

Supplementary Integrated Infrastructure Delivery Plan

Further Amended Planning Proposal: 1–5 Chester St Annandale



Prepared for: Corvas Pty Ltd

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Executive Summary

This report acts as a supplementary Integrated Infrastructure Delivery Plan, added to the previous work prepared for a further amended Planning Proposal. This has been requested by Inner West Council to align with Councils preferred Proposal for the site.

The Further Amended Proposal now more closely aligns with **Councils preferred objectives** for the site and the objectives of the **Camperdown Ultimo Collaboration Area**. Whilst no longer relying heavily on the Parramatta Road Corridor Urban Transformation Strategy (PRUTS), this Integrated Infrastructure Delivery Plan (IIDP) seeks to provide a transparent methodology to calculate an infrastructure contribution that adequately addresses Criteria 2 of the PRCUTS Implementation Plan Out of Sequence Checklist.

This IIDP addresses Criteria 2, and part of Criteria 3 of the Implementation Plan Out of Sequence Checklist and provides appropriate supporting documentation (Criteria 3 is addressed in more detail in the 'Stakeholder Engagement Report' prepared by Urban Ethos, annexed as a separate Report to the subject Proposal).

This report seeks to determine an infrastructure contribution for the development utilising the PRCUTS guidelines, stakeholder engagement, gap analysis and interrogation of the Infrastructure schedules presented Part 6 PRCUTS – Infrastructure Schedule. The methodology is based upon principles of “reasonableness” and “apportionment” as used for the basis of determination of Section 94 calculations by local government.

Local social infrastructure stakeholders were contacted to provide an opportunity to advise of the impacts resulting from the planning proposal. The following stakeholders were approached, TfNSW, RMS, University of Sydney, NSW Health, Sydney Local Health District, Sydney Water, NSW Dept. of Education, Dept. of Industry and Department of Planning.

Adopting Councils preferred Proposal of Boarding House for Student Accommodation and retention of employment floorspace reduces overall demand for infrastructure generated by the Proposal.

As the intention is to provide affordable Boarding House Rooms, it is generally accepted in the industry that reduced or nil infrastructure contributions is acceptable – reducing overall cost of the development and reducing residual rents charged to end users.

State Infrastructure Contribution

State Infrastructure Contribution = Nil monetary contribution, however 100% of additional floorspace provided as a form of affordable housing, meeting state government objectives.

Local Infrastructure Contribution

Local Infrastructure Contribution (in lieu of Section 94) the following Works in Kind:

- ***VPA works (Pedestrian Cycle Link Improvements) \$320,000***

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1. Background

This amended IIDP supports an amended Planning Proposal for site located at 1-5 Chester St Annandale. The previous Proposal was not supported by Inner West Council, mainly around concerns around loss of employment land. This amended Proposal intends to address the concerns raised by Inner West Council by retaining employment on the site and providing an Education focussed building, consistent with the Greater Sydney Commission strategic objectives for the Camperdown-Ultimo Health and Education Precinct.

The amended Planning Proposal responds to Councils feedback and preferred uses as well as the Camperdown-Ultimo Collaboration Area.

The PRCUTS and associated suite of documents, including the Parramatta Road Corridor Urban Transformation Implementation Plan 2016-2023 (the Implementation Plan) are supported by a Section 117 Ministerial Direction. This means the Implementation Plan has statutory force, and land use and development in the Corridor must be consistent with the PRCUTS suite of documents including the PRCUTS 'Out of Sequence Checklist' (p12 and p15 of the PRCUTS Implementation Plan).

The subject Proposal for rezoning of 1-5 Chester St, Annandale departs from the staging and sequencing identified by the Implementation and is therefore considered against the 'Out of Sequence Checklist'. This Checklist ascribes a merit assessment process to determine whether proposals should be allowed to proceed.

The Out of Sequence Checklist ensures that changes to the land use zone or development controls do not occur without meeting the underlying Principles and Strategic Actions of the Strategy, such as the necessary transport, services and social infrastructure to service a new population. It will also ensure the established benchmarks for the quality of development and public domain outcomes desired for the Corridor are achieved.

Six key considerations have been identified as issues to be addressed as part of the Proposal.

This IIDP addresses Criteria 2, and part of Criteria 3 of the Implementation Plan Out of Sequence Checklist and provides appropriate supporting documentation (Criteria 3 is addressed in more detail in the 'Stakeholder Engagement Report' prepared by Urban Ethos, annexed as a separate Report to the subject Proposal). For convenience extracts from the Implementation Plan are included below:

OUT OF SEQUENCE CHECKLIST

Criteria 1 Strategic objectives, land use and development

- The planning proposal can demonstrate significant delivery or contribution towards the Strategy's Corridor wide and Precinct specific vision.
- The planning proposal satisfies the Strategy's seven land use and transport planning principles and fulfills the relevant Strategic Actions for each Principle.
- The planning proposal can demonstrate significant net community, economic and environmental benefits for the Corridor and the Precinct or Frame Area within which the site is located.
- The planning proposal is consistent with the recommended land uses, heights, densities, open space, active transport and built form plans for the relevant Precinct or Frame Area.
- The planning proposal demonstrably achieves outcomes aligned to the desired future character and growth projections identified in the Strategy.
- The planning proposal demonstrates design excellence can be achieved, consistent with councils adopted design excellence strategy or the design excellence provisions provided in the Parramatta Road Corridor Planning and Design Guidelines (Planning and Design Guidelines).

Criteria 2 Integrated Infrastructure Delivery Plan

- An Integrated Infrastructure Delivery Plan, which identifies advanced infrastructure provision and cost recovery for the local and regional infrastructure identified in the Infrastructure Schedule, must support the planning proposal. The Integrated Infrastructure Delivery Plan must demonstrate a cost offset to council and agency costs for a set period that aligns with the anticipated timing for land development identified in the Implementation Plan 2016 – 2023. Infrastructure to be considered includes:
 - public transport
 - active transport
 - road upgrades and intersection improvements
 - open space and public domain improvements
 - community infrastructure, utilities and services.

Criteria 3 Stakeholder engagement

- Consultation and engagement with relevant stakeholders (council, government agencies, business, community, adjoining properties and user or interest groups, where relevant) have been undertaken, including any relevant pre-planning proposal engagement processes required by local council.
- An appropriate level of support or agreement is documented.
- Provision of documentary evidence outlining the level of planning or project readiness in terms of the extent of planning or business case development for key infrastructure projects.

Criteria 4 Sustainability

- The planning proposal achieves or exceeds the sustainability targets identified in the Strategy.

Criteria 5 Feasibility

- The planning proposal presents a land use and development scenario that demonstrates economic feasibility with regard to the likely costs of infrastructure and the proposed funding arrangements available for the Precinct or Frame Area.

Criteria 6 Market viability

- The planning proposal demonstrates a land use and development scenario that aligns with and responds to market conditions for the delivery of housing and employment for 2016 to 2023. Viability should not be used as a justification for poor planning or built form outcomes.

Source: Page 15 of the PRCUTS Implementation Plan

Urban renewal projects create for new or upgraded infrastructure and services to meet the needs of an increased residential and/or worker population. Some of this infrastructure would be at a regional scale, including open space and community facilities to be used by a wide catchment of people outside the immediate boundaries of the Camperdown Precinct. Other infrastructure would be required at a local scale to meet the needs of the adjacent population.

Attracting the funding required to deliver the necessary infrastructure to support urban renewal is often a challenge on a project by project basis. The intent is that a number of projects across each precinct within the PRCUTS contributes to fund infrastructure required and ultimately deliver urban renewal. A range of funding sources must therefore be considered in relation to the Corridor to ensure that infrastructure and services can be provided. The PRCUTS proposes a combination of State and local contributions in the Camperdown Precinct and wider corridor.

The subject Proposal contributes to the following State and Local Infrastructure such that a development outcome is in line with the funding component of Principle 7: Delivery of the PRCUTS.

The following state and local infrastructure upgrades have been identified in relation to the Camperdown precinct.

State Funded Infrastructure	Local (Council) Funded Infrastructure
Transport, Buses & Trains	Cycleways
Major Roadways	Local Roads
Education	Stormwater Drainage
Community Health Facilities	Recreational Facilities
Hospitals	Cultural Facilities

Table 1.1 State and Local Infrastructure

The development proposes to increase supply of affordable housing and therefore would not typically be required to fund infrastructure upgrades. That said, Council has indicated its preference for upgrade works to Johnston Creek where improved treatment of Johnstons Creek through incorporation of open space along the site's northern edge as part of an open space and pedestrian and cycle link along Johnstons Creek between Booth Street and Parramatta Road

3 Infrastructure Contribution Calculation Methodology

It would be unreasonable to assume that the development has a significant influence on infrastructure requirements beyond the Camperdown Precinct. Simply, the increase in population resulting from the development is quite small when compared to the projected population uplift of the entire corridor.

Due to the timing of the development compared to the implementation of PRCUTS any infrastructure contribution this site provides will provide benefit to other sites.

Principal 7 of the PRCUTS document acknowledges the risk to development viability due to unreasonable infrastructure costs. It implies that a contribution towards future infrastructure costs is an appropriate way to address funding.

This report seeks to determine an infrastructure contribution for the development utilising the PRCUTS guidelines, stakeholder engagement, gap analysis and interrogation of the Infrastructure schedules presented Part 6 PRCUTS – Infrastructure Schedule. The methodology is based upon principles or “reasonableness” and “apportionment” as used for the basis of determination of Section 94 calculations by local government.

The methodology to calculate an infrastructure contribution is described below.

	Activity
Step 1	<i>Stakeholder engagement</i> - Approach each state and local authority as nominated by Inner West Council to advise of the proposed development and seek feedback as to the impact(s), if any, to their infrastructure. Assess if impacts trigger new infrastructure works or upgrades to existing infrastructure.
Step 2	<i>Review of the PRCUTS Infrastructure Schedule – Information Tool Kit.</i> The infrastructure schedule for the Camperdown precinct requires infrastructure costs to be added. Costing of missing items have been added and is based on comparable items provided in adjoining precincts which have been provided by neighbouring Councils.
Step 3	<i>Gap Analysis</i> - Perform a gap analysis to identify any infrastructure that may be affected by development not included in the information
Step 4	<i>Calculate contributions for state and local infrastructure –</i> for infrastructure upgrades identified on the Infrastructure Schedule.
Step 5	<i>Calculate Section 94 Contributions and costing of public works that could form part of a VPA.</i>
Step 6	Provide recommendation for value of infrastructure contribution.

Table 3.1 – Infrastructure Contribution Calculation Methodology

4 Stakeholder Engagement

In accordance with Criteria 3 of the PRCUTS Out of Sequence Check List and Inner West Council's previous correspondence the following stakeholders have been identified and consulted with in relation to this proposal. Further detail is included in the Stakeholder Engagement Report prepared by Urban Ethos, included as a separate report to the Proposal.

The draft planning proposal was forwarded to the each stakeholder and discussed in detail With Britely Property. A summary of each authority response is presented below.

Authority	Contact	Key Outcome
Department of Planning	John Borg Peter Bendan	Agree in principal with the calculation of state infrastructure contributions as presented in this report. Identified the department would be seeking an infrastructure contribution in addition to local infrastructure contributions required by Inner West Council
Inner West Council	Harjeet Atwal Roger Rankin Katie Miles	Proposal is to respond to several key issues now encapsulated in the Planning Proposal submission. Council did not support previous (100% residential) proposal.
TfNSW & RMS	Mark Ozinga - Principal Manager, Land Use Planning and Development Freight, Strategy and Planning Billy Yung – Senior Transport Planner	RMS have advised that a Precinct Traffic Study is required. RMS and TfNSW requested that the Proposal demonstrate that the existing transport network is sufficient to service the increase in density as a result of the Proposal and that the Proposal makes an adequate contribution to future Transport Infrastructure upgrades
NSW Health	Matthew Bernard	Referred to Sydney Local Health District for comment
Sydney Local Health District	Dr Teresa Anderson	No specific requirement identified due to the planning proposal
NSW Dept. of Education	Katie Joyner – Director Schools Planning School Infrastructure NSW	The Department of Education has no objections to the planning proposal.
Dept. of Industry	David Mitchell – Manager Policy Coordination	No specific requirements provided
Sydney Water	RMA Infrastructure (WSC) Steve Penellum	Feasibility Assessment Request Submitted to Sydney Water. Preliminary assessment indicates increased demand due to the planning proposal can be accommodated
University of Sydney	Tim Johnson	The University of Sydney have not responded formally but have indicated that they would impose no specific requirements as a result of the development

A copy of the response letters received from various stakeholders are included in Appendix A and B.

The University of Sydney, Sydney Local Health District, NSW Health, Department of Education and Department of Industry have not identified any additional requirements if the planning proposal was to proceed. Adopting this response no allocation of monies, outside of the attached PRCUTS Infrastructure Schedule will be made to these stakeholders in calculating an infrastructure contribution.

TfNSW and RMS have reviewed the planning proposal and supporting traffic report prepared by Varga Traffic Planning and have identified in their response (letter dated 22 Dec 2017) four issues to be addressed. Three of the issues relate to demonstrating compliance with PRCUTS and do not generate any specific additional transport infrastructure works. Varga Traffic and Planning have addressed these issues.

TfNSW and RMS have requested in this letter that the proposal should “demonstrate the adequacy of existing transport infrastructure to accommodate the additional demand generated by the subject proposal’. Varga Traffic and Planning in their response have concluded that the existing transport infrastructure does have the adequate capacity to accommodate the demand generated by the proposal.

TfNSW and RMS response directs the proponent to make a contribution to regional infrastructure identified in the PRCUTS Implementation Plan.

Britely Property and Northrop previously met with the Department of Planning to review the proposed methodology to calculate state infrastructure contributions. The Department is in general agreement with the approach outlined in this IIDP, and has checked the updated PRCUTS Infrastructure Schedule which form the basis of this IIDP. All costs were advised as being reasonable with the exception of finalising precinct transport expenses. We understand from the Department that Precinct Transport infrastructure will be concluded following a precinct transport study.

We note that an underlying goal of PRCUTS is to reduce private motor vehicle dependency. If Boarding House option is applied, the Proposal generates nil additional cars, therefore nil impact on traffic, thereby alleviating any need to wait for precinct traffic studies to be completed.

6 Section 94 Contributions

The existing Inner West Leichhardt LEP Section 94 Contributions Plan excludes Boarding House use.

The Section 94 contributions in this instance would be exceeded with with contribution nominated in this Proposal.

7 Voluntary Planning Agreement (VPA) – Works in Kind

The cost to provide public domain works proposed may be offset against infrastructure contributions or Section 94 contributions through a voluntary planning agreement (VPA) with Inner West Council and the Department of Planning.

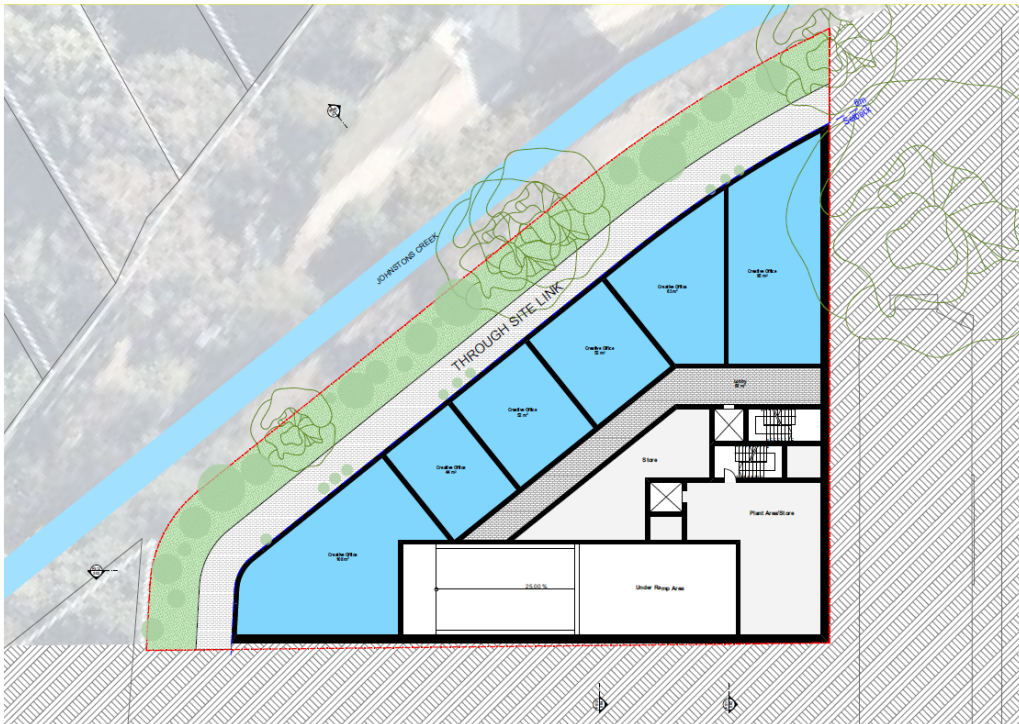
The proposal offers a draft VPA for the works Johnston’s Creek and adjacent park as described in Section 2.

The cost of the proposed public domain works are summarised below.

Item	Description	Cost
1	Pedestrian \ Cycle Link	\$320,000 ¹

Table 7.1 – Estimated Costs of VPA works

Extract from Proponents Urban Design Report below highlighting Public Domain Areas that could be upgraded as Works in Kind under the VPA.



8 Affordable Housing Contribution

The planning proposal provides 100% of new floor space under the Boarding House option.

This far exceeds current Government policy (which is really targeted at Strata Residential). The Greater Sydney Commission and the Department of Planning target is between 5% to 10% of the increase in residential GFA to be allocated to affordable housing.

The affordable housing contribution in this Proposal is being offered in addition to the Regional and Local Infrastructure Contributions outlined in this IIDP.

Boarding Houses are included as part of the Department of Planning strategy to increase supply of affordable housing. Boarding Houses are expressly included in the Affordable Housing SEPP (2009).

Boarding Houses are more generally a supported form of Affordable Housing, particularly close to CBDs:

“New generation boarding house developments (offer) rooms are typically self-contained with kitchenette and ensuite. They are ecofriendly built, come with Wi-Fi and other state of the art design and interiors. They are now also subject to formal occupancy agreements that offer tenants (and landlords) more security and certainty. Residential Tenancy Agreements can also be signed and is the preferred choice for property investors adding to a better layer of protection, larger bonds and in the case of tenancy breaches more clarity around what action can be taken. Standard agreements are usually 6-12 months in length, rather than

short term (3-6 months) and are generally renewed by the occupants if both landlord and tenant are happy with the tenure”.

- John Gilmovich, *The Real Estate Conversation* 23 May 2018

9 Gap Analysis

With a view to calculating a total infrastructure cost of the Camperdown Precinct the PRCUTS Implementation Plan when compared to the In comparing the state and local infrastructure identified in Section 1 (table 1,1) of this report. This comparison identified the following gaps.

9.1 Utility Services

The site is currently serviced by all utility services, water, sewer, gas, power. The utility authorities that would service this site are, Sydney Water, Jemena, Ausgrid Telstra and NBN.

The cost of provision of these services will be applied directly by the relevant authority, which will be agreed once the development consent has been granted. The mechanism for utility authority to recoup cost for infrastructure upgrade works is already in place and would be activated by the submission of a development application.

Nevertheless, an initial high level review of the additional demand due to the proposal’s uplift and existing utility capacity, indicates spare capacity within the existing infrastructure can accommodate the additional demands of the proposal. This assessment would be subject to a review

Potable Water, Sewer (Sydney Water)

A feasibility assessment request has been submitted to Sydney Water via a Water Servicing Coordinator (RMAI). Sydney Water has not made their assessment available at the time of writing this report. RMAI has prepared their assessment of the infrastructure

A DN100 is located in Chester Street which the site could utilise for water supply. The DN100 has capacity to service the site. Any future upgrade works would be due to insufficient pressure or other network deficiency which would be identified in the feasibility assessment.

A DN300 sewer is available to the site for connection in the south west corner of the site. A DN300 sewer has capacity to service the additional demands if the site were to be rezoned.

Stormwater Water (Sydney Water)

Johnston Creek Stormwater channel is a Sydney Water Asset. Provision of site stormwater will be assessed Sydney Water in this instance as the channel is a Sydney Water Asset. As such Sydney Water will dictate the size of any on-site detention system provided within the site.

Gas (Jemena)

A DN250 gas trunk main is located in Chester Street which is not available for connection. The gas reticulation system normal utilised is not present in Chester Street. A gas reticulation system is

present on the north side of Johnstons Creek. To service the site an extension of the existing system is required.

Gas is not an essential service that has to be connected to the site. Any future gas connection would be subject to an agreement between the developer and Jemena with costs borne by the developer.

Power (Ausgrid)

The development will draw approximately 220 amps during maximum demand conditions which represents about 20% of a normal sub-station capacity. The development replaces a motor vehicle repair workshop which typically has higher power demands. It is likely the proposal would lead to lower energy demand from the site.

Two (2) substations are located at the nearby Chester St / Guihen Street intersection indicating the existing power infrastructure has capacity to accommodate the future demand from the proposal.

Communications (Telstra or NBN)

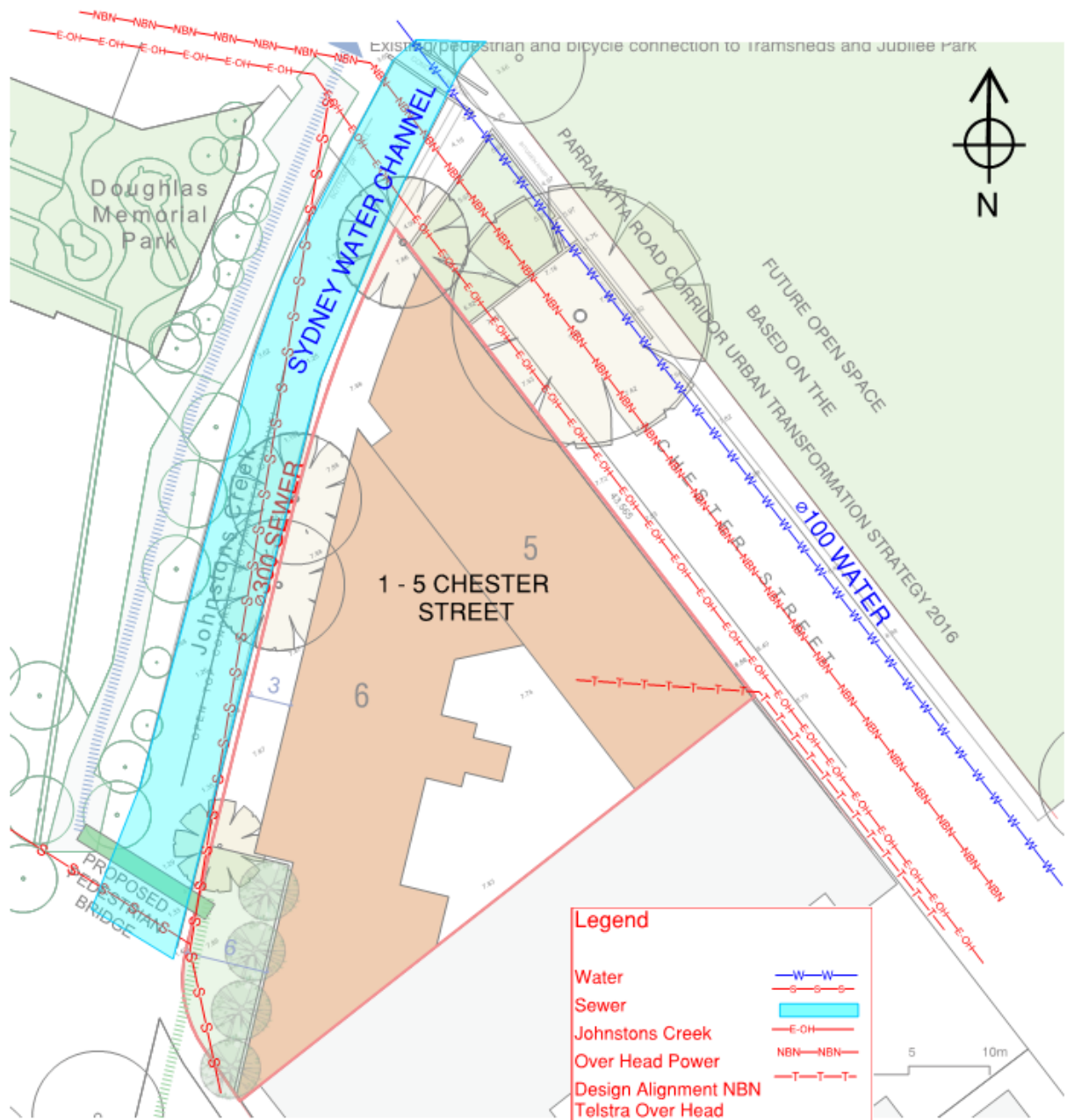
Communications services are available in the street which the development can utilise without the need for further upgrades.

NBN have advised that their service will be available in the street by September 2018.

Stormwater infrastructure / flood mitigation

The flooding and stormwater management planning report prepared by Sparkes & Partners supporting the planning proposal shows that localised flooding is contained within Johnstons Creek thus negating the need for any flood mitigation works. Furthermore development of the site will require provision of on-site detention system which will further reduce pressure on localised flooding.

Figure 3: Existing Utility Services Diagram



10 Contribution Assessment

Adopting Councils preferred Proposal of Boarding House for Student Accommodation and retention of employment floorspace reduces overall demand for infrastructure generated by the Proposal.

As the intention is to provide affordable Boarding House Rooms, it is generally accepted in the industry that reduced or nil infrastructure contributions is acceptable – reducing overall cost of the development and reducing residual rents charged to end users.

State Infrastructure Contribution

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Local Infrastructure Contribution

Local Infrastructure Contribution (in lieu of Section 94) the following Works in Kind:

- VPA works (Pedestrian Cycle Link Improvements) **\$320,000**

11 Outcomes

The following is a summary of key outcomes of this IIDP:

- Analysis has confirmed that existing utility services have sufficient spare capacity to accommodate increased demand resulting from the planning proposal. Therefore the Proposal could be developed prior to upgrades in Infrastructure.
- Contributions for service authority infrastructure should not be incorporated into the IIDP as robust mechanisms to recoup infrastructure cost for utility services already exist and will be applied when development consent is granted.
- Social services are not seeking specific contribution due to uplift.
- Increase due to development density will not change current demand planning for social services such as health and education for the precinct.
- Section 94 contributions under the current LEP are taken into consideration with regard to this IIDP..
- Infrastructure identified in the infrastructure schedule as “local infrastructure” and Section 94 overlap leading to doubling up of contributions for these items, therefore only one should apply. The Proposal is to apply the greater of the two.
- Government agency consultation has culminated to the proposed infrastructure contributions included in this IIDP.