PLN020-24

PLN020-24 PLANNING PROPOSAL FOR 23 KIORA ROAD, 2-6 WILLOCK AVENUE MIRANDA

Attachments: Appendix A, Appendix B (under separate cover), Appendix C, Appendix D (under separate cover) and Appendix E (under separate cover)

In accordance with section 375A of the *Local Government Act 1993*, this matter requires a planning decision as it involves the exercise of a function of Council under the *Environmental Planning and Assessment Act 1979* relating to a development application, an environmental planning instrument, a development control plan or a development contribution plan under that Act but does not relate to an order under Division 2A of Part 6 of that Act.

EXECUTIVE SUMMARY

- A Planning Proposal for 23 Kiora Road, 2-6 Willock Avenue has been lodged seeking the following changes to development standards in Sutherland Shire Local Environmental Plan 2015 (SSLEP2015):
 - A maximum floor space ratio of 5.5:1 (currently 2:1) with a minimum of 0.67:1 as nonresidential floor space to be dedicated to Salvation Army community centre use, and
 - A maximum building height of 60-metres, 16 storeys (currently 25-metre)
- Miranda is identified as one of the two strategic centres within the Sutherland Shire, under the Greater Sydney Region Plan. The Planning Proposal has potential to accommodate more housing options with good accessibility to public transport, amenities, and jobs.
- The proposed mixed-use development is compatible with strategic planning priorities, the surrounding context and local character. The proposed upgrade to public domain along Willock Avenue would improve overall amenity of the site.
- The Planning Proposal is accompanied with a Public Benefit Offer including 5% affordable housing (of additional residential floor space) for 15 years. A separate report will address the offer.
- Sutherland Shire Local Planning Panel is generally supportive of the Planning Proposal with some concerns related to the proposed reference design with respect to street setbacks, activation, compliance with Apartment Design Guide and potential wind tunnel effect.
- Sutherland Shire Design Review Panel is generally supportive of the Planning Proposal and recommended the preparation of draft Voluntary Planning Agreement, a site-specific Development Control Plan (DCP) and a design excellence clause be applied to the site.
- The proposal demonstrates sufficient strategic merit and site specific merit to warrant referral to the Department of Planning, Housing and Infrastructure (DPHI) for Gateway Determination in its amended architectural reference scheme.

REPORT RECOMMENDATION

THAT:

- 1. The report 'Planning Proposal for 23 Kiora Road, 2-6 Willock Avenue Miranda' be received and noted.
- 2. The Planning Proposal for 23 Kiora Road, 2-6 Willock Avenue Miranda be supported for referral to the Department of Planning, Housing and Infrastructure (DPHI) for Gateway Determination.
- 3. A draft site-specific Development Control Plan (DCP) be developed and prepared concurrently with the Planning Proposal to address key design issues for future development application stage.
- 4. Given the scale of architectural reference scheme, a draft design excellence clause be prepared and reported for Council consideration.

PURPOSE

The proponent initiated <u>Planning Proposal</u> seeks to amend the controls of the Sutherland Shire Local Environmental Plan 2015 for 23 Kiora Road, 2-6 Willock Ave Miranda NSW 2228. The subject sites are zoned E2 Commercial Centre. The Planning Proposal seeks to amend the development standards for the sites in Sutherland Shire Local Environmental Plan 2015 (SSLEP2015) to enable:

- a maximum floor space ratio of 5.5:1 (currently 2:1), with a requirement that minimum 0.67:1 of the total FSR would be non-residential use for the delivery of Salvation Army community facility, and;
- a maximum building height of 60m (currently 25 metres).

The Planning Proposal is initiated by Formus Miranda Pty Ltd and The Salvation Army (TSA) as a joint venture. All four lots are currently owned and occupied by TSA and operating as TSA's existing community facility. The applicant has prepared an indicative concept plan for a 16-storey mixed-use development consists of:

- podium ground floor as TSA community centre;
- three podium levels and 12 tower levels for a total of 116 residential units;
- a rooftop garden;
- three levels of basement parking for both TSA staff and residential uses.



Concept design, view from Kiora Road (Left), view from Willock Avenue (Right) (Screenshot from Sketch-up modelling provided by the Applicant)

Planning Proposal

The subject Planning Proposal was lodged on the 23 January 2024. In support of the application the proponent has lodged supporting documents, including:

- Planning proposal justification report
- Urban design report
- Architectural plans
- Landscape plan and report
- Survey plan

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- Traffic and parking assessment
- Civil engineering return brief
- Arboricultural impact assessment
- Visual impact assessment
- Services impact assessment
- Communication framework
- Urban design peer review
- Social and economic impact report
- Public benefit offer

The Planning Proposal has been assessed by Strategic Planning Unit and has been referred to Sutherland Shire Local Planning Panel in closed session (2 April 2024) and Design Review Panel in closed session (2 May 2024). Comments were issued to the applicant through two Request for Information (RFI) letters. The applicant has submitted subsequent additional documents, including:

- Feasibility study
- Overshadowing and public domain information
- Building services capacity letter
- Green travel plan
- Travel access guide
- Computer-generated imagery on concept design
- Setback amendments
- Response letter to DRP comments

These documents are available on Council's website: Planning Proposals

Voluntary Planning Agreement

The Planning Proposal is accompanied with a Public Benefit Offer to be formalised through a Voluntary Planning Agreement (VPA). A draft VPA is required to be prepared in accordance with Council's <u>Planning Agreement template</u>. At present the applicant's offer terms include:

Works-in-kind

- Provision of a new Salvation Army community facility at ground floor on-site
- 5% of additional residential floor space as on-site affordable housing for a minimum of 15 years
- public domain and footpath upgrade works along Kiora Road and Willock Avenue

Easement

• Public access over 2.5m wide strip along northern site boundary fronting Willock Avenue

Others

- Housing and Productivity Contribution at a rate of \$10,000 per dwelling
 Note: This State Contribution collected goes towards the provision of state and regional infrastructure needed to unlock development and support forecast growth, such as roads, parks, hospitals and schools.
- Sustainability Commitments
 Note: The new Sustainable Buildings SEPP generally applies to all residential developments and all non-residential development.

It is noted that, at present, the draft offer excludes the application of 7.11 and 7.12 local development contributions (in excess of \$2 million contribution).

A planning agreement is a voluntary agreement under the *Environmental Planning and Assessment Act 1979.* Planning decisions cannot be 'bought' or 'sold'. Council must undertake its statutory functions, including the merit assessment of this Planning Proposal, not on the basis of planning benefits offered by applicants.

ZONING AND SITE CONTEXT

The land is currently zoned as E2 Commercial Centre under Sutherland Shire Local Environmental Plan 2015. Under SSLEP2015 the maximum building height for the site is currently 25m, and the maximum Floor Space Ratio is 2:1.



SSLEP2015 Zoning Map – 23 Kiora Road and 2-6 Willock Avenue

Spatial mapping layers are available digitally on the NSW Planning Portal: <u>NSW Planning Portal Spatial Viewer</u>

The subject site (23 Kiora Road, 2-6 Willock Ave Miranda), described as Lot 2 in DP359422 and Lot 3, 4 and 5 in DP21777, is approximately 2447m² in area.



Aerial Image (2023) of Subject Site at 23 Kiora Road, 2-6 Willock Avenue Miranda (blue)

The subject site is situated on the north-eastern corner of Kiora Road and Willock Avenue in Miranda Town Centre. The site is located 400-metre walking distance from the Miranda train station, and 200-metre walking distance from Westfield Miranda. It is also within 80 metres of a bus stop providing transport linkages to Hurstville, Cronulla and Sylvania/Sylvania Waters. The site is currently occupied by TSA Miranda headquarters with a two-storey building and hardstand carparking area.

The site is surrounded by medium to high density residential development or mixed-use development. The surrounding land use is predominantly higher density residential. More retail development occurs closer to the Miranda Train Station. In proximity, there are also the Our Lady Star of the Sea Primary School, and public open spaces including Seymour Shaw Park and Ascot Place Reserve. The surrounding zoning and existing developments are summarised below in Table 2.

	Surrounding Zoning	Surrounding Development	
North	E2 Commercial Centre	Miranda Police Station, multi-dwellings, residential flat	
	R4 High Density Residential	buildings	
East	R3 Medium Density Residential	Our Lady Star of the Sea Primary School, high density	
	R4 High Density Residential	residential flat buildings, multi-dwellings	
West	E2 Commercial Centre	High density residential flat buildings, mixed-use	
		developments	
South	E2 Commercial Centre	High density residential flat buildings, mixed-use	
		developments	

Table 2: Surrounding Zoning and Existing Developments

STRATEGIC MERIT

The Department of Planning Housing and Infrastructure (DPHI) Local Environmental Plan Making Guidelines, issued under section 3.33(3) of the Act, requires the strategic merit of the proposal to be tested by addressing whether the proposal will give effect to State and local planning strategies, or

respond to a recent change in planning circumstances. This is established through asking a series of question in relation to the proposal.

Miranda and Sutherland area two prioritised strategic centres under the South District Plan. Strategic Centres are expected to accommodate high levels of private sector investment and will become increasingly important parts of the region's structure. Growth in Strategic Centres with efficient transport connections creates a 30-minute city. Additional housing delivery is envisaged in and around these centres.

The Planning Proposal is lodged with an accompanying Public Benefit Offer. One of the offer terms is the provision of a new Salvation Army community Centre. TSA is a Christian organisation that provides a range of services to people in need. The services include job training, rehabilitation services and emergency assistance. The expansion of community facility is considered as an additional social infrastructure to meet the changes in people's wellbeing.

The subject site is considered having the potential to accommodate more housing options with great accessibility to transport infrastructure and to deliver social infrastructure catering to people in need.

A full summary of the strategic merit test is provided as Appendix A.

SITE-SPECIFIC MERIT

The Local Environmental Plan Making Guidelines, issued under section 3.33(3) of the Act, requires the site-specific merit of the proposal to be tested, having regard to the following:

- the natural environment (including known significant environmental values, resources or hazards);
- the existing uses, approved uses, and likely futures uses of land in the vicinity of the proposal and the
- services and infrastructure that are or will be available to meet the demand arising from the proposal and any proposed financial arrangements for infrastructure provision.

Environmental constraints could include contamination and acid sulfate soils. Whilst the subject site is not exposed to bushfire or flooding risks, critical habitat or endangered ecological communities, Council Heritage Officer noted potential adverse impact on the root system of a heritage listed tree (Tree#2, refer to <u>Arboricultural Impact Assessment</u>). The issue is best to be explored at Development Application stage.

The proposal seeks an increase to the maximum floor space ratio of 5.5:1 (currently 2:1), with a requirement that minimum 0.67:1 of the total FSR as non-residential dedicated to Salvation Army community centre. This results in a building of 16 storeys at 60-metre in height, with three levels of basement parking.

PLN020-24

Council's adopted Sutherland Shire Development Control Plan 2015 (SSDCP2015) aims to create an identity for Miranda as a vibrant place to visit and live with housing choices and diversity. It sets the expectation for redevelopments in Miranda Town Centre to be a combination of commercial premises on the ground floor, commercial use of the second floor with residential flats above. The economic viability and vitality of Miranda Centre is to be enhanced through an increased residential population within walking distance of the Miranda Railway Station, bus routes, commercial centre and community facilities. Though a floor space ratio of 5.5:1 is a significant increase in density, the site has the potential to accommodate more housing options and commercial activities with great accessibility to transport, jobs and amenities.

It is noted recent amendment to the Housing SEPP introduces a bonus floor space and building height of up to 30%, if the proposed development incorporates at least 15% affordable housing component and be used as affordable housing for 15 years. Whilst the applicant claims the developer will not pursue the affordable housing bonus under the Housing SEPP, such mechanism is applicable for the site. The Housing SEPP would enable a maximum overall building height of 78-metre. However, any such proposal may find it difficult to address ADG compliance, including overshadowing concerns.

The indicative architectural reference scheme is designed to minimise overshadowing. The shadow analysis detailed in the Urban Design Report demonstrates compliance with Apartment Design Guide (ADG). The adjacent private open space will receive 2.5 hours of natural sunlight at winter solstice between 9:00am and 3:00pm during mid-winter, and the neighbouring residential buildings can obtain a minimum of two-hour solar access.

Strategic planning officers have conducted feasibility testing using a tool provided by Department of Planning Housing and Infrastructure. A few assumptions have been made:

- The non-residential floor space (0.67:1) is not income-generating, as the Planning Proposal states the use is for Salvation Army community centre;
- Developer margin 18%, land value \$6,000 per m².

The testing result indicates a feasible development occur at an FSR of 5.3:1. The <u>feasibility study</u> <u>prepared by the applicant</u> suggests a feasible development occur at an FSR of 5.5:1.

The Planning Proposal must also demonstrate consistency with applicable State Environmental Planning Policies (SEPP) and Ministerial Directions. The proposal is not inconsistent with any SEPP or Ministerial Directions. The Planning Proposal does not have any impact on critical habitat or threatened species, populations or ecological communities, or their habitats. A full summary of the site-specific merit test is provided at Appendix A.

Council's Traffic Engineer initially raised concerns related to increased demand for pedestrians crossing Kiora Road, and for increased traffic generation at Kiora Road/Willock Avenue intersection. The concerns were referred to the Applicant in the RFI. The applicant subsequently prepared a traffic study stating no signalisation is required at Kiora Road/Willock Avenue intersection.

Sutherland Shire Design Review Panel - Architectural reference scheme

On 2 May 2024 the Planning Proposal was referred to the Sutherland Shire Design Review Panel in a closed session. The minutes of the meeting are attached at Appendix B. While the Panel is generally supportive of increasing building height and floor space ratio for this site in the Miranda Commercial Centre, the Panel had concerns with the resolution of the architectural reference design - *the Panel recommends that an FSR in the range* 5.0:1 - 5.2:1 *would be more suitable*. The Panel has also provided a range of comments in relation to the architectural reference design, with respect to street setbacks, activation, consistency with the Apartment Design Guide, and wind.

On 31 May 2024 the applicant submitted amended design that increased setbacks along Willock Avenue in response to the Panel comments. The amended indicative reference scheme still exhibits non-compliance with ADG building separation requirements for storey nine and above. It is noted the applicant has utilised a lower efficiency factor (approx. 62%) when calculating floor space from building envelope. Typical efficiency factor for apartments is approximately 80%. Hence reduction of the usable floor plate is unlikely to result in a reduced floor space ratio, in order to achieve building separation compliance (due to current low efficiency factor).

The applicant suggests the proposed FSR can be comfortably achieved with increased setbacks, and other design matters that do not impact on resultant floor space ratio could be addressed later at Development Application stage. Detailed response letter prepared by the applicant is attached at Appendix C.



Amended setback along Willock Avenue: increased setback of 2.5-metre for level 1 to level 4

SUTHERLAND SHIRE LOCAL PLANNING PANEL ADVICE

Legislation requires all Planning Proposals to be referred to the independent Local Planning Panel for advice prior to Council's consideration. Accordingly, the Planning Proposal was referred to the Sutherland Shire Local Planning Panel on 2 April 2024 – Report and Minutes are attached as Appendix D and E. The Panel agreed that the Planning Proposal had sufficient merit to warrant referral to the Minister for Planning and Public Space under Section 3.34 *Environmental Planning and Assessment Act 1979* (the Act) for Gateway Determination.

The Panel recommended that a Draft Voluntary Planning Agreement be prepared prior to progressing to Gateway. The VPA should include a minimum 5-10% affordable housing provision (preferably delivered in perpetuity not for 15 years) based on the uplift. A monetary contribution should be provided to Council (Council and the Developer can negotiate the amount) given that the public domain works are minimum requirements of any development of this nature are not considered benefits. The VPA should also include any intersection upgrades if these are required.

The Panel considered the amendment to Sutherland Shire LEP 2015 should set a maximum floor space ratio of 5.3:1, based on Council's Feasibility Analysis. The Panel considered that the design of the building submitted with the planning proposal, could be better resolved. The Panel suggested a site-specific DCP be prepared concurrently with the Planning Proposal.

PLN020-24

The Panel was concerned that the "public benefit" proposed by the applicant (ie some affordable units and provision of new Salvation Armey premises) may not be sufficient to justify the additional height and FSR proposed.

The possibility of a Design Excellence clause in SSLEP2015 was discussed. Design Excellence provisions may require or provide the opportunity for a landowner to hold an 'architectural design competition' for the design of a building or larger site containing more than one building. An architectural design competition has the potential to achieve design excellence and encourage innovation. The potential for such a clause can be the subject of a separate report to Council.

RESOURCING STRATEGY IMPLICATIONS

The Planning Proposal is the responsibility of the Strategic Planning Unit utilising existing resources.

COMMUNITY ENGAGEMENT

Community engagement would take place in accordance with the requirements of the *Environmental Planning and Assessment Act 1979* and the Environmental Planning and Assessment Regulations 2021. The Act requires that community engagement follows if the proposal was sent Gateway determination.

STRATEGIC ALIGNMENT

The proposal partially delivers on Council's Community Strategic Plan - Strategy 6.1. Facilitate a diverse housing mix that provides choice and meets the needs of all community members and delivery on Strategy 6.2. Ensure quality, well planned and balanced development supports the growth of our community.

Delivery Program (2022-2026) Principal Activities	Operational Plan (2024/25) Actions
6A Support enhanced housing diversity,	
accessibility, and affordability to meet the diverse	
needs of our community	
6B Plan for the future land use and development	
needs of our community	
6C Manage new and existing development within a	
robust and effective framework	

POLICY AND LEGISLATIVE REQUIREMENTS

The *Environmental Planning and Assessment Act 1979* and the Environmental Planning and Assessment Regulations 2021 set the framework for the assessment of Planning Proposals. These steps will be strictly adhered to throughout this process.

1 July 2024

CONCLUSION

Miranda is identified as a Strategic Centre under the Greater Sydney Region Plan and the South District Plan. This centre is expected to accommodate high levels of private sector investment and will become increasingly an important part of the region's structure.

The Planning Proposal is a significant change to built form in Miranda. It seeks to amend the development standard under SSLEP2015 to increase maximum building height from 25-metre to 60-metres (at least 16 storeys). The site may also benefit from the Housing SEPP which would enable an overall maximum building height of 78-metres.

The subject site benefits from substantial infrastructure, transport, shopping, school and public open spaces. Its surrounding context is characterised as medium to high density residential development, with more mixed-use development and retail shops closer to the Railway Station. An increase in FSR and building height is considered appropriate to facilitate the redevelopment that assists the delivery of housing options with great accessibility to existing infrastructures.

The current height and floor space ratio controls under SSLEP2015 are highly unlikely to produce economically feasible development. The testing by officers generally concurs with the feasibility study prepared by the applicant.

The Sutherland Shire Local Planning Panel and Design Review Panel are generally supportive that the Planning Proposal has sufficient merit be referred to the Department of Planning, Housing, and Infrastructure (DPHI) for Gateway determination and subsequent exhibition.

Both Panels have concerns over current architectural reference scheme with respect to street setbacks, street activation, compliance with Apartment Design Guide and potential wind tunnel effects from the scale of development. Comments from both Panels were referred to the applicant through Request for Information (RFI) letters. In response, the applicant has subsequently increased setbacks along Willock Avenue without reduction in floor space ratio. Other design matters raised by the Design Review Panel and Local Planning Panel are not likely to directly impact on resultant floor space ratio, and the applicant prefers to address these design matters through a detailed design later in Development Applicant stage.

It is recommended that a site-specific Development Control Plan be prepared. Council can also explore the opportunity for a design excellence clause to assist with future development application stage, addressing the design matters pre-emptively.

The proposal demonstrates sufficient strategic merit and site-specific merit at this stage to warrant referral to the Department of Planning Housing and infrastructure for Gateway Determination. This

PLN020-24

would enable the proposal to be publicly exhibited and for Council to consider the proposal again considering public submissions.

The Voluntary Planning Agreement is subject to a separate assessment process.

RESPONSIBLE MANAGER

The manager responsible for the preparation of this Report is the Acting Manager Strategic Planning, Beth Morris.

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