



PLANNING PROPOSAL REPORT
From Strategic Planning and Policy team

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 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 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 at its meeting on 23 July 2019.</p>
Main issues	The proposal has sufficient strategic merit to proceed to NSW Department of Planning, Industry and Environment for a Gateway Determination. There are no significant issues that cannot be addressed at the post-Gateway or development application stages.
Recommendation	That the Panel advise Council to support the planning proposal prepared by Council officers for 1 - 5 Chester Street, Annandale for submission to the Minister for Planning and Open Space for a Gateway Determination in accordance with Section 3.33 of the <i>Environmental Planning & Assessment Act 1979</i> .

SUMMARY

On 23 July 2019, Inner West Local Planning Panel (IWLPP) considered a planning proposal for 1 - 5 Chester Street, Annandale prepared by Britely Property in May 2019 and advised Council that it did not support the planning proposal as it lacked strategic merit and was inconsistent with the Parramatta Road Corridor Urban Transformation Strategy (PRCUTS). The Panel also endorsed principles for revising the planning proposal for future re-consideration. Minutes of the July 2019 Panel meeting and Council officer's report are provided as attachments.

Council officers have worked with the proponent to revise the proposal along the lines of the endorsed principles and address issues that arose with the previous proposal in relation to the strategic merit assessment and Parramatta Road Corridor Urban Transformation Strategy (PRCUTS).

A revised planning proposal (Attachment 1) dated March 2020 has been prepared by Council officers which seeks to amend the *Leichhardt Local Environmental Plan (LLEP) 2013* by:

- Rezoning 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;
- Increasing the FSR of the site 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;
- Allowing boarding house use for student accommodation;
- Introducing a 17m height limit for no more than a five-storey development; and
- Providing an environmentally sustainable 4-Star Green Star rated building.

The proposed amendments would facilitate a five storey development of up to 50 rooms, 980 sqm of non-residential floor space, a single basement level car park for employees and a Council-owned open space in the form of pedestrian and cycle path on a 6m setback from Johnstons Creek.

The proposal is supported by a site-specific amendment to *Leichhardt Development Control Plan (LDCP) 2013* (Attachment - 2) and a Letter of Offer (Attachment - 4) to negotiate a Voluntary Planning Agreement (VPA) with Council.

RECOMMENDATION:

That the Inner West Planning Panel advise Council:

1. **THAT the planning proposal to amend the Leichhardt Local Environmental Plan (LLEP) 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:**
 - a) **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 with landscaping along Johnstons Creek to be dedicated to Council and rezoned to RE1 Public recreation;**
 - b) **Insert a site specific local provision in Part 6 of the LLEP 2013 to:**
 - i. **Confirm that the objective of the proposed amendments to encourage commercial, education, health and cultural activities and associated industries in Camperdown-Ultimo Collaboration Area;**
 - ii. **Increase the floor space ratio of the site to a maximum 2:1, but only if a minimum FSR of 0.75:1 is used for non-residential uses for a range of business office and light industrial premises in the technology, bio-medical, arts, production and design sectors;**
 - iii. **Increase the maximum building height to 17m and no more than 5 storeys including any lift over-runs;**
 - iv. **allow boarding house use for student accommodation consistent with the requirements of State Environmental Planning Policy (Affordable Housing) 2009;**
 - v. **restrict any further bonus incentives from State Environmental Planning Policies;**
 - vi. **provide a pedestrian and cycle path with landscaping along Johnstons creek;**
 - vii. **provide active frontages to Chester Street and Johnstons Creek;**

- viii. 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;
- ix. include design measures to ensure that there are no significant amenity impacts on the surrounding neighbourhood;
- x. Include appropriate design and acoustic measures to ensure that light industries within the development and any existing neighbouring industrial uses do not have a significant adverse impact on the amenity of future residents of the development;
- xi. prohibit strata sub-division and the permissibility of any form of residential accommodation other than a boarding house;
- xii. Include environmentally sustainable design principles to achieve a minimum 4-Star Green Star Rating; and
- xiii. Remove the application of Clause 6.12 of the LLEP 2013 to the site.

- c) Amend the FSR map to remove reference to the maximum FSR for the site and Amend the Key Sites map to identify the site as a key site.

- 2. 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.

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 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.
- 30 October 2018 – Council resolved to not support the planning proposal.
- 2 October 2018 - The proponent approached Council to discuss consideration of an amended planning proposal to add boarding house as a permissible use.
- 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 advised Council to not support the proposal, but also endorsed principles for further revisions to the planning proposal.
- 18 December 2019 – The proponent supplied an amended planning proposal package for Council's consideration.

The December 2019 planning proposal is based on the IWLPP principles for revising the proposal. Council officers have refined the proposal to more fully comply with these principles and the Parramatta Road Corridor Urban Transformation Strategy 'Out of Sequence' Checklist.

This refined proposal is now put forward for Panel's consideration.

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.

3.0 PLANNING PROPOSAL

Council's planning proposal includes:

- B7 Business Park zoning;
- 6m setback to Johnstons Creek to be dedicated to Council to provide a landscaped cycleway and pedestrian path with the setback rezoned to RE1 Public Recreation;
- 980 sqm (or 0.75:1) of non-residential floorspace to accommodate a range of office and light industrial premises for the arts, biomedical, technology, production and design sectors;
- a boarding house for student accommodation with a maximum FSR of 1.25:1;
- 17m height limit for a development of no more than five-storeys;
- 0 setback to employment uses along Chester Street with a 3m setback to the student housing above.

The following table provides a comparative analysis of the site's current controls, PRCUTS recommended controls and the proponent's original and amended proposal:

Criteria	Current LLEP controls	PRCUTS Recommendations	Planning proposal February 2018	Planning proposal May 2019	Planning proposal December 2019
Zoning	IN2 Light Industrial	R3 Medium Density Residential	R3 Medium Density Residential	IN2 Light Industrial	B7 Business Park
Existing/ Proposed Use	Light industry, currently motor vehicle repairs	Affordable housing, key workers housing and student housing	Residential flat building	Employment uses on the ground and first floors + boarding house rooms for student accommodation above.	Employment uses on the ground and first floor + for student accommodation above.
FSR	1:1	1.5:1	2.6:1	2.75:1 (including a minimum 0.75:1 for non-residential uses)	2:1 (including a minimum 0.75:1 for non-residential uses)
Height	No height controls (LDCP 2013 Clause C4.2 C1. Building height is compatible with the surrounding prevailing street wall height and is not overbearing the public domain)	17m or 4 storeys	17m (Part 5 part 6 storey)	17m (6 storeys)	17m (5 storeys)
Setbacks	0m from Chester Street and Johnstons Creek		0m from Chester Street and 3m from Johnstons Creek, 0m at lower ground basement	1m from Chester Street and 6m from Johnstons Creek, 3.2m at lower ground basement	3m from Chester Street for upper storeys, and 6m from Johnstons Creek with 3.5m setback for the basement
Through site links	None	Prioritises north south walking link through site and proposed cycle link along Johnstons Creek	None	A pedestrian/ cycleway along Johnstons Creek.	A pedestrian/ cycleway along Johnstons Creek.
Open space and deep soil			Rooftop communal open space on Level 6	No communal open space and 14% deep soil	Podium communal open space with a minimum area of 190sqm and 14% deep soil

Parking	Approx. 9 - 12 spaces depending on the type of employment uses; Nil for boarding house	7 spaces for employment uses, nil for boarding house	26 car spaces	18 car spaces, 0 parking for students	18 car spaces associated with employment uses, 0 parking for students
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Table 1 - Comparison of the site's existing, PRCUTS recommended and proponent's planning proposals.

Urban Design/Draft DCP/Architectural Plans

The proponent has submitted a revised urban design report and draft site-specific amendment to LDCP 2013. The indicative draft urban design report is generally consistent with the recommendations of the independent peer review undertaken by Architectus in July 2019. Below are extracts from proponent's urban design report.

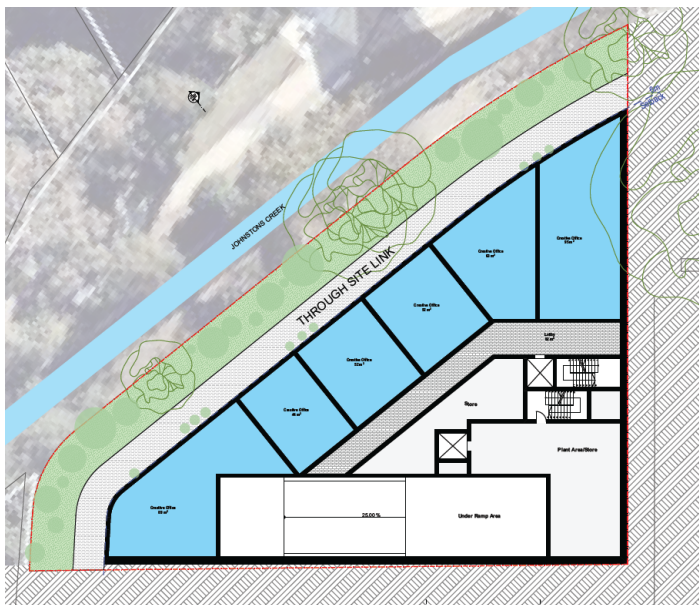


Figure 1 - Lower ground floor with employment uses along the creek and Chester Street

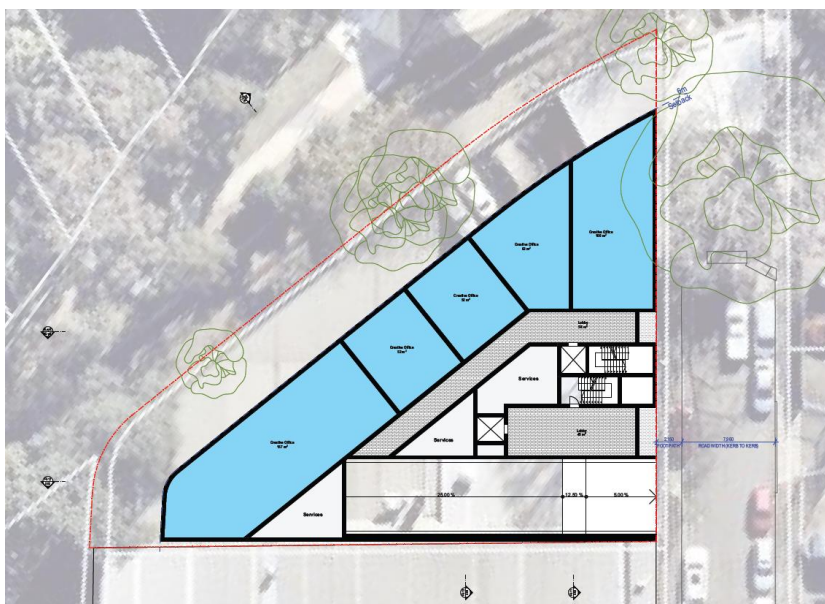


Figure 2 - Ground floor plan with entrance from Chester Street



Figure 3 - Level 1 with student housing uses and podium communal open space

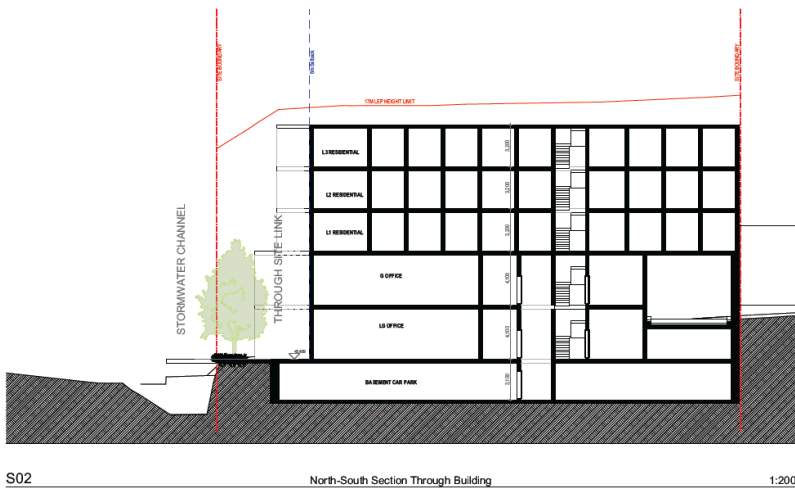


Figure 4 - North-South Section through the building indicating 6m setback from the creek and 17m (5 storey) height limit

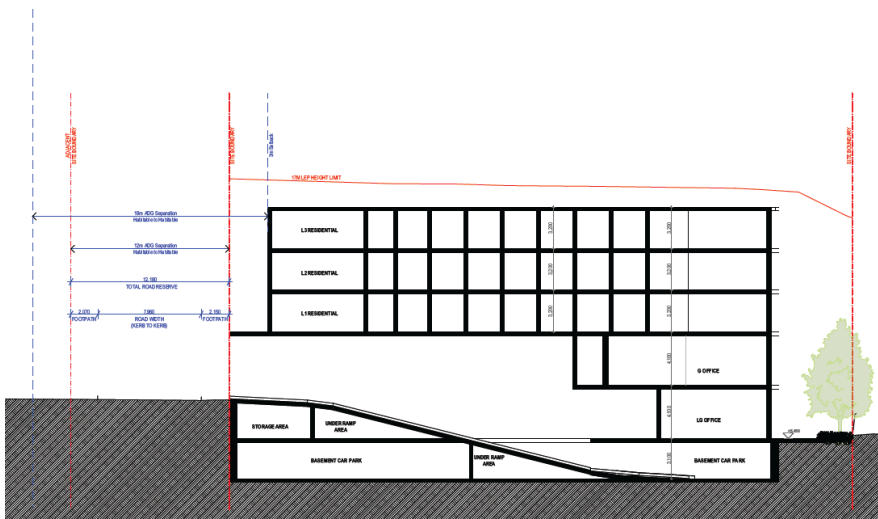


Figure 5 - East-West Section through building and vehicular ramp housing 0m setback to employment uses and 3m setback to upper levels from Chester Street

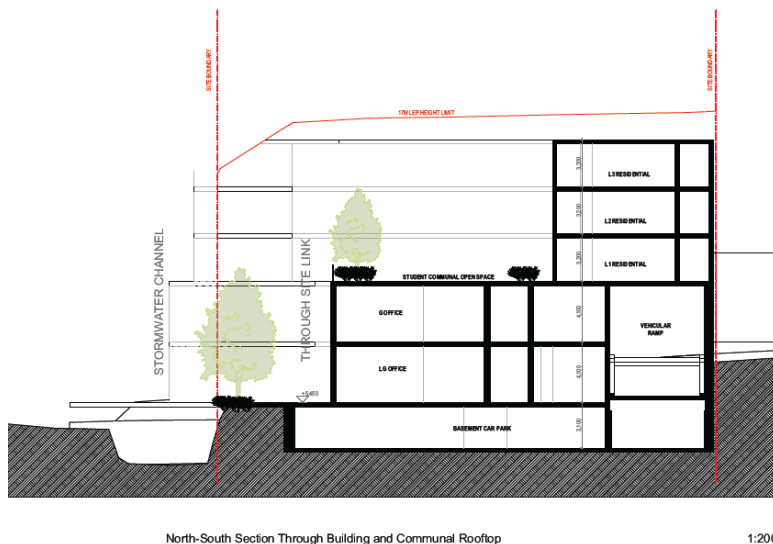


Figure 6 - North-South section through the building and communal podium

The proponent's urban design scheme is generally consistent with Architectus's peer review recommendations except for the setback from the basement. Architectus recommended increased setback from the basement to accommodate landscaping along the cycleway and pedestrian path. Council officers have however changed the proponent's urban design scheme to provide a 6m setback to the basement and relocate the path closer to the Creek. This is to be consistent with Council's endorsed Camperdown Public Domain Masterplan - Parramatta Road Corridor Urban Amenity Improvement Plan. Further details are provided in the section below.

4.0 STRATEGIC MERIT ASSESSMENT

The May 2019 planning proposal raised numerous concerns for Council officers. This revised planning proposal addresses those concerns through the proposed LLEP and LDCP amendments. The original key issues with that proposal are listed below:

- Inconsistency with PRCUTS:
 - Implementation Plan Out of Sequence Checklist
 - Urban Amenity Improvement Plan
 - Precinct Transport Report
- Urban design issues
- Prematurity of the proposal
- Affordability of the proposed employment uses
- Inconsistency with the land-use zoning objectives

The proposed LLEP/LDCP amendments to address these matters are discussed in the following section.

- **Inconsistent with PRCUTS**

- **Implementation Plan 2016 - 2023 - Out of Sequence Checklist**

- **Criteria 1 - Strategic Objectives, land use and development**

Issue/ Response: The May 2019 design scheme and proposal in general failed the 'net economic, community and environmental benefit' test. The revised design scheme and draft LDCP reflect Architectus's July 2019 peer review recommendations.

It is sensitively designed with appropriate transitions to the surrounding area. The most significant change is the reverse L-shaped alteration of the building layout to reduce the visual impacts to Annandale and Johnstons Creek, and increased upper-level setbacks to

Chester Street. The proposed FSR of 2:1, over the recommended PRCUTS FSR of 1.5:1, can be supported as it will not result in significantly different amenity impacts as discussed in the planning proposal.

The proposal will have a positive economic impact by retaining the existing light industrial gross floor area with the provision of minimum 980sqm of non-residential uses for arts, technology, design, biomedical and production sectors. These uses will assist in maintaining the precinct's employment focused role to service the community.

The proposed walking and cycling path along Johnstons Creek will help deliver Council's adopted Camperdown Public Domain Masterplan - Parramatta Road Urban Amenity Improvement Plan to achieve a substantial environmental benefit.

Overall, this revised planning proposal will now result in 'net economic, community and environmental benefit' to meet this criterion.

▪ **Criteria 2 Integrated Infrastructure Delivery Plan (IIDP)**

Issue/ Response: There were concerns regarding insufficient local and state infrastructure contributions. Since then the proponent has submitted a revised Integrated Infrastructure Delivery Plan (IIDP), a Voluntary Planning Agreement offer and a land valuation report prepared by HillPDA Consulting. Elton Consulting has undertaken an independent review of the proponent's updated Integrated Infrastructure Delivery Plan (Attachment 9).

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 that it did not consider contributions for power and gas infrastructure. However, 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 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 this criterion.

▪ **Criteria 3: Stakeholder Engagement**

Issue/ Response: There were concerns that the proponent had not updated the 2017 community/ stakeholder engagement report. The proponent has now submitted a revised engagement report which summarises the outcomes of stakeholder engagement (Attachment 5), including a follow-up notification process in January and February 2020.

The follow-up process 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 7 - 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:

- community consultation
- bulk and scale
- character
- noise
- traffic and parking
- student housing (boarding house)
- heritage
- 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-1 Appendix-B).

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.

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 x). 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.

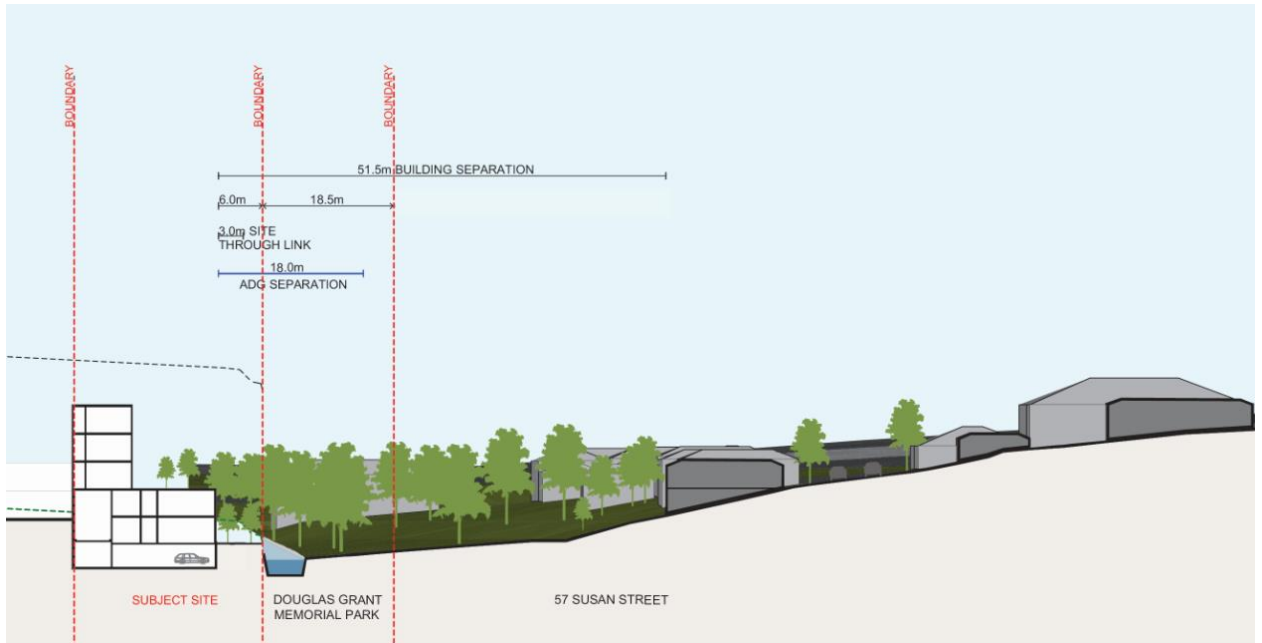


Figure 8 - View corridor from dwelling at 57 Susan Street

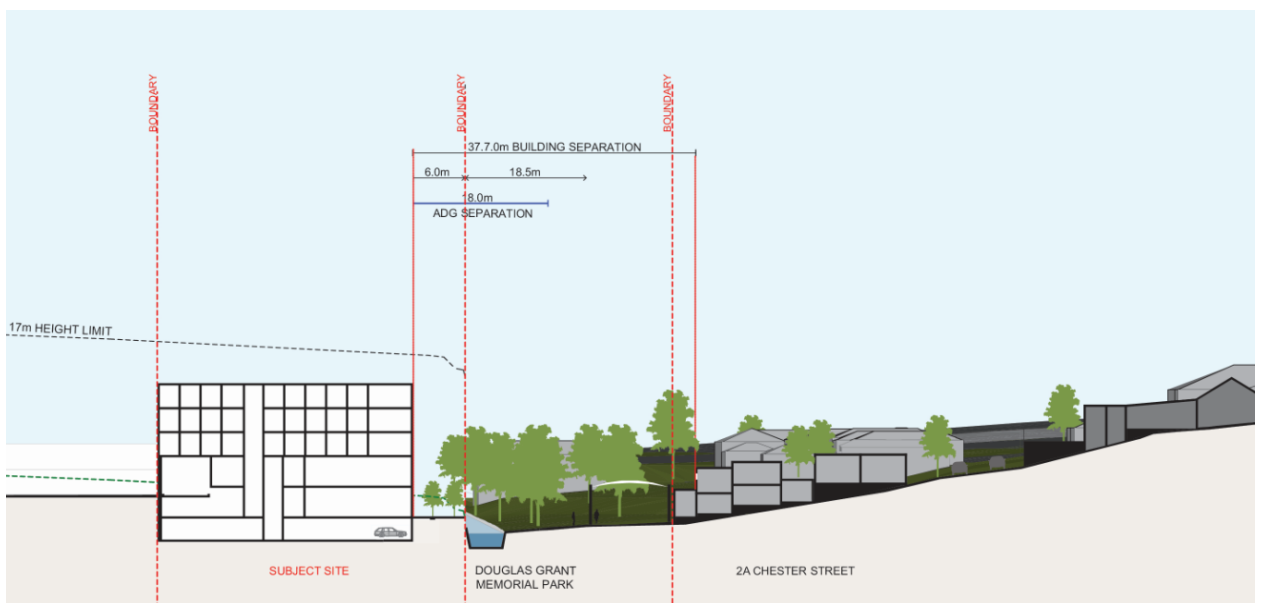


Figure 9 - View corridor from dwelling at 2A Chester Street West

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 10 - 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.

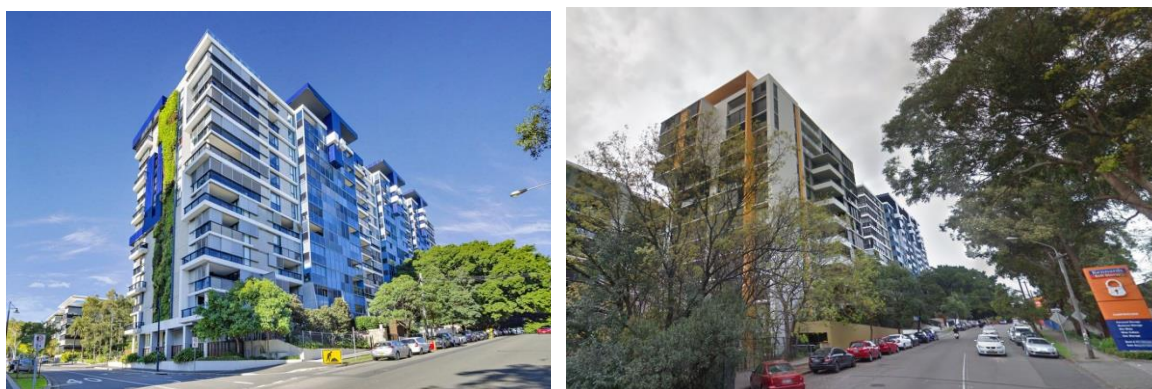


Figure 11 - Image of 3 Booth Street, 7 Sterling Circuit Camperdown (175m from the site)

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 includes a focus on residential development 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 PRCUT 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 stakeholder engagement criterion.

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

▪ **Criteria 5 - Feasibility**

Issue/ Response: Council had concerns about the original planning proposal's level of information to determine economic feasibility with regard to likely costs of infrastructure and proposed funding arrangements for the PRCUTS precinct and frame area. The proponent has provided a revised IIDP, VPA letter of offer and land valuation report to demonstrate the feasibility of the proposed land use and development scenario.

Elton Consulting have peer reviewed this material and established that the proposed development will have negligible impacts on local infrastructure, public and active transport, roads, open space and community infrastructure. Impacts on infrastructure from cumulative development of Camperdown Precinct in PRCUTS are yet to be ascertained. Elton, identified a minor gap in the proponent's IIDP regarding utility costs, but this is normally a consideration for the development application and standard connection fees are usually borne by the developer at that stage.

Elton's IIDP feasibility peer view referred to above also confirms that the development will still be financially feasible after the level of infrastructure and community benefits contributions being proposed is taken into account.

Consequently, the proposed infrastructure contributions are reasonable and further negotiation with the proponent can be undertaken following a Gateway Determination subject to a condition for a satisfactory arrangement for infrastructure contributions being imposed in a positive Determination.

▪ **Criteria 6 - Market viability**

Issue/ Response: The planning proposal has been amended to reduce the FSR to 2:1 with a maximum of 5 storeys to reflect Council officers' and the independent urban design peer-review assessment as discussed below.

PRCUTS recommended an FSR of 1.5:1, so the 2:1 FSR will enhance the proposal's market viability. The proposed variation to the recommended PRCUTS FSR is justified as it would achieve better planning outcomes without adversely affecting the values of the surrounding area. The proposal would set a good precedent for the future redevelopments in the Camperdown precinct, supporting its transition to a biotechnology, health and education precinct.

The proponent has also provided evidence that there is demand for student housing in the area due to its proximity to tertiary institutions such as University of Sydney, University of Technology Sydney and others.

This criteria is interlinked with the previous criterion in that the proposal presents a feasible land-use and development scenario and has strategic planning merit despite the inconsistencies with PRCUTS recommendations.

- **Urban Amenity Improvement Plan** - The proponent's original setback of 3.5m to the basement would have been insufficient to provide deep-soil landscape planting along the proposed cycle and pedestrian pathway envisaged in the Parramatta Road Corridor Urban Amenity Improvement Plan and Council's related adopted Public Domain Masterplan. Council's proposed section through the Chester Street site in the Masterplan shows the relation of the path and associated landscaping to the building and Creek (see below).

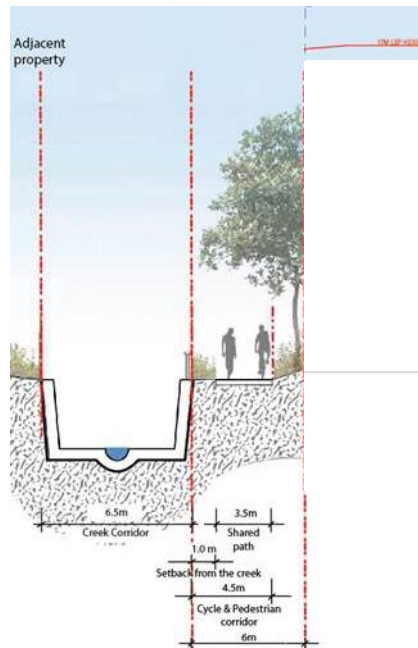


Figure 12 - Extract from the Camperdown Public Domain Masterplan showing the path through the Creek corridor and its relation with the Chester Street site

The proponent's latest urban design scheme did not change the basement layout to provide a wider setback. If the proposal is supported, the proposed urban design scheme will be amended to a setback of 6m from the Creek to the basement.

The proposed location of the path indicated in the proponent's urban design scheme is not appropriate as it adjoins the proposed building, which is inconsistent with Council's vision for the path to be adjacent to the Creek (3.5m in width, setback 1m from the creek and 1.5 m from the building line). The proponent's urban design report is to be updated post-Gateway to reflect these changes. These have already been reflected in the draft LDCP prepared by Council officers as shown in the diagrams below.

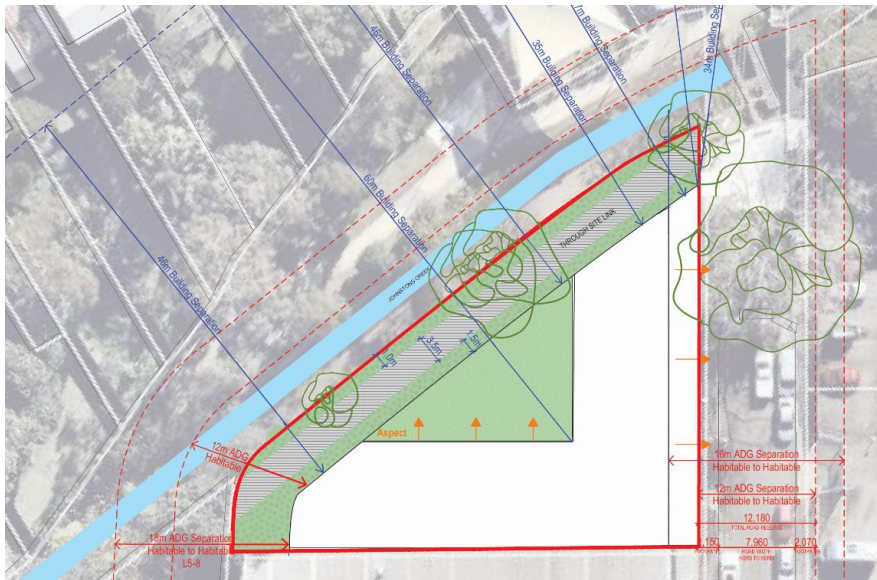


Figure 13 - Revised site plan prepared by Council officers indicating the amended location of the path.

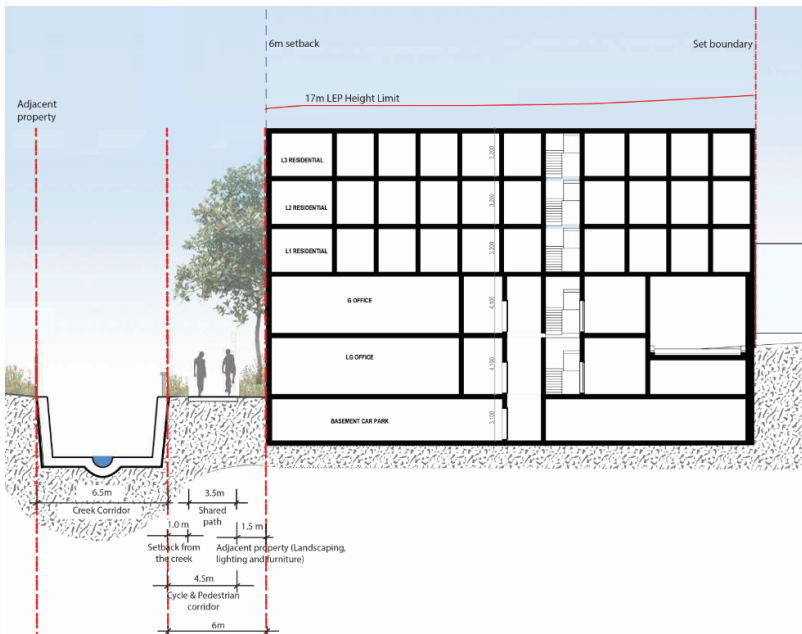


Figure 14 - Revised section prepared by Council officers indicating the 6m setback to the basement

Reconfiguration of the basement may result in a small reduction of car parking spaces. This should not be a problem as the proposed 18 car parking spaces exceed Council's existing DCP parking requirements and PRCUTS recommended parking rates.

- **Precinct Transport Report** - The DPIE and Council's PRCUTS precinct-wide transport study is expected to be completed by September 2020. Council's transport officers have confirmed that the proposed student housing development does not warrant any significant traffic concerns. If the proposal is allowed to proceed to Gateway, the precinct-wide transport study should be available in time for Council to update the proposal in accordance with the study prior to exhibition of the planning proposal.

It is recommended therefore that a Gateway condition be imposed to update the planning proposal based on the outputs of the Precinct-wide transport study prior to exhibition.

- **Urban design**

As discussed previously, the proposed design has been amended in line with Council officer's assessment and the recommendations of an independent urban design review. The proposed development with an FSR of 2:1 and a building height of 5 storeys represents a good design response to the surrounding area. The proposal will primarily present as a two storey façade along

Johnstons Creek (6m setback from the Creek) with a 5 storey element on Chester Street and then the remaining angle of the L shaped building is also 5 storeys set back behind a podium. Overall there will only be a modest visual impact for dwellings to the north compared to the character, bulk and scale of the existing buildings on the south side of the Creek, especially Kennards.

The proposed 0m setback for the ground and first floors and 3m setback to the student housing on upper levels from Chester Street will provide an appropriate transition to Chester Street. These setbacks have been confirmed in the site-specific draft DCP amendment that accompanies the planning proposal.

The proposed increase in the FSR from 1.5:1 in PRCUTS to 2:1 is justified because:

- The proposed mix of uses (employment @FSR 0.75:1 + student housing @FSR 1.25:1) will have better economic and community outcomes than a purely residential development of FSR 1.5:1.
- Additional design measures have been introduced to reduce the apparent bulk and scale of the proposed development including reversing the original orientation of the built form.
- It has been demonstrated that the proposed development will not result in significant urban design or amenity issues.

- **Prematurity**

There were concerns that the original 2018 proposal was premature in relation to current State and Local Government strategic planning studies and projects including the Inner West Local Strategic Planning Statement (LSPS), LEP, DCP and Infrastructure Contributions Plan and Camperdown Innovation Precinct Land Use and Strategic Employment study.

Since the proposal was last reported to Panel in July 2019, Council's LSPS and Housing Strategy have been adopted. These strategies generally accept PRCUTS recommendations for Camperdown to support the wider health and education precinct vision and prohibit any residential development other than some affordable, key worker and student housing. Council's exhibited draft Employment and Retail Lands Strategy (EaRLS) outlines actions to support the transition of Camperdown precinct into a health, education and biotechnology hub. The Camperdown Innovation Precinct Land Use and Strategic Employment study, commissioned by Camperdown Ultimo Collaboration Area Alliance partners including NSW Health, Sydney Local Health District, City of Sydney Council, University of Sydney and Inner West Council, is to be completed in April 2020. It will inform the future masterplan for the Collaboration Area's Camperdown node to inform the new LEP.

Overall the objectives of the planning proposal, to support employment and institutions through provision of student housing and retaining employment floorspace, are consistent with Council's adopted LSPS, Housing Strategy and exhibited Draft EaRLS and will support the Greater Sydney Commission's (GSC) vision for the Camperdown-Ultimo Collaboration Area.

- **Affordability of the proposed employment uses**

Concerns about how the proposal would support affordable employment spaces for tech start-ups, innovation, creative industries, cultural uses, community uses and artists persist.

Council's draft EaRLS recommends that innovative models be explored for delivery of affordable employment spaces but this work has not yet commenced. Given the long history of the proposal, it is considered unreasonable to wait for Council to develop an 'Affordable Employment Space' policy.

EaRLS demonstrates that there is a projected shortfall of employment floorspace in the Inner West. The proposed employment space focused on accommodating creative, technology, art, biomedical and production uses will protect the stock of much needed employment floorspace in the area to compliment the future nature of the Camperdown innovation precinct.

- **Inconsistent with the land-use zoning objectives**

Inconsistencies with the objectives of the IN2 zone if that existing zoning was to be retained have been addressed by changing to the proposed B7 Business Park zoning. The proposed LEP local

provision for two floors of light industrial and business uses with student housing above will be consistent with the LLEP 2013 objectives of this zone:

- *To provide a range of office and light industrial uses.*
- *To encourage employment opportunities.*
- *To enable other land uses that will provide facilities or services to meet the day to day needs of workers in the area.*
- *To provide for limited residential development in conjunction with permissible active ground floor uses.*
- *To provide for certain business and office premises and light industries in the arts, technology, production and design sectors.*

To avoid confusion about the nature of the residential accommodation on the site, the existing LLEP 2013 Clause 6.12 *Residential accommodation in Zone B7* will be switched off in the proposed local provision. The generic clause is:

'Development consent must not be granted to development for the purpose of a dwelling on land to which this clause applies unless the consent authority is satisfied that—

(a) the dwelling is part of a mixed use development that includes office premises or light industries on the ground floor, and

(b) the dwelling and ground floor premises will be occupied by the same person or persons.'

- ***Affordability of the proposed student housing***

In response to Council's request that 'new gen' boarding house rents are affordable in perpetuity, the proponent suggested that a condition could be imposed through the planning proposal and/or a Development Application that a Positive Covenant under Section 88E of the Conveyancing Act be created on the title of the property being used as a boarding house to restrict the rent and support provision of 'affordable housing' consistent with the aims of State Environmental Planning Policy Affordable Rental Housing 2009 (ARH2009).

The following condition was suggested by the proponent:

- (i) *the only persons to whom accommodation within the boarding house will be offered shall be those who have a household income that is equal to or less than 120% of the Median Household Income (Weekly) for Annandale for the most recent year, published by the Australian Bureau of Statistics; and*
- (ii) *the rent which the owner or operator of the boarding house will charge shall not exceed 40% of that income on rent.*

This approach is similar to the one used for an approved Development Application (D/2017/19) at 33 Chandos Street, Ashfield for a boarding house. Council's assessment officers and lawyers had similar concerns about this development because as boarding house rents are not enforced by ARH2009, the proposal would not make a genuine contribution towards affordable housing. The above condition to enforce the rents was imposed by the Council and Panel when the DA was approved. However, on s8.2 review of the application, the Land and Environment Court accepted the proponent's request to delete these conditions as it was considered that the ARH2009 does not mandate that boarding house rents must be affordable.

This approach is also not entirely applicable to students as an income eligibility test is not practical when a majority of the residents are likely to be international students that either have no formal income or that rely on occasional and or part-time casual work.

Council's Affordable Housing officer has reviewed student accommodation facilities run by University providers in the area. These include University of Sydney's The Regiment Building, Queen Mary Building and International House. Their management is contracted to Compass Living Villages (CLV), a private student accommodation provider. Information received from CLV staff at

the Queen Mary Building indicates that the accommodation fee charges are determined by Sydney University's Student Accommodation Services. There is not enough data available to establish how this fee is determined by the University.

In the absence of appropriate mechanisms to ensure affordable rents, Council should negotiate with the proponent to make monetary contributions in lieu of applying affordable accommodation fees as part of the overall VPA offer.

5.0 CONCLUSION

Britely Property's proposal to rezone the site has gone through several evolutionary iterations since 2018. The original planning proposal has been amended to address strategic planning concerns in relation to the Parramatta Road Corridor Urban Transformation Strategy and Council's wider strategic policies (LSPS/Housing Strategy/EaRLS).

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 recommend that DPIE should include the following conditions in a favourable Gateway Determination:

- A satisfactory agreement for State and local infrastructure
- 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 DPIE/NSW PRCUTS precinct-wide transport study

It is recommended that the Inner West Local Planning Panel advise Council to 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.

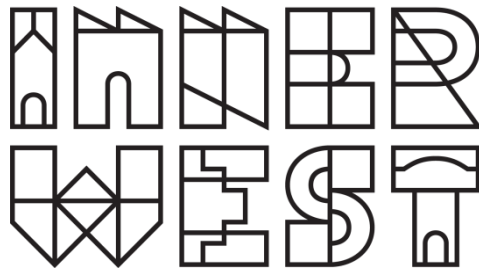
6.0 ATTACHMENTS

- Attachment 1 – Council's Planning Proposal inc. PRCUTS out of sequence checklist and response to public submissions
- Attachment 2 – Council's site-specific DCP
- Attachment 3 – Proponent's Planning Proposal (Dec 2019 package) inc. Out of Sequence checklist
- Attachment 4 – Proponent's Letter of offer and valuation report
- Attachment 5 – Proponent's updated Stakeholder Engagement report
- Attachment 6 - Amended Traffic and Transport Assessment by Varga Traffic Planning
- Attachment 7 – Proponent's Urban design scheme/ Architectus independent peer review/ Council's amendments
- Attachment 8 – Proponent's Integrated Infrastructure Delivery Plan (IIDP)
- Attachment 9 – Elton's independent IIDP Peer review

The following additional studies prepared by the proponent can be provided in a USB stick or as ShareFile link:

- Attachment 10 - Proponent's May 2019 Planning Proposal, Inner West Planning Panel July 2019 report and minutes.
- Attachment 11 - Preliminary Site Investigation Report by Aargus
- Attachment 12 - Remediation Action Plan by EiAustralia
- Attachment 13 - Heritage Impact Assessment by Architectural Projects Pty Ltd;
- Attachment 14 - Flooding and Stormwater Management Planning Report by Sparks and Partners;

- Attachment 15 - Acoustic Report by West & Associates
- Attachment 16 - Social Impact Housing and Affordability Assessment Report by Cred Consulting;
- Attachment 17 - Economic Impact Assessment by AEC Group
- Attachment 18 - Stakeholder Engagement Report 2017 by Urban Ethos
- Attachment 19 - Integrated Infrastructure Delivery Plan by Northrop (May 2019)



INNER WEST LOCAL PLANNING PANEL
MEETING

30 MARCH 2020

MINUTES

MINUTES of INNER WEST LOCAL PLANNING PANEL MEETING held by Skype for Business Teleconference on 30 March 2020.

Present: The Honourable David Lloyd in the chair; Mr John McInerney; Ms Kath Roach, Ms Annelise Tuor.

Staff Present: Acting Strategic Planning Manager, Team Leader Strategic Planning, Specialist Planner, Strategic Planners and Administration Officer.

Meeting commenced: 11:10am

**** ACKNOWLEDGEMENT OF COUNTRY**

I acknowledge the Gadigal and Wangal people of the Eora nation on whose Country we are meeting today, and their elders past and present.

**** DECLARATION OF PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS**

There were no declarations of interest.

IWLPP844/20 Agenda Item 1	Planning Proposal 1-5 Chester Street, Annandale
Description:	Revised planning proposal to rezone the site from IN2 Light Industrial to B7 Business Park, allow boarding house use for student accommodation, increase the floor space ratio to 2:1 with minimum 0.75:1 FSR for non-residential uses and introduce a maximum building height control of 17m and no more than five storeys.
Applicant:	Britely Property Group

The following people addressed the meeting in relation to this item:

- *Tania Taylor*
- *Joseph McDonnell*
- *Warren Duncan*
- *Sue Strudwick*
- *Michael File*
- *Alex Sicari*

DECISION OF THE PANEL

The Chair adjourned the Panel meeting at 12:00 pm to deliberate on the matter and formulate a recommendation.

RECOMMENDATION:

THAT the Inner West Planning Panel advise Council:

1. THAT the planning proposal (provided in Attachment 1) to amend the Leichhardt Local Environmental Plan (LLEP) 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:
 - a) 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 with landscaping along Johnstons Creek to be dedicated to Council and rezoned to RE1 Public recreation;
 - b) Insert a site-specific local provision in Part 6 of the LLEP 2013 to:
 - i. Confirm that the objective of the proposed amendments is to encourage commercial, education, health and cultural activities and associated industries in Camperdown-Ultimo Collaboration Area;
 - ii. Increase the floor space ratio of the site to a maximum 2:1, but only if a minimum FSR of 0.75:1 is used for non-residential uses for a range of business office and light industrial premises in the technology, bio-medical, arts, production and design sectors;
 - iii. Increase the maximum building height to 17m and no more than 5 storeys including any lift over-runs;

- iv. allow boarding house use for student accommodation consistent with the requirements of State Environmental Planning Policy (Affordable Rental Housing) 2009 and consistent with best design principles for student housing;
- v. restrict any further bonus incentives from State Environmental Planning Policies;
- vi. provide a pedestrian and cycle path with landscaping along Johnstons creek;
- vii. provide active frontages to Chester Street and Johnstons Creek;
- viii. 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 Pymont Bridge Road;
- ix. include design measures to ensure that there are no significant amenity impacts on the surrounding neighbourhood;
- x. Include appropriate design and acoustic measures to ensure that light industries within the development and any existing neighbouring industrial uses do not have a significant adverse impact on the amenity of future residents of the development;
- xi. prohibit strata sub-division and the permissibility of any form of residential accommodation other than a boarding house;
- xii. Include environmentally sustainable design principles to achieve a minimum 4-Star Green Star Rating; and
- xiii. Remove the application of Clause 6.12 of the LLEP 2013 to the site.

c) Amend the FSR map to remove reference to the maximum FSR for the site and amend the Key Sites map to identify the site as a key site.

2. 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.

3. 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.

REASONS FOR THE RECOMMENDATION:

The Panel supports the findings contained in the assessment report and endorses the reasons for the recommendation contained in that report.

The decision of the panel was unanimous.

CONFIRMED:

A handwritten signature in blue ink, appearing to read 'D. A. Lloyd', is positioned above the typed name.

**Adjunct Professor David Lloyd QC,
Chairperson
30 March 2020**