

City Strategy Committee Meeting 12 August 2013

13STRAT042 Planning Proposal to amend Morisset Town Centre Zoning

Council Ref: RZ/7/2013 - D02955252

Report By: Senior Strategic Landuse Planner - Andrew Donald

Précis:

Council has received a request to rezone land at Morisset that is currently occupied by a church and primary school, to a business zone. The rezoning request provided an opportunity for Council to review the commercial zone boundaries for the Morisset Town Centre, with a view to ensuring the extent and location of the business zones reflect the likely future market demand for retail and commercial development.

As a result, one of the recommendations of this report is to rezone a small number of properties on the north-eastern side of the Centre from a mixed use zoning to a medium density residential zoning. The request to rezone the school site to a business zone is also supported.

A Planning Proposal has been prepared following consultation with internal staff and affected property owners. This report seeks Council's resolution to support the preparation of an amendment to Lake Macquarie Local Environmental Plan 2004 (LMLEP 2004) and to request a Gateway determination from the Department of Planning and Infrastructure (DoPI).

Recommendation:

Council:

- A. Supports the preparation of an LEP Amendment and requests a Gateway determination from the Department of Planning and Infrastructure, pursuant to the *Environmental Planning and Assessment Act 1979 (EP&A Act 1979)*, in relation to the Planning Proposal in Attachment 1;
- B. Requests the use of delegations in respect of the Minister for Planning and Infrastructure's plan making function under section 59 of the *EP&A Act 1979* for the Planning Proposal;
- C. Places the Planning Proposal on exhibition, subject to the outcome of the Gateway determination; and
- D. Notifies stakeholders and affected landowners of the Gateway determination and public exhibition period, as required.

Background:

In 2010, Council prepared the Morisset Town Centre Area Plan. The Area Plan contains development controls to facilitate the town's growth and to provide guidance to developers and the public as to how the built form should respond to the constraints and opportunities unique to Morisset town centre. The Area Plan identified land on the south-western edge of the Town Centre, including the existing Catholic school and church, for consideration for future expansion of the town centre business zone. The land is relatively flat, opposite an existing supermarket development, and is close to a signalised intersection and on a collector road, making it suitable for commercial development.

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The Area Plan also identified land on the north eastern edge of the Town Centre, currently zoned for business or mixed use development, that would be more suited to medium density residential uses. The relevant figure from the Area Plan is shown as Attachment 5 to the Planning Proposal.

In April this year, Council received an application on behalf of the Catholic Diocese to rezone land occupied by St John Vianney Primary School and Church from the current medium density residential zoning to a business zoning. The local parish would like to relocate the church and school to an alternative site in Morisset in order to overcome existing traffic and parking issues, and to have a site large enough to accommodate a combined primary and high school.

Council's Integrated Planning staff consider the rezoning proposal to have strategic merit, provided it is considered concurrently with the other zoning changes indicated in the attached Planning Proposal. The recommended zone changes have been informed by the Morisset Town Centre Area Plan, site analysis, and preliminary feedback from potentially affected landowners.

Proposal:

It is proposed Council prepare a Planning Proposal to rezone certain land in Morisset town centre, including the current site of St John Vianney School and Church and adjacent land in Dora, Yambo, and Doyalson Streets, as well as land in Wharf Street and the north-eastern end of Yambo Street and Newcastle Street.

The proposal involves rezoning:

- 1.2 hectares from Zone 2(2) Residential (Urban Living) to Zone 3(1) Urban Centre (Core),
- 0.4 hectares from Zone 2(2) Residential (Urban Living) to Zone 3(2) Urban Centre (Support),
- 0.8 hectares from Zone 3(1) Urban Centre (Core) to Zone 3(2) Urban Centre (Support), and
- 1 hectare from Zone 3(2) Urban Centre (Support) to Zone 2(2) Residential (Urban Living).

Resulting in a:

- net increase of 0.4 hectares of land within Zone 3(1) Urban Centre (Core),
- net increase of 0.2 hectares of land within Zone 3(2) Urban Centre (Support), and
- net decrease of 0.6 hectares of land within Zone 2(2) Residential (Urban Living).

The above areas are approximate only and do not include roads.

Consultation:

Consultation has taken place with representatives of the Development Assessment and Compliance, Economic Development, Sustainability, and Community Planning departments of Council.

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Council's former Economic Development Manager was of the view that, given the likely low demand for additional retail and commercial floor space in Morisset in the short to medium-term, it was appropriate to limit any net increase in business zones across the town centre.

Council staff have also written to landowners of property considered for rezoning as part of the Planning Proposal to seek preliminary feedback. Some landowners have responded with concerns about the effect rezoning may have on their rates and property value. Further commentary on these issues is provided in the "Social Implications" section of this report.

Implications:

Policy Implications:

Lower Hunter Regional Strategy

Morisset is designated as an emerging major regional centre under the Lower Hunter Regional Strategy (LHRS). The LHRS describes the key functions of a regional centre as *a concentration of business, higher order retailing, employment, professional services and generally including civic functions and facilities. A focal point for subregional road and transport networks and may service a number of districts.*

The Planning Proposal recommends land use zoning that would afford greater opportunities for the types of development listed above.

Lifestyle 2030 Strategy

The Lifestyle 2030 Strategy (LS2030) provides the long-term direction for the overall development of the City.

In particular, the Planning Proposal aligns with the following strategic directions and outcomes:

Strategic Direction 3 – 'A well designed, adaptable and liveable city'

- The proposal is consistent with the Centres Hierarchy, under which Morisset is an emerging major regional centre (Outcome 3.1).
- The proposal would assist with Outcome 3.10 which discourages large-scale commercial or retail development that is not within or adjacent to a centre, by providing a suitable site for such development within the Morisset town centre

Strategic Direction 4 – 'A well serviced and equitable city'

- The proposal will allow development of a site for employment and/or shopping activities that is located within 300 metres of a major railway station and bus interchange, thereby reducing congestion (Outcome 4.12).

Strategic Direction 5 – 'A city of progress and prosperity'

- The proposal will provide a site capable of supporting higher-order business as befitting Morisset's designation as a regional centre (Outcome 5.3) and help ensure sufficient land supply for commercial development (Outcome 5.4).

Morisset town centre is the focal point for a "growth and expansion corridor" which takes in Morisset Peninsula and Cooranbong. As such, it is expected to accommodate

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additional retail and commercial development to cater for the growing population in this broader area.

Morrisset Structure Plan

The Morrisset Structure Plan, adopted by Council in 2008 (08 STRAT063), concluded that the existing 3(1) Urban Centre (Core) zone footprint allowed for adequate expansion of commercial/retail activity in the Morrisset town centre. The Structure Plan also acknowledged that there could be demand for a discount department store in the town in the future, which would likely trigger the need for a centre expansion.

The zone changes put forward in the Planning Proposal will allow for expansion of the town, while resulting in a modest net increase in land zoned for business purposes (an additional 0.4 hectares zoned 3(1) Urban Centre (Core) and 0.2 hectares zoned 3(2) Urban Centre (Support)).

Should the Planning Proposal proceed, the Morrisset Structure Plan, which is due for review, should be amended to reflect the new zoning.

Morrisset Town Centre Area Plan

Morrisset Town Centre Area Plan (contained within Lake Macquarie Town Centres Development Control Plan) was prepared having regard to extensive analysis of the existing town centre, including its topography, key destinations, views and character. The Plan indicated an area south west of Doyalson Street, including the St John Vianney School and Church, that could be investigated for rezoning to accommodate a large-floorplate commercial use. The Area Plan also outlines an area within the current 3(1) or 3(2) Urban Centre zoning in which ground floor residential uses are seen to be appropriate. This area is unlikely to be conducive to traditional commercial development because of the topography and the distance from the core commercial and retail area of the town centre.

Should the Planning Proposal proceed, the Morrisset Town Centre Area Plan will require review to amend the development controls for the newly rezoned areas. This would include guidance in addressing the interface between commercial and residential zones.

LMCC Development Contributions Plan 2012 – Morrisset Contributions Catchment

This Development Contributions Plan has allocated funding to the realignment/upgrade of the intersection of Doyalson, Wyong and Kahibah Streets and a roundabout at the intersection of Doyalson and Newcastle Streets. These capital works are intended to make Doyalson Street part of the collector road route from Cooranbong to Morrisset via Stockton Street as envisaged in both the Morrisset Structure Plan and Morrisset Town Centre Area Plan. The resulting increase in traffic flow expected on Doyalson Street adds justification to the proposed rezoning of properties fronting this street from 2(2) Residential to 3(2) Urban Centre.

State Environmental Planning Policies

Relevant State Environmental Planning Policies (SEPPs) have been considered in the preparation of the Planning Proposal (refer to Attachment 1). The Planning Proposal is generally consistent with these SEPPs.

Section 117(2) Ministerial Directions

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The Planning Proposal is generally consistent with the relevant Ministerial Directions made pursuant to Section 117(2) of the *EP&A Act 1979* except direction No.1.1 – Business and Industrial Zones where a minor inconsistency exists. Concurrence from the Director General of the DoPI will be requested for this minor inconsistency as part of the Gateway determination.

A table commenting on the relevant directions is included in the Planning Proposal in Attachment 1.

Lake Macquarie Local Environmental Plan 2004

The proposal seeks to rezone certain land:

- From 2(2) Residential (Urban Living) to 3(1) Urban Centre (Core) and 3(2) Urban Centre (Support), to allow for future retail, commercial or mixed use development, and
- From 3(1) Urban Centre (Core) to 3(2) Urban Centre (Support), to reflect that land's location at the periphery of the town's core commercial area.
- From 3(2) Urban Centre (Support) to 2(2) Residential (Urban Living), to reflect the quieter character and relative separation from the town centre of these parcels.

Draft Standard Instrument Local Environmental Plan 2013

In addition to changes to the land zoning map, changes to the height of building and minimum lot size maps would be required in draft Lake Macquarie Local Environmental Plan 2013 (DLMLEP 2013) as shown in the table below.

Proposed Zoning (LMLEP 2004)	Proposed Zoning (DLMLEP 2013)	Proposed Maximum Building Height	Proposed Minimum Lot Size
3(1) Urban Centre (Core)	B3 Commercial Core	13 metres	No minimum
3(2) Urban Centre (Support)	B4 Mixed Use	13 metres	No minimum
2(2) Residential (Urban Living)	R3 Medium Density Residential	10 metres	900 sq m

Environmental Implications:

The subject land of the Planning Proposal is relatively free of environmental constraints and is suitable for redevelopment for retail, commercial or medium-density residential uses. Residential amenity, including visual and noise impacts, as well as potential traffic issues, will be investigated after the proposal has a Gateway determination.

Social Implications:

The proposal will benefit the residents of Morisset and its surrounds by making a key site available for retail or commercial uses that would currently be difficult to accommodate within the Morisset town centre due to the topography of the area. The proposal may also facilitate the relocation of St John Vianney School and Church to a larger campus, with the potential to cater for secondary as well as primary-aged students, and improved parking provision.

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Staff have written to landowners who would be affected by the change in zones to seek initial feedback on the proposal. Concerns were raised about the impacts the changes would have on rates and land valuations.

A comparison of lots in Yambo Street, of identical size and shape, was undertaken, where both are used and rated as residential properties but which fall within different land use zones. The comparison revealed that the Valuer General places a higher land value on properties zoned 3(2) Urban Centre (Support) compared to 2(2) Residential (Urban Living). As Council rates are based on the Valuer General's land valuations, the 3(2) zoned properties are subject to marginally higher rates (approx \$300/pa higher).

A comparison was also undertaken of actual sale prices of seven residential properties within or adjacent to Morisset town centre zoned 2(2) Residential, 3(2) Urban Centre (Support) or 3(1) Urban Centre (Core). The sales occurred between July 2011 and June 2012. The comparison showed that the properties zoned residential obtained a similar or higher sale price (when converted to a price per square metre rate) compared to those properties with the commercial zoning.

In summary, landowner concerns that properties would be devalued if rezoned from 3(2) Urban Centre (Support) to 2(2) Residential (Urban Living) does not appear likely. These landowners may even benefit from lower Council rates compared to if their land were not rezoned. Conversely, where land is proposed to be rezoned from 2(2) Residential (Urban Living) to 3(1) Urban Centre (Core) or 3(2) Urban Centre (Support), landowners may notice a minor increase in Council rates once revaluation occurs.

Infrastructure Asset Implications:

The Planning Proposal relates to privately owned land and will not have a significant impact on Council's current or future infrastructure assets. Any specific impacts on assets, such as roads and footpaths, will be addressed post-rezoning at development application stage.

Financial Implications:

There will be no specific financial implications for Council apart from staff resources involved in the processing of the LEP amendment in accordance with Council's LEP amendment process, and making changes to related policy documents.

Risk and Insurance Implications:

The risks associated with preparing a Planning Proposal are minimised by following the process outlined in the *EP&A Act 1979*, the *Environmental Planning & Assessment Regulation 2000*, and Council's LEP Amendment Procedure.

Options:

1. Council resolves to support the Planning Proposal to rezone certain land in Morisset town centre to facilitate future retail or commercial development, and to rezone other land to facilitate medium density residential development. This is the recommended option, as it aligns with the strategic direction of the Morisset Town Centre Area Plan, the vision for Morisset outlined in the LHRS, and the topography and layout of the Town.
2. Council resolves to amend the Planning Proposal.

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3. Council resolves not to support the Planning Proposal, and does not prepare a draft amendment to LMLEP 2004. This is not the preferred option as the proposal aligns with Council's strategic documents, and has the ability to strengthen Morisset's position as an emerging major regional centre.

Conclusion:

The current urban centre zoning in Morisset includes some land that is more suited to redevelopment for residential purposes and excludes other land well suited to redevelopment for business uses. The zone changes in the attached Planning Proposal will facilitate a more logical expansion of the Morisset town centre as it continues its emergence as a regional centre.

Manager - Integrated Planning - Sharon Pope

Attachments:

1. Planning Proposal - Business Zone Amendments - Morisset Town Centre D03018477