

Report No. 13.17 Update Resolution 22-737 Former Mullumbimby Hospital Site Redevelopment Project

Directorate: Sustainable Environment and Economy

5 **Report Author:** Shannon Burt, Director Sustainable Environment and Economy

File No: I2023/885

Summary:

10 Council considered **Report No. 13.16 Former Mullumbimby Hospital - Land Use and Development Planning Update at [Agenda of Ordinary Meeting - Thursday, 15 December 2022 \(infocouncil.biz\)](#)** and resolved as follows:

Resolved 22-737 that Council:

1. Thanks all community members who gave feedback during the consultation period on the draft Site Strategy and Urban Design Protocol.
- 15 2. Notes that submissions have been used to improve the exhibited document and will be used as inputs into future planning and design stages.
3. Endorses the revised Site Strategy and Urban Design Protocol (Attachment 1 E2022/113329) for the former Mullumbimby Hospital site to be used as a guiding document for the project.
- 20 4. Requests staff to prepare a draft planning proposal informed by the Site Strategy and Urban Design Protocol and any required Baseline Studies and Advice and report this to Council for consideration prior to seeking a gateway determination.
5. Requests staff to arrange an Enquiry by Design process (inclusive of community, industry and Councillor engagement) to underpin Concept Masterplan and Development Control Plan drafting.
- 25 6. Requests staff to report the Concept Masterplan, Development Control Plan, and associated development options to Council.
7. Requests that an arts facility / hub or artist in residence program be integrated as a core part of the community facilities.



30 The purpose of this report is to provide Council with an update on the status of the former Mullumbimby Hospital Site as per relevant parts of **Resolution 22-737**.

RECOMMENDATION:

5 That Council:

- 1. Notes the update on Resolution 22-737 Former Mullumbimby Hospital Site.**
- 2. Authorises staff to finalise and forward a planning proposal (informed by the Site Strategy and Urban Design Protocol and technical studies) to the Department of Planning and Environment for the purpose of obtaining a Gateway Determination, and that Council exhibit the Planning Proposal in accordance with the Gateway requirements.**
- 3. Notes that an Enquiry by Design Workshop, Development Feasibility Assessment, and draft Development Control Plan for the Former Mullumbimby Hospital Site will progress along with the Planning Proposal to enable completion of these by early 2024.**

Attachments:

- 1 Former Mullumbimby Hospital Site Strategy Urban Design Protocol (SSUDP) - Adopted Version 8 Dec 2022 Res 22-678, E2022/113329 **
- 20 2 Proposed LEP Clause Updates - Former Mullumbimby Hospital Site, E2023/48015 **

Report

Discussion on the relevant parts of **Resolution 22-737** follows:

3. **Endorses the revised Site Strategy and Urban Design Protocol (Attachment 1 E2022/113329) for the former Mullumbimby Hospital site to be used as a guiding document for the project.**

As Council would be aware, due to site contamination issues, and a protracted site remediation process, strategic planning for the Mullumbimby Hospital site has been significantly delayed. There were several reports to Council, during 2021 and 2022 about this.

Notwithstanding the above, in parallel with the site remediation works program, staff advanced the strategic planning work required to inform the future development of the site in the form of a [Site Strategy and Urban Design Protocol](#) which was adopted at the 15 December 2022 Council meeting.

This document defines the vision, objectives and urban design principles for the site and relies heavily on the work and process previously undertaken by the Mullumbimby Hospital Project Reference Group (PRG).

The following planning and design objectives have been identified for the site as per the [Site Strategy and Urban Design Protocol](#).

Land Use Objectives

- To enable a vibrant mixed-use neighbourhood with diverse housing, community facilities and appropriate supporting services and environments.
- To provide a range dwelling types, including affordable, attainable and accessible housing.
- To support provision of community facilities and public spaces where the local community comes to meet, create, reflect and celebrate together.
- To support provision of facilities that support local initiatives, art and culture, work and education needs.

Environmental Objectives

- To support a beautiful, green neighbourhood with a rich character that draws inspiration from the local Mullumbimby culture and the special history of the site.

Built Form and Development Intensity Objectives

- To support neighbourhood scale development that responds to the built and natural context of the site.

- To maximise the provision of housing on the site (and thereby affordable housing).
- To discourage single dwelling allotments and dual occupancy development which is seen as under development of the site.
- 5 • To be of exemplary, high-quality design, especially architectural, landscape and urban design.
- Other Sustainability Objectives
- To ensure remediated land is developed safely in accordance with the Environmental Management Plan for the site.
- 10 • To support sustainability and resilience principles that are central values to the Byron Shire community.
- To support a well-connected precinct with bus, bicycle routes and walking paths to the centre of town, nearby schools, recreation spaces and community facilities.
- 15 • To have an appropriate level of public space that is high-quality, varied and adaptable.

This [Site Strategy and Urban Design Protocol](#) have been used to guide the development of the Planning Proposal to amend the Byron Local Environmental Plan (LEP) 2014.

- 20 **4. Requests staff to prepare a draft planning proposal informed by the Site Strategy and Urban Design Protocol and any required Baseline Studies and Advice and report this to Council for consideration prior to seeking a gateway determination.**

In line with (3), staff have progressed the drafting of a Planning Proposal document that meets strategic and statutory requirements.

- 25 A Planning Proposal is a document that explains the intended effect and justification of a proposed amendment to a LEP.

A number of technical studies/reports to support the Planning Proposal have also been needed.

These studies/reports include:

- Biodiversity assessment
- 30 • Bushfire assessment
- Infrastructure servicing strategy
- Stormwater management strategy and flooding review

BYRON SHIRE COUNCIL

STAFF REPORTS - SUSTAINABLE ENVIRONMENT AND ECONOMY

13.17

- Traffic and transport strategy
- Contaminated Land assessment (Site Audit Statement)
- Aboriginal Cultural Assessment

5 Each of the studies/reports are at various stages of completion, noting that Council only received a Site Audit Statement in late April 2023, which is a key prerequisite to preparing a Planning Proposal.

10 Staff advice is that those studies/reports that have been completed, and those in progress have not raised any significant concerns about the draft Planning Proposal objectives and land use intent or controls as discussed below. The strategic and statutory requirements for the Planning Proposal under the Act can be met.

However, at the time of drafting this report, a Planning Proposal document and attachments were not in final form and as such not attached to the report.

Instead, the following provides a summary of the LEP amendments proposed to support achieving the [Site Strategy and Urban Design Protocol](#) objectives.

	Explanation of Provisions	Report Reference
Zoning	<p>Change the land use zone for the approximately 3.5ha of the site to R1 General Residential. This would be a new zone for the Byron Shire LEP and would enable the residential and community uses that are desired for the site and would likely be appropriate in other future R1 locations.</p> <p>Change approximately 0.21ha of the site to C2 Environmental Conservation to protect high environmental value vegetation.</p>	<p>Figure 1a,1b</p> <p>Attachment 2 for R1 Land Use Table</p> <p>No change to C2 Land Use Table in LEP 2014</p>
Additional Permitted Uses	<p>Introduce Additional Permitted Uses to enable other uses for this site specifically. This will provide Council the necessary flexibility needed at this point prior to defining specific land use outcomes in more detail.</p>	<p>Attachment 2 for APU clause</p> <p>Figure 4</p>
Building Height	<p>Change the Height of Buildings development standard over part of the site from 9m to 11.5m.</p>	<p>Figure 2a, 2b</p>
Affordable	<p>As required by the Byron Shire Affordable Housing Contributions Scheme, introduce an Affordable Housing</p>	<p>Figure 3</p>

	Explanation of Provisions	Report Reference
Housing	Contributions Map over the development area of the site that links to the Byron Shire Affordable Housing Contributions Scheme, which targets a 20% contribution.	
Design Excellence	Amend Clause 6.13 relating to Design Excellence so that it applies to the site. This is also supported by identifying the site on the design excellence map.	Attachment 2

There will also be minor consequential LEP amendments needed to align with the above (for example to Clause 2.1; 4.1E; 6.9; 6.17; Schedule 2).

There is no proposal to introduce a Minimum Lot Size or Floor Space Ratio to the site.

- 5 At this stage it is envisioned that built form controls can be adequately managed through design provisions developed via the Enquiry by Design workshop and Structure Plan. Ultimately, these informing a site-specific Development Control Plan chapter.

Figure 1a - Existing zoning

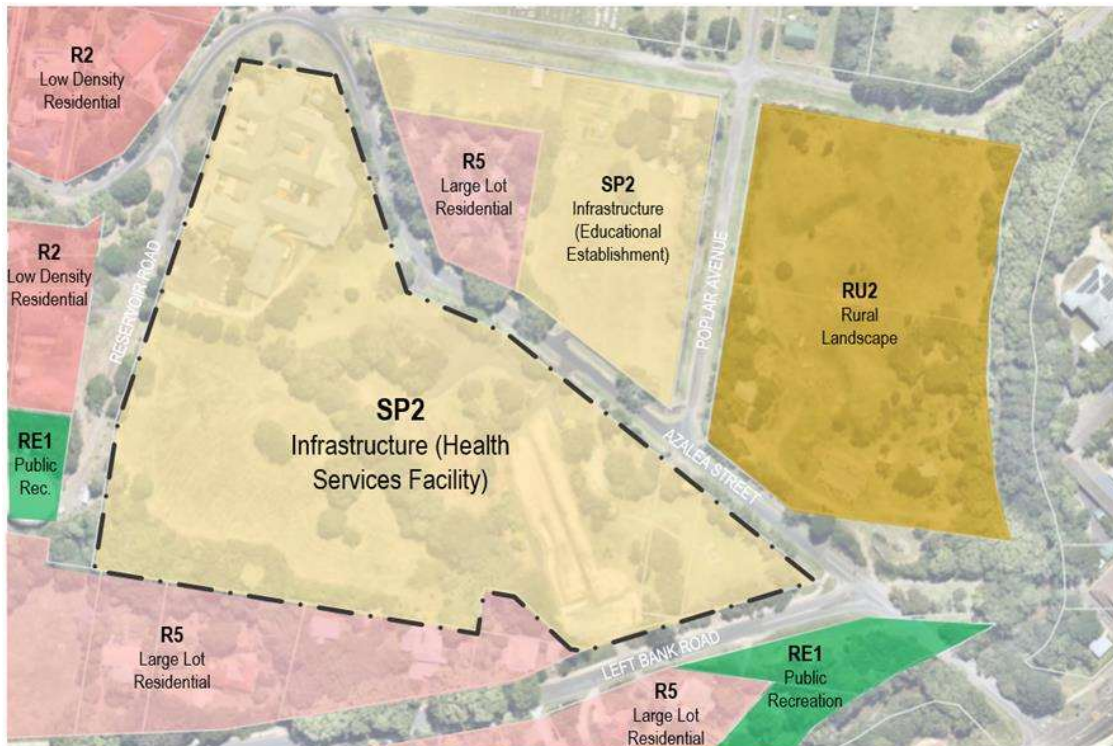


Figure 1b – Proposed zoning (approximate - to be refined in final proposal maps)

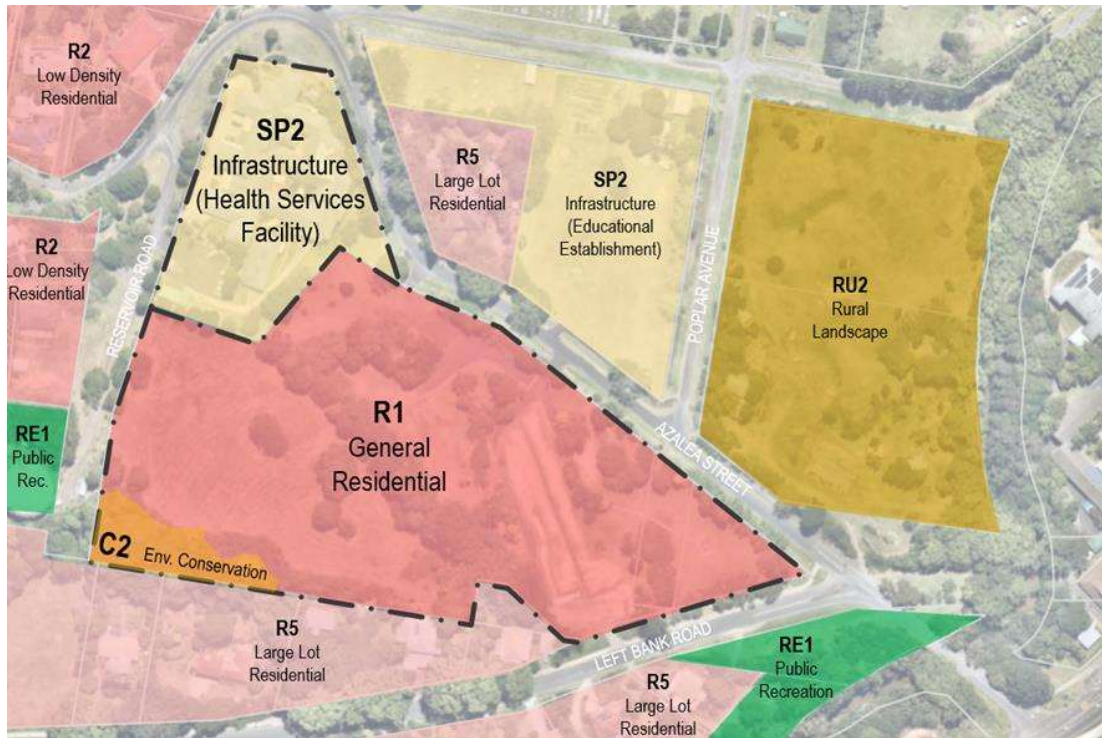


Figure 2b – Existing Height of Buildings allowed



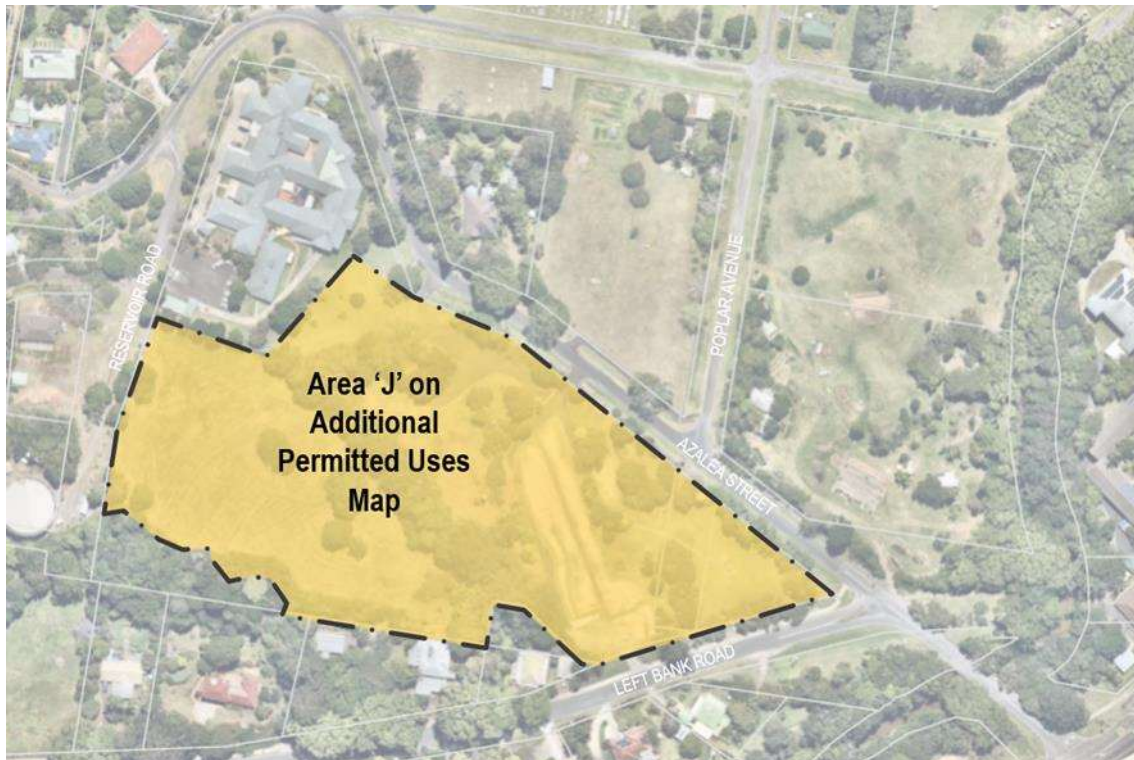
Figure 2b – Proposed Height of Buildings allowed (approximate – to be refined in final proposal maps)



Figure 3 – Proposed Affordable Housing Contributions Scheme Map area (approximate only, to be refined in final proposal maps)



5 Figure 4 – Proposed Additional Permitted Uses Map area (approximate only, to be refined in final proposal maps)



The Mullumbimby Hospital site Planning Proposal falls within the Department of Planning and Environment (DPE) [LEP Guideline](#) as 'standard category'.

- 5 For a standard category Planning Proposal to complete the 6 stages of LEP making, the benchmark set by the DPE is: end to end 320 days.

Knowing the importance of the Mullumbimby Hospital site redevelopment to Council and community, and project delivery delays to date, staff seek Council authorisation to finalise the drafting of the Planning Proposal document on the basis of the information in the report and forward it to the DPE for Gateway Determination.

- 10 The purpose of this is to reclaim time lost from the site remediation process and enable the Planning Proposal and Enquiry by Design (5) processes to be completed along with the preparation of a structure plan and draft DCP (6) chapter for the site by early 2024.

- 15 Early discussions with the DPE and Northern Rivers Reconstruction Corporation about the Mullumbimby Hospital Site have also occurred in relation to supporting the Planning Proposal process and potential future funding for infrastructure needs.

5. Requests staff to arrange an Enquiry by Design process (inclusive of community, industry and Councillor engagement) to underpin Concept Masterplan and Development Control Plan drafting.

- 20 An Enquiry by Design workshop to encapsulate (5) is under development and needs a Request for Quotation (RFQ) to engage suitable consultants to work alongside staff to deliver it.

An Enquiry typically occurs over several days (non-consecutive). It will include a technical team and stakeholder consultation group comprising representatives selected from a range of community groups, associations, Council committees, traditional landowners, and councillors. The technical and stakeholder consultation group selection process is to be confirmed once a consultant is selected via the RFQ process.

There will be wider community input also sought as part of the Enquiry.

The purpose of the Enquiry for the Former Mullumbimby Hospital is not to reinvent the work that has already been done to determine development parameters for the site, but to value add to it in the form of more detailed Concept Plan options for its future development.

Following the Enquiry process, the preferred Concept Plan/s will undergo a Development Feasibility Assessment to test and cost the implementation of it. This is a technical report prepared independent of the Enquiry and Council.

As Council is aware to date the demolition of the former hospital buildings, site remediation, planning and holding costs have reached \$5,106,085 since the 2017/2018 financial year to date. Specially Council has borrowed two loans totalling \$4,834,000 to fund building demolition and site remediation works on an interest only basis. Both loans mature on 30 June 2024 and will likely need to be refinanced given Council has been unable to this point in time generate any revenue from the site to repay the loans at maturity.

One of the key objectives from the original PRG recommendations was that the *development of the site generate no or very limited current or future cost to local people and Council*. As such a robust Development Feasibility Assessment is important to ensure that any preferred Concept Plan for the site can address this objective.

The final preferred Concept Plan as endorsed by Council (6) will form the basis of a Structure Plan and DCP chapter for the site.

The Enquiry, Feasibility Assessment, Structure Plan and DCP work can occur along with the Planning Proposal process.

The diagram below illustrates the relationship between each of these processes:



- 6. Requests staff to report the Concept Masterplan, Development Control Plan, and associated development options to Council.**

Timing dependant on 4 and 5.

- 5 7. Requests that an arts facility / hub or artist in residence program be integrated as a core part of the community facilities.**

7 to be considered as part of the Enquiry by Design workshop and subsequent Development Feasibility Assessment and Structure Plan for the site.

Strategic Considerations

Community Strategic Plan and Operational Plan

CSP Objective	CSP Strategy	DP Action	Code	OP Activity
4: Ethical Growth We manage growth and change responsibly	4.1: Manage responsible development through effective place and space planning	4.1.3: Town / Village Masterplans - Develop, implement and update Place Plans that promote place-based forward planning strategies and actions	4.1.3.7	Amend Local Environmental Plan and Development Control Plan in accordance with Mullumbimby Hospital Precinct Plan

10 Recent Resolutions

- [Resolution 18-721](#) (22 November 2018) Mullumbimby Hospital Site Project Reference Group [Recommendations: future use of the site](#)
- [Resolution 22-571](#) (27 October 2022) Endorsement to [exhibit Draft Site Strategy and Urban Design Protocol](#)
- 15 • [Resolution 22-737](#) (15 December 2022) Endorsement of Site Strategy and Urban Design Protocol (Refer Attachment 1)

Legal/Statutory/Policy Considerations

Requirements under the Environmental Planning and Assessment Act and Regulation as applicable.

20 Financial Considerations

Land Use Planning and Development Assessment for council owned land is funded through an operational budget allocation.

In terms of the overall cost of the Mullumbimby Hospital Site, it was premised when Council took on ownership of the site that whatever funds Council expends on the site are

to be fully reimbursed from the eventual site redevelopment outcomes. In this regard given Council at the time of preparing this report has expended over \$5.1million, it is recommended that outcomes on the site also need to consider the potential to return this amount to Council.

5 Consultation and Engagement

Pre-lodgment meetings held with DPE on technical studies/reports, agency referrals and draft Planning Proposal content.

All other Consultation will be carried out in accordance with Council's [Community Participation Plan 2019](#) and as directed by any future gateway determination from the Department of Planning and Environment.

10