

Rezoning Review Report



67-75 Lords Road, Leichhardt

Prepared on behalf Platino Properties
February 2019

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Executive Summary

This report has been prepared in support of a request for rezoning review for 67-75 Lords Road, Leichhardt (the site). The site is located within the Taverners Hill Precinct identified in the Parramatta Road Corridor Urban Transformation Strategy (PRCUTS).

A Planning Proposal has been prepared and submitted to the Inner West Council (Appendix C) which sought to rezone the 10,691sqm industrial site to allow for approximately 235 dwellings and at least 3,000sqm of non-residential floor space to support a range of employment generating and community uses.

The proposal is consistent with the Eastern City District Plan. In particular, the Eastern City District Plan confirms that PRCUTS has undergone an extensive planning process and therefore the land identified within PRCUTS is not subject to the industrial land strategies and actions of the Eastern City District Plan, being to retain and manage industrial land.

The proposal is also consistent with the specific provisions prescribed for the site by the PRCUTS with exception of a minor exceedance of the recommended maximum height of buildings and the inclusion of a requested floor space bonus of 500sqm for provision of community space. These aspects are considered to be minor and do not impact on the strategic merit of the proposal and therefore could be further considered following a Gateway decision.

The proposal also includes a minimum of 3,000 sqm non-residential floor space on the site comprising community and employment uses. The inclusion of employment uses, whilst not envisaged by PRCUTS, has responded to concerns raised about loss of employment land by the Sydney Central Planning Panel and responds directly to the findings of consultation with Council and the local community.

The Planning Proposal includes a detailed consideration of the PRCUTS Out of Sequence Checklist which is required to be addressed for sites identified for post 2023 release. In summary the proposal satisfies the Out of Sequence Checklist through the following:

- Detailed consideration of all relevant aspects of PRCUTS to confirm consistency of the proposal.
- Preparation of social, environmental and economic impact assessments to demonstrate how the proposal delivers a net benefit for the site. The economic impact assessment also concludes that the proposal would have strong market demand given its central location.
- Demonstrated commitment to delivering design excellence through the engagement of highly skilled, experienced and qualified architects and urban designers, with future applications to be subject of consideration by the Inner West Council Architectural Excellence Panel.
- Extensive stakeholder consultation including a project webpage, online survey, door knocking of local residents, drop in information session, and meetings with Inner West Council, Department of Planning and Environment and other relevant Government agencies, the APIA club and existing tenants. This has included confirmation from Transport for NSW that the capacity of the Inner West Light Rail will be reviewed, and services increased as necessary.
- Detailed consideration of the PRCUTS sustainability targets, and a commitment to achieving a 5 star Green Building Council rating.
- Preparation of an Integrated Infrastructure Delivery Plan which identifies State and local infrastructure contribution requirements and has informed an offer to enter into a voluntary planning agreement with Inner West Council for delivery of public benefits, local infrastructure items and affordable housing totaling \$6,708,000.
- Provision of feasibility advice confirming that the project is feasible having regard to the contributions identified in the Integrated Infrastructure Delivery Plan.

The proposed affordable housing component comprises 35 affordable rental housing units to be managed by a community housing provider for a minimum period of 10 years. This represents approximately 15% of the total dwellings or approximately 7-8% of the gross floor area proposed on the site.

It is envisaged that the Integrated Infrastructure Delivery Plan could form the basis of negotiations with Council and the Department of Planning and Environment to determine appropriate local and State contributions, with details to be finalised following a Gateway decision.

On 12 February 2019 the Inner West Council, following a recommendation from the Inner West Planning Panel, resolved not to support the Planning Proposal, and not to recommend it be referred to the Department of Planning and Environment for a Gateway determination. Council's key reasons are inconsistency with PRCUTS and that the proposal would result in loss of employment land.

Planning Proposal Authorities are obliged to be consistent with the Eastern City District Plan which is given statutory force under the *Environmental Planning and Assessment Act 1979* (clause 3.8) and PRCUTS which is recognised through a Ministerial Direction.

The Inner West Planning Panel and the Inner West Council have ignored and/or fundamentally opposed the key State Government policy applying to the site, which has the potential to undermine the effective operation of the planning system.

Council also considers that any rezoning of the site should be carried out as part of its wider strategic planning process and local environmental plan review.

PRUCTS highlights that Planning Proposals can be prepared by landowners / developers for individual sites or by councils as part of a wider strategic review.

It is unreasonable to delay progress of a planning proposal consistent with the NSW Government endorsed Eastern City District Plan and PRCUTS strategy which have been informed by extensive consultation with the community, local government and State government. The site is capable of being developed in isolation and will not impact on the renewal of the surrounding area.

To support this request for a rezoning review the proposal has been assessed against the strategic and site-specific merit tests outlined in A Guide for Preparing Local Environmental Plans 2018.

This analysis demonstrates that the proposal is consistent with the policy context associated with the site, and in particular the Eastern City District Plan and PRCUTS. Further, the proposal is suitable for the site and its surrounding context and is able to meet the infrastructure needs arising from the future population.

The Council's reasons for resolving not to progress the Planning Proposal have also been considered and addressed in detail.

It is considered that the proposal has strategic and site-specific merit and that many of the concerns raised by Council do not impact on the strategic merit of the proposal and can be appropriately addressed following a Gateway decision.

For the reasons outlined above, and to ensure that implementation of the PRCUTS, it is requested that the proposal be progressed to a positive rezoning review.

1 Site description and context

The subject site is located at 67-75 Lords Road, Leichhardt as highlighted in Figure 1 below.

The characteristics of the site are detailed in Table 1 below.

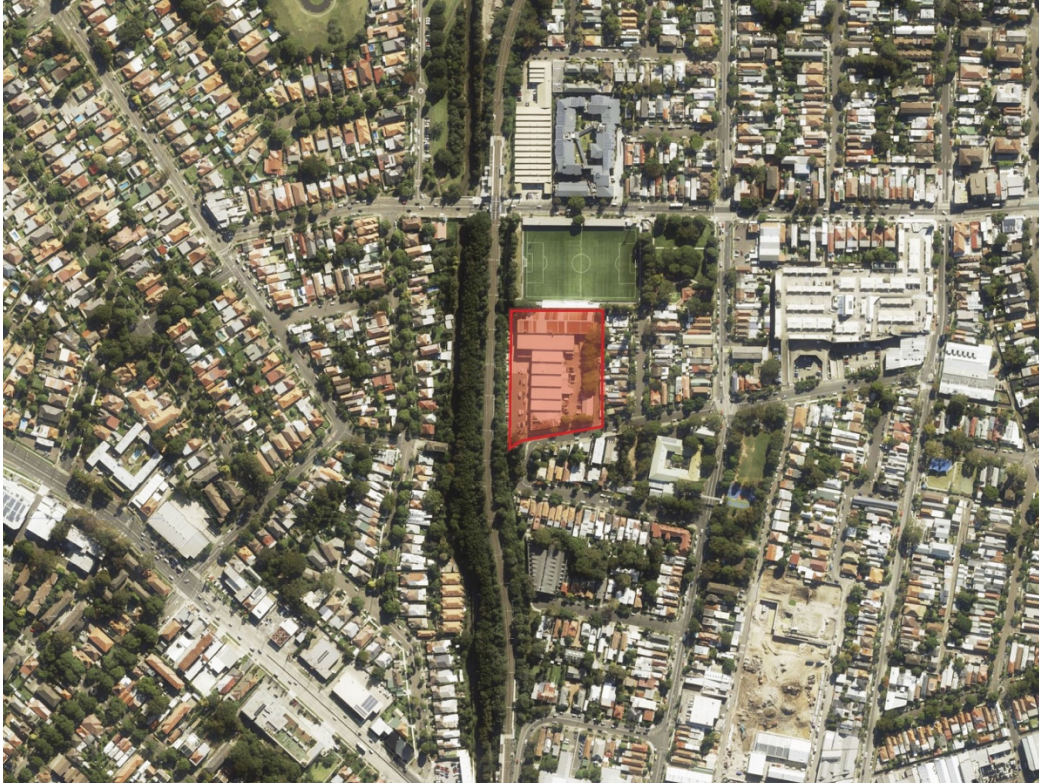


Figure 1 – Site location

Table 1 – Site summary

63-75 Lords Road Leichhardt	
Land description	Lot 1 DP 940543 and Lot 1 DP 550608
Site area	10,691 sqm

Existing uses	<p>The site accommodates a range of light industrial and commercial uses including warehousing / storage facilities, small scale manufacturing, joinery and furniture restoration businesses, the ArtEst private art school, and private recreation facilities.</p> <p>There is currently 9,979sqm of floor space on the site. The site accommodates approximately 17 tenants which employ 106.5 full time equivalent employees.</p>
Existing built form	<p>The existing built form comprises a series of brick warehouse style buildings to a maximum height of 11.5m with frontages to the east and west. A smaller building is located on the south east corner of the site facing Lords Road and Davies Lane.</p> <p>The buildings are nearing the end of their useful life and are in need of renewal.</p>
Existing access	<p>Existing access is via two driveways from Lords Road which provide access to car parks on the eastern and western side of the main buildings.</p>
Surrounding uses	<p>The Inner West Light Rail corridor forms the western boundary of the site and a steep heavily vegetated rail embankment runs alongside this frontage. Lambert Park football field is located to the north, with the northern most buildings on the Lords Road site being located directly adjacent to its boundary. Low density residential uses are located to the west and south of the site which have their rear boundaries and garages facing onto Lords Road and Davies Lane. Another industrial use is located to the south east of the site on the other side of Lords Road, with Kegworth Public School being located beyond that to the east.</p>
Local context	<p>The site is located in close proximity to public transport including within 150m of the Marion Light Rail stop on the Inner West Light Rail, 400m of Parramatta Road bus services and approximately 800m to the Summer Hill and Lewisham Train Stations. The site is also in close proximity to retail and services including Leichardt Market Place within 150m and is highly accessible to a range of open space and recreation facilities including Lambert Park playground and soccer field directly to the north of the site and Hawthorne Canal Reserve approximately 700m to the north of the site.</p>

2 Proposal summary

The Planning Proposal is outlined in detail in the Planning Proposal report at Appendix C and is summarised below.

2.1 Proposed planning controls changes

The Planning Proposal seeks to make the following changes to the *Leichhardt Local Environmental Plan 2013*:

- rezone the site from IN2 Light Industrial to R3 Medium Density Residential to allow for a range of uses
- modify the FSR for the site from 1:1 to 2.4:1
- introduce a maximum height of buildings of RL35m, and
- introduce a site-specific provision:
 - o allowing a range of additional non-residential uses including recreation facility (indoor), office premises, business premises, light industry, industrial retail outlet, and restaurant or café, and
 - o requiring a minimum of 3,000 sqm of non-residential uses to be provided on the site
 - o allowing the FSR to exceed 2.4:1, but only if the increase is provided as a public benefit in the form of a multi-use facility to be used in conjunction with Lambert Park, and
 - o requiring a site specific DCP to be endorsed by the planning proposal authority prior to any development approval.

A site-specific Development Control Plan has also been prepared reflecting key aspects of the urban design proposal and outlining objectives and controls to guide future development of the site. It is expected that this would be endorsed concurrent with the Planning Proposal.

2.2 Infrastructure contributions

An Integrated Infrastructure Delivery Plan has been prepared which identifies that the following infrastructure contributions would be required to support the development of the site:

- State Infrastructure - \$3,863,183 (\$150.56 per sqm / \$16,439 per dwelling)
- Local Infrastructure - \$4,128,949 (\$160.92 per sqm / \$17,570 per dwelling)

The proposal includes an offer to enter into a voluntary planning agreement with Inner West Council for delivery of public benefits, local infrastructure items and affordable housing totaling \$6,708,000. The details of the VPA offer are outlined in Section 6 of the Planning Proposal report (Appendix C).

State infrastructure contributions would be paid in accordance with any special infrastructure contribution (SIC), or in the absence of a SIC by way of a VPA with the Minister for Planning. It is noted that the State contribution identified by the Integrated Infrastructure Delivery Plan is generally consistent with other recent proposed infill SICs proposed:

Draft SIC	Per Dwelling
Bayside West	\$9,000
St Leonards	\$15,000
East Rhodes	\$22,000
Parramatta Light Rail	\$20,000

2.3 Key objectives and intended outcomes

The key objectives and intended outcomes of the proposal are outlined below:

- To facilitate redevelopment of an under-utilised site in close proximity to a range of services, open space, and public transport options.
- To support the implementation of the Parramatta Road Corridor Urban Transformation Strategy (PRCUTS) by redeveloping the site for 23,158sqm sqm of residential floor space up to RL35 metres.
- To deliver 235 dwellings with a range of sizes, including 35 affordable rental housing units to be managed by a community housing provider for a minimum period of 10 years.
- To provide at least 3,000sqm of flexible non-residential floor space on the site to adapt to demand over time and support a range of uses such as light industrial and urban services, creative industries, health facilities, education uses, gymnasium, restaurants/cafes and local service business. Depending on the final mix of uses, the non-residential floor space could support 96 to 128 jobs.
- To provide for a 500sqm multi-use facility to be dedicated to council for use by the APIA club.
- To upgrade lighting at Lambert Park to reduce light spill and energy usage.
- To seek to retain the Art Est private art school within the site through an appropriate commercial arrangement.
- To provide 1,650sqm publicly accessible central open space.
- To improve pedestrian amenity and safety by providing streetscape and landscaping improvements and active frontages along Lords Road.
- To improve connectivity and permeability by providing through site links with the potential to connect to Marion Light Rail Station via rail corridor land alongside Lambert Park.
- To enhance the existing neighbourhood character by providing high quality design, improved streetscapes, and appropriate transitions to surrounding lower scale residential streets.
- To ensure that redevelopment of the site does not impact on the operations of the APIA club at Lambert Park.
- Remove heavy vehicles associated with existing industrial uses from the predominately residential area.
- To assist in achieving State and local government housing targets.

3 Background and project chronology

A previous Planning Proposal was progressed which sought to rezone the site from IN2 Light Industrial to R3 Medium Density Residential and amend the height and floor space ratio controls. The proposal gained the support of the Independent Planning Panel and the Department of Planning and Environment who granted a gateway decision to progress the rezoning process.

In August 2017, following the progress of the Planning Proposal in accordance with the Gateway decision including public exhibition, the Sydney Central Planning Panel determined not to support the proposal on the basis that it would result in the loss of employment land which was considered inconsistent with the objective of Ministerial Direction 1.1 and the Draft District Plan which required a precautionary approach to rezoning of industrial land.

The decision of the four person Panel was split, and the chair used her casting vote to make the determination. The two members who supported the proposal voted to defer the decision subject to submission of a response to the PRCUTS out of sequence checklist. Concerns were rightly raised by these members that a failure to give due regard to the PRCUTS would undermine the integrity of the planning system.

The Department of Planning and Environment supported the Panel's decision and highlighted that it would be willing to consider a new planning proposal that addresses the issues raised by the Panel. In particular, the Department advocated that any revised planning proposal should provide employment opportunities and that council consultation be appropriately undertaken.

On the 18 March 2018, the final Greater Sydney Region Plan and Eastern City District Plan were released confirming that the PRCUTS has undergone an extensive planning process and therefore the land subject of PRCUTS is not subject to the industrial land strategies and actions of the Plan, being to retain and manage industrial land.

A new Planning Proposal was subsequently prepared which sought to address the concerns of the Panel in relation to loss of employment land.

Table 2 below details discussions with Council and DPE in relation to the revised proposal.

Table 2 – Project chronology

Date	Description	Comments
11 April 2018	Meeting at DPE, attended by: <ul style="list-style-type: none">• DPE (Marcus Ray/Steve Murray/Amanda Harvey)• Platino Properties• Sam Haddad	Meeting to discuss lodgement of a new Planning Proposal on the site. Minutes included at Appendix A.
10 May 2018	Meeting at Inner West Council, attended by: <ul style="list-style-type: none">• Council (Harjeet Atwal/Roger Rankin/Leah Chiswick)• Platino Properties• Mecone	Minutes included at Appendix A.

Date	Description	Comments
6 June 2018	Site visit attended by: <ul style="list-style-type: none"> • Nick Chapman (Council GreenWay coordinator) • Platino Properties • Matthew Pullinger (Urban Design consultant) • Elke Chapman (Landscape consultant) 	Walked the site and surrounds with Nick Chapman who provided a background on the GreenWay project, and identified opportunities for the site to connect with and enhance the GreenWay such as a secondary GreenWay link through the site and public art at the entrance of the Lords Road lightrail underpass.
20 June 2018	Meeting at Council attended by: <ul style="list-style-type: none"> • Council (Colette Goodwin/ Leah Chiswick) • Platino Properties • FPD Planning 	Council highlighted the importance of community consultation in informing a proposal. Council also advised that further meetings could be arranged to discuss specific issues such as potential non-residential uses and community benefits / needs analysis with relevant Council staff to attend. Minutes included at Appendix A.
19 July 2017	Email from Council (Colette Goodwin) regarding consultation with Council on the proposal.	The email advised that consultation with Council and feedback on the proposal would be provided via a pre-planning process rather than through meetings with relevant Council staff as previously discussed. Emails with Council included at Appendix A.
6 August 2018	Meeting at DPE attended by: <ul style="list-style-type: none"> • DPE (Steve Murray/Amanda Harvey/Laura Lock/Charlene Nelson) • Platino Properties • Sam Haddad - SG Haddad Advisory • FPD Planning 	Proposal presented to DPE along with an outline of consultation being undertaken. Minutes included at Appendix A.
9 August 2018	Pre-lodgement meeting at Council attended by: <ul style="list-style-type: none"> • Council (Colette Goodwin / Leah Chiswick) • FPD Planning • Platino Properties 	Presented the draft urban design proposal and explained the key elements to Council. No feedback provided by Council. Council advised that it is not in a position to meet to discuss the proposal on a regular basis.

Date	Description	Comments
4 September 2018	Meeting with Mayor's office: <ul style="list-style-type: none"> Mayor's Office (Kate Walsh - Media Relations advisor) Council (David Birds) Platino Properties Kerry Chikarovski (community engagement consultant) 	Minutes included at Appendix A.
28 September 2018	Meeting to Lodge Planning Proposal, attended by: <ul style="list-style-type: none"> Council (Gunica Singh / Terri Southwell) Platino Properties 	Planning Proposal presented for lodgement. Council refused to accept proposal due to inadequacy of documentation. Minutes included at Appendix A.
10 October 2018	Provided letter to Council from Pike Verekers Lawyers outlining Council's legal obligation to accept the Planning Proposal.	Copy of letter included at Appendix A.
17 October 2018	Pre-lodgement advice letter sent to Platino Properties by email	Council highlighted issues with the proposal which are considered and addressed in the Planning Proposal report. Copy of letter included at Appendix A.
25 October 2018	Meeting to Lodge Planning Proposal, attended by: <ul style="list-style-type: none"> Council (Gunica Singh / Daniel East) Platino Properties FPD Planning 	Council accepted lodgement of Planning Proposal.
29 November 2018	Council advised by email that matter will be considered at the Inner West Planning Panel on 17 December 2018	
11 December 2018	Council's report to the Inner West Planning Panel released.	
18 December 2018	Proposal considered by the Inner West Planning Panel.	Inner West Planning Panel recommends that the proposal not be supported.
12 February 2019	Proposal considered by the Inner West Council.	Council resolved not to support the proposal for the same reasons recommended by the Panel as outlined and addressed in Section 6.

4 Consultation

To inform the proposal Chikarovski and Associates was engaged to undertake extensive consultation with the local community, relevant community groups and stakeholders, Inner West Council and Government agencies. A summary of the consultation is provided below and a more detailed outline is included in the Planning Proposal report and accompanying Community Consultation Report.

4.1 Local Government

The applicant has sought to consult extensively with the Inner West Council throughout the preparation of the Planning Proposal. The chronology included within Section 3 of this report lists all meetings and correspondence with Council. Copies of correspondence and meetings minutes are provided at Appendix A.

Additional meetings were sought with Council to discuss specific aspects of the proposal including the land use mix and the community benefits and infrastructure contributions, however Council was not supportive of this approach, and requested that all feedback on the proposal be provided via its preliminary planning proposal process.

All issues raised in Council's response to the Preliminary Planning Proposal were addressed in the final proposal lodged with Council, as outlined in detail in the Planning Proposal report.

Council's reasons for not supporting the proposal have also been considered and addressed in Section 6 of this report.

4.2 State Government

The applicant met with the Department of Planning and Environment on two occasions as outlined in the project chronology at Section 3.

The Department highlighted that any new planning proposal would need to address the following:

- further community consultation and collaboration with the Inner West Council
- consistency with the out of sequence checklist, and
- provision of employment uses on the site.

Contact has also been made with Transport for NSW, Sydney Trains, RMS, Department of Education, NSW Health, Kegworth Public School, and Environmental Planning Authority however meetings have not been able to be secured. These agencies would continue to be engaged through the rezoning process.

Letter responses have been received from Transport for NSW and are included at Appendix B.

4.3 Community

The local community has been engaged by way of an online survey, meetings with the APIA club, existing tenants, and one concerned resident, and a community drop in session. The outcomes of this consultation are outlined below.

The online survey sought feedback on the community's aspirations for the site and concerns about future development. The community was notified of the survey by way of:

- a letterbox drop to local residents adjacent to the site,
- notice in the Inner West Courier's 26 June print edition and on the website, which remained online for 30 days,

- direct notification to residents who expressed strong opposition to the previous proposal,
- direct notification of existing tenants and encouragement to forward the survey onto their staff and patrons, and
- direct notification to the APIA club and encouragement to forward the survey onto their staff and patrons.

A total of 26 responses were received to the online survey, the outcomes of which are addressed in detail in the Planning Proposal report.

A community drop in session was also held on the 22 September from 10am-2pm with around 25 residents attending. The session was notified to the community by:

- doorknocking residents on Lords Road, Davies Street and Kegworth Street, and
- placing an advertisement in print and online of the Inner West Courier notifying residents of the drop-in session.

The findings of the community drop in session are considered and addressed in the Planning Proposal report.

In summary the following aspects of the proposal have specifically responded to the community consultation undertaken:

- including 3,000 sqm of flexible non-residential floor space to support a range of uses such as community uses, light industrial and urban services, creative industries, health facilities, education uses, gymnasium, restaurants/cafes and local service business,
- allocating part of the non-residential floor space for a multi-use facility for the APIA club (500sqm),
- including a 1,650sqm publicly accessible open space within the site,
- committing to enabling Art Est to return to the site through negotiation of a suitable commercial arrangement,
- reducing the height on the northern boundary with Lambert Park to two storeys and restricting land use to non-residential in this location to manage land use constraints with the operations of the APIA club, and
- committing to upgrade lighting within Lambert Park to provide new LED lighting which will reduce light spill to the surrounding area.

5 Justification for Rezoning Review

A Guide for Preparing Local Environmental Plans 2018 sets out criteria for the assessment of a rezoning review process including a Strategic Merit Test and a Site-Specific Merit Test. These criteria are considered in detail below.

5.1 Strategic Merit Test

The strategic merit test sets out that the proposal must be consistent with one of three criteria for assessing the strategic merit of a Planning Proposal, requiring consideration of whether the proposal is:

- *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*
- *consistent with a relevant local strategy that has been endorsed by the Department, or*
- *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.*

The proposal is consistent with two of the above criteria as outlined below.

- 1. 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 proposal meets the first of these criteria, being that it is consistent with the Eastern City District Plan, as well as the PRCUTS.

In particular the PRCUTS envisages the site being developed for residential uses and specifically recommends an FSR of 2.4:1 and a maximum building height of 30m. The Eastern City District Plan highlights the role of PRUCTS in delivering housing and jobs for the Eastern City and makes clear that the Parramatta Road Corridor is not subject of industrial land protection policies.

The district plans are given statutory force under the Environmental Planning and Assessment Act 1979 (clause 3.8), and the PRCUTS by way of a Ministerial Direction. Accordingly, Planning Proposal Authorities are obliged to be consistent with the PRCUTS and the Eastern City District Plan.

In recommending that the proposal not be supported, the Inner West Planning Panel and the Inner West Council have ignored and/or fundamentally opposed the key State Government policy applying to the site, which has the potential to undermine the effective operation of the planning system.

It is further noted that Council has engaged SGS Economics and Planning to provide advice on the Planning Proposal. SGS has recommended that council should exercise caution and seek to retain employment uses and land use as close to the current use and quantum as possible. It is noted that this is entirely inconsistent with Greater Sydney Region Plan, Eastern City District Plan and the PRCUTS.

SGS also raise concern about the inclusion of non-residential uses within a R3 Medium Density zone, both in relation to ensuring the long-term retention of these uses and the potential for land use conflicts.

It is noted that the Planning Proposal seeks to establish a minimum non-residential floor space LEP provision to ensure this component is delivered and maintained and the draft Site-specific Development Control Plan includes provisions relating to the management of land use conflicts.

Notwithstanding, the applicant is open to further discussions on how best to amend the planning controls to ensure the non-residential uses are delivered and maintained in the long term and are successfully integrated with residential uses.

It is noted that the Sydney LEP 2012 Mixed Use zone permits light industrial uses with consent. This zone is applied to 97-101 Pyrmont Bridge Road, Pyrmont which has been developed as ground floor light industrial, being a Gyprock building materials supply facility, with residential uses above (see Figure 2 below). The Sydney DCP 2012 includes a provision to encourage commercial or light industrial uses with high floor to ceiling heights on the ground floor with 5 storeys of residential uses above.

This development is a successful example of vertical integration of light industrial and residential uses, and highlights that the proposal for residential uses to be located above mix of employment and community uses can be successfully delivered.



Figure 2 – 97-101 Pyrmont Bridge Road, Pyrmont

The Planning Proposal report (Appendix C) contains a detailed assessment against the aims and objectives of the relevant strategies. This document provides a summary assessment against the key objectives of these strategies to support the rezoning review application.

Eastern City District Plan

- The proposal is consistent with the Eastern City District Plan on the basis that:
 - it will facilitate the implementation of the PRCUTS for the site,
 - it will assist in meeting the 25 year dwelling target for the Eastern City District,
 - it will contribute to housing supply within close proximity to public transport and accessible to key employment and education facilities thereby supporting the vision of a 30 minute city,
 - it provides for a supply of affordable housing, and
 - it retains a significant component of employment uses onsite supporting the retention of employment and urban services uses in the local area.
- The District Plan specifically confirms that the Parramatta Road Corridor is not subject to the industrial land strategies and actions of the District Plan, being to retain and manage industrial and urban services land. This is on the basis that an extensive planning process has been undertaken for the area which has informed future land use recommendations for the corridor, including the recommendation for this site to transition to a residential use.

Parramatta Road Corridor Urban Transformation Strategy

The PRCUTS specifically identifies Lords Road as an urban renewal opportunity within the Taverners Hill Precinct and notes that taller buildings will be developed along Parramatta Road and close to the light rail stops. The structure plan for Taverners Hill identifies residential as the appropriate future land use for the Lords Road site. PRCUTS is supported by an implementation toolkit. The key aspects of the implementation toolkit are considered below.

Parramatta Road Corridor – Planning and Design Guidelines

- The PRCUTS Planning and Design Guideline sets out a specific zoning, height and FSR recommendations for the subject site. The Planning Proposal is consistent with these recommendations, as outlined in Table 3 below.
- In addition, the proposal includes a minimum of 3,000 sqm non-residential floor space on the site comprising community and employment uses. The inclusion of employment uses responded to the concerns of the Sydney Central Planning Panel relating to loss of employment land on the site and to the findings of consultation carried out with the Inner West Council and the community.

Table 3 – Consistency with PRCUTS recommendations

	PRCUTS recommendation	Planning Proposal
Zoning	R3 Medium Density Residential	R3 Medium Density Residential plus additional permitted uses and requirement for minimum 3,000 sqm of non-residential floor space
Height	30 metres	RL35 metres
FSR	2.4:1	2.4:1 (plus 500sqm bonus for provision of community space)

- The proposed maximum height of RL35 minorly exceeds the recommendation of PRCUTS (30m) by no more than 1.3m across 9.3% of the site area with buildings across the majority of the site being much lower.
- It is also noted that the text in the PRCUTS Planning and Design Guidelines refers to *a 32m height limit for land on Lords Road that is close to Marion Light Rail stop and other nearby facilities and services such as Kegworth Public School and Leichhardt Marketplace* (p216), whereas the recommended building heights map identifies 30m (p217).
- The exceedance of the height limit is considered to be minor, and could be further considered following a Gateway determination.

Parramatta Road Corridor – Implementation Plan 2016-2023

- The Implementation Plan establishes a sequencing strategy identifying areas of the Parramatta Road corridor to be redeveloped to 2023. The Lords Road site is located within the areas of the precinct identified to be delivered post 2023.
- For areas out of sequence, submission of a preliminary proposal to the relevant planning authority that addresses the relevant requirements of the *Environmental Planning and Assessment Act 1979* and the out of sequence checklist is required before it can be considered for a Gateway determination.
- A preliminary Planning Proposal was lodged with Inner West Council on 9 August 2018. The proposal met the requirements of the out of sequence checklist as outlined in detail in the Planning Proposal report (Appendix C) and summarised in Table 4 below.
- Further, the Economic Impact Assessment prepared to support the Planning Proposal highlighted that large portions of the areas of the Taverners Hill Precinct envisaged for 2016-2023 release are unlikely to be developed in this timeframe. This is due to the small lot sizes in the area with many being smaller than 300sqm, and the relatively modest FSR of 1.4:1 that applies to the most of these properties. Accordingly, the development of the Lords Road site would not result in a greater level of growth in the precinct than envisaged under the Implementation Plan and would not result in unreasonable impact on infrastructure. Notwithstanding, the Planning Proposals commitment to its own supporting infrastructure.
- It is also important to note that should rezoning proceed on this site, it would be expected that the first building completions would occur in around 2023 and therefore would not significantly deviate from the timing envisaged under the Implementation Plan.

Table 4 – Summary of Out of Sequence Checklist

Out of Sequence Checklist criteria	Summary response
<p>Criteria 1 Strategic objectives, land use and development</p> <ul style="list-style-type: none"> <i>The planning proposal can demonstrate significant delivery or contribution towards the Strategy's Corridor wide and Precinct specific vision.</i> <i>The planning proposal satisfies the Strategy's seven land use and transport planning principles and the relevant Strategic Actions for each Principle.</i> <i>The planning proposal can demonstrate significant net community, economic and environmental benefits for the Corridor and the Precinct or Frame Area within which the site is located.</i> <i>The planning proposal is consistent with the recommended land uses, heights, densities, open space, active transport and built form plans for the relevant Precinct or Frame Area.</i> <i>The planning proposal demonstrably achieves outcomes aligned to the desired future character and growth projections identified in the Strategy.</i> <i>The planning proposal demonstrates design excellence can be achieved, consistent with councils adopted design excellence strategy or the design excellence provisions provided in the Parramatta Road Corridor Planning and Design Guidelines (Planning and Design Guidelines).</i> 	<ul style="list-style-type: none"> The planning proposal is consistent with the Corridor wide and precinct specific vision as outlined within the Planning Proposal report. In particular it aligns with the vision for Taveners Hill as <i>an urban village with walking and cycling links via the GreenWay, access to many public transport modes and many neighbourhood parks, squares and leafy streets</i>. Further, PRCUTS identifies Lords Road as an urban renewal opportunity and notes that taller buildings will be developed along Parramatta Road and close to the light rail stops. The proposal is consistent with the Strategy's land use and transport planning principles and strategic actions as outlined in the Planning Proposal report. The planning proposal will have a net community and economic benefit as outlined in the Social Impact Assessment and Economic Impact Assessment respectively. A major contributor to the social and economic benefit of the proposal is the inclusion of non-residential floor space on the site which has potential to retain job numbers and provide services and facilities for the wider area. Environmental benefits are discussed under Criteria 4 – Sustainability. The proposal is entirely consistent with the recommended land use, height, density and built form as highlighted above, except for a minor variation to the height and an FSR bonus for community floor space as outlined on the previous page. These aspects can be dealt with following a Gateway decision. No open space or active transport is proposed within the site under PRCUTS. The proposal supports the desired future character for the precinct as outlined in the Planning Proposal. In particular the urban design study has responded to the existing built form and proposed built form under PRCUTS and floor space has been distributed across the site to minimise impacts on the surrounding area. The proposal will contribute to achieving the growth projections under PRCUTS. The proposal demonstrates a commitment to design excellence through the engagement of highly skilled, experienced and qualified architects and urban designers. Further, it is understood that development applications would be subject of consideration by the Inner West Council Architectural Excellence Panel.

Out of Sequence Checklist criteria	Summary response
<p>Criteria 2 Integrated Infrastructure Delivery Plan</p> <p><i>An Integrated Infrastructure Delivery Plan, which identifies advanced infrastructure provision and cost recovery for the local and regional infrastructure identified in the Infrastructure Schedule, must support the planning proposal.</i></p>	<p>An Integrated Infrastructure Delivery Plan has been prepared to support the proposal which has informed offers to enter into VPAs for the delivery of local and State infrastructure contributions. This is discussed in further detail within this document under the site specific merit test section.</p>
<p>Criteria 3 Stakeholder engagement</p> <ul style="list-style-type: none"> <i>Consultation and engagement with relevant stakeholders (council, government agencies, business, community, adjoining properties and user or interest groups, where relevant) have been undertaken, including any relevant pre-planning proposal engagement processes required by local council.</i> <i>An appropriate level of support or agreement is documented.</i> <i>Provision of documentary evidence outlining the level of planning or project readiness in terms of the extent of planning or business case development for key infrastructure projects.</i> 	<ul style="list-style-type: none"> Extensive stakeholder consultation has been carried out to inform the proposal including a project webpage, online survey, door knocking local residents, drop in information session, and meetings with Inner West Council, DPE, Government agencies, APIA club and existing tenants. Further consultation will be carried out following a Gateway determination which will identify the level of support for the proposal. Transport for NSW has advised that the capacity of the Inner West Light Rail will be reviewed, and services increased as necessary. Further consultation will be undertaken regarding the status of bus priority measures on Parramatta Road.
<p>Criteria 4 Sustainability</p> <p><i>The planning proposal achieves or exceeds the sustainability targets identified in the Strategy.</i></p>	<p>The Planning Proposal includes a detailed consideration of the PRCUTS sustainability targets, and the proposal will deliver significant environmental benefits including through a commitment to achieving a 5 star Green Building Council rating. Further consideration can be given to appropriate mechanisms to achieve sustainability targets following a Gateway decision.</p>
<p>Criteria 5 Feasibility</p> <p><i>The planning proposal presents a land use and development scenario that demonstrates economic feasibility with regard to the likely costs of infrastructure and the proposed funding arrangements available for the Precinct or Frame Area.</i></p>	<p>Feasibility advice has been provided confirming that the project is feasible having regard to the contributions identified in the Integrated Infrastructure Delivery Plan. The Lords Road site represents a valuable opportunity to achieve the objectives of the PRCUTS for the precinct.</p>

Out of Sequence Checklist criteria	Summary response
<p>Criteria 6 Market viability</p> <p><i>The planning proposal demonstrates a land use and development scenario that aligns with and responds to market conditions for the delivery of housing and employment for 2016 to 2023. Viability should not be used as a justification for poor planning or built form outcomes.</i></p>	<p>An Economic Impact Assessment has been prepared which concluded that the proposal will likely be well-met by the market given its central location in close to Leichhardt Marketplace, Marion light rail stop and Parramatta Road.</p> <p>The assessment noted that Inner West LGA has high demand for new housing, noting that population growth (average 1.4% per annum) has historically outstripped dwellings growth (average 0.8% per annum) in the Inner West LGA over the 2006-2016 period. As a result, prices have experienced sustained and significant growth, indicative of an undersupplied market.</p> <p>The assessment also highlighted that commercial and industrial demand in the area is continuing to shift to accommodate services employment in response to population need. This has resulted in growth in health and education, retail, arts and recreation, whilst industrial sectors such as wholesaling and manufacturing have steadily declined with the exception of food manufacturing.</p> <p>The proposed non-residential component seeks to provide flexible floorspace to meet this demand and accommodate a range of service-based businesses who seek a central location.</p>

Parramatta Road Corridor – Infrastructure Schedule

- The Infrastructure Schedule identifies transport, open space, community, education and health facilities required to support the proposed growth within the Taverners Hill precinct both in the short term (2016-2023) and the medium to long term (2024-2054).
- The Infrastructure Schedule does not identify any items located directly within the site, however a prioritised walking link has been identified along Lords Road adjacent to the site.
- The Infrastructure Schedule has been considered in detail through the preparation of an Integrated Infrastructure Delivery Plan. This is discussed further under item 3 of the site-specific merit test in Section 5.2 below.

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

Not applicable, as there is no local strategy applying to the site which 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

The proposal responds to investment in new infrastructure in particular the significant investment in the Inner West Light Rail which includes two stops in close proximity of the site, as well as planned investment in rapid transit buses along Parramatta Road.

The proposal also responds to demographic trends. As evidenced by the Economic Impact Assessment, population growth in the Inner West LGA has outstripped dwelling growth over the 2006-2016 period resulting in significant demand for housing, particularly in close proximity to transport, jobs and services.

5.2 Site-Specific Merit Test

A Guide for Preparing Local Environmental Plans 2018 states that having met the strategic merit test that a proposal must demonstrate that it has site-specific merit, having regard to the following criteria:

- *the natural environment (including known significant environmental values, resources or hazards), and*
- *the existing uses, approved uses and likely future uses of land in the vicinity of the land subject to the proposal, and*
- *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.*

An assessment of the site's key characteristics against the site-specific criteria is provided below. More detailed assessment is provided in the attached Planning Proposal and accompanying specialist reports.

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

The Planning Proposal has been supported by technical studies demonstrating that any impact on the natural environment and any potential environmental hazards can be managed. These are summarised below and outlined in more detail in the Planning Proposal report (Appendix C).

Biodiversity / vegetation	<ul style="list-style-type: none">• Due to the industrial nature of the site, its redevelopment will have limited impact on the biodiversity and vegetation. No significant vegetation removal is required as part of the proposal, and the row of eucalyptus trees along Davies Lane will be retained.• A minimum 6 metre setback is proposed along the Inner West Light Rail corridor, providing adequate protection of vegetation within the corridor.• Contributions are also proposed toward bush generation along the Greenway in the vicinity of the site.
Contamination	<ul style="list-style-type: none">• A Remedial Action Plan (RAP) has been prepared outlining how the site can be made suitable for the proposed residential apartment building including commercial tenancies, landscaped areas, and basement car parking subject to remediation and validation works.

Flooding and stormwater	<ul style="list-style-type: none"> • The small part of the site is subject to inundation during the 100 year flood and PMF. • A flood impact assessment has been prepared which confirms that flood hazards can be managed through adoption of appropriate flood levels, and provision of internal evacuation. • The study also highlighted any loss of 100 year flood storage can be incorporated within the development design and will mitigate the need for upgrading any of Council's drainage system for the Hawthorne Canal.
Construction Impacts	<ul style="list-style-type: none"> • Construction related impacts including noise and dust will be carefully managed and approved through future development applications.

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

The Urban Design Study included with the Planning Proposal demonstrates how the proposal has responded to both the existing land uses and the future land uses recommended under the PRCUTS and outlines how the proposal will minimise visual impacts and overlooking, and overshadowing on surrounding sensitive uses.

An independent urban design peer review of the Planning Proposal was also undertaken by CM+ on behalf of Council. CM+ concluded that the proposal includes a number of positive design outcomes including:

- retention of some employment generating uses on site
- improved site permeability
- a new residential offering, and
- landscape and access initiatives.

CM+ also made a number of recommendations for relatively minor amendments to the proposed built form. The applicant is open to incorporating the CM+ recommendations in the proposal following a Gateway decision.

In addition to the Urban Design Study, technical studies have also been prepared to consider noise and light spill impacts associated with surrounding uses, and impacts on the heritage value of the surrounding area. These aspects of the proposal are summarised below.

Visual Impact	<ul style="list-style-type: none"> • Visual impact has been mitigated by providing an appropriate distribution of floor space across the site, including the location of taller buildings along the light rail and lower scale buildings fronting Lords Road, Davies Lane and Lambert Park. • Upper level setbacks along Lords Road and Davies Lane will also limit visual impact from street level and for adjacent residential uses. • The location of dense mature trees along the Inner West Light Rail Corridor will reduce the visual impact of the proposal from the GreenWay and from residential areas to the west of the GreenWay. • To support the public exhibition of the Planning Proposal photomontages will be prepared from key view points within the public domain.
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Overshadowing	<ul style="list-style-type: none"> • A shadow analysis has been included in the Urban Design Report which considers overshadowing between 9am and 3pm on the 21 June, demonstrating that all surrounding properties would continue to receive good solar access. • The draft site specific DCP includes provisions requiring an appropriate level of solar access to be retained for adjoining properties.
Noise impact	<ul style="list-style-type: none"> • The proposal responds to noise from the APIA club operations by locating non-residential uses directly adjacent to Lambert Park, providing a generous 20m setback from Lambert Park to residential uses and orienting apartments east and west so they do not directly face the noise source. • An acoustic report was also prepared which concluded that the noise associated with surrounding noise sources is able to be mitigated through the adoption of typical envelope and window treatments to comply with all relevant criteria.
Light spill	<ul style="list-style-type: none"> • The proposed retention of the blank wall adjoining Lambert Park along with a 20m setback to residential uses and orientation of apartments east and west will minimise light spill impacts from the sports field lighting. • Further, it is proposed to upgrade the lighting within Lambert Park to provide new LED lighting which will reduce light spill to the surrounding area and substantially reduce electricity consumption. • A detailed technical assessment will be prepared to assess the light spill impact from Lambert Park on the proposal based on the upgraded lighting, prior to any formal public exhibition.
Heritage	<ul style="list-style-type: none"> • The site is not subject of any heritage listing however it is located adjacent to Lambert Park which is listed in the Leichhardt LEP and comprises the park and a former house fronting Foster Street which is used as a child care centre. • A heritage impact statement has been prepared to support the proposal which concluded that the proposal is acceptable in terms of potential impacts on heritage significance of the surrounding area. • It noted that the building envelopes focus massing remotely from the former house and include appropriate scale and stepped forms to minimise visual impact.

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.

A detailed investigation of the impact of the proposal on existing infrastructure and the needs arising as a result of the proposal has been carried out and has informed the preparation of an Integrated Infrastructure Delivery Plan for the site. These aspects of the Planning Proposal are summarised below.

Traffic and Transport	<ul style="list-style-type: none"> • Transport for NSW has advised that it regularly reviews patronage, demand and anticipated growth, and would increase services as needed. • The proposal will contribute to pedestrian and cycle connectivity in the area through the provision through site links which have potential to connect Lords Road to Marion Street and the Marion light rail stop via rail corridor land adjacent to the Lambert Park.
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	<ul style="list-style-type: none"> • The Traffic Assessment identifies that the proposal will not adversely impact on the level of service on nearby intersections, and that in the evening peak, the intersections are expected to operate better in the future scenario with the development. • Inner West Council has acknowledged that the projected traffic volumes are acceptable for the adjacent street network, and that over time mode share would increasingly move towards more sustainable transport modes.
Social infrastructure	<ul style="list-style-type: none"> • The Social Impact Assessment has assessed the proposal against typical benchmarks and identified additional social infrastructure needs including: <ul style="list-style-type: none"> ○ 40sqm of community floor space which can be met through on-site provision of communal meeting spaces within the development, and ○ child care, primary and high school places which can be accommodated within the capacity of existing facilities. • The Social Impact Assessment also concluded that the proposal meets NSW Department of Planning open space benchmarking requirements and recommended that between 10-15% of the site is allocated for publicly accessible open space. The proposed 1,650sqm central open space comprises 15% of the 10,691 sqm site. • The site is considered to be well located within close proximity of local and regional community infrastructure, open space, recreation facilities and services.
Integrated Infrastructure Delivery Plan	<ul style="list-style-type: none"> • An Integrated Infrastructure Delivery Plan (IIDP) has been prepared to support the proposal which seeks to determine an infrastructure contribution for the proposal based on the PRCUTS guidelines, stakeholder engagement, gap analysis and interrogation of the PRCUTS Infrastructure Schedule. • The IIDP identified that the following infrastructure contributions would be required to support the development of the site: <ul style="list-style-type: none"> ○ State Infrastructure - \$3,863,183 (\$150.56 per sqm / \$16,439 per dwelling) ○ Local Infrastructure - \$4,128,949 (\$160.92 per sqm / \$17,570 per dwelling) • The proposal includes an offer to enter into a voluntary planning agreement (VPA) with Inner West Council for the delivery of public benefits, local infrastructure items and affordable housing as outlined within the Planning Proposal. • State infrastructure contributions would be paid in accordance with any special infrastructure contribution (SIC), or in the absence of a SIC by way of a VPA with the Minister for Planning.

6 Consideration of Council resolution

On 12 February 2019 the Inner West Council resolved not to support the Planning Proposal, and not to refer it to the Department of Planning and Environment for a Gateway determination. The reasons for Council's decision are outlined and considered in Table 5 below.

This decision by Council followed a recommendation from the Inner West Planning Panel not to support the proposal. In addition to the reasons given in Council's resolution, the Inner West Planning Panel raised a number of additional issues.

The Panel considers the proposal is premature and should be considered in the context of strategic planning projects currently being progressed by Council and that the site and its future uses should be planned holistically in the context of the Taverners Hill Precinct rather than in an ad hoc piecemeal manner.

The Panel requested that Council also draw the Department of Planning and Environment's attention to the need to update the PRCUTS particularly indicative land uses in light of more recent information in relation to employment lands noting the loss of employment land, dwelling projections, infrastructure requirements such as schools and open space etc, and noted that PRCUTS will ultimately be replaced by Council's accelerated timeframe Comprehensive Inner West LEP and DCP.

The position of the Inner West Planning Panel disregards the extensive technical investigations and consultation carried out to inform the PRCUTS, and does not acknowledge that the PRCUTS makes specific recommendations on the land use and built form of individual sites. Further, PRCUTS highlights that Planning Proposals can be prepared by landowners / developers for individual sites or by councils as part of a wider strategic review.

It is also highlighted that the Council currently has legislative obligations which require any planning proposal, including the review of its LEP and DCP to be consistent with PRCUTS.

Table 5 – Consideration of Council resolution

Council Reason for Refusal	Response
<p>a. Strategic Merit Test It fails the Strategic Merit Test of "A guide to preparing planning proposals" pursuant to Section 3.33(2)(c) of the Environmental Planning and Assessment Act 1979.</p>	<p>The reasons outlined by Council are discussed in detail in the responses below. It must be noted that the PRCUTS is quite specific with regard to the future built form outcome on the site leaving little room for interpretation. The proposal is also considered against the strategic merit test in Section 5.1 of this report.</p>
<p>b. PRCUTS Out of Sequence Checklist The proposal does not have merit and fails all six criteria of the PRCUTS Out of Sequence Checklist as outlined below:</p>	<p>Councils report fails to provide a properly reasoned assessment of the out of sequence checklist, while the proposal has demonstrated an appropriate level of response for a planning proposal at this stage of assessment. The proposal represents a "no regrets decision" given the compliance with built form controls, the consolidated nature of the site and its commitment to State and local infrastructure.</p> <p>The proposal represents an opportunity to realise the strategic intent of the PRCUTS not yet achieved within the precinct or along the corridor. Further detail is provided on each of the criteria below.</p>
<p>i. Criteria 1:</p> <ul style="list-style-type: none"> • It does not adequately demonstrate that it meets the strategic, land use and development objectives outlined in the PRCUTS Implementation Plan and does not provide significant delivery, contribution or benefits for the Strategy's Corridor wide and Precinct vision. • It is inconsistent with the recommended built form recommendations and does not demonstrate that the new development will achieve design excellence. • The Proposal is also out of alignment with the short term growth projections identified in the strategy and does not demonstrate any significant net community, economic and environmental benefits for the Precinct; 	<ul style="list-style-type: none"> • The proposal is entirely consistent with PRUCTS, except for the following: <ul style="list-style-type: none"> ○ Inclusion of employment uses. This has arisen from the Sydney Central Planning Panel concern over loss of employment land and consultation with Council and the community. ○ A floor space bonus of 500sqm for delivery of public benefit. This is able to be accommodated within the built form envelope and is a common planning mechanism, however it is not fundamental to the proposal and can be further considered post Gateway. ○ A maximum height of RL35, which minorly exceeds the recommendation of PRCUTS (30m) by no more that 1.3m across 9.3% of the site, with buildings across the majority of the site being much lower. This can be also be considered post Gateway. It is noted that the text in the PRCUTS Planning and Design Guidelines refers to a height limit of 32m which contradicts the map which shows 30m.

Council Reason for Refusal	Response
	<ul style="list-style-type: none"> • The proposal demonstrates design excellence including an extensive urban design analysis and potential future design review by the Inner West Architectural Excellence Panel. • Net community, economic and environmental benefits have been demonstrated. The high net economic benefit is due to the retention of employment uses. • The proposal is also supported by significant public benefits, in particular increased housing supply including 35 affordable housing dwellings, 1,650 sqm publicly accessible open space, improved connectivity through the site, provision of flexible employment floor space and retention of existing jobs, and upgraded lighting and a 500sqm multipurpose for the APIA club. Further detail on the benefits is provided at Section 7 and outlined in further detail in the Planning Proposal report.
<p>ii. Criteria 2:</p> <ul style="list-style-type: none"> • the Integrated Infrastructure Delivery Plan (IIDP) is inadequate because it is based on a concept plan for 235 dwellings in 23,158sqm of residential floorspace which at average large residential flat building dwelling gross floor area sizes of 76.35sqm could produce 303 dwellings at the development application stage. • The Council report also raised concerns about the methodology and cost estimates used to inform the IIDP. Council considers that the proposal should not be supported until it has prepared its new development contributions plan. 	<ul style="list-style-type: none"> • The applicant's best endeavors have been used to prepare an IIDP in line with the requirements of PRCUTS. The applicant has sought to engage with Council on the IIDP but Council has been unwilling to meet. • The estimated dwelling numbers are based on average dwelling size of approximately 100sqm (GFA). • The IIDP provides a basis for negotiation of State and local infrastructure contributions, which can be progressed post Gateway. The nature of the many infrastructure items in the PRCUTS are such that they are beyond the ability of a single developer to provide and the proposed contributions reflect equitably with that paid across the metro area. • The IIDP analysis identifies a per sqm rate across both residential and employment uses. The State contribution amounts are roughly equivalent to those proposed in other precincts across the metro area.
<p>iii. Criteria 3:</p> <p>The community engagement is inadequate, has not demonstrated that there is an appropriate level of support or agreement for the proposal and has not demonstrated adequate readiness in terms of the extent of planning or business case development for key infrastructure projects;</p>	<ul style="list-style-type: none"> • The PRCUTs was the subject of extensive consultation over a period of three years, it contains the prescriptive built form controls of an R3 zoning, 2.4:1 FSR and a height control of 30m. This proposal varies little from that consulted on for the PRCUTS, with the exception of the additional DCP controls proposed.

Council Reason for Refusal	Response
	<ul style="list-style-type: none"> • The community engagement for this project included a project webpage, online survey, door knocking local residents, drop in information session, and meetings with Inner West Council, DPE, Government agencies, APIA club and existing tenants. • A meeting was also offered to residents of Hawthorne Parade in Haberfield. • This is well above the typical requirements for a Planning Proposal pre-gateway. • The applicant is committed to continuing to engage throughout the process, and further consultation would be carried out following a Gateway decision. • The applicant has consulted with Transport for NSW (TfNSW) regarding the capacity and project readiness of existing and planned transport infrastructure in the area. TfNSW has confirmed that it will review patronage on the Inner West Light Rail and will expand services as required. A response is yet to be received regarding the status of bus priority measures on Parramatta Road, however further consultation would be carried out following a Gateway decision.
<p>iv. Criteria 4: There is no certainty that the proposal achieves or exceeds the sustainability targets identified in PRCUTS;</p>	<ul style="list-style-type: none"> • The proposal commits to a 5 Star Green Building Council rating. • This is not a strategic merit consideration, and can be further considered post Gateway, including appropriate mechanism to achieve consistency with the PRCUTS sustainability targets.
<p>v. Criteria 5: The proposal does not sufficiently demonstrate development feasibility analysis to meet this criterion given the Economic Impact Assessment and the feasibility advice is flawed and contains numerous assumptions, disclaimers and conclusions which are not supported.</p>	<ul style="list-style-type: none"> • Any feasibility study or review must include assumptions, and disclaimers. • Development feasibility and the viability of redevelopment is a major part of any redevelopment proposal and is a significant risk to any landowner or developer. The proposal is by a professional property development company with many years experience in the delivery of feasible projects. • Council does not specify its concerns about the analysis provided. • It is considered that adequate feasibility advice has been provided.

Council Reason for Refusal	Response
<p>vi. Criteria 6: The proposal does not sufficiently demonstrate a land use and development scenario that aligns with and responds to market conditions for the delivery of housing and employment for 2016 to 2023.</p>	<ul style="list-style-type: none"> • The Economic Impact Assessment prepared by AEC provides a thorough analysis of the market conditions for the proposed uses. • In particular, it demonstrates that there is strong market demand for additional housing within the Inner West LGA, and that the proposed non-residential uses would meet demand for commercial floorspace to accommodate a range of service-based and destination businesses who seek a central location from which to service their markets. • Council does not specify its concerns about the analysis provided. • The proposal closely mirrors the recently completed PRCUTS (2016) which is subject to a direction by the Minister for Planning.
<p>c. PRCUTS Dwelling Target</p> <ul style="list-style-type: none"> • The PRCUTS new dwelling targets for the Taverners Hill Precinct can readily be met and surpassed without rezoning this site. • Council's report notes that the 103,236sqm of floor space can meet the PRCUTS dwelling target of 1,350 dwellings by 2050 (rather than 170,000sqm under the strategy). This is based on 76.35sqm apartments which council has derived from recent large residential flat building consents in Leichhardt. Council also includes 451 dwellings / 31,506sqm delivered for Kolotex site. 	<ul style="list-style-type: none"> • It is assumed that the dwelling targets in PRCUTs would have been developed based on an analysis of the recommended built form controls. • Council's analysis assumes the Kolotex site dwellings form part of the 2023 target. • The Kolotex site was rezoned in 2014 prior to finalisation of the PRCUTS. • PRCUTS does not state whether the Kolotex site (410 dwellings) is included in the 2023 dwelling target (451 dwellings). • However, if it was included, this would mean that the strategy only envisaged 41 dwellings being delivered to 2023, despite the majority of the 2023 release area being recommended for inclusion in a B4 Mixed Use zone. • Council's analysis also assumes substantial take up in areas which are not feasible because of the small fragmented lots and relatively low floor space potential. • Lords Road is one of the only remaining large parcels within a single ownership within the Taverners Hill Precinct, noting that a large portion of the Taverners Hill area comprises lots smaller than 300sqm. • The proposal represents a significant feasible development option to achieve the objectives of the PRCUTS.

Council Reason for Refusal	Response
<p>d. Loss of Employment Land In the context of persistent demand and a low and decreasing supply of industrial land, a rezoning such as this would dilute Council's ability to provide sufficient industrial land to accommodate demand. The planning proposal would also result in:</p> <ul style="list-style-type: none"> i. inconsistency with the Leichhardt Industrial Lands Study 2014 (SGS, 2014), Leichhardt Employment and Economic Development Plan (EEDP) and the Leichhardt Industrial Precincts Planning Report (SGS, 2015); j. a net loss of jobs in the local government area; k. the loss of an economically viable employment precinct containing local services, light industrial and other non-industrial activities which contribute to the diversity of the economy, community activities and employment opportunities; l. a lack of merit when assessed against the criteria established by the Leichhardt Employment and Economic Development Plan 2013-2023; and m. the lack of an appropriate Net Economic and Community Benefit Test as it does not address the wider issue of cumulative loss of employment lands in the local government area. 	<ul style="list-style-type: none"> • The very recent Greater Sydney Region and District Plans clearly state that the Parramatta Road Corridor is not subject of policies to protect and retain employment land. • The Act requires a planning proposal to give effect to a relevant District Plan (section 3.8). • The PRCUTS is also the subject of a specific recent Ministerial Direction and prescribes the exact zone for the land. • The site is a small fragmented area of employment land. This is supported by the Leichhardt Employment and Economic Development Plan. • It also has poor access to the surrounding road network. • The site is not considered to be strategically important industrial land. • The Economic Impact Assessment estimates that provision of 3,000sqm of non-residential floor space could deliver between 96 and 128 jobs, depending on the ultimate mix of uses, compared to 106.5 existing jobs on the site.
<p>e. Infrastructure It is inconsistent with the infrastructure sequencing of the PRCUTS and the submitted Integrated Infrastructure Delivery Plan (IIDP) and the offer to enter into a Voluntary Planning Agreement (VPA) are unsatisfactory given the lack of adequate contributions;</p>	<ul style="list-style-type: none"> • The submitted offer to enter into a VPA will form the basis of a negotiation on suitable contributions. Council has not advised on what it sees as appropriate contributions. • This can be considered post Gateway.
<p>f. Ministerial Directions The proposal is inconsistent with the following Ministerial Directions:</p> <ul style="list-style-type: none"> • 1.1 Business and Industrial zones • 7.1 A Plan for Growing Sydney 	<p><u>1.1 Business and Industrial zones</u></p> <ul style="list-style-type: none"> • Planning proposals may be inconsistent with the direction where they are consistent with a relevant Regional or sub-regional strategy. The recently completed District Plan and the most recent Ministerial Direction for the PRCUTS are the primary strategic planning policies relevant to the site.

Council Reason for Refusal	Response
<ul style="list-style-type: none"> 7.3 Parramatta Road Corridor Urban Transformation Strategy 	<ul style="list-style-type: none"> The loss of employment land is consistent with the Greater Sydney Region Plan and District Plan, which clearly state that the Parramatta Road Corridor is not subject of policies to protect and retain employment land. <p><u>7.1 A Plan for Growing Sydney</u></p> <ul style="list-style-type: none"> A Plan for Growing Sydney was superseded by the Greater Sydney Region Plan in March 2018. This Plan is given effect by the Act. The proposal is consistent with the Greater Sydney Region Plan. <p><u>7.3 PRCUTS</u></p> <ul style="list-style-type: none"> As outlined within this Rezoning Review report and the Planning Proposal report, the proposal is consistent with the PRCUTS.
<p>g. Inner West Council Community Strategic Plan Inconsistent with:</p> <ul style="list-style-type: none"> Strategic Direction 2: Unique, liveable, networked neighbourhoods Strategic Direction 3: Creative communities and a strong economy; 	<ul style="list-style-type: none"> This plan is <u>not</u> a relevant consideration for a Planning Proposal, as it has not been endorsed by the Secretary and is superseded by the above plans. Notwithstanding the Planning Proposal has addressed the Strategic Plan and the proposal is considered to support these strategic directions, including through provision of new high quality housing in close proximity to jobs, services, public transport, open space and community facilities, and through the inclusion of non-residential floor space to support the local economy and creative industries.
<p>h. Consistency with PRCUTS: The proposal is inconsistent with the following key aspects of PRCUTS:</p> <ul style="list-style-type: none"> Policy context and the Strategy's vision and key actions for the Corridor and Taverners Hill precinct including all seven (7) principles of the Strategy; Implementation Tool Kit including the Implementation Plan 2016-2023, Planning and Design Guidelines (including the Corridor wide, built form and Taverners Hill Guidelines), Infrastructure Schedule and Urban Amenity Improvement Plan; and 	<ul style="list-style-type: none"> Consistency with PRCUTS discussed previously under recommendation b(i) – Out of Sequence Checklist Criteria 1, summarised in Section 5.1 and outlined in detail in the Planning Proposal report. The PRCUTS reference reports are <u>not</u> matters for consideration under the Ministerial Direction. However, they have been considered in developing the proposal.

Council Reason for Refusal	Response
<ul style="list-style-type: none"> Reference Reports including the Precinct Transport Report, Economic Analysis, Fine Grain Study and Sustainability Implementation Plan. 	
<p>i. Wider strategic planning</p> <p>The proposal is premature in the light of the prospective outcomes of strategic planning studies and projects underway at State and Local Government levels, In particularly having regard to the lack of the Precinct-wide traffic study and supporting modelling which is required under the PRCUTS to be completed to consider the recommended land uses and densities, as well as future WestConnex conditions, and identify the necessary road improvements and upgrades required as part of any proposed renewal in the Precinct.</p>	<ul style="list-style-type: none"> PRUCTS highlights that Planning Proposals can be prepared by landowners / developers for individual sites or by Councils as part of a wider strategic review. It is unreasonable to delay progress of a planning proposal which is consistent with the NSW Government endorsed Eastern City District Plan and PRCUTS strategy. These strategies have been informed by extensive consultation with the community, local government and State government. The site is capable of being developed in isolation, and will not impact on the renewal of the surrounding area. <p><u>Precinct wide traffic study</u></p> <ul style="list-style-type: none"> DPE is currently working a number of local councils to precinct wide traffic studies. The findings of the study can be incorporated in the Planning Proposal following a Gateway decision. Council has acknowledged that the projected traffic volumes are acceptable for the adjacent street network.
<p>j. Affordable housing</p> <p>The proposal is inconsistent with Council's Affordable Housing Policy 2016 which seeks a 15% contribution of gross floor area of the development dedicated to Council in perpetuity.</p>	<ul style="list-style-type: none"> The proposal will generate 35 affordable rental housing units, to be managed by a community housing provider for a minimum period of 10 years. This equates to around 15% of total dwellings, and 8% of floor space. The applicant's affordable housing study highlighted that the proposal is one of the highest affordable housing contributions that has been achieved which is not on Government land or land owned by a charity. The Greater Sydney Region Plan identifies a target of 5-10% affordable housing. An appropriate affordable housing contribution can be considered post Gateway.

Council Reason for Refusal	Response
<p>k. PRUCTS recommended density The proposal exceeds the recommended floor space under PRUTS by 500sqm, without demonstrating improved built form outcomes or design excellence.</p>	<ul style="list-style-type: none"> • The proposal seeks a floor space bonus of 500sqm for delivery of public benefit. • The proposal outlines design excellence including an extensive urban design analysis and potential future design review by the Inner West Architectural Excellence Panel. • The proposed floor space bonus does not impact on the strategic merit and could be considered following a Gateway decision.
<p>I. Supporting studies</p>	<p>See below</p>
<p>i. Flooding</p> <ul style="list-style-type: none"> • the proposal is currently located within the southwest corner of the site where the flood depth is greatest • There are other unresolved design issues associated with the flood hazard on the site <p>Council's report also highlighted the following issue with the flood study:</p> <ul style="list-style-type: none"> • Any proposed building footprint must be supported by additional flood modelling demonstrating no adverse impact to flood levels within Lords Road, against the railway embankment, and through Lambert Park during both the 100 year ARI and PMF events. • Flood evacuation must be provided to the east of the site, vertical flood evacuation within the building is not supported. 	<ul style="list-style-type: none"> • The applicant's consultant confirms that sufficient compensatory storage can easily be provided on site, and flood levels will not be affected. •
<p>ii. Heritage The heritage impact statement does not consider the heritage value of existing buildings nor the impact on nearby heritage items at Lambert Park and Kegworth Public School</p>	<ul style="list-style-type: none"> • A heritage impact assessment has been prepared which considers impacts on Lambert Park. • Amendments to the proposal have been made to minimise impacts on Lambert Park, including low-rise adjacent to the park. • Kegworth School does not directly adjoin the site. • However, the heritage impacts on Kegworth Public School can be considered post gateway if necessary. • The heritage value of existing buildings can also be further considered following a Gateway decision if deemed necessary.

Council Reason for Refusal	Response
iii. Contamination Remedial Action Plan does not locate the known contamination on the site and relies on outdated sampling information.	<ul style="list-style-type: none"> The RAP concludes that there are no known contaminants on the site that could not be readily remediated to support the proposed use. This is consistent with the requirements of SEPP 55. Any inadequacies of the study, including updated testing and a map showing the location of identified contamination, could be addressed post Gateway.
iv. Traffic Traffic report is inadequate, particularly regarding the likely impacts on Davies Lane of increased traffic generation.	<ul style="list-style-type: none"> Additional traffic on Davies Lane would be very minor. The main access to the site is to the basement car park from Lords Road. Any inadequacies in the traffic modelling can be addressed post gateway.
v. Public domain <ul style="list-style-type: none"> Inadequate outline of the proposed works Satisfactory arrangements have not been demonstrated with relevant stakeholders for connections and linkages within and outside the site. 	<ul style="list-style-type: none"> These matters can be further considered post Gateway. Whilst the applicant can investigate potential for pedestrian connection through rail corridor land alongside Lambert Park, it is not able to facilitate this outcome.
vii. Economic impact Relies on Regional and District Plans exclusion of PRCUTS area, rather than evidence of loss of employment land.	Discussed previously. The proposal provides a supply of housing in a desirable location and will provide similar levels of employment to that currently existing on the site.
viii. Sustainability Measures outlined are generic and do not demonstrate compliance with PRCUTS sustainability targets.	Discussed previously.
m. Inconsistency with SEPP 65 The proposal does not sufficiently address the requirements of SEPP 65. <ul style="list-style-type: none"> Design Principle 1: Adverse impact in terms of context having regard to the proposal being out of character within the surrounding low density residential area Design Principle 2: Setback and separation, height and articulation of the built form 	<ul style="list-style-type: none"> A high level assessment has been provided to demonstrate that SEPP 65 can be met. Detailed assessment would be provided at DA stage, however any specific concerns can be addressed post Gateway. The proposal responds to both the existing and desired future character of the local area. The minor exceedance of height and FSR is discussed in Section 5.1 and can be further assessed following a Gateway decision. Visual impact on existing dwellings has been mitigated by:

Council Reason for Refusal	Response
<ul style="list-style-type: none"> • Design Principle 3: The proposed FSR exceeds the PRCUTS controls and the scale of residential floor space proposed on this site is not required to meet the PRCUTS projections. The proposed height of nine storeys (35 ADH / 32m) exceeds the PRCUTS recommendation of maximum 30m). • Design Principle 4: proposal does not satisfy the sustainability requirements of the PRCUTS • Design Principle 6: Amenity impacts including: <ul style="list-style-type: none"> ○ visual impact from the bulk and scale of buildings, ○ overlooking of Davies Street properties, ○ inadequate location and quantity of common and public open space which lacks a sufficient interface with the public domain to be considered public space and overshadowing of open space. 	<ul style="list-style-type: none"> • locating taller buildings along the light rail • lower scale buildings fronting Lambert Park, Lords Road and Davies Lane, and • upper level setbacks on Lords Road and Davies Lane. • The draft DCP includes provisions to mitigate privacy impacts including design of balconies to minimise overlooking. • The proposed open space is visible from the street and will be utilised by the public as a result of the activity generated by the non-residential floor space uses. The location is supported by an open space options analysis. • The open space receives good solar access for at least 2 hours during midwinter, meeting the ADG requirement. • Any concerns about the urban design and built form could be further considered following a Gateway Decision.

7 Conclusion

The merit test outlined in this report demonstrates that the proposal is consistent with the policy context associated with the site, and in particular is consistent with the Eastern City District Plan and PRCUTS, which are given legislative force through the Environmental Planning and Assessment Act 1979 (clause 3.8), and a Ministerial Direction respectively.

Further, the proposal is suitable for the site and its surrounding context, is well located in close proximity to a range of public transport options (including light rail within 150m), retail, services and open space and is able to meet the infrastructure needs arising from the future population.

Council, in resolving not to support the Planning Proposal has ignored and/or fundamentally opposed the key State Government policy applying to the site, which has the potential to undermine the effective operation of the planning system.

It is unreasonable to delay progress of a planning proposal consistent with the NSW Government endorsed Eastern City District Plan and PRCUTS strategy which have been informed by extensive consultation with the community, local government and State government. The site is capable of being developed in isolation, and will not impact on the renewal of the surrounding area.

The proposal seeks to enhance character and amenity of the local area, deliver employment and residential outcomes on the site, and make a wider contribution to the local community.

It is considered that the proposal has strategic and site-specific merit and should be progressed to a positive Gateway determination.

The key local benefits of the proposal are summarised below. ‘

Housing supply	<ul style="list-style-type: none">- Approximately 235 new apartments- Greater housing diversity by addition of medium density housing stock and a range of dwelling sizes
Affordable housing	<ul style="list-style-type: none">- 35 affordable rental housing units
Employment outcomes	<ul style="list-style-type: none">- Inclusion of non-residential floor space with potential to retain 97 to 128 jobs on site- Supports a range of different uses to respond to market demand over time
Community facilities	<ul style="list-style-type: none">- Multi-use facility for the APIA club (500sqm)- Upgrade of lighting at Lambert Park- Commitment to enabling Art Est to return to the site through negotiation of a suitable commercial arrangement
Connectivity	<ul style="list-style-type: none">- Improved pedestrian connection from light rail underpass to Kegworth Public School- Central through site link and secondary GreenWay link with potential to connect to Marion light rail stop
Open space	<ul style="list-style-type: none">- Publicly accessible central open space within the site comprising 1,650sqm

Environment	<ul style="list-style-type: none">- Commitment to targeting delivery of a 5 star Green Building Council rated buildings- Contribution to bush regeneration along the GreenWay- Increased canopy cover across the site and along Lords Road
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Appendix A – Consultation with Council

Appendix B – Consultation with Transport for NSW

Appendix C – Planning Proposal and Appendices