

ITEM 3.2

**PLANNING PROPOSAL 67 - 73 LORDS ROAD,
LEICHHARDT**

Division	Environment and Community Management
Author	Manager – Environment and Urban Planning Team Leader - Strategic Planning Willana Planning Consultants
Meeting date	26 August 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 67 – 73 Lords Road, Leichhardt landowner's request that Council prepare a Planning Proposal to amend <i>Leichhardt Local Environmental Plan 2013</i> by rezoning the site from IN2 – Light Industrial to R3 –Medium Density. 2. An assessment of the merits of the proponent's Planning Proposal for the proposed LEP amendment and a recommendation as to whether Council should support the making of this amendment.
Background	Pre-Planning Proposal submission meetings were held with Council Officers and the proponents on a number of occasions between 2012 and the lodgement of the Planning Proposal request in 2014. At these meetings, the proponent sought advice from Council Officers regarding the specialist reports that would be required to support the rezoning request.
Current Status	The owner of 67 – 73 Lords Road, Leichhardt has requested that Council prepare a Planning Proposal for an amendment to <i>Leichhardt Local Environmental Plan 2013</i>, which would rezone the site from IN2 Light Industrial to R3 Medium Density Residential and introduce a Floor Space Ratio (FSR) of 2.4:1.
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 the 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 May 2014) for 67-73 Lords Road, Leichhardt 2. That Council resolve not to support the request to prepare a Planning Proposal (dated May 2014) to rezone 63-67 Lords Road from Industrial (IN2) to Medium density Residential (R3) and not to progress the draft Voluntary Planning Agreement in relation to 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 Councils ability to provide sufficient industrial land to accommodate 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. loss of this employment land would be of substantial significance to the local government area's employment land supply. c. the proposed rezoning would result in a net loss of jobs in the local government area
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- d. 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
- e. the proposal does not have merit when assessed against the criteria established by the Leichhardt Employment and Economic Development Plan 2013-2023
- f. 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
- g. the Planning Proposal is not supported by an adequate, comprehensive Social Impact Assessment
- h. 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 Zone which is not included in the Leichhardt Local Environmental Plan 2013.
- i. the proposed Floor Space Ratio and building heights would result in unacceptable amenity impacts on the local area including:
 - i. overlooking of Davies Street properties,
 - ii. inadequate location and quantity of common and private open space

	iii. visual impact from the bulk and scale of buildings iv. overshadowing of open space areas v. inconsistency with the local character j. 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 k. 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 l. the proposed reduction in the width of existing streets to accommodate public domain works is unacceptable m. the proposed one-way share way vehicular movement system would result in an unacceptable number of vehicle movements in Davies Lane n. the proposal would result in significant additional traffic impacts, particularly in relation to intersections, which have not been adequately addressed in the supporting studies o. 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,
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	significant loss of employment land and an increased demand for non-residential goods and services arising from a growing population in the inner west p. 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 Remediation of Land. q. 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	
Attachments (Electronic Only)	1. Planning Proposal for 67 – 73 Lords Road, Leichhardt – May 2014 2. Draft Amendment Development Control Plan 2013 – Site specific controls for 67 -73 Lords Road, Leichhardt 3. Proponent Economic Justification – October 2013 4. SGS – Economic Assessment of the Suitability of Industrial Land at 67 – 73 Lords Road for Rezoning – August 2014 5. Net Community Benefit test – May 2014 6. Concept Design Report for the Development of 67 – 73 Lords Road, Leichhardt 7. Voluntary Planning Agreement Offer 8. Housing Affordability Assessment for 67 – 73 Lords Road, Leichhardt – January 2014 9. Elton Consulting – Peer Review of Social Impact Assessment and Housing Affordability Studies for 67 – 73 Lords Road, Leichhardt – August 2014 10. Traffic and Parking Assessment Report – May 2014 11. Site Contamination Assessment Letter of Advice – November 2013 12. Social Impact Assessment Report – December 2013 13. Flooding and Stormwater Advice Letter – July 2013 14. Revised Voluntary Planning Agreement Offer

Purpose of Report

The purpose of this report is to provide Council with:

1. Background to 67 – 73 Lords Road, Leichhardt landowner's request that Council prepare a Planning Proposal to amend *Leichhardt Local Environmental Plan 2013* by rezoning the site from IN2 – Light Industrial to R3 –Medium Density.
2. An assessment of the merits of the proponent's Planning Proposal for the proposed LEP amendment and a 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 May 2014) for 67-73 Lords Road, Leichhardt
2. That Council resolve not to support the request to prepare a Planning Proposal (dated May 2014) to rezone 63-67 Lords Road from Industrial (IN2) to Medium Density Residential (R3) and not to progress the draft Voluntary Planning Agreement in relation to 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 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 a net loss of jobs in the local government area
 - d. 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

- e. the proposal does not have merit when assessed against the criteria established by the Leichhardt Employment and Economic Development Plan 2013-2023
- f. 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
- g. the Planning Proposal is not supported by an adequate, comprehensive Social Impact Assessment
- h. 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.
- i. the proposed Floor Space Ratio and building heights would result in unacceptable amenity impacts on the local area including:
 - 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
- j. 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
- k. 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
- l. the proposed reduction in the width of existing streets to accommodate public domain works is unacceptable
- m. the proposed one-way share way vehicular movement system would result in an unacceptable number of vehicle movements in Davies Lane
- n. the proposal would result in significant additional traffic impacts, particularly in relation to intersections, which have not been adequately addressed in the supporting studies
- o. 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

- p. 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 Remediation of Land.
- q. 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

Background

1. The Site

The Planning Proposal relates to 67 – 73 Lords Road, Leichhardt. The legal description of the site is:

- Lot 1 DP 940543
- Lot 1 DP 550608

The southern boundary of the site fronts onto Lords Road. The inner west, light rail line, is located adjacent to the western boundary of the site and Lambert Park is located to the north of the site. Davies Lane is to the east of the site, which separates the site from a low density, residential area fronting Davies Street. (Refer Figure 1 below).

The locality generally slopes down to the Hawthorne Canal (west of the site). The high point of the site is the Davies Lane (eastern boundary) and the low point is the western boundary.

The site is currently occupied by a series of attached, brick buildings and associated parking. The site currently contains a range of uses including a gymnasium, art school, karate school, storage and other light industrial uses (such as an insulation and roof space cleaning business).

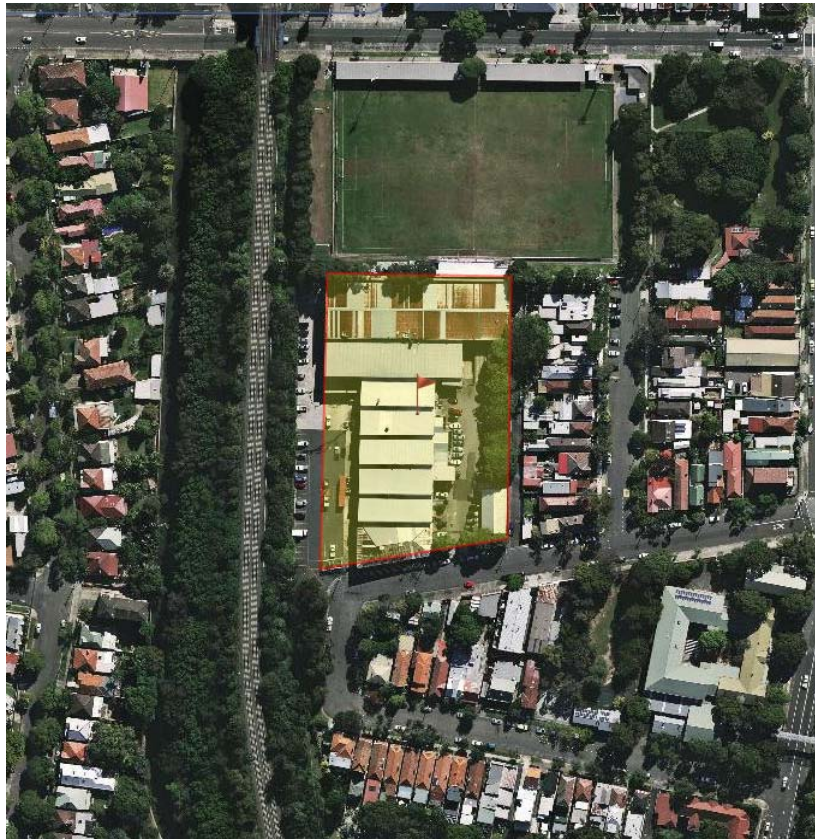


Figure 1: Aerial view of the subject site

The Proponent has advised that the total number of people employed at the site (as of July 2014) are listed in Table 1 below.

Table 1 Employment figures for 67 – 73 Lords Road, Leichhardt (July 2014)

TENANT	No. Workers
Lee Mathews Workroom	10.0
Country Road Clothing	0.5
Granville Smith Restorations	2.0
Art Est Pty Ltd	2.0
United Displays	3.0
James Lee-Warner Furniture	4.0
The Sports Pit	2.0
Plex Pty Ltd	10.0
CSR	4.0
David Buckley	3.0
John Cosco	1.0
Isherwoods	3.0
Showtime Production Services	3.0
Gavin Clarke Building Services	2.0
Compudrive / Storesafe	3.0
Slabseal Australia	2.0
Head Academy Kung Fu	1.0

The Sports Pit	1.0
Sydney Next Church	0.5
Arthouse Auctions	2.0
Ecocern Pty Ltd	3.0
Total	62.0

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 2.

Table 2 Loss of Employment Lands – Policy Development and Context in Relation to the 67 – 73 Lords Road, Leichhardt

Date	Description
May 2010	<i>Re-zonings, Planning Proposals and potential Affordable Housing sites</i> 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. The Employment Lands Study, described below, began this process.
February 2011	<i>SGS Economics & Planning Employment Lands Study 2011</i> 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).

Date	Description
	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 67 – 73 Lords Road, Leichhardt The Study did not identify the subject site for rezoning. At page 158 of the Study, it states that “the Lords Road site should retain its light industrial zoning (or be retained for employment land uses) due to its proximity to the Rozelle Goods line corridor.” The Study states that <i>“alternative uses may be considered when the status of the Rozelle Goods Line Corridor is established.”</i> 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 <i>Employment and Economic Development Plan 2013</i>.
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 ANKA site 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 the potential Affordable Housing report and the Employment Lands Study. The Planning Proposal that was exhibited to become Amendment 19 to <i>Local Environmental Plan 2000</i>: • 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

Date	Description
	• limited overshadowing onto adjoining residences. It also included a Voluntary Planning Agreement that related to the new street and various financial contributions.
November 2011	<i>City of Sydney Study – on behalf of the Inner City Mayors, Investigating the Supply of Affordable Housing in Inner Sydney</i> 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. The Lords Road site was not included in the case studies, but the outcomes are relevant to the current 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	<i>Employment and Economic Development Plan 2013 - 2023</i> In June 2013, the <i>Leichhardt Employment and Economic Development Plan</i> (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 on 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. All rezoning proposals should 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 Lands Study 2011 (or as updated by Council); the NSW Employment Lands Development Programme and any other relevant policy, publication or research.

Date	Description
March 2014	<i>Kolotex and Labelcraft Sites – 22 and 30 – 40 George Street, Leichhardt</i> After a number of years of negotiation, regarding the Kolotex site the former Minister for Planning 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 for the construction, dedication and leasing of Affordable Housing apartments at the site. The Voluntary Planning Agreement has been executed.
May 2014	<i>141 & 159 Allen Street, Leichhardt – Planning Proposal</i> 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. The Planning Proposal seeks to amend <i>Leichhardt Local Environmental Plan 2013</i> 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 <i>State Environmental Planning Policy 65 – Design Quality of Residential Flat Development</i> (SEPP 65) and the <i>Residential Flat Design Code</i>; • 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 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. Council considered a report on two alternative draft Voluntary Planning Agreements 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

Date	Description
	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.
June 2014	<i>Leichhardt Industrial Lands Study</i> 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 rezonings 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 final report by SGS is expected in September 2014.
August 2014	<i>Economic Assessment of the Suitability of Industrial Land at 67 – 73 Lords Road for Rezoning</i> 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. (Refer Section 4.1.4 Strategic Assessment for SGS detailed comments and Attachment 4 for full report) 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 are 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. • The precinct is fully tenanted and is functioning well, therefore the loss of this precinct as industrial space would be significant. 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. 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.

3. Site History

Pre-Planning Proposal meetings were held with Council Officers and the Proponents on a number of occasions between 2012 and lodgement of the Planning Proposal request in 2014. At these meetings, the Proponent sought advice from Council Officers regarding the information that would be required to support the rezoning request. In addition, Council Officers and the Proponents engaged in ongoing discussions regarding the progress of the *draft Leichhardt Local Environmental Plan 2013* (Council's Standard Instrument Local Environmental Plan) and the *Leichhardt Economic and Employment Development Plan 2013 – 2023*. Council officers provided no indication as to the planning merits of the proposal during these meetings..

4. Process

The preparation of a Planning Proposal is the first step in making a Local Environmental Plan or an Amendment to a Local Environmental Plan. Planning proposals can be prepared by councils, landowners or developers seeking to change the planning controls for a particular site.

Before a planning proposal is prepared by a landowner or developer it is submitted to the relevant planning authority, which is normally a council. That council then decides whether to support that planning proposal for submission to the Gateway 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 for Planning 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 (**Attachment 1**) request submitted to Council by the Proponent, Lord Sixty Seven Pty Ltd in May 2014 seeks to amend *Leichhardt Local Environmental Plan 2013* to establish R3 Medium Density Controls to facilitate the redevelopment of 67 – 73 Lords Road, Leichhardt. The Planning Proposal request is accompanied by a proposed amendment to Leichhardt Development Control Plan 2013 (**Attachment 3**), which includes site specific controls for the property.

The key components of the Planning Proposal request are:

- a change in zone under the *Leichhardt Local Environmental Plan 2013* from Industrial (IN2) to Medium Density Residential (R3);
- an uplift in Floor Space Ratio to 2.4:1 across the site;
- four (4) residential blocks ranging from four (4) storeys to 8 (eight) storeys resulting in approximately 315 residential units;
- a oneway, shareway through the site, entering off Lords Road and exiting onto Davies Lane;
- a separate basement parking entrance and exit off Lords Road;
- a communal open space area located as a central feature of the site;
- childcare centre and café located within the southern most building (Building D);
- a Voluntary Planning Agreement Offer (**Attachment 7**) including:
 - The provision of 5% of total dwellings for Affordable Housing.
 - Public domain elements including streetscape enhancements; pedestrian and cycling paths; proposed children's playground and fitness circuit, located on Council owned land, south of the site; common open space within the development to be publically accessible and improved streets and footpaths at a total cost of \$1.079 million.
 - Provision of a pedestrian path benefitting Council with the potential to connect to Marion Street Light Rail Station in the future.

Note: the initial Voluntary Planning Agreement Offer (refer Attachment 7) has been amended as a result of the Proponent's post-submission realisation that the existing open space, adjacent to the site and proposed for some of the public domain enhancements, is owned by Sydney Railways and not Council (refer to Figure 6 – Extract of Figure G45 – Public Domain and Open Space Plan 67 – 73 Lords Road, Leichhardt, Draft Development Control Plan - May 2014). The Proponent is in discussion with Sydney Railways regarding the use of their land for public open space purposes. The outcome of those discussions are unknown at this stage.

A Revised Voluntary Planning Agreement (Attachment 14) offer has been submitted which now indicates that all the proposed public domain enhancements would be on Council land. This would involve narrowing Kegworth Street and Lords Road to create the space to take the proposed fitness circuit and children's playground that were previously partly located on Sydney Railways land. The proponent intends to also undertake basic landscape embellishment of the Sydney Railways land, but this would be

outside the scope of the Voluntary Planning Agreement and not involve Council.

The Planning Proposal request and proposed amendments to the Development Control Plan have been the subject of detailed review by Council Officers and consultants appointed by Council. The detailed assessment of the Planning Proposal request has identified issues relating to the planning merits of the proposal including:

1. loss of Employment Lands and the cumulative impact of the loss of Employment Lands
2. the adequacy of the supporting specialist documents lodged with the Planning Proposal request, including the Economic Justification Report (**Attachment 3**) and Social Impact Assessment (**Attachment 12**).
3. 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)*
4. that the design merits of the Planning Proposal are unsatisfactory in relation to its:
 - built form, height and bulk particularly adjacent to Lords Road and Davies Lane;
 - potential amenity impacts including overshadowing and overlooking of adjacent properties;
 - inadequate open space in terms of its size, location and overshadowing;
 - traffic and parking impacts; and
 - non-compliance with *State Environmental Planning Policy 65 – Design Quality of Residential Flat Development* (SEPP 65) and the *Residential Flat Design Code* controls.
5. 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. 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 67 – 73 Lords Road, Leichhardt (Lot 1 in DP 940543 and Lot 1 DP 550608) from IN2 - Light Industrial to R3 - Medium Density 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 67 – 73 Lords Street, Leichhardt as shown in Figure 3.

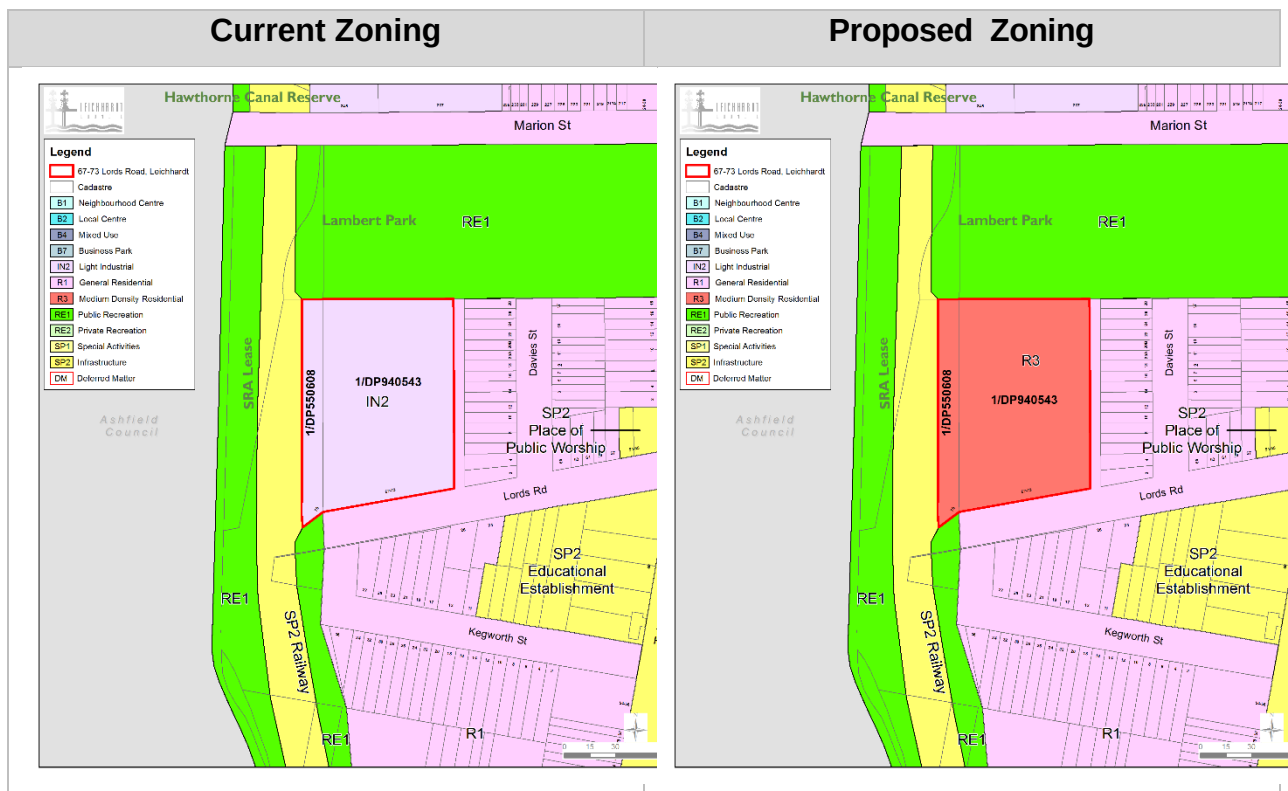
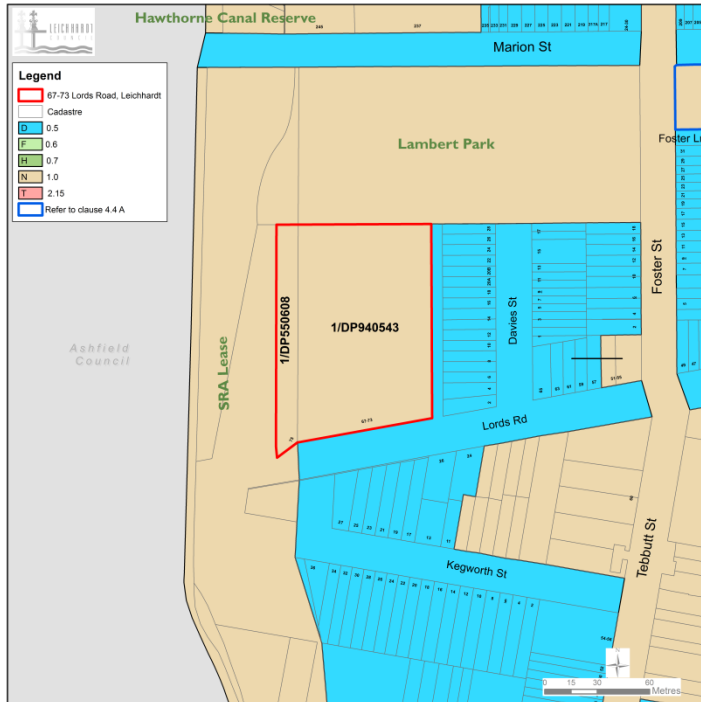


Figure 2 Zoning under Leichhardt Local Environmental Plan 2013

Current FSR



Proposed FSR

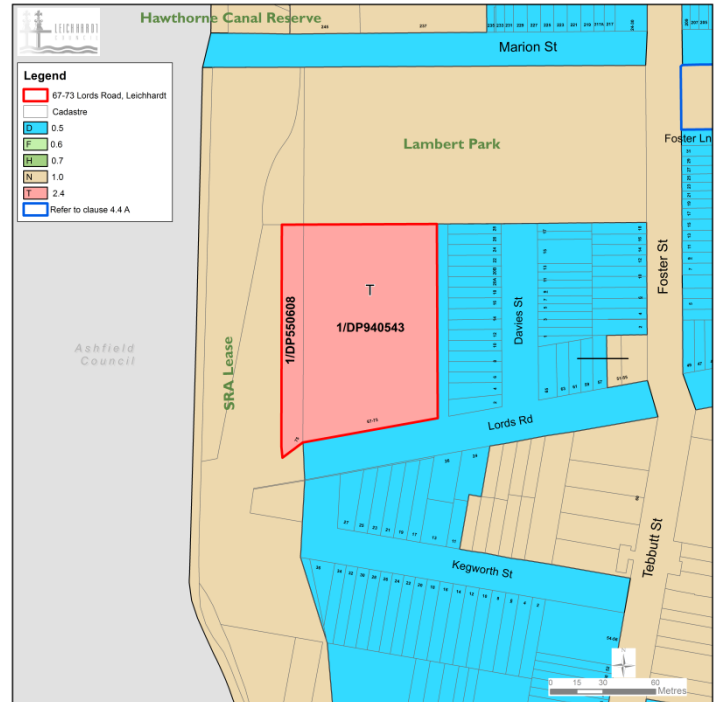


Figure 3 Floor Space Ratio under Leichhardt Local Environmental Plan 2013

3. Amendment to Leichhardt Development Control Plan 2013

The Planning Proposal request proposes that a site specific Development Control Plan (**Attachment 2**) be prepared to support the proposed amendments to *Leichhardt Local Environmental Plan 2013*.

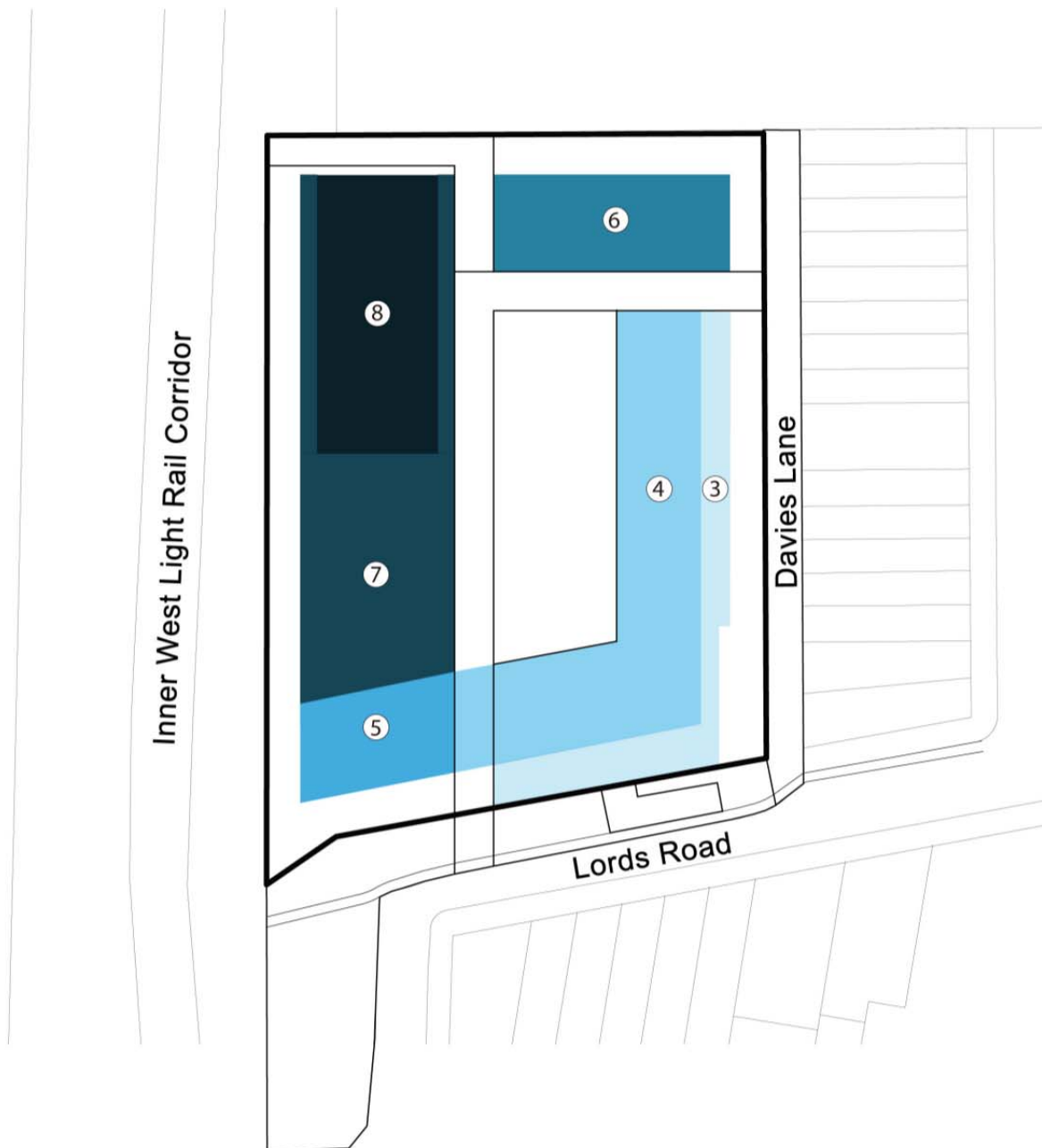
The application proposes that the site specific Development Control Plan would include a height control to permit building heights up to eight (8) storeys. In addition, the Proponent's site specific Development Control Plan includes objectives and controls relating to:

- setbacks and building siting
- unit mix
- solar access
- acoustic amenity
- visual privacy
- open space
- landscaping
- tree provision
- public domain and accessibility
- car park entry design
- parking
- drainage and water management

The proposed objectives in the Proponent's site specific Development Control Plan include:

- O1 Provide a range of housing types including Affordable Housing;
- O2 Take advantage of good public transport and high quality open space that is in close proximity to the site;
- O3 Provide pedestrian and bicycle connections connecting to the light rail corridor;
- O4 Provide high quality architectural design that responds to the surrounding topographical features, surrounding land uses and takes advantage of the site's north-south orientation;
- O5 Provide a development that takes advantage of the site's characteristics to minimise any impact on surrounding developments;
- O6 Provide a development that reinforces the street and relationship to Lambert Park, while being sympathetic to the fine grain development pattern of the area.

The Proponent's site specific Development Control Plan includes the following height, setbacks and public domain and open space plans (amongst other supporting plans), as provided on the following pages (refer to Figures 4, 5 and 6). These pages provide a conceptual indication of the scale of the development proposed at the site.



BUILDING HEIGHT AND STOREY PLAN

③	3 STOREYS	AHD 18.5 m
④	4 STOREYS	AHD 22.5 m
⑤	5 STOREYS	AHD 22.5 m
⑥	6 STOREYS	AHD 25.5 m
⑦	7 STOREYS	AHD 27.5 m
⑧	8 STOREYS	AHD 31.5 m

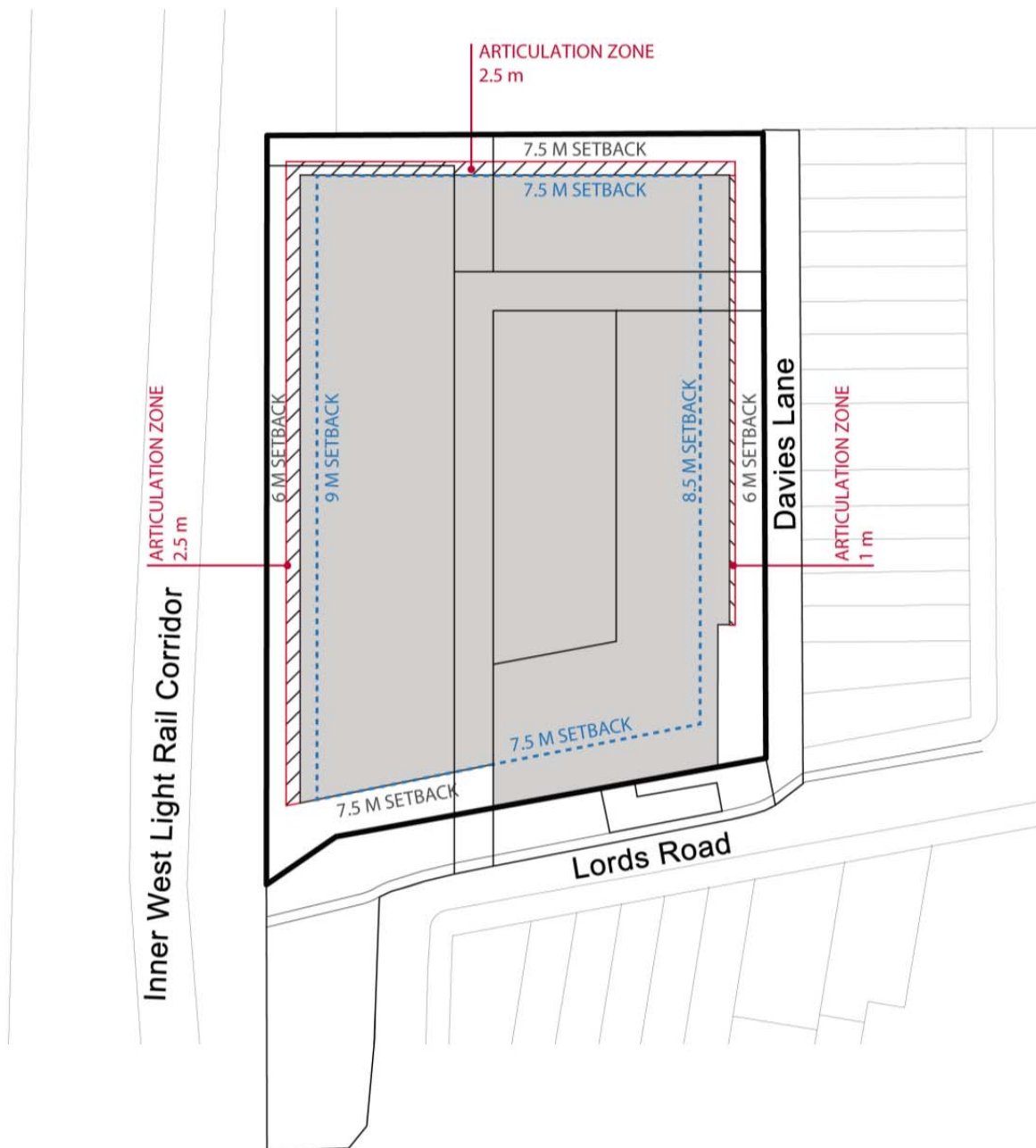
0m 50m



DCP

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Figure 4 Extract of Figure G40 – Height Plan – 67 – 73 Lords Road, Leichhardt, Draft Development Control Plan – May 2014



SETBACK PLAN

- GROUND FLOOR SETBACK
- TOP FLOOR SETBACK
- ARTICULATION ZONE 2.5 m
- ARTICULATION ZONE 1 m

0m 50m



DCP

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Figure 5 Extract of Figure G41 – Setback Plan – 67 – 73 Lords Road, Leichhardt, Draft Development Control Plan – May 2014



Figure 6 Extract of Figure G45 – Public Domain and Open Space Plan 67 – 73 Lords Road, Leichhardt, Draft Development Control Plan – May 2014

4. Description and explanation of key issues of the Planning Proposal request for 67 – 73 Lords Road, 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 request 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.

4.1 Strategic Context

4.1.1 Metropolitan Plan for Sydney 2036 (the Plan)

The Metropolitan 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) are 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.

A detailed assessment of the consistency of the Planning Proposal request against the relevant objectives and actions of the Metropolitan Plan for Sydney 2036, is provided in **Appendix A** of this report.

4.1.2 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 land and later identified in Table 6 Schedule of Future Role of Employment Lands in the Inner West as being Category 1 Employment Land.

Category 1 Employment Land, was to be retained for industrial purposes. Sites identified as Category 1 Employment Lands were those which functioned as industrial areas at the time the 2008 Strategy was published, and considered to perform a regional/national, subregional or local economic role. Sites within this Category were seen as being collectively vital to the health of local and regional economies. The Strategy recommended that Category 1 sites be retained to accommodate and support and range of services.

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

4.1.3 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.

4.1.4 Strategic Assessment

The Planning Proposal request is consistent with some 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 consistency with key objectives, strategies and actions including those outlined as follows:

- Action D2.1 of the *Metropolitan Plan for Sydney 2036* which states that there is a need to “Ensure local planning controls include more low-rise medium density housing in and around small centres”. The Planning Proposal request is inconsistent with the relevant objective, strategy and actions in the Metropolitan Plan because it is not a low rise (three storeys or less) medium density (between 25 and 60 net dwellings per hectare) development as it has the characteristics of a high rise (six storeys or more), high density (more than 60 net dwellings per hectare) residential development
- the Planning Proposal request does not achieve the minimum requirements of SEPP 65 and the *Residential Flat Design Code* and therefore does not meet Objective D4 of the Metropolitan Strategy – “To improve the quality of new housing development and urban renewal”
- the site is zoned industrial and listed as Category 1 Employment Land in the *Draft Inner West Subregional Strategy*, is economically viable in its current form and the loss of the precinct as employment land would be significant

- *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; 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 suggest that intensive industrial use of the site is restricted due to potential adverse impacts on surrounding dwellings. The site is only accessible via residential collector streets and is not located close to major arterial roads or freight lines.

However, Council's EEDP does not identify the site for rezoning solely for residential uses. The EEDP, which was based on the findings of the *Leichhardt Employment Lands Study 2011*, states that a number of fragmented industrial sites, such as Lords Road, could be investigated for a broader range of employment uses and/ or rezoning.

The Proponent's request to prepare a Planning Proposal is supported by an Industrial Rezoning Economic Justification Report prepared by Macro Plan Dimasi (Attachment 3). The Macro Plan Dimasi report does not include investigations into a broader range of employment uses that could operate from the site, rather the report focuses on the viability of traditional industrial/ factory uses.

The Macro Plan Dimasi Economic Justification Report incorrectly states "Council is correct in identifying the land's appropriateness for mixed use residential development in the EEDP..." The EEDP was informed by the Socio-Economic Analysis undertaken by Hill PDA, which identified that there is a potential opportunity for the site to be converted to residential/ mixed use due to the nature of the surrounding area. The EEDP and the preceding *Leichhardt Employment Lands Study 2011* do not specifically recommend the rezoning of the site to residential, but do identify its potential for broader employment uses and affordable housing for key workers.

The total number of people employed at the site is 62. The proposed residential development with childcare facility would produce few workers and would result in a net loss of jobs. SGS Economic and Planning have undertaken an assessment of the suitability of rezoning industrial land at 67 – 73 Lords Road, Leichhardt (Attachment 4) for Council. This is in addition to being commissioned to undertake a Council wide Industrial Lands Study (to be completed in September 2014). SGS

have concluded in their assessment of the site that 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 job targets under the 2008 *Inner West Subregion Draft Subregional Strategy*. This is in light of the number of recent and proposed rezonings of industrial sites in the Local Government Area, in addition to the State Government's proposals for the WestConnex Parramatta Road Regeneration and the Bays Precinct Urban Renewal. Consequently, rezoning before a full supply-demand gap assessment is completed would be inappropriate.

The site is currently zoned IN2 – Light Industrial under *Leichhardt Local Environmental Plan 2013* and listed as Category 1 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 Lords Road site, with an area of 1.07ha, is a relatively small precinct that represents less than 1% of total industrial land in the Leichhardt Local Government Area.

The percentage of Industrial land in the Leichhardt Council Area is however 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 site, Leichhardt (approximately 1ha)

If the Allen Street and Lords Road sites were 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 at these four sites would be 4.95 ha, which is 4.5 % 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 75.8 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 (75.8ha) and Parramatta Road Employment Lands (12.2ha associated with the WestConnex project) could result in the total Employment Lands in the Local Government Area being reduced to approximately 20.9ha. 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 18.02ha.

The Bays Precinct Urban Renewal Program and WestConnex Parramatta Road Revitalisation Program will not necessarily result in the loss of all 88.0ha of Employment Land in these Program areas. In a worst case scenario, however, if all this land were lost to non-employment uses, the result would only leave Leichhardt with 18.02ha of its 2008 supply of Employment Lands. The proposed rezonings of Allen Street and Lords Road could reduce this by a further 2.07ha, to 15.95ha left across the Local Government Area. Lords Road, with a site area of 1.07ha, would

represent a potential loss of 6.72% of the worst case residual industrial land supply of 18.02ha.

Council engaged SGS Economics and Planning to undertake an Industrial Lands Study (**Attachment 4**) 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. The Industrial Lands Study will be available in September 2014. SGS were also commissioned to undertake an Economic Assessment of the suitability of industrial land at the site for rezoning (Attachment 4). The SGS site specific Economic Assessment is complementary to the Leichhardt Industrial Lands Study.

SGS Economics & Planning have 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 are 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 SGS Economic Assessment (Attachment 4) findings include that:

- The site is economically viable in its current form and has no vacant space. Rents at the precinct appear to be relatively high when compared with other industrial precincts such as Moore Street and Allen Street, Leichhardt. Although assessment of market positioning and the subregional role is incomplete at this stage of the LGA wide Industrial Lands Study, at face value, the precinct seems to be functioning well as a local service/ light industrial precinct.
- As the precinct is functioning well, the loss of this precinct as industrial space would be significant. Although having a local service/ light industrial character, the precinct also supports some non-industrial activity (martial arts centre, art auction rooms, church, etc.) as well as having a small office component (5% of gross floor area). Consequently, the precinct may be suitable as 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 the 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 a childcare facility would produce 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 LGA to meet job 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 LGA coupled with some significant demand – side drivers (such as WestConnex and the Bays Precinct renewal)SGS advise that a rezoning would not be 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 (and 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.

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 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.

4.1.5 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.

A review of the Planning Proposal request against the strategies contained in *Leichhardt 2025+* indicates that the Proposal is not consistent with some of the key goals and strategies of the Plan, including:

- *‘Promote a high standard of urban design in the public and private domain’*
- *Maintain and enhance the character of the urban environment*
- *Promote affordable, accessible, adaptable and diverse housing types*
- *Support and share innovation and creativity to develop the local economy*
- *Strategically manage the LGA’s economic assets for current and future generations*

4.1.6 Leichhardt Employment Lands Study 2011 (the Study)

Local 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 specific sites, 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.

The report made the following observations in respect to the subject site and its future use:

Leichhardt Industrial A and Lords Road

These sites contain local light industrial land uses within Leichhardt Industrial A also containing special land uses (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 the following 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

4.1.7 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 the Lords Street site “could be investigated for a broader range of employment uses and / or 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 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).

SGS were engaged by Council to prepare report on the suitability of rezoning the subject site (**Attachment 4**). The aim of SGS’s submission report was to independently assess the value of rezoning industrial land at 67 – 73 Lords Road, Leichhardt, given the preliminary outputs from the Council wide Industrial Lands Study

they are currently undertaking. The adopted EEDP incorporated criteria for the assessment of proposals to re-zone industrial land. SGS's conclusions of their rezoning suitability report have been organised under the criteria for rezoning assessment established in the EEDP. The Proponent's response to each criteria and SGS's assessment 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

"No. There is unutilised capacity in the surrounding area which is outlined in the SGS Leichhardt Employment Lands Study and the Employment Lands Development Program – Inner West Subregion 2010 report.

The EEDP also acknowledges that the Lords Road site is not of strategic significance to the economic development and growth of Leichhardt and presents an opportunity for rezoning and redevelopment.

Further, the close proximity of the site to the approved Marion Street Light Rail Station provides a significant point of differentiation from other existing industrial sites."

SGS Conclusion

"Although a relatively small precinct, it functions well as local light industrial land. The loss of the land must also be seen in the context of both supply-side pressures. On the supply side, the LGA has relatively low stocks of industrial land that have continued to dwindle in recent years. On the demand-side, population growth, a likely increase in the 'competitive offer' of the precinct following WestConnex completion, and the Bays Precinct renewal are likely to place more pressure on industrial land availability in the Local Government Area.

In the context of persistent demand and low supply, a rezoning would seem likely to dilute the ability of Council to provide sufficient land to accommodate demand. However, it is not possible to answer this question fully without completing a quantitative assessment of industrial floorspace demand and a local supply-demand gap assessment."

Planning Assessment

The EEDP recognises that the site could be investigated for a broader range of employment uses and / or rezoning.

Council has engaged SGS to undertake a Council wide Industrial Lands Study in order to provide certainty regarding Council's Employment Lands. 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.

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, this is particularly so, given that the site is currently fully tenanted, economically viable and employing 62 people.

- **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

"No. The site currently incorporates buildings reaching the end of their useful economic lifespan and the site is not well located for industrial users.

The site does not have desirable heavy vehicle access as it is located in the middle of a residential area, and does not have good access to heavy vehicle routes. Industrial users are increasingly seeking large unencumbered sites in Western Sydney, with little conflict with surrounding uses and excellent access to major roads and heavy vehicle routes."

SGS Conclusion

"Rezoning of the site would not result in the fragmentation of a larger industrial precinct or erode the viability of a locally or regionally significant precinct.

A rezoning would remove this land from the supply of local service/ light industrial land in the LGA. The precinct is fully tenanted and is functioning well so 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 gross floor area). In this light, the precinct may be a good example of a 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 function (just as it boosts suitability for medium density residential and mixed use development)."

Planning Assessment

While the site is a constrained industrial site, it may be suitable for a broader range of employment uses, as concluded by SGS (**Attachment 4**) and supported under the EEDP. The Proponent has assessed the viability of the site for more traditional industrial uses. 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.

SGS have advised that the site is currently fully tenanted, employs 62 people and the precinct is functioning well. Until SGS have completed the Local Government Area wide Industrial Lands Study (scheduled to be completed by September 2014), there is no certainty as to whether or not, the loss of 67 – 73 Lords Road, 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 Lords Road 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 site is not considered of strategic importance in Council's EEDP, Metropolitan Plan 2036 or the more recent Draft Metropolitan Strategy to 2031. The site is isolated, relies upon access through residential streets and is disconnected to major arterial roads and freight movements. The dated content of the Draft Sub-Regional Strategy has been supplanted by recent strategic planning and economic analysis, which identifies that this site, has reached the end of its economic life and is suitable

for consideration for rezoning to a more appropriate land use, much like other fragmented sites across the Local Government Area.”

SGS Conclusion

“According to Mecone data, the precinct currently employs 62 workers. The proposed residential development with childcare facility would produce few 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 LGA to meet job targets. However, given that there are no vacancies at the Lords Road precinct, and 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) we suggest that a rezoning would not be appropriate before a full supply-demand gap assessment is completed.

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 addition, Council is awaiting 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

“No. The site currently incorporates buildings reaching the end of their useful economic lifespan and the site is not well located for industrial users.

The site does not have desirable heavy vehicle access as it is located in the middle of a residential area, and does not have good access to heavy vehicle routes. Industrial users are increasingly seeking large unencumbered sites in Western Sydney, with little conflict with surrounding uses and excellent access to major roads and heavy vehicle routes.”

SGS Conclusion

“Suitability mapping has shown that the Lords Road precinct achieves a lower score than similarly zoned precincts elsewhere in the Local Government Area. This is largely the result of other sites having better access to major roads. We acknowledge that these scores would likely change as a result of WestConnex

completion – further improving the competitive offer of the precinct. It should also be noted that ‘less suitable’ certainly does not mean ‘unsuitable’ for local light industrial use. The site fulfils the requirements of local service/ light industrial business..”

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.

- **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

“No. The rents for industrial uses on the site are low in comparison to equivalent rents in Sydney and are similar to rents achieved on low value land on the periphery of the metro area, not in inner suburbs.

No. Redevelopment of the site for industrial uses would result in a loss as the current site is not viable and industrial users are seeking alternative facilities with good access to major heavy vehicle transport routes and industrial clusters with no potential conflicts with surrounding residential uses. It is evident that there is no incentive to undertake an industrial development on the site”

SGS Conclusion

“The site is economically viable in its current form. While its road accessibility is unlikely to be improved, public transport accessibility is very good. There may be potential to reconfigure spaces on site to allow higher office components or more flexible space that would appeal to higher value and higher employment density uses (such as creative business).”

Planning Assessment

The Proponent’s assessment is at odds with SGS. SGS reports that the site is currently fully tenanted and has no vacant space, and that rents at the site appear to be relatively high when compared with other industrial precincts in the Local Government Area, such as Moore Street and Allen Street. They further report that “although assessment of market positioning and the subregional role is incomplete at this stage of the industrial lands study, at face value, the precinct seems to be functioning well as a local service/ light industrial precinct”.

It is considered that the proposed Planning Proposal request for Lords Road is premature and should be deferred until the completion 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 Proponent has undertaken a Net Community Benefit test (**Attachment 5**) which concludes that rezoning the site to residential, with a childcare centre will have more net positive impacts than costs to the community.

SGS Conclusion

"As the precinct is currently functioning well, rezoning would clearly have an impact. Whether this is outweighed by the provision of housing (and 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."

Planning Assessment

The Proponent's Net Community Benefit Test ignores 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, Terry Street (Rozelle), Leichhardt A (Marion Street) and Victoria Road South.

The study is expected to be completed in September 2014. Council is not in a position to make a decision on the net community benefit of the loss of the Lords Road site, until the report is complete. Supporting a rezoning of the site at this stage is not appropriate until a full supply-demand gap assessment is completed.

The EEDP also states that those rezoning proposals that can best respond to the above criteria may be considered to have merit. 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 rezoning of Lords Road is premature.

4.1.8 S117 Directions

A Guide to Preparing Planning Proposals (2012) prepared by the former Department of Planning and Infrastructure states 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 planning 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, Council's policy documents, including the EEDP and high level strategic planning documents such as the *Inner West Subregion Draft Subregional Strategy* do not support or justify the loss of Lords Road as Employment Land. In addition the SGS Economic Assessment Report (**Attachment 4**) on the suitability of rezoning the site concludes that the site is economically viable in its current form, but acknowledges that residential uses would be more profitable. The site is fully tenanted, commanding higher rents than similar industrial lands in the Local Government Area and employs 62 people. The loss of the site as industrial space would be significant. The precinct may be suitable for a more flexible industrial area and 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 potential as a flexible industrial use site as it does medium or high density residential 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 this Employment Lands site cannot be justified.

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

4.2 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 Lords Road Planning Proposal Request is premature in relation to the WestConnex / Urban Activation prospects.

The State Government's objectives for the Parramatta Road Urban Renewal Project and what impacts the WestConnex Motorway will have on the area are unclear. Matters for consideration in relation to the subject site include the location of exhaust stacks and how traffic feeds onto and off the WestConnex motorway through the Leichhardt Local Government Area. In addition, the Parramatta Road may result in the loss of IN2 Light Industrial land within the Local Government Area.

The Bays Precinct Urban Renewal Program covers 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 the employment lands in the Bays Precinct and Parramatta Road areas would have a significant impact on the local supply of Employment Lands and local economy. It is considered premature to continue to rezone industrial sites within the Leichhardt Local Government Area until more certainty is provided from the State Government regarding the cumulative impact of major proposals that affect the area.

5. Merits Assessment of Planning Proposal Request

As Section 4 of this report indicates above, there is minimal strategic justification for the Proponent's Planning Proposal request. An assessment has also been undertaken to understand the potential of the site planning, urban design and local implications of the proposed scheme on the immediate community and environment. 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. A brief explanation of expected key outcomes
2. The Proponent's position
3. Assessment
4. Conclusion

5.1 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 R3 Medium Density Residential. The Proponent's justification for rezoning is provided below:

- The site has reached the end of its economic life. The Leichhardt Employment and Economic Development Plan advocates transforming appropriate industrial land (such as the Lords Road site) into different land uses including affordable housing for key workers and students.
- Places downward pressure on cost of living by improving housing affordability and availability.
- Supports state government plans for light rail line and the Parramatta Road Corridor through increased housing supply in proximity to these projects.
- Increased housing in the vicinity of WestConnex.
- Contributes to more intense housing, increased housing choice and affordability in a transport accessible area.
- Assists in achieving the aims and targets of the Metro Plan as it will provide new dwellings in an existing urban area, which is highly accessible and close to essential services.
- Assists with achieving housing targets for the Central Subregion.
- Takes advantage of one of the limited opportunities for brownfield development in the Leichhardt Local Government Area for a range of residential dwelling types, providing housing choice and affordability in a prime location.
- Provides additional child care places in a location close to schools to assist working households
- Revitalises a site which is currently underutilised ensuring high quality design that is aesthetically pleasant and environmentally sustainable.
- Redevelops the site in a way that is compatible with existing and future surrounding land uses.

Assessment

- The characteristics of the proposed development are more akin to a high density, residential development scenario, not a medium density development.
- The Proposal is considered inconsistent with the R3 - Medium Density Residential Objectives under *Leichhardt Local Environmental Plan 2013* which are:
 - To provide for the housing needs of the community within a medium density residential environment.
 - To provide a variety of housing types within a medium density residential environment.
 - To enable other land uses that provide facilities or services to meet the day to day needs of residents.

- To permit increased residential density in accessible locations so as to maximise public transport patronage and to encourage walking and cycling.
- To ensure that a high level of residential amenity is achieved and maintained.
- The proposal is seeking an FSR of 2.4:1 and heights from four (4) to eight (8) storeys.
- The proposed dwelling yield is 315 units with 150 – 253 parking spaces.

The Draft Metropolitan Strategy for Sydney to 2031, Appendix D: Glossary of Terms includes the following definitions:

Building Height

Low rise – three storeys or less, including terraces, townhouses, shop-top housing, semi-detached housing and small residential flat buildings.

Medium rise – four to five storeys, includes residential flat buildings and shop-top housing.

High rise – six storeys or more, includes residential flat buildings, shop-top housing and large mixed use developments, such as offices and shops with housing above.

Residential density

The number of dwellings within land zoned for housing, not including land for open spaces, roads, etc, defined as:

Low density – fewer than 25 net dwellings per hectare.

Medium density – between 25 to 60 net dwellings per hectare

High density – more than 60 net dwellings per hectare. High density does not necessarily mean 'high rise', there are a number of development forms that result in medium and high density which are low or medium rise. See also, building height.

The proposal is a high-rise, high density development. It has an overall height of greater than six (6) storeys and a density of greater than 60 net dwellings /ha. The Proposal is not consistent with the proposed R3 - Medium Density zoning. As *Leichhardt Local Environmental Plan 2013* does not include an R4 - High Density Residential zoning, a more appropriate zoning for the site, should it be considered for residential development, and consistent with the surrounding locality is the R1 – General Residential Zoning.

The R1 objectives under *Leichhardt Local Environmental Plan 2013* include:

- 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 complementary to, and compatible with, the character, style, orientation and pattern of surrounding buildings, streetscapes, works and landscaped areas.

The R1 zoning permits more varied land use outcomes, including opportunities

for employment uses, opportunities to work from home and light industries. Uses that are consistent with some of the current uses operating from the site. Importantly, the R1 zoning requires that new housing is complementary to and compatible with the character of the locality.

Conclusion

- The Proposal is not a medium density development, it is a high density development.
- The R3 – Medium Density zone is not consistent with the character of the area.
- 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.

5.2 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 Concept Study (Attachment 6) to support the Planning Proposal request. The Urban Design Study analysed the topography, landscape, streetscape and building typology, floor space ratios, vistas and transport issues. 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. The Urban Design Study favourably compared the Planning Proposal to a number of other redevelopment sites in the Inner West as outlined below.			
Name	No. of storeys	FSR	LOCAL GOVERNMENT AREA
Lewisham Apartments	Up to 10 storeys	3.04:1	Marrickville
Summer Hill Flour Mill	13 storeys	1.6:1	Marrickville
Bay St, Glebe	33m	3.85:1	City of Sydney
Harold Park	Up to 8 storeys	1.25:1	City of Sydney
Assessment			
The circumstances and characteristics of the listed sites above are not directly comparable to the subject site, except that for their proximity to the Inner West Light Rail Line. The sites listed above either formed part of a greater precinct master plan and / or are more accessible to public transport, including heavy rail. The height and FSR at Bay Street, Glebe is as a result of increased Affordable Housing and sustainability measures. 149 - 151 Allen Street, Leichhardt is more comparable and located approximately 900m from the subject site. That site is fragmented industrial land surrounded by residential development, is going through 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 Proposal at Lords Road, with a maximum FSR of 2.4:1 and height of up to 8 storeys, is not compatible with the existing character of the locality. The Proposal would result in undesirable overshadowing of common open space areas and proposed public playground and fitness area. In addition, the Proposal does not comply with the *Residential Flat Design Code* controls for minimum common open space or ground floor private open space. The Proposal also presents undesirable opportunities for overlooking into the rear yards of properties fronting Davies Street, and unacceptable traffic and transport impacts.

These amenity impacts are a result of the proposed overdevelopment of the site and undesirable bulk and scale of the buildings. A reduced bulk and scale is desirable to minimise environmental and amenity impacts.

Conclusion

The key built form issues are:

- Building height and the resultant potential for overlooking to the rear of Davies Street properties and overshadowing of open space areas on site.
- Inadequate location and quantity of common and private open space.
- Poor solar access to open space areas.
- The Proposal is not a medium density development, it is 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 reduction in FSR and 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.

5.3 Building Heights

Key outcomes
Disproportionately tall buildings can have adverse impacts on solar access for open space privacy, the public domain; overshadow living space in other dwellings; 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 4 buildings varying in height from 4 to 8 storeys (refer to Figure 4 – Extract of Figure G40 – Height Plan – 67 – 73 Lords Road, Leichhardt Draft DCP and Figure 5 – Extract of Figure 41 – Setback Plan – 67 – 73 Lords Road, Leichhardt, Draft DCP – Attachment 2, including: • Street frontage building to Davies Lane – 3 storeys with 2.5 metre setbacks to a 4th storey. The first 3 storeys are setback by 6.0 metres from Davies Lane and the top storey is setback 8.5 metres from Davies Lane, • Street frontage building to Lords Road – 3 storeys with 0 setback from the street and a 7.5m setback from Lords Road to 4th storey. • Southern setback building from Lords Road is 5 storeys with a 7.5m setback to Lords Road and up to 8 storeys adjacent to the northern boundary with Lambert Park and is setback 7.5m from Lambert Park. • One building of 6 storeys is adjacent to Lambert Park, setback 7.5m from the Lambert Park boundary.
Assessment
Concern is raised regarding the bulk and scale of the proposed buildings: • 4 storeys to Davies Lane is unacceptable. This is a narrow lane and overlooks rear yards of dwellings fronting Davies Street. It is recommended that a Character Assessment is undertaken. Preference for 2 storeys to Davies Lane with 3rd storey setback. • 3 storeys to Lords Road is more compatible with the character of the area. • Concern regarding overshadowing of proposed common central open space as a result of the proposed heights of the buildings. • 8 storeys is out of character, unexpected and a dominant element in the streetscape as viewed from raised light rail track, particularly the Marion Street Station.
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.

5.4 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's Urban Design Analysis suggests that testing of solar access indicates that the development will easily be able to satisfy solar access requirements of the *Residential Flat Design Code*. Moreover, shadow testing also indicates that there will be no additional overshadowing of surrounding residential properties.

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

The Proponent's site specific draft Development Control Plan (**Attachment 2**) proposes that:

- 70% of dwellings have a minimum of **2 hours** direct sunlight to the main living rooms between 9am and 3pm during the winter solstice;
- Communal open space would receive a minimum of **2 hours** direct sunlight over 50% of the communal open space between 9am and 3pm at the winter solstice.

Regarding visual privacy, the Proponent suggests a height of up to 4 storeys is an appropriate scale for the pedestrian environment (Davies Lane) (refer to Figure 7 below) and that the existing vegetation on the eastern boundary would provide a visual buffer between the site and the existing residential area to the east.

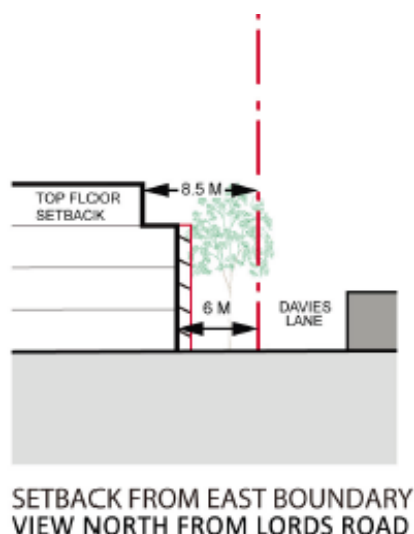


Figure 7 – Extract of Figure G42 – Setback Sections, 67 – 73 Lords Road, Leichhardt Draft Development Control Plan

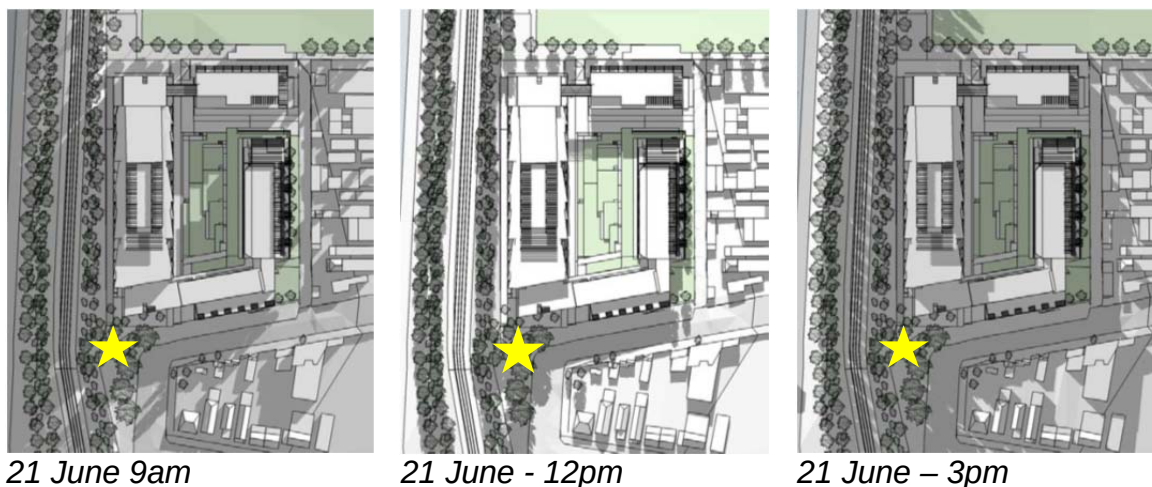
Assessment

The *Residential Flat Design Code* requires that 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*. Compliance with the minimum solar access requirements could be achieved through reducing the height and density of the development.

The Proponent's Voluntary Planning Agreement Offer (**Attachment 7**) and Revised Voluntary Planning Agreement Offer (**Attachment 14**) includes the construction of a playground and fitness area to the south of the development. The Proponent's shadow diagrams indicate that these areas will have poor amenity due to overshadowing. The location of the playground and fitness area are unsatisfactory given the overshadowing.

An extract of the Proponent's shadow diagrams (**from Attachment 6**) indicating the location of the children's playground that forms part of the Voluntary Planning Agreement is provided below.



 - Children's playground

In addition, further solar access analysis of common open space in the centre of the site is required.

Four storeys to Davies Lane is considered excessive given the low density scale of residential dwellings to the east. The orientation of balconies to the east and scale of the building along Davies Lane, raises concerns regarding visual privacy to the rear yards of properties fronting Davies Street.

Conclusion

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

5.5 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 315 units with an overall Floor Space Ratio of 2.4:1.

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 the rear of Davies Street properties and overshadowing of a common central open space, and proposed playground and fitness area. A reduced FSR is recommended in order to achieve:

- a higher quality urban design outcomes for streetscape character;
- minimal amenity impacts on existing properties;
- better outcomes for the residents of the proposed development in respect of elements such as solar access and extent of landscaped 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 overshadowing of open space areas within the development.

5.6 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 (Attachment 6) indicates that the landscape and open space will: • Retain, reveal and enhance the natural features. This includes the fall in the land and the existing trees. • Create a relationship between the ground floor and the ground plane that enhances both. Amenity objectives indicate that to ensure that the apartments and apartment buildings have a high level of amenity they will: • Have clear, safe visible places which create a sense of entry • Have direct vertical and horizontal circulation throughout the buildings • Have well designed useable private open spaces • Have well designed useable communal open spaces that are generous and can accommodate large scale planting • Have apartments that meet SEPP 65 requirements • Provide a range of housing choices. Under the Proponent's site specific draft Development Control Plan (Attachment 2), the proposed landscaping provisions include: "G8.11 Open Space • A minimum of 1,690m² of publicly available communal open space is to be provided in accordance with Figure G45; • C2 Private open space is to be provided for each dwelling in accordance with the table below; • C3 Ground Floor dwellings are to be provided with private open space in the form of an enclosed courtyard with a minimum dimension of 3 metres and a minimum area of 12m². G8.12 Landscaping • A landscaped area that is at least 1 metre wide and comprises at least 25% of the site area; and • The site coverage does not exceed 55% of the site area; • Landscaping areas are to be provided in accordance with Figure G44."

Assessment

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

- Areas 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.

When Council's controls are considered:

- *Leichhardt Local Environmental Plan 2013* does not include specific landscaped area requirements for development in the R3 Medium Density Zone, but Clause 4.3A of *Leichhardt Local Environmental Plan 2013* requires a landscaped area that is at least 1 metre wide and comprises at least 10% of the site for any site zoned R1 General Residential.
- Draft Amendment to *Leichhardt Local Environmental Plan 2013* in respect of Clause 4.3A and R1 zoned land requires that at least 20% of site area (for sites greater than 235sqm) is landscaped area and that the site coverage does not exceed 60% of the site area.

The Proposal provides for 15.8% of the site area for communal open space. There are no constraints for development of this large site that would prevent achievement of the *Residential Flat Design Code* communal open space requirement, of at least between 25 and 30% (2,673m² – 3,207m²) of the site area.

The Proposal includes a Voluntary Planning Agreement Offer (**Attachment 7**) to develop a playground and fitness circuit to the south of the site. The location of the proposed public playground and fitness circuit means they would be overshadowed for much of the day in mid-winter and the equinox. Consequently, these proposed recreational areas do not achieve minimum amenity requirements and do not compensate for the development not achieving the minimum *Residential Flat Design Code* communal open space requirements on site.

Design amendments would be necessary to ensure minimum 3 hours direct sunlight to 50% of the communal open space.

Council's Parks and Open Space Planner has raised concerns regarding the quantity of open space; the overshadowing of the proposed open space; the location of the proposed children's playground and fitness circuit pedestrian, linkages and connections. Concern has also been raised regarding light spillage from the floodlights at Lambert Park impacts on the amenity of future residents in buildings located along the northern boundary of the site.

The Voluntary Planning Agreement Offer suggests enlarging Sydney Railways land (as it is currently a narrow strip between the road and the Light Rail corridor) by narrowing Kegworth Street to the east and Lords Road to the north-east of the Rail Corp land. This enlargement would be on Council's land, as owner of the streets, and should not be supported.

Developing an outdoor gym in this location is not supported by Council's Parks and Open Space Planner. The site is inconsistent with the principles of Crime Prevention Through Environmental Design, located on a narrow strip adjacent to potential hiding places along the Light Rail corridor. A preferred outcome would be more open space on the development site, which could be activated to support the proposed residential development and the surrounding neighbourhood. Contributions towards Lambert Park playground and linkages to the existing playground would be a preferred outcome of the Voluntary Planning Agreement Offer.

Conclusion

The open space associated with the development (common open space, private ground floor open space and recreational area for children's playground and fitness circuit) have been poorly planned. 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.

5.7 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). <i>Leichhardt Local Environmental Plan 2013</i> Diverse Housing Clause 6.13 requires that at least 25% of dwellings in residential flat and mixed use developments are studios or one-bedroom dwellings and no more than 30% are three bedroom dwellings.
Proponent's position
The Proponent's scheme proposes a unit mix as outlined below: Studio – 15% – 30% 1 bedroom – 25% - 45% 2 bedroom – 25% - 45% 3+ bedroom – 7% - 15% A minimum of 50% of apartments shall be Studio and 1 Bedroom apartments. This mix complies with clause 6.13 Diverse housing of <i>Leichhardt Local Environmental Plan 2013</i>.
Assessment
The exact mix of housing in any new residential development is defined at the Development Application stage and is not 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 – the proposed high proportion of dwellings for smaller households, with 1 and 2 bedrooms is supported.
Conclusion
The proposed housing mix can be supported.

5.8 Affordable Housing

Key outcomes
To achieve more Affordable Housing there is a need for intervention in the planning process. In the past when considering rezoning requests for industrial sites, Council has sought additional developer contributions 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 submitted an offer to enter a Voluntary Planning Agreement (Attachment 7) with Council that would include the delivery of affordable housing. The offer includes the provision of 5% of total dwellings for affordable housing (approximately 16 dwellings). The Proponent's Housing Affordability Assessment (Attachment 8) claims that the proposal will be one of limited number of opportunities for Council to facilitate delivery of new affordable housing. The current plans indicate delivery of: • 5% affordable rental housing for eligible households - typically key workers in essential services, managed by a community housing provider and to remain rented for 10 years • 46% of units for sale priced at a level where they will be affordable for local Leichhardt residents to purchase The Proponent's Housing Affordability Assessment claims that by delivering more than 50% affordable homes on the Site, the scheme will exceed Council's 10% affordable housing aspirations. As the dwellings are generally smaller than existing homes in the neighbourhood (55% are studios and one bedroom), in the Proponent's opinion, they will remain relatively affordable in the medium and long term.
Assessment
Council commissioned Elton Consulting to undertake a peer review of the Social Impact Assessment (SIA) and Housing Affordability Assessment (HAA) for 67 – 73 Lords Road, Leichhardt. Elton Consulting have reported that both the SIA and HAA appear to be well researched and essentially sound documents in support of the Planning Proposal, although they also report that the scope of each document is limited to particular issues (Attachment 9). The Proponent's Voluntary Planning Agreement Offer is consistent with Council's only rezoning related Voluntary Planning Agreement and the draft Voluntary Planning Agreement for Allen Street. However, the Offer falls short of Council's adopted policy on Affordable Housing under the <i>Leichhardt Affordable Housing Strategy (2011)</i> as set out in Section 3.3.3 Developing Affordable Housing Policy, Clause 3.3.1: 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).

The Proponent argues that 46% of units for sale will be priced at a level which will be affordable for local Leichhardt residents to purchase. The proponent's HAA suggests that as the dwellings are generally smaller than existing homes in the neighbourhood (55% are studios and one bedroom), they will remain relatively affordable in the medium and long term. It claims that 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 (\$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 offer significant affordability benefits in 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" (Housing Action Group 2014, p. 16) may not be realised when dwellings are brought on to the market.

The Proponent's HAA does 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). By definition, the majority of affordable units for sale or rent will be small (studios or 1 bedrooms). However, Elton's calculations 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 most median income households and 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's Voluntary Planning Agreement Offer of 5% (16 units) of total housing will be Affordable Housing is relatively generous compared to other local developments which have incorporated at most only 3.7% of dwellings as affordable rental housing. The offer would restrict the availability of these 16 units as Affordable Housing to 10 years, after which it appears they would be sold by the developer.

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).

5.9 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 local residents.
Proponent's position
The Proponent's Traffic and Transport Report (Attachment 10) used 315 units and a childcare centre facility with a floor area of approximately 450m², accommodating 60 children and 10 staff as its benchmark generating 149 vehicles per hour in the morning peak and 177 vehicles per hour in the afternoon peak. The minimum and maximum number of parking spaces allowed under Leichhardt Development Control Plan 2013 for the Proposal is 178 (minimum) and 270 spaces (maximum) with 1 car share space. It also stated that full industrial use of the site could generate up to 103 vehicles per hour, two-way, during peak hours. (Comments in relation to parking are provided in the next subsection 5.10). The Proponent's Report states that an analysis of the operating performance of nearby intersections using the SIDRA capacity analysis program found that these intersections would continue to operate at current Levels of Service, with increases in total average vehicle delays expected to be in the order of 1-2 seconds per vehicle under the projected additional traffic demands. The capacity analysis component suggests that the proposed development will not have unacceptable traffic implications in terms of road network capacity and that no road improvements or intersection upgrades would be required as a consequence of the development proposal.
Assessment
The Proposal includes a one-way share-way system through the site, entering from Lords Road and exiting on Davies Lane as illustrated below. The Proposal will significantly increase traffic to Davies Lane, which is a service lane accessing rear garages for properties fronting Davies Street. Davies Lane is a six-meter wide, two-way laneway with some on-street parking. Currently Davies Lane is estimated to carry approximately 10 vehicle trips during the morning and afternoon peak periods, with only occasional trips and parking activity during the day. The proposed one way, internal, road system will significantly increase the traffic movements in Davies Lane throughout the day, increasing the potential for opposing vehicle conflicts in a narrow carriageway. There is also sub-standard provision for pedestrian movements along Davies Lane, particularly as a large residential building would front this roadway and as the proposed childcare centre is on the corner of Davies Lane and Lords Road. The Proposal represents a significant increase of traffic along a narrow lane. No commentary has been provided by the Proponent on how traffic in the Lane is to be managed. For example, would an eventual development include turning the Lane into a one-way street, forcing residents of the Davies Street properties,

whose properties back onto the Lane, to drive through the proposed new development; or would the Lane remain two-way, which would create a conflict with cars parked in the Lane.

Council's Traffic and Transport Assessment advises that additional consideration should be given to improving sightlines for turns out of Davies Lane onto Lords Road. In addition, a movement management system must be considered for Kegworth Street to reduce potential pedestrian/cycle/vehicle conflict, particularly during school pick-up and set-down peaks.



Lords Road has been identified as a road safety concern during school pick-up and set down periods. As no traffic data has been provided for this period, it is not possible to accurately determine the likely increase in conflict, however it is considered that any increase in the number of vehicles using Lords Road and Kegworth Street during these periods is of concern.

Council's Traffic and Transport Assessment advises that it would also be beneficial to consider other major intersections in the road network that are likely to be impacted by the development, in further traffic and parking analysis studies, including:

- Foster Street/Marion Street;
- Tebbutt Street/Hathern Street;
- Flood Street/Lords Road

In particular, Council's Traffic Assessment raises a concern about significant additional right turn movements from Tebbutt Street into Kegworth Street, given that only one shared through/right turn lane is available on Tebbut Street during the AM and PM peaks.

Given the site's proximity to the Marion Light Rail Station, Leichhardt Marketplace and Lambert Park, the parking and traffic analysis should include an assessment of weekend conditions (particularly when a sporting fixture is on at Lambert Park). The Proponent's Traffic Assessment did not include an assessment of the impact of the development on traffic and parking on weekends. The proposed development, if approved, could exacerbate traffic and parking conditions in the area through an increased demand for on-street parking and public transport.

As Lords Road is a designated strategic bike route to the GreenWay and Haberfield increased traffic on Lords Road would add to conflict between bicycles and vehicles. This is of particular concern given the potential of the Lords Road cycleway to become increasingly important as the GreenWay moves toward completion.

Overall the current Proposal is likely to result in unacceptable traffic and transport impacts which would reduce local amenity and increase pedestrian/ bicycle/ vehicular conflict.

The Proponent's Traffic and Parking Assessment has been prepared in light of the current conditions at the site and in the vicinity of the development. A considered assessment of the traffic and transport implications of the development cannot be finalised until the State Government has provided further information in relation to the WestConnex Motorway development and associated WestConnex Revitalisation Program. Currently, it is unknown as to where and how traffic will flow through the Local Government Area to enter and exit the Motorway; the impact on surrounding streets of Parramatta Road following any Urban Renewal and Revitalisation Program or where the exhaust stacks for the Motorway will be located.

The proposed Planning Proposal request is considered premature. A realistic Traffic and Transport Assessment cannot be undertaken until further detail from the State Government has been provided on the WestConnex development.

Conclusion

The Proposal, as submitted, does not adequately address relevant traffic and transport considerations.

Further justification would be required in relation to the one-way share-way, its operation, management and impact on Davies Lane to satisfy Council that the system could operate without unreasonable loss of service to residents fronting Davies Street, who have rear access to Davies Lane.

In addition, further Traffic and Parking Assessment is required to include other major intersections in the vicinity of the site and traffic and parking analysis for Saturdays to take into account the site's proximity to Leichhardt Marketplace and Lambert Park.

Finally, the Proposal is considered premature in light of the State Government's WestConnex Motorway proposal and Parramatta Road Revitalisation Program.

5.10 Car Parking

Key outcomes
<i>Leichhardt Development Control Plan 2013</i> objectives for parking in residential developments seek to achieve a balance between encouraging public transport, walking and cycling catering for the parking 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
The Proponent's proposed car parking provision is a range from approximately 150 to 253 cars.
Assessment
A Planning Proposal for a residential outcome for the site should achieve a mid-point of the <i>Development Control Plan 2013</i> parking rate range for residential developments. This is the rate applied to the ANKA Terry Street, Rozelle Planning Proposal, 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. The minimum and maximum number of parking spaces allowed under the <i>Development Control Plan 2013</i> would be 178 to 270 spaces with a mid-point of 224. Council's traffic assessment raises the following issues: • The location of the basement carpark, immediately adjacent to the proposed childcare centre, together with the adjacent 90 degree parking, would result in significant vehicle/vehicle, vehicle/pedestrian and vehicle/bicycle conflict. In addition, the increase in traffic from Davies Lane will increase the conflict in this area, particularly due to the lack of vehicular/pedestrian sight lines at the Davies Lane/ Lords Road intersection. • The Proposal would attract additional kerbside parking in Davies Lane which would result in access from the existing garages on Davies Lane being blocked. • The proposed Landscape Plan for Lords Road shows angle parking in front of the proposed childcare facility and significant road narrowing. Whilst road narrowing is supported to provide a lower speed environment in this location it would result in unsafe opposing vehicle paths at the 90 degree road bend, particularly for large vehicles making the turn. In addition, the angled parking in Lords Road for the childcare drop off/pick up immediately adjacent to the basement car park access due to conflicting vehicle movements is not supported. • The proposed access road is located close to the 90 degree road bend which may result in unsafe conditions for vehicle making a right turn into the site in respect of opposing vehicles in Lords Road.

- The overall loss of existing on-street parking, as a consequence of the proposed modifications to Lords Road, is not supported as it will have a significant impact on available parking in the area. The loss of on-street parking on the southern side of Lords Road is considered acceptable as this section of road has very few on street parking spaces due to the existing driveways.
- The loss of on-street parking adjacent to the proposed Fitness Circuit is of concern. This could only be supported if the loss of parking could be offset nearby, for example, 90 degree parking on the Lords Road frontage of the site to Lords Road, this may assist in achieving this offset. The location of the basement access and new road intersection for the site would significantly reduce the number of parking spaces that could be provided at this location due to No Parking/Stopping setbacks that would be required at each access point.

Conclusion

A mid-point of the Development Control Plan 2013 parking rate should apply to any residential zoning outcome for the site and the proposal does not adequately address car parking considerations.

5.11 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 has provided an Interim Site Contamination Assessment for the site (Attachment 11).

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 at this stage, Council is not satisfied that the site can be made suitable for the proposed residential development and use in accordance with SEPP 55. Further investigation is required in the form of a current Preliminary Site Investigation and a follow up Detailed Site Investigation /Remedial Action Plan if required.

Conclusion

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

The Proposal, as submitted, cannot be supported.

5.12 Social infrastructure – schools

Key outcomes
The NSW Department of Education and Community has 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's Social Impact Assessment (SIA) (Attachment 12), prepared by Cred Community Planning, specifically focuses on the implications of the proposed development on child care and school places in the Leichhardt Local Government Area. The conclusion of the assessment report was that existing public school infrastructure would be able to accommodate the number of school age children expected to live in the proposed development.
Assessment
The Department of Education and Community has advised that both Kegworth Public School and Sydney Secondary College, Leichhardt Campus and Blackwattle Campus are projected to have capacity to accommodate government school students residing in future dwellings on the site. 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 understanding and addressing the cumulative impact of urban developments, including the number of approved and proposed Employment Land residential rezoning requests in the Inner West. It is considered premature to progress the Lords Road Planning Proposal request, until such time as the Department of Education and Communities has 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 will be required following the Department of Education and Communities planning strategy study.

5.13 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 in the creation of 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 SIA does not provide an assessment of the broader social implications of the Planning Proposal request. The Proponent has undertaken a Net Community Benefit Test (Attachment 5).
Assessment
Council commissioned Elton to prepare a peer review of the proponent's Social Impact Assessment and Housing Affordability Studies (Attachment 9) which informed the overall assessment of the potential social impacts the Planning Proposal could have in the area. The Proponent's Assessment of Net Community Impacts is flawed in a number of respects. The report is limited as it ignores state and local level government policy in relation to the loss of Employment Lands in Section 2 of the document. The Assessment of Net Community Impacts at Table 6 of Mecone's report is also unreliable. Job creation is ranked as a neutral impact between the base case scenario (i.e. no change to the IN2 – Light Industrial zoning) compared to the Planning Proposal request. There will be loss of jobs if the site is rezoned from IN2 – Light Industrial to R3 – Medium Density housing. There are currently 62 people employed at the site. As a result of the proposed rezoning, there will be a significant number employed during the construction of the development, however, the permanent number of employees associated with the proposed child care centre and café will be substantially less than 62 people. Regarding environmental amenity, the Proponent's report rates the Proposal's impacts as moderately positive. The potential environmental impacts of the proposed site specific Development Control Plan (Attachment 2) have been assessed at Section 5.2 – Urban Design and Development Control Plan, Section 5.3 – Building Heights, Section 5.4 – Solar Access, Overshadowing and Visual Privacy, Section 5.5 – Floor Space Ratio and Section 5.6 – Amenity and Open Space above. The assessment indicates that the development outcomes from this Planning Proposal would have undesirable environmental amenity outcomes. The key built form issues are: • Building height, potential overlooking to the rear of Davies Street properties and shadow impacts on open space areas in the site. • Location and quantity of common and private open space.

- Solar access to open space areas.

The Proposal is an overdevelopment of the site. The impacts of the Proposal on the environmental amenity of future residents at the site and existing surrounding residents will be negative.

The Proponent suggests these would be positive social impacts. The location of the common open space, proposed playground and fitness circuit however, would not achieve minimum solar access requirements.

The Proponent has assessed the loss of industrial lands as moderate negative impacts. The EEDP recognises that the site could be investigated for a broader range of employment uses and / or rezoning.

Council has engaged SGS to undertake an Industrial Lands Study to provide certainty regarding Council's Employment Lands. 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.

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 uncertainty 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 Land.

Council's Traffic Assessment concludes that the current Proposal is likely to result in an unacceptable impact which reduces local amenity and increases pedestrian/ bicycle/ vehicular conflict (refer to 5.9 above).

Conclusion

The Proponent's Planning Proposal request is not supported by a robust SIA. The SIA submitted with the application has a limited scope, focussing on school and childcare numbers and not the wider social impacts of the development.

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.

5.14 Infrastructure – Flood and sustainable water management

Key outcomes
<i>Leichhardt Development Control Plan 2013</i> 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's proposed site specific development controls specified that, as well as meeting existing <i>Leichhardt Development Control Plan 2013</i> requirements, the development should achieve a higher level of sustainability than would typically apply to such a development.
Assessment
Council's Stormwater and Development Assessment team has significant concerns regarding flooding at the site and raised the following issues: • The site and in particular the south western corner is affected by High Hazard Category flooding. • The Proponent engaged NPC to provide a desktop review (Attachment 13) of flood behaviour at the site and preliminary flood advice. NPC advice to the Proponent recognises the extent of flooding affecting the site and makes appropriate recommendations in relation to floor levels and access to the basement carpark. • The proposed building in the currently undeveloped south western corner of the site would result in a significant loss of existing informal flood storage which would raise flood levels within and beyond the property. The proposed conversion of the site from industrial use to residential purposes and the development of the site would significantly increase the number of people living in and travelling to and from this high hazard flood risk site. The development has the potential to substantially increase the impact and cost of flooding with an associated increased in risk of property damage and loss of life. To manage the risks to the existing and incoming communities, the development would have to include infrastructure upgrade works to reduce the flood risk affecting the site. Specifically, the development should include an upgrade of the existing stormwater drainage system between the site and Hawthorne Canal and an upgrade of the stormwater drainage system within Lords Road.
Conclusion
The proposed site specific draft Development Control Plan in association with the existing <i>Development Control Plan 2013</i> requirements for development applications would ensure good flood and sustainable water management outcomes. There is an opportunity for Council to require upgrading of the existing stormwater drainage system between the site and Hawthorne Canal, together with an upgrade of the stormwater drainage system of Lords Road, potentially as part of a Voluntary Planning Agreement negotiations.

5.15 Sustainability

Key outcomes
<i>Leichhardt Development Control Plan 2013</i> promotes sustainable places and spaces through optimising the environmental performance of buildings for energy and water consumption, production and recycling.
Proponent's position
The Proponent's proposed site specific Development Control Plan does not include controls relating to Environmental Performance or sustainability rating.
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 Sustainability Strategy theme Land includes the following 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 in which the developer would confirm 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. SEPP 65 requires this development to achieve 3 hours of solar access in mid-winter as opposed to the 2 hours shown in the Planning Proposal. Such an approach is also consistent with the objectives of the Council's 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 give 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 negotiate a Voluntary Planning Agreement in which the developer would confirm 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 <i>Leichhardt Development Control Plan 2013</i>, 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, transport, building materials, emissions and innovation. The Allen Street Proponent's site specific Development Control Plan included an objective to maximise Greenstar rating objective, in association with existing *Development Control Plan 2013* requirements for Development Applications will ensure strong sustainability outcomes for the redevelopment of this site. Such commitment has not been demonstrated in the Lords Road Planning Proposal.

Conclusion

The Proponent's site specific Development Control Plan does not include any controls relating to Environmental Performance or sustainability rating. Consequently, the Planning Proposal request is considered inadequate in this regard.

6. 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 submitted a Voluntary Planning Agreement Offer (**Attachment 7**) and a revised Voluntary Planning Agreement Offer (**Attachment 14**). In summary, the proposed Voluntary Planning Agreement offers would deliver:

- Affordable Housing – the provision of 5% of total dwellings for affordable housing (approximately 16 dwellings) to be available for rental for 10 years.
- 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 at a total cost of \$1,079,385.
- Future pedestrian link through the site benefiting Council with potential to connect to Marion Street Light Rail Station in the future. The proposed contribution to Council is an easement through the site.

The only difference between the two offers is that the revised offer locates the proposed fitness circuit and children's playground entirely on Council land and the original offer showed these facilities as being partly on Sydney Railways land.

The Proponent's Voluntary Planning Agreement Offer, in relation to Affordable Housing, is consistent with Council's only implemented rezoning related Voluntary Planning Agreement and the draft Voluntary Planning Agreement which offers for Allen Street. However, the Affordable Housing offer is 50% less than Council's policy under the Leichhardt Affordable Housing Strategy (2011), which is to seek a minimum 10% affordable housing contribution for all new significant development projects, such as those on Government land, major developments (residential components) and significant rezoning (change in use to residential or an increase in residential density).

The Voluntary Planning Agreement includes an offer to develop a children's playground and fitness circuit to the south of the development. These areas will have unacceptable amenity due to overshadowing from the development and are not supported. The Proponent has offered to enlarge the existing Sydney Railways open space storey by narrowing Lords Road and Kegworth Street. These streets are Council owned and Council Officers do not support this proposed reduction in size.

If Council was to enter negotiations on a Voluntary Planning Agreement, it is recommended that it should seek upgrade works to the existing stormwater drainage system between the site and Hawthorne Canal, together with an upgrade of the existing stormwater drainage system Lords Road.

Finally, there would also be scope in Voluntary Planning Agreement negotiations to seek improved sustainability outcomes, in accordance with Council's Environmental Sustainability Strategy.

7. Summary/ Conclusions

The proposed rezoning of 67 – 73 Lords Road, Leichhardt is not consistent with Council and State strategic plans and policies. It is recommended that Council does not support the Planning Proposal request for the site.

Appendix A

Table 3 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 approximately 150m from 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 within walking distance of local and town centres and contribute to the creation of a sustainable city. However, the proposal would also result in the loss of employment lands within the LGA. The precinct has been assessed as being fully tenanted, functioning well and is currently economically viable. The loss of the precinct as industrial space would be significant. Potentially the loss of the employment lands is potentially contrary to Objective A1 as the proposed rezoning may not result in growth of the economy. To fully understand the implications of the loss of the Lords Road precinct as Employment Land, Council has engaged SGS to undertake a Council wide Industrial Lands Study, which is due to be completed in September 2014. SGS have advised that a rezoning of the site is not appropriate before a full supply-demand gap assessment is completed, as part of their Industrial Lands Study.
	Objective A3 To contain the Urban Footprint and achieve a balance	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

Strategic Direction	Objectives/ Actions	Comment
	between Greenfields Growth and renewal in existing urban areas.	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 Infrastructure to meet Metropolitan Housing and Employment Growth rates.	The 2008 <i>Inner West Subregion Draft</i> has a <i>target of Subregional Strategy</i> of an additional 2,000 new dwellings within the Leichhardt LGA by 2031. The major urban renewal sites in the Leichhardt Residential Development Strategy Stage 1 (2010) and additional residential sites such as the Allen Street Planning Proposal with current possible dwelling yields are presented in Table 4 below. Table 4 shows that in the six years since 2008, the dwelling yields from Planning Proposals and development applications on larger sites could produce between 600 and 1000 new dwellings. Consequently, Lords Road is not essential to ensuring and that adequate supply of residential land in the Leichhardt LGA is created by 2031. The rezoning of the subject site may, however, compromise the ability of Council to achieve employment growth targets, particularly in the light of the recent rezonings of a number of other industrial land sites in the LGA. In addition, there will be further loss of employment land through the Bays Urban Renewal Program and the WestConnex Parramatta Road Urban Activation Precinct. Council has commissioned SGS to undertake a Council wide Industrial Lands Study, which will particularly investigate the cumulative impact of the loss of employment lands with the recent spate of proposed rezoning of industrial land in the LGA. The SGS LGA wide study will be completed in September 2014, and will test whether proposed rezonings will leave an adequate supply of employment lands within the LGA. In July 2014, Council also commissioned SGS Economics & Planning to prepare a report on the specific suitability of rezoning industrial land at 67

Strategic Direction	Objectives/ Actions	Comment
		– 73 Lords Road, Leichhardt. That report (Attachment 4) concluded that: The site is economically viable in its current form. • The precinct is fully tenanted and there are 62 people currently employed at the site. • The loss of this precinct as industrial space would be significant.
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 to the Norton Street, Leichhardt Town Centre. SGS noted in their Economic Assessment of the that the proximity of the site to Marion Light Rail Station (i.e. it is an accessible site) makes it 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 existing and planned centres of all sizes with good public transport.	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 '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 <i>Metropolitan Plan for Sydney 2036</i> to foster increased residential development close to public transport to reduce car dependence and road congestion. SGS identified that the precinct may be a good example of a flexible industrial area 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 Direction	Objectives/ Actions	Comment
		Council's Traffic and Parking Assessment recommends that a genuine mixed use development (particularly if there is a component of Live/Work) is preferable to a completely residential development, in terms of achieving dispersal and dilution of peak period traffic/ transport movements. This is because of the inherent ability of mixed use development to reduce the tidal flow of patrons (e.g. residents exiting while employees arrive).
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. This Planning Proposal would increase the residential land supply in the Leichhardt LGA. As previously highlighted, Table 4 below presents the dwelling yield that might arise from large possible residential or mixed use sites, without dwelling yields from the WestConnex/ Parramatta Road Urban Activation Precinct and the Bays Precinct Urban Renewal Program. Table 4 also shows that since the publication of the 2008 Inner West Subregion Draft Subregional Strategy the dwelling yield from sites identified in the Leichhardt Residential Development Strategy / NSW Metropolitan Development Programme in combination with recent rezonings and development consents is likely to be between 600 and 1000. This potential yield is approaching half of Council's dwelling target with 17 years to go to achieve the full 2000 dwelling target by 2031. Lords Road is therefore not crucial to ensuring an adequate supply of residential land in the Leichhardt LGA.
	Action D2.1 Ensure local planning controls include more low-rise medium density housing in and around small centres.	The <i>Metropolitan Plan for Sydney 2036</i> identifies a need to provide a total of 35,000 new dwellings within the inner west, which includes the Leichhardt local government area. The Lords Road Planning Proposal request is a high density residential development, not a medium density development. The proposal is considered inconsistent with Action D2.1.

Strategic Direction	Objectives/ Actions	Comment
	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's Voluntary Planning Agreement Offer of 5% of total housing as Affordable Housing is relatively generous compared to other local developments which have incorporated at most only 3.7% of dwellings as affordable rental housing. This affordable housing would however only be available for rental for 10 years. The Proponent's Housing Affordability Assessment (HAA) concludes that the development would contribute over 50% of the 315 dwellings at either moderate price-points or as affordable rental housing, achieving well over Council's 10% affordable housing target. Elton's provided Council with a Peer Review of the Proponent's HAA. 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 for industrial warehousing and a range of local services that might be seen detracting 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

Strategic Direction	Objectives/ Actions	Comment
		indicates that the proposal is an overdevelopment of the site. The Proponent's development concept and the draft site specific development control plan do not satisfy minimum requirements of <i>SEPP 65</i> and the <i>Residential Flat Design Code</i>, resulting in undesirable amenity impacts such as overshadowing, overlooking, a bulk and scale out of character with the surrounding area, negative traffic impacts and inadequate common open space. Consequently, the proposal 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 could be restricted due to potential adverse impacts on surrounding dwellings. The site is only accessible via residential collector streets and is not located close to major arterial roads or freight lines. However, the total number of people employed at the site is 62, and previous Employment and Economic Development Plan background studies identify the site 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 therefore the potential use of the site for a broader range of employment uses cannot be ruled out at this stage. SGS in their Economic Assessment of the suitability of rezoning the site concluded that given the site is currently functioning well and is economically viable, the precinct may be a good example of a flexible industrial area 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	The site is currently zoned industrial and listed as Category 1 Employment Land (i.e. land to be

Strategic Direction	Objectives/ Actions	Comment
	retain strategically important employment lands	retained for industrial purposes) in Table 6 of the <i>Inner West Subregion Draft Subregional Strategy</i>. Recent employment yield (2014) figures, provided by the Proponent, indicates that there are 62 employees currently at the site. Until SGS Economics & Planning have concluded their Council wide Industrial Lands Study, it is premature to comment on whether the site yield of 62 is, or is not, strategically important. SGS have provided Council with a site specific Economic Assessment of the proposed rezoning of the site. SGS concluded that the site is economically viable in its current form, and the loss of the precinct as Employment Lands would be significant.
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 could arise from noise and heavy vehicular traffic movements associated with the operation of industrial uses. However, the proposal does include new dwellings to be located adjacent to the Inner West Light Rail line, which could be a potential noise nuisance source for future residents (see comment in regard to Action G8.1 below).
	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 site is located 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 <i>Environmental Planning and Assessment Act</i>

Strategic Direction	Objectives/ Actions	Comment
		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 <i>draft Inner West Subregion Draft Subregional Strategy</i>. However, Table 4 below shows that in recent years the possible dwelling yields from Planning Proposals and development applications on larger sites in the LGA could generate up to new between 600 and 1000 additional dwellings. Table 4 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, Lords Road is not critical to ensuring an adequate supply of residential land in the Leichhardt local government area.

Table 4 Leichhardt Council Dwelling Yields

Major sites – Potential Additional Residential Dwellings	Sites in Leichhardt Residential Development Strategy Stage 1 / NSW Metropolitan Development Programme	Leichhardt Council's estimated dwelling from recent planning proposals or development applications	Combined Residential Strategy / Other Recent Planning Proposals / Development Consents
Balmain Leagues Club – Victoria Road, Rozelle	130	-	130
Roche Site – 459 – 483 Balmain Road, Lilyfield	50	-	50
Carrier Site – 130 Terry Street, Rozelle	300	202	202
Kolotex Site – 22 and 30-40 George Street, Leichhardt	100	330	330
Robert Street Precinct – 32-52 Robert Street, Rozelle	52	-	52
100 -102 Elliott Street, Balmain (Current DA)		104	104
141 & 159 Allen Street Planning Proposal		196	196
Total	632	832	1064

Table 5 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	<i>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</i>	The Planning Proposal as requested will reduce the amount of employment lands within the Leichhardt LGA by 1.1 hectare. Council's adopted Employment and Economic Development Plan (EEDP) 2013 acknowledges that Lords Road although a fragmented industrial site is 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 employment

Strategic Direction	Objectives/ Actions	Comment
		lands for rezoning. The Proponent's request to prepare this Planning Proposal is supported by an Industrial Rezoning Economic Justification Report prepared by Macro Plan Dimasi. The Macro Plan Dimasi report does not include investigations into a broader range of employment uses that could operate from the site and focuses on 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 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 elsewhere in the LGA.
	<i>IW A1.2.3 Council to ensure retention of sufficient small Employment Lands parcels to support local service industries</i>	The 2008 Subregional Strategy broadly recommends that existing small pockets of industrial land within Leichhardt should be retained to provide for a range of 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 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 that there are no vacancies at the Lords Road precinct,

Strategic Direction	Objectives/ Actions	Comment
		and 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	<i>IW B4.1.2 Councils to investigate appropriate locations for retail uses in Centres, Business Development Zones (supporting identified Strategic Centres) and Enterprise Corridors.</i>	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 approach referred in IW A1.1.1 above should 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 completed, along with definitive direction from the State Government in terms of the impacts of WestConnex / Parramatta Road Revitalisation program and the recently announced Bays Urban Renewal Program.
Key Directions 'C' - Housing	<i>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.</i>	The Planning Proposal could contribute to the quantum of residential zoned land in the subregion and the Local Government Area, however, as evidenced by Table 4, Lords Road is not critical to ensuring an adequate supply of residential land in the Leichhardt LGA.
	<i>IW C2.1.1 Inner West Councils to ensure the location of new dwellings maintains</i>	State Plan Priority E5 states that: <i>"Increasing densities in centres and concentrating activities near public transport, together with an improved</i>

Strategic Direction	Objectives/ Actions	Comment
	<i>the subregion's performance against the target for the State Plan Priority E5 (jobs closer to home)</i>	<i>transport system, will strongly contribute to achieving "jobs closer to home".</i> The site is located 150m from Marion Street Light Rail Station and bus links from Marion Street to strategic centres. Accordingly, on the one hand, the proposal is considered consistent with State Plan Priority E5 (jobs closer to home). However, the proposal will result in the loss of jobs in the area, reducing the capacity of the area to provide jobs close to home for surrounding existing residents and nearby recently rezoned residential sites such as the Kolotex and Labelcraft site.
	<i>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.</i>	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.
	<i>C2.3 Provide a mix of Housing</i>	The Planning Proposal request will facilitate comprehensive redevelopment of the site. Any future development must provide for diversity in the housing mix.
	<i>IW C2.3.2 Inner West Councils to provide for an appropriate range of residential zoning to cater for changing housing needs.</i>	The Planning Proposal request is for an R3 Medium Density zoning. Council did not adopt R3 Medium Density zoning in the Standard Instrument LEP, Leichhardt LEP. The LEP only adopted an R1 General Residential zoning which facilitates a range of different residential dwelling types as well as supporting non-residential uses. The only R3 Medium Density zoning in the LGA has been applied by the Minister to the Kolotex site as an Amendment to the LEP.

Strategic Direction	Objectives/ Actions	Comment
		The proposal is for High Density development rather than Medium Density development. As Council did not adopt the R4 High Density Residential zone in Leichhardt Local Environmental Plan 2013, the proposal, if it were to proceed, should be R1 General Residential. The proposal is not considered consistent with this objective
<i>Key Directions 'E' – Environment, Heritage and Resources</i>	<i>E2.5 Minimise household exposure to unacceptable noise levels.</i>	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 warehousing and business operations close to dwellings, in particular noise and heavy vehicular movements. The subject site is also adjacent to the light rail corridor. These are matters that could be addressed through suitable design and construction responses to ensure residential amenity.

Table 6: Consistency of the Planning Proposal with the relevant objectives and actions of the Draft Metropolitan Plan for Sydney 2031

Strategic Direction	Objectives/ Actions	Comment
<i>Balanced Growth</i>	<i>Objective No. 3 – Make Sydney Connected</i>	The Planning Proposal request is consistent with objective No. 3 as it will integrate residential growth with public transport connections. The site is close to the Marion Light Rail Station and numerous bus services
<i>A Liveable City</i>	<i>Objective No. 5 – Deliver new housing to meet Sydney's growth</i>	The Planning Proposal request is consistent with objective No. 5 as it will assist in meeting the housing targets for the 'Central' subregion area, however, as discussed in the Tables above, the Lords Road precinct is not considered critical to Council to achieving the LGA's housing targets.
	<i>Objective No. 6 – Deliver a mix of well-designed housing that meets the needs of Sydney's population.</i>	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 potential amenity impacts on surrounding properties and future residents at the site are unacceptable. The Planning Proposal is not considered to be well designed.
	<i>Objective No. 13 – Provide a well located supply of industrial lands</i>	The Planning Proposal request will reduce the quantum of industrial lands within the central subregion by approximately 1.1 hectares. 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 proposals for the WestConnex/ Parramatta Road Urban Activation Precinct and the Bays Precinct Urban Renewal Program. In 2008 there were 108.9ha of Employment Lands in the Leichhardt LGA. The approved rezoning of employment land, the State Government Bays Precinct Land and WestConnex Parramatta Road Renewal

Strategic Direction	Objectives/ Actions	Comment
		could result in a loss of up to 90.88ha of Employment Lands. Add to this the Allen Street Planning Proposal and Lords Road Planning Proposal request, the resulting Employment Lands remaining across the LGA could be reduced to 15.95ha. 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 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 premature and should wait until Council's Industrial Lands Study is complete. SGS have provided Council with a specific Economic Assessment of the proposed rezoning of the site. This assessment concluded that the current land use / zoning is economically viable and that rezoning would be a significant loss. However, this needs to be quantified with the supply-demand gap analysis SGS is undertaking as part of their Council wide Industrial Lands Study.
<i>Health and Resilient Environment</i>	<i>Objective No. 18 – Use energy, water and resources efficiently</i>	The Leichhardt Environmental Sustainability Strategy encourages the use of Voluntary Planning 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

Strategic Direction	Objectives/ Actions	Comment
		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 site specific Development Control Plan does not include any controls relating to Environmental Performance or sustainability rating. Consequently, the Planning Proposal request is inadequate in this regard.
<i>Accessibility and Connectivity</i>	<i>Objective No. 24 – Plan and deliver transport and land use that are integrated and promote sustainable transport choices</i>	In order to ensure an optimum mode split in favour of sustainable transport and 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: - Encouragement of home business in the development; - Limited on-site parking; - Car-pooling; - Car share facilities; - Bike share facilities; - Bike parking; and - Sustainable transport information packs for new owners and tenants. Council's Traffic and Parking Assessment recommends that a genuine mixed use (particularly if there is a component of Live/Work) is preferable to a completely residential development, in terms of achieving dispersal and dilution of peak period traffic/ transport movements. This is because of the inherent ability of mixed use development to reduce the tidal flow of patrons (e.g. residents exiting while employees arrive).

Attachments -

Available electronically only

1. Planning Proposal for 67 – 73 Lords Road, Leichhardt – May 2014
2. Draft Amendment Development Control Plan 2013 – Site specific controls for 67 - 73 Lords Road, Leichhardt
3. Proponent Economic Justification – October 2013
4. Economic Assessment of the Suitability of Industrial Land at 67 – 73 Lords Road for Rezoning – August 2014
5. Net Community Benefit test – May 2014
6. Concept Design Report for the Development of 67 – 73 Lords Road, Leichhardt
7. Voluntary Planning Agreement Offer
8. Housing Affordability Assessment for 67 – 73 Lords Road, Leichhardt – January 2014
9. Elton Consulting – Peer Review of Social Impact Assessment and Housing Affordability Studies for 67 – 73 Lords Road, Leichhardt – August 2014
10. Traffic and Parking Assessment Report – May 2014
11. Site Contamination Assessment Letter of Advice – November 2013
12. Social Impact Assessment Report – December 2013
13. Flooding and Stormwater Desktop Review Advice Letter – July 2013
14. Revised Voluntary Planning Agreement Offer