

Rezoning Review Report



469-483 Balmain Road, Lilyfield

Prepared on behalf of Roche Group

August 2017

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Executive Summary

The purpose of this report is to provide information in support of a Rezoning Review of the Planning Proposal for 469-483 Balmain Road, Lilyfield. It has been prepared in accordance with the Department of Planning and Environment guideline, *A Guide to Preparing Local Environmental Plans*, August 2016.

The Planning Proposal proposes the inclusion of 'residential accommodation' as an additional permitted use in IN2 Light Industrial zone for this site, an FSR of 2.54:1 with a maximum height of 6 storeys and a new local provision.

The Rezoning Review is requested after a significant period (12 months) of consultation with the Inner West Council (formally Leichardt Municipal Council). Despite significant revisions to the Planning Proposal being made by the applicant to comprehensively address matters raised by Council, it has not yet progressed the application to Pre-Gateway determination.

In order to assist with the Sydney Planning Panels consideration of the Planning Proposal, a brief summary of the main points of this submission is provided below.

- Maintaining the IN2 Light Industrial zone will continue to support local employment and retain space for low impact light industrial uses;
- Allowing residential accommodation as an additional permitted use will provide much needed additional housing and an increase in dwelling mixture in close proximity to transport and employment consistent with 'A Plan for Growing Sydney' and the Draft Inner West Subregional Strategy.
- Redevelopment of the site will make a positive contribution to the Balmain Road streetscape.
- Market evidence (Hill PDA) suggests that it is unlikely that there would be a commercially viable redevelopment option for the site to be developed solely for traditional light industrial uses.
- The Lilyfield area is composed of predominantly single dwellings, the proposal is for a mix of apartments, which will add to the diversity of housing stock in the area and provide more affordable and adaptable housing than is presently available in the area.
- As well as contributing to housing targets, the proposal would result in a more intensive use of space and increase in employment in a locality with good access to transport, employment including a proposed technology park at White Bay.
- The proposal has been significantly amended in response to concerns raised by Council. The original proposal sought a Mixed Use zone with only 1,600 sqm of non-residential land uses and heights up to nine storeys. The current proposal will retain the IN2 Light Industrial Zone and provide 6,000 sqm GFA of non-residential uses.
- The proposal provides for a significant amount of community space, improved public domain, increased pedestrian permeability and is proposing a dedication of 5% of the residential component GFA for the purpose of Affordable Housing.
- Traffic generation can be accommodated within the existing road network.

The detailed chronology in the report demonstrates that Roche Group has made significant attempts over an extended period of time to work with Council to progress the Planning Proposal to a positive pre-Gateway determination, without success. It is for this reason the Planning Proposal is now submitted for a Rezoning Review.

Report Structure

Part 1 – Site Analysis and Context

Part 2 – Overview of Proposal

Part 3 – Chronology of Consultation with Council

Part 4 – Specialist Technical Studies

Part 5 – Rezoning Review Tests

Part 6 – Supporting Information

1 Site analysis and context

The planning proposal contains detailed analysis of the site and surrounding context. In order to assist with the review a brief summary is provided below.

1.1 Site description and current use

The site is located at 469-483 Balmain Road, Lilyfield within the newly formed Inner West Council Local Government Area. It is situated just beyond the main retail strip of Rozelle, within 800m of the Lilyfield and Rozelle Light Rail Stations.

The site contains a group of aging industrial buildings with a number of existing tenants including artists' studios, an importing business, a showroom and other industrial and commercial users. Vehicular access is provided from Balmain Road, Alberto Street and Fred Street via shared entry and exit driveways.

The site is surrounded by a mixture of residential development interspersed with industrial and light industrial operations. To the northeast are existing light industrial operations. On the eastern and southern boundaries the area contains a mix of medium density and small lot housing. Directly to the west is Callan Park, a large area of open space.



Figure 1 - Site location

Table 1 – Key site characteristics

Site	Detail
Land Description	Lot 2 DP 101583
Site area	6,824 square metres
Existing use and built form	The site contains a series of early and late 20th Century buildings which were formerly the Pitcher Bakery Company of Balmain Road, Leichhardt with a c 1964 addition to the Alberto Street factory. The buildings are primarily constructed of brick with the 1964 building of steel and concrete structure and brick facades. All buildings are between one and two storeys but are large in scale due to the former and current industrial and warehousing uses. They have a height ranging between two and four storeys (approximately seven metres to 14 metres) depending on the building, with the tallest section of the building at the corner of Fred and Cecily Street. A mix of retail and light industrial uses currently occupy the site.
Vehicle access	Vehicular access is provided from Balmain Road, Alberto Street and Fred Street via shared entry and exit driveways. A car park is located in the south-western corner of the site, accessed from Alberto Street, with space for approximately 15 vehicles.

The site has a number of characteristics that support its redevelopment for a mixed use (Light Industrial/Residential) outcome. Key attributes are listed below:

- Well connected by road network, being located on Balmain Road, the main road leading through to Balmain, and 500 metres from Victoria Road.
- Within five kilometres of the Sydney CBD which contains a host of amenities and services as well as being the largest employment area in Australia.
- There are a number of significant bus routes which service the site. Buses operate along Balmain Road (Route 440) up to every 10 minutes in the peak hours and 500 metres from the site services operate even more frequently along Victoria Rd. The NSW Government is also investigating Metro options in close proximity to the area.
- The current buildings are in poor condition and in need of renewal, numerous precedents for redevelopment of this scale exist in the locality.
- The site is located in a walkable neighbourhood that is 800 metres from Lilyfield Light Rail Station and approximately 800 metres to Rozelle Light Rail Station. There also good cycling and pedestrian connections to Rozelle, Balmain, local open space and the CBD.
- Close proximity to retail and services, including Balmain's high street, educational, community and creative uses. Regional size shopping facilities exist at Birkenhead Point, Broadway and the site is within a few kilometres of the Sydney CBD.

- Significant open spaces, most notably Callan Park across the road, the Drummoyne Bay, Rozelle Common, Easton Park Oval and significant planned open space at the Rozelle Goods Yard less than 600 metres from the site.

Figure 2 – Surrounding context



Current Zoning

The principal instrument applying to the site is the *Leichhardt Local Environmental Plan 2013*. The entire site is zoned IN2 Light Industrial. Apartment buildings and other residential uses are currently prohibited under that zone.

The provisions of the IN2 Light Industrial Zone are provided in Table 2.

Table 2 – IN2 light Industrial

Zone IN2 Light Industrial	
1 Objectives	• To provide a wide range of light industrial, warehouse and related land uses. • To encourage employment opportunities and to support the viability of centres. • To minimise any adverse effect of industry on other land uses. • To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area. • To support and protect industrial land for industrial uses. • To retain existing employment uses and foster a range of new industrial uses to meet the needs of the community. • To ensure the provision of appropriate infrastructure that supports Leichhardt's employment opportunities. • To retain and encourage waterfront industrial and maritime activities. • To provide for certain business and office premises and light industries in the arts, technology, production and design sectors.
2 Permitted without consent	Nil
3 Permitted with consent	Agricultural produce industries; Depots; Educational establishments; Garden centres; General industries; Hardware and building supplies; Industrial training facilities; Light industries; Neighbourhood shops; Places of public worship; Roads; Storage premises; Warehouse or distribution centres; Any other development not specified in item 2 or 4
4 Prohibited	Air transport facilities; Airstrips; Aquaculture; Biosolids treatment facilities; Boat sheds; Camping grounds; Caravan parks; Cellar door premises; Cemeteries; Child care centres; Correctional centres; Crematoria; Eco-tourist facilities; Entertainment facilities; Environmental facilities; Exhibition homes; Exhibition villages; Extensive agriculture; Farm buildings; Forestry; Heavy industries; Home businesses; Intensive livestock agriculture; Hazardous storage establishments; Health services facilities; Helipads; Highway service centres; Home occupations (sex services); Information and education facilities; Livestock processing industries; Marinas; Markets; Mooring pens; Moorings; Offensive storage establishments; Open cut mining; Public administration buildings; Pubs; Registered clubs; Residential accommodation; Respite day care centres; Restaurants or cafes; Roadside stalls; Rural supplies; Shops; Stock and sale yards; Tourist and visitor accommodation; Waste disposal facilities.

Height

Under the LEP, no height of building map currently applies.

Floor Space Ratio

The current maximum floor space ratio across the entire site is 1:1.

Other Provisions

Under the Leichhardt LEP the following provision also applies to the IN2 zone.

6.9 Business and office premises in Zone IN2

(1) *The objective of this clause is to promote certain types of business and office premises in Zone IN2 Light Industrial.*

(2) *This clause applies to land in Zone IN2 Light Industrial.*

(3) *Development consent must not be granted to development for the purpose of business premises or office premises on land to which this clause applies unless the consent authority is satisfied that the development will be used for a creative purpose such as media, advertising, fine arts and craft, design, film and television, music, publishing, performing arts, cultural heritage institutions or other related purposes.*

2 Overview of Planning Proposal

The Planning Proposal provides a vertically integrated development that includes the retention of 6000 sqm employment floorspace on the site generally at ground floor with residential dwellings above.

A maximum floor space ratio of 2.54:1 is proposed with building heights ranging from 2 to 6 storeys across the site.

Whilst the exact form and mix of development will be confirmed through future development applications, the concept includes the following key elements:

- Approximately 6,000 sqm GFA of non-residential uses on the ground and first floor comprising:
 - 400 sqm for a studio space for artists;
 - 80 sqm for a convenience store; and
 - 5,520 sqm of flexible industrial/office space.
- Approximately 142 apartments (12,935 sqm) on the upper levels.

2.1 Proposed amendments

The following amendments are proposed to the *Leichhardt LEP 2013* as a result of the proposal.

Zoning	IN2 Light Industrial with residential accommodation as an additional permitted use
Height	6 Storeys
Floor Space Ratio	2.54:1
Minimum Non-residential /employment floor space	6,000sqm

Consistent with the approach Leichhardt Council has taken with other large sites such as the Terry St (Clause 6.15) and Allen St (Clause 6.17) a new local provision is proposed.

A draft as submitted to Council on 21 June 17 is shown below;

6.1x Development on certain land at Lilyfield

(1) This clause applies to Lot 2 DP 101583

(2) Despite any other provision of this Plan, development consent may be granted to a single development application for development on land to which this clause applies that is both of the following:

(a) a proposal to develop the 469-483 Balmain Rd site in its entirety, and

(b) a proposal for development with a maximum floor space ratio of 2.54:1, inclusive of a component of residential accommodation.

(3) Development consent must not be granted under subclause (2) unless the consent authority is satisfied that:

(a) a high standard of architectural and urban design appropriate to the building type and location will be achieved, with articulated height and massing providing an appropriate transition to the existing streetscape, and

(b) the total gross floor area of the part of the development that is used for non-residential or employment purposes is a minimum of 6,000 square metres, and

(c) the development will not exceed 6 storeys in height, and

(d) the development will cause no adverse overshadowing impact of neighbouring properties, and

(e) the development will provide and facilitate pedestrian access connecting Fred Street to Alberto Street, and

(f) the development will incorporate environmentally sustainable design principles, and

(g) the development will include the necessary design and acoustic measures to ensure that light industries within the development, as well as any existing industrial uses on land surrounding the development, do not have a significant adverse impact on the amenity of future residents of the development.

2.2 Voluntary Planning Agreement

The proposal has a range of public benefits in order to provide Council with certainty around the key contributions Roche Group made an offer to enter into a VPA on 29 March 2017 for the following;

- The provision of 5% of residential gross floor area (GFA) for affordable housing.
- The provision of an enhanced and widened footpath around much of the perimeter of the site, and;
- The construction and dedication of a through site link connecting Alberto St and Fred St.

On 21 June 2017 the offer was revised to include 5% Affordable Housing consistent with the Draft Central District Plan

2.3 Urban Design

Roberts Day Architects have prepared an urban design concept for the site that has been informed by and amended through on-going consultation with Council. The current concept has the following key components.

- Retention of two character buildings located along Balmain Road with the land between being transformed into a north-facing plaza. The plaza provides an opportunity for a creative hub with possible uses including an arts gallery, artist studios, small convenience store/deli/cafe etc.
- Provision of a pedestrian link connecting Fred Street to Alberto Street.
- A stepped building envelope divided into a series of smaller buildings with their own character reflecting the diverse building forms and fine grain of the surrounding area.
- Balmain Road, Cecily Street and Alberto Street footpaths may be widened to improve the pedestrian experience
- The building envelope to Balmain Road is typically setback at the fourth storey to engage the eye and create a human scale experience for people
- Proposed buildings fronting Fred Street are reduced in height to be consistent with the scale of existing residential properties on the eastern side of Fred Street

It is intended that the project will explore sustainability and amenity features during the development application stage such as green roofs and walls and water efficiency measures.

2.4 Building Height

The revised concept has a maximum 6 storey height located towards the Balmain Road frontage. The building height then steps down towards the other street frontages including; 2 to 4 stories along Alberto St, 3 to 6 stories along Cecily Street and 2 stories along Fred Street.

As depicted in Figure 3 - Proposed Maximum Heights below, only a very small percentage of the site is at the higher building form and this is sensitively located mid-block. The height is then stepped down to the edges providing a sensitive transition in scale to the surrounding area.

A generous floor to ceiling height of 5.2 metres is proposed on the ground floor (to match the existing floor to ceiling heights within the retained character buildings) to enable a range of employment uses. As recommended by Council a maximum six storey building height rather than a set height in metres is preferable to allow for design excellence and flexible spaces.

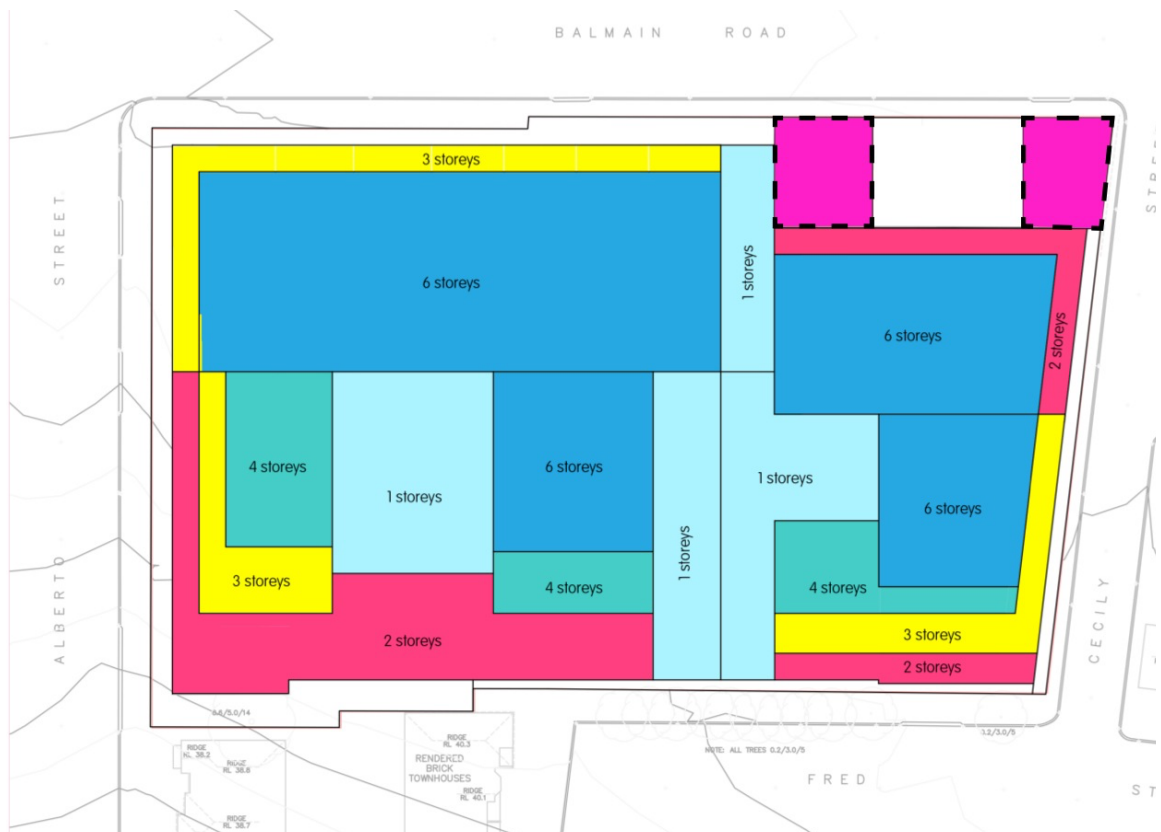


Figure 3 - Proposed Maximum Heights

In order to show the significant degree of amendments made following extensive consultation with Council a copy of the proposed heights in the original proposal is shown in Figure 4.



Figure 4 - Original Proposal Maximum Heights

There are numerous precedents for buildings of this scale (or greater) in the locality such as the Terry Street development, the Kolotex/Labelcraft site and the Lords Road proposal. Many of these developments do not have the benefit of this sites main road location and Callan Park frontage.

2.5 Solar Access

The Planning Proposal has been designed to ensure there is no additional adverse overshadowing on adjoining properties.

Between 9am and 11am on 21 June, although there is some overshadowing on adjoining properties along Alberto St, it essentially falls onto blank walls, garages and fences.

Similarly, properties along Fred St receive full sunlight during the morning. Whilst there is increased overshadowing in the afternoon it is located within the road and existing built form, rather than private open spaces.

2.6 Analysis against the previous design principles for the site.

In 2007, the former Leichhardt Municipal Council adopted a set of nine design principles to guide future development on the site. These were prepared in conjunction with an established Resident Reference Group and were informed by previous proposals (2005) on the site. While significant time has elapsed and the general level of amenity in the area improved the surrounding built form and site have not changed significantly. As such the proposal has been developed in line with these principles and an analysis of the proposal against each of the principles is provided below.

Principle 1 – Heritage conservation

Any re-development of buildings on the Former Bakery site at 469-483 Balmain Road must conserve and not detract from the cultural heritage significance of the former bakery

buildings and operation, particularly in terms of size, form, scale, orientation, sitting, materials and landscaping.

A Heritage Assessment conducted by NBRIS finds that the level of potential heritage value of the former ABBCO site does not demonstrate one or more criteria at a level that would warrant listing as a heritage item at the local level.

In spite of the lack of formal heritage significance Roche Group have elected to attempt to integrate the remnant bakery and ABBCO site into the proposed development. This is consistent with the previous design principles developed by the former Leichhardt Council in 2007 for the site. These character buildings will provide a level of interest to the streetscape, allowing the future development to harmonise with the surrounding neighbourhood character. They will also attractively frame a proposed public plaza between the two buildings on Balmain Road.

Principle 2 – Land use

Any future development must maintain or increase employment for industrial purposes.

The proposal has been amended to retain 6,000sqm of employment floor space, with the inclusion of residential dwellings on upper floors, will generate significantly more employment onsite. Currently only 26 jobs exist on site and under the proposal it is anticipated this will increase to approximately 131 jobs, these jobs are expected to be a closer match to the employment needs of the local area.

Principle 3 – Local amenity

Any development must not adversely affect the amenity of nearby land uses, particularly that of surrounding residences and Callan Park including noise, air, visual, solar and streetscape amenity.

An overshadowing analysis has been conducted by Roberts Day and this is contained in the supporting Urban Design Analysis.

In keeping with good planning and the 2007 design principles, a sensitive approach has been taken to ensure that no additional adverse impact is created from the subject site, building envelopes are stepped down towards Alberto Street and Fred Street allowing sunlight to reach adjoining properties.

During the AM hours an additional shadow created by the future buildings is essentially located within roads and driveways. Where shadowing peaks after 3pm, it is generally located on existing built form. There is very little impact on existing private and public open space.

Vehicular access to the development is proposed to be provided from Alberto Street. The existing driveways to the site from Balmain Road, and two of the existing site driveways from Alberto Street, will be removed. This will improve parking in these streets.

Principle 4 – Built form/ building envelope

In retaining the heritage integrity of the early former bakery buildings, any increase in floor space should be contained within the existing building envelope.

Building envelopes over the remainder entire site should sensitively relate to the spatial and built form characteristics of the existing built environment.

In keeping with good planning and the 2007 design principles a sensitive approach has been taken to ensure that no additional adverse impact is created from the subject site, building envelopes are stepped down towards Alberto Street and Fred Street maintaining sunlight to adjoining properties.

Principle 5 – Parking and vehicular access

The location and design of driveways, parking spaces and other areas used for the movement of vehicles must be efficient, safe, convenient and integrated into the design of the development to minimise their visual impact.

All parking is at basement level.

Principle 6 – Traffic generation

Traffic congestion is a significant issue in the locality, therefore, traffic associated with any redevelopment of the site should have minimal impacts on the local road network. Ingress and egress should be encouraged from Balmain Road or to be equitably distributed across the site.

Vehicular access to the development is proposed to be provided from Alberto Street. The existing driveways to the site from Balmain Road, and two of the existing site driveways from Alberto Street, will be removed. This will improve parking in these streets.

Principle 7 – Site/block permeability

A public pedestrian connection should be provided through the site and between Fred and Alberto Streets to better enable block permeability.

A pedestrian connection will be provided as part of the proposal.

Principle 8 – Open Space

Any development must provide sufficient open space and landscaped areas to accommodate the needs of the current and future land uses on site.

11% of the site area is dedicated to the public realm, including a new plaza area, widened tree-lined footpaths, a pedestrian link connecting Fred St to Alberto St is proposed and Balmain Road, Cecily St and Alberto St footpaths may be widened to improve the pedestrian experience.

Principle 9 – Ecologically sustainable development

Any redevelopment design for the site must demonstrate incorporation of ecologically sustainable development principles.

The development of the site is intrinsically sustainable due to the following factors;

LOCAL EMPLOYMENT AND MIX OF USES – the provision of a significant supply of employment matched to the local populace will encourage more local trips and jobs close to home. These will result in a reduction in car use and increased likelihood of walking.

PROXIMITY TO TRANSPORT - The light rail stops and buses within walking distance to the site, will encourage active transport.

INCLUSION OF CAR & BIKE SHARE Car & bike share schemes will reduce reliance on car use and result in improved physical health.

WALKABLE STREETSCAPE - Wide footpaths and new pedestrian links that are pleasant to walk down promotes walking and active transport.

It is proposed to explore a number of sustainability measures through the development of the site such as solar panels, green roofs and walls, water harvesting, urban agriculture, and the use of natural ventilation where possible.

3 Chronology of Consultation with Council

A chronology of the planning process to date is provided in the table below. While lengthy, there had been a productive dialogue with Council staff.

Table 3 - Planning Proposal Chronology

Date	Description	Comments
15 August 16	Initial meeting with Council to discuss planning proposal.	Meeting with Council to present initial concept and discuss Council detailed pre lodgement process
21 September 16	Draft of Planning Proposal submitted to Council for pre-lodgement process	
14 October 16	Council response to pre-lodgement	Issues raised relating primarily to economic impact
4 November 16	Response to Council concerns	Updated Hill PDA Economic Report submitted.
9 December 16	Further letter received from Council in response to updated Hill PDA report.	Issues relating primarily to loss of industrial land and compliance with various strategies needing to be addressed.
16 December 16	Council accepts formal lodgement of Planning Proposal	Fee paid and proposal formally accepted by Council.
13 February 17	Response to Council issues submitted	Revised information submitted.
16 February 17	Information request from Council	Council requested further detailed unit mix apartment mix/layout and ADG compliance information.
21 February 17	Response to Council info request	Detailed unit mix apartment mix/layout and ADG compliance information
10 March 17	SGS Peer review of Hill PDA report	Council commissioned SGS to do a peer review of the Hill PDA Economic Report at Roche Group cost.
29 March 17	VPA Offer	Roche Group) provides an offer to enter into a Voluntary Planning Agreement (VPA) associated with the proposed rezoning of the land. The offer includes;

		• The provision of 4% of residential gross floor area (GFA) for affordable housing. • The provision of an enhanced and widened footpath around much of the perimeter of the site, and; • The construction and dedication of a through site link connecting Alberto St and Fred St.
17 May 17	Meeting with Council	Council advised that the 9 storey height was not supported and that a maximum of 6 storeys would be more acceptable. Council also advised its preference for the retention of the IN2 Light Industrial zone with 6,000 sqm of floor space to be retained for employment and that residential accommodation on the site would be supported as an additional permitted use in the IN2 Light Industrial zone
6 June 17	Letter from Inner West confirming outcome of meeting	Letter advises; • Support retention of 6,000sqm industrial under present zoning • Council will consider a proposal for 6 storey development incorporating both employment and residential components • Revised design concept and supporting studies required to progress
8 June 17	Council email with further transport matters to be addressed	Additional matters to be addressed in the traffic and transport assessment were raised including additional assessment of public transport capacity and weekend traffic impact.
21 June 17	Submission of revised proposal	Revised proposal addressing all of Council's concerns submitted including: • Retention of the IN2 zone, 6,000sqm of non-residential and maximum 6 stories • Revised urban design concept • Revised traffic assessment • Revised economic impact assessment.
21 June 17	Revised VPA offer	Revised VPA offer submitted to Council to raise percentage of Affordable Housing to 5%.

July 2017	Proposal removed from agenda at July Council meeting	Due to a large number of agenda items consideration of the planning proposal was removed from the agenda.
August 2017	Rezoning Review	Roche Group requests Department of Planning and Environment commence rezoning review.

Planning Proposal Changes

As a result of consultation with the Inner West Council there has been significant amendments to the proposal.

The original proposal submitted to Council for comment in September 2016 was a mixed use outcome with compatible commercial and community uses. The proposal sought a change from the Light Industrial IN2 Zone to a Mixed Use B4 Zone.

The key concern raised by Council at this time was the need to retain industrially zoned land and ensure employment generation. As a result of on-going consultation with Council the proposal has been revised to retain the Light Industrial IN2 zone with residential accommodation as an additional permitted use. There has been a substantial increase in the employment floor space from 1,600 sqm to 6,000 sqm and a reduction in the number of residential apartments proposed from 170 to 142.

The original proposal had a number of community benefits including, provision of a community plaza and through site link, retention of the heritage buildings facing Balmain Road and incorporation of sustainability features in the building. These elements have been retained in the revised proposal. In addition, the percentage of affordable housing proposed has increased from 4% to 5%.

The increased provision of local employment will support a greater proportion of local jobs which are more likely to be accessed using shorter, non-car based transport options, reducing overall congestion. No other significant environmental impacts are likely to occur as a result of the proposal.

Table 4 summaries the key changes made to the planning proposal. As can be seen Roche Group have genuinely attempted to work with Council and substantially amended the proposal as a result. The proposal now has a strong employment focus with compatible residential uses.

Table 4 - Key Changes to Proposal

	Original Proposal	Revised Proposal
Land use zone proposed	Change to Mixed Use B4 zone	Retain IN2 Light Industrial zone with residential accommodation as an additional permitted use.
Maximum building heights	9 storeys	6 storeys
FSR	2.3: 1	2.5: 1

Number of apartments	170	142
Non-residential floor space	1,600 sqm	6,000 sqm
Number of jobs generated	63	131
Traffic generation RMS RAtes	40 to 50 vehicles per hour two-way at peak hour.	60 - 70 vehicles per hour (two-way at peak hour
Affordable Housing	4%	5%

4 Specialist technical studies

In support of the planning proposal technical studies have been prepared in the following areas:

- Economic Impact Assessment, HillPDA
- Traffic and Transport Assessment, Colston Budd Rogers and Kafes Pty Ltd
- Phase 1 Contamination Assessment, Douglas Partners
- Heritage Assessment, NBR Architecture and Heritage
-

A brief overview of the key findings is provided below.

4.1 Economic Impact Assessment

HillPDA were commissioned by Roche Group to undertake an economic impact assessment of the proposal. This assessment includes a response to Council's key concerns regarding the retention and safeguarding of industrial lands and an assessment of the demand for the proposed addition of residential uses.

HillPDA notes that whilst ensuring sufficient lands for light industrial uses to service local businesses and subregional populations is important, the site is currently underutilised as an industrial site and has been for an extended period.

The report finds that given the present nature of industrial demand in Sydney and the fact that the site is not in a key strategic location characterised by specific industry cluster or privileged access to road or freight infrastructure the present state of under utilisation is expected to continue.

The existing uses on the site do not serve a unique local purpose and the redevelopment of the site to modern flexible employment space is more likely to appeal to the local employment demographic.

The addition of residential accommodation as a permissible use would facilitate the renewal of the site for light industrial uses with a floor space configuration more suited to the requirements of the new economy, including creative industries and technology firms, while also contributing strong demand for multi-unit dwellings in the suburb.

HillPDA concludes the proposal would result in a more intensive use of space and increase in employment on site. HillPDA forecast the proposal would provide approximately 131 jobs, which is an increase of 105 jobs than if the existing uses remain.

The share of Leichhardt's workforce classified as managers and professionals rose from 33.2 percent in 2001 to 62 percent in 2011. Leichhardt residents are more likely to be employed in service sectors than in primary and secondary industries, with a 16.8 percent share of employment within the professional, scientific and technical services sector the highest of any industry subsector. The changing demographic profile of Leichhardt is consistent with an influx of high income young white collar professionals.

The Planning Proposal's provision of flexible floor spaces will be better suited than the existing floor plates to light industrial uses in the new economy and will cater for employment uses that are not only closely matched to the local population, but by providing jobs close to home will also contribute to the quality of life of the local community.

The report states that an increase in supply of medium density housing in the Lilyfield area is likely to contribute to downward pressure on housing prices that in first quarter 2016 were 22.5 percent higher than the former Leichhardt LGA generally.

Finally, the report concludes that the Planning Proposal would lead to a net increase in jobs (+105 jobs), salaries generated (+\$6.6m) and value added contributed (+\$12.1m). Moreover, the Planning Proposal would generate additional economic activity (+\$214m) and jobs (+619 job years directly and indirectly) during the period of construction and stimulate investment in the locality.

4.2 Traffic and transport

Colston Budd Rogers and Kafes Pty Ltd (CBR&K) were commissioned to provide an assessment of the traffic and transport elements of the proposal. CBR&K undertook an assessment of the original proposal and also of the revised proposal. Both assessments are provided in the supporting documents. The following provides a summary of the assessment of the current proposal for 6,000sqm of non-residential floor space and approximately 142 residential apartments.

Traffic Impact

Based on RTA traffic generation rates CBR&K estimate that the proposed non-residential and residential land uses will result in a modest traffic generation of some 60 - 70 vehicles per hour, two-way at peak times (RMS rates). This is described by CBR&K as modest generation

The residential component, which is effectively the difference being sought in the planning proposal, would have a generation of 25 to 35 vehicles per hour two-way at peak times, which is described as low generation

Using SIDRA analysis the impact of the additional traffic at key intersections has been determined as follows:

- *The signalised intersection of Balmain Road with Cecily Street would operate with average delays of less than 15 seconds per vehicle during peak periods. This represents level of service A/B, a good level of service.*
- *The unsignalised intersection of Balmain Road with Alberto Street would operate with average delays for the highest delayed movement of less than 20 seconds during peak periods. This represents level of service B, a reasonable level of service.*
- *The intersection of Cecily Street with Fred Street would operate with average delays for the highest delayed movement of less than 15 seconds per vehicle during peak periods. This represents level of service A/B, a good level of service.*

In response to a request from the Council (letter dated June 2016) assessment of weekend traffic was also undertaken. This assessment determined:

- *Based on the employment uses generating 50 per cent of their weekday afternoon traffic on a Saturday, the development would generate some 50 vehicles per hour two-way during Saturday peak hours.*
- *The analysis found that the intersection of Balmain Road with Cecily Street would operate with average delays of less than 15 seconds per vehicle during Saturday peak periods. This represents level of service A/B, a good level of service*
- *The intersection of Balmain Road with Alberto Street would operate with average delays for all movements of less than 35 seconds per vehicle during Saturday peak periods. This represents level of service C, a satisfactory level of service.*

In light of the above assessment, CBR&K conclude that the existing road network can adequately accommodate the traffic generation of the proposed development.

Public Transport

In the period 7:00 am – 9:00 am on weekdays, there are some 25 to 30 bus services which stop adjacent to the site. This is additional to the numerous services which operate along Victoria Road, within some five to 10 minutes' walk of the site and the two light rail stations in easy walking distance.

Site access and parking

At the development application stage, appropriate on-site parking for cars, motorcycles and bicycles will be provided, consistent with reduced parking provision for locations with access to public transport.

Vehicular access to the development is proposed to be provided from Alberto Street. The existing driveways to the site from Balmain Road, and two of the existing site driveways from Fred Street, will be removed. This will improve parking in these streets.

The report states there may be also potential for a secondary residential access off Fred Street, this would allow for increased permeability and have minimal effect on the surrounding area due to low trip generation from the residential use.

In conclusion, the future development would have minimal impact on the surrounding area and adequate transport infrastructure exists to cater for the proposed development.

4.3 Contamination

Given the industrial history of the site Douglas Partners were commissioned to undertake an assessment of potential contamination of the site. A full phase 1 contamination assessment is included with the Planning Proposal.

The phase one assessment concludes the site has low to moderate potential for significant contamination mainly in areas previously used for underground storage tanks and potential for chemical spills, areas of fill from unknown sources will warrant further investigation at the next phase of assessment.

The Douglas Partners report acknowledges the proposal is at planning proposal stage and concludes that given appropriate treatment the site can be made safe to accommodate the proposed development.

4.4 Heritage

As part of the current proposal Roche Group are proposing to retain the character buildings of the former bakery and ABBCO site.

A heritage assessment completed by NBRS Architecture and Heritage finds that while the site is in proximity to a range of heritage items the site of itself does not meet the recognised criteria for heritage listing and in spite of ample opportunity has not been listed to date.

Following is an extract of the heritage assessment completed NBRS Architecture and Heritage.

Site

The site contains a number of masonry buildings, constructed at various dates between 1907 and ca.1960. The site contains three principal buildings, namely:

- *Pilchers Bakery;*
- *Former ABBCO Pty Ltd office; and*

- *Factory building with two residential apartments above.*

Heritage Assessment

The assessment finds the former ABBCO Factory site, while having low historic and associative significance, does not demonstrate the heritage criterion set by the NSW Heritage Council at a level sufficient to warrant listing as an item on any local or state heritage register. The site occupies an entire block facing Balmain Road opposite Callan Park Hospital and adjoins the Eastern Residential Sub Area which is predominantly one- and two-storeys in scale.

The former ABBCO Bread Factory complex is the result of several construction phases dating from 1907. Open areas, including cart areas and stables have been enclosed and adapted, or redeveloped resulting in the irreversible loss of original fabric. Original machinery and ovens were removed in ca1990, and the surviving original building fabric does not demonstrate the earlier significant bread-making use associated with the site.

While prominent due to its location, the buildings have little aesthetic value and limited ability to demonstrate the historic processes that led to their construction. The original use for bread production ceased in the last third of the 20th century and the complex has subsequently been fragmented by a variety of uses in its component parts.

The site has not been identified by any other heritage authority despite its obvious prominence and proximity to other heritage items.

Conclusions and Recommendations

The assessment finds that the level of potential heritage value of the former ABBCO site does not demonstrate one or more criteria at a level that would warrant listing as a heritage item at the local level.

The external form of the northern section of the complex exhibits the characteristics of a warehouse or factory and may be suitable for adaptation for other uses subject to planning approval. The complex no longer operates as a bakery and the equipment and spaces associated with bread-making were removed in the early 1990s.

Other warehouse and factories situated in the northern Balmain Road Commercial /Industrial Sub Area have been retained and progressively adapted for other uses, such as artist studios, architect office, coffee roasting, light manufacturing (glass window and shop fitout fabrication) in recent years.

In the event that the buildings are demolished, appropriate recording of the site and on site interpretation might be considered.

In spite of the lack of formal heritage significance Roche group have elected to attempt to integrate the remnant bakery and ABBCO site into the proposed development, this is consistent with the previous design principles developed by the former Leichhardt Council in 2007 for the site.

These character buildings will provide a level of interest to the streetscape, allowing the future development to harmonise with the surrounding neighbourhood character. They will also attractively frame a proposed public domain area between the two buildings on Balmain Road.

5 Rezoning Review

In the recently reviewed *A Guide for Preparing Local Environmental Plans 2016* it proposes that a request for rezoning review must pass two main tests. The strategic merit test and the site specific merit test.

A consideration of the proposal against these two tests is provided below.

5.1 Strategic Merit Test

The strategic merit test poses 3 main criteria for assessing the strategic merit of a planning proposal.

1. Proposals must be consistent with the relevant district plan within the Greater Sydney Region, or corridor/precinct plans applying to the site, including any draft regional, district or corridor/precinct plans released for public comment; or
2. Consistent with a relevant local strategy that has been endorsed by the Department;
3. Responding to a change in circumstances, such as the investment in new infrastructure or changing demographic trends that have not been recognised by existing planning controls.

1. Proposals must be consistent with the relevant district plan within the Greater Sydney Region, or corridor/precinct plans applying to the site, including any draft regional, district or corridor/precinct plans released for public comment;

The Planning Proposal contains a detailed assessment against the aims and objectives of the relevant strategies, in this submission we have provided an assessment against the key objectives of these strategies that support the progression of the planning proposal. The main strategic documents relating to the site are listed below;

1. *A Plan for Growing Sydney 2014*
2. *Draft Towards our Greater Sydney 2056*
3. *Draft Central District Plan*

A Plan for Growing Sydney 2014

A Plan for Growing Sydney 2014 is the current metropolitan planning strategy for the entire Sydney region. The Plan contains the State government's planning goals for the period up to 2036. The Plan is subject to a Ministerial Direction under S117 of the *EP&A Act 1979* requiring planning proposals to demonstrate consistency with the Plan. An assessment of the proposal against the relevant aims and objectives of the Plan are provided in Table 5 below.

Table 5 – Assessment against relevant provisions of A Plan for Growing Sydney 2014

ACTION 1.9.2 - Support key Industrial Precincts with Appropriate Planning Controls	
States that the Industrial Lands Strategic Assessment Checklist will guide the assessment of proposed rezoning of industrial lands	
Is the proposed rezoning consistent with State and/or council strategies on the future role of industrial lands?	An analysis of the former Leichhardt Council's strategies is listed below. In short both the former Leichhardt Council's Economic Development Plan and Leichhardt 2020+ both support the tailoring of jobs to the local population, the lifestyle benefits of jobs close to home and the

	provision of a diverse and affordable housing supply.
Near or within direct access to key economic infrastructure? Contributing to a significant industry cluster	The site is well located close to the Sydney CBD with good access to transport infrastructure and very near the proposed redevelopment of a major high tech jobs precinct planned at White Bay. The site is home to a mix of uses not belonging to any particular industry cluster and not predominantly industrial in nature.
How would the proposed rezoning impact the industrial land stocks in the subregion or region and the ability to meet future demand for industrial land activity?	The subject site represented approximately 0.7 percent of zoned employment lands in the former Leichhardt LGA in 2015 and just 0.2 percent of the supply within the newly defined Inner West LGA.
How would the proposed rezoning impact on the achievement of the subregion/region and LGA employment capacity targets and employment objectives?	The proposal will deliver significantly greater employment than presently exists on the site.
Is there a compelling argument that the industrial land cannot be used for an industrial purpose now or in the foreseeable future and what opportunities may exist to redevelop the land to support new forms of industrial land uses such as high-tech or creative industries?	The former Leichhardt Council's own economic development plan acknowledges that the site would not be viable for redevelopment, amenity issues on surrounding resident and the reuse of the character building would make this even more unlikely. The proposal is to redevelop for a community arts space and workspaces that will foster small business, high tech and creative industries.
Is the site critical to meeting the need for land for an alternative purpose identified in other NSW Government or endorsed council planning strategies?	No
Goal 2 – A city of housing choice, with homes that meet our needs and lifestyles	
Direction 2.1 – Accelerate housing supply across Sydney 2.1.1 Accelerate housing supply and local housing choices.	The redevelopment of the subject site to include medium density housing development will contribute to housing supply across Sydney and deliver more housing in a key strategic location that reflects the demographic needs of the community. A total of 142 residential apartments is proposed as part of the redevelopment of the site which will incorporate a mix of one

	bedroom, two bedrooms and three bedroom residential apartments.
Direction 2.2 – Accelerate urban renewal across Sydney – providing homes closer to jobs 2.2.2 Undertake urban renewal in transport corridors, which are being transformed by investment, and around strategic centres.	The subject site is currently supporting 26 jobs and the proposal is expected to generate approximately 131 jobs. By redeveloping the site to more than five times the amount of employment in a type of employment closely matched to the surrounding areas demographics the proposal will provide more jobs close to home. The site is in close proximity to two light rail stops, Callan Park and the Bays Precinct. A high degree of amenity is provided by the transport and recreational infrastructure in the immediate vicinity.
Direction 2.3: Improve housing choice to suit different needs and lifestyles 2.3.3 Deliver more opportunities for Affordable Housing	The proposal is accompanied by a VPA offer to deliver five percent affordable housing on the site.
Goal 3 – A great place to live with communities that are strong, healthy and well connected	
Direction 3.1 Revitalise existing suburbs	The subject site is located within an established suburb in Sydney. Redeveloping the site will improve residents' access to jobs, services and creation which will enhance the liveability of Sydney. The redevelopment of the former industrial site to provide a mix of employment more compatible with the demographics of the surrounding area will reduce need for overall vehicle commuting trips and result in lifestyle improvements from shorter journey to work trips. The redevelopment of the site will result in significant amenity improvements for the surrounding residential areas, particularly on the Fred Street frontage. The redevelopment of the site will specifically address this objective, and will support urban renewal.
Central Subregion Objectives	
A competitive economy	The proposal is consistent with the Central Subregion priorities to accelerate housing

• Accelerate housing supply, choice and affordability and build great places to live • Protect the natural environment and promote its sustainability and resilience	supply, choice and affordability and build great places to live. By providing greater local employment, housing, community/cultural facilities and affordable housing the proposal will contribute significantly to achieving the plans objectives for the subregion. The proposal is also well located to encourage sustainable public transport and active transport use, such as walking and cycling.
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Draft Towards our Greater Sydney 2056

In November 2016, the Greater Sydney Commission released a draft update to *A Plan for Growing Sydney 2014*, the update predicts a 9% increase in the need for new housing beyond that contained with *A Plan for Growing Sydney 2014*. It also introduces a revised set of priorities of which several are relevant to this proposal.

A Productive Sydney	A Liveable Sydney	A Sustainable Sydney
A growing city A city with smart jobs A 30-minute city	An equitable, polycentric city A city of housing choice and diversity A collaborative city	A city in its landscape An efficient city A resilient city

The amendment to the plan proposes a large increase in jobs and housing, 817 000 jobs and 725 000 new homes. The draft states that the need for additional capacity is greatest in the North and Central Districts.

The objectives relating to smart jobs and a 30-minute City are particularly relevant to this proposal as it will supply a greater density of employment and housing matched to the needs of the local population than presently exists on the current underutilized site. The proposal also aims to deliver a supply of medium density and subsidized affordable housing that will directly contribute to the housing choice and diversity of the local area.

Draft Central District Plan

The Draft Central District Plan was put on public exhibition in November 2016 until the end of March 2017. While the draft plan makes no specific reference to housing and employment targets for Lilyfield, it does reinforce the role of housing and employment in local and strategic centres. It is important to note that the plan is still in draft form and subject to a process of consultation.

Within the current hierarchy of NSW strategic plans, the District Plans are intended to give effect to the aims and objectives of the metropolitan strategy *A Plan for Growing Sydney 2014*). The Planning Proposal and included Hill PDA Economic Impact Assessment contains a comprehensive assessment of the proposals ability to deliver a supply of housing and greater employment in an area well serviced by transport and community infrastructure satisfying the consolidated objectives of this plan.

The Draft Central District Plan reiterates the importance of three main principles from *A Plan for Growing Sydney 2014* and states that these underpin its proposed priorities.

These principles are

1. *Principle 1: Increasing housing choice around all centres through urban renewal in established areas*
2. *Principle 2: Stronger economic development in strategic centres and transport gateways*
3. *Principle 3: Connecting centres with a networked transport system*

The first objective is of particular relevance to this proposal as it increases housing supply, choice and employment in an established area. It also builds on the cultural and creative richness of the area by providing space for a continuation and enhancement of cultural and creative activities on the site.

The Draft Central District Plan contains further evidence which can be used to determine the proposals fit with *A Plan for Growing Sydney 2014* objectives. The proposal is designed to provide a supply of employment that better matches the demographics of the surrounding area.

The Draft Central District Plan contains the following information;

In the 20 years between 1996 and 2016, the growth of the District's jobs was largely in knowledge and professional services (67% growth), health and education (56%) and population-serving (46%) sectors. A modest decline occurred in industrial sector jobs. (Pg37)

The planning proposal will provide the equivalent amount of employment space as presently exist on the site in a more flexible format that is a better fit with the employment needs of the current demographics of the area. Spaces suited to small professional firms, start-ups, urban services and creative industries. The greater density of employment of a kind matched to the local area, will provide more jobs closer to where people live.

Relevant Priorities

The Draft Central District Plan contains a number of priorities relevant to the proposal. The priorities are grouped under the categories of productivity, liveability and sustainability. These are discussed below:

Productivity

The overarching productivity priorities are:

- Driving the growth of the Eastern City
- Enhancing the Eastern City's role as a global leader
- Planning for job target ranges for strategic and district centres
- Growing economic activity in centres
- Improving 30-minute access to jobs and services
- Managing Sydney's trade gateways

When measured against the priorities of the draft plan the proposal will deliver significant employment and housing growth on a site which has remained stagnant and underutilised for many years. The proposal aims to match employment to the demographics of the surrounding area and provide a diversity of housing in close proximity to local and CBD jobs in accordance with the ambition of a 30-minute city.

The Draft Central District Plan expresses concern about the erosion of employment and urban services land in the Central District. It urges Councils to take a precautionary approach and proposes that proposals which seek to rezone industrial land should demonstrate that there is a net community benefit and this should take into account the economic, social and environmental considerations of the change of use.

Hill PDA have completed an Economic Impact Assessment of the Planning Proposal and this along with a further response to issues raised by Council are attached to the Planning Proposal.

In applying the above net community benefit considerations to the current proposal it is clear that the outcome for the site will remain unchanged if the proposal does not proceed. The site is an isolated pocket of industrial land landlocked by very fragmented residential land with quite narrow streets. Clearly the current built form is not conducive to an intensified employment use and the Hill PDA analysis shows that none of the current uses on the site could be characterised as providing urban services for the surrounding area. The Hill PDA economic analysis shows that there will be a significant increase in employment on the site and there is a substantial economic benefit through the redevelopment of the site.

From a social perspective, the site currently contributes relatively little in the way of employment and provides for only two dwellings. There is currently provision for artist space on the site, however this space is in poor condition. Redevelopment will allow for a range and diversity of housing types, new community and creative space and a kind of flexible employment space that matches the local need.

Regarding the environmental considerations of the proposal there are no significant adverse impacts from overshadowing and the opportunity for local employment and active transport options for future residents will have a positive environmental impact.

Liveability

The overarching liveability priorities are:

- Improving housing choice
- Improving housing diversity and affordability
- Coordinating and monitoring housing outcomes and demographic trends
- Creating great places
- Fostering cohesive communities
- Responding to people's need for services

While medium density housing exists in the local area, the draft District Plan states that the Northern and Central Districts are in greatest need for increased housing supply and diversity. The proposal will provide approximately 142 new dwellings of which 5% are proposed to be affordable rental accommodation. The proposed dwellings, employment and community space is located adjacent to Callan Park, good services and transport and will provide a highly desirable place to live and work.

The proposal creates opportunities for living and working either onsite or in close proximity. It also proposes a significant community space which should generate synergies with creative and high tech industries on site and in the area.

Sustainability

The overarching sustainability priorities are:

Enhancing the Central District in its landscape
Protecting the District's waterways
Managing coastal landscapes

- Protecting and enhancing biodiversity
- Delivering Sydney's Green Grid
- Creating an efficient Central District
- Planning for a resilient Central District

Proximity of employment, housing and recreation both on the site and in a location with high quality walking cycling and public transport connections adds to the efficiency of the urban area and reduces pressure on greenfield and less suitable locations.

Affordable Housing

The Draft Central District Plan establishes a target of 5-10% of new residential to be provided in the form of Affordable Housing. This proposal delivers 5% Affordable Housing along with a range of other community benefits, as well as retention and improvements of the employment floor space onsite.

2. Consistent with a relevant local strategy that has been endorsed by the Department;

We are not aware that any local strategies have been endorsed by the Department of Planning and Environment at this time, however an assessment against the following key local strategies have been provided below, further consideration against a wider range of local strategies is provided in Annexure 6 as part of the amended planning proposal.

- *Leichhardt 2020+.*
- *Leichhardt Employment and Economic Development Plan (2013).*
- *Draft Inner West Affordable Housing Policy*

Leichhardt 2020+

Table 6 – Analysis against Leichhardt 2020+

Leichhardt 2020 + This Plan was adopted by Leichhardt Council in May 2007. The Leichhardt 2020+ Plan identifies current and emerging long term issues and priorities for Leichhardt LGA and the wider community.	
Objective 1.3- Engage and connect all local people, people with special needs, businesses and institutions to build our community.	The proposal has been developed with a focus on meeting local community needs for both employment, housing and cultural activities. The opportunity to work live and recreate in the locality will help connect members of the local community and result in increased quality of life.
Objective 2.1- Develop integrated plans to reduce our dependence on private cars for local regular community activities and trip purposes;	By creating local employment that fit the demographics of the surrounding area it provides the opportunity for people to live close to work. Providing dwellings in an accessible location also means that that more often public or active forms of transport are the optimal choice for commuter and non-commuter trips. This is the most effective measure to reduce car dependence.

Objective 3.1- Our town plan and place plans optimise the potential of our area through integrating the built and natural environment with a vision of how we want to live as a community, and how areas should develop to meet future needs;	The provision of a type of employment offering that will appeal to creative and high tech industries will provide a type of employment that is not only closely matched to the skills of the local population but by providing jobs close to home will contribute to the quality of life of the local community. The close proximity of existing and planned open space also directly supports this objective.
Objective 5.1: Develop integrated planning to promote thriving and diverse businesses that build on the demands and characteristics of the community, and reduce our dependence on private cars and provide better amenity for the surrounding residents.	The proposal will provide a greater level of business activity than exists on the site as demonstrated in the Hill PDA report. Currently 75 percent of residents of the former Leichhardt local government area travel outside the area for work. The following statistics on the former Leichhardt local government area from Profile.id demonstrate that the proposal will deliver an employment outcome closer to the demand and characteristics of the local community. • A larger percentage of persons employed in professional, scientific and technical services (16.9 percent compared to a Sydney average of 9.6 percent) • A larger percentage of persons employed in information media and telecommunications (6.5 percent compared to a Sydney average of 3.0 percent) • A smaller percentage of persons employed in manufacturing compared to a Sydney average (4.7 percent compared to 8.5 percent)

Leichhardt Employment and Economic Development Plan (2013)

The Leichhardt Employment and Economic Development Plan (EEDP) is a 10-year strategic plan for economic development in the former Leichhardt local government area.

Key considerations relevant to the proposed development include:

- Demand for industrial land is in locations which enable large modern industrial facilities to maintain low cost operations. Land suitable for new industries is largely in Western Sydney.
- The percentage of office space versus commercial space is changing with a larger proportion of office space required than in the past.
- Recommendations for Council to respond to industrial trends are to increase the amount of office space in industrial areas and transform appropriate industrial land into affordable housing for key workers and students.
- Strategic sites and under utilised land provide the opportunity to be transformed into other uses such as affordable housing for key workers and students;
- Smaller industrial sites in the Leichhardt LGA are surrounded by residential development which increases the likelihood of opposition to new industrial uses and reduces the viability of industrial property.

Objective 3 of the Plan is to embrace the new economy, it lists two relevant strategies to achieve this;

- Strategy 3.1 Support small business and start-ups.
- Strategy 3.3: Support the growth of creative industries.

The provision of 6,000 square metres of flexible employment space, affordable housing and community space, well located in a modern building close to transport, open space and amenities is consistent with the objectives of this strategy.

Draft Inner West Affordable Housing policy

Released in November 2016 for public comment the *Draft Inner West Affordable Housing Policy* was formulated in response to decreased housing affordability in the LGA and an increase in the number of households experiencing housing stress.

The draft strategy states that *“redevelopment is most likely to take place in older industrial areas and areas of low quality commercial development. The strategy suggests that a levy of 15% is likely to be sustainable for developments of six stories and above in such areas, particularly given the order of accuracy of the modelling and the relatively conservative assumptions used”*.

The Planning Proposal will allow an older pocket of industrial land to be redeveloped to meet the aims of the strategy. The draft Central District plan suggest that affordable housing of 5% - 10% would be appropriate and an analysis of existing affordable housing schemes in Sydney shows that on the ground outcomes of between 3% and 4% have been delivered.

The current planning proposal is proposing that rather than deliver the entire public benefit in the form of affordable housing, a balance of community/cultural facilities, improved streetscape, employment outcomes and affordable housing is more appropriate given the State and local strategic aims. The proposed 5% provision of affordable housing will deliver a best practice example when measures against existing schemes while also delivering on a range of other objectives.

Provision of artist spaces, flexible employment space, 5% affordable housing and public domain improvements represents a balanced approach to the delivery of a public benefit to the local area.

3. Responding to a change in circumstances, such as the investment in new infrastructure or changing demographic trends that have not been recognised by existing planning controls.

Hill PDA's economic analysis of the proposal notes that the site is an isolated pocket of industrial land, landlocked by very fragmented residential land with quite narrow streets. It concludes that the current built form is not conducive to the demands from more modern industrial industries and the analysis shows that none of the current uses on the site could be characterised as providing urban services for the surrounding area. Furthermore, the analysis shows that there will be a significant increase in employment on the site resulting from the change towards a more mixed-use configuration and there is a substantial economic benefit to the redevelopment of the site.

From a social perspective, the site currently contributes relatively little in the way of employment and provides for only two dwellings. There is currently provision for artist space on the site however this space is in poor condition. Redevelopment will allow for a

range and diversity of housing types, new community and creative space and a kind of flexible employment space that matches the local need.

As Sydney continues to grow alternative solutions for new emerging industries are needed, as are opportunities for people to live close to work and close to high quality public transport. This site represents such an opportunity.

5.2 Site-Specific Merit Test

A Guide for Preparing Local Environmental Plans 2016 states that having met the strategic merit test that proposal must demonstrate that it has site-specific merit. In order to establish site-specific merit, the guideline puts forward the following criteria.

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

The Planning Proposal contains a number of specialist reports demonstrating the sites appropriateness for the development outcome. The main studies are listed below and discussed in more detail above in Part 4 of this report.

- Economic Impact Assessment, Hill PDA
- Traffic and Transport Assessment, Colston Budd Rogers and Kafes Pty Ltd
- Phase 1 Contamination Assessment, Douglas Partners
- Heritage Assessment, NBRs Architecture and Heritage

An assessment of the sites key characteristics against the site-specific criteria is provided below. More detailed assessment is provided in the attached planning proposal and specialist reports.

1. The natural environment (including known significant environmental values, resources or hazards);

Due to the urban nature of the site and its surrounds, its redevelopment will have limited impact on the natural environment. No significant vegetation removal is required as part of the proposal and the overshadowing analysis demonstrates there will be no impact on the nearby Callan Park. Construction related impacts including noise and dust will be carefully managed and approved through future development applications along with adequate stormwater treatment which will be provided on site.

2. The existing uses, approved uses and likely future uses of land in the vicinity of the land subject to the proposal; and

The proposal to redevelop the site for a mix of residential and light industrial uses is compatible and in keeping with surrounding land uses. The planning proposal has been developed to minimise impact on adjoining land. Adequate setbacks are proposed to ensure there is limited potential for existing or potential future land use conflicts and the solar access analysis demonstrates there is no additional adverse overshadowing impact on neighbouring residential properties.

The proposal will enhance this section of Balmain Road by redeveloping and improving a currently underutilised site. It will bring activity and employment to this area benefiting surrounding businesses and will improve permeability for pedestrians through the inclusion of a pedestrian thru site link from Fred Street to Alberto Road. The proposed plaza will be a community asset and used by surrounding land uses.

3. The services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for infrastructure provision.

The Proposal has been developed to either provide for its own infrastructure needs or utilise existing infrastructure. The proposal provides for widened footpaths and a through site link at no cost to Council, this is the subject of a Voluntary Planning Agreement offer.

The traffic assessment demonstrates that a good level of service will be maintained and a lesser impact will be created than the commercial use of the site.

Notwithstanding the above, the site is also liable for developer contributions under section 94 of the *EP & A Act 1979* which will ameliorate any further as yet unidentified demands.

6 Conclusion

In summary it is requested that the panel closely consider the strategic and site-specific merit of the proposal. The site represents a significant opportunity to deliver on a number of the State and local planning policy objectives as reiterated below;

- Objectives of the Leichhardt 2021 plan strongly encourage providing local employment of a type that meets the needs of the local population encouraging jobs close to home and a vibrant local economy.
- The existing buildings on the site have reached the end of their economic life and the Leichhardt Employment and Economic Development Plan advocates transforming appropriate industrial land (such as the subject site) into different land uses including affordable housing for key workers and students. Under this proposal, the equivalent employment floor space and zoning is maintained but transformed into a modern flexible space likely to ensure the longevity of permissible uses.
- The proposal is consistent with the key directions of the *A Plan for Growing Sydney* relating to employment, urban renewal and housing growth in areas with good amenity and connectivity in the Central Subregion.
- The proposal is consistent with the direction in the Draft Central District Plan with regard to taking a precautionary approach to rezoning of employment lands in maintaining the current zoning and delivering a greater amount of employment than the existing use of the site.
- The proposal while not in the Bays Precinct is in close proximity to plans for major open space and high tech employment outcomes, which are a key priority of A Plan for Growing Sydney and the NSW Government.

7 Supporting information

Annexure 1 - Administration

- A completed application form.
- \$20 000 administration and assessment fee.
- A disclosure of reportable political donations under section 147 of the Act.
- A copy of the fee receipt for lodgement of Planning Proposal

Annexure 2 –Planning Proposal as lodged 16 December 2016 inclusive of supporting studies;

- Planning Proposal
- Appendix A - Urban Design Report
- Appendix B – Economic Impact Assessment
- Appendix C – Heritage Assessment
- Appendix D - Transport Report
- Appendix E - Contamination Report
- Appendix F - Response to Council Pre-Lodgement Advice

Annexure 3 – Response to Council Letter of 9 December 16

Annexure 4 – Response to Council info request of 16 February 16 – Detailed mix, floorplans, ADG compliance etc.

Annexure 5 – Revised proposal, 21 June 17 submitted in response to meeting and written advice from Council, including detailed advice of studies to be updated.

- Retention of the IN2 zone, 6,000sqm of non-residential and maximum 6 stories
- Revised urban design concept
- Revised traffic assessment
- Revised economic impact assessment.

Further information relating to Section 55 of the Act, in support of revised proposal as requested by Council 22 June 17.

Annexure 6 - Correspondence with Council.

Annexure 7 – VPA Offers