

ATTACHMENT E

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**PLANNING ASSESSMENT COMMISSION
REZONING REVIEW RECOMMENDATION
REPORT,
1 DECEMBER 2016**



Planning Assessment Commission

Ms Karen Armstrong
Director, Sydney Region East
Department of Planning and Environment
GPO Box 39
Sydney NSW 2001

1 December 2016

Dear Ms Armstrong,

**Subject: Request for a Rezoning Review for land at 2-32 Junction Street, Forest Lodge --
PGR_2016_SYDNE_001_00**

I refer to the Department's letter of 5 October 2016 requesting the Planning Assessment Commission to review and determine the suitability of a planning proposal for land at 2-32 Junction Street, Forest Lodge to be referred to the Department for a Gateway determination under section 56 of the *Environmental Planning and Assessment Act 1979*.

Ms Lynelle Briggs AO, Chair of the Planning Assessment Commission, nominated Mr Stephen O'Connor and me to constitute the Commission for the review. I chaired the Commission.

The Commission has carefully considered the documents provided and received separate briefings from the Department, City of Sydney Council and the proponent.

The Commission's advice is attached. In brief, the Commission concludes that the request for a rezoning review should not proceed at this time as the proposal before the Commission is considered to meet the strategic merit test, but not the site-specific merit test.

Yours sincerely

Ms Abigail Goldberg (Chair)
Commission Member

Planning Assessment Commission Rezoning Review – Recommendation Report

The Planning Assessment Commission (the Commission) has received the request for a rezoning review of the planning proposal as detailed below.

Date of Review:	1 December 2016
Department Ref. No:	PGR_2016_SYDNE_001_00
LGA:	City of Sydney
LEP:	Sydney Local Environmental Plan 2012
Address:	2-32 Junction Street, Forest Lodge
Commission Chair:	Abigail Goldberg
Commission Member:	Stephen O'Connor

Reason for review:	<input type="checkbox"/>	The Council has notified the proponent that the request to prepare a planning proposal has not been supported
	<input checked="" type="checkbox"/>	The Council has failed to indicate its support 90 days after the proponent submitted a request to prepare a planning proposal or took too long to submit the proposal after indicating its support

In considering the request, the Commission has reviewed all relevant information provided. The Commission was briefed separately by the Department of Planning and Environment (the Department), City of Sydney Council (the City) and Fitzpatrick Investments (the proponent). A summary of these meetings is attached at Appendix 1, 2 and 3. The Commission members also undertook independent site visits.

After carefully considering the relevant information the Commission recommends that the planning proposal should not be submitted for a Gateway determination. The Commission's advice and justification for this recommendation is provided below.

Recommendation:	<input type="checkbox"/>	The proposal should be submitted for a Gateway determination, because the proposal has demonstrated Strategic Merit and Site Specific Merit.
	<input checked="" type="checkbox"/>	The proposal should not be submitted for a Gateway determination, because the proposal: <input type="checkbox"/> has not demonstrated Strategic Merit; or <input checked="" type="checkbox"/> has demonstrated Strategic Merit but not Site Specific Merit

Planning Assessment Commission Advice and Reasons for Recommendation:

Overview

The Commission received a request from the Department on 6 October 2016 relating to a planning proposal for land at 2-32 Junction Street, Forest Lodge (hereafter referred to as the site). The Commission was *requested to review and determine its suitability to be referred to the Department for a Gateway determination under section 56 of the Environmental Planning and Assessment Act 1979*. The proponent originally lodged a request with the City to prepare a planning proposal in March 2015. Subsequently the proponent provided additional information and submitted a number of updates to the City, the latest of which occurred in July 2016.

The proponent is seeking an amendment to the *Sydney Local Environmental Plan 2012* (LEP 2012) to increase the floor space ratio (FSR) and building height on the site. It is proposed to increase the FSR from 1:1 to 1.75:1 and increase the building height from 12 metres to a primary building height of up to 25 metres with a 12 metre building height fronting Junction Street for a depth of 7 metres.

The proponent is seeking a rezoning review because in their opinion the City has failed to indicate its support 90 days after the request to prepare a planning proposal was submitted.

The City notes that the rezoning review application, submitted to the Department on 5 October 2016, was only 77 days after the proponent submitted an *updated* scheme on 20 July 2016. However for the purposes of a rezoning review, 90 days is considered to have commenced when the planning proposal request was first submitted by the proponent in March 2015.

The Department issued its *Rezoning Review: Briefing Report* (briefing report) to the Commission on 3 November 2016 (see Appendix 4). The briefing report provided a summary of the planning proposal, an information assessment, including an overview of the strategic merit and site-specific merit of the proposal; and a summary of the City's views.

In the interim, the City prepared an alternative planning proposal and site-specific draft Development Control Plan for the site. The alternative proposal was approved by the Central Sydney Planning Committee on 13 October 2016, and by Council on 24 October 2016. The alternative proposal was subsequently submitted to the Department on 26 October 2016.

The Commission's request does not provide for consideration of the City's alternative planning proposal in making its recommendation regarding the rezoning review.

Rezoning review process and role of the Commission

In August 2016, the NSW Government revised the rezoning review process (formerly known as the pre-Gateway review process) to require reviews to address a strengthened strategic merit test. The Department's *Planning Proposals: A guide to preparing planning proposals 2016* (Planning Proposal Guide) establishes specific assessment criteria to assist proponents, including relevant planning authorities, in preparing a planning proposal. The guide outlines two key tests that proponents are required to address – a strategic merit test and a site-specific merit test. The guide also includes an 'information checklist' to assist proponents and relevant planning authorities identify and agree on the range of key issues for the proposed local environmental plan amendment.

If a planning proposal meets the strategic merit test, it may proceed to the site-specific merit test. A detailed assessment of the latter is undertaken only if the planning proposal meets the strategic merit test.

Strategic merit test

The Commission was required to consider whether the planning proposal meets one of the following assessment criteria in making its recommendation.

1. Consistency with the relevant regional plan outside of the Greater Sydney Region, the relevant district plan within the Greater Sydney Region, or corridor/precinct plans applying to the site, including any draft regional, district or corridor/precinct plans released for public comment; or

The Commission observes that the proponent's March 2015 planning proposal provides an assessment of the relevant goals of *A Plan for Growing Sydney 2014* (APfGS), which was the relevant strategic plan for the Sydney metropolitan area at the time. In November 2016, however, the Greater Sydney Commission released a number of draft District Plans, including the *Draft Central District Plan* (the draft District Plan). The draft District Plan is the relevant strategic document to be considered for the locality of the site in the review of strategic merit.

The draft District Plan commenced exhibition on 21 November 2016 and applies to, but does not specifically identify the site. The rezoning review was submitted to the Commission prior to the draft District Plan being exhibited, therefore the documentation submitted by the proponent, as well as the Department's briefing report, do not reference it. The Commission has however considered the proposal in relation to the draft District Plan as it is the most current and relevant planning instrument available.

The draft District Plan identifies a five-year housing target of 18,300 dwellings across the City of Sydney local government area. It considers a number of priorities for relevant planning authorities to consider in delivering housing targets as well as actions to guide implementation. In particular actions L3 and L4 are of relevance to this rezoning review.

Action L3: Councils to increase housing capacity across the district sets out specific actions for the City to implement in order to achieve the five-year housing target. Of particular relevance is a requirement for the City to 'investigate local opportunities to address demand and diversity in and around local centres and infill areas with a particular focus on transport corridors and other areas with high accessibility'.

Action L4: Encourage housing diversity directs relevant planning authorities to consider the needs of the local population base in their local housing strategy and how to align local planning controls that will address housing diversity that is relevant to the needs of the existing and future local housing market and that will deliver quality design outcomes for buildings and places.

The Commission considers the planning proposal would contribute to the City's overall housing target and provide appropriate infill development on an otherwise underutilised site. The site is moreover located in a highly accessible area, proximate to public transport, walking and cycling connections to Sydney CBD, Sydney University and Parramatta Road transport corridor. The Commission notes the intent of Action L4 to provide housing diversity and deliver high quality design outcomes, which the proponent would be required to demonstrate through the design development process.

The Commission notes that there is also an opportunity on this site to include some non-residential uses to support the mixed use zone objectives.

The planning proposal references the *Parramatta Road Corridor Urban Transformation Strategy* as the site is in proximity to, although not within, the corridor boundary. The *Parramatta Road Planning and Design Guidelines* envisions a built form having a height of between 15 to 18 metres in the area of closest proximity to the site. The Commission observes that while the Strategy is not directly relevant to the site, there is evidence of a trend to increase densities in this area, apparent in the scale of existing, relatively new apartment buildings on Larkin Street to the south-west of the site.

2. Consistency with a relevant local strategy that has been endorsed by the Department; or

The Department's briefing report provided to the Commission indicates that there is no relevant local strategy that has been endorsed by the Department.

3. Responding to a change in circumstances, such as the investment in new infrastructure or changing demographic trends that have not been recognised by existing planning controls.

The Department's briefing report states that the planning proposal is not the result of any recent changes in circumstances such as investment in new infrastructure or changing demographic trends.

Strategic merit summary

In the opinion of the Commission, the planning proposal is consistent with the relevant priorities and actions of the draft District Plan, particularly in relation to increasing housing capacity (Action L3) and encouraging housing diversity (Action L4). As the planning proposal meets one of the three current criteria required to demonstrate strategic merit, the Commission considers that the planning proposal meets the strategic merit test required at the rezoning review stage.

In addition, the Commission has had regard to the Planning Proposal Guide which states *'there will be a presumption against a Rezoning Review request that seeks to amend LEP controls that are less than 5 years old, unless the proposal can clearly justify that it meets the Strategic Merit Test'*. The *Sydney Local Environmental Plan 2012* (Sydney LEP 2012) is less than five years old having been gazetted on 14 December 2012. However, the City advised that in March 2012, the City and Central Sydney Planning Committee had resolved to note that consideration be given to preparing a planning proposal for the site, finding the controls for the Junction Street frontage to be generally appropriate but noting there is potential for additional height to the west.

The Commission notes that the proponent has also pointed to inconsistencies between controls that apply to the site and those surrounding the site. In particular, the FSR to the immediate south-west is 2.5:1 compared to 1:1 on the site, and the permissible height is 18 metres, compared to 12 metres on the site, despite the site presenting the opportunity of an unusually large tract of land available for redevelopment. The site is also at the interface between medium density apartment buildings to the south west, and finer grain, primarily 1-2 storey terrace style residences to the east. There is potential for the site to provide a transition between them, while redressing local constraints related to the availability of open space, access and permeability.

The Commission therefore considers a review of the existing controls, while less than five years old, to be endorsed by the City, appropriate and potentially of benefit to the wider area.

Site-specific merit test

As the planning proposal is considered to meet the strategic merit test for a rezoning review, an assessment of site-specific merit is necessary. The Commission notes that it is required to consider the planning proposal as submitted in July 2016. The information checklist set out in the Department's Planning Proposal Guide (Attachment 1) was considered by the Commission in formulating the advice contained in this review.

1. The natural environment (including known significant environmental values, resources or hazards) and

The Commission considers the following environmental considerations to be relevant to the site. The proponent provided varying levels of information on these matters with the view of providing further information at the development application stage. The Commission considers the level of information provided to be appropriate for some matters while others require further consideration as part of any future planning proposal and/or development application for the site.

Built form, overshadowing and amenity

The Commission observes that specific height and/or FSR of the proponent's proposal (up to 25 metres height and 1.75:1 FSR) may result in overshadowing impacts on both the Larkin Street reserve and neighbouring properties. The Commission acknowledges some positive amendments were made by the proponent through the process of negotiation with the City to seek to address overshadowing.

However, the City has noted that reasonable concerns remain regarding potential amenity impacts on adjoining neighbours (in particular some apartments at 1-3 Larkin Street and 34 Junction Street), along with concerns as to the ability of the proposed apartment layouts to meet the various minimum requirements of the Apartment Design Guide for solar access and ventilation for new apartments. In respect of this matter site specific merit has not been clearly established.

Resolution of potential overshadowing impacts and retention of reasonable solar access and amenity will be critical to ensuring a positive planning outcome. The Commission considers that *State Environmental Planning Policy No 65 – Design Quality of Residential Apartment Development* (SEPP 65) and the Apartment Design Guide must be addressed in the documentation associated with any future development application for the site.

Flooding

The planning proposal includes a Preliminary Flood Assessment which indicates that the site is in a 'major trapped low point', and subject to significant flood risk. The report concludes the site is capable of accommodating residential dwellings with a floor level set above 1% AEP events plus 0.5 freeboard. Indications are to achieve this performance standard a 1-2 level car parking structure is required on the lower parts of the site.

Any future development application for the site would require a detailed flood assessment and a flood risk management plan to be prepared and submitted to the relevant planning authority including details on measures to ensure the safety of occupants and property.

Heritage

The site is in the Hereford and Forest Lodge Conservation Area, and includes an unlisted Federation warehouse which dates from the early 20th century. The warehouse is currently identified as 'detracting' from the significance of the conservation area. However, the City has advised that it may now seek to amend this classification to 'contributory'.

The proponent did not include a heritage impact assessment or analysis of the heritage values of the site as part of the planning proposal. As such, the Commission considers that further work is required to resolve the heritage status of the warehouse in its context.

Any future proposal for the site should include a heritage impact assessment, including consideration of both the Federation warehouse that is on site, and the Orphan School Creek, which is located adjacent to the site. Any future proposal would also require investigation of potential Aboriginal and European archaeology.

Vehicular access

Current site access is provided via a dual gated driveway connection to Junction Street. The planning proposal contemplates vehicular access from Larkin Street. The proponent's March 2015 planning proposal included a Traffic and Parking Assessment, which concluded the parking provisions are acceptable in terms of the proposed uses and any additional traffic generation can be accommodated into the surrounding road network with negligible impacts.

Any future development application for the site would require an update to the Traffic and Parking Assessment to ensure currency.

Other relevant planning matters

The Commission considers a number of other planning matters may be relevant and could require further investigation as part of any future development application:

- Preparation of a Site Investigation Report and Remediation Action Plan.
- Stormwater management and potential for future stormwater upgrades.
- Potential for water quality impacts.
- Consideration of soil stability, erosion, subsidence and potential for acid sulphate soils.

2. The existing uses, approved uses, and likely future uses of land in the vicinity of the proposal, and

The majority of the site is currently covered by asphalt and concrete paving. A 2-3 storey commercial building fronting Junction Street is located in the middle of the site and a detached single storey workshop is located south of the main building. The commercial building is currently occupied by commercial tenancies and is used for the purpose of offices, parking and storage.

The surrounding area comprises a mix of low density attached or semi-detached 1-2 storey residential dwellings to the north-east and medium to high-density residential and mixed use development to the south-west.

The site is zoned B4 Mixed Use. The planning proposal is considered to be consistent with the site's potential future uses given the mixed use zoning and the likely future uses of land in the immediate surrounding area.

3. The services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for infrastructure provision.

The proponent has considered a number of options for the provision of public and communal open space. Options included dedicating additional land to expand the existing Larkin Street reserve, which formed part of the planning proposal lodged in March 2015. Since then the proponent considered various other options for how open space could be provided within the site. Importantly, the most recent July 2016 updated scheme (which the Commission has been requested to review) only included provision of communal open space for use by site residents.

Access and permeability in the locality of the site is currently poor, with the Larkin Street area largely separated from Junction Street and the greater Glebe area. Provision of through-site links have however formed part of the proponent's planning proposal at various stages. The Commission considers that providing through-site linkage/s would enhance access and permeability by improving connections to the Larkin Street reserve and other local facilities.

The Commission notes that the Larkin Street reserve is an important public asset in an area where residential density is increasing, and where the City have identified an existing shortfall in public open space. The site is within a priority / acquisition investigation area identified in the City's recently exhibited *Draft Open Space, Sports and Recreation Needs Study 2016*. The study establishes, as a strategic priority, for all residents to be within 400 metres actual walking distance of high quality open space, defined as being open space with an area of more than 1,500m² which can accommodate a diversity of uses.

The Commission notes the proponent made two separate draft Planning Agreement Offers to the City in December 2014 and February 2016. The February 2016 offer included dedication of 452m² to increase the size of Larkin Street reserve to 1,505m² and a cash contribution of \$1,000/m² for future embellishment and improvement of the increased area of the reserve. The City did not accept the Draft Planning Agreement Offers as the 452m² included part of the central through-site link and a portion of land along the irregular-shaped north-west boundary of the site. The City argues these portions of land cannot be considered as *usable* public open space.

While the Commission can only consider the merit of what is proposed by the rezoning review planning proposal, it observes that there are various options that could be pursued regarding open space and through-site links that could benefit mixed use development on the site, whilst also being of wider public benefit.

The Commission acknowledges the proponent's previous draft Planning Agreement Offers but considers the current proposal for communal open space for use by site residents only to fall short of what is reasonable for the proposed scale of development the proponent is seeking in this specific location.

The Commission considers that the proposal in its current form does not adequately address the public open space and through-site links. A public benefit offer should be progressed associated with the uplift in development potential being sought.

Site-specific merit summary

The Commission concludes that merit for the proposed increase in height and FSR has not been clearly established by the latest planning proposal. Specifically, there is doubt as to the appropriateness of the proposed height and FSR controls in terms of amenity impacts.

Further investigations are also required into heritage, while public benefits are required to be clarified and agreed with the City.

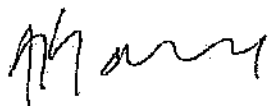
Conclusion

The Commission concludes that the request for a rezoning review should not proceed at this time as the proposal before the Commission is considered to meet the strategic merit test, but not the site-specific merit test.

However, the Commission considers that a review of the existing controls is appropriate and timely. The proponent and the City are encouraged to build on the extensive work undertaken to date and to collaborate regarding the form that an amendment to the provisions of Sydney LEP 2012 should take.

Date of Recommendation: 1 December 2016

Signed by:

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Chair

A handwritten signature in black ink, appearing to be 'S. J. ...'.

Member

Appendix 1
Department Briefing

This meeting is part of the review process		
Meeting note taken by Alana Jelfs	Date: 16 November 2016	Time: 09:30am
Project: Rezoning Review, 2-32 Junction Street, Forest Lodge		
Meeting place: Planning Assessment Commission (PAC) Offices		
<p>Attendees: Commission Chair: Abigail Goldberg Commission Member: Stephen O'Connor Commission Secretariat: David McNamara (Director), Alana Jelfs (Planning Officer) Department of Planning and Environment: Karen Armstrong (Director), Wayne Williamson (Senior Planning Officer), Sandy Chappel (Senior Planning Officer), Mary Su (Planning Officer)</p>		
<p>The purpose of the meeting: Department of Planning and Environment (DPE) briefing to discuss the request for rezoning review of a planning proposal for 2-32 Junction Street, Forest Lodge</p>		
<p>Meeting Notes:</p> <ul style="list-style-type: none"> • Introduction by Chair and overview of the PAC process, noting that this is the first request to be considered by the PAC under the new planning proposal rezoning review process. • DPE noted the City of Sydney (the City) recently submitted a separate request for Gateway determination having resolved to approve an alternative planning proposal for the 2-32 Junction Street, Forest Lodge site (the site). The Commission is not required to consider the alternative proposal but is advised of it. • The Chair confirmed that the PAC's role was to consider the planning proposal put forward by Fitzpatrick Investments (the proponent) and that the City's planning proposal would not be considered in the recommendation. • Through the briefing DPE confirmed that: <ul style="list-style-type: none"> - this was the first rezoning review request lodged with DPE in 5 years and that it is common practice for the City to prepare an alternative planning proposal for a site if they do not support a proposal lodged by a proponent; - for this new process it is the PAC's role to recommend whether the proponent's planning proposal should proceed to Gateway determination based on whether the proposal has 'strategic merit' and 'site-specific merit'; - the proponent submitted separate planning proposals in March 2015, November 2015 and July 2016 presenting different design options for the site. DPE acknowledged the length of time the process has been underway; - there are set assessment criteria in the DPE's <i>Planning Proposals: A guide to preparing planning proposals</i> including a number of high order matters to be considered when determining whether a planning proposal should proceed to Gateway (determination); and - the assessment requirements for a request for rezoning have been strengthened by changes to the Strategic Merit test. The test is lower for a Gateway determination. DPE went through the matters to be determined under a strategic merit test as per DPE's briefing report. 		

- PAC members queried which body would be the relevant planning authority for the City's planning proposal should it proceed. DPE advised that this was not yet confirmed however the City could remain the relevant planning authority up to exhibition which could then change to DPE to make the local environment plan (LEP).
- DPE noted that the design excellence and incentive clauses in the City's LEP are complex and the City are requiring a level of detail not ordinarily required until a proposal was at the development application (DA) stage. While DPE acknowledged this is to ensure good planning outcomes, it is considered to potentially be overly prescriptive for this stage of the process.
- DPE noted that it may be appropriate for the PAC to comment on whether further studies may be required to support any future planning proposal/DA on the site.
- In the absence of the Draft District Plans (which are due to be exhibited in coming days) A Plan for Growing Sydney (APfGS) is a key consideration in assessment of strategic merit (s117 directions requires consideration of APfGS). Once on exhibition, the Draft District Plans will require consideration in determining whether the site has strategic merit.
- Site specific merit requires consideration of matters including natural environment (flooding, heritage), existing, approved and likely future uses, and services infrastructure available to meet the demands arising from the proposal (car parking, open space).
- DPE advised that the site is already zoned for mixed use, with the assessment focussing on the scale of proposed development, not the land use at the site.
- DPE noted that the planning proposal may be considered to be a 'spot rezoning' which would not meet the enhanced 'strategic merit' test when assessed against the guidelines.
- PAC members observed that the City had previously identified the need to review the planning controls applicable to the site, which would provide consistency contextually. The site appears to have a role as an interface between residential flat buildings to the south-west and the low scale residential development to the east.

Outcomes/Agreed Actions: DPE representatives were invited to attend meetings with the City and the proponent as observers, as this is the first request for a rezoning review to be considered by the PAC, as well as one of the first to be considered by the Department.

Meeting closed: 10:30am

Appendix 2
City of Sydney Meeting

This meeting is part of the review process		
Meeting note taken by Alana Jelfs	Date: 16 November 2016	Time: 11:00am
Project: Rezoning Review, 2-32 Junction Street, Forest Lodge		
Meeting place: Planning Assessment Commission (PAC) Offices		
<p>Attendees:</p> <p>Commission Chair: Abigail Goldberg</p> <p>Commission Member: Stephen O'Connor</p> <p>Commission Secretariat: David McNamara (Director), Alana Jelfs (Planning Officer)</p> <p>Department of Planning and Environment: Wayne Williamson (Senior Planning Officer), Mary Su (Planning Officer)</p> <p>City of Sydney: Andrew Thomas (Executive Manager Strategic Planning and Urban Design), Benjamin Pechey (Manager Planning Policy), Jonathan Carle (Senior Planner), Jesse McNicoll (Urban Design Coordinator)</p>		
The purpose of the meeting: City of Sydney (the City) briefing to discuss the request for rezoning review of a planning proposal for 2-32 Junction Street, Forest Lodge (the site)		
<p>Meeting Notes:</p> <ul style="list-style-type: none"> • Introduction by Chair and overview of the PAC process. The Chair acknowledged the City's alternative planning proposal, reiterating the PAC's role to make a recommendation as to whether the proponent's proposal should proceed to Gateway. The City's alternative proposal would not be formally assessed in making its recommendation. • The City confirmed submitting an alternative planning proposal to Gateway for the site, drawing on information from the proponent's scheme (including amendments up to July 2016) to help inform the alternative proposal. • The City considers that the proponent's current indicative scheme (July 2016) would not be able to be approved under the proposed planning controls and is inadequate with regard to infrastructure provision. • The issue of flooding was not adequately considered in the proponent's original proposal. The City noted the preference for provision of underground car parking; but acknowledged it would not be feasible or appropriate given the flooding constraints. • The City noted Larkin Street reserve is not an optimally functional space given the relatively small size and the hardstand area in the mid-section. The City asserted that a much larger park could be achieved than that proposed by the proponent if properly planned, noting the proponent included one of the proposed through site links and the irregular shaped north-west boundary in their open space offering. • The extent of detailed negotiations between the City and proponent were discussed, particularly given the length of time taken to progress to this stage. • The City noted that it ordinarily requires applicants to provide more information upfront than might be expected by other Councils for a planning proposal or rezoning review request. The City believes this enables a better planning outcome overall and expedites the DA process. • PAC members questioned the relevance of a design competition. The City observed that a design competition is a voluntary process available to applicants if they can demonstrate design excellence. The 		

City's LEP and Competitive Design Policy sets out the additional floor space and height allowance provisions afforded to proposed developments deemed to have achieved design excellence (as part of a competitive design process).

- The City considers envelope testing at this early stage to be important to determine whether the site can accommodate the proposed floor space. The City have included a preferred massing figure as part of their alternative planning proposal.
- The City remains concerned over the visual setting of Larkin Street reserve, given the proposed adjacent 2 storey carpark and under-croft beneath the residential development. Compromised solar access to Larkin Street reserve also remains a concern.
- The City argued that their scheme provides greater setbacks to upper levels than provided by the proponent. However the issue is not strictly setbacks, but also floor space ratio.
- The City's planning proposal considers the requirements of the Apartment Design Guide regarding solar access and orientation.
- With regard to the 1910-20s warehouse building on the site, the City considers its loss would be detrimental to the conservation value of the site and local context.
- The City's DCP identifies the building as 'detracting' from the conservation area, however the City propose a review to amend its status to 'contributory'. The City confirm their planning proposal includes options to retain the warehouse. The City confirmed the proponent's 1.72:1 scheme included the option of retaining the warehouse building.
- The City noted that a Heritage Impact Assessment was required in order to properly assess the proposal.
- The City noted the proponent's recent scheme (July 2016) showed a height of 25m not 22m as stated in the documentation. The City considers insufficient detail has been provided to determine if the proposal would trigger the design competition threshold – in relation to the proposed height component.
- The City mentioned the importance of the Orphans School Creek path that separates the Larkin Street apartments and the site and the potential requirement for a positive covenant to manage maintenance and access in the future.

Outcomes/Agreed Actions: N/A

Meeting closed: 12:00pm

**Appendix 3
Applicant Meeting**

This meeting is part of the review process		
Meeting note taken by Alana Jelfs	Date: 16 November 2016	Time: 12:30pm
Project: Rezoning Review, 2-32 Junction Street, Forest Lodge		
Meeting place: Planning Assessment Commission (PAC) Offices		
<p>Attendees: Commission Chair: Abigail Goldberg Commission Member: Stephen O'Connor Commission Secretariat: David McNamara (Director), Alana Jelfs (Planning Officer) Department of Planning and Environment: Wayne Williamson (Senior Planning Officer), Mary Su (Planning Officer) Proponent: Jamie Stewart (Development Manager, Fitzpatrick Investments Pty Ltd), Benjamin Craig (Associate, JBA), Guy Lake (Director, Bates Smart Architects), John Tropman (Director of Tropman and Tropman Heritage Architects)</p>		
The purpose of the meeting: Proponent briefing to discuss the request for rezoning review of a planning proposal for 2-32 Junction Street, Forest Lodge (the site)		
<p>Meeting Notes:</p> <ul style="list-style-type: none"> • Introduction by Chair and overview of the PAC process. • The proponent provided an overview of the negotiations with the City and summarised the key outstanding issues between the Council and the proponent, including: floor space ratio, applicability of the design competition process and heritage values on the site. The proponent considers the strategic merit of the planning proposal filters through each matter. • The proponent considers significant work has gone into addressing the City's concerns and responding to issues raised, including flooding, overshadowing, compliance with SEPP 65 and discussions around a public benefit offering for additional public open space and through site links. • In the lead-up to submitting the planning proposal, the proponent discussed various massing options with the City, one option provided an additional 500m² of park space. • The proponent lodged the planning proposal in March 2015. The reference design was relatively comprehensive, given the level of detail that would normally be required for a planning proposal. The proposal included integrating the existing building and demonstrated how overshadowing and flooding issues could be managed. • The proponent submitted a further application in November 2015 with amendments to address outstanding concerns regarding solar access. The City responded with further concerns regarding building envelopes. • In April 2016, the City raised the intent to amend the heritage status of the warehouse building from 'detracting' to 'contributory'. The Glebe Conservation Area Study (2006) commissioned by the City identified the warehouse building as 'detracting'. The heritage architect identifies the warehouse as contributing to the conservation area, but does not consider it worthy to be retained. There are a number of similar types of warehouse buildings scattered throughout this zone. The conservation area significance 		

is more about the terrace housing to the north and east of the site. The heritage architect identified Orphan School Creek line as being a significant part of the conservation area and noted there is potential for establishing and recreating the creek line from the lane to Larkin Street reserve.

- The proponent submitted further options to the City in July 2016. The reference design responded to the City's issues raised with the November 2015 scheme. The proponent argued that other issues could be addressed at the DA stage.
- The July 2016 scheme considered the implications of retaining or removing the warehouse building.
- The proponent remained confident throughout the process that an FSR of 1.75:1 could reasonably be achieved on the site and considers the City's suggested 1.56:1 arbitrary.
- The proponent generally supports the competitive design process and considers it would provide a genuine benefit, but believes they have already presented a defensible building envelope and provided sufficient justification for it. The proponent argues that the site and the proposed height do not trigger the LEP design excellence clause and the proponent considers it unfair for a competitive design process to be required given the competition is not mandatory.
- The proponent confirmed the March 2015 documentation (including amendments) provides an assessment of how the planning proposal responds to the strategic and site-specific merit test. The proponent feels it is reasonable for the matter to proceed with FSR of 1.75:1.

Outcomes/Agreed Actions: JBA to provide the Commission with notes as referred to during discussion, particularly notes regarding how they consider the planning proposal meets the strategic merit test.

Meeting closed: 1:30pm



REZONING REVIEW – Briefing Report

Date of Referral:	5 October 2016	
Department Ref. No:	PGR_2016_SYDNE_001_00	
LGA:	City of Sydney	
LEP to be Amended	Sydney Local Environmental Plan 2012	
Address:	2-32 Junction Street, Forest Lodge	
Reason for review:	<input type="checkbox"/> Council notified the proponent that it will not support proposed amendment	<input checked="" type="checkbox"/> Council failed to indicate support for proposal within 90 days, or failed to submit the proposal after indicating its support
Is a disclosure statement relating to reportable political donations under s147 of the Act required and provided?	<input type="checkbox"/> Provided	<input checked="" type="checkbox"/> Not required Comment: The application form states that there are no reportable political donations of gifts to disclose.

SUMMARY OF THE PROPOSAL

Background

- The Rezoning Review is made by JBA, on behalf of the landowners of 2-32 Junction Street, Forest Lodge, and seeks to:
 - change the site's floor space ratio from 1:1 as currently applies to the site, to a new FSR of 1.75:1; and
 - change the site's maximum building height from a site wide 12 metres to a primary building height limit of 25 metres with a 12 metres building height strip retained fronting Junction Street, at a depth of 7 metres from the property boundary.
- The submitted planning proposal is at Tab 02-13.
- The applicant has submitted a Rezoning Review as the City of Sydney failed to make a decision on the planning proposal within 90 days.
- During the 2011 exhibition of draft Sydney Local Environmental Plan 2011, the landowner made a submission seeking to increase the floor space ratio (FSR) from 1:1 to 2.5:1 and the maximum building height from 12 metres to up to 21 metres.
- In response to the landowner's submission, Council found that the controls for Junction Street frontage were generally appropriate, but there was potential for additional height to the west. However, such change could not be made without the proper exhibition process. In March 2012, Council and the Central Sydney Planning Committee resolved to note that consideration be given to preparing a planning proposal for the site.

- Council undertook initial urban design testing in 2013 and advised the landowner it would consider a planning proposal request with a maximum FSR of 1.5:1.
- JBA submitted a planning proposal to the City in March 2015 on behalf of the landowner, proposing a FSR of 1.75:1 and building height of 12 to 22 metres.
- Discussions and negotiations between Council and the proponent have focussed on a number of matters including:
 - The flooding constraints associated with the site;
 - the proposed urban design solution for the site and demonstrating how it provides an outcome consistent with the proposed height and FSR controls;
 - the ability of the indicative master plan design to provide an outcome that is consistent with SEPP 65 and the Apartment Design Guide;
 - the potential for the proposed controls to result in adverse amenity impacts on the surrounding area, in particular shadow impact on existing apartment buildings adjacent to the subject site; and
 - the ability of the proposed redevelopment to deliver public benefits, including the possibility of an enlarged Larkin Street Reserve.
- As a result of discussions and negotiations with Council the proponent submitted a revised planning proposal in July 2016 (Tab 10) including 3 design options with FSRs ranging from 1.72:1 to 1.76:1 and a building height of 25 metres.

Locality and context

- The site has a total area of approximately 4,824 square metres and contains a three storey Federation warehouse used for office purposes fronting Junction Street with a contemporary addition to the rear. The remainder of the site is used for storage and car parking purposes.
- The site is surrounded by residential development that transitions in height from 18 metres (5-6 storeys) to the west and 9 metres (1-2 storeys) terraces to the east. Adjoining directly to the north is a single level residential terrace house and a single level workshop storage area. Larkin Reserve and a residential complex comprising of a series of two storey terrace houses adjoins the site to the south.
- The site is located approximately 150 metres to the north of Parramatta Road, 500 metres to the north-west of the University of Sydney and 2.5 kilometres west of Sydney's CBD.

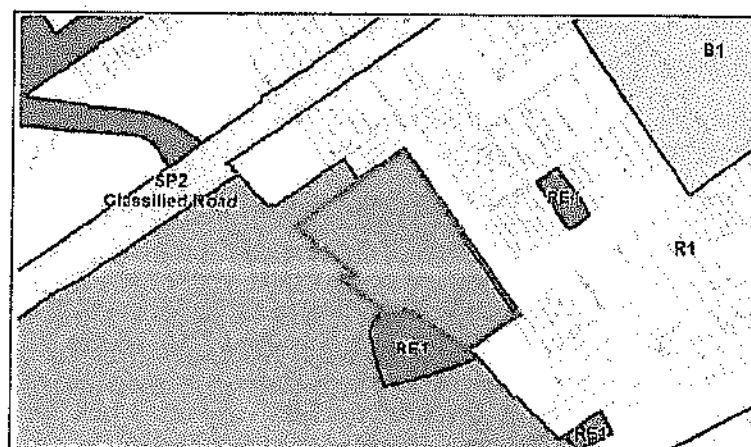


Figure 1 : Zoning Map (Sydney LEP 2012)



Figure 2: Site location

Current Planning Provisions

- The Sydney LEP 2012 is the primary environmental planning instrument applying to the site.
- The site is zoned B4 Mixed Use under the Sydney LEP 2012. It is not proposed to change the zoning of the land.
- The site has a building height limit of 12 metres and a FSR of 1:1 under the Sydney LEP 2012.

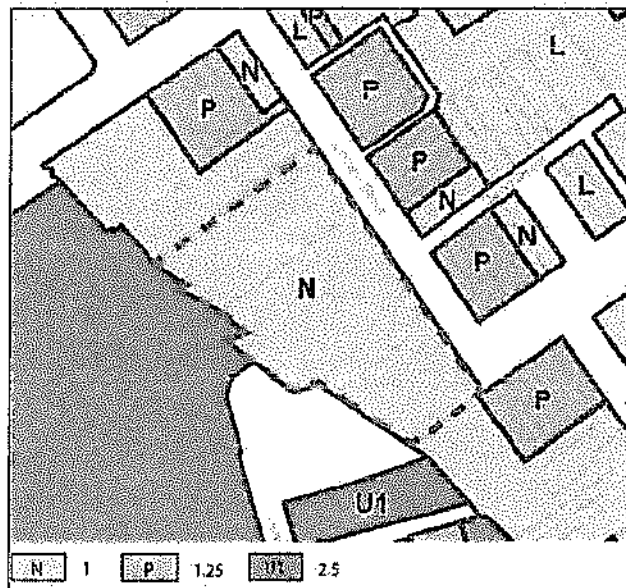


Figure 3: Current floor space ratio map (Sydney LEP 2012)

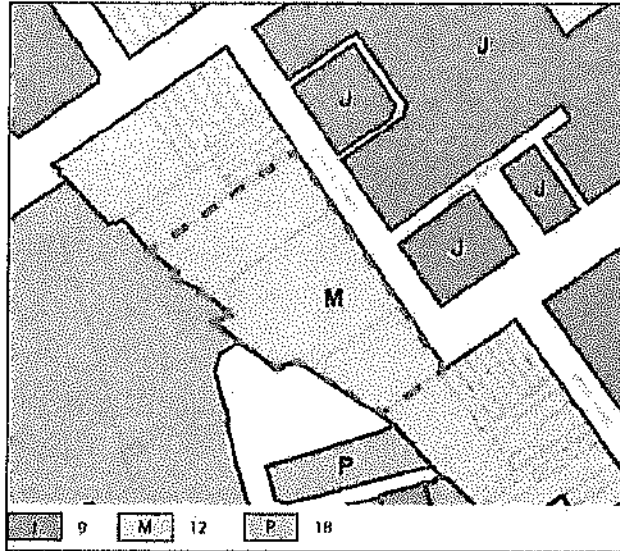


Figure 4: Current maximum building height map (Sydney LEP 2012)

Proposed Planning Provisions

- The proposal seeks the following amendments to the Sydney LEP 2012 at 2-32 Junction Street, Forest Lodge:
 - increase the FSR map from 1:1 to 1.75:1; and
 - increase the maximum building height from a site wide 12 metres to a primary building height of 25 metres with a 12 metres maximum building height strip retained fronting Junction Street with a depth of 7 metres from the boundary.
- The amendments would enable a mixed use development of 4-6 storey buildings comprising of approximately 89 residential apartments, commercial space, car parking and communal open space.

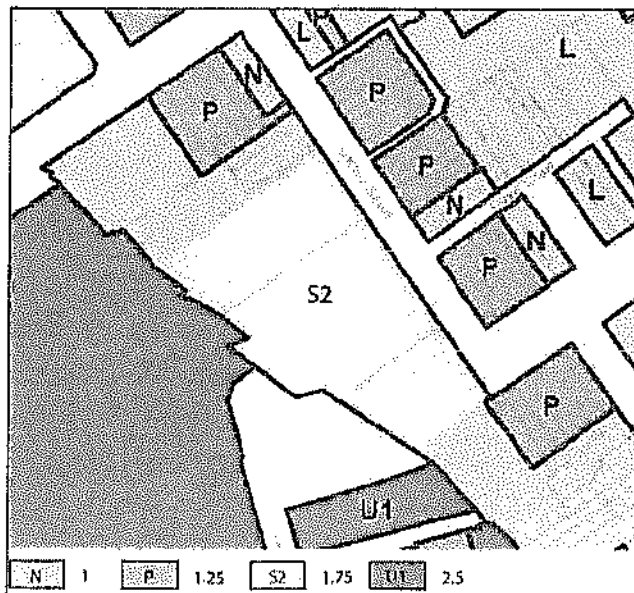


Figure 5: Proposed floor space ratio map (Sydney LEP 2012)

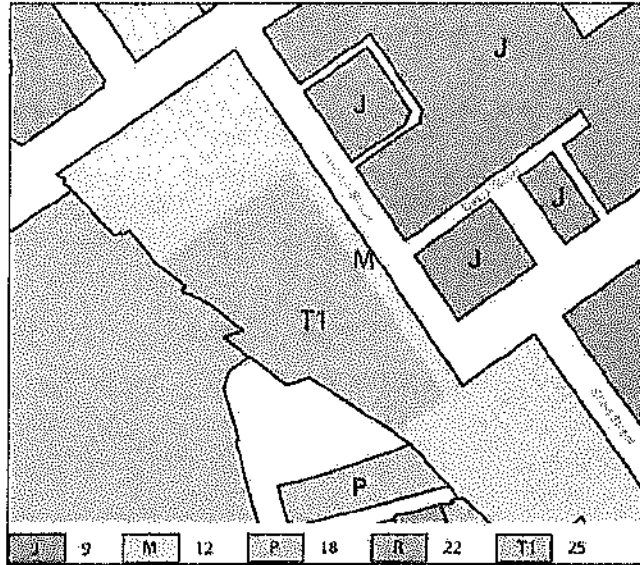


Figure 6: Proposed maximum building height map (Sydney LEP 2012)

INFORMATION ASSESSMENT

Does the proposal seek to amend a zone or planning control that is less than 5 years old?

- Yes – the proposal seeks to amend the FSR and building height limits under Sydney LEP 2012.
- The Sydney LEP 2012 rezoned the site from Industrial (non-standard instrument) to B4 Mixed Use when it commenced in 2012.

STRATEGIC MERIT TEST

Consistency with the relevant regional plan outside of the Greater Sydney Region, district plan within the Greater Sydney Region, or corridor/precinct plans applying to the site, including any draft regional, district or corridor/precinct plans released for public comment.

Proponents will not be able to depend on a draft regional, district or corridor/precinct plan when the Minister for Planning, Greater Sydney Commission or Department of Planning and Environment have announced that such a plan will be updated before being able to be relied upon.

- There is no relevant district plan or corridor/precinct plans applying to the site.
- The proposal references the draft Parramatta Road Urban Transformation Strategy as the subject site is located in proximity, but outside the Camperdown precinct. The strategy envisions a built form of 6-12 storeys in the precinct.

Consistency with a relevant local strategy that has been endorsed by the Department;

- There is no relevant local strategy that has been endorsed by the Department.

Responding to a change in circumstances, such as the investment in new infrastructure or changing demographic trends that have not been recognised by existing planning controls.

- The proposal does not indicate that it is the result of any recent change in circumstances.
- The site is not identified in the draft Parramatta Road Urban Transformation Strategy.

SITE-SPECIFIC MERIT TEST

The Natural Environment (including known significant environmental values, resources or hazards)

- Environmental:
 - The planning proposal will not result in any impact on critical habitat or threatened species, populations or ecological communities or their habitats, given the site's urban location.
 - This planning proposal seeks to amend the LEP building height and FSR controls and does not seek to change the zoning or permissible land uses on the site. Notwithstanding, a Contamination Assessment was previously undertaken for the site in April 1998 by Douglas Partners. The report concluded that no significant contamination concentration was found on the site. However, remediation is required within limited areas for Polycyclic Aromatic Hydrocarbons. On this basis, full details including a Site Investigation Report and Remediation Action Plan would be required if a development application for the site is lodged in the future.
- Flooding:
 - The site is identified as flood prone. The proposal includes a Preliminary Flood Assessment by WMA water (Tab 07). The Preliminary Flood Assessment indicates the site is in a major trapped low point and is subject to significant flooding. The report concludes the site is capable of accommodating residential dwellings with a floor level set above 1% AEP events plus 0.5m freeboard.
 - A supplementary letter (Tab 11) submitted by the proponent to Council includes a revised flood assessment and car park indicative schemes which assumes the car park being built at the 5% AEP level as per Council requirements. This addresses the concerns about the potential for the at grade car park to result in an unacceptable risk to life and property and compliance to Council's Interim Flood Management Policy. The assessment concludes that given the slow rising nature of the flood waters and the fact that the car park is designed to the 5% AEP level, residents will have significant advance warning of a flood event and therefore be given ample time to relocate their vehicle.
 - A detailed flood assessment and flood risk management plan will be required as part of any future development of the site.

- Heritage:
 - The site is in the Hereford and Forest Lodge Conservation Area but it does not contain any listed heritage items.
 - The Federation warehouse dates from the early 20th century, one of the key development periods of significance of the Hereford and Forest Lodge Conservation Area. The proponent's latest July 2016 scheme includes options of retaining the Federation warehouse.
 - A heritage assessment report was not included in the planning proposal. The proponent notes any future redevelopment of the site will be appropriately designed to complement the site's setting within the conservation area.

The existing uses, approved uses and likely future uses of land in the vicinity of the proposal

- The site is a former industrial site, currently used for offices in a converted Federation warehouse and at grade car parking.
- Surrounding development comprises of a mix of land uses. To the west and south are relatively recent medium to high density residential apartments, with an interspersing of older style light industrial and commercial properties towards Parramatta Road. Low density residential dwellings are generally located to the north and east.
- The Sydney LEP 2012:
 - The objectives of the B4 Local Centre under the Sydney LEP 2012 are to:
 - To provide a mixture of compatible land uses.
 - To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling.
 - To ensure uses support the viability of centres.
- The proposal appears consistent with the objectives and permissible uses in the Sydney LEP 2012.
- The proposal will result in a change in the mass, height and appearance of any future development of the site.

The services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for infrastructure provision.

- Open Space:
 - The site is identified in Council's exhibited Draft Open Space, Sports and Recreation Needs Study 2016 as a priority dedication/acquisition investigation area. A strategic priority is for all residents to be within 400 metres walking distance of high quality open space. This is defined as open space with an area of more than 1500 square metres. Larkin Street Reserve has an area of 1055 square metres which is less than the required 1500 square metres under the study.
 - The proponent submitted a draft planning agreement in February 2016 proposing to dedicate 452 square metres of land to increase the size of Larkin Street Reserve to 1,505 square metres.

- Investigation by Council indicated that only 1350 square metres of the proposed extended park would be useable open space. This is less than the minimum 1500 square metres.
 - The proponent in the latest July 2016 scheme withdrew the draft planning agreement to dedicate land to increase the size of the park, and would prefer to provide the land as additional communal open space to service residents of the proposed development.
- **Traffic and Parking:**
 - The proposal includes a Traffic and Parking Assessment by Parking and Traffic Consultants (Tab 09).
 - The planning proposal considers a traffic generation scenario for a mixed use development associated primarily for residential development and some commercial (office) by way of increasing the existing FSR of 1:1 to of 1.75:1.
 - The findings of the traffic assessment indicated that the increase in FSR will result in less traffic being generated when compared to the current usage.

VIEWS OF COUNCIL AND AGENCIES

- On 6 October 2016, the Department wrote to Council advising of the Rezoning Review request.
- On 26 October 2016, the Department received a response from City of Sydney (Tab 14). (Contrary to their letter stating a proposed building height of 22 metres, Council confirmed in an email (Tab 15) they assessed a proposed building height of 25 metres in the proponent's latest scheme submitted in July 2016 which is consistent with the Rezoning Review application).
- Council considers the proponent's proposal to increase the FSR from 1:1 to 1.75:1 does not meet the site-specific merit test necessary for the proposal to proceed to a Gateway Determination. Council believes the proposed FSR of 1.75:1 will lead to development and impacts that do not meet objectives and controls in Sydney LEP 2012, Sydney DCP 2012 and the Apartment Design Guide.
- Council notes a key change in the proponent's original scheme in March 2015 to the latest scheme in July 2016 involved addressing flooding concerns which led to a taller built form than originally submitted with no reduction in floor space to ameliorate the impacts.
- Council notes the Rezoning Review application submitted on the 5 October 2016 is about 77 days after the proponent submitted their most recent scheme on 20 July 2016. This is less than the 90 days a council has to indicate its support.
- Council further highlighted the outstanding issues with the proponent's proposal such as:
 - Visual amenity impacts on Larkin Street Reserve;
 - Boundary setback and amenity impacts on the neighbouring terrace house at 34 Junction Street; and
 - Building depth, solar access and ventilation issues for new apartments.
- Council advised in their response that at its meeting on the 24 October 2016 they resolved to submit an alternate planning proposal which seeks to;

- Retain the existing FSR of 1:1 and allow a 0.56:1 bonus if the development provides publicly accessible open space to expand and integrate Larkin Street Reserve and link through the site. The proposal also provides potential for up to 10% additional floor space if the development achieves design excellence under the Sydney LEP 2012, which will result in an effective FSR of up to 1.72:1.
- Increase building height from 12 metres to RL17.0-35.5 (equivalent to 19 to 25 metres above ground).
- The planning proposal and request for Gateway Determination was submitted to the Department on 25 October 2016.

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