

18.2 PLANNING PROPOSAL - 31-35 HERBERT STREET ST LEONARDS

ATTACHMENTS:	1. EXECUTIVE SUMMARY OF PLANNING PROPOSAL FOR 31-35 HERBERT STREET ST LEONARDS 2. REPORT TO COUNCIL DATED 14 DECEMBER 2015 3. LETTER FROM DEPARTMENT OF PREMIER AND CABINET RE ST LEONARDS CENTRAL
RESPONSIBLE OFFICER:	PETER CONROY - INFRASTRUCTURE & PLANNING DIRECTOR
AUTHOR:	JANE GIBSON – STRATEGIC PLANNER
CITY STRATEGY LINK:	5.1.1 LOCAL BUSINESS 5.1.2 SUPPORT OUR CENTRES
MEETING DATE:	14 MARCH 2016

Purpose of Report

This report provides Council with details of a Planning Proposal rezone the land at 31-35 Herbert Street, St Leonards including changes to the height and Floor Space Ratio.

The report recommends that Council does not support the Planning Proposal.

Background***Application Summary***

The Planning Proposal has been prepared by Urbis on behalf of Aqualand Pty Limited in respect of Lots 1 and 2 DP 744175 and Lot 3 DP 772072 at 31-35 Herbert Street. St Leonards.

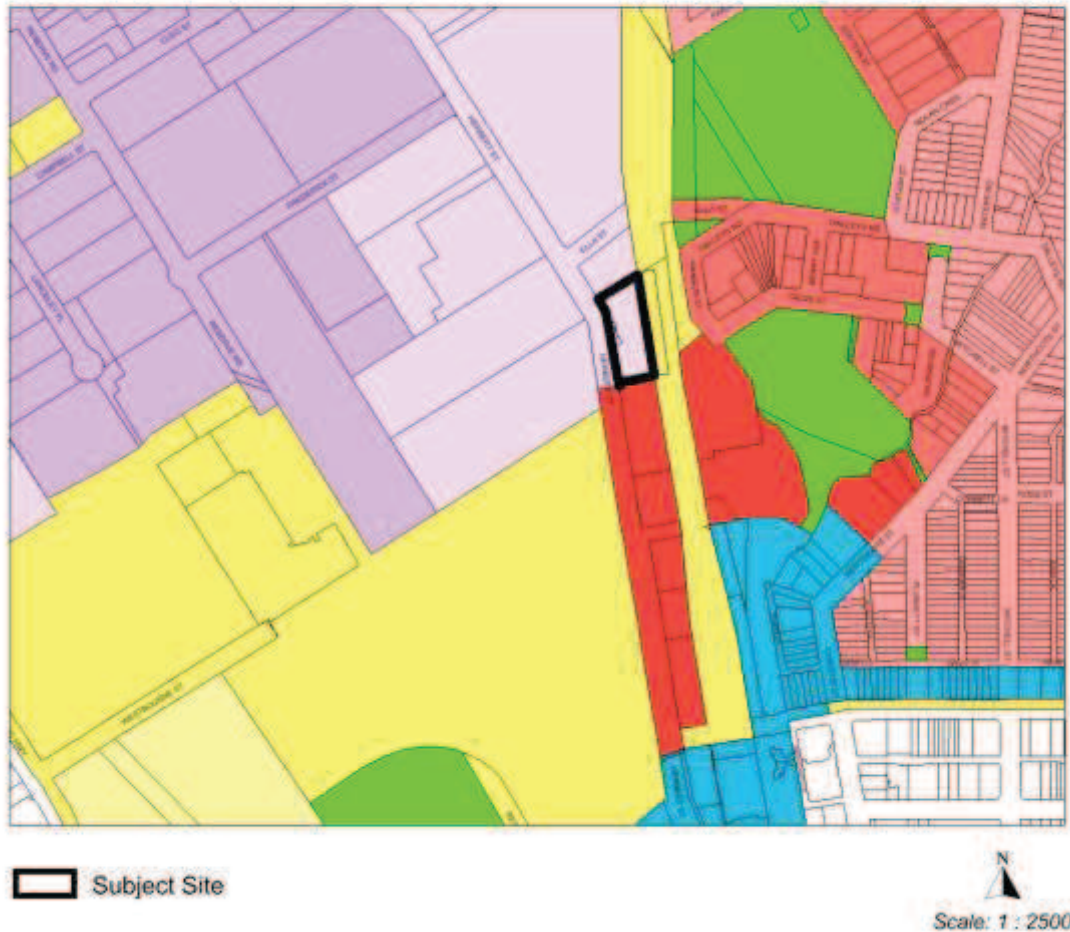
The Planning Proposal seeks to:

- change the zoning from IN2 Light Industrial to B4 Mixed Use;
- include a height limit of 90m (23 storey equivalent); and
- increase the Floor Space Ratio (FSR) from 1:1 to 6.5:1 (including 1:1 non-residential).

Site and Context

31-35 Herbert Street, St Leonards is owned by Aqualand and is located in the south east corner of the Artarmon Industrial Area (See Map 1).

MAP 1 - Location Plan



The site is located on the eastern side of Herbert Street and runs in a north south direction along the North Shore Railway Line. The site is approximately 3,650m² in area and is occupied by a 3 storey commercial building. The applicant states that the primary tenant is AMP who currently occupies the building for offices under existing use rights with a café on the ground floor.

The land is currently zoned IN2 Light Industrial. There is no height restriction on IN1 and IN2 land in Artarmon Industrial Area, and the current FSR for the site is 1:1 (1.5:1 if over 1,000m²).

The Planning Proposal seeks to rezone the land to B4 Mixed Use, include a maximum height of 90 metres and increase the FSR from 1:1 to 6.5:1. The resultant development would provide:

- two residential towers above podium with heights of 23 and 17 storeys respectively plus roof features
- a total Gross Floor Area (GFA) of 22,542m²
- approximately 245 new dwellings with a residential GFA of approximately 20,140m² (including affordable housing)
- a non-residential FSR of 1:1 for retail café, office and childcare space at ground level, first and second floors to “*activate the street and retain jobs in the area*” (taken from supporting material lodged with the Planning Proposal).

The adjoining site to the north (between the subject site and Ella Street) is also zoned Light Industrial with the same height and FSR restrictions, as is the site directly opposite. The adjoining land to the south of the subject site lies outside of the industrial area and is zoned R4 High Density Residential with a Height limit of 34m and FSR of 3.3:1.

Discussion

Applicant Justification for Rezoning

The applicant has provided the following justification in support of the rezoning:

“...The change in zoning arises as the site is not feasible for industrial development given its size and entry points are not suitable for manufacturing. Industrial development is better suited to outer metropolitan areas where there is sufficient land for larger scale, efficient industrial developments. The zoning also rectifies the current planning anomaly where a prohibited commercial building exists on the site. The B4 zoning will permit commercial development (including retail and office) and residential, which is consistent with the high density residential spine along Herbert Street.

The proposed density for the subject site will facilitate additional residential while maintaining employment uses close to public transport, infrastructure and services. It will also result in a built form that addresses the site’s prominent location on Herbert Street and responds to heights up to the Forum at St Leonards Station.....”

In addition, the Planning Proposal includes detailed analysis to justify the rezoning in terms of consistency with State Environmental Planning Policies, Ministerial Directives and priorities within “A Plan for Growing Sydney”. (An executive summary of the proposal is included at Attachment 1).

The Planning Proposal also includes an offer from the proponent to enter into a Voluntary Planning Agreement (VPA) with Council to provide notional public benefits including:

- contribution of \$1,000,000 to install synthetic grass on the top oval at Naremburn Park
- contribution of \$200,000 to upgrade the pedestrian pathway alongside the eastern edge of the railway corridor from the Ella Street Bridge to Talus Street and
- an additional 2% of the residential floor area dedicated to Council for affordable housing on top of the 4% required by Council’s Affordable Housing Policy. The total land value of the 6% is estimated at \$13,200,000
- the total value of the contribution offered is calculated to be \$14,400,000.

The Planning Proposal includes detailed analysis of concept designs, contamination issues, a transport impact assessment and an economic assessment.

Officer's Comments

A detailed analysis of the Planning Proposal has not been undertaken by Council staff as the development is considered not to succeed in strategic planning terms. As such this report examines the principle of rezoning limited stocks of industrial land for residential purposes.

The Planning Proposal is not supported. To date, Council has consistently supported the retention of industrial zones within Willoughby LGA to ensue ongoing employment opportunities. Council's overarching document, "Willoughby City Strategy" states at Goal 3.1.1 to:

"..protect important areas (industrial, commercial land) from incursion of residential development and other uses that affect the long term integrity of those areas..."

Evidenced in reports going back to the State Government's draft Inner North Subregional Strategy, the 2014 *Plan for Growing Sydney* and including the current Employment Lands Development Program 2015 Report, it is recognised there is a limited supply of light industrial land in Willoughby, and in the North Subregion (or District) as a whole. In fact, the North District had the lowest such land stocks of all Districts, (566.8ha in Jan 2015 compared to 5,455.9ha in the West Central District). These industrially zoned lands are an important part of the region's economy providing diverse employment opportunities in light industry, urban services (such as concrete batching plants and waste management facilities), logistics and warehousing and high technology enterprises. The retention of such areas for these urban services and employment opportunities remains not only Government policy but important to a sustainable future for Willoughby Council.

A departure from an existing policy position is also premature in light of the formulation of a number of studies being undertaken both by Council and State Government Departments. These studies are discussed below.

Chatswood to Sydenham Metro

The Planning Proposal was prepared in advance of the State government decision regarding the location of a new Sydney Metro Station between Chatswood and North Sydney. There had been an option that this be located in the Artarmon Industrial Area, but is now proposed to be in Crows Nest.

St Leonards Centre

A Report to Council of 14 December 2015 provided (inter alia) a Councillor update on St Leonards Central. In the Report (See Attachment 2), it was indicated that it is understood that the principles / processes to be undertaken for St Leonards by the Department of Planning & Environment are as outlined in the following Report extract:

- The Department intends to engage consultants in relation to traffic / transport, urban design, employment and economic development
- Now that a decision has been made on the future metro station location, it is likely that the Department will commence the process of working with Councils to review and / or integrate the various plans that have been prepared for the St Leonards Centre, in particular the more recent work carried out by North Sydney and Lane Cove Councils and integrating this work across the Royal North Shore Health Precinct
- The work would also involve consulting and working with key stakeholders in the area such as the Department of Health, Roads and Maritime Services, Transport for NSW and potentially others
- The Department of Planning & Environment anticipate nothing will be available for consideration by the community until approximately mid-2016. The results of the work would then feed into the broader "District Plan." (Previously referred to as the "Subregional Plans". The "District Plans" were due to be publicly exhibited by mid-2015. It would appear that these Plans will not be available until well into 2016).

On 7 January 2016, (See Attachment 3) Council was informed by the State Government that it had decided not to progress the Unsolicited Proposal by the St Leonards Consortium (Brookfield Multiplex/Alto Group) for the 'St Leonards Central' development in and around St Leonards Station.

The land involved property owned by Council, RailCorp and a private owner, the Alto Group. The proposed preliminary concept design was for three mixed commercial/residential towers up to 55 storeys in height and a plaza over the railway corridor.

The State Government outlined the following reasons for not progressing the proposal past Stage 1 of the process, as a lack of clarity regarding:

- the outcome of the St Leonards Strategic Centre planning studies being undertaken by the Department of Planning & Environment
- the final Sydney Metro alignment through St Leonards, and
- Council's position on the provision of its land as part of the proposed development site.

To date, there have been a number of meetings between Council, the Department of Planning & Environment, North Sydney and Lane Cove Councils with an objective to provide an integrated strategy for St Leonards Centre.

A Plan for Growing Sydney

Willoughby is located in the North Subregion (now referred to as the North District) of "A Plan for Growing Sydney".

In this Plan, Artarmon Industrial Area, along with the nearby Strategic Centre of St Leonards, is located within Sydney's Global Economic Corridor, and a District Priority is to:

"...identify and protect strategically important industrial zoned land." in the North District.

A key priority of the newly established Greater Sydney Commission will be to complete the District plans. The development of a long term strategy for St Leonards - including the role of the Artarmon Industrial area - will be a key consideration in the new North District Plan.

The Willoughby Economic Development Study

The Willoughby Economic Development Study is currently being undertaken on behalf of Council by SGS Economics & Planning. The study is in its final stages and its findings will be reported to Council in the near future. The findings in the study include references relating to sustaining Artarmon Industrial Area into the future.

Conclusion

Council has consistently supported the retention of its industrial areas. A number of state and local strategic planning studies are currently being undertaken for the St Leonards / Artarmon Area which are yet to be finalised. These include:

- North Subregion District Plan (by NSW Department of Planning & Environment & Greater Sydney Commission)
- St Leonards Strategic Centre (by NSW Department of Planning & Environment)
- Chatswood to Sydenham Metro (various NSW State Government departments)
- The Willoughby Economic Development Study by SGS Economics & Planning on behalf of Willoughby Council.

Until such time that the conclusions of the above State and local studies are complete it is considered premature to process a Planning Proposal which is a departure from both State and Council's current policy position.

It is recommended that Council does not support the Planning Proposal for 31-35 Herbert Street, St Leonards.

OFFICER'S RECOMMENDATION

That Council:

- 1. not support the Planning Proposal at 31-35 Herbert Street St Leonards to:**
 - a) rezone the land from IN2 Light Industrial to B4 Mixed Use;**
 - b) increase the Floor Space Ratio to 6.5:1 and**
 - c) set a height limit of 90 metres****as it is premature to proceed prior to completion of state and local studies currently being prepared for the St Leonards / Artarmon area;**
- 2. not proceed to Gateway Determination for the Planning Proposal;**
- 3. notifies the applicant of Council's decision.**

Attachment 1**Executive Summary****OVERVIEW**

This report has been prepared on behalf of *Aqualand* to initiate the preparation of an amendment to the *Willoughby Local Environmental Plan 2012* (WLEP 2012). The amendment relates to Nos. 31-35 Herbert Street, St Leonards and would result in the following:

- A change in zoning from IN2 Light Industrial to B4 Mixed Use;
- A maximum allowable building height of 90m (23 storey equivalent);
- An increase in floor space ratio (FSR) from 1:1 to 6.5:1 (including 1:1 non-residential FSR).

The change in zoning arises as the site is not feasible for industrial development given its size and entry points are not suitable for manufacturing. Industrial development is better suited to outer metropolitan areas where there is sufficient land for larger scale, efficient industrial developments. The zoning also rectifies the current planning anomaly where a prohibited commercial building exists on the site. The B4 zoning will permit commercial development (including retail and office) and residential, which is consistent with the high density residential spine along Herbert Street.

The proposed density for the subject site will facilitate additional residential while maintaining employment uses close to public transport, infrastructure and services. It will also result in a built form that addresses the site's prominent location on Herbert Street and responds to heights up to the Forum at St Leonards Station.

This report has been prepared to assist the Willoughby Council to prepare a Planning Proposal for the LEP amendment of the site in accordance with Section 55 of the *Environmental Planning and Assessment Act 1979* (EP&A Act). This report has been prepared in accordance with the NSW Department of Planning and Infrastructure's '*A Guide to Preparing Planning proposals*'.

SECTION 2 - SITE AND SURROUNDING AREA CONTEXT

The subject site is located on the eastern side of Herbert Street and runs in a north south direction along the North Shore Railway Line. The site is legally described as Lots 1 and 2 in DP 744175 and Lot 3 in DP 772072.

The site has an area of approximately 3,650m² and is occupied by a three storey commercial building. The primary tenant of the building, AMP, currently occupies the building for offices, with a café on the ground floor. The large consolidated land holding makes it ideal for redevelopment for the purposes of higher density residential and commercial/retail.

SECTION 3 - STRATEGIC CONTEXT

The site is located in a very strategic location, being close and accessible to St Leonards Centre, Chatswood, North Sydney and the Sydney CBD, which are some of Sydney's largest employment areas and high density residential living areas. In particular, St Leonards includes technology parks, business parks, an education and health precinct, shopping centres and railway station. The proposal will contribute 245 new dwellings to accommodate expected workers and encourage 'work closer to home' initiatives.

It is understood that the Department of Planning and Environment (DPE) will be investigating a potential Priority Precinct in St Leonards. We understand the DPE is considering a broad area for the Priority Precinct and, given its strategic merit, the site should be included in the investigation.

Under *A Plan for Growing Sydney*, the site is within the Global Economic Corridor. The proposal will assist with achieving its priorities as it will:

- Contribute to the movement of people along the Global Economic Corridor via St Leonards Station;
- Ensure a suitable location for housing and employment growth given its proximity to infrastructure, train services, St Leonards Centre and the Royal North shore medical and education precinct.
- Not impact any natural attributes and is capable of achieving a high level of sustainability through the use of high quality durable materials and passive environmental design measures such as orientation, solar access penetration and cross ventilation.

A Plan for Growing Sydney identifies St Leonards as a Strategic Centre. The key priority for the centre is to retain a commercial core in St Leonards for long-term employment growth but also proposes providing capacity outside the centre for additional mixed-use development, including offices, health, retail, services and housing. The proposal provides an opportunity to increase housing without impacting on the employment land in the centre or loss of any industrial use.

SECTION 4 - LOCAL PLANNING FRAMEWORK

The WLEP 2012 is the principal Environmental Planning Instrument governing and guiding development within the Willoughby LGA. The subject site is zoned IN2 Light Industrial under the WLEP 2012. Under the LEP, light industries and neighbourhood shops are permitted with consent. However, residential flat buildings, shop top housing and commercial premises are prohibited uses. The existing commercial building is therefore a prohibited use and would rely on existing use rights for any future development. The existing building creates an anomaly in the land use planning for Willoughby.

SECTION 5 – A CASE FOR CHANGE

The demographic and employment profiles of St Leonards and Willoughby LGA are shifting from industrial and manufacturing to a knowledge based economy, particularly with the focus on St Leonards as a health precinct.

These trend shifts have informed the proposed uses and the site specific urban design opportunities have informed the built form controls and proposed concept.

SECTION 6 - PLANNING PROPOSAL OVERVIEW

A Preliminary Concept Design has been prepared by FJMT Architects for the potential redevelopment of the site (separately submitted). Some key features of the Preliminary Concept Design include:

- **Height:** Two tower forms are proposed above podium with heights of 23 and 17 storeys plus roof feature.
- **GFA:** A total GFA of 22,542m² can be accommodated on site, which is an FSR of 6.5:1.
- **Residential:** Redevelopment will provide approximately 245 new dwellings with a residential GFA of approximately 20,140m² (including affordable housing).
- **Retail and Commercial Uses:** A non-residential FSR of 1:1 is proposed for retail, café, office and childcare space at ground, first and second floors to activate the street and retain jobs in the area.

SECTION 7 - PLANNING PROPOSAL OUTCOMES

In summary, the site will achieve the following key planning outcomes:

- Consistency with State Government policy to encourage growth within existing centres.
- Consistency with State government housing targets.
- Sound planning practice and sustainable transport focused development.

- A high quality mixed use development that Aqualand is committed to developing.
- Appropriate built form in a prominent location.
- Street activation to encourage pedestrian activity and vibrancy.
- Landscape opportunities for well-considered landscape areas, communal open spaces and deep soil planting.

Overall, it is considered that the proposal will have significant benefits for the community and is in the public interest.

SECTION 8 - THE PROVISIONS TO BE INCLUDED IN THE PROPOSED LEP

The proposal seeks the following amendments to the WLEP 2012 provisions, in accordance with the Maps in **Appendix B**:

- **Zoning:** A change in zoning from IN2 Light Industrial to B4 Mixed Use;
- **Height of buildings:** A maximum allowable building height of 90m (23 storey equivalent);
- **FSR:** An increase in FSR from 1:1 to 6.5:1.

SECTION 9 - JUSTIFICATION FOR THE PLANNING PROPOSAL

In accordance with the NSW Department of Planning and Infrastructure's *A Guide to Preparing Planning Proposals*, the Planning Proposal is justified on the following grounds:

- The Planning Proposal is consistent with the draft North Subregional Strategy as it locates jobs and housing close to transport.
- It is the best means of achieving the objectives and intended outcomes. The purpose of the Planning Proposal is to enable the development of high density mixed use to occur on the site. To achieve this, amendments to the zoning and development standards that apply to the site are needed.
- It is consistent with the priorities for *A Plan for Growing Sydney* and the *North Subregional Strategy*.
- It is consistent with the State Government's Metropolitan Strategy and draft Subregional Strategy.
- It is consistent with the applicable State Environmental Planning Policies.
- It is consistent with applicable Ministerial Directions (s.117 directions).
- There is no critical habitat or threatened species, populations or ecological communities, or their habitats, that will be affected as a result of the proposal.
- It is not likely to have any significant environmental impacts. Where an impact may occur it has been mitigated by appropriate siting, layout and scale. Design measures will be incorporated into future buildings to further mitigate against environmental impacts. The proposal is considered appropriate in terms of traffic, parking, overshadowing, solar access, cross ventilation, privacy, sustainability and noise.
- It will have positive social and economic effects on the local community and wider Willoughby LGA.
- The proponent will enter into a VPA with Council to provide public benefits including upgrades to Naremburn Park, upgrades to the footpath connecting to the Talus Street Reserve and 2% additional affordable housing over the standard 4% prescribed under WLEP 2012.
- There is adequate public infrastructure or opportunities to provide infrastructure to support the planning proposal.

SECTION 10 - MAPPING

Draft height and FSR maps are attached at Appendix C.

SECTION 11 - COMMUNITY CONSULTATION

It is anticipated that the public exhibition would be notified by way of:

- A public notice in local newspaper(s).
- A notice on the Willoughby Council website.
- Written correspondence to adjoining and surrounding landowners.

SECTION 12 - PROJECT TIMELINE

It is anticipated that the LEP amendment will be completed within 12 months from December 2015 to January 2017.

CONCLUSION

Following our analysis of the site and its surrounding context and the applicable State and local planning policies, we are of the view that there is clear planning merit to the Planning Proposal. It is therefore recommended that this Planning Proposal be favourably considered by Willoughby Council and that Council resolve to forward it to the Department of Planning and Environment for Gateway Determination in accordance with the *Environmental Planning and Assessment Act, 1979* to allow public exhibition and preparation of the necessary LEP amendment.

Attachment 2

ORDINARY COUNCIL MEETING

14 DECEMBER 2015

18.6 COUNCILLOR UPDATE - ST LEONARDS COMMERCIAL CENTRE, GREATER SYDNEY COMMISSION, CHATSWOOD TO SYDENHAM METRO LINE, VOLUNTARY PLANNING AGREEMENTS AND DESIGN EXCELLENCE

RESPONSIBLE OFFICER: IAN ARNOTT - PLANNING MANAGER

AUTHOR: JANE GIBSON - STRATEGIC PLANNER

CITY STRATEGY LINK: 6.1.1 A COUNCIL THAT IS OPEN, ACCOUNTABLE AND REPRESENTS ITS CONSTITUENTS

MEETING DATE: 14 DECEMBER 2015

Purpose of Report

The purpose of this report is to update Council in relation to a number of matters that involve the future planning and development of St Leonards Commercial Centre, in particular:

- Discussions with the NSW Department of Planning and adjoining Councils
- Greater Sydney Commission
- Development Proposals and Voluntary Planning Agreements
- Chatswood to Sydenham Metro Line
- Design Excellence.

Background

At the Council Meeting of 7 May 2015, Council considered a report which informed Councillors of the community consultation that had occurred regarding the development concept known as St Leonards Central in Chandos Street, St Leonards. The proposal consisted of:

- 3 towers over land comprising residential, retail, commercial and community uses
- A deck built over the railway creating a pedestrian piazza and publicly accessible open space
- A child care centre, affordable housing and a bike station with improved access to Talus Reserve

At the Meeting of 7 May 2015, Council resolved that

1. "Council rejects the St Leonards Central Concept Plan as it currently stands with regard to height, bulk and scale.
2. Council explores options with the Department of Planning & Environment and the two neighbouring Councils for the funding and coordination of a review of the St Leonards Centre (including traffic and infrastructure) in light of the current St Leonards Strategy, existing development pressures, current studies, future plans and existing services for the Royal North Shore Hospital and the proposed Sydney Rapid Transit (Second Harbour Crossing).

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ITEM - 18.6 Councillor Update - St Leonards Commercial Centre, Greater Sydney Commission, Chatswood To Sydenham Metro Line, Voluntary Planning Agreements And Design Excellence

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This would occur in conjunction with the Northern Sydney Subregional Plan process and be undertaken with government stakeholders including Royal North Shore Hospital, Transport for NSW, NSW Health and NSW Department of Education and Communities and the two adjoining Councils.

3. *Council seeks assurances from Department of Planning & Environment and Department of Premier & Cabinet that the strategic planning process referred to in Point 2 above, occur in a timely fashion in-line with the Unsolicited Proposal and State Significant Development Process.*
4. *Council notes the feedback received from the community to the community engagement exercise for the St Leonards Central project.*
5. *Council seeks commitment from the Department of Premier & Cabinet that should the Unsolicited Proposal be supported by the State Government and it be assessed as a State Significant development, that the community concerns identified through the consultation process be considered and that the process for ongoing community consultation be identified and integrated into the assessment and review process.*
6. *Council writes to Lane Cove and North Sydney Councils to advise them of its resolution and to request support for the above approach.*
7. *Council advises the applicant Brookfield Multiplex, the Department of Premier and Cabinet, the owner of 2 Chandos Street and the people who made submissions of the Council resolution".*

Subsequent to the Council Meeting, on 21 May 2015, Council staff sent letters to the Department of Planning & Environment, Department of Premier & Cabinet and the General Managers of North Sydney and Lane Cove Councils advising them of Council's resolution. In addition, North Sydney and Lane Cove Councils were asked if they would support working in partnership on a review of the St Leonards Strategic Centre. To date, the NSW Department of Premier and Cabinet has not made a decision on the progression of the St Leonards Central project.

Meetings with NSW Department of Planning and adjoining Councils

A number of meetings between the Department of Planning & Environment, Willoughby, Lane Cove and North Sydney Councils have taken place.

On 7 October 2015, the Department of Planning & Environment held a "St Leonards Strategic Review" workshop with Willoughby, Lane Cove and North Sydney Councils. At this meeting, the Department of Planning & Environment confirmed their commitment to work with the 3 Councils. It was apparent that the Department had firm plans about appointing consultants to undertake specific studies in and around the St Leonards area. The "investigation area" presented by the Department of Planning & Environment is in the order of 5 square kilometres and covers the Artarmon light industrial area, the Lane Cove commercial core, the Royal North Shore Hospital, the St Leonards Centre and Crows Nest.

Subsequent meetings have taken place between the 3 Councils to discuss existing Council plans / studies in particular the:

Hospital Masterplan – as amended
North Sydney Council's "St Leonards Crows Nest Planning Study"
Lane Cove Council's "St Leonards South Master Plan".

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ITEM - 18.6 Council for Update - St Leonards Commercial Centre, Greater Sydney Commission, Chatswood To Sydney Metro Line, Voluntary Planning Agreements And Design Excellence

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Regarding the next steps for St Leonards, it is understood that the principles / processes to be undertaken by the Department are as follows:

- The Department intends to engage consultants in relation to traffic / transport, urban design, employment and economic development
- Once a decision has been made on the future metro station location/s, the Department would like to commence the process of working with Councils to review and / or integrate the various plans that have been prepared for the St Leonards Centre, in particular the more recent work carried out by North Sydney and Lane Cove Councils and integrating this work across the Royal North Shore Health Precinct
- The work would also involve consulting and working with key stakeholders in the area such as the Department of Health, Roads and Maritime Services, Transport for NSW and potentially others
- The Department of Planning & Environment anticipate nothing will be available for consideration by the community until approximately mid-2016.
- The results of the work would then feed into the broader "District Plan." (Previously referred to as the "Subregional Plans". The "District Plans" were due to be publicly exhibited by mid-2015. It would appear that these Plans will not be available until well into 2016).

Greater Sydney Commission

On 12 November 2015 the Bill to introduce The Greater Sydney Commission passed both houses of Parliament. The Bill:

- Establishes The Greater Sydney Commission
- Establishes a Sydney Planning Panel which will operate as Joint Regional Planning Panels
- Amends the Environmental Planning and Assessment Act 1979 to authorise The Greater Sydney Commission to make LEPs and to establish a scheme of regional and district plans for strategic planning in the Greater Sydney Region.

On 7 December 2015 The NSW Government announced that Cabinet had approved the first of the Greater Sydney Commission appointments, namely:

- Lucy Turnbull as Chief Commissioner;
- Heather Nesbitt as Social Commissioner;
- Rod Simpson as Environment Commissioner; and
- Geoff Roberts as Economic Commissioner.

Willoughby sits within the North Subregion. A priority for the Commission in its first year will be to complete the District Plans of each of the Subregions identified in the Metropolitan Strategy. The District Plans will address a range of issues including the introduction of broad land use and environmental frameworks, the integration of transport and land use, the provision of community infrastructure and the establishment of schedules of strategic infrastructure and related funding sources.

The development of a long term plan for the St Leonards Centre will be a key consideration in the District Plan for the North Subregion.

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ITEM - 18.6 Councilor Update - St Leonards Commercial Centre, Greater Sydney Commission, Chatswood To Sydenham Metro Line, Voluntary Planning Agreements And Design Excellence

Development proposals and Voluntary Planning Agreements

On 11 November 2013 Council adopted its current Voluntary Planning Agreement Policy.

Council has been approached informally by a number of prospective applicants regarding land in the vicinity of the St Leonards Railway Station. The purpose of the contact was to ascertain Council's attitude to planning proposals that could result in:

- An expansion in the range of land uses that could be permitted within the area
- An increase in the height and FSR permitted on a range of sites
- A range of community benefits being transferred to Council.

Each proponent was advised that Council would not be in a position to consider any Planning Proposals until such time as the sites of the future metro stations were determined.

However the meetings also highlighted the need for greater clarity in relation to the provisions of Council's Voluntary Planning Agreement Policy.

Council's current VPA Policy was formally adopted in November 2013 – Refer Attachment 2. Whilst the policy provides an overall framework for pursuing Voluntary Planning Agreements, it still lacks clarity in relation to a number of areas, namely:

Determining the value of the Community Benefit.

In this regard a review of the practices of a number of Councils has confirmed that they have formalised the process of determining the value of the community benefit. A number of other Councils link the Community benefit to the quantum of any "uplift" in the value of a site resulting from any increase in floor space ratio, height limit or the like change in the range of land uses permitted on a site.

Once the quantum of the "uplift" is known, land valuers can be engaged to determine the financial value of the uplift in relation to the value of the site. The "uplift" can then be shared on a 45/55 basis between Council and the proponent.

Establishing more appropriate internal Governance arrangements.

In this regard a number of Councils have established internal Voluntary Planning Agreement Teams to ensure appropriate oversight of the processes of:
Receiving a draft Voluntary Planning Agreement
Considering the merits or otherwise of the Draft Agreement
Reporting the details of the Draft Voluntary Planning Agreement to Council
Exhibiting the Draft Agreement and ultimately registering it on title.

The establishment of such structures also assist in ensuring that conflicts of interest – real or perceived, are avoided between those staff considering the Draft Agreement and those staff assessing the related Planning Proposal and/or Development Application.

Engaging Expert Assistance.

Access to high quality and experienced consultants to advise Council in relation to the various legal, land use, commercial issues are also critical to the success of Voluntary Planning Agreement negotiations.

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Expert advice and support in relation to these matters will assist Council in optimising the level of Community Benefit from a Planning Proposal and/or Development Application that proposes a change to Planning Controls.

It is normal practice to require proponents to fund the legal costs of a Council in the drafting of a Voluntary Planning Agreement. It is also common practice for Council to engage consultants to advise it in relation to the various legal, land use and commercial issues likely to be encountered in the drafting of an agreement. Likewise these additional costs can be funded by the proponent.

Chatswood to Sydenham Metro

On 16 November 2015, the NSW Government released details of the next stage of the Sydney Metro Project, to include a new 16 km underground rail line with new stations between Chatswood and Sydenham.

Once complete, it is anticipated that the Sydney Metro project will deliver a major increase in the capacity of Sydney's rail network - up to 30 trains per hour through the Sydney CBD in each direction. This provides the foundation for delivering a 60 per cent increase in the number of trains operating on Sydney's rail network in peak periods, which would cater for an extra 100,000 customers per hour.

In the lead up to the announcement on 16 November, the State Government had been considering options for new metro stations at Artarmon, St Leonards and Crows Nest.

The 16 November 2015 announcement confirmed that the locations for the new metro stations would be at Crows Nest, Victoria Cross (North Sydney), Barangaroo, Martin Place and Pitt Street, as well as new underground platforms at Central Station.

In addition to the above project components, a new metro station at either The University of Sydney or Waterloo is still under consideration.

The identification of the Crows Nest site as the location for the new metro station is a key element in the future planning of the St Leonards Centre.

Design Advisory Panel

In recent years Council has received a number of applications proposing significant multi storey developments. As the size and height of projects increase, they become visible from a greater distance. Likewise their potential to impact on the surrounding neighbourhood in terms of overshadowing, loss of privacy and traffic also increases.

Whilst Council has staff capable of dealing with issues such as overshadowing, loss of privacy and traffic, Council often engages expert external consultants to advise it on architecture and urban design matters.

In recent times a number of Councils – City of Sydney, Parramatta, Marrickville, have moved to establish Design Excellence Panels. Generally these panels comprise a pool of experts to review and make recommendations on the architectural and urban design merit of major Development Applications and Planning Proposals. This ensures that major developments exhibit a high standard of architecture and urban design, and positively contribute to the character and qualities of an area.

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ITEM - 18.6 Council for Update - St Leonards Commercial Centre, Greater Sydney Commission, Chatswood To Sydenham Metro Line, Voluntary Planning Agreements And Design Excellence

In the context of the range of projects and development proposals likely to be considered by Council in the foreseeable future, Council staff intend to establish a Design Advisory Panel. This will assist Council and its staff in ensuring that high standards are achieved in relation to any future development proposals presented to Council for consideration.

OFFICER'S RECOMMENDATION

That Council:

1. Notes the contents of this report;
2. Continues to work collaboratively with the Greater Sydney Commission, the NSW Department of Planning & Environment, North Sydney and Lane Cove Councils and other relevant stakeholders;
3. Refines its current practices in relation to Voluntary Planning Agreements, in particular in relation to:
 - a. determining and sharing the value of any uplift
 - b. introducing stronger internal governance arrangements
 - c. engaging the services of expert consultants to advise it regarding the various legal, land use and commercial issues associated with Voluntary Planning Agreements; and
4. Investigates the establishment of a Design Review Panel.

Attachment 3

Premier
& Cabinet

Reference: A1451324

Ms Debra Just
General Manager
Willoughby City Council
PO Box 57
WILLOUGHBY NSW 2057

Dear Ms Just

I refer to my letter dated 10 June 2015 (copy attached) regarding the assessment process for the St Leonards Central proposal, submitted by the St Leonards Consortium (Brookfield Multiplex/Alto Group), under Stage 1 of the Government's Unsolicited Proposal Guidelines.

The Stage 1 assessment is complete and this proposal will not be progressed past Stage 1 of the Unsolicited Proposal process given the lack of clarity regarding:

- the outcome of the St Leonards strategic centre planning studies being undertaken by the Department of Planning and Environment
- the final Sydney Metro alignment through St Leonards, and
- Council's position on the provision of its land as part of the proposed development site.

The inter-relationship of the proposal with these matters made it difficult to effectively develop a detailed Stage 2 proposal.

This decision does not preclude the St Leonards Consortium or any other entity from submitting an updated or new proposal once the planning framework, transport infrastructure and Council's land ownership position are resolved and can be appropriately addressed in a new submission.

Please do not hesitate to contact Louise Courtney, Principal Policy Officer, on 9228 5643 or louise.courtney@dpc.nsw.gov.au if you have any questions regarding the assessment process.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Toohey', with a long horizontal flourish extending to the right.

Michael Toohey
Director, Cities Branch

7 January 2016

19 JAN'16 12:43

Attachment



Premier & Cabinet

Reference: A1220784

Mr Jeff Ellis
Acting Environmental Services Director
Willoughby City Council
PO Box 57
CHATSWOOD NSW 2057

Dear Mr Ellis

Thank you for your letter of 20 May 2015 about the St Leonards Central Unsolicited Proposal (the Proposal). I note Willoughby City Council's (Council) resolution of 7 May 2015 seeking alignment of the Unsolicited Proposal assessment with the proposal for the Department of Planning and Environment (DPE) to undertake a strategic review of the St Leonards Strategic Centre. I understand that DPE is considering the strategic review request.

As you are aware the St Leonards Central proposal, submitted by the St Leonards Consortium (Brookfield Multiplex/Alto Group), is being assessed under the Stage 1 of the Unsolicited Proposal Guidelines. The purpose of the Stage 1 assessment is to determine if the proposal is appropriate for further consideration by the Government. The outcome of Council's meeting on 7 May 2015 and the related documentation, including community feedback, will be considered as part of the Stage 1 assessment.

The Assessment Panel will be guided by advice from DPE and Council on the most appropriate planning pathway for the proposed development. Please be assured that the assessment of proposals under the Unsolicited Proposal Guidelines is not a substitute for the statutory assessment processes under the planning legislation, including requirements to undertake community consultation.

Should the proposal progress under the unsolicited proposal process the Department will expect the proponent to comply with legislative and consent authority requirements, including community consultation provisions as determined.

Please do not hesitate to contact Louise Courtney, Principal Policy Officer, on 9228 5643 or louise.courtney@dpc.nsw.gov.au if you have any further queries.

Yours sincerely

Michael Toohey
Director, Cities Branch

10 June 2014

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Tel: (02) 9228 5555 ■ www.dpc.nsw.gov.au