	
COUNCIL OFFICER'S PLANNING PROPOSAL ASSESSMENT REPORT	
Planning proposal No.	IWC_PP_2018_02 -1-5 Chester Street, Annandale
Address	1 - 5 Chester Street, Annandale
Proposal	<p>Planning proposal to amend the Leichhardt Local Environmental Plan (LLEP) 2013 for the site to:</p> <ul style="list-style-type: none"> • Rezone most of the site from IN2 Light Industrial to B7 Business park zoning. The rest of the site will be a pedestrian and cycling path along Johnstons Creek to be dedicated to Council and rezoned to RE1 Public recreation; • Increase the FSR of the site up to 2:1 with a minimum non-residential floorspace of FSR 0.75:1 to provide business, light industrial and office premises for the technology, bio-medical, arts, production and design sectors; • Allow boarding-house use for student accommodation; • Introduce a 17m height limit for a development of no more than five-storeys; and • Provide an environmentally sustainable 4-Star Green Star rated building. <p>This proposal is broadly consistent with principles for revision of the proponent's May 2019 proposal endorsed by the Inner West Local Planning Panel (IWLPP) at its meeting on 23 July 2019 and was subsequently supported by the IWLPP at its 30 March 2020 meeting.</p>

1.0 BACKGROUND

A series of planning development schemes for the site have been submitted to Council and the Planning Panel since the lodgement of original planning proposal in February 2018 as summarised below:

- **2 February 2018** – Council received the original planning proposal to rezone this light industrial site for medium density residential use and increase the height of building to 17m with a floor space ratio increase from 1:1 to 2.6:1.
- **11 September 2018** – IWLPP advised Council to not support the proposal.
- **2 October 2018** - The proponent approached Council officers to discuss an amended planning proposal to allow boarding house as a permissible use.

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- **30 October 2018** – Council resolved to not support the Feb 2018 planning proposal for the reasons listed below:
 - a) *It fails the Strategic Merit Test of "A guide to preparing planning proposals" as it is inconsistent with key objectives and priorities of the Greater Sydney Region Plan 2018; Eastern City District Plan 2018; and Parramatta Road Corridor Urban Transformation Strategy (PRCUTS) 2016. Specifically, the planning proposal is inconsistent with the following elements of PRCUTS:*
 - i. *Policy context and the Strategy's vision for the Corridor and especially for the Camperdown precinct which is for residential development including affordable, student and key workers accommodation to support biotechnology and employment uses;*
 - ii. *Implementation Tool Kit including the Implementation Plan 2016-2023, Planning and Design Guidelines, Infrastructure Schedule and Urban Amenity Improvement Plan;*
 - iii. *Reference Reports including the Precinct Transport Report, Fine Grain Study and Sustainability Implementation Plan;*
 - iv. *Exceeds the Planning and Design Guidelines recommended density by 73.3% without satisfactorily demonstrating that the proposal would achieve better built form outcomes or design excellence; and*
 - v. *Does not meet the requirements of the Parramatta Road Implementation Plan 2016 - 2023 'Out of Sequence Checklist' criteria.*
 - b) *It is inconsistent with the Ministerial Directions issued under Section 9.1 of the Environmental Planning and Assessment Act 1979 including Directions No. 1.1 - Business and Industrial Zones, 7.1 - Implementation of A Plan for Growing Sydney and 7.3 - Parramatta Road Corridor Urban Transformation Strategy;*
 - c) *It is inconsistent with the Inner West Council Community Strategic Plan 2018;*
 - d) *It is inconsistent with Leichhardt Employment and Economic Development Plan 2013 - 2023, Leichhardt Employment Lands Study 2014 and Leichhardt Industrial Precinct Planning Report 2016 and would result in loss of employment and urban services land;*
 - e) *It is premature in the light of the prospective outcomes of strategic planning studies and projects underway at State and Local Government levels;*
 - f) *It does not demonstrate that it will make an adequate contribution towards the provision of affordable housing which is inconsistent with the objectives of the Greater Sydney Region Plan 2018, Eastern City District Plan 2018 and Council's Affordable Housing Policy; and*
 - g) *Support of this planning proposal would result in a premature and adverse development precedent in the Camperdown Precinct and for other sites in the Parramatta Road Corridor Strategy area.'*
- **3 May 2019** – Council received an amended planning proposal to retain the existing light industrial zoning and allow 'boarding house' as an additional permitted use, increase the FSR to 2.75:1 (with a minimum 0.75:1 dedicated to non-residential uses), and a building height of 17m.
- **23 July 2019** – IWLPP (IWLPP740/19 Agenda Item 2) advised Council to not support the proposal as:
 - a) *It fails the strategic and the Parramatta Road Corridor Urban Transformation Strategy (PRCUTS) Out of Sequence Checklist tests;*

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- b) *It is inconsistent with the Ministerial Direction issued under Section 9.1 of the Environmental Planning and Assessment Act 1979 Direction 7.3 - Parramatta Road Corridor Urban Transformation Strategy; and*
- c) *It is premature in the light of the prospective outcomes of current State and local government strategic planning studies and projects including the Inner West Local Strategic Planning Statement/ Local Environmental Plan/ Development Control Plan/Contributions Plan and PRCUTS precinct-wide traffic study.'*

Notwithstanding the above comments, the Panel agreed with Council officers' recommendation that the site has potential strategic merit for redevelopment and supported the following principles for a further revision to the planning proposal:

- *'Rezone the site to B7 Business Park and allow boarding house as an additional permitted use;*
- *Increase the FSR of the site up to 2:1 with a minimum non-residential floor space of 980sqm (or FSR 0.75:1) dedicated to business and office premises and light industries in the technology, bio-medical, arts, production and design sectors. Refer to the alternate scheme developed by Architectus;*
- *Establish a 17m height limit which would facilitate a five-storey development on the site with minimum floor to ceiling heights for employment uses to be incorporated in the DCP;*
- *Ensure that the proposed boarding house will not have an adverse impact on the surrounding industrial uses and that the development will include the necessary design and acoustic measures to ensure that there are no significant adverse impacts on the amenity of future residents of the site;*
- *Ensure that a minimum percentage of non-residential floor space is made available as affordable space for tech start-ups, innovative creative industries, community uses and artists to align with the objectives of Camperdown Ultimo Collaboration area Place Strategy;*
- *Incorporate appropriate mechanisms to ensure that 'new gen' boarding house rents are affordable in perpetuity;*
- *Ensure that the development provides a pedestrian and cycle access through the site along Johnstons Creek to align with the objectives of the Parramatta Road Corridor Urban Amenity Improvement Plan and Camperdown Public Domain Masterplan;*
- *Ensure that the development will incorporate environmentally sustainable design principles which exceed the PRCUTS sustainability targets;*
- *Update the site - specific DCP to reflect Architectus's urban design recommendations and in particular, the re-orientation of the building form to front Chester Street and the southern boundary of the site and create open space facing Johnstons Creek;*
- *Update the proposal in response to the outcomes of the precinct-wide traffic study once completed;*
- *Update the IIDP and ensure that satisfactory arrangements are made for the provision of State and local infrastructure;*
- *Consider DCP requirements to provide infrastructure or the capacity for EV charging points, including appropriate charging outlets in each parking space*
- *Future-proof the development by incorporating for recycled water use; and*

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- *Update the Out of Sequence Checklist assessment to reflect achievement of the above objectives.'*
- **18 December 2019** – The proponent submitted an amended planning proposal package for Council's consideration in line with the above IWLPP principles.
- **30 March 2020** – Assessment of this revised planning proposal concluded that the site could support additional uses and increased density with further refinements to more fully comply with the IWLPP principles and the Parramatta Road Corridor Urban Transformation Strategy 'Out of Sequence' Checklist. Council officers prepared an amended Planning Proposal (Attachment 2) and presented it to IWLPP. The IWLPP advised Council (IWLPP844/20 Agenda Item 1) to support the Council officers refined Planning Proposal as follows:

'THAT the Inner West Planning Panel advise Council:

- *THAT the planning proposal (provided in Attachment) to amend the Leichhardt Local Environmental Plan (LEP) 2013 for 1 - 5 Chester Street Annandale as outlined below has sufficient strategic merit to be submitted to Minister for Planning and Open Space for a Gateway Determination in accordance with Section 3.33 of the Environmental Planning & Assessment Act 1979'. (See full resolution on IWC Website)*
- *'THAT it supports the draft Leichhardt Development Control Plan 2013 prepared by Council officers (provided in Attachment 2) as applicable to 1 - 5 Chester Street, Annandale subject to minor amendments including provisions on rooftop solar energy collection being made prior to public exhibition to be consistent with the proposed LEP provisions.*
- *THAT Council authorise the Chief Executive Officer to negotiate the Voluntary Planning Agreement on behalf of the Council and that the Voluntary Planning Agreement be in addition to any Section 7.11 development contributions payable by the proponent at the Development Application stage.'*

2.0 SITE AND SURROUNDING CONTEXT

The triangular 1,307 sqm site is zoned IN2 Light Industrial in LLEP 2013 and has a maximum permissible FSR of 1:1 with no height control. The site is used by a car repair business in a partly one, partly two storey industrial building to the east of the Johnstons Creek canal. The rest of the employment precinct to the south, east and north east is made up of light industrial buildings, including strata industrial units directly to the south and a large storage facility on the opposite side of Chester Street. The site is flood affected. Detailed description of the site and its existing controls is provided in the Planning Proposal (Attachment-2).



Figure 1- Location of site (shown in blue) in the context of Camperdown precinct (shown in red).

The site is in the Camperdown precinct of Parramatta Road Corridor Urban Transformation Strategy (PRCUTS) which is a State Government endorsed strategy for the revitalisation of Parramatta Road corridor given statutory force via Section 9.1 Ministerial Direction in November 2016 (Figure 2).

A key action for the PRCUTS Camperdown Precinct is that any residential development for students, key workers, and affordable housing. PRCUTS envisages this site as medium-density residential with an FSR of 1.5:1 and a maximum building height of 17m. The PRCUTS Implementation Plan sets out a post-2023 timeline for redevelopment of the site.

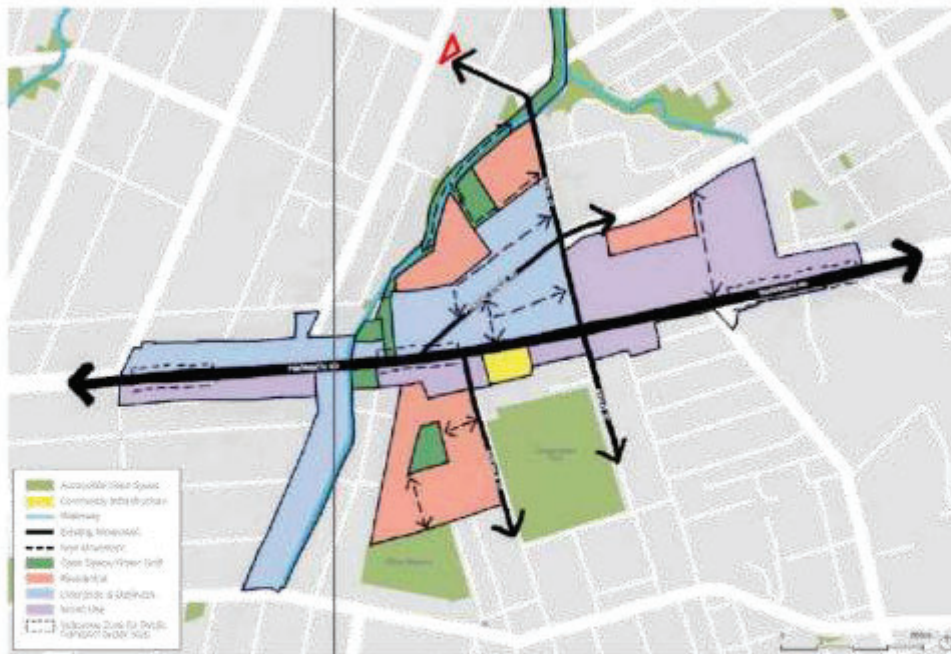


Figure 2 - Structure plan for the redevelopment of Camperdown precinct. Subject site shown in red boundary.

The site is also in the Greater Sydney Commission's (GSC) Camperdown-Ultimo health and education precinct, with its existing major health, education and research institutions and opportunities for agglomeration and clustering benefits. The GSC Camperdown Ultimo Collaboration Area Place Strategy (C-U CAPS) was adopted in February 2019 with a vision, priorities and actions for future investment and growth in the Collaboration Area. The strategy identifies three activity nodes around Camperdown, Haymarket and Eveleigh. The site is adjacent to the Camperdown activity node on the periphery of the Collaboration Area innovation ecosystem as shown in Figure 3 below.



Figure 3 - Extract from Camperdown-Ultimo Place Strategy indicating the extent of the Collaboration Area

3.0 COUNCIL PLANNING PROPOSAL

Council's planning proposal includes the following elements:

- Rezone IN2 Light Industrial to B7 Business Park and the proposed pedestrian and cycle path corridor 6m setback from Johnstons Creek to RE1 Public Recreation (See Figure 4);
- Amend the Key Sites Map to identify the site;
- Amend the Floor Space Ratio Map to remove reference to the maximum permitted floor space ratio for the site;
- A new local provision to:
 - Confirm that the objective of the proposed amendments is to encourage commercial, education, health and creative sectors and associated industries in the Camperdown-Ultimo Collaboration Area;
 - allow a maximum floor space ratio of 2:1 including a minimum FSR of 0.75:1 for businesses and light industries in the technology, bio-medical, arts, production and design sectors;
 - restrict the maximum building height to 17m (no more than 5 storeys) including any lift over-runs;
 - allow boarding house use for student accommodation that would comply with the requirements of *State Environmental Planning Policy Affordable Rental Housing 2009*;
 - restrict any further bonus incentives from State Environmental Planning Policies;
 - ensure that the development will not significantly increase the amount of traffic on the adjoining street network including but not limited to Chester Street, Chester Street West, Susan Street, Taylor Street and Pyrmont Bridge Road;
 - provide a pedestrian and cycle path and landscaping along Johnstons Creek;
 - provide active frontages on Chester Street and towards Johnstons Creek;
 - ensure that the development will incorporate environmentally sustainable principles with a minimum of 4-star Green Star rating;

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- prohibit strata sub-division and the permissibility of any form of residential accommodation other than a boarding house;
- minimise adverse amenity impacts on the surrounding residential and light industrial uses; and
- remove the application of Clause 6.12 of the LLEP 2013 to the site.



Figure 4 - The proposed LLEP map showing B7 Business Park and RE1 Public Recreation zoning for the site.

Urban Design/Architectural Plans

The proponent submitted a revised urban design report and draft site-specific amendment to LDCP 2013 in December 2019. Council commissioned an independent peer review of the proponent’s urban design scheme to Architectus in July 2019. The indicative draft urban design report is generally consistent with Architectus’s peer review recommendations. The following extracts from proponent’s urban design report illustrate the design concept.

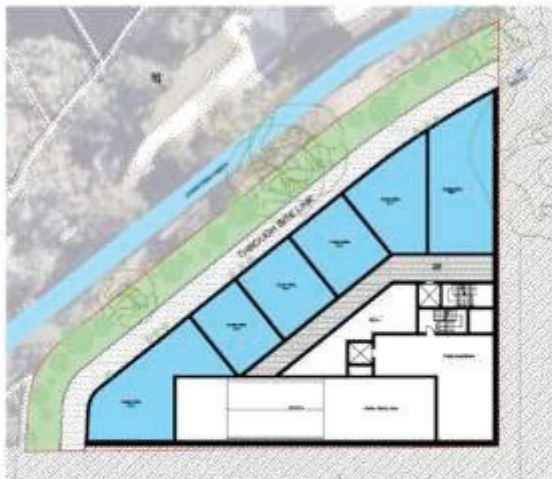


Figure 5 - Lower ground floor with employment uses along the creek and Chester Street



Figure 6 - Ground floor plan with entrance from Chester Street



Figure 7 - Level 1 with student housing uses and podium communal open space



Figure 8 - North-South Section through the building indicating 6m setback from the creek and 17m (5 storey) height limit

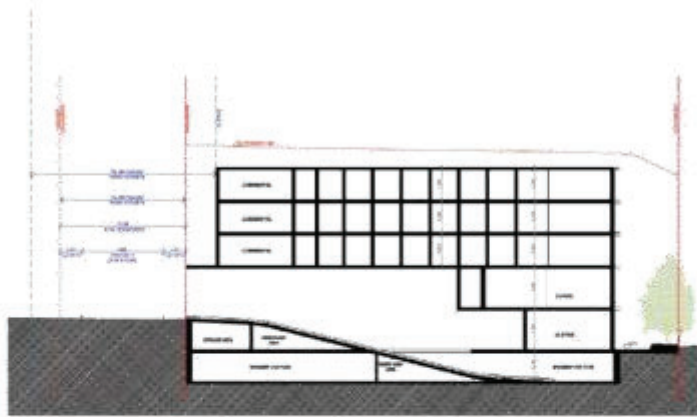


Figure 9 - East-West Section through building and vehicular ramp housing 0m setback to employment uses and 3m setback to upper levels from Chester Street

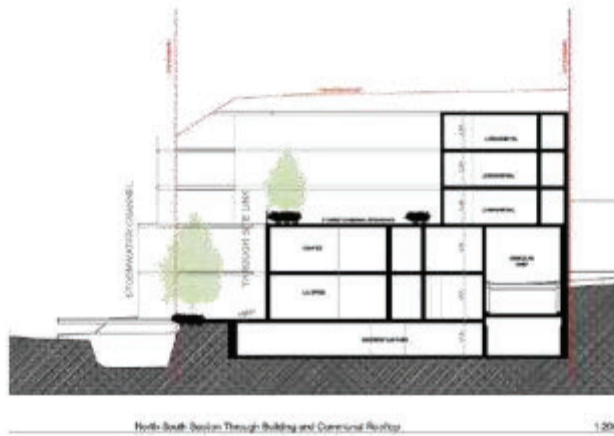


Figure 10 - North-South section through the building and communal podium

Architectus recommended an increased setback of at least 5m from Johnstons Creek boundary to the basement to accommodate landscaping/deep soil planting along the cycleway and pedestrian path.

Council officers have amended the proponent's proposed plans in draft DCP to provide a 6m setback to the basement and relocation of the path closer to the Creek. This is to be consistent with Council's vision of Johnstons Creek pedestrian and cycling link as endorsed in the adopted IWC Camperdown Public Domain Masterplan - Parramatta Road Corridor Urban Amenity Improvement Plan.

4.0 COUNCIL DRAFT DCP AMENDMENT

The proponent submitted a draft site-specific DCP with the Planning Proposal in December 2019. The draft DCP was further revised by Council to strengthen the objectives and provisions relating to land-uses, urban design, heritage transition, environmental sustainability, acoustic and privacy etc. The draft DCP was presented to the IWLPP in March 2020 alongside the Planning Proposal. IWLPP supported Council's draft DCP subject to minor changes prior to exhibition.

Following the IWLPP advice, further amendments have been made to the DCP to include controls for rooftop solar collection and best practice student housing design. The Council draft DCP (Attachment 3) is

also presented to Council for endorsement to proceed to public exhibition with the Planning Proposal if it receives a favourable Gateway Determination from DPIE.

5.0 STRATEGIC MERIT ASSESSMENT

Britely Property's proposal to rezone the site has evolved since 2018 to address strategic planning concerns in relation to the Parramatta Road Corridor Urban Transformation Strategy and Council's wider strategic policies (Local Strategic Planning Statement (LSPS)/ Housing Strategy/ draft Employment and Retail Lands Strategy (EaRLS)).

The proposal is underpinned by the Greater Sydney Commission's vision for the growth of the Camperdown-Ultimo Health and Education Precinct for innovation, health and education uses as outlined in the *Greater Sydney Region Plan 2018*, *Eastern City District Plan 2018* and *Camperdown-Ultimo Collaboration Area Place Strategy 2018*.

The proposed redevelopment of this site with its mix of employment and student accommodation will help implement several Council, State Government and Greater Sydney Commission strategic planning policies including the Local Strategic Planning Statement, the Parramatta Road Corridor Urban Transformation Strategy (PRCUTS) and the Camperdown-Ultimo Collaboration Area Place Strategy, which support which support the evolution of Camperdown into a health, education and biotechnology hub. It also ensures that there will be no loss of employment floorspace.

Detailed strategic merit assessment of the proposal is provided in Attachment 2. The key issues associated with urban design, the PRCUTS Implementation Plan including the Out of Sequence Checklist and Integrated Infrastructure Delivery Plan have now been addressed through amendments to the proposal based on the recommendations of independent peer reviews.

6.0 INFRASTRUCTURE CONTRIBUTIONS/ DRAFT VPA

The previous versions of the proposal raised concerns for Council officers as the proposed infrastructure contributions were considered to be inadequate to satisfy the criteria of the PRCUTS Out of Sequence Checklist. Since then the proponent has submitted a revised Integrated Infrastructure Delivery Plan (IIDP), a revised Voluntary Planning Agreement offer, and a land valuation report prepared by HillPDA Consulting to support his latest planning proposal.

Council commissioned Elton Consulting to undertake an independent peer review of the proponent's updated Integrated Infrastructure Delivery Plan (Attachment 7). Elton's peer review has established that student housing will not have a significant impact on local and state infrastructure. There are some minor gaps in the proponent's IIDP, primarily about contributions for power and gas infrastructure. These are generally paid by the developer at the Development Application stage and this is not a planning proposal matter.

If Council pursues a Gateway submission for this proposal it should recommend that a favourable Determination should include a requirement for a satisfactory arrangement condition to collect local and State infrastructure contributions.

The proponent has now made a reasonable offer to provide infrastructure including the walking and cycling path as a significant open space and recreational community benefit. The planning proposal is now consistent with the PRCUTS IIDP criterion. A separate report on the assessment of the draft VPA letter of offer will be presented to Council by Council's Properties Section for consideration.

7.0 PRE-STAKEHOLDER CONSULTATION

The proponent carried out pre-community and stakeholder consultation as required by the PRCUTS Out of Sequence checklist. The proponent submitted a stakeholder engagement report in October 2018 followed by an updated engagement report in early 2020 (Attachment 9). The discussion below summarises the outcomes of the latest engagement.

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It is important to note that the stakeholder engagement undertaken so far is proponent-led as required by the PRCUTS Out of Sequence Checklist. Council as well as other State government agencies and community were all consulted as stakeholders in this process. Full formal community consultation will be undertaken by Council in accordance with the legislative requirements and the requirements of a Gateway Determination if the planning proposal is supported by Council and DPIE.

The proponent's follow-up process in January 2020 involved circulation of an information letter by the proponent to 310 local residents and businesses in a notification area agreed with Council (see the extent of area below). The letter provided updated details of the proposal and contact details for neighbours to ask questions and discuss the development with the proponent.



Figure 11 - Extent of the notification area in blue

The proponent's stakeholder engagement report summarises three submissions received and responses to these submissions. In addition, 6 submissions were made directly to Council, one of which duplicates a submission to the proponent. So in total there have been 8 submissions to Council and the proponent in respect of the current proposal. This represents 2.6% of the 310 properties notified. The concerns raised by these submissions include:

- limited community consultation
- excessive bulk and scale
- loss of character
- potential noise impacts
- traffic and parking
- proposed student housing (boarding house)
- impact on Annandale Heritage Conservation Area
- separation distance to 2B Chester Street West
- potential over use of Douglas Grant Memorial Park

In addition, the proponent consulted 6 State Government agencies in respect of the original planning proposal. Council officer's responses to these submissions are detailed in the Planning Proposal (Attachment 2 Appendix-B).

Council officer's assessment of and responses to the issues raised in these submissions are paraphrased below. The proposed built form is acceptable as it has been improved through several design iterations including an independent peer review. The peer review recommended altering the building layout to a L-shaped structure, increasing setbacks and reducing the maximum permissible FSR to minimise amenity

impacts. The proposal is predominantly two storeys along Johnstons Creek with a 5-storey corner block on Chester Street and then the remaining angle of the L shaped building is also 5 storeys and set back behind a podium. The proposed building separation of 35m to the nearest dwelling to the north is acceptable and consistent with the Apartment Design Guide's (ADG) minimum separation distances (noting that ADG does not technically apply to boarding houses).

The proposed development is to the south of these dwellings so there will be no overshadowing or loss of sunlight. The existing industrial building and reversal of the original built form towards the south and the almost double minimum ADG separation distance means that any impacts on views or visual privacy will be minimal (See Figure 12). Consequently, the proposal will not so much result in loss of character of this industrial property as the evolution of the desired future character envisaged for the precinct by PRCUTS.

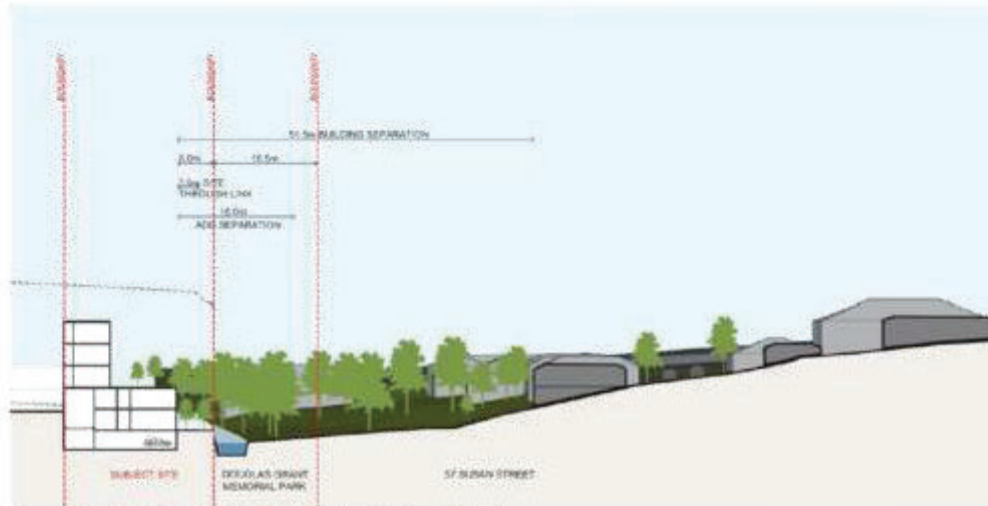


Figure 12 - View corridor from dwelling at 57 Susan Street

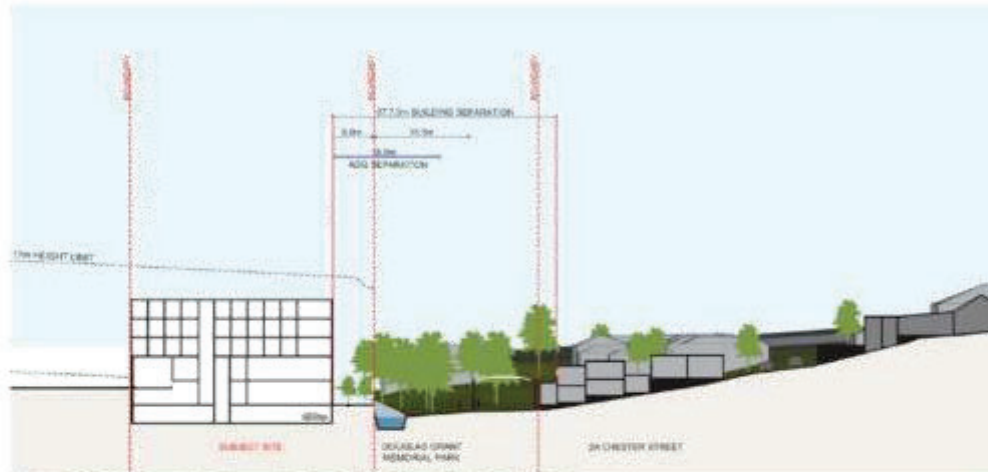


Figure 13 - View corridor from dwelling at 2A Chester Street West

The PRCUTS desired future character or vision for Camperdown is as a high-density urbanised neighbourhood with diverse uses and buildings of different scales.

The proposal is also compatible with the recently approved redevelopment (D/2019/125) of the adjacent Kennards site 1 - 19 Booth Street, Annandale which backs on to Chester Street. This involves construction of a 6 storey extension of the existing warehouse onto its rear carpark to provide self storage units and one

retail unit at ground level likely to be a cafe. See the approved architectural elevation to Chester Street below.

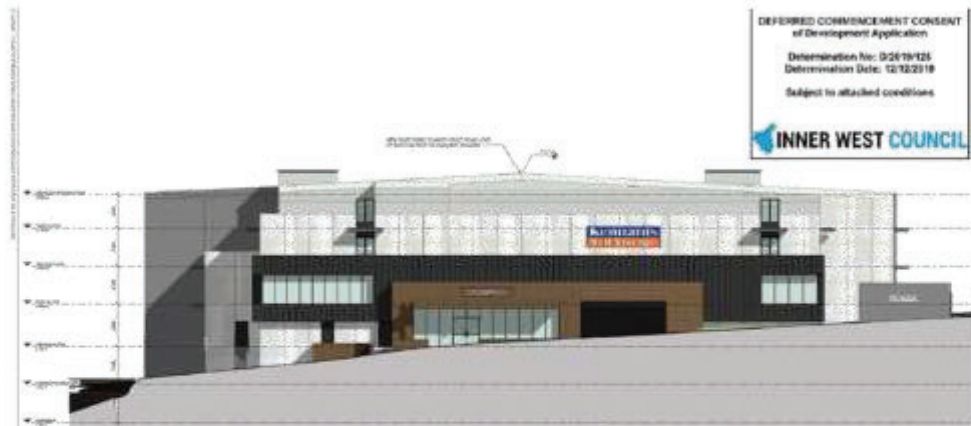


Figure 14 - West Elevation to Chester Street (5 storeys) as approved D/2019/125 - 1-19 Booth Street, Annandale

There are also examples of other high density developments within 175m of the site such as the 11 - 15 storey high Sterling Circuit immediately opposite the Kennards site, which provides an example of a well-designed interface with Johnstons Creek.



Figure 15 - Image of 3 Booth Street, 7 Sterling Circuit Camperdown (175m from the site)

The potential impact of the proposed development on Annandale Heritage Conservation area has informed the current urban design scheme amendments. Bearing in mind the existing built form of the industrial properties on the south side of the creek and the large bulk and scale of the Kennards building, the proposed building layout provides an appropriate transition to the Conservation area.

There are concerns regarding noise impacts from the proposed development. The noise impacts that arise from the current use of the site would change if this proposal is developed. The changed impacts would be addressed by a detailed acoustic and noise impact assessment at the DA stage.

There are also concerns regarding the proposed boarding house use. Student housing is consistent with the PRCUTS vision for the precinct, which recommends that residential development in the precinct should be for students and key workers because of its proximity to the University of Sydney and Royal Prince Alfred hospital.

Several submitters from north of the Creek consider that the proposal does not have sufficient parking spaces for future residents/users. The proposal meets the parking requirements of PRCUTS and is designed to encourage students to use active transport because of the proximity of the site to universities and to Parramatta Road and Booth Street bus routes. No parking permits will be issued for off-site parking at the DA stage.

Council can investigate extending on-street parking restriction hours on the north-side of the Creek to discourage people without resident permits from parking in that area. The proponent's proposed 18 car parking spaces associated with employment uses would be over the minimum parking rates required by PRCUTS and Council's DCP policy. The proponent's traffic report has demonstrated that traffic generation associated with the future development will be less than the levels that that could be generated by uses already permitted on the site under existing controls. The prospective traffic and parking impacts are therefore minimal.

Overall, a thorough assessment of the proposal has been undertaken and significant changes have been made since 2018 to reach a good outcome that will have positive community and economic benefits. The proposal has been developed through extensive consultation with Council officers, based on principles endorsed by Inner West Local Planning Panel. It satisfies the PRCUTS Out of Sequence for preliminary community and stakeholder engagement criterion.

If supported full formal consultation will be undertaken with the local community and other stakeholders at the post-Gateway Determination stage.

8.0 CONCLUSION

A thorough assessment of the Planning Proposal has been completed by Council officers and Inner West Local Planning Panel. Council officers have worked with the proponent to revise the proposal along the lines of the endorsed IWLPP principles and to address issues that arose with the previous proposal in relation to the strategic merit assessment and Parramatta Road Corridor Urban Transformation Strategy (PRCUTS).

The proposed redevelopment of 1 - 5 Chester Street, Annandale, with its mix of employment and student accommodation, will help implement strategic planning policies including Parramatta Road Corridor Urban Transformation Strategy, Camperdown-Ultimo Collaboration Area Place Strategy and IWC LSPS, all of which support the evolution of Camperdown into a health, education and biotechnology hub.

Overall, the proposal now has sufficient strategic merit to proceed to Gateway. Council recommends that DPIE should include the following conditions in a favourable Gateway Determination:

- A satisfactory agreement clause for State and local infrastructure provision
- Provision of a revised urban design scheme prior to exhibition as outlined in this report including provision of 3-D renderings
- Update the proposal to reflect the outcomes of the current DPIE/Council PRCUTS precinct-wide transport study

It is recommended that Council forward the proposal to the Minister for Planning and Open Space for a Gateway Determination in accordance with Section 3.33 of the *Environmental Planning & Assessment Act 1979*. Subject to the requirements of a favourable Gateway Determination, the planning proposal, draft DCP and VPA should be exhibited for formal community consultation.