

PLANNING PROPOSAL

Prepared by

GOSFORD CITY COUNCIL

PART 1 – OBJECTIVES OR INTENDED OUTCOMES OF THE PROPOSED LEP

s.55(2)(a) A statement of the objectives or intended outcomes of the proposed instrument.

At its meeting on 22nd February 2011 Gosford City Council resolved to adopt a number of measures to provide economic development incentives to encourage the early redevelopment of Gosford City Centre, including:

- deletion of clause 22B (4) – (9) of Gosford City Centre LEP 2007 in relation to design excellence;
- an increase of 30% to the maximum height and floor space ratio development standards of Gosford City Centre Local Environmental Plan 2007, subject to the development application being lodged within 24 months of the making of the required amending plan;
- amendment to the Gosford Civic Improvement Plan (CIP) to permit a 1% CIP contribution for any existing operable development consent which has not yet received a Construction Certificate and for any development applications lodged from the 22nd February 2011 and within 24 months of the making of the above amending LEP, after which time the CIP contribution reverts to 4%. The payment of the 1% CIP contribution is payable in the above cases prior to the issue of an Occupation Certificate; and
- Council pursue with the Department of Planning that the “Plan First Fee” be refunded for those applications lodged and commenced within the next 24 months and for which an Occupation Certificate is issued within 5 years.

A Draft Local Environmental Plan is required to be prepared to delete clause 22B (4) – (9) and to provide for development incentive provisions in relation to the maximum permissible building height and floor space ratio development standards contained within Clauses 21 and 22 of Gosford City Centre Local Environmental Plan 2007.

The objective/intended outcome of the draft Local Environmental Plan is to provide economic development incentives for revitalisation of the Gosford City Centre by providing ‘sunset provisions’ for an increase of 30% to the maximum permissible floor space ratio and building height development standards of Gosford City Centre Local Environmental Plan 2007.

The operation of this planning proposal will not have cumulative effects which would undermine the implementation of built form controls within the City Centre in the medium to long term and will not result in any loss of rigorous impact assessment of each development application..

Potential impacts will be managed through rigorous merits assessment of each development application, having regard to the aims of Gosford City Centre LEP 2007 (Clause 2); zone objectives and the land use table (Clause 12); objectives of the plan for the control of the height of buildings (Clause 21); design excellence (Clause 22B (10 – (3))); ecologically sustainable development (Clause 22F); development within the coastal zone (Clause 32); and sun access planes and view corridors (clause 33A).

PART 2 - EXPLANATION OF PROVISIONS TO BE INCLUDED IN THE PROPOSED LEP

s.55(2)(b) An explanation of the provisions that are to be included in the proposed instrument.

The objectives/intended outcomes are to be achieved by making the following amendments to Part 4 of the Gosford City Centre Local Environmental Plan 2007, or providing for the equivalent scheme under Draft Local Environmental Plan 2009 if finalisation and gazettal of that instrument occurs first:

- (i) “Amend Clause 22B Design excellence by deleting subclauses (4) – (9)”; and
- (ii) “Insert the following new clause:
Clause 24B Gosford City Centre Incentive Provisions:
 - (1) Notwithstanding Clauses 21 (Height of Buildings) and 22 (Floor Space Ratio), consent may be granted to development exceeding the applicable development standards of Clauses 21 and 22 by up to 30%, subject to:
 - (a) the operation of this Clause is limited to the area shown on the ‘Clause 24B Application Map’;
 - (b) the development application being lodged within 24 months of commencement of operation of this provision; and
 - (c) any development consent granted under this provision shall be limited to a period of 2 years.
 - (2) The operation of this clause ceases two (2) years from the date of its commencement”.

Section 55(2)(d) If maps are to be adopted by the proposed instrument, such as maps for proposed land use zones, heritage areas, flood prone land – a version of the maps containing sufficient detail to indicate the substantive effect of the proposed instrument.

The proposed LEP includes a map (Attachment 1) to exclude the Gosford foreshore 'State Significant Site' from the operation of the Gosford City Centre Incentive provisions.

PART 3 - JUSTIFICATION

s55(2)(c) The justification for those objectives, outcomes and provisions and the process for their implementation (including whether the proposed instrument will comply with relevant directions under section 117).

A. Need for the planning proposal.

A1. Is the planning proposal a result of any strategic study or report?

Yes.

The 2004 NSW Government's City of Cities Strategy designates Gosford as the regional city of the Central Coast.

During 2010 Gosford City Council in partnership with the NSW Government prepared and adopted the Gosford City Centre Masterplan to guide revitalisation of Gosford City Centre. The Masterplan was prepared in response to acknowledgement that in the past decade or so, Gosford was a city centre in decline.

The Masterplan provides a clear direction for positive change, indicating what kind of development and creation of public realm is appropriate and necessary to revitalise the City.

There are several critical components in the revitalisation of the City Centre, including identified catalyst projects and the waterfront. However, more widespread investment is needed in residential and commercial buildings throughout the city centre if it is to attain the critical mass to become self sustaining.

At this stage of implementation of the Masterplan, early developers face higher commercial risks than investors who follow in the medium term, after investment confidence has been established by the economic success of the 'early movers'.

Given the widespread public benefits which flow from city centre revitalisation and demonstrated community support for revitalisation, State and local government should further explore and support initiatives aimed to reduce the commercial risk to those prepared to be 'first round investors' in new city centre developments.

Recent market assessment of the gross realisable values of any new construction complying with the current maximum building height and floor space ratio development standards of Gosford City Centre LEP 2007 shows:

- that the real estate market for retail, commercial and residential properties within the City Centre is depressed and the limited demand for property is a consequence of the lack of confidence and uncertainty regarding the future of the City Centre; and
- in order to achieve a market acceptable profit and risk rate and internal rate of return, an increase of in excess of 50% would be required to the currently indicated gross realisable values of city centre property.

This market assessment demonstrates that, until revitalisation takes hold and thereby increases the commercial returns from new development, the allowed city centre building envelopes do not generate sufficient gross realisable floor space and revenue to enable commercially profitable development to occur i.e. development will not proceed within the construction limitations of the current maximum permissible building height and floor space ratio standards.

In addition, it is noted that whilst the Gosford City Centre LEP 2007 allows for greater floor space to be achieved after site amalgamation has reached nominated thresholds, following gazettal of LEP 2007, there is no evidence that any site amalgamation is taking place.

Major city centre landowners are not currently investing in the preparation of development applications or the construction of new retail, commercial or residential buildings on the basis that economic returns are currently unable to be achieved.

However, with the adoption of suitable incentive provisions aimed to increase realisable floor space, it is anticipated that a number of proponents would be prepared to proceed with the redevelopment of their sites in the short term.

It is considered that a 30% increase in the maximum building height and floor space ratio development standards currently provided under clauses 21 and 22 of the Gosford City Centre LEP 2007 would enable commercially profitable development to occur under existing market conditions and would provide for growth in current property prices within the city centre.

A2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

Yes.

The planning proposal provides a simple and easily implemented mechanism for increasing permissible gross realisable floor space within the Gosford City Centre.

The intention to increase the existing maximum building height and floor space ratio development standards by up to 30%, subject to the proposed two year 'sunset' provisions for lodgement of development applications, is an effective mechanism to encourage early city centre revitalisation.

A3. Is there a net community benefit?

The assessment provided in Attachment 2 demonstrates that the planning proposal will produce a net community benefit.

B. Relationship to strategic planning framework.

B1. Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy (including exhibited draft strategies)?

Yes.

In the NSW Government's Regional Cities Strategy, Gosford has been designated as the Regional City for the Central Coast.

The Central Coast Regional Strategy 2006 – 2031 is relevant to the consideration of this Planning Proposal:

- Gosford City Centre is to function as the Central Coast's Regional City, providing an attractive and liveable mixed use city centre; and
- one of the key challenges is to rejuvenate Gosford as the Region's major centre, creating the capacity for 6000 new jobs and accommodating 10,000 more residents within the City Centre.

Since the date of gazettal of Gosford City Centre Local Environmental Plan 2007, the provisions of that plan have not resulted in the lodgement of development applications or the commencement of construction of any substantial development within the Gosford City Centre.

Recent consultations with the owners of the main potential city centre redevelopment sites have indicated that having regard to depressed city property prices and the difficulties being experienced in accessing development finance, development incentive measures are required to encourage any substantial redevelopment. The development incentive provisions included in this planning proposal will provide a catalyst for the early implementation of the Gosford City Centre development outcomes sought by the Central Coast Regional Strategy 2006 – 2031.

B2. Is the planning proposal consistent with the local council's Community Strategic Plan, or other local strategic plan?

(a) The planning proposal is consistent with the *Gosford Vision 2025 – A Strategic Direction for the Future* which incorporates a number of strategies for creating economic opportunity and employment through effective planning and zonings to facilitates business opportunities, notably:

- to promote compact, efficient development that balances commercial,
- industrial, institutional and residential uses with natural areas, recreation and sport, through land use based on 'smart growth' principles;
- concentrate growth in urban areas where infrastructure, transport and services can support it; and
- protect the region's natural habitats.

The planning proposal is consistent with these strategic directions, facilitating economic activity and employment growth within an established commercial centre which is well served by regional road and public transport infrastructure and utility services.

(b) The planning proposal is consistent with the *Gosford City Centre Masterplan* adopted by Council and the NSW Government.

The Masterplan was prepared in response to acknowledgement that in the past decade or so, Gosford was a city centre in decline. It provides a clear direction for positive change, indicating what kind of development and creation of public realm is appropriate and necessary to revitalise the City.

The Masterplan recognises that there are several critical components in the revitalisation of the City Centre, including identified catalyst projects and the waterfront. However, more widespread investment is needed in residential and commercial buildings throughout the city centre if it is to attain the critical mass to become self sustaining.

This planning proposal will provide economic development incentives to encourage the early redevelopment of the City Centre in a manner consistent with the spatial framework adopted for the City Centre.

B3. Is the planning proposal consistent with applicable state environmental planning policies?

The following assessment is provided of the relationship of the planning proposal to relevant State Environmental Planning Policies:

(i) SEPP 55 – Remediation of Land: Clause 6 of SEPP 55 requires that in preparing an environmental planning instrument, a planning authority is not to include in a particular zone classes of land identified in subclause (4) unless the planning authority has considered whether the land is contaminated and if contaminated (or after remediation), the land is suitable for the intended purpose.

In respect to this Planning Proposal, the matters raised in Clause 6 of SEPP 55 do not arise as the Planning Proposal does not rezone any land, nor change the range of permissible land uses currently permissible in any zone under Gosford City Centre Local Environmental Plan 2007.

(ii) Other SEPP's: No other State Environmental Planning Policy has application to this planning proposal, although any future development application within the City Centre made in accordance with the Gosford City Centre incentive provisions will be required to consider a number of SEPP's, including SEPP 55 (Remediation of Land) SEPP (Major Projects) 2005 and SEPP (Infrastructure) 2007.

B4. Is the planning proposal consistent with applicable Ministerial Directions (s. 117 directions)?

The following assessment is provided of the consistency of the planning proposal with relevant Section 117 Directions applying to planning proposals lodged after 1st July 2009;

(i) Direction 1.1 Business and Industrial Zones: Direction 1.1 applies when a planning authority prepares a planning proposal that will affect land within an existing or proposed business zone. The objectives of the direction are to encourage employment growth in suitable locations; protect employment land in business zones; and to support the viability of identified centres.

This planning proposal is consistent with the requirements of Clause 4 (a) – (e) of the direction:

- (a) The planning proposal aims to provide incentives to encourage the revitalisation of Gosford City Centre and gives effect to the objectives of the direction to encourage employment growth in identified strategic centres;
- (b) the planning proposal retains the areas and location of existing business zones;
- (c) the planning proposal does not reduce the total potential floor space for employment uses and related public services in business zones;
- (d) Not applicable; and
- (e) the planning proposal does not result in 'new employment areas' as such, but rather the early revitalisation of an identified strategic centre.

(ii) Direction 2.2 – Coastal Protection: The Planning Proposal is located within the Coastal Zone and must give effect to and be consistent with *The NSW Coastal Policy*; the *Coastal Design Guidelines*; and the *NSW Coastline Management Manual 1990*.

The Planning Proposal is consistent with this direction as it does not amend Clause 32 of the Gosford City Centre LEP 2007 which gives effect to the principles of the *NSW Coastal Policy*.

(iii) Direction 2.3 - Heritage Conservation: The objective of this direction is to conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance.

This planning proposal is consistent with the requirements of this direction as it does not amend the Heritage Conservation provisions of Gosford City Centre LEP 2007 and does not contain any provision adverse to the protection of Aboriginal cultural significance.

(iv) Direction 3.1 Residential Zones: The objectives of this direction are to encourage a variety and choice of housing types; to make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services; and to minimise the impact of residential development on the environment and resource lands.

The planning proposal is consistent with the requirements of clauses (4) and (5) of this Direction as it does not amend the location or classification of residential zones within the Gosford City Centre; does not alter the permissibility of various housing types within existing residential zones; does not reduce the permissible residential density on any land; and does not amend any provision requiring the provision of services.

(v) Direction 3.4 – Integrating Land Use and Transport: This direction applies when a planning authority prepares a planning proposal that will create, alter or remove a zone or a provision relating to urban land.

The objective of the direction is to ensure that urban building forms, land use locations, development designs etc achieve access to housing, jobs and services by walking, cycling and public transport; reduce travel demand and distances travelled by car; supporting efficient and viable public transport and the movement of freight.

Clause (4) of the Direction requires a planning proposal to locate zones for urban purposes and include provisions that give effect to and are consistent with the aims, objectives and principles of *Improving Transport Choice – Guidelines for Planning and Development 2001* and *The Right Place for Business and Services – Planning Policy 2001*.

This planning proposal is consistent with the requirements of the direction by providing for increased retail/commercial/residential development and community facilities/services within the Gosford City Centre which offers a choice of transport modes and by providing opportunities for people to live and work within the City Centre results in people making fewer and shorter trips.

(vi) Direction 5.1 Implementation of Regional Strategies: The objective of this direction is to give effect to the vision, land use strategy, policies, outcomes and actions contained in regional strategies.

Clause (4) of the Direction requires planning proposals to be consistent with a regional strategy released by the Minister for Planning.

This planning proposal is consistent with the objectives, policies and actions contained in the Central Coast Regional Strategy 2006 – 2031 as indicated in the response to B1 above; and

(vii) Direction 6.1 – Approval and Referral Requirements: The objective of this direction is to ensure that LEP provisions encourage the efficient and appropriate assessment of development.

Clause (4) of the Direction requires a planning proposal to minimise the inclusion of concurrence/consultation provisions and not identify development as designated development.

This planning proposal is consistent with this direction as no such inclusions, or designation is proposed.

C. Environmental, social and economic impact.

C1. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

No.

The planning proposal does not involve the rezoning of any land and is confined to the introduction of development incentive provisions aimed to bring forward development opportunities available under the zoning framework provided by Gosford City Centre LEP 2007.

The planning proposal is confined in its application to that part of Gosford City Centre indicated on the map in Attachment 1. It excludes the 'State Significant' waterfront site.

C2. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

Approval of development exceeding the maximum building height and floor space ratio development standards of Clauses 21 and 22 of Gosford City Centre Local Environmental Plan 2007 by up to 30% (subject to the proposed 'sunset' provisions) has the potential to effect the environment in a number of ways.

These potential impacts will be managed through rigorous merits assessment of each development application, having regard to the aims of Gosford City Centre LEP 2007 (Clause 2); zone objectives and the land use table (Clause 12); objectives of the plan for the control of the height of buildings (Clause 21); design excellence (Clause 22B (10 – (3))); ecologically sustainable development (Clause 22F); development within the coastal zone (Clause 32); and sun access planes and view corridors (clause 33A).

The operation of this planning proposal will not have cumulative effects which would undermine the implementation of built form controls within the City Centre in the medium to long term. The 30% development incentive will only be available to those development applications lodged within two years and for which any development consents granted under this arrangement will be also limited to two years.

It is anticipated that due to the time limitations to be imposed on development applications and development consents under these arrangements and the substantial cost involved in preparing development applications, that only those landowners with a firm commitment to proceeding with early development will take advantage of the proposed incentive provisions. It will not be the case that there will be so many applications/approvals to cumulatively undermine the built form objectives of the existing maximum building height and floor space ratio development standards of Clauses 21 and 22 of LEP 2007.

C3. How has the planning proposal adequately addressed any social and economic effects?

The planning proposal will result in positive social and economic effects by providing economic incentives for the early revitalisation of Gosford City Centre, providing a wide range of activities and uses including retail, commercial, residential, entertainment and recreation facilities, in a manner consistent with the Gosford City Centre Masterplan.

D. State and Commonwealth interests.

D1. Is there adequate public infrastructure for the planning proposal?

Yes.

Water, sewer, electricity, telephone and gas utilities are available to service the initial phase of city centre revitalisation.

The City Centre is well served by both existing bus and rail public transport services and the initial phase of city centre redevelopment would not have an adverse impact on the level of service of the existing road network, or traffic or pedestrian safety.ad,

D2.What are the views of State and Commonwealth Public Authorities consulted in accordance with the gateway determination, and have they resulted in any variations to the planning proposal?

No consultation has yet been undertaken with State and Commonwealth agencies.

During the public exhibition of this draft local environmental plan it is proposed to consult with the following State agencies:

- Central Coast Regional Development Corporation;
- NSW Department of Education; and
- NSW Health.

PART 4 -COMMUNITY CONSULTATION THAT IS TO BE UNDERTAKEN

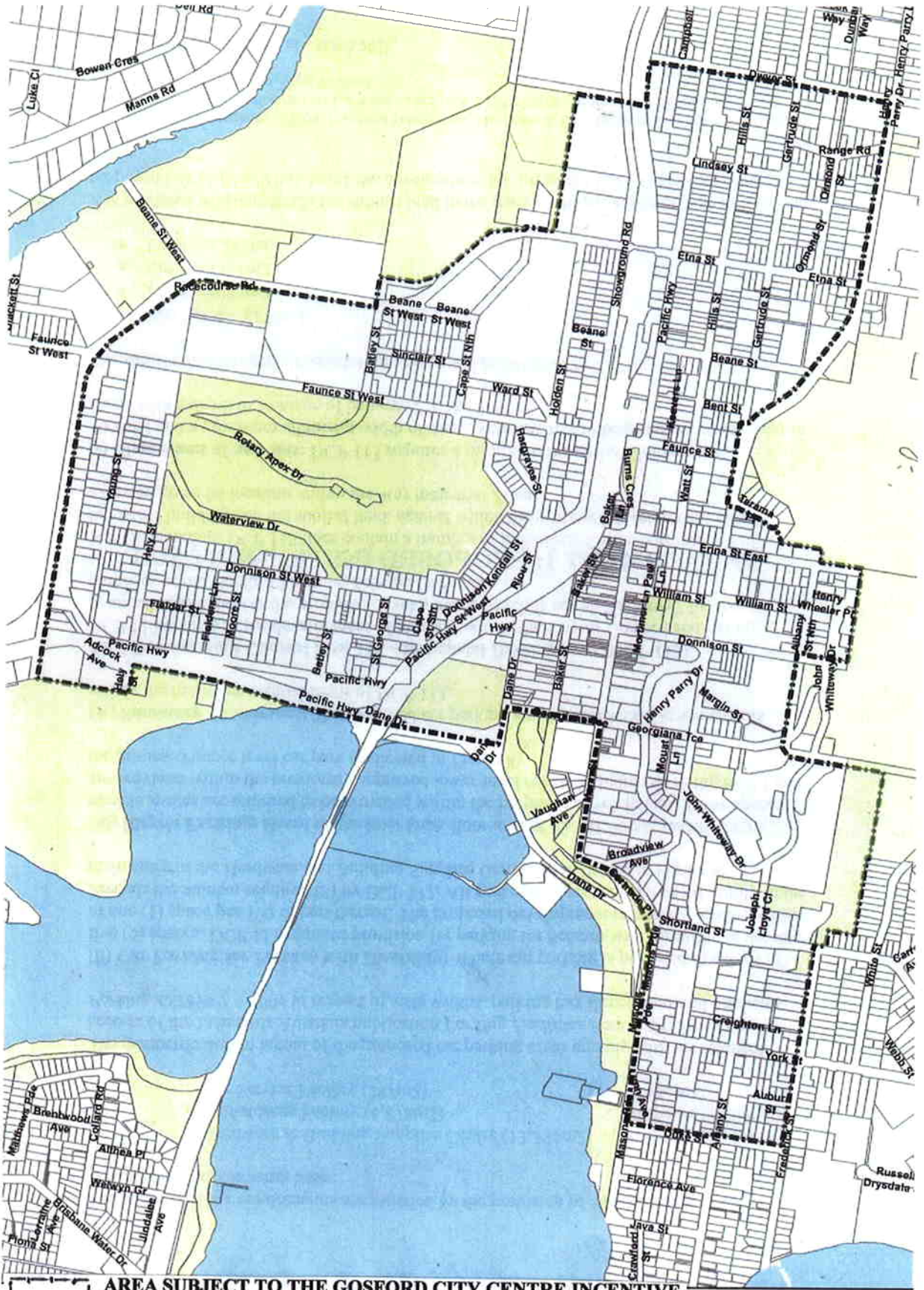
S55(2)(e) Details of the community consultation that is to be undertaken before consideration is given to the making of the proposed instrument

A 14 day exhibition period for community consultation is considered to be appropriate for this planning proposal in view of extensive consultation undertaken during preparation of the Gosford City Centre Masterplan..

Notice of the public exhibition will be given:

- In The Central Cast Express; and
- On council's website at www.gosford.gov.au

ATTACHMENT 1: PROPOSED INSTRUMENT MAP.



ATTACHMENT 2: NET COMMUNITY BENEFIT TEST.

NET COMMUNITY BENEFIT TEST – EVALUATION CRITERIA.

The net community benefit assessment of the planning proposal is based on answers to the following questions:

- *Will the LEP be compatible with agreed State and Regional strategic direction for development in the area?*

Assessment: Yes. The LEP aims to promote the early revitalisation of an identified strategic centre.

- *Is the LEP located in a global / regional city, strategic centre or corridor nominated within the Metropolitan Strategy or other regional / sub-regional strategy?*

Assessment: Yes. The LEP is located within the Gosford City Centre, an identified strategic centre.

- *Is the LEP likely to create a precedent or create or change the expectation of the landowner or other landowners?*

Assessment: No. The purpose of the LEP is to provide 'sunset' development incentive provisions that will be applicable broadly to all land (and landowners) within the city centre shown on the map in Attachment 1.

- *Have the cumulative effects of other spot rezoning proposals in the locality been considered? What was the outcome of these considerations?*

Assessment: The LEP does not involve, or encourage, spot rezonings.

- *Will the LEP facilitate a permanent employment generating activity or result in a loss of employment lands?*

Assessment: Through the proposed incentive provisions, the LEP will facilitate permanent employment generating development.

- *Will the LEP impact upon the supply of residential land and therefore housing supply and affordability?*

Assessment: Yes, The LEP has the potential to increase the supply and affordability of housing within the city centre.

- *Is the existing public infrastructure (roads, rail, utilities) capable of servicing the proposed site? Is there good pedestrian and cycling access? Is public transport currently available or is there infrastructure capacity to support future public transport?*

Assessment: Yes. The existing public infrastructure is capable of servicing the initial phase of city centre revitalisation and the city centre is well served by public transport.

- *Will the proposal result in changes to the car distances travelled by customers, employees and suppliers? If so. What are the likely impacts in terms of greenhouse gas emissions, operating costs and road safety?*

Assessment: Yes. By increasing opportunities to work and live in the city centre the LEP will reduce car distances travelled and the number of car trips by customers and employees. Reduced private car usage will reduce green house emissions, reduce costs and improve road safety..

- *Are there significant Government investments in infrastructure or services in the area whose patronage will be affected by the proposal? If, so, what is the expected impact?*

Assessment: Yes. There are significant government infrastructure and services investments in the Gosford City Centre, LEP will increase patronage and result in efficiencies for the delivery and operation of government infrastructure and services.

- *Will the proposal impact on land that the Government has identified a need to protect (e.g. land with high biodiversity values) or have other environmental impacts? Is the land constrained by environmental factors such as flooding?*

Assessment: No. The provisions of the LEP will only be applicable to those areas within the city centre appropriately zoned for business, residential and special uses development.

- *Will the LEP be compatible /complementary with surrounding land uses? What is the impact on amenity in the location and wider community? Will the public domain improve?*

Assessment: The LEP will not result in any change to land use zonings within the city centre and has no direct impacts on the public domain. The compatibility of proposed development (adopting the incentive provisions) with surrounding lands uses and impacts on the public domain, will be matters for merit assessment in each case.

- *Will the proposal increase choice and competition by increasing the number of retail and commercial premises operating in the area?*

Assessment: Yes, The LEP will facilitate increasing numbers of retail and commercial premises within the city centre.

- *If a stand – alone proposal and not a centre, does the proposal have the potential to develop into a centre in the future?*

Assessment: Not applicable. The LEP is not a stand-alone proposal.

- *What are the public interest reasons for preparing the draft plan? What are the implications of not proceeding at that time?*

Assessment: Revitalisation of the Gosford City Centre has stalled as a consequence of high property development costs and negative returns on investment.

Given the wide-ranging public benefits which flow from city centre revitalisation and wide community support for renewal, it is necessary to find ways to reduce commercial risk for the early catalyst projects. As part of a range of initiatives, the LEP proposes the incentive of an increase of up to 30% to the maximum building height and floor space ratio permitted on land within the city centre for those development applications lodged within 24 months of the making of the plan.

The implication of not proceeding at this time is that city centre revitalisation will be further stalled.

Conclusion: The answers to the above questions demonstrate that the planning proposal would produce a net community benefit.