a 3 to 4 storey podium along Botany Road, above an underground station on the Sydney Metro line.
11. Waterloo Estate South (dark blue) is currently subject to a planning proposal. The proposal consists of about 230,894 square metres of residential floor space, with 3,067 dwellings, a large park adjoining Waterloo Metro station of two hectares, 13,000 square metres for retail and commercial uses and 5,000 square metres for community and ancillary facilities.

**The planning framework in the City's enterprise areas has been reviewed**

12. In 2014 Council adopted the City of Sydney Employment Lands Strategy 2014-2019 which established a planning framework for managing the transition of the City's enterprise areas from mostly industrial and manufacturing uses, towards a more diverse range of businesses and jobs.
13. Since adoption of the City's strategy, the Greater Sydney Commission's Greater Sydney Region Plan (Region Plan) has recognised the importance of industrial lands to the functioning of the city, beyond the number of jobs that they accommodate, and recognises their ability to support a range of land uses. The subsequent Eastern City District Plan (District Plan) requires inner city councils to retain and manage their industrial and urban services land, effectively safeguarding it from competing pressures, in particular residential incursion.
14. The City's Local Strategic Planning Statement - City Plan 2036 (Planning Statement), adopted by Council in February 2020, maintains the strategic direction of the state government and prioritises protection of industrial and urban services land in the enterprise areas and evolving businesses in the Green Square-Mascot Strategic Centre. It contains an overall employment target of 200,000 jobs to 2036 and identifies North Alexandria as an area of investigation to facilitate additional employment capacity through potential increases in non-residential densities.
15. In late 2019 the City commissioned SGS Economics and Planning to undertake the Enterprise Area Review (Review), provided at Attachment A1. The Review analysed trends and drivers that influence supply and demand of employment floor space in the City with the aim of understanding the long-term demand and supply for industrial and business zoned land and ensuring the planning framework was fit for that purpose.
16. The Review found the southern enterprise area supports critical industrial and urban services that rely on the strategic location to effectively carry out their functions. Their displacement would negatively impact on the efficient function of the broader economy. It also found the southern enterprise area has evolved into a strong performing diverse ecosystem of industries which needs a supportive planning framework to prosper.

17. In summary, the southern enterprise area is important to:
- (a) support urban services such as waste recycling, concrete batching plants and hardware supplies, which underpins the broader productivity and liveability of the City;
  - (b) accommodate strategic industrial uses in strategic locations, for example highly productive freight and logistics uses that need to be near Sydney Airport and Port Botany and that support a high-density residential catchment;
  - (c) accommodate businesses that need diverse or semi-industrial floorspace but have important supply chain or business to business links to Central Sydney and other nearby employment areas;
  - (d) provide space for businesses that wouldn't fit in office precincts either through their price sensitivity or use profile (particularly creative businesses), but benefit from agglomeration economics and are dependent on the location due to the importance placed on it by staff, suppliers and other industry stakeholders;
  - (e) provide relatively affordable floorspace (compared to traditional office districts) to accommodate smaller businesses as they evolve;
  - (f) provide flexible built form that accommodates the needs of a range of employment types and can be modified as businesses grow and evolve;
  - (g) operate with minimal land use conflicts, due to separation from residential uses, while still being close to high density population centres to provide them with essential services; and
  - (h) provide space for commercialisation of innovation and for emerging high-value industries like boutique advanced manufacturing.
18. The Review found the City's strategic directions and planning controls, which facilitate a range of industrial and urban services uses, are working as intended. Changes in zoning and permitted uses resulting from the City's Employment Lands Strategy created opportunities for new forms of business and enterprise in the area, such as high-tech industry, creative spaces and retail and distribution facilities.
19. The Review found the City's Employment Lands Strategy has protected industrial lands so that industrial activities such as manufacturing, wholesale trade, transport and logistics related industries, postal activities and warehousing continue to locate in the area.
20. The Review generally recommends a continuation of the existing approach in the enterprise areas, with no changes to zoning required.
21. The Review recognises and reinforces the importance of retaining land for industrial uses in the future, citing a shortage of industrial floor space in the area. These areas remain important to support a range of critical industrial facilities and services that are location sensitive and must be located close to important supply chain or business to business links to the CBD, Sydney Airport, Port Botany and other nearby employment areas.



22. The Review found there is demand for additional flexible office, warehouse and retail floor space in the southern enterprise area. It recommends North Alexandria as the best location to accommodate additional demand given its proximity to existing and planned transport infrastructure and the amenities of the Green Square Town Centre and other surrounding areas.
23. The Review provides a strong evidence base for the proposed planning controls for North Alexandria, as well as continuation of the existing approach to managing our employment lands outside of North Alexandria.

**North Alexandria is best placed to support new office and enterprise floor space**

24. The southern enterprise area is one of the most sought after and expensive industrial and urban services areas in Australia. It is uniquely positioned near the Sydney CBD, fringe business areas, high population densities and trade gateways. Sustained supply of floor space is needed to support high value industries that benefit from locating here.
25. As above, the Review found there is unmet demand in the southern enterprise area for office and other enterprise floor space. North Alexandria is well placed to provide this space, being located on the northern edge of the southern enterprise area and forming the western gateway to Green Square Station. Its transition from traditional industrial activity towards office and knowledge-based sectors is already underway, largely accommodated within the existing built form.
26. North Alexandria has unique qualities that will appeal to new businesses:
  - (a) proximity to the Sydney CBD, public transport and the amenities and services provided in Green Square;
  - (b) potential for walkability with delivery of new streets and connections including the proposed liveable green network along Sheas Creek;
  - (c) future proposed open space;
  - (d) tree lined streets;
  - (e) diverse and interesting built form, including heritage warehouses in the north;
  - (f) existing quality knowledge intensive and creative business tenants; and
  - (g) DCP controls that allow for extended trading hours.

**New employment spaces in North Alexandria strengthens its competitive advantage**

27. The southern enterprise area has a competitive advantage in having strong business diversity. This breadth of demand often occurs in areas that have highly unique qualities. The opposite of this would be an employment precinct which builds its competitive advantage around focussing on one or two industries for example, the Randwick health and education precinct.
28. Maintaining the economic competitiveness of the southern enterprise area relies on a diverse and sustained supply of floorspace. If diverse, and in some cases affordable, floorspace is not available, continued economic diversification will not be possible. Businesses need confidence that they will be able to find suitable premises and expand and relocate within the same area as needed.

29. Accommodating concentrated higher-density employment floor space in North Alexandria would capture some floor space demand for office and emerging enterprises. This has the added benefit of reducing the pressure for redevelopment and likely industrial displacement elsewhere in the southern enterprise area.
30. Controls are also needed to support floor space for emerging enterprises that place a premium on employee accessibility but also require space that is more flexible and generous than conventional office floor space.

#### **New planning controls are proposed for North Alexandria**

31. The recommendations of the Review informed the preparation of the North Alexandria Urban Design Study (urban design study), provided at Attachment A2, which subsequently recommended changes to the planning controls for North Alexandria.
32. The urban design study incorporates the findings of the Review and consultation with key landowners. It details the economic and built form context, the opportunities and challenges of North Alexandria, and recommends a built form, street layout and public domain that will appeal to diverse economic activities, including industrial, commercial, office, entertainment, creative industries, and other urban services.
33. The planning proposal, provided at Attachment A, and draft DCP, provided at Attachment B, provide a comprehensive suite of planning controls to implement the recommendations of the urban design study in North Alexandria.

#### **Current and proposed planning controls**

##### **Current planning controls - North Alexandria**

34. Currently, the following controls apply to North Alexandria in Sydney LEP:
  - (a) a B7 – Business Park zone applies to North Alexandria. The zone permits a broad range of enterprise uses including creative and knowledge-based uses and offers a buffer between industrial uses and residential areas;
  - (b) maximum mapped floor space ratios between 1:1 and 3:1, with higher controls permitted towards the south. The heritage conservation area at the northern end of North Alexandria has a maximum floor space ratio control of 1:1;
  - (c) in addition to the mapped floor space ratio, clause 6.14 community infrastructure floor space at Green Square applies. Within North Alexandria this allows for an additional floor space ratio of 0.25:1 and 2.2:1 above the mapped floor space ratio control. The clause allows for additional floor space where community infrastructure is provided;
  - (d) mapped maximum height of buildings controls range from 12 metres to 60 metres, with the highest controls focussed around Green Square Station;
  - (e) clause 7.13A of Sydney LEP permits affordable housing with consent in the B7 – Business Park zone where it is provided by or on behalf of a public authority or social housing provider and where it does not conflict with the employment focus of the zone;

- (f) clause 7.13 of Sydney LEP requires development make an affordable housing contribution in the southern enterprise area. This contribution is equal to 3 per cent of residential and 1 per cent of non-residential floor area;
  - (g) land zoned SP2 – Infrastructure applies to a strip of land along McEvoy Street and land on the corner of Wyndham Street and Bourke Road. This will be used for road and intersection widening in the future; and
  - (h) the ‘North Alexandria Industrial’ (C74) heritage conservation area and heritage items including Item 9 Industrial building “Eclipse House” including interior (8–22 Bowden Street), Item 21 Warehouse including interior (32–42 McCauley Street), Item 2235 Former Standard Telephones & Cables industrial building including interiors (1–3 Mandible Street) and Item 2236 Former Electricity Substation No 152 including interiors (124 McEvoy Street).
35. The key DCP controls that currently apply to North Alexandria include:
- (a) Section 5.8 - Southern Employment Lands includes detailed provisions for building design the public domain, landscaping, parking and access, the liveable green network and key streets;
  - (b) late-night management area controls with an arts, cultural and entertainment focus in a heritage warehouse precinct in North Alexandria. The area has the potential for extended trading hours up to 24 hours; and
  - (c) Section 2.10 - Locality Statements - Southern Employment Lands includes principles that focus on improving landscape character, pedestrian amenity, connections that align with the future land use vision for the area.

### **Proposed planning controls**

36. The planning proposal, called ‘Planning Proposal - Enterprise Areas’, is to amend the Sydney Local Environmental Plan 2012 (Sydney LEP) and is provided at Attachment A. It is supported by Draft Sydney Development Control Plan 2012: Southern Enterprise Area (draft DCP), provided at Attachment B.
37. Most of the proposed planning controls relate to North Alexandria, though some are outside that area. The controls have been designed to facilitate an intended outcome that differs between four different sub-areas, shown at Figure 4, including:
- (a) north block - bound by McEvoy Street, Wyndham Street, Sheas Creek (northern branch) and alignment of Stokes Avenue;
  - (b) mid-block - largely bound by Wyndham Street, the alignment of McCauley Street and the two branches of Sheas Creek, except for one site on the corner of Bourke Road and Bowden Street;
  - (c) south block - largely bound by Botany Road to the east, Bourke Road to the west, with the new connector road and Johnston Street framing its southern boundary; and
  - (d) transition area - two separate areas, with one bound by the future connector road to the north, O’Riordan Street to the east and Bourke Road to the west. The second area is bound by McEvoy Street, Bowden Street, the alignment of Stokes Avenue and Sheas Creek.



Figure 4: North Alexandria sub-areas

### Proposed LEP controls - Height - North Alexandria

38. As shown in Figure 5 below, the planning proposal proposes new maximum building height controls in the Sydney LEP to achieve intended outcomes of the proposed development concept. It proposes:
- (a) broad increases from 15m to 22m, 18m to between 25 and 35m, and 35m to 45m;
  - (b) on the north-west corner of Wyndham Street and Bourke Road, a decrease from 55m to 45m in some parts and increase from 55m to 60m in other parts;
  - (c) a decrease for sites in the north of North Alexandria, reducing from 18m to 15m; and
  - (d) increase for sites adjoining the Ashmore connector road, to align with the heights of neighbouring sites.



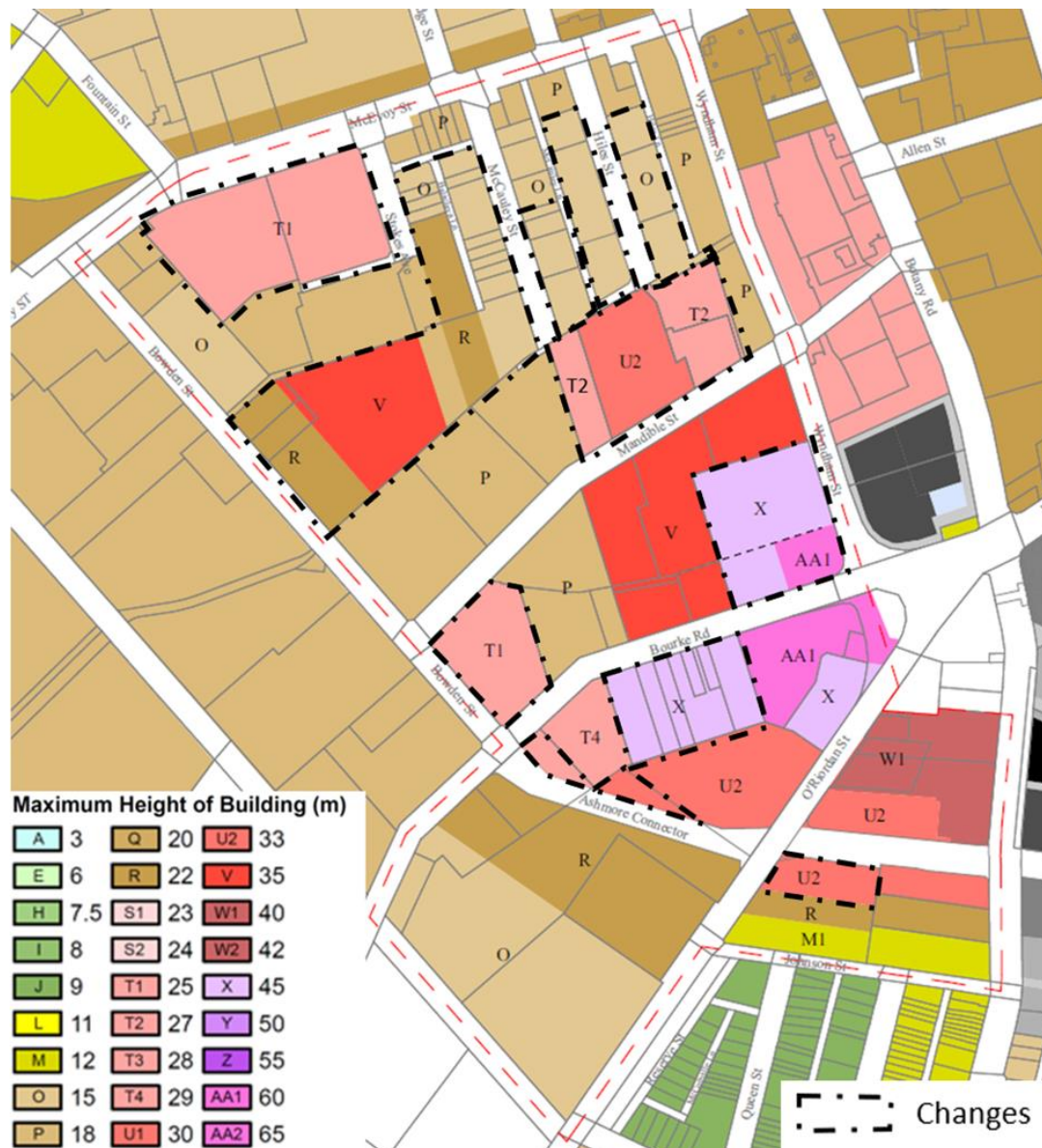


Figure 5: Proposed height of building controls

39. The proposed increase in building heights distributes floor space in North Alexandria without compromising the heritage character, amenity of surrounding uses and low-scale residential and employment uses to the north and south. It will also facilitate better public domain and design outcomes, compared to outcomes that would be achieved under existing controls.
40. The proposed increase in height in key locations provides the potential to unlock the applicable floor space ratio control on sites and will enable the dedication of some of the land for new streets, setbacks and connections.
41. The proposed reduction in height in the north-block from 18m to 15m responds to the existing built form context. Older industrial low scale warehouse buildings are located here, some within a heritage conservation area. The proposed controls also better align with the floor space ratio controls applicable. Heights of 18m are retained for properties fronting the edges of the north-block along Wyndham and McEvoy streets.



42. Overall, amendments to building height will provide a better height transition within North Alexandria, and between North Alexandria and surrounding precincts.

### Proposed LEP controls - Floor Space Ratio - North Alexandria

43. Figure 6 shows the proposed floor space ratio map as it applies to North Alexandria. It responds to the unmet demand for floor space identified in the review and will allow for increased floor space within the area.

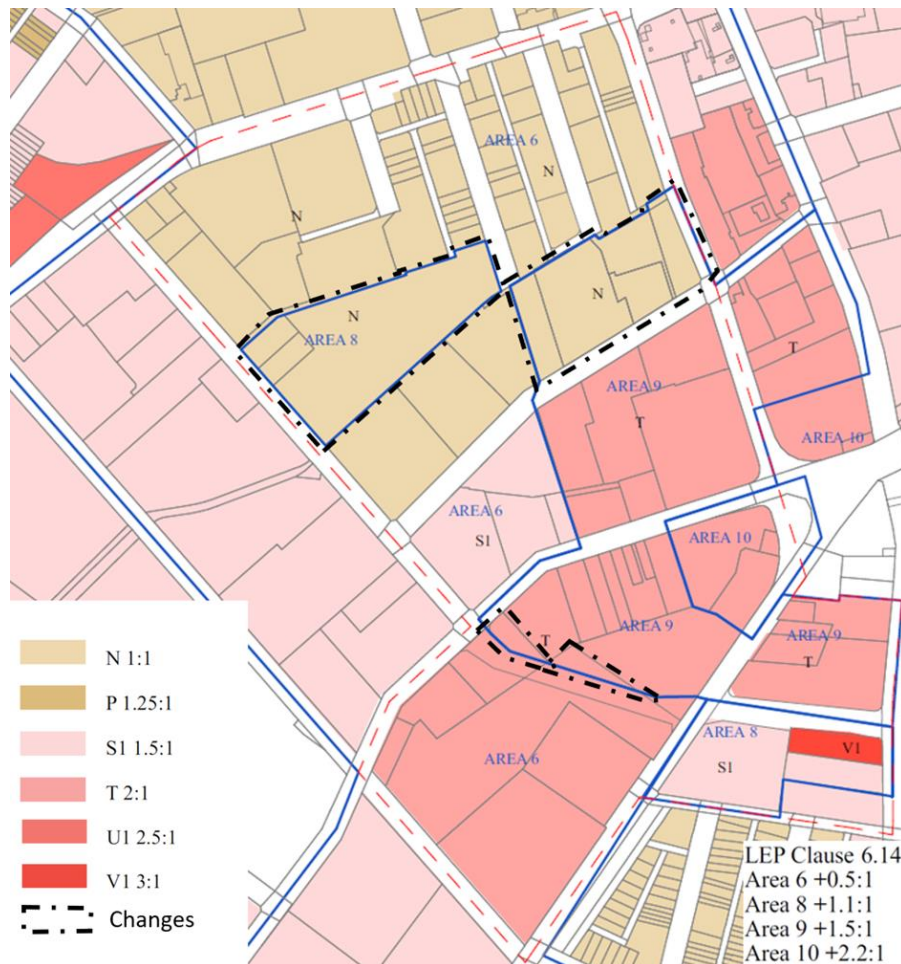


Figure 6: Proposed floor space ratio controls

44. North Alexandria sits within the Green Square urban renewal area. Sydney LEP allows for additional floor space ratio to be achieved in the urban renewal area above what is mapped on the floor space ratio map if community infrastructure is provided. The planning proposal amends the floor space ratio map in North Alexandria to

- (a) amend the amount of community infrastructure floor space available, pursuant to Clause 6.14 of Sydney LEP, on various sites.

45. The floor space ratio is generally proposed to increase in parts of the south-block and sites in strategic locations where there is a greater need to offset land dedication requirement for new streets, lanes and setbacks for the liveable green network, including:
- (a) an increase from 1.5:1 to 2.1:1 on one site along Bowden Street;
  - (b) an increase from 1.5:1 to 2.5:1 in the area between Mandible and Hiles Streets; and
  - (c) an increase from 2.5:1 to 3.5:1 for two triangular lots fronting the northern side of the future connector road between O'Riordan Street and Bourke Road.
46. In addition to the above, under Clause 6.21 of Sydney LEP, a design excellence process is required for any development proposed to be greater than 25 metres, which is mostly relevant to outside of north-block. A building demonstrating design excellence is eligible for an amount of additional floor space or building height of up to 10 per cent of the mapped floor space ratio and community infrastructure floor space. However, a site-specific clause in the planning proposal limits the use of Clause 6.21 to additional floor space only in North Alexandria.

#### **Draft DCP controls - North Alexandria**

47. The planning proposal height and floor space ratio controls are supported by height in storeys, upper level setback and ground floor setback provisions in the draft DCP which will facilitate a smooth transition in heights, bulk and scale across North Alexandria.
48. In some locations, the proposed height in storeys is relatively low compared with the proposed height of building controls in Sydney LEP, which seeks to ensure that the building design accommodates large flexible spaces through provision of taller floor to floor heights.
49. The draft DCP also provides street cross sections to visualise some upper and lower level setbacks and how they interface with the street.
50. Amendments to the DCP maps will enable the delivery of active frontages, new public domain, streets, lanes, and connections and to manage built form outcomes. Figure 7 shows proposed land dedications for enhanced public domain outcomes. The proposed connections are to address large impermeable blocks, dead-end streets and general lack of public domain space in North Alexandria limits way finding, amenity and legibility.

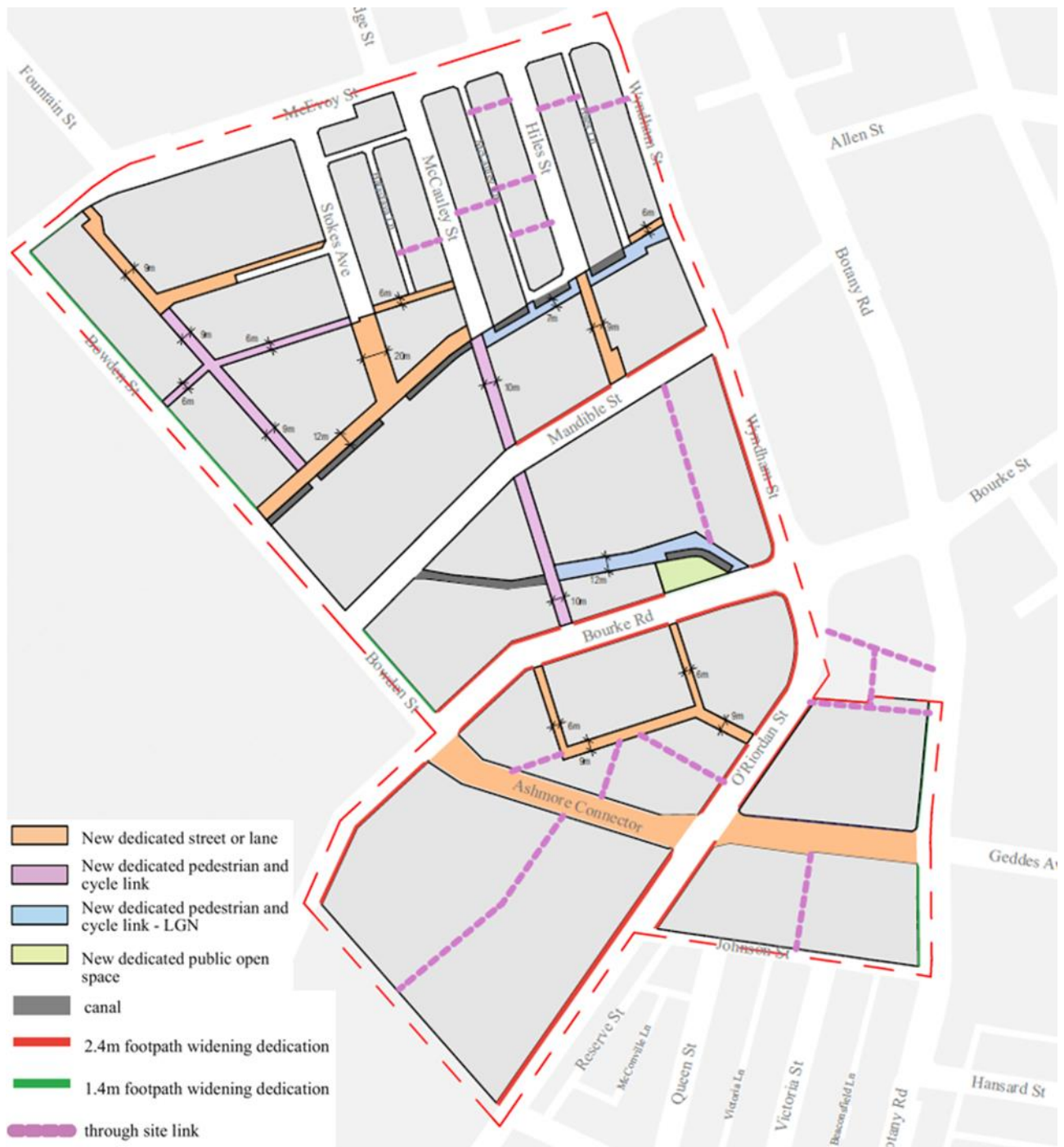


Figure 7: Proposed land dedications

51. In the south-block, new through site links will break up the large parcels of land and enable better pedestrian connections, which is essential given busy roads with unappealing pedestrian environments converge on Green Square station. The Ashmore connector road combined with these new through block links will make the area attractive to future major office tenants and future workers.

52. The corner of Wyndham and Bourke Roads will announce the entry point to the liveable green network, with a proposed pocket park and pedestrian and cycle link following where Sheas Creek meets Bourke Road.
53. Further south of the Ashmore Connector, minimal public domain dedications are proposed to support uses requiring large parcels of land such as light industry, warehousing, urban services and other emerging employment uses.
54. Future development of the mid-block will support direct connections for pedestrians and cyclists between the low-scale character entertainment venues of north-block with the higher density office environment close to Green Square station. Key pieces of dedication will deliver:
  - (a) extension of McCauley Street to Mandible Street, Bourke Road and the Liveable Green Network;
  - (b) setback dedications to create two liveable green network connections between the McCauley Street extension and Bourke Road (southern connector) and Wyndham Street (northern connector); and
  - (c) through redevelopment of sites in mid-block, new north-south and east-west sightlines are created through to the heritage north-block and a clear and legible step-up transition of building scale and height will be produced.
55. North-block has minimal proposed public domain dedications as the aim is to protect the attractive built heritage and there is minimal proposed uplift. It also has established, fine grain streets and lanes.
56. Significant dedication of land for streets and lanes are proposed on the large landholdings along Bowden Street. This includes dedication of land for the extension of Stokes Avenue and provision of a new street along the north side of the future recreation space. A new laneway is also proposed to run parallel to Bowden Street. These dedications will be supported by the proposed uplift in floor space ratio and height controls as part of the planning proposal.
57. The draft DCP updates the locality statement for the southern enterprise area to reflect the vision for North Alexandria. This statement details the elements that contribute to this area's current and future character and principles that will help to reinforce and enhance that character. The locality statement provides the direction for the development controls and built form guidelines for North Alexandria and the broader southern enterprise area.
58. The draft DCP provides guidance for the preferred location of land uses to support a wide range of economic activities in North Alexandria including industrial, commercial, office, entertainment, creative industries, and other urban services, with affordable spaces for innovation to occur. These complementary uses will be carefully sited, cognisant of existing built form character and heritage, the interface with adjoining areas, the potential for land use conflict and the benefits of co-location. Encouraged uses include:
  - (a) north-block: activity-generating, higher-order business uses including innovation, technology and creative industries, and cultural and entertainment uses (including late night entertainment uses);

- (b) mid-block: innovation, creative, technology and knowledge-intensive enterprises alongside light industry;
  - (c) south-block: commercial office with ancillary retail; and
  - (d) transition areas: more 'traditional' industrial uses including warehousing and manufacturing.
59. The proposed use profile is supported by building layout and design controls in the draft DCP to ensure the mid-block of North Alexandria can deliver flexible, generous building layouts for a range of business activities of different scales and with different operational needs.

**Other proposed controls - elsewhere in the southern enterprise area**

60. The planning proposal amends Clause 7.13A – Affordable housing in zone B7 so that it removes reference to the 'Employment Lands Affordable Housing Program adopted by the Council on 30 March 2015' to refer instead to the 'City of Sydney Affordable Housing Program adopted by Council on 24 August 2020'. The amendment is to correct a reference to a Program that has now been repealed in favour of the new Program.
61. The draft DCP proposes various changes to provisions, maps and figures to amend existing or introduce new setbacks, active frontages, new streets and lanes, and continuous awnings in parts of the southern enterprise area, including:
- (a) removal of mapped controls, for example new streets and height in storeys, from locations that have now been built over by the WestConnex project;
  - (b) requirements for continuous awnings and active frontages along parts Bourke Road, Collins Street and Huntley Street to reflect the emerging cluster of active uses and increased pedestrian activity;
  - (c) to address interface of western side of Perry Park: an adjustment to the location of the through site link onto council land, and removal of the active frontage control;
  - (d) active frontages and continuous awnings along Campbell Road Bridge at its intersection with Bourke Road alongside the separated cycleway to reflect the increased pedestrian and cyclist activity at the location;
  - (e) removal of the new street between Jones Lane and Dunning Avenue the existing street grid is considered to provide adequate connectivity in the immediate area;
  - (f) remove Ashmore connector from the 'proposed streets' maps and figures, given it is now under construction;
  - (g) require 1.2m setback to the western edge of William Lane and eastern edge of Beaconsfield Lane to allow for footpath widening; and
  - (h) removal of proposed extension of Campbell Road, east of Bourke Road to reflect the changed traffic patterns after the opening of the WestConnex project and Campbell Road Bridge.



## Development outcomes

### Southern enterprise area

62. The Urban Strategy for the southern enterprise area, shown at Figure 8, provides a comprehensive overview of how the area will change over time. It identifies key localities, shows proposed new roads and key connections, and shows setbacks, active frontages, new streets and lanes, and continuous awnings.



Figure 8: Southern Enterprise Area Urban Strategy

### North Alexandria

63. Figure 9 below shows a potential development outcome in North Alexandria where all sites have developed to their maximum potential.

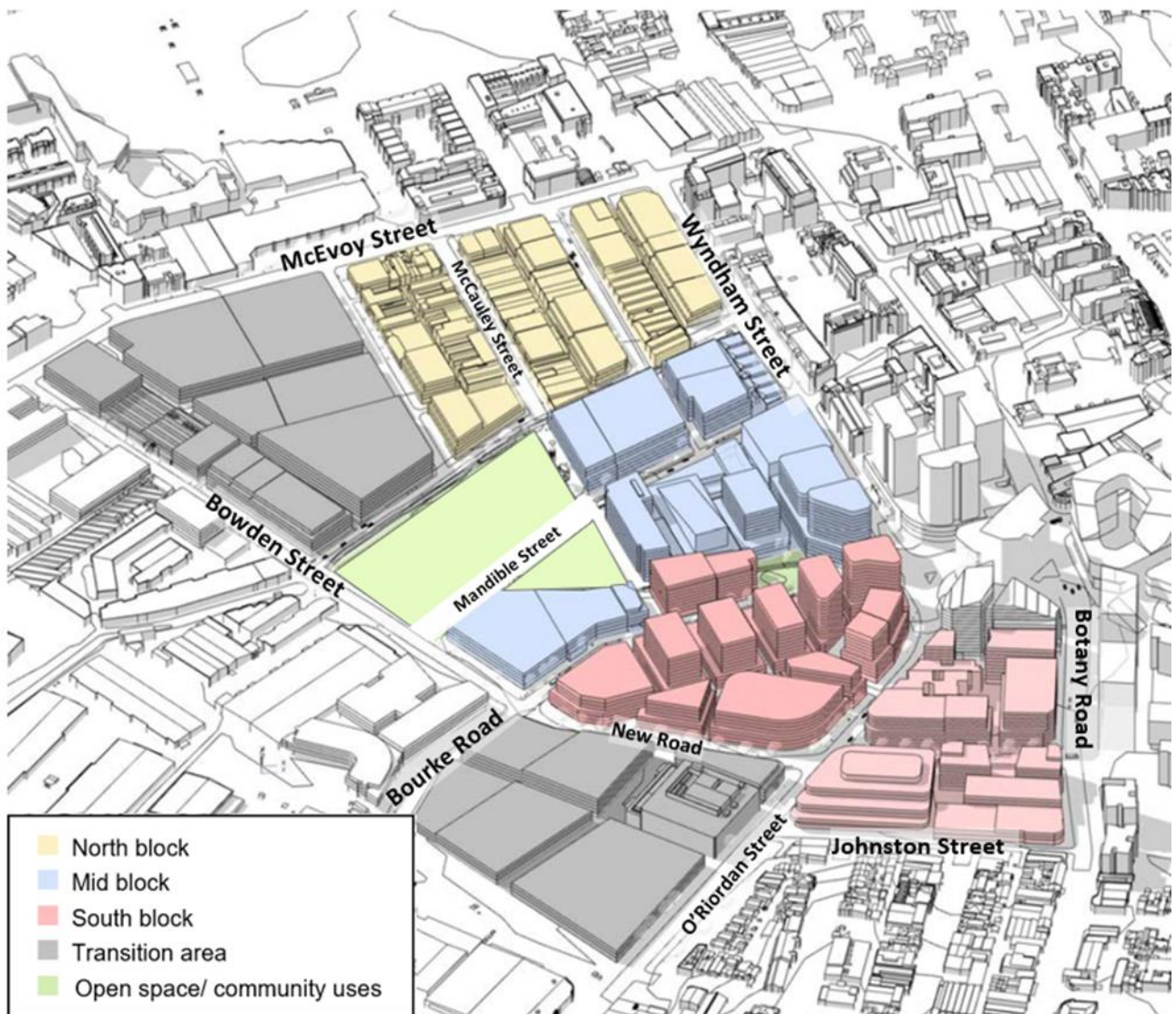


Figure 9: Potential development outcome

64. The City recently announced acquisition of land in North Alexandria, purchasing a concrete batching plant and a major bus depot located on Mandible Street (shown in green above) for future open space / community uses. This extends the City's landholding beyond the initial acquisition of a large warehouse building on the corner of Mandible and Bowden Streets. Further planning and consultation are required to establish detailed plans for the future of these sites, which cannot commence until commercial leases on the site expire.

65. The planning proposal has carefully considered new floor space ratio and height controls that respond well to these future interfaces. This is accompanied by detailed controls in the draft DCP that build on these major investments with new dedications of setbacks, streets and laneways. Key principles for further development have influenced the draft DCP as well as floor space ratio and height controls proposed as part of the planning proposal.
66. Delivery of the new space and the supporting proposed planning controls will:
- (a) unlock hundreds of metres of new building frontage interfacing the public domain;
  - (b) catalyse redevelopment of properties throughout North Alexandria;
  - (c) encourage landowners to redevelop surrounding sites; and
  - (d) encourage uses such as office, creative industries and other innovative enterprises with flexible and evolving space requirements as urban services such as concrete batching and bus depots relocate from the area.
67. The north block (shaded in yellow) will become a distinct destination supported by fine grain, industrial built form and heritage character to support entertainment uses, creative industries and other small enterprise. The proposed planning controls will:
- (a) preserve heritage character and encourage well-designed adaptive reuse;
  - (b) maintain a sensitive to scale and character in the heritage conservation area;
  - (c) encourage and maximise activation of double frontages to allow access through arcades to facilitate permeability; and
  - (d) active frontages - encourage day/night activation by having active frontages.
68. The mid-block (shaded in blue) will become an adaptable mid-rise precinct with generous, flexible layouts to support creative and knowledge intensive industries. Public space will provide a transition in built form, scale, and legibility with the surrounding area. The proposed planning controls will:
- (a) encourage high quality and activated edges to the future recreation space and 'Liveable Green Network';
  - (b) encourage high amenity public domain, high-quality frontages, well designed road access;
  - (c) embed future flexibility by restricting subdivisions, large floor to ceiling heights, versatile built form and access;
  - (d) require no ground floor parking;
  - (e) integrate with the grain and scale of north block; and
  - (f) respond sensitively to nearby heritage.

69. The south-block (shaded in red) will become the higher density western gateway to Green Square Town Centre with a smoother height transition to the north. It acts as an extension and edge to the Town Centre. The south-block is for commercial and innovative uses, but does not seek to replicate the broader range of retail and service functions that would be expecting in the Town Centre. The proposed planning controls will:
- (a) maintain flexibility of use, but provide more guidance with street wall, setbacks, and articulation (in particular on O’Riordan St and Botany Rd);
  - (b) improve height transitions to Green Square Town Centre; and
  - (c) avoid the characteristics of ‘Campus-Style’ buildings with landscape edges used primarily as vehicle access, inactive frontages, and poor street address.
70. Transition areas in grey will retain a mix of uses including urban services, light industry and warehousing with key sites redeveloped to provide critical street and laneway connections. The proposed planning controls will deliver new streets, lanes and public space as large landholdings are redeveloped over time.

### **New employment opportunities and space for business**

71. The proposed floor space ratio controls are estimated to facilitate an additional 26,500 sqm of floor space for employment generating uses which could result in around 1,000 jobs to contribute to the City’s target of 200,000 jobs to 2036.
72. Given the flexibility of the zoning, the draft DCP controls will facilitate a diversity of building typologies to support the overall mix of floor space on offer in the southern enterprise area and strengthen business diversity, including:
- (a) adaptively reused warehouse space;
  - (b) large floor plate warehouse space;
  - (c) larger scale taller office buildings; and
  - (d) mid-rise buildings that include flexible floor space on at least the ground floor.

### **Industrial heritage**

73. Fine-grain industrial architecture in north-block is visually attractive and provides flexible employment floor space. It also offers a unique opportunity to utilise late night trading provisions within an attractive distinct built form with the absence of potential conflicts in land use or impact on residential amenity.
74. The ‘North Alexandria Industrial’ heritage conservation area (C74) is located within the north-block, covering the area between Stokes Avenue, McEvoy Street and Hiles Lane and is one of the largest known collections of industrial and warehouse buildings of its kind in Australia. Three heritage items are also located in the area.
75. While currently cut off visually and physically from the rest of North Alexandria, the establishment of direct connections between the fine grain of the area and the remainder of North Alexandria will make it easier to see and visit the area.

**Traffic and transport**

76. The City commissioned a transport study as part of the previous employment lands strategy and associated planning proposal in 2014. New planning controls were implemented at the time to manage the impact of growth on the transport network.
77. Many traffic and transport access issues remain, with WestConnex likely to exacerbate traffic issues in parts of the southern enterprise area, while some public transport connections have been placed under strain by continued population growth nearby.
78. Among these, Botany Road has continued to function as a major freight route. It has limited capacity and its use for freight causes amenity impacts to residential uses located along and permitted along parts of the corridor.
79. North Alexandria has high levels of accessibility to public transport and a variety of services. Analysis of commercial development proposals and stakeholder consultation show that there is current interest in predominately commercial development in North Alexandria, and demand is likely to grow as Green Square continues to develop.
80. The introduction of a metro station at Waterloo will also significantly influence mode-share in the area. If further information is requested by DPIE on traffic and transport, it will be addressed at the relevant stage in the planning proposal process.

**Affordable housing**

81. The planning proposal maintains affordable housing as a permissible use in North Alexandria (and other B7 Business Park zoned lands). Since the approach was introduced in 2015 it has been applied to the lands within North Alexandria that are surplus to the road reservation for the Green Square to Ashmore connector. These lands will provide approximately 320 rental affordable housing dwellings.
82. Future recreation space along Mandible Street, will displace a concrete batching plant and bus depot, two uses that are incompatible with a nearby housing development, will make sites more suitable in North Alexandria for affordable housing. However, the employment role of North Alexandria means site suitability challenges will continue.

**Maintaining the role and function of the City's enterprise areas**

83. The existing land zoned IN1 – General Industrial, to the south of the LGA has been retained so that industrial activities, such as manufacturing, wholesale trade, transport and logistics related industries, postal activities and warehousing also continue to locate in the area, supporting urban services such as waste recycling, concrete batching plants and hardware supplies that support the growth and sustainability of the city.



84. The central parts of the southern enterprise area continue to be zoned B6 – Enterprise Corridor supporting a variety of employment uses often requiring specific layouts. While the area is transitioning to higher-value non-residential uses over time, it continues to retain and attract industrial and warehousing uses.
85. In the B7 Business Park zone, found in North Alexandria, parts of Rosebery and a small pocket along Parramatta Road, the aspiration is to facilitate a wide range of economic activities, and over the long term to have a relatively higher density mixed business precinct. The focus of the higher density is in North Alexandria.
86. The continued protection of the enterprise areas from residential encroachment enables future business and employment demand to be accommodated to meet the jobs target within the Green Square Mascot Strategic Centre as well as the wider Eastern City District.
87. There is a strong demand within the city for industrial land use that is essential to the efficient and effective functioning of the city, together with adaptively re-used spaces for non-industrial commercial use, including more knowledge-intensive and creative sectors that require more affordable space.

#### **Green Square to Ashmore connection**

88. The Green Square to Ashmore connector road is under construction and will connect Botany Road, O’Riordan Street, Bourke Road and Bowden Street. The road will break down a currently hostile road environment in North Alexandria and establish an important new east-west connection. This will catalyse redevelopment of properties fronting the connector and greatly improve connectivity between Green Square and North Alexandria. The planning proposal has carefully considered new floor space ratio and height controls that respond well to the new road.

#### **Public domain**

89. The proposed planning controls incentivise significant improvements in public domain, delivery of new connections and the realisation of the liveable green network. It also achieves improved interfaces with new public space being developed by the City of Sydney.
90. Clause 6.14 of Sydney LEP allows for additional floor space ratio to be achieved in North Alexandria, above what is mapped on the floor space ratio map, when community infrastructure is provided.
91. The clause acts as an incentive for redevelopments to contribute to public domain outcomes established in the DCP, for example, where the dedication of land may be required for a footpath widening or the provision of open space, setbacks or a through-site link.

#### **Heritage**

92. No changes to the existing heritage items or heritage conservation areas are proposed as part of the planning proposal.
93. The planning controls ensure that development will respond appropriately to the form and setting of heritage items in the neighbourhood. To ensure an appropriate setting, the proposed built form will maintain a low-rise scale within and adjacent to the conservation area and items.

94. Planning controls in the draft DCP will encourage adaptive reuse of heritage listed and contributory buildings.

### **Cultural and entertainment precinct**

95. The planning proposal and draft DCP build on recent changes to the Sydney DCP that extend trading hours in the north block of North Alexandria. The development of North Alexandria will encourage take-up of these sites for cultural and entertainment uses, creating new pedestrian connections to nearby transport options, activating streets, making North Alexandria more attractive and increasing the number of potential customers located nearby.

### **Shop top housing along Botany Road**

96. The Sydney LEP currently permits shop top housing on certain land at Birmingham Street and Botany Road, Alexandria.
97. City's planning statement included an action to review the permissibility of shop-top housing along Botany Road, south of Green Square Town Centre.
98. The SGS Review considered the ongoing benefits and risks of this use being permitted and recommended investigating flexible employment space on the ground floor level of shop-top housing along Botany Road and Gardeners Road instead of retail floorspace.
99. A review of developments where the clause applies found that the spaces are mostly utilised for purposes that do not compete with surrounding retail centres and instead, complement them. Businesses occupying these spaces include personal services, medical practices and hardware/building related retail (e.g. kitchen showrooms). Land where this clause applies is largely developed, under construction or approved as shop-top housing. Only a small proportion of land is yet to be affected by redevelopment proposals where this clause applies.
100. As a result of the above factors, implementation of this recommendation will deliver limited benefit and it is recommended that this not be pursued.

## **Expert review**

### **Design Advisory Panel Feedback**

101. In April 2021, the City's Design Advisory Panel reviewed the concept for North Alexandria. Key topics discussed include: the need for a flood study later in the planning process; passive water quality controls; affordable housing; layout of the office core the need for careful streetscape analysis; and managing the impacts of busy roads.
102. The Panel noted that existing heritage controls protect heritage within the study area; that is the north east corner falls within an existing heritage conservation area. The Panel recommended that adaptive reuse of heritage should be encouraged rather than strict conservation. The principle has guided the preparation of the draft planning controls.

**Planning Control Update Working Group Feedback**

103. The vision for North Alexandria was presented to the Planning Control Update Working Group in June 2021. The Working Group reflected on some of the key challenges facing North Alexandria including:
- (a) using an increase in density to pay for public domain improvements, particularly in flood-affected land;
  - (b) the need to keep Mandible Street open;
  - (c) impacts on the public domain of future proposals in the south-block between O'Riordan Street and Bourke Road; and
  - (d) traffic levels and vehicle access arrangements along McEvoy Street will make public domain improvements challenging.
104. The feedback from the Working Group reflects the flooding, traffic, circulation, and public domain challenges facing North Alexandria. Further refinements to layouts and design are possible at later stages in the process. The proposal does not include any plans to close Mandible Street and planning for the future recreation space at the location yet to commence.

**Key implications****Strategic Alignment - Local Strategic Planning Statement - City Plan 2036**

105. The City's Local Strategic Planning Statement - City Plan 2036 sets the land use planning strategy for the city which is required to align with the Region and District Plans. The City's planning controls are then required to give effect to the strategic plans. The plan is aligned with the following components of productivity action 3.1:
- (a) P3.1A - retaining and managing the southern enterprise area for industrial and urban services uses while enabling business opportunities which reinforce the economic role of the Strategic Centre. The proposal for North Alexandria grows office and flexible enterprise floor space on the western edge of Green Square centre, reinforcing its economic role. Increased capacity for office floor space in North Alexandria supports the role of the broader southern enterprise area for industrial and urban services uses.
  - (b) P3.1C - identifying and supporting opportunities for cultural activities and enterprise uses to grow in appropriate locations. The proposal for North Alexandria is focussed on supporting cultural and enterprise uses.
  - (c) P3.1D - undertaking precinct-based planning to investigate appropriate land use and built form controls to facilitate desirable non-residential uses within B7 zoned land in North Alexandria. The planning proposal is based upon precinct-based planning for this purpose.
  - (d) P3.1E - reviewing the permissibility of shop-top housing along Botany Road, south of Green Square Town Centre. The planning proposal has reviewed the permissibility of this use and recommended no change to the existing approach.

**Strategic Alignment - Greater Sydney Commission Region Plan and District Plan**

106. A Metropolis of Three Cities – The Region Plan is the Greater Sydney Commission’s strategic plan for Greater Sydney. It is a 20-year plan with a 40-year vision, seeking to transform Greater Sydney into a metropolis of three distinct but connected cities: the Eastern Harbour City, the Central River City and the Western Parkland City. The overarching aspirations of the strategy are:

- (a) Liveability
- (b) Productivity
- (c) Sustainability
- (d) Infrastructure and collaboration

107. The planning proposal is consistent with the following objectives of the Region Plan:

- (a) Objective 9: Greater Sydney celebrates the arts and supports creative industries and innovation – the planning proposal facilitates additional capacity for creative industries and supports the night-time economy through the enhancement of the existing 24 hour precinct at North Alexandria.
- (b) Objective 11: Housing is more diverse and affordable – the planning proposal retains the ability of North Alexandria to support future affordable housing developments run by community housing providers.
- (c) Objective 13: Environmental heritage is identified, conserved and enhanced – the planning proposal builds upon the existing built heritage and fine grain character of North Alexandria.
- (d) Objective 15: The Eastern, GOP and Western Economic Corridors are better connected and more competitive – the planning proposal strengthens the economic competitiveness of Green Square by providing additional employment capacity near existing and new public transport infrastructure including the Waterloo Metro station.
- (e) Objective 22: Investment and business activity in centres – the proposal facilitates significant investment and business activity in strategic centres to provide jobs growth.
- (f) Objective 23: Industrial and urban services land is planned, retained and managed – the planning proposal provides capacity for commercial, mixed light industry, new economy and creative uses, reducing demand pressure on nearby industrial lands.
- (g) Objective 24: Economic sectors are targeted for success – the planning proposal delivers a planning response to foster innovation, new knowledge-intensive jobs and business opportunities in response to key economic trends and drivers identified in the Review. It also supports growth in the visitor economy by supporting the late-night destination within the north of North Alexandria.
- (h) Objective 30: Urban tree canopy cover is increased – this planning proposal protects existing trees and creates opportunities for tree planting and tree canopy growth.

108. The District Plan sets out the Greater Sydney Commission's vision for the Eastern City District, of which the City of Sydney is a part. This planning proposal is consistent with the following planning priorities of the District Plan
- (a) Planning priority E7: Growing a stronger and more competitive Harbour CBD. This planning proposal delivers additional employment floor space in an area strategically connected between the Harbour CBD and other parts of the Eastern Economic Corridor, and the Enterprise Area.
  - (b) Planning priority E11: Growing investment, business opportunities and jobs in strategic centres. This planning proposal will accommodate an extra employment floor space within and on the edge of the Green Square-Mascot strategic centre, supporting the Harbour CBD. This contributes to the target set by the District Plan for between 75,000 and 80,000 jobs in this precinct by 2036, up from a baseline of 59,500 in 2016.
  - (c) Planning priority E12: Retaining and managing industrial and urban services land. This priority specifies that all industrial land should be retained and safeguarded from competing pressures, especially residential and mixed-use zones. The value of industrial land is discussed, extending beyond simply the number of jobs the land provides. The planning proposal does not propose to rezone any industrial or urban services land, with no mixed-use or residential development proposed. New supply of office and other employment uses close to Green Square station will reduce displacement pressures associated with office locating in other parts of the southern enterprise area.

#### **Strategic Alignment - Sustainable Sydney 2030**

109. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This plan is aligned with the following strategic directions and objectives:
- (a) Direction 1 - A Globally Competitive and Innovative City - the proposal for North Alexandria will support growth and change in a key economic area, a competitive, prosperous and inclusive city economy, an integrated network of sectors, markets and high performing clusters, and the City's global position and attractiveness as a destination for people, business and investment.
  - (b) Direction 2 provides a road map for the City to become A Leading Environmental Performer - the draft DCP facilitates a network of accessible, safe, connected pedestrian and cycling paths integrated with green spaces.
  - (c) Direction 3 - Integrated Transport for a Connected City - North Alexandria will take advantage of the future Waterloo Metro station as well as its proximity to Green Square Station, as well as road connectivity improvements currently underway.
  - (d) Direction 4 - A City for Walking and Cycling - The planning proposal and draft DCP seeks to provide walkable places at a human scale with active street life. It aims to co-locate a range of office and enterprise spaces, cultural, creative and entertainment uses close to public transport to encourage pedestrian activity.



- (e) Direction 6 - Resilient and inclusive local communities - The planning proposal will increase business diversity in the area, providing new floor space for office, enterprise, cultural and creative uses, entertainment and other employment uses. This will continue long-term activation in North Alexandria, contributing to the day and night-time economies.
- (f) Direction 7 - A Cultural and Creative City - The draft DCP and planning proposal will make creativity a consistent and visible feature of the public domain and produce a distinct cultural precinct in the fine-grain, heritage rich North Alexandria.
- (g) Direction 8 - Housing for a Diverse Population - the draft planning proposal retains the existing affordable housing provisions that apply to North Alexandria.
- (h) Direction 9 - Sustainable Development, Renewal and Design - The planning proposal is consistent with the principle of transit-oriented development by co-locating employment opportunities in an accessible location.

## Relevant Legislation

110. Environmental Planning and Assessment Act 1979

111. Environmental Planning and Assessment Regulation 2000

## Public Consultation

### Consultation with key landowners

- 112. The insights of key landowners were sought during the preparation of the Enterprise Area Review and Urban Design Study to better understand their future aspirations for the site and North Alexandria.
- 113. Major landowners have a crucial role in the delivery of the precinct, as the envisioned new streets and lanes are reliant upon redevelopment of sites. General feedback included:
  - (a) appeal of warehousing, creative industries and entertainment uses mixed within a fine grain context;
  - (b) high demand for affordable co-working space;
  - (c) potential demand from decentralising businesses and ongoing overflow from Surry Hills;
  - (d) multi-storey warehousing unlocks space for other businesses on portions of large sites;
  - (e) connectivity is a constraint and connectivity enhancements will need to be delivered; and
  - (f) Waterloo metro station is a 'gamechanger' and will catalyse demand in the area.

**Public Exhibition**

114. If approved, the planning proposal and draft DCP will go on public exhibition. The minimum public exhibition process for the planning proposal will be determined by the Department of Planning, Industry and Environment, though would be a minimum of 28 days. It is proposed that the public exhibition of the planning proposal and draft DCP will run concurrently. The consultation will be in accordance with the requirements of:
- (a) the Gateway determination issued by the Department of Planning, Industry and Environment under section 3.34 of the Act;
  - (b) the Environmental Planning and Assessment Regulation 2000; and
  - (c) the City of Sydney Community Participation Plan 2019.
115. The planning proposal and draft DCP will be publicly exhibited online on the City of Sydney website in accordance with the Environmental Planning and Assessment Regulation 2000.

**GRAHAM JAHN, AM**

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