PLN008-18 WOOLWORTHS PLANNING PROPOSAL 130-142 PARRAWEENA ROAD, MIRANDA

Attachments: Nil

EXECUTIVE SUMMARY

- A Planning Proposal has been submitted by Higgins Planning on behalf of Woolworths to facilitate the development of a supermarket at 130-142 Parraweena Road, Miranda. The land is zoned IN1 General Industrial, where many retail uses are not permissible.
- The Planning Proposal is not consistent with the relevant strategic directions of the Draft South District Plan, which requires Council to take a precautionary approach if proposing to rezone or add additional uses to employment land. While a supermarket would create jobs, this would be at the cost of future employment in industrial uses with higher economic value.
- Council, after the release of final District Plans later this year, is required to prepare a new LEP within three years. Part of this process will be a strategic review to confirm the need for retail floor space and identify how this can be best facilitated.
- The Planning Proposal fails the strategic merit test. As such, the rezoning of the site to facilitate a supermarket is not supported.

REPORT RECOMMENDATION

THAT:

- Council inform the proponents, Higgins Planning and Woolworths Pty Ltd, that the Planning Proposal to allow additional permitted uses ("retail premises") at 130-142 Parraweena Road Miranda is not supported.
- 2. When SSLEP2015 is reviewed in response to the release of the South District Plan, a strategic review of retail floor space be undertaken to determine if more retail floor space is required and where it is best located.

PURPOSE

This report considers a Planning Proposal submitted by Higgins Planning, on behalf of Woolworths, to facilitate the development of a supermarket at 130-142 Parraweena Road, Miranda. Council must decide whether it will endorse the proposal and send it to the Department of Planning and Environment for a Gateway Determination, the next step towards an LEP amendment. If Council does not support the proposal, the applicant can request a rezoning review by the Sydney South Planning Panel.

BACKGROUND

The Planning Proposal seeks to amend SSLEP2015 with a site-specific clause to allow "retail premises" as an additional permitted use on the subject site at 130-142 Parraweena Road, Miranda. The intention is to ultimately seek development consent for a supermarket, liquor shop and café with surface car park on the subject site. The site is zoned IN1 General Industrial where retail use is not a permissible use.

Higgins Planning initially lodged the Woolworths Planning Proposal with Council on 27 October 2016. Council staff provided flood, traffic and contamination advice. In response, Higgins Planning submitted an amended Planning Proposal on 31 March 2017, including an amended Traffic Report. Following a meeting to discuss traffic generation figures, further amendments to the Traffic Report were submitted on 12 July 2017. The Planning Proposal documents are publicly available on Council's website.

DISCUSSION

Site and Context

The subject site is approximately 12,488 sq m in area and is or was recently occupied by a computer technology company, an electrical component assembly company and a food warehouse. The existing development consists of one and two-storey industrial buildings, delivery docks, concrete hardstand and landscaping. The site is around 323m west of Taren Point Road, 830m east of Port Hacking Road and approximately 2kms from Caringbah Centre and 1.6kms from Miranda Centre. The site is in the Taren Point industrial area. Industrial and service uses occupy adjacent land to the south and southwest. To the west and north of the site is a low-density residential area occupied by single dwellings.

There are also commercial premises on Parraweena Road between the subject site and Taren Point Road, including an IGA supermarket, Taren Point Hotel, the Boating, Camping and Fishing store, a childcare and play centre, and a gym. These uses are not currently permissible in the IN1 zone. The IGA supermarket became permissible via an amendment to the County of Cumberland Planning Scheme in 1978 and now operates under existing use rights. The Taren Point Hotel also obtained consent under the County of Cumberland Planning Scheme. The BCF store obtained consent in 2009 based on existing use rights. The childcare centre obtained consent in 2013 under SSLEP2006, when the use was permissible in Zone 11- Employment. Bunnings (permissible as hardware and building

supplies store) has temporarily relocated to 100-104 Parraweena Road (DA16/0925). While a supermarket would not be an inconsistent use in this context, the context is the outcome of historical approvals. The subject site itself has continued to have industrial uses over time.

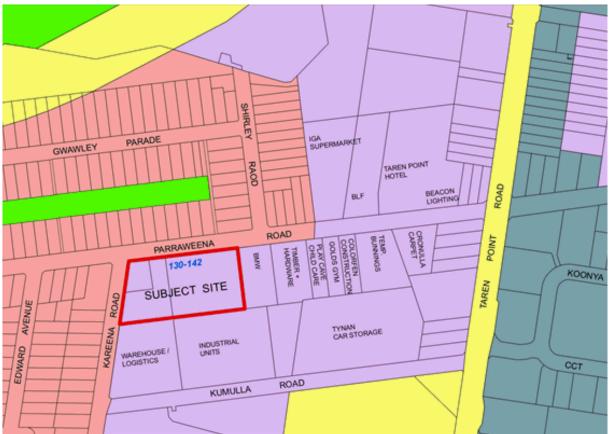


Figure 1: 130-142 Parraweena Road Miranda: Woolworths Planning Proposal subject site

Planning Proposal

Below is a preliminary schematic site plan submitted with the Planning Proposal.

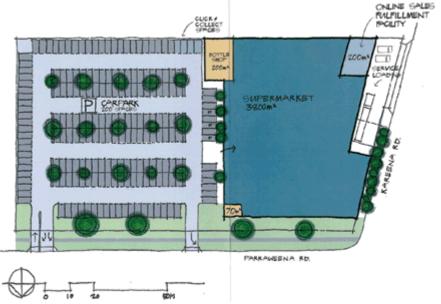


Figure 2: Proposed Woolworths Supermarket: Schematic Plan

The Planning Proposal includes a Net Community Evaluation and provides the following main arguments in support of the rezoning of the site:

- The retail development will create 96 retail jobs.
- The Sutherland Shire market can support more supermarkets, and will need even more as the population increases. The market study with the Planning Proposal says that Sutherland Shire has around 286 sqm of supermarket floor space per 1,000 residents, and the average provision across Australian capital cities (excluding Sydney) is 340 sqm/1000 residents. Woolworths argue the negative impacts of this undersupply are overcrowding of supermarkets and car parks, congestion of surrounding roads, and reduced competition. "Overtrading" (or above average sales performance) of some supermarkets in Sutherland Shire, as demonstrated by the proposal, is used as a basis for the assessment of local demand. The proposal finds a gap in the market in the "main trade area, that is 75% of local residents' supermarket spend is not at the Taren Point IGA supermarket.
- The economic study in support of the Planning Proposal has found no appropriately zoned alternative sites in centres within 4km of the subject site (ie Caringbah, Miranda and Southgate) that could accommodate a full line supermarket. The Sequential Test provided dismisses possible rezoning of edge of centre land for a supermarket because it would mean loss of other uses such as dwellings or open space.
- In a 2016 survey of 400 residents of Ward C (Jannali, Oyster Bay, Sylvania, Taren Point, North Caringbah, North Miranda) undertaken on behalf of Woolworths, 66% of the 400 respondents (264 people) expressed support for a proposed supermarket in Taren Point. Traffic was the most important concern for 51% of respondents.
- The supermarket would provide extra choice and convenience for passing motorists, local residents and workers. As a result, vehicle trips to centres would reduce.
- The site is a relatively small proportion of the industrially zoned land in Taren Point, so development of a supermarket will not result in a large loss of industrial land. The land will retain the IN1 General Industrial Zone, even if a supermarket develops on the site.
- Woolworths requires a highly accessible location to support the multi-option retailing supermarket model. The supermarket would have a "click and collect" facility, where people order online and come to collect the order, as well as "online fulfilment", where people order online and the orders are delivered by small trucks. However, the main use proposed is that of a conventional supermarket.

Local Planning

Sutherland Shire LEP2015, (gazetted June 2015) zones the site IN1 General Industrial, with maximum allowable height of 16m and floor space ratio of 1.5:1. An objective of Zone IN1 is "To support and protect industrial land for industrial uses". 'Retail premises' (which includes supermarkets) are not permissible because they outbid industrial uses for land which ultimately leads to a loss in the diversity of local employment.

Council reviewed all land use zones during the preparation of SSLEP2015. The zoning pattern of the industrial area in the LEP was informed by "Building Employment Opportunities in Sydney's South" (Jones Lang Lasalle, February 2009) a report prepared with the support of NSW Department of Planning. Council's Employment Strategy (2013) states the importance of the Taren Point/ Miranda Industrial Precinct and the need to protect industrial land for appropriate uses.

The zoning pattern of the Sutherland Shire reflects the longstanding Council and State policy of prioritising the provision of retail floor space in commercial centres. Centres have good public transport access and are important community hubs. Concentrating retail uses in centres has efficiency and competition benefits, creating trade that supports other businesses in the centres. The co-location of retail and other uses has social advantages in providing public meeting places where multiple activities can occur in addition to shopping, reducing trip generation.

The Planning Proposal conflicts with the hierarchy of commercial centres in the Sutherland Shire and is likely to detract from the commercial vitality of centres. The proposal is a large-scale car based development that is not located near a railway station or in close proximity to higher density neighbourhoods, so people would mostly drive there. The development would increase traffic in the immediate locality.

Council is well placed to hear about the most pressing concerns of residents. Residents regularly let Council know that traffic and congestion are key community concerns. Residents do not raise an undersupply of supermarket floor space as an issue of concern. Further feedback about this issue will be sought from the community if the Planning Proposal is granted Gateway approval.

Regional Planning

The key factor in determining whether a proposal should proceed to a Gateway determination is its strategic merit. The Strategic Merit Test measures how consistent a proposal is with the Draft South District Plan (Greater Sydney Commission (GSC), November 2016).

The Planning Proposal broadly accords with economic policy directions in the plan, as it would create jobs. The retail analysis report prepared for the GSC in the preparation of the South District Plan notes that Sydney has a lower retail provision rate than other Australian cities, which, the report says, suggests that there may be unmet demand for retail floor space in Sydney generally. This gives some support to the claim of the Planning Proposal that Sutherland Shire needs more supermarket floor space.

However, the proposal is for retail development on industrial land. As such, it is inconsistent with other important aims and priorities of the plan. The main negative outcome of developing a supermarket on this land is the loss of future opportunity to develop industrial uses with higher long term economic value than retail. Part 3 *A Productive City* of the Draft South District Plan says that there is a high demand for industrial zoned sites like the Taren Point industrial area, due to their proximity to the transport hubs of Port Botany and Sydney Airport. Rezoning of industrial land in Alexandria and Mascot has also increased demand for industrial land in other locations. The Industrial Precinct Review (2015) prepared by Hill PDA to support the Draft South District Plan confirms that Taren Point is one of the most successful industrial precincts in Sydney in terms of job generation, function and output. It is important to Greater Sydney that this economic role of the Taren Point industrial precinct is not eroded over time.

The proposal is inconsistent with Productivity Priority 5: "Protect and support employment and urban services land" (Section 3.5). The Draft South District Plan requires a precautionary approach by councils if proposing to rezone or add additional uses to employment land, because employment land is a comparatively scarce and valuable resource. Council can propose an alternative strategy, based on a net community benefit assessment (economic, environmental and social), with a District-wide perspective. The Planning Proposal and supporting documents seeks to provide this alternative strategy. The Planning Proposal also claims some consistency with the Productivity Priority as the proposal is not to rezone the land, but to add permissible uses. However, this is a technical compliance only. Once a supermarket develops on the site, it is unlikely that an industrial use will ever displace it as evidenced by the IGA.

The subject site is not zoned as a commercial centre, so the Planning Proposal is inconsistent with Productivity Priority 4: "Prioritise the provision of retail floor space in centres". The Planning Proposal refers to the supporting EIA by MacroPlan Dimasi, which demonstrates that the proposal will not have a significant effect on the business of supermarkets in other centres, and so will not reduce the primacy of existing centres such as Caringbah and Miranda. However, the proposed supermarket will take a percentage of the business of existing supermarkets, with consequential impact on the viability of the other small shops and businesses in the centres where they are located.

Productivity Priority 1: "Manage growth and change in strategic and district centres and, as relevant, local centres", includes a list of matters councils should consider when preparing strategic plans for new or extended centres. The commercial requirements of retailers are just one consideration. Strategic planning must balance the need for increased retail development against other community needs, such as the need for local industries and services and the vitality of existing and future centres.

Traffic Issues

As a result of the proposed supermarket, Parraweena Road and surrounding streets will experience additional traffic movements. The intersection of Parraweena Road and Taren Point Road currently offers a satisfactory level of service (LOS "C"). The intersection will be affected by the proposal. The Traffic Report proposes that Woolworths will undertake roadworks to add a new right hand turning lane into Taren Point Road to ensure that the existing level of service is not diminished by the proposal. Council's Traffic Engineers are satisfied that the intersection will accommodate the additional traffic with the upgrades proposed, but this is not without amenity impacts to the residents and the locality. If the road works are supported by RMS, the intersection is not likely to fail in its operating performance but residents will still face considerably more local traffic.

Woolworths submitted a revised Traffic Report (Colston Budd Rogers & Kafes), including GTA traffic modelling, on 12 July 2017. Council's traffic engineers reviewed the revised Traffic report and conclude the following:

Traffic Impact and Modelling Results:

1. Traffic modelling undertaken by GTA, modelled two scenarios, one with a lower traffic generation rate (9.4 and 8.2 vehicles per hour for PM and Sat peak), and another with a sensitivity test with higher trip generation rate (14 and 13.2 vehicles per hour for weekday afternoon peak and Saturday peak) respectively, to address Council concerns.

2. The traffic modelling indicates that with the higher traffic generation rate and with the proposed additional lane on the western approach at Parraweena Road (separate left, through and right turn lanes), the Taren Point Road / Parraweena Road intersection will operate with acceptable level of service, with slight improvement in average intersection delay and queuing in Parraweena Road western approach, when compared with the reference case modelling - the approved Caringbah Home Maker Centre and Bunnings traffic modelling.

Based on the traffic modelling results, the additional traffic generated from the Woolworths planning proposal can be accommodated with the proposed upgrade at the Taren Point Road / Parraweena Road intersection. However in order to proceed, the proposed intersection upgrade works require RMS approval. The applicant also needs to demonstrate that the single departure lane proposed at the Parraweena Road western approach can accommodate a semi-trailer vehicle turning left from Taren Point Road into Parraweena Road.

Because of increased pedestrian movement around the proposed Woolworths, the engineers recommend that pedestrian crossings are provided as part of any development.

Council's Traffic Engineers conclude that, in order to support the planning proposal, the planning proposal must address the following:

- Approval from RMS for the provision of the proposed upgrade at the Taren Point Road / Parraweena Road intersection.
- The swept path diagram must accommodate a semi-trailer turning left from Taren Point Road Northbound into Parraweena Road Westbound for the proposed upgrade at the Taren Point Road / Parraweena Road Intersection.
- Provision of pedestrian crossing facilities on Parraweena Road and Kareena Road to accommodate increased pedestrian volume for Woolworths development.
- Provision of separate loading area for online and regular supermarket components.

If the Planning Proposal proceeds past Gateway Determination, the RMS would be consulted on these issues and the applicant would be requested to redesign the concept to address its shortcomings.

Flooding Issues

Council's Stormwater and Waterways Engineer has reviewed the revised Flood Assessment Report for the Planning Proposal (dated 27 March 2017). The site is in close proximity to multiple overland flow paths with a known history of flooding. The site itself is classified as predominantly low to medium flood risk with high flood risk areas straddling the eastern boundary.

The officer concludes that the subject site itself does have the capacity for a supermarket despite the flooding constraints of the land and locality, provided that flood risk is addressed through design and management objectives in any future development application.

The other matters noted in the review of the planning proposal with regard to flooding could be addressed as part of the assessment of a future development application.

Acid Sulfate Soil and Contamination Issues

Council's Environmental Project Officer reviewed the Preliminary Site Assessment by Environmental Strategies (November 2016) with regard to the issues of acid sulfate soils and contamination. The land uses on the subject site have been industrial, and Woolworths has been informed that historic information confirms there is potential land contamination. There is sufficient information about the potential acid sulphate soil to proceed to a Gateway Determination, but further investigation of the status and extent of potential site contamination should be required as a condition of a Gateway Determination prior to any rezoning of the land.

CONSULTATION

Public consultation occurs after a Gateway Approval is given by NSW Planning and Environment.

BUDGET AND RESOURCES

This report is the responsibility of the Strategic Planning Unit utilising existing resources.

POLICY

The Planning Proposal under consideration would, if it proceeded, amend Council's primary planning instrument SSLEP2015.

CONCLUSION

The Planning Proposal under consideration is not consistent with the relevant strategic directions of the Draft South District Plan, which requires Council to take a precautionary approach if proposing to rezone or add additional uses to employment land. While a supermarket would create jobs, this would be at the cost of future industrial employment.

In essence, the Planning Proposal fails a strategic merit test. As such, the rezoning of the site to facilitate a supermarket is not supported.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Manager Strategic Planning, Mark Carlon, who can be contacted on 9710 0523.

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