

## Rezoning Review Briefing Report – RR-2022-33

*11-16 Loftus Crescent, 2 Subway Lane, 5 & 9 Knight Street and 88-92A Parramatta Road, Homebush (481 homes and 1278m<sup>2</sup> commercial floorspace)*

Element	Description
Date of request	3 December 2022
Department ref. no	EF22/15740
LGA	Strathfield Council
LEP to be amended	Strathfield Local Environmental Plan 2012
Address	11-16 Loftus Crescent, 2 Subway Lane, 5 & 9-11 Knight Street and 88-92A Parramatta Road, Homebush
Reason for review	<input type="checkbox"/> Council notified the proponent it will not support the proposed amendment. <input checked="" type="checkbox"/> Council failed to indicate support for the proposal within 90.
Has council nominated PPA role	Council has not indicated whether it wishes to be appointed as the Planning Proposal Authority should the Panel recommend that the proposal proceed.

## Brief overview of the timeframe/progress of the planning proposal

- September 2018 - The planning proposal was originally submitted to Strathfield Council.
- 2018-2021 – Discussions occurred between the proponent and Council regarding a number of matters in Council's consideration of the planning proposal.
- July 2021 – The Department released the Parramatta Road Corridor Urban Transformation Strategy Update 2021 which establishes that proposals within the precinct could proceed in advance of the precinct wide traffic study. Council notes that this effectively recommenced consideration of the proposal and consultation with the proponent.
- 5 May 2022 – Strathfield Local Planning Panel considered the proposal and resolved to defer the matter with no reason given. Council's report to the LPP was not supportive of the proposal but offered two approaches to proceed with the matter:
  - A Council led masterplan for the entire Homebush Precinct; or
  - A proponent led urban design analysis within the broader locality, of a higher quality than what has been submitted alongside the proposal.
- 17 May 2022 - The proponent submitted a revised Economic Contributions Report, which removed the open space contribution and replaced it with an affordable housing contribution. A draft VPA was also provided for Council's consideration.
- 2 June 2022 – The LPP reconsidered the proposal and recommended it proceed to Gateway subject to a series of conditions.
- 5 July 2022 – Report was considered by Council with a staff recommendation to support the planning proposal and seek Gateway subject to a number of issues to be resolved prior to exhibition. Council resolved to defer the matter to a Councillor workshop and future meeting.
- 1 September 2022 – The LPP considered a separate planning proposal for another site in the PRCUTS Homebush Precinct. The LPP recommended that the proposal not proceed and that:
  - a localised strategy for the Homebush Precinct be undertaken to allow for a holistic review of the recommended controls under PRCUTS.
  - A comprehensive contributions scheme be prepared that articulates the feasibility of levying affordable housing contributions for proposals that result in development uplift or increases in land value.
- 6 December 2022 – The subject planning proposal was reported to Council with a recommendation that Council not support progression of the proposal to allow for the site to be considered as part of the North Homebush Masterplan Project

and to allow for preparation of a new contributions plan that captures infrastructure and affordable housing requirements that are considerate of the scale and density planned for the North Homebush Precinct. However, the matter was deferred for consideration to the February 2023 Council meeting.

- 6 December 2022 - Council considered a report which proposed that funding be allocated to a council led masterplan in PRCUTS (Homebush). Council resolved to support the delivery of the 6-10 year housing targets in the corridor but did not support the expenditure of additional Council funds to do so.

**Council resolution (285/22):**

- *To support the delivery of the PRCUTS in Strathfield LGA and the delivery of the 6-10 year housing targets in this corridor*
- *That an urgent LEP Workshop be held for Councillors when the new Director of Planning commences*
- *That Strathfield council look at Design Excellence, voluntary Planning Agreements and Stronger Planning controls as a way to deliver quality outcomes in this precinct and the entire LGA.*
- *That Council does not support the expenditure in this report except what has been approved and rejects all active tenders.*
- 7 February 2023 - Council resolved “That the Council note that the PP proponent at 1-16 Loftus Crescent, 2 Subway Lane, 5&9-11 Knight Street & 88-92A Parramatta Road, Homebush, has lodged the rezoning review with the NSW DPE and that Council doesn’t need to make a decision in relation to a gateway determination.”
- 7 February 2023 - at the 7 February meeting Council also resolved **(35/23)**:
  - *to approach the NSW Department of Planning and Environment to explore opportunities for the Strathfield area of the Parramatta Road Corridor Urban Transformation Strategy to be declared a State Significant Precinct and to establish collaborative working arrangements including Councillor workshops, community engagement and technical input to a Masterplan process and Development Contributions Framework.*
  - *That the Council works collaboratively with the NSW Department of Planning and Environment as appropriate, to include existing planning proposals in the proposed State Significant Precinct Declaration.*
  - *That the Council include Design Excellence clause to the Local Environment Plan.*

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Element	Description
	<ul style="list-style-type: none"><li>○ <i>That Council commence the development of Affordable Housing and Development Contribution Plans as soon as possible.</i></li></ul>
<b>Department contact:</b>	Bailey Williams, Planning Officer, 8275 1306

## Planning Proposal

**Table 1: Overview of planning proposal**

Element	Description
Site Area	5765m <sup>2</sup>
Site Description	<p>The site comprises 15 separate allotments encompassing a total site area of approximately 5765m<sup>2</sup>. The site is irregular in shape with frontages to Loftus Crescent to the South, Parramatta Road to the North, Subway Lane to the west and Knight Street to the east.</p> <p>The site has predominately been cleared with the exception of a two storey apartment block at 11 Knight Street in the south eastern corner of the site.</p> <p>The site is located approximately 120m west of the northern entry of Homebush Station.</p> <p>Adjoining the north eastern corner of the site is a local heritage item (I33) at 72-76 Parramatta Road, Homebush. The item is identified as a two storey inter-war stripped classical style commercial building.</p> <p>A residential flat building situated located at 7 Knight Street frontage does not form part of the site nor proposal as it is not owned by the applicant. The applicant notes that several genuine offers have been made in an attempt to acquire the site.</p>
Proposal summary	<p>The planning proposal seeks to amend Strathfield Local Environmental Plan 2012 to respond to the outcomes of the Parramatta Road Corridor Urban Transformation Strategy. Specifically, the proposal seeks to make the following amendments to Strathfield LEP 2012:</p> <ul style="list-style-type: none"> <li>• Increase the maximum building height from part 16m and part 19m to 80m.</li> <li>• Increase the maximum FSR from part 2:1, part 2.7:1 and part 3.15:1 to 5:1.</li> <li>• Include a provision to allow for an additional 2:1 FSR provision (total 7:1) subject to a better planning outcome being achieved as per Ministerial 9.1 Direction 1.5 Parramatta Road Corridor Urban Transformation Strategy.</li> </ul> <p>The planning proposal is accompanied by an Urban Design Report which seeks to demonstrate that a development under the proposed controls could result in the following outcomes:</p> <ul style="list-style-type: none"> <li>• 39,028m<sup>2</sup> residential floorspace</li> <li>• 1,278m<sup>2</sup> commercial floorspace</li> <li>• 481 residential units</li> <li>• Provision of open space and through site link</li> <li>• Land dedications for street widening and additional street parking.</li> </ul>

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Element	Description
<b>As Relevant State and Local Planning Policies, Instruments</b>	<ul style="list-style-type: none"><li>• Bus shelter upgrade on Parramatta Road.</li><li>• Parramatta Road Corridor Urban Transformation Strategy (PRCUTS)</li><li>• Greater Sydney Region Plan: <i>A Metropolis of Three Cities</i></li><li>• Eastern City District Plan</li><li>• Strathfield Local Housing Strategy</li><li>• Strathfield Local Strategic Planning Statement</li><li>• Relevant section 9.1 Directions, including direction 1.5 Parramatta Road Corridor Urban Transformation Strategy</li><li>• State Environmental Planning Policy (Housing) 2021</li><li>• State Environmental Planning Policy (Transport and Infrastructure) 2021</li></ul>



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Figure 1: Subject site (NearMap)

The following table details the property addresses and descriptions within the subject site.

Table 2: Property details

Property Address	Property Description
10 Loftus Crescent	Lot A, DP 335908
11 Loftus Crescent	Lot B, DP 419854
12 Loftus Crescent	Lot A, DP 419854
13 Loftus Crescent	Lot 2, DP 201286
14 Loftus Crescent	Lot 1, DP 201286

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15 Loftus Crescent	Lot 2, DP 314364
16 Loftus Crescent	Lot 101, DP 846306
5 Knight Street	Lot A, DP 335091
9 Knight Street	Lot C, DP 336700
11 Knight Street	SP 1702
2 Subway Lane	Lot 7, DP 18702 and Lot B, DP 403083
92A Parramatta Road	Lot 1, DP 201120
92 Parramatta Road	Lot 2, DP 201120
90 Parramatta Road	Lot 3, DP 201120
88 Parramatta Road	Lot A, DP 419617

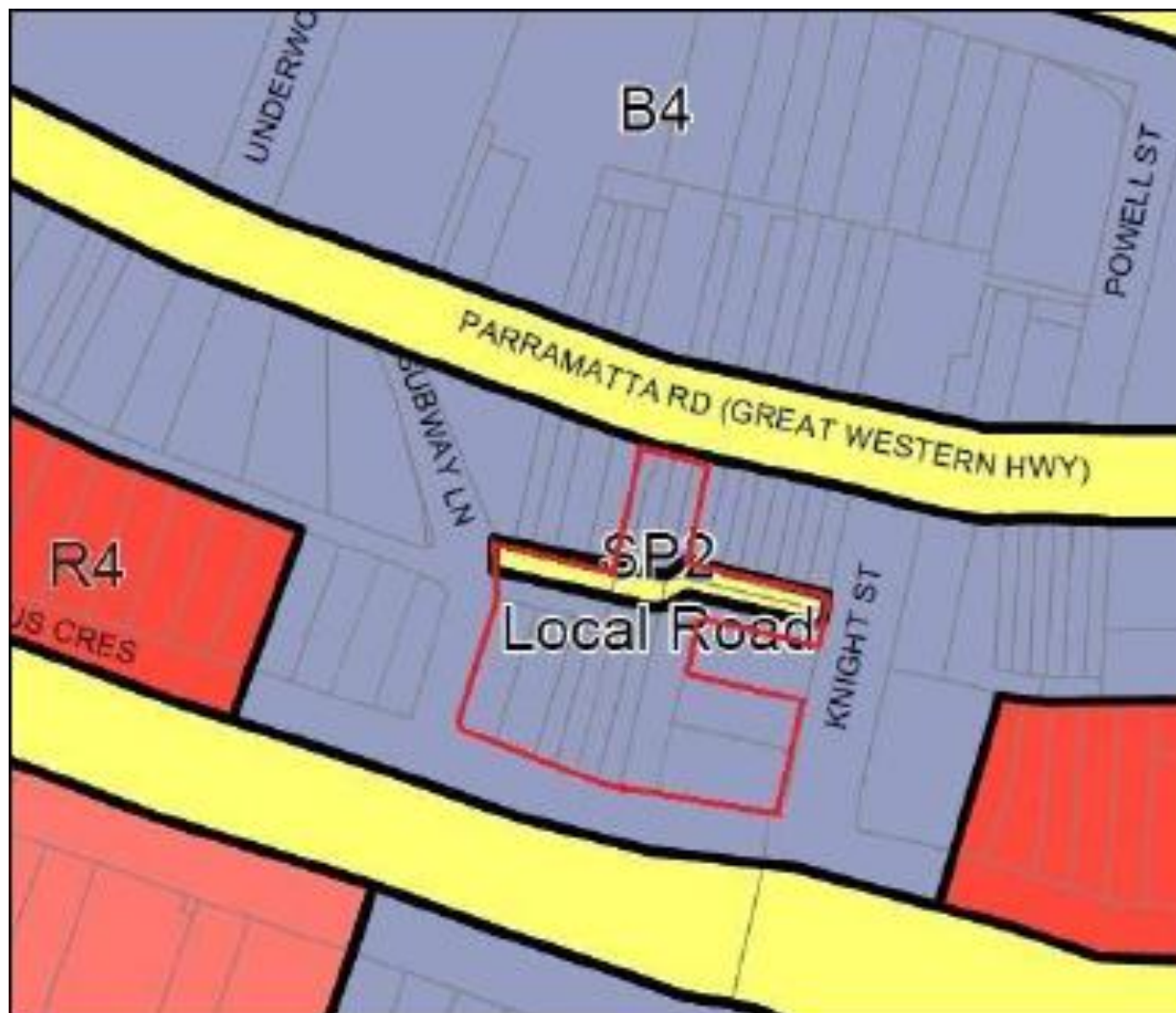
The planning proposal seeks to amend the Strathfield LEP 2012 per the changes in **Table 3**.

**Table 3: Current (including recommendations in PRCUTS) and proposed controls**

Control	Current	PRCUTS Recommendation	Proposed
<b>Zone</b>	B4 Mixed Use SP2 Infrastructure Local Road	B4 Mixed Use SP2 Infrastructure Local Road	B4 Mixed Use SP2 Infrastructure Local Road
<b>Maximum height of the building</b>	0m, 16m, 21m, 22m	80m	80m
<b>Floor space ratio</b>	Part 1.7:1 and Part 2:1	5:1	5:1 Plus additional FSR of 2:1 subject to delivery of a better planning outcome (as per Section 9.1 Direction discussed further below).
<b>Number of dwellings</b>	Site is primarily vacant.	Not specified	481 (If concept scheme pursued)
<b>Commercial floorspace</b>	N/A	Not specified	1,278m <sup>2</sup> (if concept scheme pursued)



Extracts of the existing LEP controls under the Strathfield LEP 2012 are provided in **Figures 2 to 4**. A copy of the proposed LEP maps is provided at **Attachment D**.



**Figure 2: Current zoning (source: Rezoning Review Request)**

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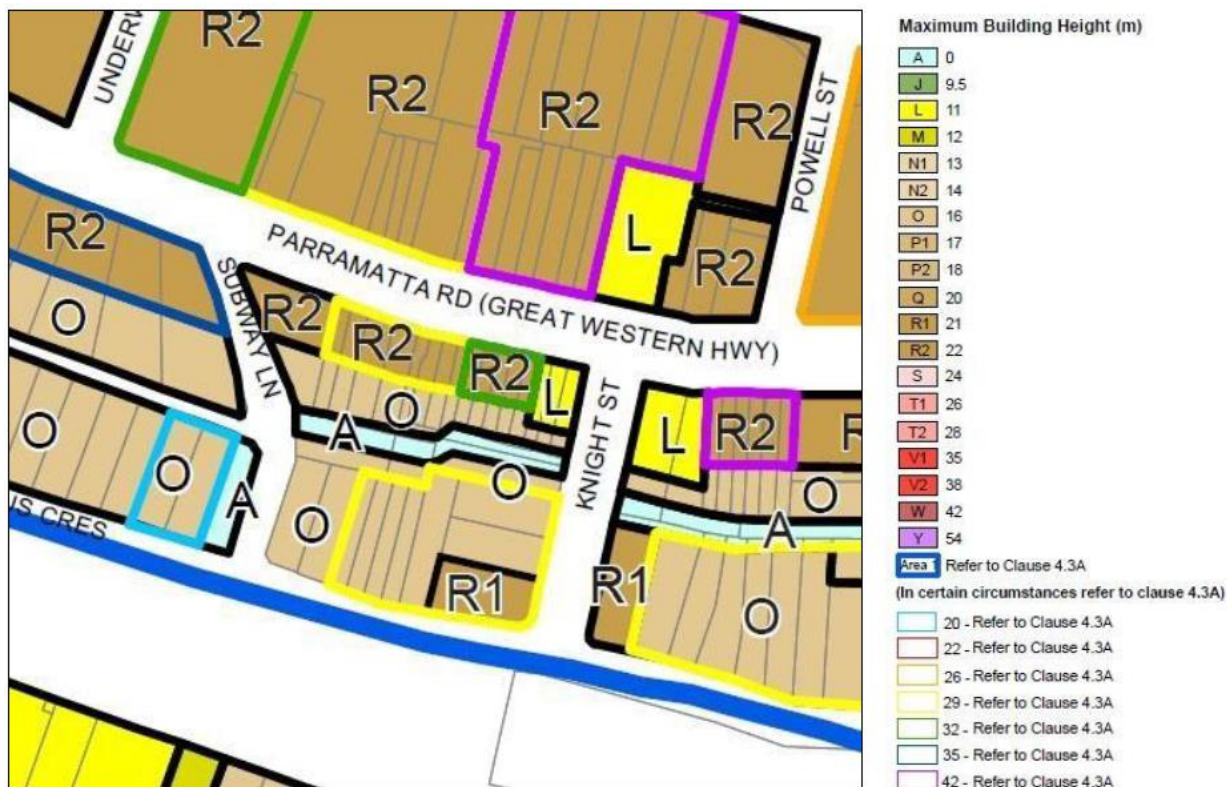


Figure 3: Existing Height of Building Map (source: Rezoning Review Request)

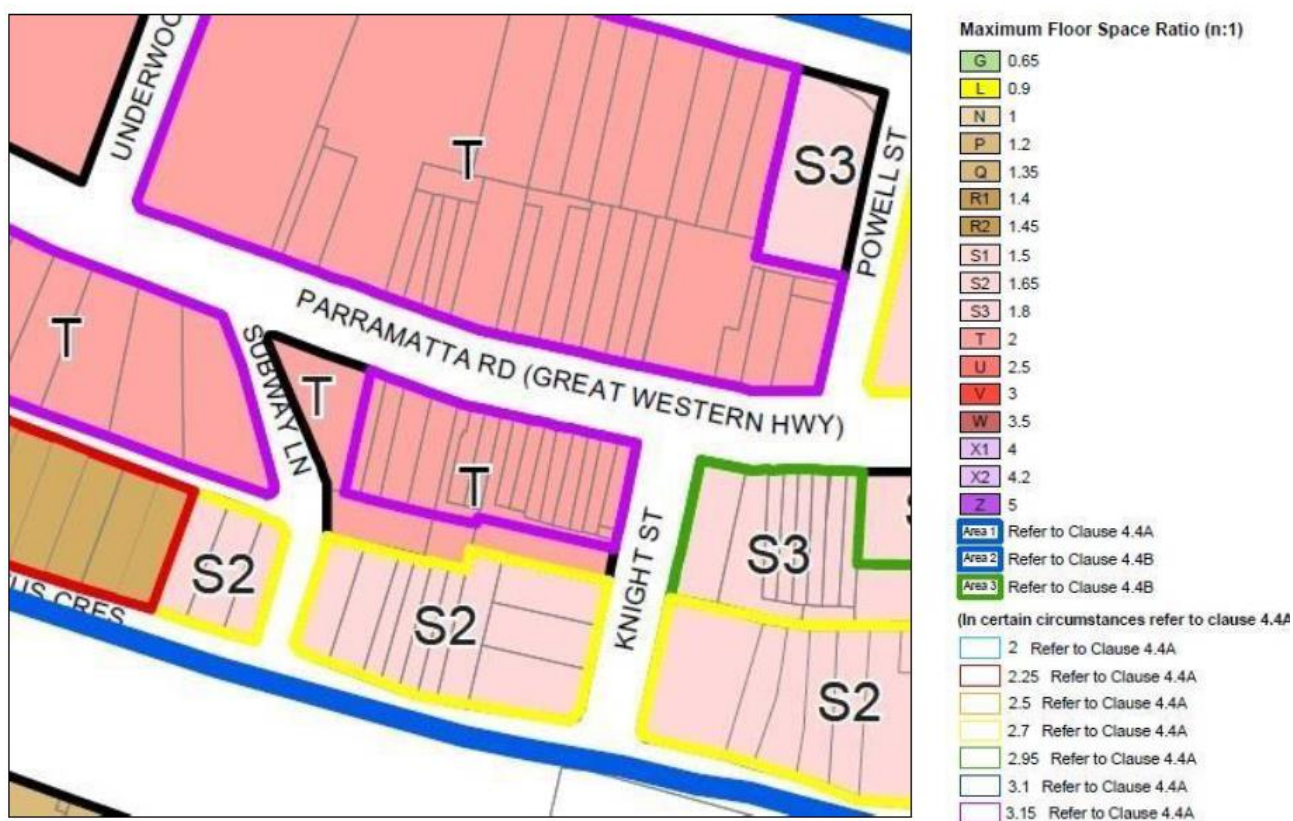


Figure 4: Existing FSR Map (source: Rezoning Review Request)

## Parramatta Road Corridor Urban Transformation Strategy

The planning proposal seeks to respond to the recommendations of the Parramatta Road Corridor Urban Transformation Strategy (PRCUTS or the Strategy) which was released in November 2016.

The Strategy applies a strategic planning framework to 8 nominated precincts within the Parramatta Road Corridor (the corridor) and is supported by a Ministerial 9.1 Direction, which guides the preparation of planning proposals to rezone land in accordance with the strategy. While the Strategy does not directly rezone land, it establishes the framework for land use and infrastructure planning. Rezoning of land within the PRCUTS area is intended to be realised through planning proposals prepared by both councils and proponents.

In 2021, an implementation update was released by the Department (Implementation Update 2021) which provides actions to respond to changes in policy and infrastructure context since the strategy's release.

It also stated that planning proposals could receive a Gateway determination and proceed to public exhibition while traffic studies were being completed. The traffic studies for the corridor have now been completed.

### Consistency of planning proposal

Strategy identifies the following controls for the site:

- It is located within the Homebush Precinct and the 2016-2023 release area of the Strategy.
- It recommends the retention of the existing land use zoning of B4 Mixed Use and SP2 Infrastructure. A new site link is intended to be delivered along the existing and proposed SP2 zoning corridor connecting Loftus Subway Lane to Knight Street.
- It recommends a maximum FSR of 5:1 and maximum building height of 80 Metres.

The planning proposal proposes an additional 2:1 FSR (total FSR of 7:1) above the maximum 5:1 recommended under PRCUTS subject to the delivery of public benefits (discussed further under Issue 2 below).

The 9.1 Direction Parramatta Road Corridor Urban Transformation Strategy allows a planning proposal to be inconsistent with the PRCUTS if it is *justified by a study (prepared in support of the planning proposal) that clearly demonstrates better outcomes are delivered than identified in the Parramatta Road Corridor Urban Transformation Strategy (November, 2016) and Parramatta Road Corridor Implementation Plan 2016-2023 (November, 2016) having regard to the vision and objectives.*

The planning proposal is supported by a 'better outcomes planning report' which seeks to justify an inconsistency with the recommended maximum FSR outlined under the PRCUTS.

## Key Issues

### **Issue no 1: Master planning**

Council is of the view that to achieve an integrated and high-quality urban design outcome that is appropriately funded, the planning controls for the site should be informed by a master planning process.



## Council view

- Council resolved to seek collaborative working arrangements with DPE to deliver a Masterplan process for the Strathfield area of PRCUTS including councillor workshops, community engagement, technical studies and a Contributions Framework and to seek inclusion of existing Planning Proposals, (including this proposal) in a state led master planning process.
- Council highlights the need for a holistic and localised approach to reviewing and fine tuning the Homebush Precinct.
- A master planning process will inform critical infrastructure needs and be accompanied by a contributions scheme that addresses infrastructure and affordable housing provision and development control plans that establish crucial place based design requirements.
- Council notes that its existing contributions scheme and DCP are outdated and do not contemplate the densities planned for the Homebush Precinct.
- The subject proposal does not provide an adequate analysis of development outcomes in the context of the surrounding area to be developed under PRCUTS.
- Attempts to deal with infrastructure provision through a site specific VPAs will not yield the best outcome for the community, with haphazard infrastructure planning and contributions that do not reflect the densities being delivered.

## Proponent view

- The proponent's rezoning review request notes that PRCUTS and the supporting section 9.1 direction were released in November 2016. PRCUTS provided the pathway and planning outcomes for the site that guided the preparation of the planning proposal.
- The proponent has spent four years seeking progress from Council and the Department to advance the planning proposal through the Gateway process. Council's ability to progress the matter was inhibited by a requirement for a precinct wide traffic study that has been under progression with Transport for NSW since 2016.
- The proponent notes that in July 2021 PRCUTS Implementation Update 2021 was released, which allows for planning proposals within PRCUTS to progress to public exhibition despite the requirement for outstanding traffic studies, to effectively work towards the implementation of the strategy.
- The proposal was supported by the Local Planning Panel to proceed to Gateway (with a number of conditions) for reasons including strategic planning alignment.

## **Issue no. 2: Achievement of better planning outcomes**

Section 9.1 Direction 1.5 Parramatta Road Corridor Urban Transformation Strategy allows for departures from the controls envisioned under PRCUTS if it is justified by a study that clearly demonstrates better outcomes are delivered.

The proponent has prepared a Better Planning Outcome Report (**Attachment F**), that seeks to provide a rationale for the bonus FSR of 2:1 above the 5:1 recommended under the PRCUTS.

Council notes that additional heights and FSR allowances may be appropriate on certain site within the Precinct. However, is of the view that the current planning proposal does not demonstrate a better planning outcome and that additional allowances should be informed by a master planning process.

## Council view

- The Better Planning Outcome Report needs to be supported by a more robust urban design analysis that demonstrates that the proposed FSR of 7:1 is appropriate in terms of overshadowing, bulk and scale, consideration of heritage items, open space provision and setbacks under PRCUTS and all other assessment criteria relevant to the proposal.
- The information provided under the report is insufficient to determine the cost of the proposed public benefits. For example, Council outlines that the value of the bus shelter has increased from \$25,000 in 2018 to \$81,000 in 2022.
- Council estimates that the bonus 2:1 FSR could permit approximately 130 additional dwellings which would potentially result in an additional \$100 million in sales value.
- The verge widening would be required to transition from low and medium density streetscapes to a public domain capable of accommodating 80m high towers.
- Council does not consider the affordable housing contribution to contribute to a better planning outcome to justify increased floorspace, as a 5% affordable housing contribution is the minimum expectation for development in the PRCUTS area. Further, the proposed provision of 9 affordable housing dwellings is a fraction of the minimum requirement under PRCUTS which would require the provision of 25 dwellings.
- The isolation of 7 Knight Street would limit its development potential. The site would not be able to be developed for the purposes of a residential flat building under the Strathfield LEP 2012 as the total site area is less than 1,000m<sup>2</sup>.
- Council states that the revised Better Planning Outcome Report removed the previously proposed provision of a public park of 1,250m<sup>2</sup>, valued at \$6,760,000. Council notes that the proposed dedication of the park was removed following advice to the proponent that it was primarily over basement land (not deep soil), and that the proposed development did not provide for any private/communal open space required under SEPP 65.

## Proponent view

- The proponent notes that the section 9.1 Direction that supports PRCUTS, allows for inconsistencies with the recommended land use controls where a better planning outcome can be achieved.
- The planning proposal is supported by a “Better Planning Outcome Report”, which seeks an additional FSR of 2:1, in exchange for the delivery of specified community benefits.
- The original better planning outcome included the following public benefits:
  - A new laneway intersecting the site
  - 258m<sup>2</sup> of land to be dedicated to facilitate parking in Loftus Street and an on road bicycle lane.
  - Dedication of a 1,250m<sup>2</sup> public park.
  - Bus shelter upgrade on Parramatta Road.
- The proponent amended the Better Planning Outcome report after the planning proposal was considered by the Strathfield LPP in May 2022. The revised report informed a draft VPA which includes the following proposed benefits:
  - Laneway to be built and dedicated to Council.
  - Verge widening, including new parking spaces, footpaths and on-road cycle way to be dedicated to Council.



- Bus shelter on Parramatta Road.
  - Dedication of affordable housing dwellings to Council at a value of \$5,000,000.
- The proponent's rezoning review outlines that under Council's draft Value Sharing Policy, a contribution of \$10,502,235 would be required. However, the VPA offers a contribution to the value of approximately \$11,839,878.

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## Attachments

**Attachment A** – Rezoning Review Application (form and planning proposal)

**Attachment B** – Locality Map

**Attachment C** – Site Map

**Attachment D** – Existing and Proposed LEP Maps

**Attachment E** – Council Comments

**Attachment F** – Proponents Rezoning Review Request

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2 February 2023

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(Signature)

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(Date)

Kris Walsh

Manager, Place and Infrastructure

A handwritten signature in black ink, appearing to be 'Laura Locke'.

14 February 2023

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(Signature)

\_\_\_\_\_  
(Date)

Laura Locke

Director, Eastern and South Districts

## Assessment officer

Bailey Williams

Planning Officer, Eastern and South Districts

8275 1306

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