

4 May 2022

The Hon Paul Stein QC AM – Chair
Strathfield Local Planning Panel
Strathfield Municipal Council,
PO Box 120,
Strathfield NSW 2135.

By email council@strathfield.nsw.gov.au

Dear Mr Stein

Re: Planning Proposal PP2018.1 - Letter of offer - Voluntary Planning Agreement for 11 – 16 Loftus Crescent, 2 Subway Lane, 5 & 9 -11 Knight Street and 88 – 92A Parramatta Road, Homebush (the site)

Pacific Planning is the applicant for PP2018.1. We are the development managers and urban planners for Homebush Linx Pty Ltd and we represent the landowner (**our client**).

The purpose of this letter is to provide a condensed response to the report number 14 of council officers to the Strathfield Local Planning Panel (**panel**) regarding Planning Proposal (PP) at the site (PP2018.1) and to seek the support of the panel to progress the PP to the Minister for gateway determination with the revised issues relating to public benefit.

The PP seeks to amend Strathfield Local Environmental Plan 2012 as follows:

- Increase the maximum building height from part 16 metres and part 29 metres to 80 metres.
- Increase the maximum floor space ratio (FSR) control from part 2:1, part 2.7:1 and part 3.15:1 to 5:1; and
- Provide a site specific clause that provides for an FSR up to 7:1 where certain public benefits are provided.

The PP is a culmination of an extended process dating back to 2014 where previous applications have been progressed to support the urban renewal of the site. The PP before the panel was lodged in 2018 as a result of the recent State Planning process for the Parramatta Road strategy (PRCUTS). In terms of outcomes and alignment to the strategy and relevant 9.1 directions the PP before the council is compliant with the intended purpose of that state plan.

It is noted that this planning proposal context when considered with the Department of Planning's LEP Making Guideline is considered in the category of a Standard LEP application as it: *is consistent with an endorsed District/Regional Strategic Plan and/or LSPS. (page 14 LEP Making Guideline 2021).*

Noting that the PP is Standard and seeks to implement the controls recommended by the PRCUTS, it is considered that the PP can progress to the gateway for determination and that further studies and considerations can be progressed as required by the Minister to facilitate the State led land use controls for this site.

The report from council officers provides general support for the progression of an amendment of the land use controls for the site, but in doing so, raises some issues which the council seeks to address. In summary, we feel there is general support for the items raised by council and whereas we as applicants have a different opinion to some of the statements of council officers regarding responses for requests for further information, (we note a request to workshop issues with council officers mid last year, from the applicant was not accepted by council staff as a valuable process at that time) we feel the issues raised can be addressed via a progression of the planning proposal at this time to the gateway determination with an appropriate recommendation from the council to the Minister. On receipt of the conditions for further assessment and advice in the requirements of the exhibition of the PP we look forward to working with council officers to progress the application.

Issues Summary

1. Isolation

Site Isolation of 7 Knight Street. – The council raises concerns that the site at 7 Knight Street has not been inserted as a consolidated built form into the proposal. Unfortunately, the acquisition of the land at 7 Knight Street has not been able to be acquired despite repeated attempts using the appropriate mechanisms and guided processes. Despite this commercial context the urban design report which supports the PP shows that a viable built form scheme at the minimum densities proposed by the state plan can be achieved on the land at 7 Knight Street. Further the proposal provides through the proposed land dedication process an opportunity for a rear lane access to that property that may be desirable in a future redevelopment process.

It has been our repeated suggestion since 2019 to the council officers that council can in its recommendation to the Minister for a gateway determination seek that the land at 7 Knight Street be included in the PP process to enable appropriate consideration of the appropriate land use controls for that land and to promote a possible future redevelopment of the land.

2. Orderly Development

Council officers advise that the progression of the PP may challenge an orderly development of the land. We respectfully disagree with this review of the application. It is contended that the PP does provide significant stimulation for the redevelopment of those properties in the street block not included in this site-specific application. The applicant owns and intends to deliver, by way of public benefit, the significant land area proposed as a new laneway to service the rear of the properties facing Parramatta Road.

Whereas it is not possible to provide the complete redevelopment of the entire site, the progression of this PP to finalisation will be the catalyst for the orderly development of those sites in the future that are not included in the PP as they could not progressed without it.

3. Urban Design Outcomes.

The proposal as lodged does provide sound basis for the continuation of the proposal to the gateway determination process at this time on grounds of urban design. The scheme as proposed is compliant with the heights and general urban design form proposed in the PRCUTS. It is noted the density is proposed at a higher level than the base density of the State plan, however the density is contained in a well-considered built form that is supported by a considered better planning outcome application to support the increased density in accordance with the relevant section 9.1 direction. As will be further explained in this submission, we have also extended that better planning outcome process with a new letter of offer.

4. Design of Public Park

The council raises concerns of the proposed public park. The projects landscape designers disagree with the comments of council staff on the spaces ability to provide good amenity, however we feel further consideration of this space with council officers during further assessment post gateway determination and during future DA processes will ensure a good community outcome.

5. Concern of the Economic Analysis provided and Public Benefits Outcomes

The provided economic analysis undertaken by an experienced and respected professional economics firm is seeking to provide a sound analysis and basis of the proposed public benefit items and the delivery of the land use change as guided by the Objects of the Act. The Objects of the Act *seeks to ensure the facilitation of economically and socially sustainable outcome and the economic use and development of land.* and also, as required by policy guidance from the State that rejects the notion of “value capture” as the determining factor of public benefits assessment in Plan Making processes.

The economic analysis report is provided to assist the council and Minister to understand how the proposed items of public benefit can be judged on grounds of economic support relevant to the provisions of the relevant section 9.1 Direction that provides opportunities for a better planning outcome. Also provided was a valuation of the public benefit items in terms of land value and an analysis of the construction costs by a Quantity surveyor to assist understand the items value.

It is noted that council officers report in criticising the economic report seem to have a reliance on the amount of value the council can leverage from the progression of the planning proposal process against commercial gain rather than the consideration of the better planning outcome as analysed from an economics benefits outcome as required by the Act.

Despite this context and noting the issues raised by the council officers on how they seek to judge the merit of the planning outcome, we have provided a revised letter of offer to travel with the PP process that also seek to assist the council deliver its draft housing strategy outcomes with the provision of new affordable housing.

Summary of the Terms of offer

The Landowner is prepared to enter into a VPA with terms set out in the attached letter of offer. The offer supersedes and revokes any previous offers made in relation to this site in any planning submissions submitted to date with this PP.

The offer shows a value of new public benefit items to a proposed value of approximately **\$11,839,878** to be delivered. This is above that of the proposed amount of **\$10,502,235** as considered appropriate and desirable by council officers if their draft policy is applied.

Timeframe for Delivery to the Gateway.

It is noted that the plan making application has been in process for a considerable amount of time since 2014 and in its current form since 2018. We note that the issues raised can be addressed and better informed via a gateway determination process that will allow further and better consideration of issues prior to exhibition.

It is also noted that in the attached email we made repeated and consistent requests to council staff to continue dialog and workshopping of the PP, but those requests were rejected. It is not considered appropriate public administration to continue that delay further when the issues raised are either addressed or at a level where they will be appropriately considered during the process prior to exhibition of the PP.

The State is deliberate in its desire to increase the growth of housing and to progress economic development in the State. We note this PP application is aligned to the State strategy and is categorised as Standard and any issues can be addressed during the processes to continue post gateway.

As such, for the avoidance of any doubt, the offer contained in this letter is contingent upon the progression of the Planning Proposal progressing to a gateway determination in its current form at this time. It is also proposed that the planning agreement would be completed to a final form and registered during this plan making process and prior to the amendment being made by the Minister but it not become operational until consent is granted for a future DA to deliver the proposed scheme.

We note from advice from council staff that council does not have a standard planning agreement template. As such we will provide a formal draft planning agreement to the council post the gateway determination for review and exhibition.

Next Steps and Requested Recommendation.

As mentioned previously, the PP application before the council is categorised as a Standard application that aligns with a State Strategy, being the PRCUTS, and seeks to implement the land use controls promoted by it.

The public benefits offer has been refined to align with the more recent policy for housing of the council and is considered at a value greater than council officers seek to implement in a planning agreement process.

All other items raised are not reasons to delay the reporting of this scheme to the gateway for Ministerial consideration. Rather, we feel it is appropriate and proper planning process that a prudent assessment and further consideration of the items raised by council officers be done with the benefit of the Minister's gateway determination assessment process and in addition with any conditions that are issued to guide the future stages of the plan making process from the Minister.

We therefore seek the panels support to:

Recommended to the council that the PP be progressed to the Minister for gateway determination in its current form as to land use controls, and in alignment with the revised letter of offer to deliver additional public benefit.

We look forward to working productively with council in the process ahead.

We look forward to answering any questions the panel may have in the meeting tomorrow.

Yours sincerely

Matthew Daniel



**Development Director
Pacific Planning**

Encl:

1. Letter OF Offer.
2. Email advice from council on request to meet.

4 May 2022

Mr Anthony Hewton
Acting General Manager
Strathfield Municipal Council,
PO Box 120,
Strathfield NSW 2135.

By email council@strathfield.nsw.gov.au

Dear Mr Hewton

**Re: Planning Proposal PP2018.1 - Letter of offer - Voluntary Planning Agreement for
11 – 16 Loftus Crescent, 2 Subway Lane, 5 & 9 -11 Knight Street and 88 – 92A
Parramatta Road, Homebush**

Pacific Planning is the applicant for **PP2018.1**. We are the development managers and urban planners for Homebush Linx Pty Ltd and we represent the landowner (**our client**), and we have been instructed to prepare this letter of offer.

Homebush Linx Pty Ltd (**Landowner**) is the owner of the land at **11 – 16 Loftus Crescent, 2 Subway Lane, 5 & 9 -11 Knight Street and 88 – 92A Parramatta Road, Homebush**, which comprises:

Address	Lot details
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
15 Loftus Crescent	Lot 2 DP 314354
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 in DP201120
92 Parramatta Road	Lot 2 in DP201120
90 Parramatta Road	Lot 3 in DP201120
88 Parramatta Road	Lot A in DP419617

(Site).

The purpose of this letter is to formally offer to enter into a Voluntary Planning Agreement (**VPA**) with Strathfield Council (council) pursuant to section 7.4 of the *Environmental Planning and Assessment Act 1979* (NSW) (**EPA Act**). The Landowner has authorised this letter of offer, and has signed the offer on page 3.

The Site is the subject of the planning proposal **PP2018.1 (Planning Proposal)**. The Planning Proposal is under consideration by council for progression to the Minister for Planning for a gateway determination.

The Planning Proposal seeks the following:

The Proposal seeks to amend Strathfield Local Environmental Plan 2012 as follows:

- Increase the maximum building height from part 16 metres and part 29 metres to 80 metres.
- Increase the maximum floor space ratio (FSR) control from part 2:1, part 2.7:1 and part 3.15:1 to 5:1; and
- Provide a site specific clause that provides for an FSR up to 7:1 where certain public benefits are provided.

The report of council staff to the Strathfield Local Planning Panel advises that unless a formal letter of offer is received the council cannot favourably progress the item to the Minister for a gateway determination. As such the terms of the offer are contained within this letter. We understand the council is seeking to set a value of **\$10,502,235** in accordance with its draft policy. **We seek to provide above this suggested amount.**

Terms of offer

The Landowner is prepared to enter into a VPA with terms set out in the below table. The offer supersedes and revokes any previous offers made in relation to this site in any planning submissions submitted to date with this Planning Proposal.

	Item of benefit	Land area	Description	Considered value.
1	Laneway built and dedicated	901m ²	7m carriageway with 2m verge either side. Part of the 2m verge on the northern side is located outside of the site boundary.	Land - \$4,505,000
				Construction Costs – \$704,710.40
2	Verge widening with new parking spaces, footpaths and on-road cycle way and dedication to Council	258m ²	Land dedication to Council along the southern, eastern and western boundaries. Six parking spaces are also proposed – these are located within land currently owned by Council and an on-road cycle lane.	Land - \$1,290,000
				Construction Costs – \$259,167
3	Bus Shelter	N/A	A bus shelter on behalf of Council and Transport for NSW on Parramatta Road, adjacent to the development. No land would be dedicated to the bus stop.	Land Value – N/A
				Construction Costs – \$81,001.25
4	Affordable Housing - Dedication of completed dwellings.	TBA	Dedication of residential dwellings to the council to the value of \$5,000,000.	Dwelling value - \$5,000,000

The table above shows a value of new public benefit items to a proposed value of approximately **\$11,839,878** to be delivered which is significantly above that of the amount proposed if the draft policy of council.

It is considered that the appropriate mechanism to determine the value of the dedicated dwellings in a completed scheme should be finalised with a valuation assessment from a qualified national valuation firm.

It is noted that the plan making application has been in process for a considerable amount of time. As such, for the avoidance of any doubt, the offer contained in this letter is contingent upon the progression of the Planning Proposal progressing to a gateway determination in its current form and as adjusted by this offer at this time.

It is also proposed that the VPA would be completed to a final form and registered during this plan making process and prior to the amendment being made by the Minister but it not become operational until consent is granted for a future DA to deliver the proposed scheme.

Next steps

We note from advice from council staff is that council does not have a standard planning agreement template. As such we will provide a formal draft planning agreement to the council during the progression of the Planning Proposal to the gateway for determination.

If council has any questions in relation to this letter, please feel free to contact us.

Yours sincerely



Matthew Daniel
Development Director
Pacific Planning

Matthew Daniel

Subject: FW: Planning Proposal 10-16 Loftus Crescent, Subway Lane, Parramatta Road & Knight Street, Homebush

From: George Andonoski <George.Andonoski@strathfield.nsw.gov.au>

Sent: Tuesday, 24 August 2021 12:03 AM

To: James Matthews <jmatthews@pacificplanning.com.au>; Matthew Daniel <mdaniel@pacificplanning.com.au>

Cc: Kandace Lindeberg <kandace.lindeberg@strathfield.nsw.gov.au>

Subject: RE: Planning Proposal 10-16 Loftus Crescent, Subway Lane, Parramatta Road & Knight Street, Homebush

Hi James,

Thank you for your email, but there is no need to be meeting or speaking to Council staff in relation to your planning proposal that you currently have with Council.

We are aware of your application and others that are currently with Council, that fall within the Parramatta Road Corridor, and which up until recently were on hold and dependant on the completion of the precinct wide traffic study.

Council is also aware of the recent changes to the s9.1 Ministerial Directions, which now allows these proposals to proceed to their next stage, with the traffic study required to be completed before any Planning Proposal is made.

I can assure you we are working through the current applications, which includes your proposal, and are looking at how we can best allocate our resources to ensure these proposals are processed in a timely manner.

Should Council require any further information to assist with the assessment of these proposals, then a Council officer will be in direct contact with yourself.

Until then, we ask that you be patient and allow us to work through these applications.

Regards



George Andonoski | *Specialist Strategic Planner*

P 9748 9999

65 Homebush Rd, Strathfield NSW 2135

www.strathfield.nsw.gov.au



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From: James Matthews [<mailto:jmatthews@pacificplanning.com.au>]

Sent: Monday, 23 August 2021 9:55 PM

To: Matthew Daniel <mdaniel@pacificplanning.com.au>; George Andonoski <George.Andonoski@strathfield.nsw.gov.au>

Cc: Kandace Lindeberg <kandace.lindeberg@strathfield.nsw.gov.au>

Subject: RE: Planning Proposal 10-16 Loftus Crescent, Subway Lane, Parramatta Road & Knight Street, Homebush

Hi George,

I trust all is well and you are having a good start to the week.

It's been a while since we last engaged on the project at Loftus Crescent in Homebush. I note the recent release of the Parramatta Road Corridor Urban Transformation Strategy Implementation Update 2021 and corresponding update to the Section 9.1 Direction, provides a pathway for projects within the corridor to now progress to Gateway.

Given it has been a while it would be good to meet and discuss the project and the next steps in the process to facilitate the progression of the matter to the Gateway.

I note our previous letter correspondence responding to matters previously raised following lodgement so it would be good to recap on those items. If you could advise on a time to meet that would be helpful and I will coordinate my end.

Thanks in advance and once again look forward to working with you on this large urban renewal project.

Thanks
James

James Matthews
Planning Director

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