# Planning Matters - 22 September 2020

ITEM 5.1 Application to amend Bankstown Local Environmental Plan

2015: 1 Leicester Street, Chester Hill (Chester Square)

AUTHOR Planning

# **PURPOSE AND BACKGROUND**

This report considers a planning proposal to amend the building height and floor space ratio controls for the site at 1 Leicester Street, Chester Hill known as the Chester Square shopping centre. This proposal is at pre-gateway state and the matter is before Council to consider seeking determination to obtain gateway conditions to enable community engagement prior to a rezoning decision by Council.

## **ISSUE**

Council is in receipt of an application for a planning proposal applying to 1 Leicester Street, Chester Hill (Chester Square). The application seeks to amend the Floor Space Ratio from 2.5:1 to 4.53:1, the Height of Buildings from 20m to 62m on part of the site (6 storeys to part 18 storeys) and introduce an affordable housing provision of 5% to facilitate higher density, mixed-use development on the site. The yield would be approximately 633 dwellings (including 32 affordable rental housing units retained by the proponent), and 15,621m² of commercial floor space. A public benefit offer accompanies the proposal, which includes a cold shell for a new 2,000m² community facility, public domain improvements to Waldron Road, widening of Frost Lane, and local road and infrastructure upgrades.

Council's assessment has found that previous masterplanning for the centre is now outdated (the policy underpinning the current controls was adopted 7 years ago) and has failed to attract private investment or result in renewal of the centre. Although this proposal as it currently stands finds itself inconsistent with the current built form of Chester Hill, it is acknowledged that planning rules for the broader centre need to be revisited as part of Councils program of centre masterplanning which has commenced across the city.

It is expected further masterplanning would result in changes to planning rules across the centre aimed at driving renewal and revitalisation and delivering a vibrant successful centre. This is however a broader structural issue for the centre and does not prevent the consideration of this proposal which is seen as a genuine opportunity to act as a catalyst for positive change that will drive investment, housing, and jobs, along with new services, facilities, and public domain improvements in Chester Hill.

This stage of assessment is the first step in the plan making process. It is designed to determine whether the proposal demonstrates strategic merit to progress to Gateway and seek what additional studies and analyses are required to be undertaken. Pursuant to NSW planning legislation, the Gateway would also stipulate the extent of community and agency engagement required for the planning proposal.

This report outlines the assessment of the planning proposal taken to date, finds the proposal demonstrates strategic merit and recommends it progress to Gateway on the following basis:

- Will deliver jobs, services, housing and community facilities
- Genuine opportunity to trigger renewal and investment in the centre including renewal of a site that offers no amenity or architectural appeal
- Will open the proposal to engagement with residents and business owners
- Consistency with the Sydney South District Plan
- Consistency with Council's Local Strategic Planning Statement
- Capitalises on existing infrastructure including rail and bus transport which is in direct proximity to the site
- Presents an opportunity for significant public benefits to be concurrently delivered
- Presents an opportunity to drive better public transport services and infrastructure
- Opportunity for a landmark development exhibiting design excellence
- Will drive over \$350 million of private investment into Chester Hill

Despite these proposed benefits, the proposal requires additional testing and analyses to ensure impacts associated with the proposal are assessed in more detail and the planning proposal refined to a form that Council is satisfied with prior to engaging with the community on a *draft LEP amendment*. Further refinements would also likely occur as a result of community engagement.

The extent of additional work required and extent of community and agency consultation is determined by the Gateway. This is ordinary practice as stipulated by Department of Planning, Infrastructure and Environment guidelines. Once all additional work required by the Gateway is complete, Council will formally engage with the community with all information made publicly available in accordance with the Gateway decision, before a final decision is made by Council on whether the proposal should progress to finalisation.

It is noted that once the planning proposal process is finalised, the proponent will then be required to undertake a separate process to lodge a development application. This would be subject to a thorough detailed design process and further community and stakeholder engagement.

This report recommends that subsequent to a Gateway decision and before exhibition, the following matters need to be addressed for the planning proposal:

- Further analysis on urban design and architectural form including additional north/south and east/west connectivity within and surrounding sites
- More detailed traffic analysis including micro simulation in consultation with Transport for NSW
- Council negotiate a more substantial public benefit offer with the proponent in light of
  the intensity of development proposed. This should include a contribution to the broader
  strategic planning review for Chester Hill, supply of up to 15% of dwellings within the
  development for affordable housing and contributions to local infrastructure and
  broader centre planning.
- A design excellence clause be applied to this important site to ensure any redevelopment is of a high quality sufficient to trigger investment and renewal throughout Chester Hill.
- A public domain plan be prepared for Chester Hill to identify the required works and cost the embellishment of Waldron Road, Frost Lane and Charles Place. This will include

- investigation of the feasibility of the proposed expansion of Charles Place and associated land acquisition costs and cost recovery mechanisms available to council.
- A site-specific DCP be prepared to further define the development controls for the development as outlined in this report.

It is open to the Gateway to add additional requirements prior to exhibition and consultation. Upon considering all views during the consultation phase, Council will be able to decide to proceed, not proceed, or make changes to the planning proposal with all available information before it, in the public interest.

There has been a number of views expressed by the community about the proposal since it was publicly reported to the Local Planning Panel. These concerns relate to various planning and built form matters that are yet to be resolved, and require further consideration. The issues raised have been considered and responses have been provided as part of this report.

## **RECOMMENDATION** That -

- 1. Council prepare and submit a planning proposal to the Department of Planning, Industry and Environment to seek a Gateway Determination for amendments to Bankstown Local Environmental Plan 2015 as follows:
  - a. Permit a range of maximum building heights of up to 62m
  - b. Permit a maximum Floor Space Ratio of up to 4.53:1
  - c. Require a site specific design excellence clause
  - d. The provision of affordable housing and public benefits set out in the planning agreement
- 2. Council seek authority from the Department of Planning, Infrastructure and Environment to exercise the delegation in relation to the plan making functions under Section 3.36(2) of the Environmental Planning and Assessment Act 1979.
- 3. Subject to the issue of a Gateway Determination, and before the proposal is exhibited:
  - a. Council negotiate a more substantial public benefit offer with the proponent as outlined in this report and in light of the intensity of development proposed. This should include a contribution to the broader strategic planning review for Chester Hill, supply of up to 15% of dwellings within the development for affordable housing, and contributions to further local infrastructure.
  - b. A design excellence clause be applied that ensures any redevelopment is of high quality.
  - c. A public domain plan be prepared for Chester Hill to identify the required works and cost the embellishment of Waldron Road, Frost Lane and Charles Place. This will include investigation of the feasibility of the proposed expansion of Charles Place and associated land acquisition costs and cost recovery mechanisms available to council.
  - d. A site-specific DCP be prepared to further define the form of the development and development controls as outlined in this report which may result in a reduction to the maximum height and FSR of the proposal. This will include further analysis on urban design and architectural form including additional north/south and east/west connectivity within and surrounding sites.
  - e. The applicant to undertake further traffic, economic, architectural and urban design work as outlined in this report.

4. After the planning proposal has been exhibited, a report be provided to Council outlining submissions received and the applicant's response to the issues raised in this report.

# **ATTACHMENTS** Click here for attachment (s)

- A. Assessment Findings
- B. Applicants Planning Proposal
- C. Applicants Urban Design Report
- D. Applicants Urban Design Addendum Report
- E. Applicants Traffic and Parking Impact Assessment
- F. Applicants Traffic and Parking Impact Assessment Addendum Report
- G. Applicants Economic Impact Assessment
- H. Applicants Economic Impact Assessment Addendum Report
- I. Applicants Social Impact and Community Benefits Assessment
- J. Applicants Landscape Concept Design
- K. Councils Urban Design Peer Review
- L. Council's Urban Design Peer Review of Revised Concept
- M. Economic Impact Peer Review
- N. Councils Traffic and Transport Peer Review
- O. Councils Social Needs Peer Review
- P. CBLPP 17 August 2020 Minutes

## **POLICY IMPACT**

The current planning controls for Chester Hill were set through the implementation of the North West Local Area Plan (adopted in 2013), which occurred shortly after the gazettal of the Bankstown LEP in 2015. Despite the introduction of the North West Local Area Plan, renewal within Chester Hill Town Centre has not occurred as envisaged by Council's planning controls and it is reasonable to consider proposals seeking to vary existing controls, now considered ineffective. Although the proposal is out of sequence from a timing perspective in Council's Local Strategic Planning Statement (LSPS) in relation to the series of centre masterplans Council will be undertaking, the LSPS does not preclude unanticipated proposals from being progressed where they demonstrate clear merit and are consistent with its vision and objectives. In fact, that is the intention of the NSW Governments planning system.

Due to the scale of renewal sought, a broader review of planning controls for the centre will be necessary if Council ultimately decides to proceed with the planning proposal. This will ensure that a consistent built form character for Chester Hill and appropriate infrastructure investment is achieved.

# **FINANCIAL IMPACT**

Independent peer reviews undertaken on behalf of Council have identified a number of public domain improvements, social assets and traffic works required to ensure that the precinct would continue to function well if the proposal was to proceed. Further negotiations with the proponent will be required to ensure that a planning agreement secures a reasonable share of these costs.

A significant component of the current public benefit offer included by the proponent includes 2,000sqm of floor space in the centre of the site. Although this has been proposed as a new library by the proponent, Council has its discretion to occupy this space for which ever community use it considers most appropriate and in demand by the Chester Hill community. This may be in the form of a new multipurpose community facility including library and related facilities. Notwithstanding this, after doing work and engaging with the community, Council may have other uses or no use at all for such a space. Any community space would be secured through a voluntary planning agreement which would be the subject of separate community engagement to determine the best use for this space. Importantly, this space is approximately double that of the existing Chester Hill library and could offer a broad range of contemporary learning and meeting spaces and provide a new local community destination point in the centre of Chester Hill.

Notwithstanding the public benefits proposed, additional studies and analyses are recommended to be undertaken prior to this proposal being exhibited. The Gateway process ordinarily identifies additional requirements it believes necessary to be considered in detail prior to exhibition. To ensure the assessment of the proposal is thorough and set for exhibition, this report seeks for Council to progress this proposal to Gateway to obtain a determination and understand what additional matters need to be addressed over and above those recommended in this report.

The additional studies and analyses will require substantial financial and staff resources from Council and should be committed once support is provided by Council and the Gateway. This is to avoid significant resources being expended ahead of a Gateway decision that may reject

the planning proposal from progressing. That is the very reason the Gateway process was embedded into the planning system for NSW Councils.

There will also be additional costs incurred by Council resulting from the need to undertake a broader strategic review of Chester Hill. For this reason, this report recommends that a contribution also be provided by the applicant to fund this work.

Should the proposal proceed through Council and the Gateway, the additional financial resources required to assess the proposal will be sought through the ordinary quarterly review process.

## **COMMUNITY IMPACT**

The planning proposal is accompanied by a letter of offer which outlines public benefits for Council's consideration. Public domain and infrastructure works outlined in the letter such as a new library (cold shell) and Waldron Road improvements as well as affordable housing would be positive benefits for the community (noting this report recommends further negotiations occur regarding the offer).

There are however broader public benefits associated with this proposal. Redevelopment of this site as envisaged in the proposal would trigger investment and renewal in Chester Hill including the delivery of new housing and a doubling in the level of jobs that would be available on site. Ensuring a high quality design and high level amenity is provided to residents and visitors to the site would also bring a variety of intangible benefits such as a more vibrant, attractive and accessible centre.

To address the inconsistencies in planning controls with adjoining and surrounding sites, a review of planning controls for the broader Chester Hill centre and surrounds should be undertaken as part of Council's town centre masterplanning program. Given the significant time and financial costs of undertaking this body of work, and based on priorities set by the LSPS, this work would not be undertaken in the short-medium term in the absence of a Gateway determination.

Should Council decide to proceed with the proposal, and the Department allows the proposal to proceed to public consultation, there would be extensive community engagement as recommended by the Local Planning Panel. This would also include engaging with relevant infrastructure agencies and utility providers to ensure growth associated with the proposal can be accommodated and any necessary augmentation of utilities/services can be undertaken or paid for by the applicant.

## **DETAILED INFORMATION**

#### SITE DESCRIPTION

The subject site is located at 1 Leicester Road, Chester Hill (known as Chester Square) (see Figure 1) and comprises the following properties:

Property Address	Lot and DP	Site Area
1 Leicester Road, Chester	Lot 452 DP800063	1.67ha / 16,714m2
Hill		

The site sits to the north of the main street of Chester Hill, being Waldron Road. This area is dominated by post war low scale single detached dwellings. Although areas surrounding the site are zoned for high and medium density residential development, including residential flat development, as a Local Centre the current planning rules have resulted in little redevelopment in the locality.

The Chester Square site contains a supermarket set back from the street with a range of supporting retail and parking to the front on Leicester Street. The shopping centre is built to the alignment on three street frontages, being Bent Street, Frost Lane and Priam Street. This creates three frontages in the form of tall, blank, walls, with no activation and no means of pedestrian access into the Centre. All three frontages currently provide a poor pedestrian interface and limit the opportunities for passive surveillance.

Although Frost Lane acts as a service lane to the rear of the retail and commercial offerings along Waldron Road, there is no vehicular access directly to Chester Square from Frost Lane. Vehicular access, to the parking and servicing of the Centre, is currently from either Leicester Street or Bent Street.

Figure 1 Subject Site



Chester Hill is a compact and highly walkable centre. The main street, Waldron Road, is approximately 600 metres in length, nearly half of which is single-sided (where commercial uses and activation are located on one side of the street). The core of the main street sits between Chester Hill Road and Priam Street. It is a well-proportioned main street in terms of building heights and street widths, however, the public domain is tired which shows in the overall visual amenity of the centre.

The subject site sits within 200 metres of the Chester Hill railway station. With a direct midblock pedestrian connection through Frost Lane to Waldron Road, this link is functional however is narrow and has poor visibility. Additional width would improve the connection to the subject site and offer opportunities for further activation from adjoining buildings.

### **PROPOSAL**

Council received an application for a planning proposal for the site at 1 Leicester Street, Chester Hill (Chester Square) in August 2019 and a revised proposal in June 2020. These are outlined in further detail below:

In August 2019, Council received a planning proposal seeking to amend Bankstown Local Environmental Plan 2015 as follows:

- Amend the 'Height of Buildings Map' to increase the building height from 20 metres to
   65 metres
- Amend the 'Floor Space Ratio Map' to increase the floor space ratio from 2.5:1 to 4.53:1.
- Introduce an additional Clause 6.12 to the LEP in relation to the provision of affordable housing as follows:

"6.12 Affordable Housing on Certain Land at Chester Hill

- (1) This clause applies to the land identified as 1 Leicester Street, Chester Hill.
- (2) The consent authority may, when granting development consent to development on the land, impose a condition requiring 5% of any residential floor area to be dedicated to Council as affordable housing to be managed by a registered community housing provider."

The planning proposal was supported by the following technical studies:

- Urban Design Report Turner Architects
- Landscape Concept Package Turf Design Studio
- Traffic and Parking Ason Group
- Social Impact and Community Benefits Assessment Cred Consulting
- Economic Impact Assessment AEC Urban Economics

The planning proposal would enable the redevelopment of the site to accommodate the following:

- 648 residential units (including 32 affordable housing units)
- 3,500m<sup>2</sup> supermarket
- 1,200m<sup>2</sup> mini major
- 1,000m<sup>2</sup> commercial offices and
- 9,800m<sup>2</sup> of specialty retail
- A total floor area of 75,779m<sup>2</sup>
- Car parking for approximately 690 vehicles for the commercial component and 875 vehicles for the residential component

A public benefit offer accompanied the planning proposal that would deliver the following public benefit offerings:

- A 160m<sup>2</sup> community centre within the development to be constructed (cold shell) and dedicated to Council;
- A financial contribution towards the embellishment and upgrade of Nugent Park North and Nugent Park South;
- 1.5m widening of Frost Lane (to be dedicated to Council) and embellishment of the lane including new pavement treatment, catenary lighting, etc;

- Creation of a circa 2,800m<sup>2</sup> central publicly accessible plaza area (24/7 public access secured on title); and
- Upgrades to local traffic network including intersection signalisation at Waldron Road and Priam Street.

## Revised Planning Proposal (June 2020)

Following a preliminary assessment by Council and discussion with the proponent, a revised planning proposed was submitted in June 2020.

The revised planning proposal includes:

- Amend the 'Height of Buildings Map' to increase the building height from 20 metres to
   62 metres
- Amend the 'Floor Space Ratio Map' to increase the floor space ratio from 2.5:1 to 4.53:1.
- Introduce an additional Clause to the LEP in relation to the provision of affordable housing as follows:

### "6.12 Affordable Housing on Certain Land at Chester Hill

- (1) This clause applies to the land identified as 1 Leicester Street, Chester Hill.
- (2) The consent authority may, when granting development consent to development on the land, impose a condition requiring 5% of any residential floor area to be dedicated to Council as affordable housing to be managed by a registered community housing provider."

The revised planning proposal was supported by the following additional technical reports:

- Economic Impact Assessment
- Urban Design Review

A revised public benefit offer was also received which provided for:

- A circa 2,000m<sup>2</sup> community space within the development to be constructed (cold shell) and dedicated to Council;
- Public domain improvements to Waldron Road 1.5m widening of Frost Lane (to be dedicated to Council)
- Embellishment of Charles Place
- Creation of a circa 2,800m<sup>2</sup> central publicly accessible plaza area (24/7 public access secured on title);
- Upgrades to local traffic network including intersection signalisation at Waldron Road and Priam Street; and
- Supply of up to 5% of housing stock within the development to be retained by the Proponent and operated by a Service Housing Provider for affordable housing for a period of 10 years.

The application as revised seeks to amend the Floor Space Ratio from 2.5:1 to 4.53:1, the Height of Buildings from 20m to part 62m, and introduce an affordable housing provision of 5% to facilitate higher density, mixed-use development on the site.

It is estimated that the proposal would yield 633 units with 32 units (or 5%) set aside as affordable rental housing units for up to ten years and retained by the proponent. The proposal would deliver 58,043m<sup>2</sup> of residential floor space and 15,621m<sup>2</sup> of commercial floor space (1,000m<sup>2</sup> of which for office purposes, the balance being retail uses).

Figure 2 Current Zoning



Figure 3 Current Floor Space Ratio



Figure 4 Proposed Floor Space Ratio



Figure 5 Current Height of Buildings

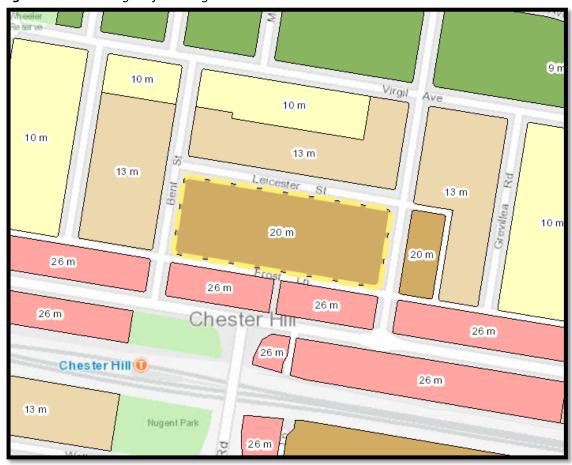


Figure 6 Proposed Height of Buildings

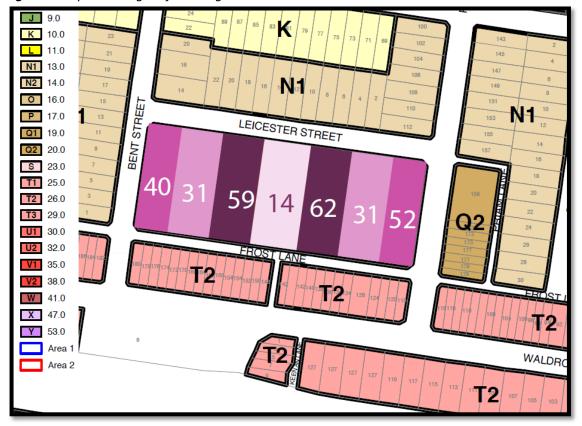


Figure 7 Artistic Impression from above Leicester Street



Figure 8 Artistic impression as viewed from the corner of Leicester and Priam Streets



Figure 9 Artistic impression as viewed from Leicester Street looking south towards Waldron Road



Figure 10 Perspective of proposed development as observed from Virgil Avenue



**Figure 11** Perspective view from Chester Hill Road – indicative built form in pink based on current controls



Figure 12 Perspective view as observed from western along Waldron Road



#### **CONSIDERATIONS**

Based on the *Environmental Planning & Assessment Act 1979* and the Department of Planning, Industry and Environment's guidelines, the following key policies are relevant to Council's assessment of the application:

- Greater Sydney Region Plan
- South District Plan
- State Environmental Planning Policies
- Ministerial Directions
- Council's Local Strategic Planning Statement

- Council's North West Local Area Plan
- Department of Planning and Environment's publications: A Guide to Preparing Local Environmental Plans and A Guide to Preparing Planning Proposals

#### ASSESSMENT FINDINGS

## Built form and character

The independent urban design peer review commissioned by Council found that overall the arrangement of built forms on the site was a good response to the strengths and constraints of the site. In particular, the peer review supported the podium and tower elements of the proposal, townhouse treatment to the north of the site and concentration of height in the centre of the site as a means to reduce the bulk and scale impacts of the proposed development.

However, the peer review concluded that the proposed maximum building height of 65 metres (19 storeys) as originally proposed and an FSR of 4.53:1 would result in a built form which would be incompatible with the current local context and character of the centre. Accordingly, the peer review recommended that a maximum building height of 43 metres (14 storeys) and an FSR of 3.5:1 be supported by Council.

In response, the applicant lodged a revised planning proposal for a maximum height of 62 metres (18 storeys) and retained the FSR of 4.53:1. After reviewing the reports and meeting with the applicant, Council's peer review found that there was no additional justification within the further work undertaken by the applicant to change their recommendation.

Council's urban design review was limited in its context to an existing built form that has yet to be reviewed, and so concluded that should Council consider the submitted heights and FSR, the following key aspects should occur:

- Precinct review of Chester Hill Town Centre
- Frontage treatment using townhouses / terraces to sleeve the podiums
- One way services and access through the site
- Pedestrian links, including the central open space directly accessible from Leicester Street
- Deep planting along Priam and Bent Streets
- Public realm improvements of Waldron Road
- Charles Place upgrades and widening
- Further articulation of buildings, including separation, length and upper floors, and
- Reduced car parking rates for Waldron Road.

Having considered these studies, and that planning rules have not been tested for over five years, this report recommends that the planning proposal proceed to Gateway and public exhibition in order to understand the views of the community. It is also recommended that the applicant address the issues raised in peer review as part of a further work recommended in this report as part of the post Gateway package of work.

Chester Hill has been identified as a Local Centre in Council's LSPS, which sits under Bankstown and Campsie in the centres hierarchy. Urban renewal within the area including investment, jobs and housing has not occurred. On balance of the information before Council, the public

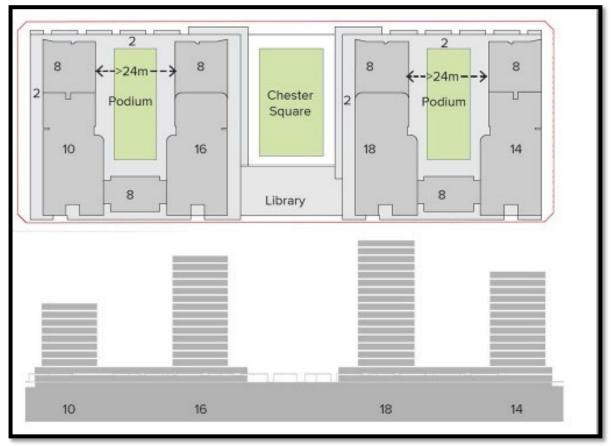
benefit that could be leveraged from the development, desire for renewal in the area and the subject site being an important parcel of land within the centre, it is recommended that the planning proposal proceed to Gateway. This increased density will be subject to a site specific DCP and a design excellence clause being adopted to ensure that the development performs as a positive catalyst in what will be a landmark development.

#### **Current v Proposed Built Form Controls**

Controls	Current	Proposed	Recommended*
Zone	B2 Local Centre	No change	No change
FSR	2.5:1	4.53:1	4.53:1
Height	20m (6 Storeys)	62m (18 Storeys)	62m (18 Storeys)

<sup>\*</sup>subject to further testing

**Figure 13** Building height cross sections from planning proposal



#### Public domain improvements

To accommodate development of a scale over the existing controls, there is a need to improve the amenity and functionality of the town centre and public domain. In order to accommodate the quantum of density sought, it is proposed that Charles Place is expanded to provide improved pedestrian access to the town centre, bus interchange and train station. This would provide a higher quality public space creating a pedestrian north/south link from Leicester Road to Waldron Road with improved solar access and pedestrian experience. Frost Lane is a service lane and the potential for a more pedestrianised vision as identified in the submitted scheme is not supported in order to retain retail focus on Waldron Road.

Waldron Road is the community focal point for the locality but is in need of revitalisation. The planning proposal should be contributing to the improvement of the public realm along Waldron Road including footpath widenings, street tree planting and a range of other improvements. A detailed streetscape concept should be prepared for the main street which looks at the experience of the place, pedestrian connections, on street parking, events and activation, landscape (hard and soft), lighting, street furniture, play opportunities, Wifi, directional signage etc.

A public domain concept (See **Figure 14**) has been recommended by the independent urban designer commissioned by Council, which includes public realm works to upgrade Waldron Road and encourage safe foot traffic from the train station across Waldron Road. This would retain foot traffic on Waldron Road and protect commercial activity along the high street.

Figure 14 Public Domain Concept (Place Design Group)





The concept above includes the current Post Office site which has been discussed earlier in this report and may be considered for acquisition as part of a broader public benefits package to enable the expansion of Charles Place. The Post Office site is considered optimal in that it comprises three titles and provides a direct link from the station and Chester Hill Road, across Waldron Street to the new public square proposed. This would usually be funded through a planning agreement however, at this point in time the proponent has not resolved this aspect. The report recommends further negotiations with the applicant regarding the proposed public benefits, including this issue.

## Traffic

The planning proposal was supported by a Traffic Impact Assessment which found that the addition of the proposal traffic does not adversely affect intersections within the study area, other than Waldron Road / Priam Street and Chester Hill Road / Waldron Road which are already at capacity or failing.

To improve traffic capacity and movement, the report recommended that the existing roundabout at Waldron Road / Priam Street be signalised which would significantly improve the operation of the intersection to an acceptable Level of Service. These signals should then be coordinated with the signalised intersection of Chester Hill Road / Waldron Road to facilitate optimised traffic flow.

Council commissioned an independent traffic peer review which found that the modelled mitigation measures for the Priam Street/ Waldron Road do not align with Transport for NSW requirements for signalised intersections, which should be addressed as part of further work including consultation with Transport for NSW which would occur post Gateway. In addition, the peer review identified further modelling should be undertaken, including existing site conditions, distribution of traffic modelling, adequacy of modelled scenarios, consideration of the nearby car park and inadequate proposed site access relative to a planning proposal.

The independent traffic consultants commissioned by Council supported the recommendation for the widening of the pedestrianised area between Frost Lane and Waldron Road through property acquisition of the Australia Post site (see **Figure 14**), as this would improve pedestrian amenity and reinforce a strong desire line between the railway station and the Chester Square Shopping Centre.

However, the report highlighted that Waldron Road was classified as a regional road and therefore any closing carriage ways or shared pedestrian zones would not support its intended function as a key collector road. This would be subject to further discussions with Transport for NSW as it is in Council's interest to keep traffic speeds low along Waldron Road to maintain a safe and pleasant pedestrian environment along the high street.

Further detailed analysis of this option would be required which would likely include a microsimulation traffic model of the town centre and origin-destination analysis to understand the likely diversion routes of traffic to surrounding roads.

#### Viability and impact on Waldron Road

The independent feasibility analysis commissioned by Council, which is intended to test impact which Council can control through any zoning and land use changes, found that the proposal may have an adverse impact on retailers on Waldron Road, in particular in the food retailer sector. To control or mitigate any potential impacts the report recommended controls on the retail mix to maintain and improve the performance of Waldron Road as foreshadowed in the adopted North West Local Area Plan. This option will be considered by Council in preparing the LEP amendment and/or DCP, although it is noted that this is not a critical component at this point as Waldron Road comprises a broader range of commercial / retail offering to that in the current shopping centre and likely future shopping centre.

On this basis, public domain works on Waldron Road to support a positive public realm experience from the current main street is needed, as recommended in this report and it is recommended that Council undertake broader planning to fully realise this issue.

The independent feasibility analysis commissioned by Council also found that the proposed development is not feasible unless the cost of the building is reduced. The reason for this is that the Chester Hill submarket does not generate high enough sales prices (gross realisation) to support the higher costs of development at the proposed heights (construction costs). The current planning controls (unchanged) were however found feasible.

The applicant has considered these findings and responded by stating that the assumptions factored into the proponent's build cost + public benefits are different to those used by Council's consultant which includes generic build costs. In particular, the proponent will be able to construct the building at a lower cost per square metre than Council's peer review assumes. Notwithstanding, Council will not compromise on the need to deliver high quality built form outcomes, and consequently this report recommends a design excellence clause be applied to secure a high quality design and built form outcome for this important site to ensure it delivers an attractive and functional development that positively contributes to the broader Chester Hill centre. Further work will be required on this post gateway to resolve final building heights.

#### **LOCAL PLANNING PANEL**

In accordance with the Local Planning Panels Direction, issued by the Minister for Planning, the Local Planning Panel considered the application and Council's assessment on 17 August 2020, as shown in the attachments. The Panel's recommendation is set out below:

The Panel recommends the following before the Planning Proposal proceeds to Gateway:

- The Applicant needs to undertake further studies to show the benefits of the planning proposal and to demonstrate how amendment to the critical development standards can be accommodated in the broader context of the Town Centre and, in particular, potential impacts on the Waldron Rd properties.
- 2. A more detailed analysis of the traffic and parking impacts needs to be undertaken, including the impacts that may result from changes to the planning controls for the Town Centre as a whole.
- 3. The Council bring forward its planning review of the controls for the Chester Hill Town Centre as a whole. This review should result in a Masterplan for the Centre which details controls for the block south of Frost Lane to achieve a more integrated approach for the future development of the Waldron Road shopping strip and Frost Lane. The Masterplan should also include critical design drivers such as equitable at grade (street level) access and avoidance of level changes to key public areas within the site, sun access to the surrounding streets and laneways and ESD strategies. The Masterplan should examine and identify an appropriate town square site and opportunities for additional north south links between Waldron Road and Frost Lane that will benefit all current and future businesses. The Masterplan should also provide key directives for the development of the subject site to ensure it will contribute to and reinforce an overall town centre plan.
- 4. There needs to be comprehensive community consultation as it is evident that there is significant community interest in future development in the Chester Hill Town Centre. Any provision by the developer of a community space to be dedicated to the Council (ie: a library, youth centre or the like) should be the subject of specific community consultation.

The Local Planning Panel's (LPP) recommendation is supportive of the broad recommendations put forward in the Council assessment report. The Council report considered by the LPP recommended further studies on traffic implications, urban design, careful consideration of Waldron Road impacts and masterplanning, which is consistent with the LPP's recommendations. In particular, the need for comprehensive community consultation with the resident and business community was detailed in the report considered by the LPP.

The key differences revolve around the timing of additional studies and masterplanning of Chester Hill, with the LPP recommending that this work should occur prior to seeking a Gateway determination. In contrast, Council officers have recommended that work be undertaken after a Gateway Determination has been issued and prior to public exhibition.

The staff recommendation is consistent with the Department of Planning, Industry and Environment's Guide to Planning Proposals and Guide to Preparing Local Environmental Plans. These documents set out the process that all planning proposals must follow.

The reason to undertake this work after a Gateway Determination has been received is so that any conditions which may imposed by the Department can also be addressed. Furthermore, any issues arising from consultation with state agencies, won't be known until after the Gateway Determination is received. This is particularly relevant as the traffic study recommends consultation with Transport for NSW about Waldron Road. In line with the Department's process, many state agencies will not formally engage with Council without a Gateway decision.

Requiring masterplanning of Chester Hill at this stage would bring forward a substantial amount of work that Council would need to fund, without any certainty as to whether the Gateway would even support the proposal progressing to exhibition. This investment would occur prior to formal consultation with the State Government agencies, who may want additional issues addressed and not support the additional work as undertaken.

In light of the above, this report recommends to Council to progress the planning proposal to Gateway and for the Gateway determination to include and add where necessary further requirements prior to exhibition. This is consistent with the following section of a Department's Guide to Local Environmental Plans:

The purpose of the Gateway determination is to ensure there is sufficient justification early in the process to proceed with a planning proposal. The Gateway determination is a checkpoint for planning proposals before resources are committed to carrying out investigative research, preparatory work and consultation with agencies and the community. It enables planning proposals that lack strategic planning merit to be stopped early in the process before time and resources are committed.

Source: A guide to preparing Local Environmental Plans, NSW Department of Planning and Environment 2018, p.5

This is also consistent with the following section of the Department's Guide to Preparing Planning Proposals:

A planning proposal relates only to a LEP amendment. It is not a development application nor does it consider specific detailed matters that should form part of a development application.

The planning proposal should contain enough information to identify relevant environmental, social, economic and other site-specific considerations. The scope for investigating any key issues should be identified in the initial planning proposal that is submitted for a Gateway determination. This would include listing what additional studies the PPA considers necessary to justify the suitability of the proposed LEP amendment. The actual information/investigation may be undertaken after a Gateway determination has been issued and if required by the Gateway determination.

Source: A guide to preparing planning proposals, NSW Department of Planning and Environment 2018, p.5

With regard to accelerating the masterplanning program for Chester Hill, Council has already committed to the masterplanning of Metro stations in line with the recently endorsed LSPS. For this reason, it is recommended that the Chester Hill masterplanning occur after these already nominated centres; and that the proponent contribute to the masterplanning of Chester Hill to form part of the program already set by Council and agreed to by the Greater Sydney Commission.

Should Council resolve a planning pathway consistent with that as proposed by the LPP, this would raise practical issues for Council in progressing the planning proposal in that it would bring forward a substantial amount of work with no certainty as to whether the Gateway would support the planning proposal and provide no certainty to the applicant as to the status of the proposal. These outcomes are considered inconsistent with the intent of the Gateway and plan making process.

### **COMMUNITY SUBMISSIONS**

There has been community interest in this planning proposal with a number of written submissions being received by Council in response to the recent Local Planning Panel meeting. The key issues raised are addressed here however it is important to note that formal engagement does not occur at this stage in the plan making process under the EP&A Act 1979; that would normally come after a Gateway Determination is issued.

Strategic Merit Test Adequacy	
No clear understanding to the community of the public benefits	Council has received a letter of offer from the proponent in which he proposes to include a number of benefits. The benefits include a library / community facility space dedicated to Council, Waldron Road public domain works, widening of Frost Lane. All other public benefits are to be negotiated with the proponent.
	Council has not made any decisions on what is being offered, nor whether they are warranted or needed. Furthermore,

Council has not determined if these offerings represent appropriate public value and benefit in relation to what is proposed.

The processes following Gateway are quite rigorous. Council will undertake significant works, at the applicant's expense, to conduct social and community infrastructure reviews and feasibility analysis. They will assist in determining an appropriate range of public benefits in relation to the proposal post Gateway (which may find itself reduced based on a range of other studies).

The legal mechanism for this would be a planning agreement, which would detail all of the above based on extensive work to be done as part of the Gateway requirements. At this time, all this work will of course be subject to a detailed engagement with the broader community.

Council does not set the rules in the planning proposal process and simply follows the rules clearly set out by the NSW State Government.

The planning controls are not more than 5 years old, the North West Local Area Plan was only recently reaffirmed (via the Local Strategic Plan) 6 months ago

The strategic planning studies to inform the North West Local Area Plan were prepared in 2012-13, nearly 8 years go.
These were subsequently implemented in

2016 without any change since.

The Gateway for the draft CBLEP 2020 did not allow for any change other than the implementation of the South West, South East, and North West Local Area Plans. It was a harmonisation phase of our planning controls.

The Local Strategic Planning Statement adopted by Council on 10 December 2019 simply acknowledges the NWLAP as an Action Plan, noting that it had already been implemented.

### **Density and Character**

Chester Hill is already overcrowded, the roads are narrow and it is difficult to find parking within the area.

Chester Hill is serviced by significant public transport including buses and trains.

Further, the proposal would be required to comply with appropriate car parking requirements for residential, commercial and retail uses and is a matter that would be addressed in further detail should a Gateway decision be made to progress.

The report before Council contains a separate section which deals with this issue and includes a number of independent reports. But it is clear further detailed work needs to be done in consultation with the community.

There is a long way to go in this process and before any approvals are given, there will be more studies to look at the "narrow roads" and the traffic implications on the area. This detailed work will assist Council in any decision making and be used to inform the community.

Tripling of building height and floor space will reduce liveability, 18 storey towers will dominate the Chester Hill landscape and is out of character with its surroundings which is low density single dwelling homes.

There are no buildings higher than six storeys at any connecting train stations or town centres within 10kms.

62 metres would make Chester Square the tallest building in the entire Canterbury Bankstown LGA.

The proposal seeks to transform the area into a vibrant residential, commercial precinct. The building heights vary from two central towers of 16-18 storeys down to 2 storeys on the edges.

It must be noted that in the Chester Hill area, 8 storeys is currently permissible along Waldron Road in front of the site.

Council has sought independent urban design advice that confirms that the site can adsorb additional height and density. This of course will be subject to the review of surrounding heights and densities to ensure that future development surrounding the site cohesively relates with respect to urban form and would result in orderly development of the centre.

It is proposed that work be undertaken as part of the post-gateway requirements to inform the community and council.

	The proposal does represent change for Chester Hill but it also offers many opportunities. It is expected to drive change, urban renewal, building activity and economic growth within the locality.
	It is important to note that other centres within 10km include Granville, Parramatta, and Bankstown and all with development and planning rules which allow developments far greater than 18 storeys.
Chester Square and the whole shopping precinct has a desirable 'village feel' and this will disappear if the planning proposal is supported	The planning proposal is expected to give the precinct a "facelift" and create an exciting shopping experience. The current centre is aged and its large blank walls just do not "fit in" with Waldron Road and the surrounding sites. It is expected the proposal will increase the overall vibrancy of the centre and help to activate the streetscape on all sides.
	While some change in the "feel of the centre" could be expected, good design will result in significant benefits. Benefits like investment in an improved public domain, accessibility, services and the expansion of Charles Place.
	But further work will be needed, including consultation with the community and Waldron Road businesses and must be undertaken post-gateway. This is a requirement under the NSW Government's planning process.
	This report acknowledges the importance of maintaining a quality main street along Waldron Road. It is for this reason that the proposed improvements be planned and delivered by the proponent so that it can continue as an attractive and vibrant environment.
Concerns over loss of another bank or post office due to lack of ease of parking for the elderly	The expansion of Charles Place would be a positive outcome and ensure proper pedestrian access and provide a clear link between the Waldron Road retail precinct and the new public plaza.
	Consolidation of the land or purchasing of the site by the developer would be required

to achieve this. However, this is not Council's adopted position, and it is only raised for consideration at this stage.

It must be noted that the applicant doesn't have acquisition powers and neither does Council – for this outcome to be achieved the business would need to consolidate and move into another site, possibly the proposed development or along Waldron Road.

Should this option be progressed, it is anticipated that a post office and potentially other essential services including banking institutions would be attracted to relocate within the centre, or along Waldron Road. This is because of the anticipated increase in foot traffic and improvements to the public domain.

The proposal will overshadow nearby residential properties

On the whole, the orientation of the site ensures that overshadowing will not largely affect residential areas. There will be some minor impacts and these will be tested and scrutinised as part of the further urban design work which is recommended.

#### *Infrastructure*

Chester Hill has few facilities and does not have the infrastructure to accommodate thousands more people in such a small area, especially in these times when we are trying to make space for ourselves to decrease the chance of contamination of COVID-19. Over 600 apartments will result in a 10% increase in population – with no adequate infrastructure protocols to support such rapid growth.

The planning proposal addresses social infrastructure needs. An assessment was supported by a "letter of offer" from the proponent committing to a range of infrastructure upgrades to accommodate and support growth.

To meet the expected increase in people, the proponent has set aside an additional 2,800sqm for public open space, on top of the 2,000sqm already set aside for floor space. This combined space will be available for Chester Hill shoppers, workers and visitors to enjoy. In real terms, that's 4 or 5 times more space than what currently exists and will provide a high amenity meeting place for the area.

Although a detailed design issue, the design of this public space will be subject to a separate landscape plan and be based on community input at the development application stage.

Should Council support the proposal, and a Gateway Determination be issued by the NSW government, Council will need to engage with relevant infrastructure agencies and utility providers. This will allow us to understand what improvement/augmentation to services are required to manage the expected change in demand and effectively support this development and likely development that would follow around the centre. The cost of infrastructure upgrades stipulated by agencies would be borne by the applicant.

The development will create traffic and parking chaos by adding hundreds of additional cars and put further strain on local services which are already at full capacity. Parking is already difficult in the current shopping district, and along local streets. The studies supporting the planning proposal are not a true reflection of the actual traffic and parking at present and 'embellishments or improvements' to Waldron Road, Frost Lane and Charles Parade will not support such an increase in traffic volumes.

The planning proposal submitted included a traffic impact assessment and was supported by a 'public benefit offer" from the proponent. The offer committing to a number of traffic upgrades including intersection signalisation at Waldron Road and Priam Street.

The development will also provide approximately 1,200 additional car parking spaces on-site to accommodate increased demand and design ingress and egress that would best integrate with the road network.

Our experience with similar developments, including Punchbowl and Lakemba, is that the additional underground parking has vastly improved parking availability for local shoppers.

As Waldron Road is a classified road, Council will need to consult with Transport for NSW should a Gateway Determination be issued. Concurrence from Transport for NSW is required for this planning proposal and any works identified would need to be incorporated into the proposal, including infrastructure upgrades.

Detailed studies to examine what upgrades/works can benefit the area will need to be undertaken. However, if traffic is an issue then this will be shared with the community and will form the basis of council's final decision. Any improvements

to the road network would have to be paid for by the proponent. Another new Library, 'embellishments' to The existing library was originally built in roads and upgrades to a park already 1958 and is over 60 years old. The earmarked for improvement do not make community's use of library facilities has for 'significant' public benefits. Nugent Park changed over that time, with a demand for has been identified for upgrades in the increased flexibility in how spaces are 2020-21 operation plan – why would utilised by residents including community additional upgrades be required? What is meeting areas and social needs. the financial contribution breakdown for the proposed embellishments to roads and Whilst the most recent upgrades were Nugent park upgrade? This is not clearly completed in 2013, the Chester Hill defined. community hub does not offer a variety of multi-purpose uses which are needed to meet the current and future community's needs. The proposed cold shell library / multipurpose facility would help meet the current needs and the anticipated growth of the area, noting that extensive community engagement on the proposal and the use of the space would occur if a Gateway Determination was to be issued. Notwithstanding, it is space that council may or may not want, and work to be undertaken as part of the post-gateway studies will involve the community heavily in that process. Whilst a monetary contribution for Nugent Park was initially identified by the applicant, this contribution was supported by council officers for the park and Council will seek for the applicant to divert these improvements to other public benefits or infrastructure improvements in the area. The details of the public benefits will be identified through a social needs study at the proponent's expense and test public value benefit and engage with the community. These would be subject to exhibition and consultation with the community. Public transport is not commuter friendly It is agreed that additional services at the with very limited and haphazard timetables train station including an elevator are for train and bus services. The train station needed.

will need a lift installed to improve

accessibility for so many people including the elderly and disabled.	However, bus services and trains need to be adjusted to meet demand. Increased patronage by new workers and residents living in the area will assist in building a case for this.
	Council must consult with Transport for NSW about these issues should the planning proposal proceed, should we receive a gateway determination.
There is only one primary school within walking distance of the site, which will create further traffic gridlock for interconnecting streets and roads and the schools in the area are at capacity and in some instances over capacity	The school is within a 400m walk of the site.  Should Council decide to proceed with the proposal, and a Gateway Determination be issued by the Department, the proponent will be required to make improvements to the pedestrian environment, and also make the area an even more attractive proposition to children and parents.
	Consultation with State agencies including the NSW Department of Education must occur if Council receives a gateway determination.
Schools, early learning services, doctors and other essential services would struggle to cope with the demand of so many new residents in the community. This will also impact hospitals and other Health services in the Canterbury Bankstown LGA	Council must consult with the NSW Department of Education and NSW Department of Health about the availability of local services to accommodate additional growth in this area if council receives a gateway determination.
	The proposed development will no doubt create additional floor space for the private sector to provide local services such as medical consulting rooms etc.
	The State government has also committed to a new hospital in Bankstown to support the long term needs of the city.
Council has not clearly identified a plan to address the increase in demand for infrastructure services	Council is bound by NSW Government legislation to process the proposal before it. Given the scale of the planning proposal, there are a number of studies that will need to be undertaken to assess the infrastructure needs for the area. The planning proposal needs to progress to get the State's gateway requirements to enable us to commence detailed studies.

	Consultation with relevant infrastructure agencies and utility providers must occur following the issuing of a Gateway Determination, should Council and the Department support the proposal.
The sewerage system is antiquated and will have issues with such a huge influx of residents	Sydney Water will be consulted for their review and comment should the NSW Department of Planning Infrastructure and Environment issue a Gateway Determination that allows the planning
	proposal to progress to community and State agency consultation. Furthermore,

proponent.

## **Community Consultation**

The community have not had the opportunity to comment on the proposal and only found out about his through the local media.

Council is required to follow the NSW Government's process for progressing planning proposals, and under that process the community engagement happens after a Gateway Determination has been issued. This means that an initial assessment to determine strategic planning merit and identify issues for consideration by Council and the Department of Planning of Industry and Environment must occur prior to engagement with the community.

capacity upgrades would be payable by the

Council is yet to submit a request to the NSW Department of Planning Infrastructure and Environment for a 'Gateway Determination' to allow the planning proposal to progress to community consultation. This would only occur should Council progress the planning proposal, and the Gateway Determination would stipulate the consultation requirements.

If Council decides to seek a Gateway Determination and one is issued by the State government, then formal public consultation will be undertaken and all submissions received given close consideration.

The community will be kept informed along the way and will include extensive engagement.

Why did Council release this application 12 months after it was lodged?

Whilst the application has been with Council for approximately 12 months, this

planning proposal is in the early stages of assessment.

Different to a DA where notification occurs first, public exhibition of a planning proposal occurs after Council and the Department of Planning determine that there is broad merit in continuing further consideration of the proposal.

As part of Council's assessment, a number of independent reviews were engaged (attached to this report) to examine urban design, traffic and infrastructure needs. This has taken many months to complete which is normal for large proposals.

This report is the culmination of the initial assessment process.

If Council decides to seek a Gateway
Determination and one is issued, then
formal public and State agency consultation
will be undertaken and a further report on
the outcomes of these consultations will be
reported to Council before any final
decision is made.

Council has followed the legislative process which has been established by the State government, as it does with all planning proposals.

# Impact on Waldron Road Retailers What will happen to the businesses in the As part of the assessment of the planning square and the street, will they get special proposal, Council engaged independent rates etc? advice to undertake a peer review of the proposal. The peer review found that the proposed development would cater for a different retail market and not adversely impact on the food and drink type retail businesses on Waldron Road. The report also highlighted that there can be some expected increase in trade as a result of the increase in residential population.

Concern over widening of Frost Lane and loss of rear access for Waldron Road retailers

Widening of Frost Lane will only improve the function of Frost Lane. All road dedication is being provided by the proponent of the planning proposal. There is no change to retail properties fronting Waldron Road or their ability to access Frost Lane.

The matter does not impact on council

rates.

#### Library

Why is a Council run Library included within the proposed plans?

The proposal represents a significant opportunity to leverage the activation of new residents, commercial spaces and a public plaza by integrating with community uses which could involve a library but it is not council's current plan to change Chester Hill Library. The proponent has proposed to provide a 2,000m² cold shell space to Council which is considered to be a positive contribution to the centre and surrounding community.

Council has its discretion to occupy this space for whichever community use it considers most appropriate and in demand by the Chester Hill community. This may be in the form of a new multipurpose community facility including a state of the art library and related facilities. This community space will be secured through a planning agreement which will be the subject of separate community engagement to determine the best use for this space or

	we may not want the space at all. Further studies and engagement will decide this position.
How does Council intend to re-coup the \$1.6 million rate payer dollars recently spent on the upgrade of the current Chester Hill Library? This is a waste of money, the existing library has just been refurbished and is a peaceful place	The upgrades to the existing library were primarily structural upgrades including roof and walls to address the structural failures that presented to the south west section of the facility.
	Possible uses for the proposed multi function space will be subject to consultation, should the proposal receive a Gateway Determination. Furthermore, no decision has been made to remove the existing library.
What is Councils intention with the current Chester Hill library site/land?	There is no plan in place to close or change the existing library.

Crime and Anti-social Behaviour	
The crime rate will increase with more residents, there are not enough employment opportunities in the area so this will lead to more social issues	A well designed development will increase passive surveillance and activation of the local area, and help reduce crime and antisocial behaviour.
	Council will carefully consider any comments from the Local Area Command in relation to the planning proposal should it proceed to exhibition. This consultation would occur should the Gateway process support the proposal progressing to consultation.
Increase in crime locally will see insurance premiums rise to the detriment of local businesses	There is no evidence to suggest that the planning proposal will result in higher insurance premiums.
Concerns over street rubbish, speeding drivers, hotted up noisy cars on our roads, trucks parking on the street obstructing safe use of driveways	There is no evidence that the proposed development will not itself increase the incidence of street littering or unsafe vehicle use within the local area nor will it cause more trucks to park in local streets. The proposed development includes about 1,200 additional car parking spaces and loading bays within the basement - preventing the need for on-street parking to service the proposed development.
Address social issues first before increasing population in the suburb	Policing of anti-social behaviour is an ongoing matter for NSW Police. The proposal is not expected to result in social issues and Council will consult with the Local Area Command should the proposal proceed to that stage.

The proposed development will increase local employment opportunities and which could, in part, help to address social issues related to unemployment.

## Impact on land values

Concerns that this will drive away people and leave more houses vacant and as such drive down land values for existing owners and investors There is no evidence to support the theory that land values will fall as a result of the proposed development. It is anticipated that the proposed development will stimulate much needed investment in the local area and help to improve liveability for local residents.

## **Environmental Impact Study**

Why was the planning proposal received by Council in August 2019 not supported by an EIS?

Council is bound by NSW Government legislation to process planning proposals in accordance with relevant legislation and policies. Council has followed the statutory process, as it does with all planning proposals.

An EIS is not required to support a planning proposal in this instance.

## **Need for Urban Consolidation**

Sefton and Chester Hill are in need of urban consolidation being on a train line. Make use of this infrastructure and deliver more housing in such areas.

Council agrees that the planning proposal will stimulate much needed renewal and urban consolidation in an area well serviced by public transport and local services.

#### **NEXT STEPS**

The next step is to prepare and submit a planning proposal to the Department of Planning, Industry and Environment to seek a Gateway Determination. The planning proposal would request amendments to Bankstown Local Environmental Plan 2015 and additional studies and analyses to be undertaken prior to extensive community engagement as outlined in this report.

It is also proposed to prepare DCP Amendments and planning agreement concurrently with the planning proposal. Following the exhibition of the planning proposal and supporting documents, the outcomes would be reported to Council.

Should Council not support the matter proceeding to Gateway the applicant can appeal the decision to the NSW Government via a rezoning review process and the matter can be taken out of the hands of local Councillors.