

ITEM 6.5 PLANNING PROPOSAL 245 MARION STREET, LEICHHARDT

Division	Environment and Community Management
Author	Team Leader Strategic Planning Willana Planning Consultants
Meeting date	25 th November 2014
Strategic Plan Key Service Area	A Sustainable Environment Sustainable Services And Assets Community Well-Being Place Where We Live And Work

SUMMARY AND ORGANISATIONAL IMPLICATIONS

Purpose of Report	The purpose of this report is to provide Council with: 1. Background to a request, by the owner of 245 Marion Street, Leichhardt that Council prepare a Planning Proposal to amend Leichhardt Local Environmental Plan 2013 by rezoning the site from IN2 – Light Industrial to either R1 – General Residential or a Business zone (unspecified). 2. An assessment of the merits of the proponent's Planning Proposal for the proposed LEP amendment and recommendation as to whether Council should support the making of this amendment.
Background	The Proponent did not engage in any discussions with Council Officers prior to lodging the Planning Proposal application on 15 August 2014. A letter was sent to the proponent from Council requesting additional information on 25 September 2014. The Proponent subsequently met with Council Officers to discuss the request for additional information on 1 October 2014. The Proponent lodged further information on 31 October 2014.
Current Status	The owner of 245 Marion Street, Leichhardt has requested that Council prepare a Planning Proposal for an amendment to Leichhardt Local Environmental Plan 2013, which would rezone the site from IN2 Light Industrial to either R1 – General Residential and introduce a Floor Space Ratio (FSR) of 3.3:1, and maximum height limit of 50m or, rezone to a Business zoning (unspecified), without limitation to the maximum height and FSR.

Relationship to existing policy	This report assesses the merits of the Planning Proposal against relevant Council policies.
Financial and Resources Implications	Fees have been paid pursuant to Council Adopted Fees and Charges to cover costs of processing a Planning Proposal.
Recommendation	1. That Council resolve to receive and note the information contained in this report and Attachments as it relates to an assessment of the merits of a Planning Proposal (dated August 2014) for 245 Marion Street, Leichhardt. 2. That Council resolve not to support the request to prepare a Planning Proposal (dated August 2014) to rezone 245 Marion Street from IN2 Light Industrial to either R1 – General Residential or a Business Zone (unspecified) for the following reasons: a) in the context of persistent demand and a low and decreasing supply of industrial land, a rezoning would dilute Council's ability to provide sufficient industrial land to accommodate demand. b) the Planning Proposal is inconsistent with s.117 Direction 1.1 Business and Industrial Zones on the following grounds: i. the Planning Proposal is not justified by relevant strategies in relation to the retention of industrial lands, including the Draft Metropolitan Strategy for Sydney to 2031 and the Draft Inner West Sub-regional Strategy. ii. the Planning Proposal is not justified by an economic study iii. loss of this industrial land would be of substantial significance to the local government area's employment land supply. c) the proposal does not have merit when assessed against the criteria established by the Leichhardt Employment and Economic Development Plan 2013-2023 d) the Planning Proposal is not supported by an:

- Economic Assessment
- Net Community Benefit Test
- Social Impact Assessment

e) without the above listed supporting studies, there is not enough information to demonstrate that relevant social, economic and other site specific matters have been identified or adequately addressed and that the site is capable of supporting the proposed zoning.

f) without supporting documents the Planning Proposal does not demonstrate that the proposal has strategic merit. Council recognises that 245 Marion Street could have potential for a modest increase in Floor Space Ratio to create additional employment generating floorspace.

g) the Planning Proposal includes a residential Floor Space Ratio of 3.3:1 and building heights up to 50m for an R1 – General Residential zoning, or no limitations to the maximum height or FSR for a Business zone. There is no precedence in Leichhardt Local Government Area for the proposed FSR and maximum building heights for the proposed zoning and an adequate justification for the FSR and building height has not been provided.

h) there is no strategic justification for the proposed residential Floor Space Ratio and building height in higher order NSW Government State Planning Policy or guidelines or Council Environmental Planning Instruments, Policies or Guidelines.

i) the proposed residential Floor Space Ratio and building heights would result in unacceptable amenity impacts on the local area including:

- overlooking of Walter Street and residents of The Marion, Uniting Church Seniors Housing Development
- inadequate landscaped area

	- visual impact from the bulk and scale of the building - inadequate access to daylight for future residents within the development j) inadequate supporting information has been provided to ascertain if the quantity and quality of landscaped areas, private open space and communal landscaped area, is acceptable and achieves minimum requirements of SEPP 65. k) the Planning Proposal does not include any affordable housing and is therefore not consistent with Section 3.3.3 (Clause 3.3.1) of the Leichhardt Affordable Housing Strategy (2011) which seeks a 10% affordable housing contribution. l) the Planning Proposal does not address the strategic context of major NSW State government projects including: i. Bays Precinct Urban Renewal ii. Parramatta Road Urban Renewal which may result in further, significant loss of employment land and an increased demand for non-residential goods and services arising from a growing population in the inner west m) the Planning Proposal does not address issues associated with the proposed West Connex Motorway including: i. traffic generation ii. location of air quality stacks iii. location of motorway entry and exit portals
Notifications	NIL
Attachments	1. Planning Proposal for 245 Marion Street, Leichhardt – August 2014 2. Urban Design Study for 245 Marion Street, Leichhardt 3. Planning Proposal Additional Information Cover Letter for 245 Marion Street, Leichhardt – October 2014 4. Contamination Letter and Report – October 2014 and November 1999 5. Flood Hazard Report – November 2014 6. Transport, Traffic and Parking Assessment – October 2014 7. Amended Urban Design Study - October 2014

Purpose of Report

The purpose of this report is to provide Council with:

- Background to a request, by the owner of 245 Marion Street, Leichhardt that Council prepare a Planning Proposal to amend Leichhardt Local Environmental Plan 2013 by rezoning the site from IN2 – Light Industrial to either R1 – General Residential or a Business zone (unspecified).
- An assessment of the merits of the proponent's Planning Proposal for the proposed LEP amendment and recommendation as to whether Council should support the making of this amendment.

Recommendation

1. That Council resolve to receive and note the information contained in this report and Attachments as it relates to an assessment of the merits of a Planning Proposal (dated August 2014) for 245 Marion Street, Leichhardt.
2. That Council resolve not to support the request to prepare a Planning Proposal (dated August 2014) to rezone 245 Marion Street from IN2 Light Industrial to either R1 – General Residential or a Business Zone (unspecified) for the following reasons:
 - a) in the context of persistent demand and a low and decreasing supply of industrial land, a rezoning would dilute Council's ability to provide sufficient industrial land to accommodate demand.
 - b) the Planning Proposal is inconsistent with s.117 Direction 1.1 Business and Industrial Zones on the following grounds:
 - i. the Planning Proposal is not justified by relevant strategies in relation to the retention of industrial lands, including the Draft Metropolitan Strategy for Sydney to 2031 and the Draft Inner West Sub-regional Strategy.
 - ii. the Planning Proposal is not justified by an economic study
 - iii. loss of this industrial land would be of substantial significance to the local government area's employment land supply.
 - c) the proposal does not have merit when assessed against the criteria established by the Leichhardt Employment and Economic Development Plan 2013-2023
 - d) the Planning Proposal is not supported by an:
 - Economic Assessment
 - Net Community Benefit Test
 - Social Impact Assessment
 - e) without the above listed supporting studies, there is not enough information to demonstrate that relevant social, economic and other site specific matters

have been identified or adequately addressed and that the site is capable of supporting the proposed zoning.

- f) without supporting documents the Planning Proposal does not demonstrate that the proposal has strategic merit. Council recognises that 245 Marion Street could have potential for a modest increase in Floor Space Ratio to create additional employment generating floorspace.
- g) the Planning Proposal includes a residential Floor Space Ratio of 3.3:1 and building heights up to 50m for an R1 – General Residential zoning, or no limitations to the maximum height or FSR for a Business zone. There is no precedence in Leichhardt Local Government Area for the proposed FSR and maximum building heights for the proposed zoning and an adequate justification for the FSR and building height has not been provided.
- h) there is no strategic justification for the proposed residential Floor Space Ratio and building height in higher order NSW Government State Planning Policy or guidelines or Council Environmental Planning Instruments, Policies or Guidelines.
- i) the proposed residential Floor Space Ratio and building heights would result in unacceptable amenity impacts on the local area including:
 - overlooking of Walter Street and residents of The Marion, Uniting Church Seniors Housing Development
 - inadequate landscaped area
 - visual impact from the bulk and scale of the building
 - inadequate access to daylight for future residents within the development
- j) inadequate supporting information has been provided to ascertain if the quantity and quality of landscaped areas, private open space and communal landscaped area, is acceptable and achieves minimum requirements of SEPP 65.
- k) the Planning Proposal does not include any affordable housing and is therefore not consistent with Section 3.3.3 (Clause 3.3.1) of the Leichhardt Affordable Housing Strategy (2011) which seeks a 10% affordable housing contribution.
- l) the Planning Proposal does not address the strategic context of major NSW State government projects including:
 - i. Bays Precinct Urban Renewal
 - ii. Parramatta Road Urban Renewalwhich may result in further, significant loss of employment land and an increased demand for non-residential goods and services arising from a growing population in the inner west
- m) the Planning Proposal does not address issues associated with the proposed West Connex Motorway including:
 - i. traffic generation
 - ii. location of air quality stacks

- iii. location of motorway entry and exit portals Environmental Planning Instruments, Policy and Guideline documents.

Background

1. The Site

The Planning Proposal relates to 245 Marion Street, Leichhardt. The legal description of the site is Lot 1 DP 507525.

The site is located on the northern side of Marion Street, directly adjacent to the east of the Marion Street light rail station and Hawthorne Canal. South of the site on the opposite side of Marion Street is Lambert Park. To the east, at 237 Marion Street, Leichhardt is a three storey Uniting Care senior's housing development. 237 Marion Street is zoned IN2 – Light Industrial under the Leichhardt Local Environmental Plan 2013, with a Site Specific Clause, applying to the site, permitting seniors housing, with development consent.

To the north and east of the site is low density residential development, with a mix of one and two storey dwelling houses fronting Walter Street and Loftus Streets.



Figure 1: Aerial view of the subject site

2. History of the development of Council's Policy in relation to the loss of Employment Lands

Over time Council has considered a number of matters that are relevant to the current proposal. A summary of relevant events, reports and Council resolutions is provided in Table 1.

Table 1: Loss of Employment Lands – Policy Development and Context in Relation to the 245 Marion Street, Leichhardt

Date	Description
May 2010	Re-zonings, Planning Proposals and potential Affordable Housing sites Council considered a report in relation to “Re-zonings, Planning Proposals and potential Affordable Housing sites”. The report identified a number of potential sites and corridors where Affordable Housing outcomes could be explored. The sites and corridors identified included: • Darling Street, Balmain Road and Norton Street • Victoria Road • Parramatta Road • Sydney Regional Environmental Plan No. 26 Land – the former Goods Yard and rail line stretching from White Bay to Lilyfield • Lilyfield to Dulwich Hill Light Rail Extension • Campbell's Cash and Carry, Allen Street, Leichhardt • Roche Site, Balmain Road, Rozelle – opposite Callan Park In response, Council resolved (C202/10) that: (1) The report be received and noted. (2) Council staff prepare a draft Policy Framework for future consideration by Council. This work was completed as part of the Employment and Economic Development Plan strategic sites and corridors studies project. The Employment Lands Study, described below, began this process.
February 2011	SGS Economics & Planning Employment Lands Study

Date	Description
	In November 2007, SGS Economics and Planning (SGS) were engaged by Leichhardt Council to undertake the Employment Lands Study (the Study). The Study was completed in November 2010 and endorsed by Council in February 2011 (Refer Resolution C29/11). The Study included detailed analysis of the employment land; an evaluation of the significance of a number of strategic sites and their potential for rezoning, including: • Kolotex, George Street, Leichhardt • Balmain Road, Rozelle - Roche • Terry Street, Rozelle – ANKA • Six fragmented industrial sites, including Leichhardt Industrial A (which includes the subject site, 245 Marion Street, Leichhardt and the adjoining site to the east at 237 Marion Street, Leichhardt) The Study did not identify the subject site for rezoning. It includes at Table 29 – Employment Lands – Proposed Zoning that “Located within Rozelle Goods line corridor, has potential for strategic employment use in future. Retain for employment land use.” SGS developed a model to assess the interaction of supply and demand under each scenario for specific sites. This involved the removal of each industrial zoned site from the model to identify the potential implications of their removal on the capacity of the Leichhardt Local Government Area to accommodate forecast employment. The results of the analysis confirmed that as industrial sites are removed and the resulting supply deficits are relocated to other suitable areas, the overflow demand can be redistributed to other suitable alternative areas (both industrial and business zoned lands) without resulting in supply deficits. Consequently, after the redistribution of overflow demand, all precincts remained in surplus, albeit of a smaller magnitude. The Study proposed a methodology for confirming the potential of existing industrial sites to be re-zoned for non-industrial purposes. This methodology was integrated into the Council’s adopted Employment and Economic Development Plan 2013.

Date	Description
April 2011	ANKA Planning Proposal, 118 – 124 Terry Street Rozelle On 19 April 2011, Council endorsed (Refer Resolution C128/11) a pre-Gateway Planning Proposal to rezone the subject land from Industrial to Residential. In doing so, Council resolved to enter into a Voluntary Planning Agreement requiring: • contributions equal to the current State Government imposed s.94 contributions to be used for the purposes that s.94 funds are traditionally used for; • additional Contributions – equivalent to the difference between Council’s adopted Section 94 Plans and the current State Government imposed s.94 contributions pursuant to s.94E – the sum to be dedicated towards the provision of affordable housing; and • a further contribution of \$270,000 for affordable housing. This was the first of the strategic sites mentioned above, to be rezoned under potential Affordable Housing and Employment Lands Study. The Planning Proposal that was exhibited to become Amendment 19 to Local Environmental Plan 2000: • confirmed the rezoning of this industrial site to R1 Residential; • increased the Floor Space Ratio to 1.5:1; and • included controls on building heights. It was supported by a site specific Development Control Plan that: • introduced a new street; • had an overall height limit of 6 storeys; and • limited overshadowing onto adjoining residences. It also included a Voluntary Planning Agreement that related to the new street and various financial contributions.

Date	Description
November 2011	City of Sydney Study – on behalf of the Inner City Mayors, Investigating the Supply of Affordable Housing in Inner Sydney Council received and noted (Refer Resolution C627/11) the final report regarding the supply and barriers to the creation of additional Affordable Housing in inner city Sydney. Twenty two specific sites throughout the inner city were assessed for their suitability for the delivery of Affordable Housing. 245 Marion Street, Leichhardt was not included in the case studies, but the outcomes are relevant to the Planning Proposal. The site analysis comprised three elements: • a local market assessment; • site assessment; and • a review of the existing planning context. The key conclusions drawn from this study were that: • site specifics of developments are important as they determine the overall bulk and scale (the design context) of development and what the market will pay (feasibility based on residual land value); • the multiplicity of planning controls across local government areas is too complicated; • more height and density are required to create opportunities for more housing; • intervention by planning authorities is required to ensure that in areas where more height and density is contemplated, the benefits are shared equally across the community; • proposals should be assessed on merit not just compliance with numeric standards; • uplift in value must not be given away; • uplift alone may not always work if the market is not ready for affordable housing; and • the community needs to be well informed of the benefits and burdens of strategic planning to ensure effective long term agreement.

Date	Description
June 2013	Employment and Economic Development Plan 2013 - 2023 In June 2013, the Leichhardt Employment and Economic Development Plan (the Plan) was adopted (Refer Resolution C286/13). The Plan incorporated the following criteria for the assessment of proposals to re-zone industrial land: • Would the rezoning result in insufficient industrial land being available for current and future demand for industrial land in the Local Government Area, at a minimum? • Would the rezoning of the site result in the fragmentation of a larger industrial precinct or erode the viability of a locally or regionally significant industrial precinct? • Would the rezoning be consistent with adopted Council and/or State Government Policy regarding the future role and demand for industrial land? What impact would it have to Council's employment targets? • Does the site have characteristics required by light or high tech industrial uses and other uses permitted in the zone/seeking floorspace in the Local Government Area or subregion (e.g. floorspace, access, proximity to economic infrastructure, parking, infrastructure, storage, building configuration and land value)? • Would it be economically viable to improve the site to attract new tenants or to adapt to changing industry requirements and to ensure that the land uses on the site address compatibility with surrounding uses? • Would the retention of industrial uses on the site result in a positive net benefit to the community as a whole? The Employment and Economic Development Plan also states that those rezoning proposals that can best respond to the above criteria may be considered to have merit. Based on these criteria, the industrial sites most likely to be suitable for rezoning are fragmented industrial sites and smaller industrial precincts such as Leichhardt Industrial A sites (the subject site and adjoining site at 237 Marion Street, Leichhardt). All rezoning proposals should however, also be based on a thorough market analysis and Economic Impact Assessment by an independent party. The criteria should also be considered in light of the supply and demand analysis provided by the SGS Leichhardt Employment

Date	Description
	Lands Study 2011 (or as updated by Council); the NSW Employment Lands Development Programme and any other relevant policy, publication or research.
March 2014	Kolotex and Labelcraft Sites – 22 and 30 – 40 George Street, Leichhardt After a number of years of negotiations, regarding the Kolotex site, the former Minister for Planning and Environment gazetted the rezoning of the site from IN2 – Light Industrial to R3 – Medium Density Residential and B4 – Mixed Use. The landowners entered into a Voluntary Planning Agreement with the former Minister for Planning and Infrastructure for the construction, dedication and leasing of Affordable Housing apartments at the site. The Voluntary Planning Agreement has been executed.
May 2014	141 & 159 Allen Street, Leichhardt – Planning Proposal At its meeting of 27 May 2014, Council resolved to publicly exhibit the Planning Proposal for 141 and 159 Allen Street, Leichhardt, pursuant to the Gateway Determination by the former Minister for Planning and Infrastructure enabling the Local Environmental Plan to proceed. The Planning Proposal seeks to amend Leichhardt Local Environmental Plan 2013 to establish R1- General Residential land use zone; revised Floor Space Ratio and Development Controls to facilitate the redevelopment of 141 and 159 Allen Street, Leichhardt. The site is currently zoned IN2 - Light Industrial. In summary, the key features of the Planning Proposal are: • an uplift in Floor Space Ratio to 1.5:1 across the total site; • the ability of the two separate ownerships at 141 and 159 Allen Street to be developed independently; • minimum setbacks of 3 metres from each property boundary to ensure compliance with State Environmental Planning Policy 65 – Design Quality of Residential Flat Development (SEPP 65) and the Residential Flat Design Code; • separate vehicle access points to 159 Allen Street from Allen Street and access to 141 Allen Street from Flood Street (in the event that the sites are amalgamated, then a single access

Date	Description
	point from Flood Street is acceptable); • a maximum 3 storey, built form, to Allen and Flood Streets; • a fourth storey to be setback a minimum 6 metres from the 3 storey, built form, fronting Flood and Allen Street frontages; and • a maximum of 6 storeys in height on the larger 141 Allen Street property and maximum of 5 storeys in height on 159 Allen Street so long as overshadowing to neighbouring properties is minimised.
June 2014	Leichhardt Industrial Lands Study In June 2014, Council commissioned consultants, SGS Economics & Planning (SGS), to undertake an Industrial Lands Study for the Leichhardt Local Government Area. The preparation of the Industrial Lands Study is in response to the number of recent rezoning's of industrial land parcels in the Local Government Area; the State Government's WestConnex and associated Parramatta Road Urban Revitalisation Project, as well as the recently announced Bays Urban Renewal Program; the changing nature of industries and demand and supply of industrial land and the future of the Camperdown Industrial Precinct. The draft report by SGS was completed in September 2014 and is currently being reviewed by Council Staff. The report has not yet been reported to Council and as a result, remains in draft form.
August 2014	Economic Assessment of the Suitability of Industrial Land at 67 – 73 Lords Road for Rezoning In July 2014, Council commissioned SGS to prepare a report on the suitability of rezoning industrial land at 67 – 73 Lords Road, Leichhardt. The exercise is complementary to the Leichhardt Industrial Lands Study. SGS assessed the value of rezoning industrial land at the site, given the preliminary outputs from the Industrial Lands Study. While some critical parts of the Industrial Lands Study were still in progress (most notably the demand forecasts and supply-demand gap assessment), it was still possible for SGS to draw some initial conclusions from the work to date. Relevantly, the Economic Assessment findings include that: • The site is economically viable in its current form.

Date	Description
	- The precinct is fully tenanted and is functioning well therefore the loss of this precinct as industrial space would be significant. Although having a local service/ light industrial character, the precinct also houses some non-industrial activity (martial arts centre, art auction rooms, church, etc.) as well as having a small office component (5% of GFA). In this light, the precinct may be a good example of a more flexible industrial area and one that could be well positioned to attract creative businesses and/ or higher value light manufacturing activity if spaces are suitably configured. The provision of light rail service boosts attractiveness for these functions (just as it boosts suitability for medium density residential development). - According to the Proponent's data, the precinct currently employs 62 workers. The proposed residential development with childcare facility would result in fewer workers and result in a net loss of jobs. At this stage, it is not possible to quantify the effect of rezoning in terms of the ability of the Local Government Area to meet employment targets. However, given that there are no vacancies at the Lords Rd precinct, and there are relatively low stocks of industrial land elsewhere in the Local Government Area, coupled with some significant demand – side drivers (such as WestConnex and the Bays Precinct Urban Renewal), SGS have advised that a rezoning of the site is not appropriate before a full supply-demand gap assessment is completed. - As the precinct is currently functioning well, rezoning would have an impact. Whether this is outweighed by the provision of housing (Affordable Housing in particular) largely depends on whether the loss of this industrial precinct would jeopardise the ability of the Local Government Area to meet its employment targets and/ or whether it would result in insufficient supply of local service industrial land given the needs of the current and projected population. This question will be answered as part of the Industrial Lands Study.
August 2014	67 – 73 Lords Road, Leichhardt – Planning Proposal At its meeting of 26 August 2014, Council resolved not to support the request to prepare a Planning Proposal for 67 – 73 Lords Road, Leichhardt, for the following reasons: a) in the context of persistent demand and a low and decreasing supply of industrial land a rezoning would dilute Council's ability to provide sufficient industrial land to accommodate

Date	Description
	demand; and b) the Planning Proposal is inconsistent with s.117 Direction 1.1 Business and Industrial Zones on the following grounds: i. the Planning Proposal is not justified by relevant strategies in relation to the retention of employment lands, including the Draft Metropolitan Strategy for Sydney to 2031 and the Draft Inner West Sub-regional Strategy. ii. the Planning Proposal is not adequately justified by an economic study prepared in support of the planning proposal iii. the Planning Proposal is of substantial significance to the local government area's employment land supply. c) the proposed rezoning would result in the loss of an economically viable employment lands precinct containing local services, light industrial and other non-industrial activities which contribute to the diversity of the economy, community activities and employment opportunities d) the proposal does not have merit when assessed against the criteria established by the Leichhardt Employment and Economic Development Plan 2013-2023 e) the Planning Proposal is not supported by an appropriate Net Community Benefit Test as it does not address the wider issue of cumulative loss of employment lands in the local government area f) the Planning Proposal is not supported by an adequate, comprehensive Social Impact Assessment g) the proposed zoning of R3 Medium Density Residential is inconsistent with the Draft Metropolitan Strategy for Sydney to 2031, Appendix D: Glossary of Terms as it relates to R3 Medium Density Residential. The proposed building heights and residential density are, instead, consistent with the R4 High Density Residential Zoning which is not included in the Leichhardt Local Environmental Plan 2013. h) the proposed Floor Space Ratio and building heights would result in unacceptable amenity impacts on the local area including:

Date	Description
	i. overlooking of Davies Street properties, ii. inadequate location and quantity of common and private open space iii. visual impact derived from the bulk and scale of buildings iv. overshadowing of open space areas v. inconsistency with the local character i) the Planning Proposal proposes that 15.8% of the site be communal open space and therefore does not meet the requirements of State Environmental Planning Policy 65 – Residential Flat Design Code which requires the provision of 25-30% of the site for communal open space j) the Planning Proposal is not consistent with Section 3.3.3 (Clause 3.3.1) of the Leichhardt Affordable Housing Strategy (2011) which seeks a 10% affordable housing contribution k) the proposed reduction in the width of existing streets to accommodate public domain works is unacceptable l) the proposed one-way share way vehicular movement system would result in an unacceptable number of vehicle movements in Davies Lane m) the proposal would result in significant additional traffic impacts, particularly in relation to intersections, which have not been adequately addressed in the supporting studies n) the Planning Proposal does not adequately address the strategic context of major NSW State government projects including: i. Bays Precinct Urban Renewal ii. Parramatta Road Urban Renewal; which may result in further, significant loss of employment land and an increased demand for non-residential goods and services arising from a growing population in the inner west o) Council has not been provided with adequate information to be satisfied that the site can be made suitable for the proposed residential development and use in accordance with SEPP 55

Date	Description
	Remediation of Land. p) the Planning Proposal does not address issues associated with the proposed West Connex Motorway including: i. traffic generation ii. location of air quality stacks iii. location of motorway entry and exit portals
October 2014	141 & 159 Allen Street, Leichhardt – Planning Proposal Council resolved (resolution number C343/14) to make the Leichhardt Local Environmental Plan 2013 amendment to rezone land at 141 and 159 Allen Street, Leichhardt from IN2 Light Industrial to R1 General Residential as detailed in the exhibited Planning Proposal at its meeting of 28 October 2014. Council considered a report on two alternative draft Voluntary Planning Agreements in relation to the Allen Street Planning Proposal at its Building and Development meeting on 12 August 2014. One draft offered a monetary contribution above standard developer contributions to support the delivery of Affordable Housing in the Local Government Area. The other draft offered to construct and dedicate a certain number of Affordable Units to a Community Housing provider. At the Ordinary Council meeting of 28 October 2014, it was reported that Council is now considering a draft Voluntary Planning Agreement separately and this process is not directly associated with progress of the proposed Local Environmental Plan amendment and associated Development Control Plan.

3. Site History

On 15 August 2014, a Planning Proposal request for the industrial site at 245 Marion Street, Leichhardt was submitted to Council. The proponent's initial request was seeking Council's support to rezone the site from IN2 – Light Industrial to R1 – General Residential. Neither the Proponent, nor the Proponent's representatives contacted Council prior to lodgement of the Planning Proposal to discuss the scope of information required to enable Council to determine whether there is merit in the proposed amendment proceeding to the next stage of the plan making process.

The Proponent submitted the following supporting studies and documents:

- Planning Proposal report (Attachment 1)
- Urban Design Study (attachment 2)

On 25 September 2014, Council wrote to the Proponent requesting the following information be provided to assist in determining the strategic merit of the proposal:

- A full traffic and transport impact assessment
- An expanded Urban Design Study
- A School, long daycare and childcare impact assessment
- A Stage 1 Preliminary Site Investigation, in accordance with the Department of Climate Change and Water's guidelines for Consultants Reporting on Contaminated Sites 2000.
- A flood risk management report.

On 1 October 2014, Council Officer's met with the Proponent and the Proponent's consultants to discuss the Planning Proposal and Council's letter requesting further information dated 25 September 2014.

On 31 October 2014, the Proponent submitted additional information on the following matters:

- A cover letter including a potential change to the rezoning request (Attachment 3)
- A contamination assessment, based on a 1999 Contamination Report prepared for a commercial development scenario at the Site (Attachment 4).
- A flood risk management report (Attachment 5)
- A traffic and transport impact assessment (Attachment 6)
- An expanded Urban Design Study (Attachment 7)
- A School, long daycare and childcare impact assessment (included in Attachment 4)

The cover letter submitted with the additional information (Attachment 3) included the following amendments to the August 2014 Planning Proposal request:

The Proponent would support:

1. any proposal by Council to expand the types of commercial employment generating land uses permissible on the site to those already included in the Planning Proposal for an R1 Zone as initially lodged with Council (subject to also retaining residential development as permissible without limitation).
2. any Council proposal to rezone the site to a business zone which expands the range of employment generating land uses permissible on the site and also permits residential development as either 'residential flat building' or as part of 'shop top housing' without limitation above ground level to the maximum height and FSR.
3. any Council proposal to rezone the site to a residential zone that permits residential flat buildings and to amend Schedule 1 of the LEP to allow additional commercial employment generating land uses on the site that are compatible with residential use.

4. Process

The State Government changed Part 3 of the Environmental Planning and Assessment Act 1979 on 2 November 2012. The changes allow both councils and proponents to request an independent review of some Department of Planning and Environment or council decisions on Planning Proposals.

The grounds for a proponent requesting a Pre-Gateway review of a council decision are:

1. a council decides not to support a Planning Proposal; or
2. a council fails to support a Planning Proposal within 90 days of its submission.

The Gateway is an integral part of the process for preparing Local Environmental Plans and Planning Proposals. The purpose of a Gateway determination is to ensure that there is sufficient justification, early in the process, to proceed with a Planning Proposal.

If the Proponent seeks a Pre-Gateway Review the Joint Regional Planning Panel will examine the Planning Proposal and recommend to the Minister whether the proposal should proceed to Gateway determination under clause 56 of the Environmental Planning and Assessment Act 1979.

Report

1. Planning Proposal Request

The Planning Proposal request submitted by the Proponent, P&C Consulting Pty Ltd, seeks to amend Leichhardt Local Environmental Plan 2013 to facilitate the redevelopment of 245 Marion Street, Leichhardt, to permit substantial residential development at the Site. The Planning Proposal request is accompanied by an Urban Design Study. The Planning Proposal request is supported by limited supporting documents, studies and reports. The Planning Proposal request does not include any site specific controls for the property through amendments to Leichhardt Development Control Plan 2013.

The Proponent has stated that further detailed reports supporting the rezoning would be provided after Gateway Determination and as part of future Development Applications.

The Planning Proposal request has been the subject of detailed review by Council Officers and consultants appointed by Council. It is considered that the supporting information provided by the Proponent to date, is insufficient to demonstrate that relevant environmental, social economic and other site specific matters have been identified and if necessary any issues can be adequately addressed. The Planning Proposal is considered complex, given:

- The proposed scale of the development (either an unprecedented 3.3:1 FSR and maximum height limit of 50m, or no limitation on FSR and height) and the resulting impacts from such a substantial development.
- The environmental constraints at the Site (contamination and flooding).
- The cumulative impact of the loss of employment lands in the Leichhardt local Government area

In accordance with the Department of Planning and Environment's "Guide to preparing planning proposals", a Planning Proposal must demonstrate the strategic merit of the proposed amendment to the LEP proceeding. The information provided by the Proponent fails to adequately demonstrate that the proposal has strategic merit.

In summary, the issues raised following the detailed assessment of the Planning Proposal request relate to the:

1. prematurity of the proposed rezoning given the uncertainty of the status of surrounding industrial lands within the Leichhardt Local Government Area as a result of NSW State Government announcements in relation to:
 - a. WestConnex Motorway and Urban Revitalisation Projects.
 - b. NSW Government Bays Precinct Urban Renewal Program.
2. loss of Employment Lands and the cumulative impact of the loss of Employment Lands given the recent rezonings of industrial lands in the Local Government Area, the pressure on remaining industrial lands to rezone, particularly in the West Leichhardt Area, and the impact of State Government Urban Regeneration and Renewal programs associated with the WestConnex scheme and the Bays Precinct Urban Renewal Program.

3. the inadequacy of supporting specialist documents lodged with the Planning Proposal request, given the proposal is considered to be “complex” and in accordance with the Department of Planning And Environment’s “Guide to Preparing Planning Proposals”, that the level of detail “required in a planning Proposal should be proportionate to the complexity of the proposed amendment”.
4. the strategic ‘fit’ of the proposal as assessed against the aims and objectives of:
 - a) Leichhardt Local Environmental Plan 2013
 - b) Leichhardt Development Control Plan 2013
 - c) Leichhardt Employment and Economic Development Plan 2013 - 2023
 - d) Leichhardt 2025+
 - e) Leichhardt Integrated Transport Plan 2013 - 2023
 - f) Leichhardt Community and Culture Plan 2011 - 2021
 - g) Leichhardt Environmental Sustainability Strategy 2010 - 2014
 - h) Leichhardt Council Climate Change Plan
 - i) Leichhardt Public Art Policy 2015 - 2024
 - j) Metropolitan Plan for Sydney 2036
 - k) Draft Metropolitan Strategy for Sydney to 2031
 - l) Inner West Subregion Draft Subregional Strategy (July 2008)
5. An assessment of the design merits of the Planning Proposal indicates that the Planning Proposal is unsatisfactory in relation to its:
 - built form, height and bulk particularly adjacent to Walter and Loftus Street properties and 237 Marion Street, in addition to the inappropriate built form, height and bulk as viewed from Marion Street and from properties in the Ashfield Local Government Area to the west of the site;
 - potential amenity impacts including overlooking of adjacent properties;
 - potential amenity impacts for future residents in terms of inadequate solar access and the lack of private open space, communal open space and landscaped areas and
 - non-compliance with State Environmental Planning Policy 65 – Design Quality of Residential Flat Development (SEPP 65) and the Residential Flat Design Code controls.
6. Prematurity of the proposed zoning in the context of Council’s Strategic Centres Study, which has commenced. The Centres Study could be expanded to explore the possibility of a suitable Business zoning.

In summary, the key features of the Planning Proposal request are:

- Either an uplift in Floor Space Ratio to 3.3:1 across the site for a R1 – General Residential zoning or no floor space limitation for a Business zoning (unspecified).
- One (1) residential block, with a length of approximately 130m, ranging in height from 10m (3 storeys on the Marion Street and Walter Street frontages), up to 50m (15 storeys) in the centre of the site associated with an R1 – General Residential zoning or no height limitations for a Business zoning (unspecified).
- Up to 200 residential dwellings.

- Commercial and community facility floor space (approximately 2000m² gross floor area), including a café/ restaurant and a childcare centre (up to 60 children).
- Zero setback to Marion Street.
- Access to residential basement parking from Marion Street and access to proposed childcare centre off Walter Street.

2. Proposed Amendments to Leichhardt Local Environmental Plan 2013

The Planning Proposal seeks to amend the Leichhardt Local Environmental Plan 2013 as follows:

- Amend the Land Zoning Map to rezone the site at 245 Marion Street, Leichhardt (Lot 1 in DP 507525) from IN2 - Light Industrial to R1 - General Residential in accordance with the proposed Land Zoning Map shown in Figure 2;
- Amend the Floor Space Ratio Map to identify a site specific Floor Space Ratio of 2.4:1 for 245 Marion Street, Leichhardt as shown in Figure 3.

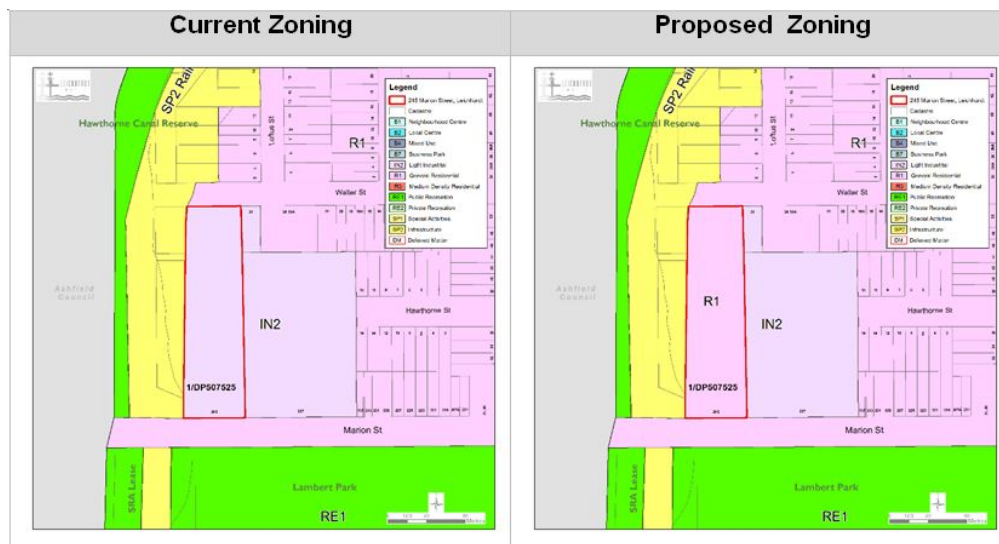


Figure 2 Zoning under Leichhardt Local Environmental Plan 2013

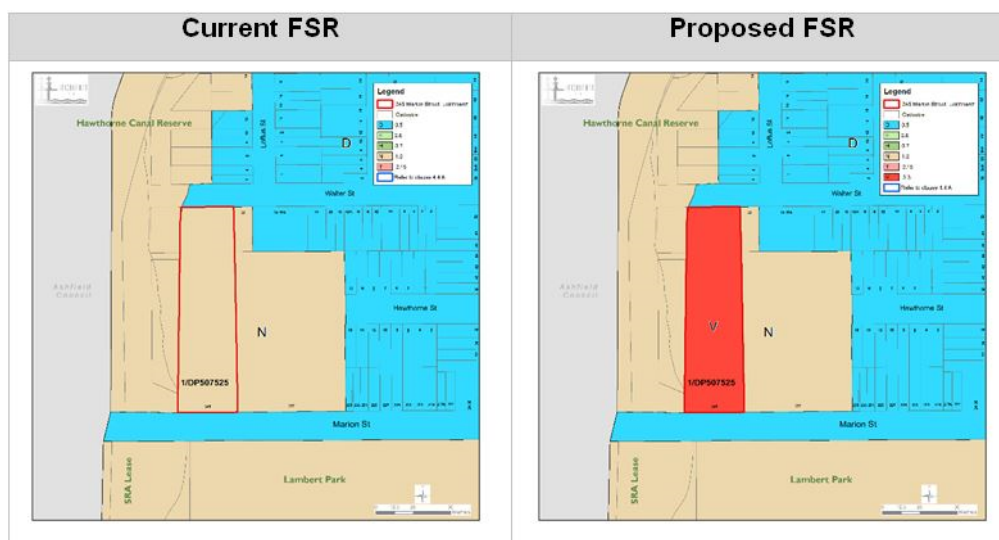


Figure 3 Floor Space Ratio under Leichhardt Local Environmental Plan 2013

Alternatively, the Planning Proposal seeks to amend the Leichhardt Local Environmental Plan 2013 as follows:

- Amend the Land Zoning Map to rezone the site at 245 Marion Street, Leichhardt (Lot 1 in DP 507525) from IN2 - Light Industrial to a Business Zone (likely to be either B2 – Local Centre, B4 – Mixed Use or B6 – Enterprise Zone, although the Proponent has not identified their preference).
- Amend the Floor Space Ratio Map to include no Floor Space Ratio for the Site.

Given the SGS Lords Road report and draft Council wide Industrial Lands Study, plus higher order strategic planning documents relating to protecting employment lands, an important outcome for the site is considered to be a zoning that allows for light industry (permitting creative industries, high tech industry, etc) that need an accessible location and are compatible with residential development (existing surrounding and proposed above). A review of likely Business zones that potentially could be accommodated at the site is provided below.

It is noted that the Proponent has not provided any strategic discussion on which business zone might be suitable/ preferable for the site. A general overview of potential Business zones is provided below. In identifying a preferred Business Zone for the site, a balance needs to be achieved in terms of protecting employment generating land uses and the developer's aspirations for the site to include a residential component, which will assist with the viability of the lands to support employment uses. Early evidence from the draft Council wide Industrial Lands Study by SGS Economics and Planning suggests that the qualities of the subject site that make it attractive for residential uses, i.e. located adjacent to light rail station and on bus routes, proximate to local village centres and the City, and proximity to low density residential areas; are also attractive for new, creative light industries.

B2 - Local Centre

The B2 Zone is not considered compatible with any policy to protect employment generating land uses. Residential flat buildings are prohibited in the zone, while shop top housing is permissible, however, in order to be defined as shop top housing, the whole of the ground floor of the site must be used for retail or business purposes. Given the length of the site, it is likely to be undesirable to have retail and business uses through the centre of the site without a street frontage to attract passing customers. There is also an issue with competing with Leichhardt Market Place. A B2 – Local Centre proposal would need to be supported by a retail needs study, in order to understand the impact on nearby B2 lands. While light industry is permissible with consent in the zone, no residential would be permitted above the light industry (as the definition of shop top housing is ground floor retail or business premises with one or more dwellings above). In addition, the objectives of the B2 – Local Centre zone do not support light industry.

B4 - Mixed Use

Industries are prohibited under the B4 zone. The objectives of the zone do not discuss the level of mix of land uses. This is an issue for Council, as per the Kolotex site (22 George Street, Leichhardt), where the amount of commercial area was

substantially reduced from the Planning Proposal to the Development Application. The B4 – Mixed Use Zone is not considered suitable to achieve Council's desired employment outcomes for the site.

B6 - Enterprise Corridor

Should a rezoning of the site be supported, potentially a B6 Enterprise Corridor zone could serve to protect the site for employment uses and provide the residential uplift for the land owner. The B6 – Enterprise Corridor zone seeks to promote businesses along main roads and to encourage a mix of compatible uses. Providing for a range of employment uses, including business, office, retail and light industrial uses. Under the zoning, residential uses are secondary to the employment uses.

A B6 – Enterprise Corridor Zone, for the site could be investigated as part of Council's Strategic Centres Study. As a result, any proposal to rezone the Site to a business zoning is considered premature. Any future Planning Proposals must be informed by the outcomes of Council's Strategic Centres and Sites Study.

The Proponent has not included an Urban Design Study or supporting information in relation to a Business zoning at the site, or any supporting information in relation to the requested no limitation on FSR or maximum building height. As a result, the following assessment of the proposal is based on the information provided by the Proponent to date, i.e. a residential flat building development, with commercial ground floor space, a maximum FSR of 3.3:1, maximum height limit of 50m and R1 – General Residential zoning.

It is noted that if the proposal were to be changed to a business zone, such as B6 – Enterprise Corridor, where the residential component is secondary to the employment uses, this is likely to significantly change outcomes relating to traffic and parking. No assessment in relation to the impact of a business zone on traffic and parking has been provided by the Proponent.

3. Description and explanation of key issues of the Planning Proposal for 245 Marion Street, Leichhardt

The Planning Proposal request has been assessed against the aims and objectives of the strategic framework that guides the development of the site, as outlined below.

In addition, the Planning Proposal must be contemplated within the context of the State Government's broader vision for the Inner West, including the WestConnex Urban Revitalisation Project and the recently announced Bays Precinct Urban Renewal Program, which includes State Government owned land at Rozelle Bay, White Bay Power Station and the Rozelle Rail Yards. Commentary in this regard, is also provided below.

3.1 Strategic Context

3.1.1 Metropolitan Plan for Sydney 2036 (the Plan)

The Plan is a broad planning framework used to guide the development of Sydney to 2036. The Plan proposes population growth, new housing, new jobs, increases in industrial land, and commercial and retail floor space over a 25 year period for the whole of Sydney. Some key features of the Plan include:

- Locate at least 70 per cent of new housing within existing urban areas;
- Subregional net additional dwelling targets for the Inner West (including Leichhardt Local Government Area) is 35,000 new dwellings by 2036. The targets are to be reflected in Local Environmental Plans (Action D1.2);
- Increase employment opportunity within the inner west through the provision of an additional 25,000 new jobs by 2036;
- Monitor the supply and demand for Employment Lands, identify and retain strategically important Employment Lands and plan for new Employment Lands.

Consistency of the Planning Proposal request, with the relevant objectives and actions of the Metropolitan Plan for Sydney 2036, is provided in Appendix A.

3.1.2 Inner West Subregion Draft Subregional Strategy (July 2008)

Implementation of the Metropolitan Plan for Sydney 2036 is, in part, achieved through the breakdown of areas into subregions. Leichhardt Local Government Area is located within the Inner West Subregion. Accordingly, strategic development decisions and tools are informed by the goals set by the Inner West Subregion Draft Subregional Strategy (July 2008).

Along with identifying specific growth targets in relation to new housing and job creation, the Inner West Subregion Draft Subregional Strategy (the Strategy) identifies and categorises Employment Lands for retention. The subject site is identified in Figure 4 Inner West Subregion Structure Plan as employment lands and later identified in Table 6 Schedule of Future Role of Employment Lands in the Inner West as being Category 2 Employment Land.

Category 2 Employment Lands, were identified to have potential to allow for a wider range of employment uses. Sites within this Category were seen as being collectively continuing to provide land for employment opportunities, but a wider range of employment uses or more intensive scale of employment activity than currently permitted.

Consistency of the Planning Proposal with the relevant objectives and actions of the Inner West Subregion Draft Subregional Strategy are considered in detail in Appendix A.

3.1.3 Draft Metropolitan Strategy for Sydney to 2031 (draft Strategy)

The Draft Metropolitan Strategy for Sydney to 2031 is designed to set out a new plan for the city's future over the next two decades. It is expected that by 2031, 1.3 million more people will be located in the city. The draft Strategy aims to provide 545,000 new homes and 625,000 new jobs spread across the Metropolitan area. The draft Strategy aims to enable greater choice of housing that is more affordable and create jobs closer to homes.

The Draft Metropolitan Strategy for Sydney to 2031 is designed to align with the NSW Long Term Transport Master Plan and the State Infrastructure Strategy. Consistency of the Planning Proposal with the relevant objectives and actions of the Draft Metropolitan Strategy for Sydney to 2031 are considered in Appendix A.

3.1.4 Strategic Assessment

The Planning Proposal is consistent with many of the objectives and actions of the Metropolitan Plan for Sydney 2036; the Inner West Subregion Draft Subregional Strategy and the Draft Metropolitan Strategy for Sydney to 2031, but fails to achieve:

- Metropolitan Plan for Sydney 2036 - Strategic Direction 'E' – Growing Sydney's Economy, and in particular, Objective E3 – To provide Employment Lands to support the economy's freight and industry needs and Action 3.2 - Identify and retain strategically important Employment Lands;
- Inner West Subregion Draft Subregional Strategy Key Directions 'A' – Economy and Employment, IW A1.1.1 Inner West Local Councils to prepare Principal Local Environmental Plans which will provide sufficient zoned Commercial and Employment Land to meet their employment capacity targets, IW A1.2.3 Council to ensure retention of sufficient small Employment Lands parcels to support local service industries (Draft Inner West Subregional Strategy (2008) – Category 3 Lands are lands that could be investigated for alternative uses such as residential or new open space or civic spaces); and
- Draft Metropolitan Strategy for Sydney to 2031– Objective 13 – Provide a well located supply of industrial lands.

The Leichhardt Employment Lands Study 2011 and Leichhardt Employment and Economic Development Plan 2013 (EEDP) identify the site as a fragmented industrial site surrounded by residential development. These documents include that intensive industrial use of the site is restricted due to potential adverse impacts on surrounding dwellings.

The EEDP, which was based on the findings of the Leichhardt Employment Lands Study 2011, states that a number of fragmented industrial sites, could be investigated for a broader range of uses including high technology industries and office-based creative industries.

The Proponent's request to prepare a Planning Proposal is not supported by an Industrial Rezoning Economic Justification Report. The Planning Proposal includes that: "The site has a limited suitability for industrial use due to its isolation from other industrial zoned land and major industrial transport corridors and infrastructure, and potential for land use conflict with adjacent residential properties and recreational zones." The Proponent has not provided any evidence of conducting investigations into a broader range of employment uses that could operate from the site rather.

The Proponent claims that because the site to the east (237 Marion Street) has now been developed for a Seniors Housing Development, and as a result, the subject site is now an isolated industrial site. 237 Marion Street remains zoned IN2 – Light Industrial. Seniors Housing is a site specific permitted use, with consent. In addition, given the use as Seniors Housing, the site retains some characteristics of employment lands, i.e. a range of people would be employed at the site including administration staff, medical and health related staff, caterers and cleaners.

The Proponent has advised that there are currently 25 people employed by AMR Mazda at the site and 25% of those employed at the site live within the Leichhardt Local Government Area. The proposal includes land uses that support employment opportunities, including a childcare centre for up to 60 children and 1,500m² commercial floor space. The Proponent has not provided any estimates as to how many jobs will be generated from the site, based on the Planning Proposal outcomes.

The Planning Proposal relating to 22 George Street, Leichhardt (the Kolotex Site), included 1,300m² commercial floor space and estimated approximately 125 direct jobs would be generated from the employment related floor space. The Department of Planning approved the rezoning of the Kolotex site based on the estimated employment outcomes. Using the Kolotex site as a reference, potentially, over 100 jobs could be generated at 245 Marion Street, based on the Proponent's Planning Proposal request. However, the resulting DA (D/2014/312) recently submitted in relation to the Kolotex site, following the rezoning of the property, included only 175m² of commercial space. In their assessment of the DA for the report to the JRPP, Council officers sought advice from a third party as to the employment prospects of the proposed 175m² commercial space which was estimated to be approximately 7-9 jobs.

If the Planning Proposal for 245 Marion Street, Leichhardt is to progress, there must be certainty to ensure that the commercial floor space proposed is maintained at any future DA stage. This potentially may be achieved through a Site Specific clause being added to Schedule 1 Additional Permitted Uses of the Leichhardt Local Environmental Plan 2013, if the site was to be rezoned R1 – General Residential, B2 – Local Centre or B4 – Mixed Use. However, if an alternate zone is sought, such as B6 – Enterprise Corridor, then the residential uses must be secondary to the commercial or industrial uses, providing more certainty that the site will continue to contribute as employment land within the Local Government Area.

Regarding the existing employment lands at the site, the Proponent states that:

“...the Draft Inner West Subregional Strategy identifies the subject land as Category 2 employment lands with potential to allow for a wider range of employment uses and elements of residential or other non-employment uses.”

The Draft Inner West Subregional Strategy includes that areas of Category 2 lands that could be considered for a wider range of employment uses or intensity of activity, are likely to be well serviced by public transport and where industrial areas are not functioning well due to surrounding land uses or site constraints. The Draft Inner West Subregional Strategy states that “In some circumstances an element of residential or other non-employment uses may be considered on part of these sites where this can be shown to not impact on the primarily employment function of the area or will be affected by other land use planning considerations, such as busy roads, rail lines or environmental constraints. However, unlike Category 3 lands, in these case non-employment uses would only be a relatively minor element of development.”

The Proponent's Planning Proposal includes 2000m² of ground floor commercial uses (including child care uses, community facilities and potential cafes/ restaurants and small retail opportunities), and some 15,000m² of residential uses. Under the Proponent's scenario, the non-employment uses is a major element to the site, which is directly at odds with the Draft Inner West Subregional Strategy (2008).

Council has a requirement to meet local employment targets of the Draft Inner West Subregional Strategy (2008). Table 4 of the Strategy identifies employment capacity targets for Leichhardt to 2031 as 500 new jobs. It is understood that the Department of Planning and Environment (the Department) is preparing new Subregional Strategies to support the Draft Metropolitan Strategy for Sydney to 2031. The Department has indicated that job target figures for each Subregion are expected to be substantially higher than the forecast figures set out in the 2008 Strategy document.

It is imperative that Council protect employment lands, that although they may not be suitable for traditional industrial uses, do have characteristics that are suitable to support a wider range of employment uses. This is in order to ensure there is enough floorspace for local servicing industries to support increase residential population growth in the Local Government Area, and achieve the Department's future jobs growth targets.

The Proponent's Planning Proposal does not address the cumulative impact of the loss of employment lands in the Local Government Area. The Proponent describes the site and the impact of the loss of the site as industrial lands in isolation. The Proposal includes 2000m² gross floor area of commercial land uses, however, the Proponent has not provided any forecast as to how many jobs may be generated from the site (during its operational phase).

In Leichhardt Local Government Area, around 40 hectares of employment lands have been rezoned over the past 20 years, including the recent rezoning of the former 'Kolotex' and 'Labelcraft' sites at 22 and 30-40 George Street (from IN2 Light Industrial to R3 Medium Density Residential and B4 Mixed Use Zone respectively).

Leichhardt Council (Council) has a relatively small stock of industrial land remaining, all zoned IN2 Light Industrial, which is under increasing pressure to be rezoned for residential purposes. While some of this land might be better suited to other uses and zonings, it is essential that sufficient industrial zoned land is retained within the Leichhardt local government area to ensure that the current and future needs of the local area are met.

In particular, Council must reconcile significant land-use pressures with regard to the industrial zoned land within the LGA, namely:

- The need to retain viable industrial lands to serve the population
- The long-standing direction of the NSW Government that requires significant employment lands be protected and retained
- The aspirations of landowners that advocate for zoning that allows higher order uses such as residential or retail

- Determining if/ how higher order uses can proceed within industrial zones without undermining their ongoing functioning as industrial areas.

SGS Economic and Planning have been commissioned to undertake a Council wide Industrial Lands Study (the draft report was completed in September 2014, and is currently being reviewed by Council Officers). This study provides Council with baseline information against which to assess future proposals to rezone industrial land, in line with the state and local planning policy context, and changing economy, infrastructure and demographics.

The site is currently zoned IN2 – Light Industrial under Leichhardt Local Environmental Plan 2013 and listed as Category 2 Employment Land in Table 6 of the 2008 Inner West Subregion Draft Subregional Strategy. Table 6 also shows that in 2008 there were 108.9ha of Employment Lands in Leichhardt Local Government Area. The Marion Street/ Walter Street site, with an area of 1.3ha (this includes the subject site and the seniors housing development to the east at 237 Marion Street, Leichhardt), is a relatively small precinct that represents less than 1% of total industrial land in the Leichhardt Local Government Area however, the percentage of Industrial land in the Leichhardt Council Area is decreasing with the recent and pending rezonings of industrial land at the:

- Kolotex and Labelcraft site (approximately 1.46ha)
- ANKA site – Terry Street, Rozelle (approximately 1.42ha)
- 141 and 159 Allen Street, Leichhardt (approximately 1ha)

In addition, Council recently resolved not to support the rezoning of 67 – 73 Lords Road, Leichhardt from IN2 – Light Industrial to R3 – Medium Density Residential. It is understood that the Proponent of the Lords Road site will be seeking a Pre-Gateway review through the Department.

If the Allen Street, Lords Road and 245 Marion Street (the subject site) were all to be rezoned to residential uses, then in combination with the already rezoned Terry Street and Kolotex and Labelcraft sites, the total loss of employment land involved would be 5.47ha, which is 5 % of the 2008 industrial land supply in the Local Government Area.

In addition, there is the recently announced State Government Urban Renewal Program for the Bays Precinct, incorporating some 78.5 hectares of industrial zoned land in the Leichhardt Local Government Area. The Parramatta Road revitalisation which is planned as part of the WestConnex road development, could also result in the loss of up to another (approximately) 12.2ha of industrial land.

As stated above, the 2008 Inner West Subregion Draft Subregional Strategy identifies 108.9ha of Employment Lands in the Leichhardt Local Government Area. The potential loss of the Bays Precinct (78.5ha) and Parramatta Road Employment Lands (12.2ha associated with the WestConnex project), results in the total Employment Lands in the Local Government Area may be reduced to approximately 18.2ha. Subtract from this the Employment Lands lost as a result of the rezoning of the Terry Street, Kolotex and Labelcraft sites (totalling 2.88ha), the resulting Employment Lands in the Local Government Area remaining would be 15.32ha.

The Bays Precinct Urban Renewal Program and WestConnex Parramatta Road Revitalisation Program will not necessarily result in the loss of all 90.7ha of Employment Land. In a worst case scenario, however, if all this land were lost to non-employment uses, the result would only leave Leichhardt with 15.32ha of its 2008 supply of Employment Lands. The proposed rezonings of Allen Street, Lords Road and 245 Marion Street, Leichhardt would reduce this by a further 2.59ha, to 12.73ha left across the Local Government Area. 245 Marion Street, with a site area of 5210m², would represent a potential loss of 3.4% of the worst case residual industrial land supply of 15.32ha.

Council recognises that 245 Marion Street represents an opportunity to maximise its employment generating potential that may justify a modest increase in the Floor Space Ratio for uses such as creative industries and local services.

Council engaged SGS Economics and Planning to undertake the Industrial Lands Study in order to provide Council with baseline information against which to consider proposals for rezoning industrial land; provide Council with an understanding of the cumulative impact of the loss of Employment Lands in the Local Government Area and guide future decision making in relation to industrial land within the Local Government Area.

Early evidence from the SGS draft Leichhardt Employment Lands Study (September 2014) indicates that, based on the NSW Bureau of Transport Statistics (2012) employment forecasts, across all industries, it is predicted that there will be a total increase of 6,152 jobs across Leichhardt to 2036, this increase in jobs must be supported by adequate employment space. The increase in jobs could equate to the requirement for approximately 35,000m² employment floorspace in the Local Government Area by 2036. In addition, as concluded in the SGS Economics Assessment for the recent Lords Road Planning Proposal, certain industries are dependent upon their surrounding residential population and are best located near public transport.

Given the local-servicing nature of Leichhardt's employment lands, it is important that these lands are protected to provide jobs for the future (although it is acknowledged these jobs will not necessarily be traditional manufacturing jobs) and to service the growing residential population. It is anticipated that the SGS Council wide Industrial Lands Study will make recommendations regarding the way forward for Council's Industrial lands. It is therefore considered that the Planning Proposal is premature until the findings of the SGS Council wide Industrial Study has been reviewed by Council Officers and reported to Councillors.

It is considered that the Proponent has not adequately justified the proposal against the objectives and actions of the Metropolitan Plan for Sydney 2036, the Draft Metropolitan Plan for Sydney 2031 or the Inner West Subregion Draft Subregional Strategy, in relation to Employment Lands. In addition Council is awaiting to report on the outcomes of the Council wide Industrial Lands Study. Consequently, the Planning Proposal request is not justified against these Strategic Metropolitan and Regional higher order planning documents, and the Planning Proposal request is considered premature.

3.1.5 Leichhardt 2025+ Strategic Plan

The Leichhardt 2025+ Strategic Plan, July 2013, was developed by Council with the local community to guide and direct Council and the community in achieving their development goal of a “sustainable, connected and liveable community”. Leichhardt 2025+ is the strategic plan for the Leichhardt Local Government Area that identifies the community’s main priorities and aspirations for the future and guides the delivery of Council services over the next ten years.

The plan provides a framework for future development of the community over key areas that include:

- Community Wellbeing;
- Accessibility;
- Place Where We Live & Work;
- Sustainable Environment;
- Business in the Community; and
- Sustainable Services & Assets.

The Planning Proposal request is not consistent with the goals of the Leichhardt 2025+ Strategic Plan in respect to the following:

- The rezoning of the land is not consistent with the objectives and actions of the Metropolitan and Subregional Plans in seeking to redevelop industrial land for residential development;
- The Planning Proposal request, as submitted includes a design that is disconnected from the wider locality.

3.1.6 Leichhardt Employment Lands Study 2011 (the Study)

The local level implementation of the 2008 Inner West Subregion Draft Subregional Strategy is realised through Local Environmental Plans (Local Environmental Plan). A series of specialised studies were undertaken to support preparation of Leichhardt Local Environmental Plan 2013. In this regard, Leichhardt Municipal Council commissioned the Leichhardt Employment Lands Study 2011, which was used to identify the local demand and supply of Employment Lands and their capacity to meet the projected targets of the Metropolitan Plan for Sydney to 2036 and the Inner West Subregion Draft Subregional Strategy. The final report of the Leichhardt Employment Lands Study, compiled by SGS, was published in January 2011.

The Study utilised gap analysis to determine the availability of Employment Lands based on three scenarios and the opportunities and constraints that each site or precinct offered in achieving economic and employment growth within the Leichhardt Local Government Area.

In relation to the specific site, SGS developed a model to assess the interaction of supply and demand under each scenario. This involved the removal of the subject Industrial zoned land areas from the model in order to identify the potential implications of their removal on the capacity of the Leichhardt Local Government Area to accommodate forecast employment

The results of the analysis confirmed that as industrial sites are removed and the resulting supply deficits are relocated to other suitable areas, the overflow demand can be redistributed to other suitable alternative areas (both industrial and business zoned lands) without resulting in supply deficits. Indeed, after the redistribution of overflow demand all precincts remained in surplus, albeit of a smaller magnitude.

Under this 2011 scenario, Leichhardt Local Government Area as a whole, would retain a surplus of employment land equal to 7,527m². Based on this outcome, the proposed rezoning of the site, on its own, would not adversely affect employment or economic growth of the Leichhardt Local Government Area, or the achievement of the Inner West Subregion Draft Subregional Strategy target of generating an additional 500 new jobs by 2031.

In addition, the report made the following observations in respect to the subject site and its future use:

Leichhardt Industrial A and Lords Road

The subject site is identified with Leichhardt Industrial A. These sites contain local light industrial land uses within Leichhardt Industrial A also containing special land uses (Uniting Church). The location has the following implications for future land uses:

- The site is currently inappropriate for residential development given the proximity to the Rozelle Goods line corridor.
- Additional retail and commercial landuses are inappropriate given the identified proximate Leichhardt Market Place centre.

It may be appropriate to retain a light industrial zoning until the status of the corridor is established, then alternative uses may be considered in this location.

In the context of the above, SGS also proposed a methodology for confirming the potential of existing industrial sites to be re-zoned for non-industrial purposes.

Describe the characteristics of the land being considered for rezoning?

- Access arrangements -proximity to transport nodes/ arterials
- Building age and condition
- Land and property values
- What current function does the land perform in the Employment Lands market
- What is the land's future potential as employment land

Describe the operational requirements of the affected businesses?

- Cost of land/ property
- Access
- Neighbouring uses/ buffering
- Site and floor areas

Describe what alternative locations satisfy these requirements?

- The character of identified alternatives in terms of access, cost, neighbouring uses, site and floor areas

- Describe what capacity exists in these areas in existing buildings and on vacant sites within the Local Government Area.

Council approved the Leichhardt Employment Lands Study in February 2011 as a strategic tool to assist the:

- management of Employment Lands;
- preparation of the new Local Environmental Plan; and
- development of the Employment and Economic Development Plan

3.1.7 Leichhardt Employment and Economic Development Plan (EEDP) 2013

The Council adopted the above plan in June 2013. The 10 Year Strategic plan acknowledges that the 2011 Employment Land Study had recognised that some smaller fragmented site “could be investigated for a broader range of employment uses and / or rezoning”. It is noted that the EEDP does not specifically identify 245 Marion Street, Leichhardt (or adjoining 237 Marion Street, Leichhardt) for rezoning.

The 10 Year Plan also builds on the SGS industrial site review methodology by setting out a more detailed analytical approach for the review of proposed rezoning of Employment Lands.

In practical terms, this approach has three key steps:

1. A co-ordinated approach to reviewing sites (and where possible concurrent) to ensure a Local Government Area wide perspective is maintained particularly in relation to the need for, and suitability of, the sites for various uses both today and in the future;
2. Consistency is achieved by reviewing the sites against the standard criteria outlined below; and
3. Where sites are found to be surplus to requirements and proposed to be rezoned, their suitability against a range of alternative uses discussed in this the EEDP is considered. For example, their potential rezoning and use for creative industries, commercial office space or affordable housing.

Step 2 above refers to standard criteria for assessing the suitability of an employment site for rezoning. In greater detail, this Plan advocates the use of standardised criteria which have been designed to qualify the suitability of sites from a quantitative perspective (i.e. is there enough industrial land to meet current and forecast demand), a qualitative perspective (i.e. does the industrial land have the attributes required by potential tenants) and from the perspective of economic viability (i.e. are industrial uses viable on the land).

The adopted EEDP incorporated criteria for the assessment of proposals to re-zone industrial land. The Proponent's response to each criteria and an assessment of the Proponent's response is provided below.

- **Would the rezoning result in insufficient industrial land being available for current and future demand for industrial land in the Local Government Area, at a minimum?**

Proponent's Response

"The Planning Proposal will reduce the area of industrial zone land by a relatively small area of 5,210sq.m, which has limited suitability for industrial use due to its small size, isolation from other industry, and potential for land use conflict with adjacent residential and recreation zones.."

Planning Assessment

The EEDP recognises that the site is a smaller fragmented industrial lands site. Similar fragmented industrial lands were identified for potential investigation for a broader range of employment uses and / or rezoning.

Since the EEDP was adopted in 2013, a number of employment land sites have been approved for rezoning or are in the process of seeking approval to be rezoned and Council has engaged SGS to undertake a Council wide Industrial Lands Study in order to provide certainty regarding Council's Employment Lands.

In addition, there may be further loss of Employment Lands associated with the WestConnex Parramatta Road Revitalisation Program and the Bays Precinct Urban Renewal Program, State Government programs.

The ambiguity of these major initiatives means that the proposal is premature and cannot progress with any certainty, as it is not possible at this stage for Council to fully assess the impact of the loss of the site as Employment Lands.

While the subject site on its own, represents a relatively minor loss of employment lands, in the context of the recent approved and potential future rezonings of Council's industrial lands, the impact is not considered insignificant. The cumulative impact of the loss of employment lands across the local government area and sub-region is relevant in this regard.

In addition, early evidence from the Council wide Industrial Lands Study by SGS Economics and Planning suggests that the qualities of the subject site that make it attractive for residential uses, i.e. located adjacent to light rail station and on bus routes, proximate to local village centres and the City, and proximity to low density residential areas, are also attractive for new, creative industries.

- **Would the rezoning of the site result in the fragmentation of a larger industrial precinct or erode the viability of a locally or regionally significant industrial precinct?**

Proponent's Response

"The subject land is isolated and identified as fragmented industrial land in Council strategic plans. The Planning Proposal will not fragment or erode the viability of an industrial precinct."

Planning Assessment

While the site is a constrained industrial site, it may be suitable for a broader range of employment uses as supported under the EEDP. The current IN2 – Light Industrial zoning provides for a wider range of employment uses. The objectives of the IN2 – Light Industrial zone under Leichhardt Local Environmental Plan 2013 include:

Zone IN2 Light Industrial

1 Objectives of zone

- To provide a wide range of light industrial, warehouse and related land uses.
- To encourage employment opportunities and to support the viability of centres.
- To minimise any adverse effect of industry on other land uses.
- To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area.
- To support and protect industrial land for industrial uses.
- To retain existing employment uses and foster a range of new industrial uses to meet the needs of the community.
- To ensure the provision of appropriate infrastructure that supports Leichhardt's employment opportunities.
- To retain and encourage waterfront industrial and maritime activities.
- To provide for certain business and office premises and light industries in the arts, technology, production and design sectors.

Until SGS Local Government Area wide Industrial Lands Study is finalised, there is no certainty as to whether or not, the loss of 245 Marion Street, Leichhardt, as industrial zoned land, would threaten the ability of the Local Government Area to meet its employment targets and / or whether it would result in insufficient supply of local service industrial land.

Consequently, it is considered that the proposed Planning Proposal request for 245 Marion Street, Leichhardt is premature and should be deferred until the completion of the SGS Local Government Area wide Industrial Lands Study.

- **Would the rezoning be consistent with adopted Council and/or State Government Policy regarding the future role and demand for industrial land? What impact would it have to Council's employment targets?**

Proponent's Response

"The Planning Proposal is consistent with meeting the criteria in State and local government planning strategies for the rezoning of industrial land. The subject land has a relatively small area with limited employment potential. The Planning Proposal includes an appropriate level of provision for employment generating uses in providing for neighbourhood shops and cafe."

Planning Assessment

The Proponent has not adequately justified the Planning Proposal against the objectives and actions of the Metropolitan Plan for Sydney to 2036; the Draft Metropolitan Plan for Sydney 2031 or the Inner West Subregion Draft Subregional Strategy, in relation to Employment Lands.

In particular, the proposal is not consistent with Category 2 Employment Lands under the Inner West Subregion Draft Subregional Strategy, which identifies that these sites (including the subject site):

- May have the potential to accommodate a wider range of employment uses or more intensive scale of employment activity than currently permitted under the existing industrial zoning.
- Where they are located in areas well serviced by public transport and where industrial activities are not functioning well due to surrounding land uses, may, in some circumstances include an element of residential or non-employment land uses.
- Unlike Category 3 Employment Lands , non-employment land uses are to be a relatively minor element of development.

In addition, Council is waiting to finalise the outcomes of the Council wide Industrial Lands Study. Consequently, the Planning Proposal request is not justified against these Strategic Metropolitan and Regional higher order planning documents, and the Planning Proposal request is considered premature.

- **Does the site(s) have characteristics required by light or high tech industrial uses and other uses permitted in the zone/seeking floorspace in the Local Government Area or subregion (e.g. floorspace, access, proximity to economic infrastructure, parking, infrastructure, storage, building configuration and land value)?**

Proponent's Response

"The characteristics, suitability and attractiveness of the subject land for industrial uses and tenants is limited primarily due to its isolation from other industrial / business zones and major economic infrastructure, and potential for land use conflict with the adjacent residential zone to the north.

The Planning Proposal includes provision for some employment generating uses in permitting neighbourhood shops and restaurant/cafe."

Planning Assessment

While the site is a constrained industrial site, it may be suitable for a broader range of employment uses. The Proponent has not provided adequate information in this regard.

In addition, early evidence from the Council wide Industrial Lands Study by SGS Economics and Planning suggests that the qualities of the subject site that make it attractive for residential uses, i.e. located adjacent to light rail station and on bus routes, proximate to local village centres and the City, and proximity to low density residential areas, are also attractive for new, creative industries

- **Would it be economically viable to improve the site to attract new tenants or to adapt to changing industry requirements and to ensure that the land uses on the site address compatibility with surrounding uses?**

Proponent's Response

"The characteristics, suitability and attractiveness of the subject land for industrial uses and tenants is limited primarily due to its isolation from other industrial /

business zones and major economic infrastructure, and potential for land use conflict with the adjacent residential zone to the north.

The Planning Proposal includes provision for some employment generating uses in permitting neighbourhood shops and restaurant/cafe.”

Planning Assessment

Early evidence from the SGS Council Wide Industrial Lands Study suggest that sites such as the subject site are important to service the local needs of the growing residential population and that the site benefits from characteristics that make it attractive to emerging creative industries (i.e. located close to public transport, commercial uses and a residential population).

It is considered that the proposed Planning Proposal request for 245 Marion Street, Leichhardt is premature and should be deferred until the finalisation of the SGS report Local Government Area wide Industrial Lands Study.

- **Would the retention of industrial uses on the site result in a positive net benefit to the community as a whole?**

Proponent's Response

“The Planning Proposal will result in a positive net benefit to the community through urban renewal on underutilised land with a modern transit oriented development that will better utilise transport infrastructure and improve amenity, accessibility and neighbourhood facilities.”

Planning Assessment

The Proponent has not provided a Net Community Benefit Test to support the Planning Proposal or the wider issue of the cumulative loss of Employment Lands in the Leichhardt Local Government Area. This is an important consideration in terms of access to local jobs and the overall economic impact of the loss of Employment Lands.

Council has engaged SGS Economics & Planning to undertake an Industrial Lands Study across the Local Government Area to:

- Provide Council with baseline information against which to consider proposals for the rezoning of industrial land.
- Identify the trends and long-term demand and supply for industrial zoned land in the context of the Local Government Area and the subregion.
- Establish the relative strategic positioning of the industrial precincts within the Local Government Area.
- Consider the Study Area (all land zoned IN2 - Light Industrial under the Leichhardt Local Environmental Plan 2013), against criteria for the rezoning of industrial land.
- Assess the capacity of the industrial zoned land within the Local Government Area to accommodate future demand for industrial land.
- Establish if there is a basis for change in the Study Area.

- Consider what uses may need to be accommodated in Leichhardt's Industrial zoned land in the future.
- Guide future decision making in relation to industrial land within the Local Government Area.
- Understand the implications of WestConnex on industrial zoned land within the Local Government Area.
- Make recommendations for the Camperdown Industrial Precinct to inform the direction of the Strategic Sites, Centres and Corridors Project and future amendments to the Leichhardt Local Environmental Plan 2013 and Development Control Plan 2013.
- Make recommendations for the industrial precincts of Moore Street, Lords Road, Balmain Road and Victoria Road South.

The draft report was completed in September 2014 and is currently being reviewed by Council Officers. Council is not in a position to make a decision on the net community benefit of the loss of the subject site, until the report is complete. Supporting a rezoning of the site at this stage is not appropriate until the full supply-demand gap assessment is completed by SGS and the findings are reported to Council.

The EEDP also states that those rezoning proposals that can best respond to the above criteria may be considered to have merit. It is acknowledged that based on these criteria the industrial sites most likely to be suitable for rezoning are fragmented industrial sites and smaller industrial precincts such as 245 Marion Street, Leichhardt. However, all rezoning proposals must be based on a thorough market analysis and economic impact assessment by an independent party. Based on the information provided by the Proponent and SGS to date, however, the assessment of the proposed rezoning against the criteria under the EEDP indicates that the proposal does not have merit.

It is considered that the proposed Planning Proposal request for 245 Marion Street, Leichhardt is premature and should be deferred until the finalisation of the SGS Council wide Industrial Lands Study and the completion of Council's Centres, Corridors and Strategic Sites Review.

3.1.8 S117 Directions

A Guide to Preparing Planning Proposals (2012) prepared by the former Department of Planning and Infrastructure includes that "each planning proposal must identify which, if any, section 117 Directions are relevant to the proposal, and whether the proposal is consistent with the direction. Where the planning proposal is inconsistent with any of the relevant directions, those inconsistencies must be specifically explained and justified in the planning proposal".

The Proponent's Planning Proposal report (Attachment 1) includes an assessment of the Planning Proposal request against the relevant S117 Directions, determining that the proposal is consistent with all relevant Directions.

Direction 1.1 Business and Industrial Zones is applicable to the proposal. The objectives of Direction 1.1 include:

(1) The objectives of this direction are to:

- a. encourage employment growth in suitable locations,
- b. protect employment land in business and industrial zones, and
- c. support the viability of identified strategic centres.

Clause (4) of Direction 1.1 includes what a relevant authority must do if this direction applies:

What a relevant planning authority must do if this direction applies

(4) A planning proposal must:

- a. give effect to the objectives of this direction,
- b. retain the areas and locations of existing business and industrial zones,
- c. not reduce the total potential floor space area for employment uses and related public services in business zones,
- d. not reduce the total potential floor space area for industrial uses in industrial zones, and
- e. ensure that proposed new employment areas are in accordance with a strategy that is approved by the Director-General of the Department of Planning.

Clause (5) of direction 1.1 outlines when a planning proposal may be inconsistent with the terms of this direction as follows:

Consistency

(5) A planning proposal may be inconsistent with the terms of this direction only if the relevant planning authority can satisfy the Director-General of the Department of Planning (or an officer of the Department nominated by the Director-General) that the provisions of the planning proposal that are inconsistent are:

- a. justified by a strategy which:
 - i. gives consideration to the objective of this direction, and
 - ii. identifies the land which is the subject of the planning proposal (if the planning proposal relates to a particular site or sites), and
 - iii. is approved by the Director-General of the Department of Planning, or
- b. justified by a study (prepared in support of the planning proposal) which gives consideration to the objective of this direction, or
- c. in accordance with the relevant Regional Strategy or Sub-Regional Strategy prepared by the Department of Planning which gives consideration to the objective of this direction, or
- d. of minor significance.

As outlined in the preceding sections of this report, it is not considered that the Council's policy documents, including the EEDP or high level strategic planning documents such as the Inner West Subregion Draft Subregional Strategy, justify the loss of 245 Marion Street, Leichhardt as Employment Lands. The precinct may be suitable for a more flexible industrial area and one that could be well positioned to attract creative businesses and/ or higher value light manufacturing activity, if spaces are suitably configured. The provision of light rail service supports this function (as a flexible industrial use), as it does for medium or high density development.

It is also considered that without further direction from the State Government on proposed outcomes for Council's Employment Lands, as a result of the WestConnex Urban Revitalisation Project and the Bays Precinct Urban Renewal Program, the impact of the loss of the Employment Lands site cannot be adequately justified.

The proposal is inconsistent against Direction 1.1 and cannot be supported.

3.2 Leichhardt Council Strategic Centres and Sites Study

In May 2013, Council resolved to prepare a Strategic Centres and Sites Study for a number of the areas and sites raised in submissions to the draft Leichhardt Local Environmental Plan 2012, including the subject land at 245 Marion Street, Leichhardt.

The report to Council of May 2013 included that:

"Council will facilitate the development of a Policy Framework which seeks to optimise social, economic and environmental outcomes responsive to the needs and aspirations of the community"

The Policy Framework will:

- Formulation strategic planning options for Centres, Corridors and Strategic Sites using evidence based research and analysis and Policy documents from all areas of Councils.
- Ensure the municipality's land use plan reflects Councils strategic objectives and identifies broad scale land use including open space, employment lands, transport linkages, centres and places where people live
- Enhance community awareness of the potential to fulfil objectives through strategic planning for the medium and long term (i.e. enhanced awareness of the need to sometimes make strategic decisions for fulfilment of broader goals)
- Identify preferred land use zoning for sites and places in transition
- Facilitate communication and consultation with the community
- Facilitate a safe, sustainable, accessible and attractive urban environment which supports a diversity of employment opportunities, housing types, recreation, community and commercial facilities.

The Policy Framework will feed into a series of Structure Plans focusing on Centres, Corridors and Strategic Sites which identify the key organising elements of the urban environment and create a more detailed framework for future environmental, land use, infrastructure and development decisions. Structure plans will be used to:

- illustrate and explain existing and future urban structure,
- identify opportunities for managed land use change
- propose refinements to urban structure and character which support strategic objectives at all levels of Council policy
- inform land use planning recommendations and development controls including those that relate to future development capacity such as residential density, floor space ratio, height and massing

- explain and illustrate the future mix of uses including diverse housing and employment generating activities
- highlight opportunities for activating public spaces
- explain and illustrate how land use zoning can be used to make provision for community needs.

In light of the ongoing, work Council is undertaking in relation to the Council's Strategic Centres, Corridors and Strategic Sites Policy Framework, the proposal is considered premature. There may potentially be a case to rezone the site to B6 – Enterprise Corridor in order to protect employment lands, while providing scope for a residential uplift in a highly accessible area. Investigations into the suitability of rezoning the site to B6 – Enterprise Corridor could be undertaken as part of Council's Centres, Corridors and Strategic Sites Study.

It is also noted that the Proponent's consultants made a representation to draft Leichhardt Local Environmental Plan 2012, at the Public Representation Session of 18 March 2013 requesting that the Draft LEP 2012 be amended to provide the following provisions to the site:

- B4 Mixed Use Zone or R4 High Density Residential Zone
- Maximum Floor Space Ratio of 2.5:1; and
- Building height limit of 25m (8 storeys) with a maximum building height (3 storeys) on Walter Street.

At the time of the Proponent's submission to the draft Leichhardt Local Environmental Plan 2012, there was no strategic justification for the proposed zoning uplift to the site. The current proposal is seeking to double the height as requested in 2013 (to 50m) and increase the floor space ratio from 2.5:1 request to 3.3:1. As indicated above, there remains no strategic justification for the proposed uplift to the site through rezoning. It remains that there is not a strategic study or report, at State or local government level that supports the current Planning Proposal for the site.

3.3 Site Specific Studies

There are a number of possible land use changes, as well as infrastructure developments which will exert a strong influence on land use planning within Leichhardt. These proposed projects have the potential to influence the volume, nature and distribution of Employment Lands within the Local Government Area. The year in which the projects are proposed to be completed may also influence potential timing of demand.

There are two, major, State led proposals that will impact on the Local Government Area and in particular, the quantity of Employment Lands. These two projects are:

- WestConnex Parramatta Road Urban Revitalisation
- Bays Precinct Urban Renewal Program

The WestConnex project is more certain given funding has been allocated to construct the new motorway. Council is awaiting advice from the State Government regarding whether the Planning Proposal Requests in West Leichhardt (including the

Lords Road Planning Proposal and the current Planning Proposal at 245 Marion Street, Leichhardt) are premature in relation to the WestConnex / Urban Activation prospects.

UrbanGrowth NSW presented to Council an Urban Revitalisation Structure Plan, which includes the subject site within the Structure Plan boundary. Council is unclear as to the State Government's objectives for the Revitalisation Structure Plan and how the WestConnex Motorway will impact on the revitalisation area (for example, where will the exhaust stacks be located and how will traffic feed onto and off the WestConnex motorway through the Leichhardt Local Government Area). In addition, the Revitalisation Structure Plan includes all IN2 – Light Industrial lands within the Local Government Area along Parramatta Road, raising further questions about the cumulative loss of Employment Lands.

The Bays Precinct Urban Renewal Program consists of approximately 80 hectares of Government owned land and includes sites within the Leichhardt Local Government Area such as the heritage-listed White Bay Power Station, Glebe Island, White Bay, Rozelle Bay and the Rozelle Rail Yards. This area is categorised under the Inner West Subregion Draft Subregional Strategy as Category 2 Employment Lands (land with potential to allow a wider range of employment uses). The sites within the Leichhardt Local Government Area total approximately 75.8ha of Employment Lands.

The rezoning of these lands, from employment, will have a significant impact on the Employment Lands and the local economy. It is considered premature to continue to rezone fragmented industrial sites within the Leichhardt Local Government Area until more certainty is provided from the State Government regarding the cumulative impact of major proposals affecting the Local Government Area.

4 Merits Assessment of Planning Proposal Request

As Section 4 of this report indicates above, there is little strategic justification for the Proponent's Planning Proposal request. Despite this, an assessment has also been undertaken to understand the implications of the proposed scheme on the immediate locality. The following section of this report summarises the Proponent's Planning Proposal and supporting reports and provides an assessment of the resulting amenity impacts of the Proposal. Each table has the following four components:

1. The outcome and a brief explanation
2. The Proponent's position
3. Assessment
4. Conclusion

The merits assessment provided on the following pages has been undertaken on the Proponent's application lodged on 15 August 2014. That is a Planning Proposal request seeking to rezone the site from IN2 – Light Industrial to R1 – General Residential with a maximum Floor Space Ratio of 3.3:1 and a maximum height of 50m, and the additional information lodged on 31 October 2014 in relation to the R1 – General Residential zoning proposal.

Without any additional information regarding the Proponent's suggestion of a Business zoning (refer to Attachment 3), and how this would be manifested on the site, it has not been possible to undertake a merit's assessment in this regard.

4.1 Land Use Zone

Key outcomes

Leichhardt Local Environmental Plan 2013 land use zones are intended to provide suitable sites and meet the housing, community and business needs.

Proponent's position

The Proponent's Planning Proposal requests the re-zoning of the site from IN2 Light Industrial to R1 General Residential. The Proponent's justification for rezoning is provided below:

- the subject land is in a strategic location adjoining the new Marion Street light rail stop and has significance for the efficient and effective utilisation of the public transport infrastructure;
- the subject land is currently underutilised as an isolated industrial zoned site particularly in terms of its potential to contribute to the effective use of transport infrastructure and improve amenity, accessibility and facilities for the benefit of the local community;
- there is a social and economic need for additional housing in Sydney to meet demand, provide housing choices and reduce pressure on house prices and affordability;
- there is a social need for additional child care and community uses in the locality;
- the subject land is in a suitable location with existing infrastructure and an appropriate level of accessibility to services and facilities, and is capable of supporting the Planning Proposal without unreasonable environmental impacts or risks; and
- there are no environmental attributes or values on the subject land of such significance as to preclude the Planning Proposal.

Assessment

The objectives of the R1 – General Residential include:

Zone R1 General Residential

1 Objectives of zone

- To provide for the housing needs of the community.
- To provide for a variety of housing types and densities.
- To enable other land uses that provide facilities or services to meet the day to day needs of residents.
- To improve opportunities to work from home.
- To provide housing that is compatible with the character, style, orientation and pattern of surrounding buildings, streetscapes, works and landscaped areas.
- To provide landscaped areas for the use and enjoyment of existing and future residents.
- To ensure that subdivision creates lots of regular shapes that are complementary to, and compatible with, the character, style, orientation and pattern of the surrounding area.
- To protect and enhance the amenity of existing and future residents and the neighbourhood

The Planning Proposal is seeking an FSR of 3.3:1 and heights from three (3) storeys to fifteen (15) storeys. The proposal is not compatible with the character, style, orientation or pattern of surrounding buildings, streetscapes, works and landscaped areas. The design of the proposal ignores the context of its setting being typically

low and medium scale development. The Planning Proposal does not provide evidence of how the proposed outcomes for the Site will protect and enhance the amenity of existing and future residents and the neighbourhood

In addition, it is not considered that the proposal satisfies the requirements to provide for the housing needs of the community. Council's Affordable Housing goal, under the Council's Affordable Housing Strategy (2011) is:

Leichhardt Municipal Council will seek to retain and facilitate a socio economic diverse and sustainable community through the retention, promotion and development of affordable housing within the municipality to create stronger and healthier balanced communities.

Affordable housing ensures that all persons within the community including nurses, school teachers, hospitality workers etc remain within the community and contribute toward a socially, environmentally and economically sustainable and vibrant municipality. The Proponent has not addressed Council's Affordable Housing Strategy (2011). The Proponent has not made an offer regarding Affordable Housing. The Proponent's Urban Design Study includes at 5.2 Site Attributes and Site Opportunities that the site is suitable for higher density residential, commercial, retail and community uses as the site will: "Provide greater affordable housing choices and housing typologies."

The Proponent has not provided any information to support this statement. Council commissioned Elton Consulting to undertake a peer review of Social Impact Assessment (SIA) and Housing Affordability Assessment (HAA) for 67 – 73 Lords Road, Leichhardt. The conclusions of the Elton's report in relation to Lords Road Planning Proposal are relevant to the current Planning Proposal at 245 Marion Street, Leichhardt. As outlined below under "Affordable Housing", the Elton's report concluded that while smaller sized apartments (studios and one-bedroom units), may be more affordable to families, they are not likely to be affordable to single people on median incomes. Consequently, the proposal does not provide for the housing needs of the community, as identified in Council's adopted, Affordable Housing Strategy (2011) and is not consistent with the objectives of the R1 – General Residential zone.

As outlined in the Sections below, the proposal does not achieve a high level of residential amenity for existing surrounding residents or future residents at the Site. The proposal is not consistent with objectives of the zone that is proposed for the Site.

In addition, the Planning Proposal does not provide evidence of how the proposed outcomes for the Site will protect and enhance the amenity of existing and future residents and the neighbourhood.

Conclusion

- Given the site is within a low density residential area, it is important that any higher density residential outcome for the site passes the local character test.
- The current Planning Proposal is not consistent with the objectives of the proposed zone and the Proposal does not pass the local character test.

4.2 Urban Design and Development Control Plan

Key outcomes

Good urban design should improve urban form, legibility and coherence. It should also achieve beneficial social, economic and environmental outcomes. Leichhardt Development Control Plan 2013 seeks to maximise opportunities for good urban design to make a positive contribution to streetscapes and public spaces, while promoting amenity and business prosperity.

Proponent's position

The Proponent has submitted an Urban Design Study (Attachment 2 and 7) to support the Planning Proposal request. The Urban Design Study considered design options that involved built form, yield analysis, street massing, basement parking, building heights, solar access and privacy for adjoining properties.

Assessment

The Planning Proposal is seeking an FSR of 3.3:1 and heights from three (3) storeys to fifteen (15) storeys. An assessment of the Urban Design Study submitted with Planning Proposal application concludes that the proposal is not compatible with the character, style, orientation or pattern of surrounding buildings, streetscapes, works and landscaped areas. The design of the proposal ignores the context of its setting being typically low and medium scale development.

There is no comparable development within the Local Government Area. The Proponent's Urban Design Study provides an analysis of other development sites along public transport areas in a number of Local Government Areas including Leichhardt, Marrickville, Ashfield, Lane Cove and Willoughby. An analysis of the information provided by the Proponent shows that FSR's of 3:1 and above, are typically more appropriate near Railway Stations associated with the suburban heavy rail network, or in Specialised Centres such as Rhodes and St Leonards.

The Site is located within the Leichhardt Market Place catchment. Leichhardt Market Place is identified under the 2008 Inner West Subregional Strategy as a "village". There are no strategic planning documents that support the uplift of the locality from its village status. The Proposal represents an uplift that is not consistent with a "village".

A comparable site is 149 - 151 Allen Street, Leichhardt, located approximately 550m walking distance, north from the subject site. This site is fragmented industrial land surrounded by residential development. The Allen Street site has also been recently subject to the Planning Proposal process and has been approved at Gateway by the Department of Planning and Environment. The proposed zoning is R1 - General Residential; proposed FSR for the site is 1.5:1, and street frontage buildings are to be limited to 3 storeys in height. Maximum overall height limit for the site is 6 storeys on the basis that there are minimal amenity impacts as a result of the number of storeys.

The FSR and height controls proposed at Allen Street are as a result of extensive urban design analysis. These controls are proposed to minimise environmental impact on surrounding residential properties. The recent Planning Proposal at Lords

Road, with a maximum FSR of 2.4:1 and height of up to 8 storeys, was not considered compatible with the character of the existing locality and was not supported by Council.

The current Planning Proposal at 245 Marion Street, Leichhardt with a maximum FSR of 3.3:1 and height of up to 15 storeys (50m in height) is not compatible with the character of the existing locality. In addition, the Planning Proposal does not provide evidence of how the proposed outcomes for the Site will protect and enhance the amenity of existing and future residents and the neighbourhood.

Conclusion

The key built form issues are:

- Building height and as a consequence of the building height potential for overlooking to the adjoining Seniors Housing Development and properties on Walter Street.
- Lack of common and private open space.
- The Proposal is for a high density development. Given the site is within a low density residential area, it is important that any higher density, residential outcome for the site, passes the local character test. The Proposal, as submitted, is not consistent with the character of the local area.

The Proposal is an overdevelopment of the site. A substantial reduction in building height is required to address issues concerning compatibility with the existing character of the local area, visual impact, and overshadowing of open space areas within the development.

4.3 Building Heights

Key outcomes

Disproportionately tall buildings can have adverse impacts on solar access for open space, the public domain, overshadow living space in other dwellings, privacy and compromise the interface with smaller adjoining buildings. Their overall bulk can become an overly dominant feature within the streetscape.

Proponent's position

The Proponent's scheme includes one large structure, approximately 130m in length with heights ranging from three (3) storeys (10m) to fifteen (15) storeys (50m) including:

- Walter Street frontage has a maximum 3 storey frontage with landscaped building setbacks consistent with the building line of existing residential frontages in the streetscape.
- Marion Street elevation (also 3 storeys) has varying setback to the street boundary with elements built to or near the street boundary at ground level in a commercial podium and above ground levels setback from the street.
- Building height to rise up to 50m (15 storeys) in the central part of the Site, adjoining the Marion Street Light Rail stop.

Assessment

Concern is raised regarding the bulk and scale of the proposed buildings:

- 3 storeys to Walter Street is unacceptable. Walter Street is a low-density residential area with maximum building heights of 2 storeys. It is recommended

that a Character Assessment is undertaken. Preference for 2 storeys to Walter Street with 3rd storey setback.

- 3 storeys to Marion Street is more compatible with the character of the area.
- 15 storeys is out of character, unexpected and dominant element in the streetscape, particularly and as viewed from:
 - o raised light rail, particularly Marion Street Station.
 - o Marion Street
 - o Lambert Park
 - o Walter Street, Loftus Street, Daniel Street, Foster St and Hawthorne St.
 - o Ashfield Local Government Area
- Access to sunlight for proposed apartments on the Site, particularly overshadowing of apartments south of and lower in height of the central 15 storey section.

Conclusion

The Proposal is an overdevelopment of the site. A reduction in building height is required to address issues concerning compatibility with the existing character of the local area, visual impact, and overshadowing of open space areas within the development.

4.4 Solar Access, Overshadowing and Visual Privacy

Key outcomes

Residential development should be designed to maximise sunlight and daylight to improve amenity and energy efficiency, while minimising overshadowing of neighbours and protecting the visual privacy within new dwellings and nearby residences.

Public open space areas, including playgrounds, should have good solar access.

Proponent's position

The Proponent has included shadow studies for mid-winter and the equinox to that indicate that there is acceptable overshadowing on adjoining areas.

The Proponent has not addressed solar access for future residents at the Site. This is an important consideration given the north – south orientation of the block and the proposal to construct a large structure, approximately 130m in length (i.e. close to the length of the entire Site) and the tallest part of the building being in the central section of the Site.

The Proponent needs to provide evidence that, in accordance with the Residential Flat Design Code, living rooms and private open spaces for at least 70% of apartments in a development should receive a minimum of three hours direct sunlight between 9am and 3pm in mid winter. There is no reasonable justification to not achieving compliance in this circumstance particularly given the size of the Site and the “blank canvas”.

Regarding visual privacy, overlooking will occur to the Seniors Housing development to the east of the site. The Proponent has not addressed visual privacy in the submitted documentation.

Assessment

The Residential Flat Design Code requires living rooms and private open space, for at least 70% of apartments in a development, should receive a minimum of 3 hours direct sunlight between 9am and 3pm in mid-winter. Under the Residential Flat Design Code, the common open space area should also achieve a minimum 3 hours direct sunlight for over 50% of the communal open space.

Given the scale of the site, the Proposal should be able to comply with the 3 hour preferred solar access requirements of the Residential Flat Design Code. The Proponent must provide information indicating compliance with the minimum solar access requirements can be achieved and the visual privacy of properties to the east is protected. In addition, the Proponent has not provided any information regarding common open space for the site and its access to minimum solar access requirements.

Conclusion

The Proposal is an overdevelopment of the site. A reduction in building height would be necessary to address incompatibility issues with the existing character of the local area, visual impact, and overshadowing of open space areas within the development.

4.5 Floor Space Ratio

Key outcomes

The Leichhardt Local Environmental Plan 2013 Floor Space Ratio objectives are to ensure residential development is compatible with the desired future character of the area in relation to building bulk, form and scale and provides a balance between landscaped areas and the built form.

Proponent's position

The Proponent's scheme has an estimated yield of 200 units with an overall Floor Space Ratio of 3.3:1.

Assessment

The current R1 Floor Space Ratio for this part of Leichhardt is 0.5:1.

The bulk and scale of the current scheme results in a development with little regard for the character of the area; amenity impacts such as potential overlooking to adjoining residential properties and the Seniors Housing Development to the east of the Site. A reduced FSR is recommended in order to achieve:

- a higher quality urban design outcomes for streetscape character;
- minimal amenity impacts on existing properties;
- excellent architecture for the residents of the proposed development in respect of elements such as solar access and extent of landscaped area.

There is no strategic planning justification to support such a fundamental change to the character of the area.

Conclusion

The Proposal is an overdevelopment of the site. A reduction in building height is required to address issues concerning compatibility with the existing character of the local area, visual impact, and internal amenity at the site.

4.6 Amenity and open space

Key outcomes

Residential developments should enhance the lives and amenity of their residents and the residents of surrounding areas. Private open space needs to be provided for every new dwelling to meet recreational needs; serve as outdoor extensions of internal living space; ensure access to air and sunlight and balance visual privacy with casual surveillance of the public domain.

Proponent's position

The Proponent's proposed Urban Design Analysis includes that:

Landscaped private or public open space will be provided within the building setbacks, along walkways and driveways at ground level and on podium level terraces to provide residential amenity of visual and acoustic privacy for the development and its neighbouring residences.

The open space corridor, east of the light rail, will be planted with screen trees to provide visual privacy to the western side of the development.

Provision of street trees at Marion and Walter Streets will enhance the public domain and streetscapes of these streets.

Green roofs and landscaping to terraces and balconies will be explored in the development.

Assessment

The rules of thumb under State Environmental Planning Policy 65 - Residential Flat Design Code (Residential Flat Design Code) include:

- The area of communal open space should generally be at least between 25 and 30% of the site area. Larger sites and brownfield sites may have potential for more than 30%.
- Where development are unable to achieve the recommended communal open space, such as those in dense urban areas, they must demonstrate that residential amenity is provided in the form of increased private open space and/or in a contribution to open space.
- The minimum recommended area of private open space for each apartment at ground level or similar space on a structure, such as on a podium or car park, is 25m², the minimum preferred dimension in one direction is 4m.

Council's controls include:

- Leichhardt Local Environmental Plan 2013, Clause 4.3A requires a landscaped area of that is at least 1 metre wide and comprises at least 10% of the site area for any site zoned R1 General Residential.
- Draft Amendment to Leichhardt Local Environmental Plan 2013 in respect of Clause 4.3A includes, in relation to R1 zoned land requires that at least 20% of the site area (for sites greater than 235sqm is landscaped area and the site coverage does not exceed 60% of the site area.

The Proponent has not identified an area for communal open space. There are no constraints to the development of this large site that should hinder the achievement

of the Residential Flat Design Code communal open space requirements, of at least between 25 and 30% (1,302.5m² – 1,563m²) of the site area, and that the area of common open space achieves minimum 3 hours direct sunlight to 50% of the communal open space.

Conclusion

The Proposal fails in terms of quantity and quality of open space. Any development at the site should achieve the minimum rules of thumb requirements of the Residential Flat Design Code for common and private opens, in terms of the location, size and solar access.

4.7 Housing Types and Mix

Key outcomes

There is an under supply of key housing types in Leichhardt including supported living for people with a disability; integrated ageing in place accommodation (low to high care); affordable rental housing and affordable purchase housing (see comment in next subsection 5.8 on affordable rental housing).

Leichhardt Local Environmental Plan 2013 Diverse Housing Clause 6.13 requires at least 25% of dwellings in residential flat and mixed use developments to studios or one-bedroom dwellings and no more than 30% to be three bedroom dwellings.

Proponent's position

The Proponent's scheme proposes 200 dwellings. The Proponent's scheme proposes a unit mix as outlined below:

Configuration A

- One Bed and Studio apartments – 100 (50%)
- Two bed apartments – 80 (40%)
- Three or more bed apartments – 20 (10%)

Total Number apartments – 200

Configuration B

- One Bed and Studio apartments – 75 (38%)
- Two bed apartments – 96 (50%)
- Three or more bed apartments – 25 (12%)

Total Number apartments – 196

Assessment

The exact mix of housing in any new residential development is defined at the Development Application stage and cannot be fixed in detail at the Planning Proposal stage. Given the existing dwelling mix in Leichhardt, capacity issues of social infrastructure - particularly for families with children, proximity to public transport and needs for housing affordability - a higher proportion of dwellings for smaller households, with 1 and 2 bedrooms is supported.

Conclusion

The proposed housing mix is likely to be supported.

4.8 Affordable Housing

Key outcomes

To achieve more Affordable Housing, there is a need for intervention in the planning process. In the past, Council has sought a contribution in the course of rezoning industrial sites to ensure that some of the benefits of growth and change extend to the whole community– for example, the ANKA proposal in Terry Street, Rozelle.

Proponent's position

The Proponent has included that an objective or intended outcome of the Planning Proposal is to contribute a supply of housing to meet market demand for additional housing choices and more affordable housing. Despite, this statement, the Proponent has not submitted any supporting information in relation to Affordable Housing.

Assessment

Council's adopted policy on Affordable Housing under the Leichhardt Affordable Housing Strategy (2011), Section 3.3.3 Developing Affordable Housing Policy, Clause 3.3.1 includes:

Action 1: Council to consider the provision of diverse, affordable and adaptable housing when land is rezoned and seek a minimum 10% affordable housing contribution for all new significant development projects, being: Government land, major developments (residential components) and significant rezoning (change in use to residential or an increase in residential density).

Council commissioned Elton Consulting to undertake a peer review of Social Impact Assessment (SIA) and Housing Affordability Assessment (HAA) for the recent Planning Proposal at 67 – 73 Lords Road, Leichhardt. The information contained within the Elton's report is relevant to the subject Planning Proposal application.

At 67 – 73 Lords Road, the Proponent's case included that 46% of units for sale will be priced at a level where they will be affordable for local Leichhardt residents to purchase. The Proponent's HAA included that as the dwellings are generally smaller than existing homes in the neighbourhood (55% of the proposed Lords Road dwellings were to be studios and one bedroom), they will remain relatively affordable in the medium and long term. As a result, by delivering more than 50% affordable homes on the site, the scheme will exceed Council's 10% affordable housing aspirations.

Elton's have advised that the price-points for the proposed apartments at Lords Road (\$350,000 for studios, \$450,000 for 1 bedroom units and \$700,000 for 2 bedroom units) are not that different from median market prices. This implies that this dwelling mix in this location does not appear to offer significant affordability benefits for the local housing market. The claim in the Proponent's report that the proposed development keeps the price-points for apartments moderate enough "such that many homes will be affordable to local people on moderate incomes" may not be realised when dwellings are brought on to the market.

The Lords Road Proponent's HAA did not discuss the mismatch between the size of

the affordable dwellings and their suitability for the targeted groups (young people, key workers and older people on low incomes). At 245 Marion Street, it is assumed that, if an affordable housing component is offered, the majority of affordable units for sale or rent will be small (studios or 1 bedrooms). However, Elton's calculations in relation to the Lords Road Planning Proposal indicate that none of these properties would be considered to be 'affordable' to individuals on a median income. Studios and 1 bedroom units would be affordable to all median income families. However, studio and 1 bedroom apartments are unlikely to be appropriate for most family households. Properties with two or more bedrooms are at the higher range of affordability for this group.

Elton Consulting's report includes that "In summary, while there are clearly strong arguments for an increase in small and affordable apartments to augment the supply of dwellings within the Local Government Area, the sale properties to be included within this development are not likely to be affordable to the target market considered in the HAA report, such as the key workers and others for whom there is the greatest need..."

Conclusion

The Proponent has not made an offer in relation to Affordable Housing. Consequently, the proposal is not consistent the Leichhardt Affordable Housing Strategy (2011), which seeks a 10% affordable housing contribution.

Smaller dwellings for sale on the private market are not likely to be affordable to singles on median incomes, although they would be affordable to households and families on a median income. This represents a likely mismatch and risks not meeting the 10% affordable housing target in Council's adopted Affordable Housing Strategy (2011).

4.9 Traffic and Transport

Key outcomes

Rezoning and redevelopments should have a positive or neutral traffic and transport impact on the amenity of their residents and of existing residents.

Proponent's position

Traffic – a traffic assessment of the Planning Proposal is based on:

- Rezoning of land from IN2 Light Industrial to R1 General Residential;
- 200 residential units;
- Child Care Centre for a maximum of 60 children;
- Convenience Retail floorspace of up to 1,500m²;
- Basement parking in the order of 225 spaces (195 for residents and their visitors and 30 for the retail use) with 9 spaces proposed for the child care facility.
- Left and right turned permitted into the site from Marion Street, with egress restricted left turn only;
- Limited vehicle access to child care and community/neighbourhood related uses available via Walter Street;
- Pick-up and set-down for Marion light rail stop.

The proposed residential use would generate approximately 83 car trips in the morning peak hour and 93 car trips in the afternoon peak hour. The existing use on

the site generates 42 and 48 vehicle trips, per peak hour respectively. Consequently, the resulting additional car trips associated at the site is estimated to be between 41 and 45 vehicle trips per hour during peak periods.

Approximately half of these trips (24 in the AM and 21 in the PM peak) will be on associated with the child care facility, consequently using Walter Street. The applicant contends that this is comparable to the existing movements on Walter Street.

The Proponent's Traffic and Transport Assessment (Attachment 6) concludes that: "It is assessed that with the envisaged vehicle access arrangements and the very minor additional traffic generated by the envisaged development there would not be any adverse traffic implications. A more detailed assessment of the potential traffic impact on the road network would be provided at future stages of the planning process."

Assessment

Council's Traffic and Transport Assessment advises that

Based on the Proponent's assumptions regarding traffic generation (see above), it can be estimated that Marion Street would be required to carry an additional 41 and 45 cars in the AM and PM peak hours respectively. These volumes represent less than 3% increase in peak hour traffic on Marion Street.

Given this traffic generation and that the subject land has two street frontages, suitable vehicle access and parking can be provided for new development on the subject land, and the local road network is anticipated to have capacity to accommodate the Planning Proposal.

Council's Traffic and Transport Assessment includes that should the application proceed to the development application stage it will be essential that, in addition to basic traffic and design assessment, the accompanying traffic and transport assessment should address the following in greater detail:

- Site lines and manoeuvring associated with the proximity of the internal roundabout to the basement car park exit;
- The impact of vehicles, queuing to turn right into the site, on Marion Street traffic flows, particularly once the pedestrian signals are activity at Marion Light Rail Stop, in this regard, a road safety audit may be a requirement at DA stage;
- Potential for vehicles exiting the site, with a westbound destination, to filter through adjacent residential streets and/or to carry out undesirable U-turns;

Consideration could be given to providing traffic generation data that is more precisely calibrated to the specific location.

Conclusion

Council's Traffic and Transport Assessment concludes that, based on the information provided, the traffic and transport impacts of the proposed rezoning are unlikely to have significantly detrimental impacts on the adjacent area.

4.10 Car Parking

Key outcomes

Leichhardt Development Control Plan 2013 objectives for parking in residential developments seek to achieve a balance between encouraging public transport, walking and cycling while catering for the needs of on-site residents and visitors and protecting existing residential amenity. The Development Control Plan provides a range of parking rates for residential developments with the maximum rate limit providing a way of reducing car dependency.

Proponent's position

A total of 234 on-site spaces are proposed for the following categories:

- 170 spaces for apartments;
- 25 for residential visitors;
- 30 for the retail component;
- 9 for the child care facility.

The proposed quantity of on-site parking has been based on the maximum rate of provision specified in Council's DCP and the majority of these (some 225 spaces) will be provided in the development's on-site basements car park.

The Proponent's Traffic and Transport Assessment (Attachment 6) concludes that: "Accessible parking spaces would be provided to accord with the criteria specified in Council's DCP Section C1.11.2, and the Child Care Centre set-down/pick-up spaces will be provided in the basement adjacent to the pedestrian access point.

The maximum quantum of spaces allowed under Council's DCP can be accommodated in basement parking on the site given the width/depth and the large area of 5,210m².

If Council is concerned that this might be inadequate and there could be some onstreet overflow then additional basement car parking could also be accommodated.

In accordance with Council's DCP motor bike parking spaces will equate to 5% of car parking spaces. Bicycle parking and associated facilities will be provided in accordance with the DCP Section C1.11.3.

A more detailed assessment of the parking provisions and ability to satisfactorily accommodate would be provided at future stages of the phasing process."

Assessment

A Planning Proposal for a residential outcome for the site should achieve a mid-point of the Development Control Plan 2013 parking rate range for residential developments. This is the rate applied to the ANKA Terry Street, Rozelle Planning Proposal and the subsequent development of that site and the 141 and 159 Allen Street Planning Proposal. It is also the rate applied to the original Council approved site specific Development Control Plan for the Balmain Leagues site at Rozelle.

Conclusion

A mid-point of the Development Control Plan 2013 parking rate should apply to any residential zoning outcome for the site.

4.11 Contamination

Key outcomes

Council adopts a precautionary approach in dealing with potential contamination issues at an early stage in the planning process and the reuse of sites for residential use can only occur after a site contamination assessment has been undertaken in accordance with Leichhardt Development Control Plan 2013 and State Environmental Planning Policy No 55 Contaminated Land.

Proponent's position

The Proponent was requested to provide an Interim Site Contamination Assessment for the Site in Council's letter to the Proponent dated 25 September 2014.

The Proponent has provided a preliminary contamination assessment, prepared by Douglas Partners Pty Ltd, dated 18 November 1999 (Attachment 4), to determine the suitability of the site for a proposed commercial land use. Douglas Partners have also provided a review of their 1999 report in relation to the proposed R1 – General Residential Zoning, dated 30 October 2014 (Attachment 4).

The Douglas Partners review concludes that:

“Based on the findings from DP (1999), it is considered that the identified contamination at the site should not prevent the site from being rezoned for residential purposes as standard technologies/practices are available to remediate the identified contamination. In addition, the search of the NSW EPA records did not reveal any known nearby contaminated sites which may impact the suitability of the future land use of the subject site.

In order to determine the extent of remediation required to render the site suitable for the proposed land use, a detailed site investigation (DSI) will need to be conducted to update the contamination status of the site. The DSI would include an update of site history information as well as an intrusive investigation of soil and groundwater with reference to guidelines current at the time of the DSI. Waste classification of soils designated for off-site disposal will need to be in accordance with DECCW (2009). Typically, a DSI is undertaken to support a Development Application submission once the proposed development is reasonably well defined.”

Assessment

Council Officers have reviewed the Contamination Reports provided by the Proponent against the State Environmental Planning Policy No 55 Contaminated Land (SEPP 55) and the following issues are raised in response to the proposal:

Land contamination – the preliminary contamination report and supplementary review document have identified that substantial filling has taken place on the site with ash and slag encountered in some test boreholes. An above ground storage tank, grease trap and mechanical repairs workshop have also been identified on the site, having the potential to be a source of contamination. Groundwater was encountered in two (2) boreholes at depths of 2.4m-2.5m.

Results of the soil sampling presented levels of PAH's in 3 samples and TRH's in 1 sample above the site assessment criteria for filling samples. Elevated Health

Investigation Levels of lead, PAH's and Benzo(a)pyrene were also encountered in numerous soil samples.

As per the recommendations in the review document, a Detailed Site Investigation is required to be carried out to determine the extent of contamination in accordance with the provisions of SEPP 55. Due to the proposed sensitive use of development i.e. childcare centre and residential the requirement for a Site Auditor has been included.

Conclusion

The Proponent has not provided sufficient information to determine whether or not the site can be made suitable for the proposed residential and childcare centre development.

The Proposal, as submitted, cannot be supported.

4.12 Social infrastructure – schools

Key outcomes

The NSW Department of Education and Community requested a Schools Assessment that would include number and mix of dwellings proposed; the intended staging program and lead times for construction and projections of public primary and high school age student residents of future dwellings.

Proponent's position

The Proponent has advised that: "The number of school students anticipated to be accommodated in the proposed residential development of the site under the Planning Proposal is shown in the following table. It is based on a maximum potential yield of 200 dwellings with a range of possible unit mixes described in the Section 6.15 of the enclosed Urban Design Study, and on 2011 ABS census data on numbers of children living in medium to high density dwellings and the proportion attending government schools in Leichhardt LGA.

SCHOOL LEVEL	PROJECTED NUMBER OF SCHOOL CHILDREN (range depending on unit mix)	
	180 x 1-2 bedroom dwellings 20 x 3 bedroom dwellings	171 x 1-2 bedroom dwellings 25 x 3 bedroom dwellings
Primary school (Total)	14	15
Primary school (Govt.)	10	10
Secondary school (Total)	7	7
Secondary school (Govt.)	5	5

This Planning Proposal and others for residential development in the locality are consistent with the projections for population growth in the Leichhardt LGA by the NSW Department of Planning and Environment which are used by the whole of the NSW Government as a basis for planning and provision of infrastructure including schools into the future. At present, it is understood that the site is within the catchments of Kegworth Public School and Sydney Secondary College Leichhardt campus which have spare capacity."

Assessment

The Department of Education and Communities also advised that they are in the process of preparing a planning strategy for schools in the Inner West as a means to understand and address the cumulative impact of urban developments, including the number of approved and proposed Employment Lands rezoning requests to residential lands in the Inner West region.

It is considered premature to progress the 245 Marion Street Planning Proposal request, until such time as the Department of Education and Communities have completed their planning strategy for schools in the Inner West. It is imperative that the Government School system can accommodate any new children moving to the area as a result of the changing urban environment.

Conclusion

The Proposal is premature. Further analysis is required following the Department of Education and Communities planning strategy study.

4.13 Social infrastructure – other

Key outcomes

Leichhardt's Social Impact Assessment (SIA) Policy supports Council's commitment to achieving the vision within the Leichhardt 2025+ Community Strategic Plan. The purpose of the SIA policy is to support Council to deliver a sustainable and liveable community that meets the needs of the present without compromising the ability of future generations to meet their needs.

Proponent's position

The Proponent's has not provided a SIA. The Proponent has not undertaken a Net Community Benefit Test.

Assessment

Appropriate information has not been provided to support the application. As a result the Planning Proposal does not demonstrate the strategic merit of the proposed amendment to the LEP proceeding.

Conclusion

The Proponent's Planning Proposal request is not supported by a SIA.

The Proponent's Assessment of Net Community Impacts is not supported as it is limited in its application and does not provide a thorough assessment of community and social impacts.

4.14 Infrastructure – Flood and sustainable water management

Key outcomes

Leichhardt Development Control Plan 2013 promotes water sensitive urban design to minimise development impacts on the water cycle and consequences for the environment, community and local economy. These measures also underpin flood risk management.

Proponent's position

The Proponent has provided a brief Flood Risk Management assessment (Attachment 5). The assessment addresses relevant flood levels.

Assessment

The proposal is not supported by a site specific draft Development Control Plan addressing flood and water management outcomes for the site.

Given the complexity of the Planning Proposal, it is considered that the additional information provided does not adequately demonstrate that relevant environmental matters have been identified and issues relating to flood and water management can be addressed with additional information and/ or through consultation with agencies and the community.

Conclusion

The proposed site specific draft Development Control Plan in association with the existing Development Control Plan 2013 requirements for development applications would be required to ensure good flood and sustainable water management outcomes. Council may require upgrading of the existing stormwater drainage system between the subject site and Hawthorne Canal, together with an upgrade of the stormwater drainage system within Marion Street, potentially as part of a Voluntary Planning Agreement Offer.

4.15 Sustainability

Key outcomes

Leichhardt Development Control Plan 2013 promotes sustainable places and spaces through optimising the environmental performance of buildings for energy and water consumption, production and recycling.

Proponent's position

Environmental sustainability

- A transit oriented development promotes public transport use, walking and cycling, and minimises car use and transport energy use.
- Energy efficiency and water conservation measures are provided in new residential buildings to meet BASIX targets.
- Sustainability measures in commercial buildings meet NABERS ratings.
- Water management includes measures for managing water discharge volumes and rates and water quality in accordance with standards for the catchment.
- Waste management in construction and operation of new development is consistent with hierarchy of waste minimisation, reuse and recycling and Council standards.

Assessment

The Leichhardt Environmental Sustainability Strategy encourages the use of Voluntary Planning Agreements as a mechanism to achieve development above NSW Government BASIX SEPP requirements.

The theme Land includes an Objective for Sustainable Building "Maximise the sustainability of new development within the municipality, with the corresponding action: L3 Investigate opportunities for improved environmental outcomes, including residential performance above BASIX targets, for large redevelopment sites via Voluntary Planning Agreements."

It could be appropriate to encourage a Voluntary Planning Agreement whereby the developer outlines the sustainability outcomes that the project will target, such as 5-10% above BASIX for water and energy and 10% improvement on the SEPP 65

solar access and ventilation guidelines. Please note that SEPP 65 requires this development to achieve 3 hours of solar access in mid-winter as opposed to the 2 hours indicated in section G8.8 of the Planning Proposal.

Such an approach is also consistent with the objectives of the Climate Change Plan which encourages adaptation to climate change via Water Sensitive Urban Design, energy efficiency, renewable energy, sustainable building materials, connected, walkable neighbourhoods, active and public transport, greening and shading.

Green Star is a voluntary environmental assessment tool which can be used to rate multi-unit developments and gives scope to assess sustainability outcomes based on site opportunities and constraints presented by a development. It is suggested that an Environmental Performance Report be provided with the Development Application submission to demonstrate the performance of the development against the Green Star Multi-Unit Residential v1 rating tool. It could be appropriate to encourage a Voluntary Planning Agreement whereby the developer outlines a plan to achieve the environmental equivalence of a 4 or 5 star rating under this tool.

The recent Allen Street Planning Proposal and associated site specific Development Control Plan specifies that as well as meeting existing Leichhardt Development Control Plan 2013, the development should achieve a higher level of sustainability than would typically apply to such a development. The proposed site specific controls cover water, building management, indoor air quality, and transport, building materials, emissions and innovation.

Conclusion

The Planning Proposal request is considered inadequate in this regard.

5. Voluntary Planning Agreement

A “Voluntary Planning Agreement” is a legally binding document between the Relevant Planning Authority and an applicant or Proponent – normally a land owner and/or developer.

In August 2008, Council considered an Item in relation to “Voluntary Planning Agreements” and resolved “That Developers applying to Council for a change to or the making or revocation of use of an environmental planning instrument to allow a change of use (such as from Industrial to Residential Zoning) be advised that development contributions and/or material public benefits will be negotiated subject to a valuation of the likely increase in market value of the land as a result of the proposed change.” (Refer Minute SC03/08 of Strategy Committee on 19 August 2008).

The Proponent has not submitted a Voluntary Planning Agreement Offer. Typically, a Voluntary Planning Agreement offer would include:

- The provision for Affordable Housing.
- Public domain upgrades – A range of upgrades to enhance the streetscape, increase and improve open space areas, provide pedestrian and cycling paths and improved streets and footpaths.

Council's policy under the Leichhardt Affordable Housing Strategy (2011), seeks a minimum 10% affordable housing contribution for all new significant development projects, being: Government land, major developments (residential components) and significant rezoning (change in use to residential or an increase in residential density).

There is scope in the Voluntary Planning Agreement negotiations to seek improved sustainability outcomes, in accordance with Council's Environmental Sustainability Strategy.

Summary/Conclusions

The proposed rezoning of 245 Marion Street, Leichhardt is not consistent with Council and State strategic plans and policies. The Planning Proposal is considered premature in the context of State Government initiatives to the area such as the WestConnex Urban Revitalisation Program and the Bays Urban Renewal Program. Until Council has direction from the State Government with regards to these projects, the impact on the loss of Employment Lands as a result of the Planning Proposal request cannot be adequately assessed.

The Planning Proposal is not supported for the following reasons:

- The Planning Proposal is premature in the context of the State Government's initiatives directly impacting on the Leichhardt Local Government Area, including WestConnex / Parramatta Road Urban Activation Precinct and the recently announced Bays Urban Precinct Renewal Program. The impact of these proposed, wide-scale, regeneration and renewal projects will have on Leichhardt's industrial lands cannot be adequately assessed at this stage as the State Government's Programs are in their early stages of development.
- The Proposal will result in unacceptable loss of Employment Lands, contrary to the aims and objectives of Council's Employment and Economic Development Plan 2013.
- The Proposal is not supported by a robust Economic Assessment to justify the loss of Employment Lands.
- The Planning Proposal is premature in the context of Council's Strategic Centres and Specific Sites Study.
- The Proposal is inconsistent with s.117 Direction 1.1 Business and Industrial Zones.
- An assessment of the design merits of the Planning Proposal indicate that the Proposal is unsatisfactory in respect of the proposed bulk and scale, inadequate common open space, traffic, parking and access. Consequently, the resulting amenity impacts on surrounding properties and future residents at the site is unacceptable.

It is recommended that Council does not support the Planning Proposal for the site.

Appendix A:

Table 1 Consistency of the Planning Proposal with the relevant objectives and actions of the Metropolitan Plan for Sydney 2036

Strategic Direction	Objectives/ Actions	Comment
Strategic Direction 'A' – Strengthening a City of Cities	Objective A1 To promote Regional Cities to underpin sustainable growth in a multi-centred city.	The inner west, including Leichhardt Local Government Area (LGA), has a low proportion of jobs to working age residents, as it has long served as a residential “dormitory” suburb for the inner city due to a high degree of access to public transport and employment. The subject site is located adjacent to the Marion Light Rail Station combined with regular bus services and routes available from Marion Street that connect the site to major strategic centres. The proposal would contribute to increasing residential density around transport routes and networks and within walking distance of local and town centres and contribute to the creation of a sustainable city. However, the proposal will also result in the loss of employment lands within the LGA. Potentially the loss of the employment lands is contrary to Objective A1 as the proposed rezoning may not result in growth to the economy. To fully understand the implications of the loss of the Lords Road precinct as Employment Lands, Council has engaged SGS to undertake a Council wide Industrial Lands Study. The SGS draft report is now with Council Officers for review. It is considered that a rezoning of the site is not appropriate before SGS’s report, including a full supply-demand gap assessment is finalised, as part of their Industrial Lands Study.
	Objective A3 To contain the Urban Footprint and achieve a balance between Greenfields Growth and renewal in existing urban areas.	Leichhardt LGA is an established area located within 6.6 kilometres of the Sydney CBD, serviced by existing infrastructure and public transport connections. The proposed rezoning of the land to permit infill residential development would contribute to urban consolidation and renewal of the area. However, creative businesses/ industries and higher-value light manufacturing could also contribute to the renewal of the area.
	Objective A8 To plan and coordinate delivery of	The 2008 Inner West Subregion Draft Subregional Strategy identifies a need to provide an additional 2,000 new dwellings within the Leichhardt LGA by 2031. The rezoning of 245

Strategic Direction	Objectives/ Actions	Comment
	Infrastructure to meet Metropolitan Housing and Employment Growth rates.	Marion Street is not considered critical in order for Council to meet the LGA's housing requirements. The major urban renewal sites and their anticipated dwelling yield identified in the Leichhardt Residential Development Strategy Stage 1 (2010) and additional sites such as the Allen Street Planning Proposal are presented in Table 2 below. Table 2 shows that in recent years, the dwelling yields from Planning Proposals and DAs on larger sites is expected to total approximately 1,168 dwellings. Consequently, 245 Marion Street is not essential to ensuring an adequate supply of residential land in the Leichhardt LGA. The rezoning of the subject site may, however, compromise the ability of Council to achieve the projected employment growth targets, particularly in the light of the recent rezonings of a number of other industrial land sites in the LGA. In addition, the projected further losses of employment lands through such State Government initiatives at the Bays Urban Renewal Program and the WestConnex Parramatta Road Urban Activation Precinct. SGS has undertaken a Council wide Industrial Lands Study, which is in its draft form. An outcome of the report is to provide comment on the cumulative impact of the loss of employment lands with the recent spate of rezoning of industrial land in the LGA. The SGS LGA wide study will test whether the proposed rezoning would leave an adequate supply of employment lands within the LGA.
Strategic Direction 'B' – Growing and Renewing Centres	Objective B1 To focus activity in accessible centres.	The site is located within walking distance of Leichhardt Market Place Village and close proximity to the Norton Street, Leichhardt Town Centre. The proximity of the site to Marion Light Rail Station (i.e. it is an accessible site) is as an attractive quality for creative businesses/ industries as it is for residential development.
	Action B1.3 Aim to locate 80 per cent of all new housing within the walking catchments of	The site is located within the walking catchment of the Leichhardt Market Place Village and existing public transport routes, including the Marion Light Rail station which connects the site to major strategic centres.

Strategic Direction	Objectives/ Actions	Comment
	existing and planned centres of all sizes with good public transport.	
Strategic Direction 'C' – Transport for a Connected City	Action C2.1 Ensure subregional housing and employment targets are informed by analysis of current and planned public transport capacity availability.	The site is located on existing public transport corridors. Increasing the provision of housing within proximity of the light rail corridor is consistent with the objective of the Metropolitan Plan for Sydney 2036 to foster increased residential development close to public transport to reduce car dependence and road congestion. It is considered that the precinct may be a good example of a more flexible industrial area and one that could be well positioned to attract creative businesses and/ or higher value light manufacturing activity if spaces are suitably configured. It is noted that the provision of light rail service boosts attractiveness for these functions (just as it boosts suitability for medium density residential development).
Strategic Directions 'D' – Housing Sydney's Population	Objective D1 To ensure adequate supply of land and sites for residential development.	The site is located within an established urban area supported by existing services and infrastructure. The proposal would increase the land available within the Leichhardt LGA used for residential purposes. As previously highlighted, Table 2 below presents the dwelling yield anticipated from major development renewal sites (but not taking into account dwelling yields as a result of the WestConnex/ Parramatta Road Urban Activation Precinct and the Bays Precinct Urban Renewal lands) in the LGA. Table 2 shows that in recent years, the dwelling yield across the LGA is expected to total approximately 1,168 dwellings. Over half of Council's dwelling target with 17 years to go to achieve the full 2000 dwelling target by 2031. Table 2 shows that 245 Marion Street is not crucial to ensuring an adequate supply of residential land in the Leichhardt LGA.
	Action D2.1 Ensure local planning controls include	The Metropolitan Plan for Sydney 2036 identifies a need to provide a total of 35,000 new dwellings within the inner west, which includes the Leichhardt local government authority. The

Strategic Direction	Objectives/ Actions	Comment
	more low-rise medium density housing in and around small centres.	characteristics of the 245 Marion Street, Leichhardt Planning Proposal request is more akin to a high density residential development scenario, not a medium density development. The proposal is considered inconsistent with Action D2.1.
	Objective D3 To improve Housing Affordability	Increasing the quantum of residential land available within the Leichhardt LGA, combined with improving the provision of diversity in housing form and typology will contribute to the supply of dwellings and housing affordability within the area. The Proponent has not made an offer in relation Affordable Housing. Elton's provided Council with a Peer Review of the Lords Road HAA. It is considered that the conclusions of the Elton's Lords Road review are relevant to the Planning Proposal for 245 Marion Street, Leichhardt. Elton's conclude that smaller dwellings within the proposed development site (which are typically more affordable) for sale on the private market are not likely to be affordable to singles on median incomes, although they would be affordable to households and families on a median income. This represents a likely mismatch and risks not meeting the 10% affordable housing target in Council's adopted Affordable Housing Strategy (2011).
	Objective D4 To improve the quality of new housing development and urban renewal	The site is currently used and occupied for light industrial (AMR Mazda service centre) purposes that detract from the surrounding visual and residential amenity. If the Planning Proposal request is supported, redevelopment of the site must contribute to improved streetscape and residential amenity. An assessment of the proposed built form, envisaged under the Planning Proposal request, indicates that the proposal is an overdevelopment of the site. The development concept does not appear to achieve minimum requirements of SEPP 65 and the Residential Flat Design Code, resulting in undesirable amenity impacts such as overshadowing (particularly for future residents associated with

Strategic Direction	Objectives/ Actions	Comment
		the site), overlooking, a bulk and scale out of character with the surrounding area and inadequate common open space. Consequently, the proposal as submitted and supporting documentation will not result in an improvement to the quality of new urban housing and does not achieve this objective.
Strategic Direction 'E' – Growing Sydney's Economy	Objective E3 To provide employment lands to support the economy's freight and industry needs	The site is a fragmented industrial land surrounded by residential development. Intensive industrial use of the site is restricted due to potential adverse impacts on surrounding dwellings. The site is not located close to major arterial roads or freight lines. However, previous background studies into the site identify it for investigation into a broader range of employment uses and / or rezoning. An investigation into the broader range of employment uses has not been undertaken and cannot be ruled out at this stage. The precinct may be a good example of flexible industrial area and that could attract creative businesses/ industries. The proximity of the site to the Marion Light Rail Station boosts the attractiveness of the site for these creative or higher value light manufacturing activities.
	Action E3.2 Identify and retain strategically important employment lands	The site is currently zoned industrial and listed as Category 2 Employment Land (i.e. land with potential to allow for a wider range of employment uses) in Table 6 of the Inner West Subregion Draft Subregional Strategy. Until the SGS Council wide Industrial Lands Study is finalised, it is premature to comment on whether the site is, or is not, strategically important.
Strategic Direction 'G' - Change and Protecting Sydney's Natural Environment	Objective G8 To minimise household exposure to unacceptable noise level	The Planning Proposal to rezone the site from industrial to residential will remove the existing potential land use conflicts that arise from noise and heavy vehicular traffic movements associated with the operation of broad industrial uses. However, the proposal does include new dwellings to be located adjacent to the Inner West Light Rail line, a potential noise nuisance source to future residents (see comment in regard to Action G8.1 below).

Strategic Direction	Objectives/ Actions	Comment
	Action G8.1 Avoid noise based land use conflict through strategic planning and development assessment processes	The Planning Proposal request to rezone the land for residential purposes will remove potential land use conflicts that could arise from the operation of the warehouse buildings, including noise and heavy vehicle traffic. The subject site is located within an area that may be affected by: • Rail noise (light rail) • Noise from Lambert Oval The levels of noise generated by the identified sources could be resolved through appropriate and site responsive design and suitable construction methods. These matters would be addressed at Development Application stage and are matters for consideration under s.79C of the Environmental Planning and Assessment Act 1979.
Strategic Direction 'I' – Delivering the Plan	Objective I4 To ensure LEPs deliver the intent and yield anticipated under the Metropolitan Plan	The Planning Proposal request to rezone the site would contribute to the quantum of residential land available to assist Leichhardt LGA provide an additional 2,000 new dwellings by 2031 as required by the draft Inner West Subregion Draft Subregional Strategy. However, Table 2 below shows that in recent years, the dwelling yields from Planning Proposals and development applications on larger sites in the LGA is expected to total approximately 1,168 dwellings. Table 2 does not include the likely increase in supply of residential sites as a result of the WestConnex / Parramatta Road Urban Activation Precinct or the Bays Precinct Urban Renewal Program. Consequently, 245 Marion Street, Leichhardt is not critical to ensuring an adequate supply of residential land in the Leichhardt Local Government Area.

Major renewal sites	Leichhardt Residential Development Strategy Stage 1 (used by GHD)	Leichhardt Council's estimated dwelling yields from most recent planning proposals or development applications
Balmain Leagues Club – Victoria Road, Rozelle	130	247
Roche Site – 459 – 483 Balmain Road, Lilyfield	50	89
Carrier Site – 130 Terry Street, Rozelle	300	202
Kolotex Site – 22 George Street, Leichhardt	100	330
Robert Street Precinct – 32-52 Robert Street, Rozelle	52	
100 -102 Elliott Street, Balmain (Current DA)		104
141 & 159 Allen Street Planning Proposal		196
Total	632	1168

Table 2 Leichhardt Council Dwelling Yields

Table 3 Consistency of the Planning Proposal with the relevant objectives and actions of the Inner West Subregion Draft Subregional Strategy

Strategic Direction	Objectives/ Actions	Comment
Key Directions 'A' – Economy and Employment	IW A1.1.1 Inner West local councils to prepare Principal LEPs which will provide sufficient zoned commercial and Employment Land to meet their employment capacity targets	The Planning Proposal as requested will reduce the amount of employment lands within the Leichhardt LGA by 5210m². Council adopted the Employment and Economic Development Plan (EEDP) 2013 acknowledges that the site (located within an area called Leichhardt A), is a fragmented industrial site most likely to be suitable for a broader range of employment uses and / or rezoning. It also sets out methodology to be followed to confirm the suitability of proposed rezoning of employment lands. The Proponent's request to prepare a Planning Proposal is not supported by an Industrial Rezoning Economic Justification Report. The Proponent has not included investigations into a broader range of employment uses that could operate from the site, or evidence of the viability of traditional industrial/ factory uses. The Proponent has not adequately addressed the issue of whether this rezoning would mean Council could not provide sufficient zoned commercial and Employment Land to meet their employment capacity targets, particularly in the context of the WestConnex and the Parramatta Road Urban Activation Precinct, the Bays Precinct Urban Renew Program and recent and proposed rezonings of Industrial zoned land in the LGA.
	IW A1.2.3 Council to ensure retention of sufficient small Employment Lands parcels to support local service industries	The 2008 Subregional Strategy broadly recommends that existing small pockets of industrial land within Leichhardt should be retained to provide for a range of

Strategic Direction	Objectives/ Actions	Comment
		local economic services unless it can be demonstrated that the land is surplus to demand. Rezoning proposals that can best respond to criteria under the EEDP may be considered to have merit. Based on the information provided by the Proponent and SGS to date, however, the assessment of the proposed rezoning against the criteria under the EEDP indicates that the proposal does not have merit. At this stage it is not possible to quantify the effect of rezoning in terms of the ability of the LGA to meet job targets. However, given there are relatively low stocks of industrial land elsewhere in the LGA coupled with some significant demand – side drivers (such as WestConnex and the Bays Precinct renewal) a rezoning is not appropriate before a full supply-demand gap assessment is completed
Key Directions 'B' – Centres and Corridors	IW B4.1.2 Councils to investigate appropriate locations for retail uses in Centres, Business Development Zones (supporting identified Strategic Centres) and Enterprise Corridors.	The Council's adopted EEDP 2013 primary action is the development of Masterplans and Local Area Plans for key renewal sites, corridors and centres. If rezoning proposals come forward in advance of the completion of these Plans the methodology referred in IW A1.1.1 above will be applied. Council has engaged SGS to undertake an Industrial Lands Study to make recommendations on the future of employment lands in the LGA and to take into account the cumulative impact of the number of recent rezonings of employment lands in the locality. As a result, it is considered that this Planning Proposal request is premature and should wait until the SGS report is finalised, along with

Strategic Direction	Objectives/ Actions	Comment
		definitive direction from the State Government in terms of the impacts of WestConnex and the Parramatta Road Revitalisation program and the recently announced Bays Urban Renewal Program.
Key Directions 'C' - Housing	IW C1.3.1 Inner West Councils to plan for sufficient zoned land to accommodate their local government area housing targets through their Principal LEPs.	The Planning Proposal will contribute to the quantum of residential zoned land, however, as evidenced by Table 2, 245 Marion Street, Leichhardt is not critical to ensuring an adequate supply of residential land in the Leichhardt LGA.
	IW C2.1.1 Inner West Councils to ensure the location of new dwellings maintains the subregion's performance against the target for the State Plan Priority E5 (jobs closer to home)	State Plan Priority E5 states that: "Increasing densities in centres and concentrating activities near public transport, together with an improved transport system, will strongly contribute to achieving "jobs closer to home". The site is located adjacent to Marion Street Light Rail Station and bus links to strategic centres also from Marion Street. Accordingly, and is consistent with State Plan Priority E5 (jobs closer to home).
	IW C2.1.2 Councils to provide in their LEPs zoned capacity for a significant majority of new dwellings to be located in strategic and local centres.	The site is located within the walking catchment area of the Leichhardt Market Village centre, the Norton Street commercial strip and the inner west light rail corridor. The Planning Proposal request is considered to be consistent with the objective to locate new dwellings around existing centres and existing and future public transport routes.
	C2.3 Provide a mix of Housing	The Planning Proposal request will facilitate comprehensive redevelopment of the site. Any future development must provide for diversity in the housing mix.
	IW C2.3.2 Inner West Councils to provide for an appropriate range of	The Planning Proposal request is for an R1 – General Residential zoning, with a max height of 50m

Strategic Direction	Objectives/ Actions	Comment
	residential zoning to cater for changing housing needs.	and FSR of 3.3:1, or a Business zoning with no limitation on FSR or building height. The proposal is not consistent with the objectives of the R1 – General Residential zone. Not enough information has been provided to ascertain consistency with Business zoning.
Key Directions 'E' – Environment, Heritage and Resources	E2.5 Minimise household exposure to unacceptable noise levels.	The Planning Proposal seeks to rezone an existing pocket of isolated industrial land for residential purposes, consistent with its surrounding context. The change in zoning would eliminate the risk of potential land use conflicts that could arise from the operation of the industrial uses within proximity to dwellings, in particular noise and heavy vehicular movements. The subject site is located adjacent to the light rail corridor. These are matters that can be addressed through suitable design and construction responses to ensure residential amenity

Table 4: Consistency of the Planning Proposal with the relevant objectives and actions of the Draft Metropolitan Plan for Sydney 2031

Strategic Direction	Objectives/ Actions	Comment
Balanced Growth	Objective No. 3 – Make Sydney Connected	The Planning Proposal request is consistent with objective No. 3 as it will integrate residential growth in close reach of well serviced public transport connections. The site is located within adjacent to the Marion Light Rail Station and numerous bus services
A Liveable City	Objective No. 5 – Deliver new housing to meet Sydney's growth	The Planning Proposal request is consistent with objective No. 5 as it will assist in meeting the housing targets set by the strategy for the 'Central' subregion area, however, as discussed in the Tables above, the subject site is not considered critical to Council in order to achieve the LGA's housing targets.
	Objective No. 6 – Deliver a mix of well-designed housing that meets the needs of Sydney's population.	An assessment of the design merits of the Planning Proposal indicate that the proposal is unsatisfactory in respect of the proposed bulk and scale and inadequate common open space. Consequently the resulting amenity impacts on surrounding properties and future residents at the site is unacceptable. The Planning Proposal is not considered to be well designed.
	Objective No. 13 – Provide a well located supply of industrial lands	The Planning Proposal request will reduce the quantum of industrial lands within the central subregion by approximately 5210m ² . However, the loss of the site as employment lands must be assessed in the context of the recent rezonings of other employment sites in the area and the State Government's planned proposals for the WestConnex/ Parramatta Road Urban Activation Precinct and the Bays Precinct Urban Renewal Program.

Strategic Direction	Objectives/ Actions	Comment
		In 2008 there were 108.9ha of Employment Lands in the Leichhardt LGA. The approved rezoning of employment lands, including the State Government Bays Precinct Land and WestConnex Parramatta Road Renewal could result in a loss of up to 93.5ha of Employment Lands. Add to this the Allens Street Planning Proposal, Lords Road Planning Proposal request and the subject Planning Proposal request for 245 Marion Street, Leichhardt, the resulting Employment Lands remaining across the LGA could be reduced to 12.2ha. This is a dramatic reduction in Employment Lands and is not consistent with other State Government Strategic directions such as providing jobs closer to home, Council's Employment and Economic Development Plan (EEDP) sets out a methodology to be followed to confirm the suitability of proposed rezoning of employment lands. Council has commissioned SGS to undertake an Industrial Lands Study in order to make recommendations on Council's remaining employment lands, and assess the impact of the cumulative loss of employment lands following the recent rezonings of former industrial sites. It is considered that the Planning Proposal request is pre-emptive and should wait until Council's Industrial Lands Study is finalised.
Health and Resilient Environment	Objective No. 18 – Use energy, water and resources efficiently	The Leichhardt Environmental Sustainability Strategy encourages the use of Voluntary Planning

Strategic Direction	Objectives/ Actions	Comment
		Agreements as a mechanism to achieve development above NSW Government BASIX SEPP requirements. Such an approach is also consistent with the objectives of Leichhardt Council's Climate Change Plan that encourages adaptation to climate change via Water Sensitive Urban Design, energy efficiency, renewable energy, sustainable building materials, connected, walkable neighbourhoods, active and public transport, greening and shading. The Proponent's proposal does not include any specific controls relating to Environmental Performance or sustainability rating. Consequently, the Planning Proposal request is considered inadequate in this regard.
Accessibility and Connectivity	Objective No. 24 – Plan and deliver transport and land use that are integrated and promote sustainable transport choices	In order to both ensure an optimum mode split in favour of sustainable transport and to maintain acceptable traffic volumes on the local street network it is recommended that the following be applied to any future development of the site: • On-site parking be minimised; and • The applicant should implement and maintain a travel plan for the development. The travel plan should consider applying initiatives such as: - o Encouragement of home business in the development; - o Limited on-site parking; - o Car-pooling; - o Car share facilities; - o Bike share facilities; - o Bike parking; and

Strategic Direction	Objectives/ Actions	Comment
		o Sustainable transport information packs for new owners and tenants.

Attachments - To be circulated separately and posted on Council's website and Councillor's iPads

1. Planning Proposal for 245 Marion Street, Leichhardt – August 2014
2. Urban Design Study for 245 Marion Street, Leichhardt
3. Planning Proposal Additional Information Cover Letter for 245 Marion Street, Leichhardt – October 2014
4. Contamination Letter and Report – October 2014 and November 1999
5. Flood Hazard Report – November 2014
6. Transport, Traffic and Parking Assessment – October 2014
7. Amended Urban Design Study - October 2014