

ITEM 4.3. CENTRAL TO EVELEIGH UPDATE - URBANGROWTH NSW**FILE NO: S124424****MEMORANDUM BY THE CHIEF EXECUTIVE OFFICER**To Council:

The City has spent the last 10 years developing and implementing Sustainable Sydney 2030 based on significant community and industry stakeholder engagement. It was a key step in the statutory planning process that resulted in Sydney LEP 2012 and DCP 2012 and the continuing private sector investment that places the City at the forefront of quality housing supply and delivering new jobs in NSW.

Our planning framework has a clearly articulated community agreed rationale best demonstrated through urban renewal projects at the Ashmore Estate, Harold Park, Green Square Town Centre and the ongoing renewal in the CBD.

UrbanGrowth NSW is charged by the NSW Government to be a facilitator of key development projects across the state and Sydney Metropolitan area where there are significant market barriers.

UrbanGrowth's primary objective is to enable the private sector to deliver homes, workplaces, facilities and community places needed for NSW citizens to enjoy a high quality of life and to concentrate on areas where market and/or regulatory barriers are preventing otherwise desirable private sector investment. They are not a statutory planning authority, a role which currently lies with local councils and the NSW Department of Planning and Environment.

This report summarises the City's significant concern about the preparation of the planning and urban design outcomes of UrbanGrowth's Central to Eveleigh Transformation Strategy. We have used publicly available information to set out the planning and development implications of the NSW Government's plan to renew Waterloo in association with a new Metro station.

Of note is the proposed density for the redeveloped social housing estate at Waterloo that the NSW Government has said will become a mixed development of private, affordable and social housing.

Using information that UrbanGrowth has publicly released it seems that the proposed average residential density for the site is over 700 people per hectare (70,000 people per square kilometre).

Pymont, which is currently the densest area in Australia, has, on average, 14,000 people per square kilometre. When it is complete, the larger Green Square area, at 22,000 people per square kilometre, will become the densest area in Australia. There are smaller pockets such as the ACI site at 36,000 people per square kilometre. UrbanGrowth are proposing over 70,000 people per square kilometre for Waterloo.

Development at this density over this 19 hectare area is unprecedented in Australia and rare internationally. The existing public domain, including parks and streets, will be intensely impacted and the new development will require significant investment to support amenity and recreation including the provision of large new, areas of open space and high quality community infrastructure.

We are concerned that development at this intensity will mean that developers won't be able to meet current standards in the NSW Government's own Apartment Design Guide, which includes important amenity provisions for sunlight and natural cross-ventilation.

The City also understands that UrbanGrowth is planning to rezone a large part of the surrounding area – beyond the scope of the proposed Central to Eveleigh redevelopment and beyond the scope of their authority.

A map published by UrbanGrowth shows a study area boundary that includes a number of conservation areas including parts of Redfern, Surry Hills, Chippendale and Alexandria. Currently, the strategic planning authority for the majority of this land is the City of Sydney Council excluding any State Significant Development sites already in place.

Intensifying residential development across this area could risk the market growth of high value businesses and sectors important to the future of Sydney's economy.

Despite the fact that these significant changes have not been put to the public, detailed planning and design continues to forge ahead. We are concerned that basic principles will be agreed by the NSW Cabinet before the City or the community has had a chance to fully understand their impacts.

It is important to emphasise that despite the Memorandum of Understanding between the City and UrbanGrowth there have been significant issues around how much information UrbanGrowth has shared with the City in the following three key areas:

1. the scope and purpose of the Central to Eveleigh Urban Transformation Strategy, referred to as the Central to Eveleigh Strategy;
2. the reference design of the renewal of the government-owned Waterloo Estate and the adjacent recently acquired Waterloo Metro station site; and
3. the degree to which the future Waterloo Metro Station should be funded by the rezoning and the potential increased development that may result in a catchment area yet to be disclosed around the Waterloo station catchment.

The potential scope and scale of the Central to Eveleigh precinct redevelopment poses significant concern for the City of Sydney in terms of the level of physical and social infrastructure and services that will be required to support such a concentrated increase of the resident and worker population.

1. Scope and Purpose of Central to Eveleigh Urban Transformation Strategy.

The map in Figure 1 produced and published by UrbanGrowth defines a Study Area covering 560 hectares within the Sydney LGA. It clearly identifies the precincts of government-owned land which will be the focus of the forthcoming Urban Transformation Strategy.

What is not clear is how many, if any, other yet to be identified government-owned sites within the study area are being considered for renewal and how much privately-owned land currently within the *Sydney Local Environmental Plan 2012* may be identified for rezoning to increase the scale and density of development.



Figure 1: Central to Eveleigh Study Area marked in the blue line. Within the Study Area individual precincts of government-owned land are coloured orange.

The study area boundary (shown above) is Crown Street, Surry Hills to Goulburn Street, along Goulburn Street through the southern part of the CBD to Harris Street and Wentworth Park, and takes in all of Ultimo, Chippendale, Darlington to Newtown and then to Ashmore street in Erskineville, through to McEvoy Street and along Phillip Street and back to Crown Street. It includes a number of conservation areas including but not limited to parts of Redfern, Surry Hills, Chippendale and Alexandria.

One of the issues arising, is the message this boundary signals to developers and land owners, let alone the residents and broader community that live and work within the boundary.

Figure 2 (below and enlarged for clarity on the following page) suggests the strategic planning outcome UrbanGrowth are seeking even though they are not a strategic planning authority. Currently, the strategic planning authority for the majority of this land is the City of Sydney Council excluding the State Significant Development sites already in place.

This image has been shown in UrbanGrowth public presentations and on their website to notionally indicate the extent of density and potential height and scale of future development that could be expected in the study area on both public and private land outside of the key government-owned precincts identified in Figure 1. The illustration usefully indicates UrbanGrowth's thinking, showing new development of up to 8 storeys in the blue coloured blocks, 9-17 storeys in the yellow coloured blocks and 18-32 storeys in the orange coloured blocks.

UrbanGrowth are proposing to progress to the urban transformation strategy delivery framework stage (previously known as a master plan) in 2016. Within the study area along an increase in residents from 52,000 (existing) to a range from 81,000 to 108,000, and an increase in workers from 78,000 (existing) to range from 92,000 to 103,000 with seven new neighbourhoods is anticipated.



Figure 2



Figure 2 enlarged: UrbanGrowth indicative massing strategy for the Central to Eveleigh Strategy Study Area. Blue areas indicate development up to 8 storeys; yellow areas 9-17 storeys, and orange 18-32 storeys. Areas highlighted in red dashed lines are outside the government precincts. (http://www.centraltoeveleigh.com.au/application/files/8914/4542/6976/Presentation_-_Progress_briefing_to_community_groups_-_August_2015.pdf)

There appears to include possible significant redevelopment along the Botany Road corridor, along Redfern Street towards Redfern Park, Regent Street, through Chippendale, over the railway tracks between Redfern and Central stations, and up towards the CBD including the Goulburn Street Parking Station and the Centennial Plaza site. Of course, there may be additional development considered beyond the coloured areas shown.

The public release of these illustrations has resulted in the City being approached by a landowner seeking rezoning to double their height and floor space purely on the basis of their land relationship to the investigation area boundary. This is prior to formal investigative work being done to determine to what extent rezoning could or should occur within the area and before any contributions framework is in place – an essential driver for the study.

Advised by City staff of this, UrbanGrowth added a notice on their website noting that illustrations *“do not constitute current or future rezoning proposals and should not be interpreted as such unless specifically noted”*. However, it this is unlikely to tame speculative rezoning requests coming in as experienced in other areas.

Our recent Economic, Cultural and Start Up strategies and action plans highlight the City’s understanding of the importance of emerging industry clusters in the Central to Eveleigh Precinct. There must be integrated strategic objectives underpinning the identification of any sites that may seem capable of increased residential development or other uses. The area in question has experienced significant metropolitan scale jobs growth in high value industries in a low development scenario which could be displaced in a high residential yield scenario, with the risk of weakening productive output that the market is driving and is important for Sydney’s future.

2. Waterloo Estate

UrbanGrowth is the developer of the Waterloo Estate. It would appear that the NSW government-owned estate is priority development influenced by the new Metro railway station. UrbanGrowth suggest they will provide 7,000 new dwellings, including replacing the 2,000 social housing dwellings, with community facilities and some retail and work space on the 19 ha estate. Based on these simple numbers, the proposed average residential density is over 700 people per hectare (70,000 people per square kilometre).

It is worth comparing that to Pyrmont, which is currently the densest area in Australia with 14,000 people per square kilometre. When it is complete Green Square, at 22,000 people per square kilometre will become the densest area in Australia. What UrbanGrowth are proposing is 70,000 people per square kilometre.

In the international context, this density over a similar sized area is rare. London has no areas of the size of Waterloo at this density. New York and Paris have only a few. Neighbourhoods of this density are found in parts of Hong Kong, but not in Singapore.

Given available public information we expect to see as many as ten or more buildings over 30 stories on the Waterloo Estate with others up to 20 storeys. Development at this intensity (more than 5 times the average density of Pyrmont Ultimo) on the Waterloo Estate could set expectations beyond ‘density done well’ and beyond the capacity of future developers to meet the objectives of the NSW Government’s own Apartment Design Guide.

The underlying approach is a housing mix of 70:30 meaning 70% private housing and affordable housing and 30% social housing, as outlined in the NSW Government's Community Plus program. This supportable approach however, does not have to be contained within the confined area of the existing estate in order to improve urban amenity.

The City is primarily concerned of possible outcomes such as:

- (a) insufficient open space and streets suitable for a very high intensity of use;
- (b) apartments unable to meet the amenity standards, including sunlight and natural cross-ventilation as outlined in the Apartment Design Guide and which other developers must abide by;
- (c) likely winter overshadowing to existing residents and open spaces in surrounding neighbourhoods; and
- (d) extensive removal of existing mature tree canopy throughout the Waterloo Estate due to excessive building footprints.

3. Waterloo Metro Rail Station

Catchment land which benefits from the new Waterloo Station is proposed to be investigated for increased development to make a financial contribution to partly fund the rail station (in addition to local contributions). We understand that the boundary for a more discrete area around the future Waterloo station is currently under investigation as a State Infrastructure Contribution (SIC) area.

Any investigation area should exclude heritage items and conservation areas. In addition any development around heritage items and conservation areas should provide an appropriate transition similar to the City's approach in the Ashmore and Rosebery precincts.

Traffic and congestion

The area experiences considerable traffic congestion and to date the City has not been given access to any of Transport for NSW's traffic modelling. It is also clear that key intersections and transport interchange are performing poorly and that before any additional urban renewal areas are added to those already identified and underway, traffic modelling is made public and funded solutions are identified and provided for.

Other key infrastructure provisions should also include:

- the upgrade of Redfern Railway station to meet accessibility standards, provide a new pedestrian crossing of the rail corridor and address pedestrian and cycling access and end of trip facilities;
- open space, in particular land area large enough to support active open space;
- streets, plazas, and other public areas;
- supporting community facilities and social infrastructure; and
- sustainability initiatives, such as improved energy and water efficiency and urban ecology.

The City has produced extensive infrastructure plans to support the delivery of high density urban renewal in the Ashmore and Green Square areas in consultation with community and industry stakeholders. Through these processes the City has developed a thorough understanding of planning, funding and supporting delivery of state and local infrastructure that is key to successful and liveable urban renewal precincts. We recommend the City leads the appropriate studies and provision of infrastructure in consultation with other agencies and the Department.

4. Waterloo Station Precinct Investigation

In relation to points 2 and 3, the Department of Planning and Environment have proposed that the City work with NSW Government agencies on a 'Waterloo Station Precinct Investigation' process, and have suggested that Terms of Reference be discussed in the near future to cover the Waterloo Estate, Redfern Estate and Botany Road block; and private landholdings leading to a rezoning process by the Department as a State Significant Precinct. The Guidelines for this new kind of State Significant development category were recently released by the Department.

The draft proposal is for the government-owned lands including the Waterloo and Redfern public housing estates and the Waterloo Station block on Botany Road be identified as State Significant Precincts with planning led by UrbanGrowth, supported by the City and assessed by the Department of Planning. The privately-owned lands would be investigated as a Priority Precinct led by the Department of Planning, supported by the City and by UrbanGrowth, with final determination on rezoning proposals made by the Minister. Typically, State Significant Development switches off the City's planning controls and heritage referrals.

North and South Eveleigh

In November 2015, UrbanGrowth put forward a revised proposal for the North Eveleigh site that increased the Gross Floor Area (GFA) from 51,000sqm to 62,568 to allow for more apartments (from between 700-750 to approximately 800 units), increasing the building heights from 8 to 12-storeys to 16-20 storeys; to maintaining the heritage listed Clothing Store for retail and community uses and allowing a maximum of 531 parking spaces.

The City's submission to the North Eveleigh preliminary consultation recommended that development comply with the NSW Government's Apartment Design Guide (ADG) and the City of Sydney DCP2012; that the City should be the consent authority for future development; that 12% of all dwellings at North Eveleigh are affordable housing consistent with the 2008 Concept Plan approval; that parking rates be reviewed to deliver the sustainability outcomes identified in UrbanGrowth's own strategy report; and UrbanGrowth should work closely with the City to deliver parks, streets and community spaces that can be maintained within the City's existing networks

There has been limited information regarding the South Eveleigh area, however we understand that the scale of development will likely be up to 18-20 storeys, providing "a diverse range of apartment buildings is possible with taller residential buildings adjacent to the rail corridor and lower buildings on the precinct edges to provide a transition to the existing neighbourhood".

Conclusion

The current role of UrbanGrowth seems to be both the Government's strategic planners, input (and sharing with the Department of Planning in part) setting the renewal principles and development standards as well as the Government's developer, needing to maximise the development and financial opportunities.

This dual role presents serious concerns as to the accountable and transparency as well as who is protecting the public interest. City of Sydney has remained steadfast in applying high standards to the redevelopment of all our urban renewal areas and that adequate social and physical infrastructure is in place to support our new communities.

Despite being assured of a new way of planning and delivering urban renewal by UrbanGrowth NSW, what is apparent is that the typical 'growth centre' approach is also being applied to renewal of the inner city sites. The problem is that the Central to Eveleigh Precinct, Bays Precinct and New Parramatta Road areas are not blank canvases, like the paddocks on the fringes. They contain existing communities, with existing infrastructure and existing demand on services and the future consequences of this current governance and planning approaches are of significant concern not only for the City of Sydney, but also for our existing and future residents, workers and visitors.

The City is at the forefront of driving housing and jobs growth in NSW (we have the largest housing growth and jobs growth output in NSW), and we have a strong record for transparent and rigorous planning and design, delivering density done well on several key urban renewal precincts.

The City undertakes strategic planning under the guidance of the Central Sydney Planning Committee, which has both Council and NSW Government representation. Together, the City and the Central Sydney Planning Committee are best placed to lead and oversee the strategic planning and plan-making process for private land.

RECOMMENDATION

It is resolved that Council:

- (A) note that the Central Sydney Planning Committee and the City are the current planning authority for much of the investigation land and are best placed to lead strategic planning for urban renewal on non-government land in the study area for the Central to Eveleigh Urban Transformation Strategy;
- (B) continue its strategic planning role in the Central to Eveleigh study area, with guidance by the Central Sydney Planning Committee; and
- (C) request that the Chief Executive Officer write to the Secretary of the Department of Planning and Environment:
 - (a) advising that the City will commence planning studies, consultation and financial analysis to understand the capacity for urban renewal on the non-government land in the Central to Eveleigh study area, informed by the following considerations;
 - (i) the area of land that will benefit from the new station;
 - (ii) maintaining heritage conservation areas and heritage items;

- (iii) supporting employment growth in emerging industry clusters;
 - (iv) improvements to walking and cycling infrastructure;
 - (v) apartment design that meets the amenity standards of the Apartment Design Guide and protects residents from the noise and pollution of busy roads; and
 - (vi) a scale of development and mix of uses that supports a liveable and walkable neighbourhood; and
- (b) noting that the draft Central to Eveleigh Urban Transformation Strategy or study area definition should avoid developer speculation and should not contain recommendations for urban renewal which pre-empt the findings of the City's strategic planning work in the study area.

MONICA BARONE
Chief Executive Officer