

3.3 RZ/3/2012 - Planning Proposal (Rezoning) - Craigie Avenue Precinct Kanwal

TRIM REFERENCE: RZ/3/2012 - D03072073

MANAGER: Martin Johnson, Manager Land Use Planning and Policy Development

AUTHOR: Rodney Mergan; Senior Planner

SUMMARY

This report relates to a rezoning application (Planning Proposal) which seeks to rezone an area of land located opposite Wyong Hospital to a mix of business, residential and conservation purposes. The subject land is currently zoned 10A existing Investigation Precinct Zone. A review of information submitted has concluded that the proposal may be forwarded for a "Gateway Determination" from the Department of Planning and Infrastructure (DPI).

Applicant:	Paradigm Planning & Development Consultants P/L
Owners:	Seaforth Securities Pty Ltd and others
Proposal No.:	RZ/3/2009
Description of Land:	Lot 1 DP 608551 Lot 7 DP 29564 Lot 1 DP 410624 Lots 6,7 & 8 DP 21768 Lot 11 DP 804398 Lot 1 DP 650180 Lots 1, 4 & 5 DP 30506 Lot 23 DP 609002 Lot A DP 389662
Zoning:	10A Investigation Precinct Zone
Existing Uses:	Residential, commercial, vacant grazing land and remnant vegetation.
Employment Generation	Construction and potential employment generating uses
Estimated Value:	Rezoning proposal only

RECOMMENDATION

- 1 That Council initiate the Local Environmental Plan "Gateway" process, pursuant to Section 55 of the Environmental Planning and Assessment Act 1979 by preparation of a Planning Proposal.***
- 2 That Council forward the Planning Proposal to the Department of Planning and Infrastructure requesting a "Gateway" determination, pursuant to Section 56 (1) of the Environmental Planning and Assessment Act.***

- 3** *That subject to the determination of the Gateway Process, Council negotiate a Funding Agreement with the applicant to finance the ongoing assessment of the rezoning proposal and to ensure the inclusion of the entire Craigie Avenue Precinct in the rezoning proposal.*
- 4** *That Council undertake community consultation regarding the Planning Proposal, subject to the determination of the Gateway Process.*
- 5** *That a further report be submitted to Council to report on results of the community consultation.*

BACKGROUND

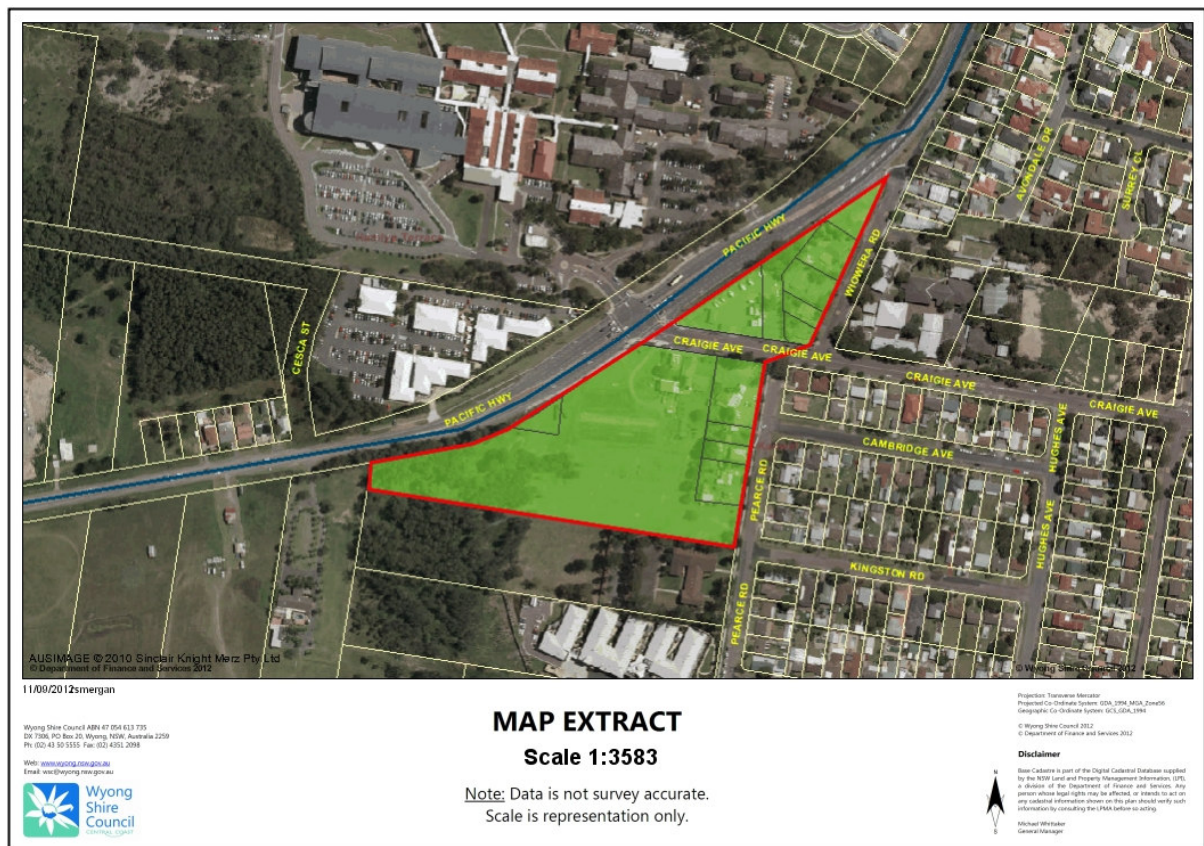
The site consists of 13 lots currently zoned 10(a) Investigation Precinct Zone under Wyong Local Environmental Plan 1991 (WLEP). For the purposes of this report the land will be identified as the Craigie Avenue Precinct (CAP).

The CAP is identified within Precinct 8b in the Wyong Residential Development Strategy 2002 (RDS), an area considered suitable for potential urban release in the medium term and is identified in the draft Wyong Shire Settlement Strategy to be retained as an urban investigation precinct.

The CAP has not been identified in the exhibited draft North Wyong Shire Structure Plan (NWSSP) however it is understood that the Department of Planning and Infrastructure (DoPI) intend to identify the land in the final NWSSP as an area suitable for redevelopment as a support precinct to Wyong Hospital.

Council initially received a rezoning proposal for Lot 1 DP 608551, the largest lot within the CAP which is owned by Seaforth Securities. Council has since indicated to the applicant that the rezoning should apply to all the land within the CAP. The applicant has indicated that they do not wish to become involved in the rezoning of the extended area and indicated that they object to having their rezoning proposal included in an extended proposal as it may lead to delays. Council has informed the applicant of its intent to provide a Planning Proposal to DoPI (Gateway) involving all lots within the CAP.

The intent of this report is to inform Council of the proposed rezoning and in this instance seek the support of Council for the advancement of the rezoning process. If supported a formal Planning Proposal will be prepared and forwarded to the DoPI for consideration.

CURRENT STATUS**The Site****Figure 1 – Craigie Avenue Precinct**

The entire site is zoned 10(a) Investigation Precinct Zone under Wyong Local Environmental Plan 1991 (WLEP). Craigie Avenue divides the site into two distinct sections of south and north.

- **CAP-South**

The southern section is bordered by Pacific Highway, Craigie Avenue and Pearce Road, Kanwal. The site generally falls towards the relatively low-lying vegetated land to the south-west of the site.

The majority of the site has been cleared with forest remnants remaining toward the south-west. The Pearce Road and Craigie Avenue frontages are occupied for residential purposes with the exception of the site at the intersection of these two roads which supports an existing service station and general store. The cleared land is currently grazed with the remnant vegetation to the south-west protected from access.

- **CAP-North**

The northern section has been fully developed and contains an existing vehicle sales and rental yard, veterinary hospital and several dwelling houses. There is a vacant ex-service station site and a section of disused road owned by the Roads and Maritime Service (RMS).

- **Surrounding Land Uses**

The most significant development in the area is Wyong Hospital and adjoining related uses located on the opposite side of the Pacific Highway to the subject site. Kanwal residential area is located to the east of the site and several retirement village developments have recently been constructed to the south of the site.

The area is under transition with the expansion of the hospital site along with new aged care facilities and residential development in the area. There are still several relatively substantive rural properties located in the area, currently zoned 10(a) Urban Investigation that are yet to be considered for redevelopment.

THE PROPOSAL

The proposal is to amend WLEP 1991 by rezoning the majority of the land B6 Enterprise Corridor. Draft Wyong Local Environmental Plan 2012 currently indicates that the future zoning of the vegetated land to the south of the site will be E2 – Environmental Conservation.

The proposed B6 Enterprise Corridor Zone provides for a range of employment uses including business, office, retail and light industrial uses along with mixed use residential uses. The B6 zone limits retail activity in order to maintain the economic strength of surrounding retail centres. It has previously been agreed by Council and the applicant that the B6 zone would be the most appropriate zoning for the majority of the CAP.

ASSESSMENT

In support of the application, a draft Planning Proposal has been submitted by the applicant.

The draft Planning Proposal has been reviewed considering:

- Any additional information required for Council to adequately consider the merit of the proposal
- Additional information that may be required for forwarding to the Department of Planning and Infrastructure as part of the Gateway process.
- Information required to permit the entire CAP to be considered as part of this rezoning proposal.

Issues considered include appropriate zoning, potential flood liability, vegetation and any impact on ecologically endangered communities (EEC), bushfire, traffic, servicing, potential contamination and urban design. A table discussing the issues considered is attached to this report.

In summary, it is considered that sufficient information has been provided to allow Council to assess the merit of forwarding the proposal to the Gateway.

OPTIONS

As previously discussed the rezoning proposal has been lodged by the owner of the largest lot within the CAP. Council has indicated to the applicant that the appropriate zoning of the entire Precinct should be dealt with in a single proposal. Options for dealing with this proposal are discussed below.

Option 1: Proceed to Gateway Determination – All lots within the CAP

Though it is clear there will be further information required prior to any final determination of this proposal, it is considered that no additional information is required to determine the viability of the proposal for submission to Gateway.

To this stage there has been no contact made with other landowners within the CAP by the applicant. Council has written to the other landowners informing them of the proposal and the report to Council.

While this is the preferred option, it will involve further consideration of appropriate cost sharing and how to best streamline the process:

- **Cost Sharing Option A: Insist costs shared by all landowners**

This would seem to be reasonable given there is potential for all landowners to gain from the rezoning. However all lots are individually owned, relatively small and have sustainable land uses already in place. The process of engaging the thirteen landowners and getting satisfactory agreement on financial involvement is likely to be a significant drain on Council resources and delay the rezoning process.

- **Cost Sharing Option B: Council share the cost of funding the additional studies required for determination of the rezoning**

In accordance with Council's Annual Plan the rezoning process is divided into three phases where assessment fees are submitted as certain milestones are reached. Following a determination by Council, to further a rezoning application, Phase 2 of the rezoning process will commence. In addition to the submission of Phase 2 fees, the applicant will also be required to enter a Planning Proposal Funding Agreement with Council. This provides an opportunity for Council and the applicant to negotiate appropriate funding of required future studies and any other costs involved in rezoning the entire CAP. This would potentially involve the applicant amending or revising commissioned studies and could be dealt with as a reduction in fees required for the assessment of the application. This is likely to be more cost (and time) effective than trying to engage and reach agreement with all landowners regarding costs and appropriate zonings.

Additional studies required to add the land north of Craigie Avenue are likely to be for site contamination and additional traffic impacts. Further clarity will be provided via the Gateway Determination of this proposal.

This is the preferred option and is included as Point 3 of the recommendation

- **Cost Sharing Option C: Costs of all studies borne by current applicant**

It is unlikely that this option can be considered as equitable and would continue to delay the redevelopment of the CAP.

Option 2: Proceed to Gateway Determination Subject to Certain Matters (additional information)

Historic land use records would indicate that some sites will require some site remediation resulting from potentially contaminating land uses. There will also be some further information required on several other issues such as traffic and vegetation significance.

It is considered that further supporting information is not required prior to forwarding the proposal for Gateway Determination and would only serve to increase the potential costs prior to the appropriate degree of certainty being provided.

Option 3: Proceed to Gateway – Southern lots or applicant’s lot only

The applicant believes that this option would best serve their interests as it would avoid any possible delay caused by the inclusion of additional lots and any issues that could come from this including any constraints on these lots, resistance from the landowners or any dispute over funding.

Council resources are best spent in dealing with the entire precinct in one process. In addition, rezoning the entire precinct at one time may also provide for greater commercial opportunities.

Option 4: Not Proceed with Rezoning at all

The proposal appears to have viability and is consistent with Council’s Strategic Planning Documents, therefore this option is not supported.

Option 5: Not Proceed with Rezoning until the applicant has engaged and included all the landowners in the process.

This would delay the project indefinitely.

STRATEGIC LINKS

Draft North Wyong Shire Structure Plan

The site has not been identified in the exhibited draft North Wyong Shire Structure Plan (NWSSP) however it is understood that the DoPI intend to identify the land in the final NWSSP as an area suitable for redevelopment as a support precinct to Wyong Hospital.

Section 2.5.5 of the NWSSP indicates that new jobs are likely to be located in new centres and specialised employment nodes that form around major employment nodes such as the hospital.

Draft Settlement Strategy

The Draft Settlement Strategy identifies this proposed rezoning as a high or No.1 priority for Council.

Wyong Shire Council Strategic/ Annual Plan

The Annual Plan and 4 Year Delivery Plan are Council's short to medium term plans outlining the strategic role that Council will play in delivering the community's strategic vision. Council has 12 Principal Activities, each activity provides a set of services to the community and the Delivery Plan and Annual Plan show the net cost of each service.

The following Table lists the 12 Principal Activities and identifies any relevant service and related key actions and objectives.

<i>Principal Activity</i>	<i>Service</i>	<i>Key Action and Objectives</i>	<i>Funding Source and Description</i>	<i>Impact on Key Performance Indicators/ Service Performance Indicators</i>
1 Community & Education	1.01 Community Cultural Development	Provide and maintain community facilities across the Shire	Developer Contributions	Potential to develop and enhance community facilities in this area.
2 Community Recreation	2.01 Open Space 2.02 Sport, Leisure & Recreation	Provide and maintain open space, sports fields and recreation facilities across the Shire	Developer Contributions	Marginal increase in utilisation of facilities. Additional contributions will be collected.
3 Economic & Property Development		There will be a strong sustainable business sector		The development of this site provides opportunity for new business opportunities taking advantage of the location near the Hospital
4 Council Enterprises	None relevant			
5 Regulatory	None relevant			
6 Environment & Land Use	6.02 Environment & Natural Resources	Preparation/implementation of Natural Resources Strategy and Biodiversity Management Plan	Various – opportunity for development sponsored biodiversity conservation	Strategies still in preparation – KPIs to be developed
	6.03 Land Use Planning & Policy Development	Increase revenue from full cost recovery and rezoning fees	Developer Funded	No net cost to Council in assessing this proposal.
7 Waste	7.01 Waste	Provide regular domestic waste & recycling service	Revenue	Marginal increase in number of collections per week when developed. Additional rates will be collected from new lots.

Principal Activity	Service	Key Action and Objectives	Funding Source and Description	Impact on Key Performance Indicators/ Service Performance Indicators
8 Roads & 9 Drainage	None relevant	Ease of Travel	Developer Funded	Potential upgrade of roads and drainage required
10 Water & 11 Sewerage Services	10.01 Water & Sewerage	Provide safe & reliable drinking water and the treatment and disposal of sewerage collected. Provide essential community services in cost effective & sustainable manner	Developer funded Contributions Revenue	New local reticulation infrastructure to be constructed at developer cost Increased head works contributions will be collected Additional rate revenue will be generated
12 Administration	None relevant			

Long term Financial Strategy

The Long Term Financial Strategy recognises that operating revenue (excluding capital grants) has not covered operating expenditure to maintain existing services and levels of service. Additionally, the required maintenance and renewals of existing assets cannot be funded. The Long Term Financial Strategy is aimed at providing a framework in which Council “can assess its revenue building capacity to meet the activities of and level of services outlined in the Community Strategic Plan.”

Under the Financial Strategy, it is essential that this Planning Proposal achieves the following funding arrangements:

1. To this point the processing of the rezoning application has been funded by fees lodged for Phase 1 Rezoning Applications in accordance with Council’s Annual Plan – Fees and Charges.

Further costs of processing the application are able to be satisfied through establishing a funding agreement with the developer prior to the application reaching the next stage of assessment in accordance with Council’s Planning Proposal Procedure.

2. The development is to contribute to the cost recovery or funding of any services and or facilities that will be utilised by the future residents generated by the development. This is expected to be satisfied through existing developer contribution plans.
3. Any new transport, water or sewer services infrastructure, required to service the development that is not identified in an existing contribution plan, is to be fully funded by the developer, unless it is reasonably able to be added to an existing contribution plan as essential infrastructure.
4. Development density should be optimised to achieve cost recovery for services and facilities (water, sewer, drainage, waste) through rate and annual levy charges. This is a development design consideration addressed at development application stage.

5. New assets required to service the development should be minimised as far as possible.

The development may require its own stormwater quality treatment facility. The long term management costs of this facility may need to be assessed during the rezoning process to determine if a commitment from the developer is required to fund these costs.

6. The proposal should demonstrate and achieve net community benefits resulting from the future development of the land.

If approval to forward the proposal to Gateway is granted, it is proposed to discuss these issues with the developer and adjoining landowners to ensure the funding arrangements are satisfied prior to further progress of the rezoning.

Asset Management Strategy

The ongoing maintenance of water supply services, sewerage services, drainage services and stormwater management are funded through annual charges levied by Council. The location of the land, being adjacent to existing residential development and hospital precinct, minimises the length of lead in infrastructure, and is able to utilise existing major infrastructure of roads, sewerage treatment and water supply. Provided the existing major infrastructure has the capacity to cater for the additional load, it is considered the proposal has potential to provide sustainable assets.

Workforce Management Strategy

To this stage the rezoning application is to be processed by Council staff and funded by the developer in accordance with the requirements of Council's Strategic Plan. Future funding will also be in accordance with Council's Strategic Plan and a Planning Proposal Funding Agreement between the applicant and Council.

Link to Community Strategic Plan (2030)

The Community Strategic Plan identifies 8 priority objectives, each supported by a range of actions. The Planning Proposal is assessed as follows.

1. Communities will be vibrant, caring and connected.

Increase in business activity and in particular medical related uses will be beneficial to the community.

The Planning Proposal is consistent with the Wyong Shire-wide Settlement Strategy and the Central Coast Regional Strategy.

2. There will be ease of travel.

Any negative impact on local traffic conditions will be dealt with as part of the assessment of the proposal. Any upgrading required as a result of the proposal will be funded by the proponent.

3. Communities will have a range of facilities and services.

The proposal has the potential to increase the range of services and facilities available to the public.

4. Areas of natural value will be enhanced and maintained.

The assessment of the proposal will require natural areas to be maintained. Any existing contamination and drainage issues will be dealt with in the assessment of the proposal.

5. There will be a sense of community ownership of the natural environment.

The proposed development will be required to maintain the significant natural land on the site. Development will be required to address these areas.

6. There will be a strong sustainable business sector.

The proposal will promote business in an area where there is an expectation of population growth adjoining a hospital facility which is also likely to grow and have increased need for support industry.

7. Information and communication technology will be world's best.

While the proposal is unlikely to directly contribute to this objective, the types of land uses likely to take up residence on this land will demand that suitable levels of communication technology are in place.

8. The community will be educated, innovative and creative.

The proposal will provide employment and as a consequence education opportunities.

Budget Impact

The processing of the Planning Proposal is being funded by the developer in accordance with the requirements of Council's Strategic Plan – Statement of Revenue Policy. The ongoing funding will be confirmed by the completion of a Planning Proposal Funding Agreement between Council and the applicant.

CONSULTATION

Internal consultation has been undertaken across relevant sections of Council. Consultation with the applicant and owner has also been undertaken. Council has informed the other landowners within the Craigie Avenue Precinct of the proposal and the report to Council. Community consultation and government agency referrals will be undertaken following the Gateway Determination.

GOVERNANCE AND POLICY IMPLICATIONS

The processing of the Planning Proposal is being undertaken in accordance with Council's adopted procedure.

Rezoning of the land is undertaken by preparing an amendment to the local environmental plan (currently Wyong LEP 1991) through progressing of a Planning Proposal under sections 55-59 of the Environmental Planning and Assessment Act 1979.

Section 55 requires Council to prepare a Planning Proposal that explains the intended effect of the amendment to the LEP and sets out the justification for the amendment. Section 55 specifies matters to be included in the Planning Proposal.

Section 56 provides that Council submit the Planning Proposal to the Minister (DoPI) for a Gateway Determination. DoPI will advise whether or not the matter should proceed (with or without variation), and may specify further studies or modifications to the Proposal, community and government agency consultation requirements and other matters.

The timing of the making of draft Wyong LEP 2012, which is in the Standard LEP format, will affect the Planning Proposal. It is anticipated that the Planning Proposal will form an amendment to Wyong LEP 2012.

MATERIAL RISKS AND ISSUES

Corporate risks to be addressed for the Planning Proposal are:

1. Infrastructure Provision:
 - a. Ensure future development of the land is subject to existing Contribution Plans,
 - b. Ensure any new infrastructure required to service the development is funded by the developer or able to be recovered through developer contributions (depending whether infrastructure is already identified in Contributions Plan/s, or the Contributions Plan/s require updating),
2. Service Capacity
 - a. Ensure existing water and sewer headworks and mains have capacity to cater for the increased load, and identify any necessary upgrades required,
 - b. Ensure any upgrades are funded by the developer,
3. Sustainability
 - a. Ensure stormwater/drainage infrastructure is designed to cater for increased storm intensities predicted to occur as a result of climate change,
4. Political
 - a. Ensure the community consultation process is open and transparent,

- b. Ensure Councillors are adequately briefed,
- 5. Certification/Governance
 - a. Ensure appropriate consultation with other levels of government during the consultation phase,
 - b. Ensure legislative procedures for Planning Proposals are followed,
- 6. Asset Management
 - a. Assess long term maintenance requirements and renewal costs of proposed new assets and the capacity for rate/levy income from future new residential lots to fund these costs.

CONCLUSION

The proposed rezoning has considerable merit given the location of the site in relation to the hospital and transport services. Environmental considerations are relatively minor and can be adequately managed.

While there are several issues that will need to be resolved with prior to public exhibition, no issues have been identified in the assessment process that are unable to be resolved.

Subject to the preparation of a formal Planning Proposal, the proposed rezoning is considered suitable for submission to the Minister of Planning and Infrastructure for a Gateway Determination.

ATTACHMENTS

- | | | |
|---|-------------------------------------|-----------|
| 1 | Draft Planning Proposal (A4 Colour) | D03142607 |
| 2 | Preliminary Assessment Table | D03142604 |