

Un-Deferral of Planning Controls - 6-12 O'Riordan Street, 320-322 Botany Road and 324 Botany Road Alexandria (Green Square Town Centre) and Public Exhibition of Draft Planning Agreement

File No: X025625

Summary

The Eastern City District Plan identifies Green Square to Mascot as a planned centre of strategic importance. It will make a significant contribution to the City's housing and employment targets, identified in the Local Strategic Planning Statement, as well as Sustainable Sydney 2030 directions pursuing sustainable urban renewal, high quality design, sustainable forms of transport and affordable housing. The Green Square Town Centre (Town Centre) will be the lively residential, retail commercial and cultural heart of the Green Square community.

Council and the Central Sydney Planning Committee respectively approved new planning controls for the Green Square Town Centre on 2 April 2012 and 29 March 2012. Approval was subject to the provisions being 'deferred' from operation until planning agreements for the delivery of essential civil and public domain infrastructure to service development in the Town Centre were agreed between Council and individual landowners. The *Green Square Town Centre Infrastructure Strategy* (2006) (Infrastructure Strategy) provides the basis for the terms of an agreement.

This report seeks approval to commence the process to put into effect (or 'un-defer') the planning controls for land at 6-12 O'Riordan Street, 320-322 Botany Road and 324 Botany Road, Alexandria (the sites). These properties comprise development sites 2, 3 and 4 in the Town Centre, respectively. The sites are located on the western boundary of the Town Centre, just south of the Green Square train station. The landowner of site 3 is Homabros International and Toga is the landowner of sites 2 and 4. Toga has come to agreement with Homabros International to purchase site 3 and settlement is expected in December 2020.

The local environmental plan that applies to the sites is the *Sydney Local Environmental Plan (Green Square Town Centre - Stage 2) 2013*. The 'deferred' planning controls for the sites are contained in *Planning Proposal: Sydney Local Environmental Plan 2010 (Green Square Town Centre) – Sites 301 Botany Road, 501 Botany Road, 509 Botany Road, 3 Joynton Avenue, 511-515 Botany Road, 97-115 Portman Street, 811 Elizabeth Street, Zetland; 312-318 Botany Road, 320-322 Botany Road, 324 Botany Road, 318A Botany Road, 6-12 O'Riordan Street and 2A Bourke Road, Alexandria* (planning proposal).

Toga, as the future owner of all three sites, have submitted a letter of offer to the City to enter into a planning agreement for the provision of public infrastructure and have requested the sites be 'un-deferred'. The proposed terms of the final agreement will be consistent with the Infrastructure Strategy and Sustainable Sydney 2030 directions and will include the delivery of the following public benefits:

- monetary contribution of \$6,165,059 as at December 2019 (value to be indexed to CPI) towards essential infrastructure, less the cost of public domain works delivered by the developer;
- dedication of approximately 583 square metres of land for the future Transport Place around the Green Square train station;
- dedication of approximately 24 square metres of land to facilitate a 1.4 metre setback to Botany Road;
- dedication of approximately 126 square metres of land to facilitate a 2.4 metre setback to O'Riordan Street;
- developer's works to construct future footpaths and embellishment of land for Transport Place; and
- design and construction of any proposed building to meet the City's Green Infrastructure requirements for recycled water, energy efficiency and air conditioning refrigerant.

This report recommends Council note that discussions are underway to finalise the terms of the planning agreement. Following terms being agreed, the Chief Executive Officer will prepare, publicly exhibit, enter into and register on the title of land a planning agreement in accordance with the relevant provisions of the *Environmental Planning and Assessment Act 1979*.

The report further recommends that, subject to execution of the planning agreement, and following its registration in the title of the land, that Council request the Minister for Planning and Public Spaces 'un-defer' the Town Centre LEP from applying to the sites.

When the sites are un-deferred, the planning controls will facilitate approximately 28,000 square metres of commercially zoned floor space and an estimated 1,350 jobs. The proposed planning controls do not provide for residential uses on the sites.

Recommendation

It is resolved that:

- (A) Council note that Toga, the landowner of 6-12 O'Riordan Street and 324 Botany Road, Alexandria, and the future landowner of 320-322 Botany Road, has made an offer to enter into a planning agreement to deliver the following public benefits:
- (i) monetary contribution of \$6,165,059 as at December 2019 (value to be indexed to CPI) towards essential infrastructure, less the cost of public domain works delivered by the developer;
 - (ii) dedication of approximately 583 square metres of land for the future Transport Place around the Green Square train station;
 - (iii) dedication of approximately 24 square metres of land to facilitate a 1.4 metre setback to Botany Road;
 - (iv) dedication of approximately 126 square metres of land to facilitate a 2.4 metre setback to O'Riordan Street;
 - (v) developer's works to construct future footpaths and embellishment of land for Transport Place; and
 - (vi) design and construction of any proposed building to meet the City's Green Infrastructure requirements for recycled water, energy efficiency and air conditioning refrigerant;
- (B) Council note the final terms of the planning agreement are currently being negotiated and, once terms are finalised, the Chief Executive Officer will prepare, publicly exhibit, enter into and register on the title of land a planning agreement in accordance with the relevant provisions of the Environmental Planning and Assessment Act 1979; and
- (C) Council request the Minister for Planning and Public Spaces un-defer the land at 6-12 O'Riordan Street, 320-322 Botany Road and 324 Botany Road, Alexandria, from *Sydney Local Environmental Plan (Green Square Town Centre - Stage 2) 2013* and give effect to *Planning Proposal: Sydney Local Environmental Plan 2010 (Green Square Town Centre) - Sites 301 Botany Road, 501 Botany Road, 509 Botany Road, 3 Joynton Avenue, 511-515 Botany Road, 97-115 Portman Street, 811 Elizabeth Street, Zetland; 312-318 Botany Road, 320-322 Botany Road, 324 Botany Road, 318A Botany Road, 6-12 O'Riordan Street and 2A Bourke Road, Alexandria*, to the extent that it applies to the subject land, subject to execution of a planning agreement consistent with the terms detailed in (A), and following the registration of the planning agreement on the title of the land.

Attachments

Attachment A. Public Benefit Offer Letter from Toga

Attachment B. Owner's Consent from Homabros International (Registered Owner of 320 - 322 Botany Road, Alexandria - Site 3)

Attachment C. Green Square Town Centre Development Control Plan 2012 - Extracts

Background

1. The Eastern City District Plan identifies Green Square to Mascot as a planned centre of strategic importance. It will make significant contribution to the City's housing and employment targets, identified in the Local Strategic Planning Statement, as well as Sustainable Sydney 2030 directions pursuing sustainable urban renewal, high quality design, sustainable forms of transport and affordable housing. The Green Square Town Centre (Town Centre) will be the lively residential, retail commercial and cultural heart of the Green Square community.
2. The land at 6-12 O'Riordan Street, 320-322 Botany Road and 324 Botany Road Alexandria (the sites) comprise 'Development Sites' 2, 3 and 4 respectively within the Town Centre. They are located on the far western boundary of the Town Centre, immediately to the south of the Green Square Rail Station and separated from the main section of the Town Centre by Botany Road. The sites and essential infrastructure land within the Town Centre are shown in Figure 1.



Figure 1: Development Sites 2, 3 and 4 within the Town Centre context

3. Site 2 located at 6 -12 O'Riordan Street, Alexandria is 1,378 square metres. Site 3 located at 320-322 Botany Road, Alexandria is 1,062 square metres. Site 4 located at 324 Botany Road, Alexandria has a site area of 835 square metres. The combined area of all three sites is 3,275 square metres.
4. The landowner of Site 3 is Homabros International and Toga is the landowner of sites 2 and 4. Toga has come to agreement with Homabros International to purchase Site 3 and settlement is expected in December 2020.
5. The local environmental plan that applies to the sites is the *Sydney Local Environmental Plan (Green Square Town Centre - Stage 2) 2013* (the Town Centre LEP), however this LEP is 'deferred' under Section 3.36 of the *Environmental Planning and Assessment Act 1979* until arrangements are made for the delivery of infrastructure. The 'deferred' planning controls for the sites are contained in *Planning Proposal: Sydney Local Environmental Plan 2010 (Green Square Town Centre) – Sites 301 Botany Road, 501 Botany Road, 509 Botany Road, 3 Joynton Avenue, 511-515 Botany Road, 97-115 Portman Street, 811 Elizabeth Street, Zetland; 312-318 Botany Road, 320-322 Botany Road, 324 Botany Road, 318A Botany Road, 6-12 O'Riordan Street and 2A Bourke Road, Alexandria (planning proposal)*.
6. On 2 April 2012 and 29 March 2012, Council and the Central Sydney Planning Committee, respectively, approved the planning proposal for making as a local environmental plan. Approval was subject to the provisions being 'deferred' from operation until planning agreements for the delivery of essential civil and public domain infrastructure to service development in the Town Centre were agreed between Council and individual landowners. The *Green Square Town Centre Infrastructure Strategy* (2006) (Infrastructure Strategy) provides the basis for the terms of an agreement.
7. *Green Square Town Centre Development Control Plan 2012* (the Town Centre DCP) was also approved by Council on 2 April 2012. It contains detailed built form and public domain controls. Attachment C contains images extracted from the Town Centre DCP showing anticipated development arising from the controls pertaining to sites 2, 3 and 4 located in the Town Centre.
8. Once individual land owners choose to participate in the development of the Town Centre and offer to contribute to the delivery of infrastructure, the planning controls can be 'un-deferred'. The offer is secured through a planning agreement between the landowner and Council. The Infrastructure Strategy provides the basis for the terms of an agreement.
9. Other sites in the Town Centre have since been 'un-deferred' and construction of buildings and public domain infrastructure is progressing at a fast pace. The Town Centre will continue to undergo a radical transformation over the next few years to realise a mixed use precinct and characterised by fine grain and tree-lined streets, parks and plazas. When fully developed, the Town Centre is projected to accommodate close to 3,900 dwellings, home to about 7,500 residents, and 8,500 workers.

Request to un-defer and public benefit offer

10. Toga, as the landowner of sites 2 and 4 and future owner of site 3, has provided a letter of offer to enter into a planning agreement to 'un-defer' the sites under the Town Centre LEP. Homabros International, as the current landowner of site 3, has provided a letter authorising Toga to enter into and execute a planning agreement with the City of Sydney for their land, subject to the sale proceeding. The letters are provided at Attachment A and B respectively.
11. The letter of offer from Toga satisfies the City's infrastructure provision requirements and is consistent with the Infrastructure Strategy and the public domain provisions under the Town Centre DCP.
12. If Council and the CSPC endorse the recommendations in this report, the Minister for Planning and Public Spaces (or delegate) will be requested to un-defer the planning controls, as they apply to the subject sites only, and publish them on the NSW Legislation website. This will only happen following the planning agreement being finalised and registered on the property title of the land. Once published, the new controls will be in force and the development potential unlocked.
13. Should the sale of site 3 not proceed to Toga, the planning agreement will be terminated and the LEP will not be un-deferred.

Un-deferred planning controls

14. The following key planning controls will apply to the subject sites, once un-deferred:
 - (a) B3 Commercial Core zoning, which facilitates a wide range of retail, business, office, entertainment, community and other employment uses. No residential development is permitted in the zone;
 - (b) Floor Space Ratio (FSR) control of 11.54:1 for Site 2, 5.56:1 for Site 3 and 6.35:1 for Site 4. Subject to a successful competitive design process, up to 10 per cent additional floor space may be awarded, achieving a maximum FSR of 11.9:1 for Site 2, 5.94:1 for Site 3 and 6.61:1 for Site 4. With design excellence, approximately 28,000 square metres of floor space is generated across the three sites;
 - (c) maximum building heights are set in Reduced Levels (RL) in the Town Centre LEP which measure height above mean sea level. A maximum building height of up to 63.4 metres RL for sites 3 and 4, and 75 metres RL for site 2 applies. The Town Centre DCP sets the height of buildings in storeys and allows 13 storeys on the western portion of the sites and 8 storeys on the eastern part of the sites;
 - (d) where a successful competitive design process is undertaken, the heights on the western portion of the site may be increased to 15 storeys. The height of buildings in Reduced Levels in the Town Centre LEP described above is the maximum height permitted inclusive of any potential additional floor space that may be awarded through a competitive design process; and
 - (e) the provision of public domain dedication, as shown on Figure 1, for a public plaza affecting the northern portion of 320-322 Botany Road, which will form part of Transport Place.
15. The dedication of public domain forms part of the terms of the planning agreement.

Draft planning agreement

16. City staff have commenced discussions to finalise the detail of the terms and conditions of a draft planning agreement. The terms of the final agreement will be consistent with the Infrastructure Strategy and Sustainable Sydney 2030 directions, and will include the delivery of the following:
 - (a) monetary contribution of \$6,165,059 as at December 2019 (value to be indexed to CPI) towards essential infrastructure, less the cost of public domain works delivered by the developer;
 - (b) dedication of approximately 583 square metres of land for the future Transport Place around the Green Square train station;
 - (c) dedication of approximately 24 square metres of land to facilitate a 1.4 metre setback to Botany Road;
 - (d) dedication of approximately 126 square metres of land to facilitate a 2.4 metre setback to O'Riordan Street;
 - (e) developer's works to construct future footpaths and embellishment of land for Transport Place; and
 - (f) design and construction of any proposed building to meet the City's Green Infrastructure requirements for recycled water, energy efficiency and air conditioning refrigerant.
17. As described above, planning agreements for development sites within the Town Centre include Green Infrastructure requirements to ensure that all buildings:
 - (a) are constructed to be capable of providing dual reticulation water systems to deliver potable and treated non-potable recycled water through separate water pipe systems to the user. The system is to be capable of fully connecting to the 'Non-potable Water Network' provided by Council in the Town Centre and configured to supply all toilets, washing machine taps, car wash bays, cooling towers and irrigation usage;
 - (b) are designed and configured to maximise use of renewable energy sources for electricity generation and hot water generation;
 - (c) use Inverter air conditioning units that have a coefficient of performance of 3.5 or more for space cooling and a coefficient performance of 4.0 or more for space heating;
 - (d) use air conditioning refrigerants with a low 'Global Warming Potential' of 3 or less or if the system is not available make reasonable endeavours to use a refrigerant with the lowest commercially available GWP; and
 - (e) must demonstrate a high standard of energy efficiency as measured through a 6 Star NABERS Energy Commitment Agreement.
18. The draft planning agreement will not affect the Section 7.11 contributions applicable under the *City of Sydney Development Contributions Plan 2015*, which will be levied at the development consent stage.

19. The draft planning agreement will not affect the contributions for affordable housing required under the Town Centre LEP. These contributions are to be levied at the development consent stage in accordance with the Green Square Affordable Housing Scheme.
20. This report recommends Council note that discussion are underway to finalise the terms of the planning agreement. Following terms being agreed, the Chief Executive Officer, under existing delegation, will prepare, publicly exhibit, enter into and register on the title of land a planning agreement in accordance with the relevant provisions of the *Environmental Planning and Assessment Act 1979*.
21. The report further recommends that, subject to execution of the planning agreement, and following its registration in the title of the land, that Council request the Minister for Planning and Public Spaces 'un-defer' the Town Centre LEP from applying to the sites.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

22. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. The planning agreement is consistent with the following directions:
 - (a) Direction 2 - A Leading Environmental Performer - sets measurable targets to reduce the City's environmental footprint by decreasing greenhouse gas emissions by 70%, based on 2006 levels, by 2036 and achieving a net zero emissions city. Targets have also been set for electricity demand with 50 percent to be met by renewable sources and for potable water with an increase in use from 2006 baseline. The planning agreement will ensure that all buildings will include requirements for recycled water, energy efficiency and air conditioning refrigerants and contribute to meeting the City's environmental targets.
 - (b) Direction 3 - Integrated Transport for a Connected City - will provide for a City that is connected, accessible and easy to get around town. The planning agreement will enable development within close proximity of the Town Centre, major bus routes and off-road cycleway along Bourke Road, enhancing connectivity to the area.
 - (c) Direction 6 - Vibrant Local Communities and Economies - recognises the important contribution of our villages to economic growth and employment. The planning agreement will facilitate future commercial development across the three sites, encouraging productive employment uses within close proximity to Green Square Town Station. This will contribute to strengthening the local economy as well as attracting talent and innovation to the area.
 - (d) Direction 8 - Housing for a Diverse Population - will build on the City's character as being an area attracting a diverse population and housing stock. It also recognises the lack of affordable housing as a growing challenge. The planning agreement will enable future development on the sites where the landowner will be required to make a cash or in-kind contribution to the provision of affordable housing under the *Green Square Affordable Housing Program*.

- (e) Direction 9 - Sustainable Development, Renewal and Design - recognises the challenges arising from increasing density and calls for the creation of urban environments that put people first. The Town Centre features public open spaces, an innovative library and creative community hub and will also be home to a new aquatic centre. The dedication and embellishment of land of the new Transport Place and footpath works arising from the planning agreement will ensure quality public domain outcomes are achieved to service a growing Town Centre.

Strategic Alignment - Local Strategic Planning Statement

23. The City's Local Strategic Planning Statement (the Planning Statement) sets out the City's land use planning vision, priorities and actions to guide growth and transformation of the local area over the next twenty years to 2036. The planning agreement is consistent with the following priorities:
- (a) Priority I1 - Movement for walkable neighbourhoods and a connected city - the planning agreement will facilitate development within close proximity to key transport nodes including the Green Square train station and encourage greater sustainable and active transport use through improved connection and access to the Transport Place and key cycle ways.
 - (b) Priority I2 - Aligning development and growth with supporting infrastructure - the planning agreement will secure monetary contribution and non-monetary contributions including land dedication to support the new Transport Place and setbacks to facilitate footpath widening along O'Riordan Street and Botany Road. These contributions align with the requirements of the Infrastructure Strategy and will support the anticipated growth of 8,500 workers and 7,500 residents in the Town Centre.
 - (c) Priority P3 - Protecting industrial and urban services in the Southern Enterprise Area and evolving businesses in the Green Square-Mascot Strategic Centre - the planning agreement will support the delivery of businesses in highly accessible locations serviced by a train station and key bus routes. Future commercial development of the site will provide growth opportunities in key employment sectors and will contribute to meeting the jobs target within the Green-Square Mascot Strategic Centre and wider Eastern City district.
 - (d) Priority S2 - Creating better buildings and places to reduce emissions and waste and use water efficiently - the planning agreement will facilitate the future development of commercial buildings capable of providing dual reticulation water systems, maximise use of renewable energy such as photovoltaics for electricity generation and solar thermal for hot water generation and demonstrate high standard of energy efficiency by implementing a 6 Star NABERS Energy Commitment Agreement.

Budget Implications

24. Funding for the delivery of infrastructure and public domain is critical to the success of the Town Centre. The Infrastructure Strategy sets out the process for funding and delivery of civil infrastructure and public domain required to service the Town Centre. Two-thirds of this funding is to come from town centre landowners, with the City contributing one-third.

25. The terms of the draft planning agreement are consistent with the Infrastructure Strategy, the Town Centre DCP, the Sustainable Sydney 2030 directions, Planning Statement priorities and essential infrastructure development contribution approved by the CSPP in March 2013.
26. In accordance with requirements of the Infrastructure Strategy, the planning agreement will include a monetary contribution of \$6,165,059 as at December 2019 (value to be indexed to CPI).
27. A credit will be provided against the monetary contribution for the cost of public domain works delivered under the planning agreement.
28. The dedication of land to the City associated with these development sites will be recognised as assets in the City's balance sheet.

Relevant Legislation

29. Environmental Planning and Assessment Act 1979.
30. Environmental Planning and Assessment Regulation 2000.

Public Consultation

31. If the recommendations of this report are adopted, the draft planning agreement will be placed on public exhibition for no less than 28 days, in accordance with the *Environmental Planning and Assessment Act 1979*.

GRAHAM JAHN, AM

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