

Item 10.

Post Exhibition - Planning Proposal - 1-3 Burrows Road, St Peters - Sydney Local Environmental Plan 2012 Amendment and Draft Sydney Development Control Plan 2012

File No: X019338

Summary

This report asks the Central Sydney Planning Committee to approve a planning proposal that was recently exhibited for 1-3 Burrows Road, St Peters. This will amend Sydney Local Environmental Plan 2012 to increase the maximum building height from 18 metres to 30 metres and introduce site-specific clauses covering sustainability, urban design and signage. This report also asks the CSPC to note the recommendation for Council to approve the amended Sydney Development Control Plan 2012 which includes more detailed planning controls to guide the development of the site.

The purpose is to enable the development of a three-storey industrial warehouse building proposed by Goodman. The proposed development will facilitate artisan manufacturing and light industrial uses on the first floor and a warehouse and distribution hub on the second and third floors. It also features an extensive 2000 kWp rooftop solar photovoltaic system that will be about four times bigger than the current largest installation in the local area.

The site is in the City's IN1 - General Industrial zone. The proposed development contributes to the City and Greater Sydney Commissions' shared strategic planning objectives for productivity, including increasing enterprise activity in an accessible location and managing industrial land for city-serving industries and urban services. The site's immediate urban context has been changed significantly by construction of the St Peters Interchange, enabling consideration of an increase in the height limit to an innovative industrial and logistics development.

A planning proposal for the site were endorsed for public exhibition by Council and the Central Sydney Planning Committee in July 2020. Following receipt of Gateway determination by the Department of Planning, Industry and Environment (Department) in September 2020, the planning proposal and draft DCP were publicly exhibited from 23 November 2020 to 15 January 2021.

The Department conditioned the Gateway determination with a requirement to make minor variations to the planning proposal before public exhibition to remove ambiguity and strengthen the intent of proposed clauses and clarify inconsistencies with ministerial directions. The planning proposal was updated to comply with these conditions and the variations are explained in this report.

The landowner, Goodman, and three public authorities made submissions during the exhibition period. There were no other submissions.

Goodman raised concerns over the proposed controls on building identification signage, minimum green roof coverage area and the language contained in the design excellence strategy. In response, the City has amended parts of the draft DCP.

Transport for NSW, the Environment Protection Authority, Heritage NSW and Sydney Water raised a number of issues that can be addressed during detailed development assessment and are not impediments to the planning proposal proceeding. Changes to acknowledge Alexandra Canal's state heritage listing and to require an air quality impact assessment at DA stage were made to the planning proposal in response to these submissions. No changes were made to the draft DCP as a result of public authority submissions.

This report recommends the Central Sydney Planning Committee approve the planning proposal to be made as a local environmental plan and note the draft DCP will come into effect when it is made.

Recommendation

It is resolved that:

- (A) the Central Sydney Planning Committee note matters raised in response to the public exhibition of the Planning Proposal – 1-3 Burrows Road, St Peters, as detailed in this report and as shown in Attachment E to the subject report;
- (B) the Central Sydney Planning Committee consider changes made to the planning proposal are in direct response to submissions raised and do not require re-exhibition;
- (C) the Central Sydney Planning Committee approve the Planning Proposal – 1-3 Burrows Road, St Peters, as shown at Attachment A to the subject report, to be made as a local environmental plan under section 3.36 of the Environmental Planning and Assessment Act 1979;
- (D) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage and Planning Committee on 22 March 2021 that Council approve the draft Sydney Development Control Plan 2012 – 1-3 Burrows Road, St Peters, as shown at Attachment B to the subject report, noting that it will come into effect on the date of publication of the subject local environmental plan, in accordance with Clause 21 of the Environmental Planning and Assessment Regulation 2000; and
- (E) authority be delegated to the Chief Executive Officer to make any minor amendments to Planning Proposal – 1-3 Burrows Road, St Peters, as shown at Attachment A to the subject report, to correct any minor errors or omissions prior to finalisation.

Attachments

- Attachment A.** Planning Proposal – 1-3 Burrows Road, St Peters
- Attachment B.** Draft Sydney Development Control Plan 2012 – 1-3 Burrows Road St Peters
- Attachment C.** Resolution of Council and Central Sydney Planning Committee
- Attachment D.** Gateway Determination, Letter to Council and Approval to Exhibit
- Attachment E.** Summary of Matters Raised in Submissions

Background

Goodman intend to deliver a three storey industrial warehouse building in St Peters

1. Goodman first approached the City of Sydney in 2019 to discuss a potential change to planning controls to enable a three storey industrial building on their site at 1-3 Burrows Road, St Peters. The site is currently used as an industrial warehouse facility. Goodman say it is ageing, no longer meets client needs, and does not make efficient use of the land.
2. In March 2020 Goodman lodged a planning proposal request. The proposal development is a three storey facility, requiring an amendment to Sydney Local Environmental Plan 2012 (Sydney LEP 2012) to increase the maximum building height from 18 metres to 30 metres.
3. The concept for the development is for ground level light industrial uses and two levels of warehousing and distribution uses. It features two ramps and internal hardstand areas, enabling direct access for trucks to all three levels. It also features a six level ancillary office and amenities.

The proposal has strategic merit

4. The Greater Sydney Commission's Greater Sydney Region Plan and Eastern City District Plan and the City's Local Strategic Planning Statement include directions to protect and enhance industrial and urban services land in strategically important areas.
5. The site is located in the City's IN1 - General Industrial zone, one of the limited industrial zones remaining in the inner City. The area is strategically important for the land uses that locate there and the industries it supports. It is also strategically important for its location close to central Sydney and its proximity to Westconnex and the future Sydney Gateway, enabling direct access to Sydney Airport, Port Botany and to western Sydney.
6. The proposed development is for light manufacturing and warehousing of goods, which are uses that will capitalise on the strategic importance of the area.
7. The proposed increase in the maximum building height will enable intensification of the site to capitalise on its location and proximity to infrastructure. This will support the continued use of the site for industrial uses and also contributes to a more efficient use of scarce industrial land.

The proposal was endorsed for public exhibition and received Gateway determination

8. The City assessed the planning proposal request and prepared a planning proposal to amend Sydney LEP 2012 as well as a draft development control plan to amend Sydney DCP 2012 (draft DCP). The planning proposal and draft DCP are shown at Attachments A and B respectively. The planning proposal is to increase the maximum building height from 18 metres to 30 metres and introduce site-specific clauses covering sustainability, urban design and signage. The draft DCP includes more detailed planning controls to guide the development of the site.
9. The proposed planning controls were reported to Council and the Central Sydney Planning Committee (CSPC) in July 2020 and endorsed for public exhibition. The Council and the CSPC resolutions are shown at Attachment C.

10. The Department of Planning, Industry and Environment (Department) issued a Gateway determination in September 2020 to enable public exhibition. The Gateway determination is shown at Attachment D. The Gateway determination included requirements to make minor variations to planning proposal before public exhibition to remove ambiguity and strengthen the intent of proposed clauses and clarify inconsistencies with ministerial directions. The planning proposal was updated to comply with these conditions prior to public exhibition. The conditions required:
 - (a) making the drafting instructions specific and measurable to ensure they will be accurately interpreted by Parliamentary Counsel and applied consistently by a consent authority; and
 - (b) providing further justification for the inconsistency with Ministerial Direction 4.1 Acid Sulphate Soils and 6.3 Site-Specific Provisions.
11. The Gateway required consultation with three NSW public authorities, being Heritage NSW, the NSW Environment Protection Authority (EPA) and Transport for NSW (TfNSW). It also authorised Council as the local plan-making authority for the planning proposal, provided the conditions to revise the planning proposal are fulfilled and there are no outstanding objections from public authorities.
12. The planning proposal was publicly exhibited from 23 November 2020 to 15 January 2021.

No significant changes have been made to the planning proposal

13. The planning proposal and draft DCP are substantively the same as Council and CSPC approved for public exhibition in July 2020, with the exception of minor changes made to:
 - (a) the planning proposal in response to the Gateway determination described above;
 - (b) the planning proposal, in response to a submission from Heritage NSW, to clarify that Alexandra Canal is a state heritage item as well as being a local heritage item; and
 - (c) the draft DCP, in response to a submission by Goodman, to remove the minimum roof coverage area requirement for a green roof.

Public Exhibition

The proposal was publicly exhibited from 23 November 2020 to 15 January 2021

14. The planning proposal and draft DCP were exhibited with Goodman's planning proposal request and supporting documentation on the City's website from 23 November 2020 to 15 January 2021. Public notice letters were sent to neighbouring businesses and residents, as well as the landowners of those properties. The City sent letters inviting submissions from Transport for NSW, the EPA and Heritage NSW, and Goodman.
15. Transport for NSW, the EPA, Heritage NSW and Sydney Water made submissions as public authorities, and Goodman made a submission as the landowner. Minor changes were made to the planning proposal and DCP as a result. The submissions and related changes are discussed below.

The landowner objected to the proposed signage restrictions

16. In their submission Goodman generally supported the planning proposal, however they objected to the proposed site-specific clauses in Sydney LEP 2012 and Sydney DCP 2012 limiting any business or building identification signage to the Burrows Road and Canal Road frontages. Goodman suggest signage should be permitted to face the St Peters Interchange, subject to impact assessment by the relevant consent authority. They requested the clauses be removed or amended to provide additional signage flexibility.
17. Goodman emphasise the role of building signage in tenancy identification, placemaking, wayfinding and activating the city skyline. They say iconic building signage facing roadways on Sydney Harbour Bridge and Anzac Bridge enliven journeys and add to travel experiences, and that signage on the proposed development will provide welcome interest and activation to the St Peters Interchange.
18. Goodman point to recent developments in central Sydney which have prominent top of building signage and argue warehouse buildings in industrial areas should not be treated differently. They understand concerns with distracting drivers and offer support for a prohibition on advertising signage on the site facing the St Peters Interchange.

The City has maintained the proposed planning controls for signage

19. The size and scale of the proposed building, and its highly visible location, have been key considerations in assessment of the planning proposal and Goodman's submission. The site is within the same block as St Peters Interchange and will be adjacent to the recently approved Sydney Gateway motorway connecting Sydney Airport to central Sydney. The site is also highly visible from new recreational open space planned to be delivered within the St Peters Interchange block, particularly the recreational hill on Canal Road.
20. Building or business identification signage on Canal Road and Burrows Road, which approach the site, can genuinely contribute to wayfinding and business identification. In contrast, signage on the Interchange frontage will only be visible to primarily long-distance drivers bypassing the site and recreational users of the open space. As such, business or building identification signage will generally only contribute to broader brand building, awareness raising and advertising.
21. Building or business identification signage on the development will significantly add to its visual impact to St Peters Interchange, which given the proposed size, scale and bulk will already be considerable. While the visual impact of the development is justified with reference to its strategic importance in intensifying industrial uses on high value land and a well located site, the additional visual impact of signage cannot be justified when any benefit is limited to broader brand building, awareness raising and advertising of tenants or the building owner. However, the impacts of signage on the Burrows Road and Canal Road frontages can be balanced against their usefulness in wayfinding and business identification, so it is appropriate for signage to be permissible in these locations.
22. The site can contribute to placemaking, building identification, interest for drivers and activating the skyline without building or business identification signage on the Interchange frontage. These worthwhile outcomes can all be achieved through architecture, design and public art.

The landowner objected to the proposed minimum green roof coverage requirement

23. In their submission Goodman objected to the site-specific DCP requirement for 15 per cent of the roof area to be a green roof. They said the clause should apply only to the roof of the proposed ancillary office space or be removed.
24. Goodman say the warehouse component will not be able to support green roof infrastructure, due to structural loading issues. They say a green roof is achievable in the ancillary office component, and the submitted planning proposal request includes a green roof to the office area with an area of 700 square metres, comprising 3 per cent of the combined office and warehouse roof area.

The City has retained the green roof requirement but removed the minimum proportion

25. The detailed design considerations of roof structural capacity, and trade-offs between competing roof uses (such as solar panels, water harvesting, sky lights and communal open space) are more appropriate to be considered through a competitive design process and development assessment.
26. While a larger green roof may be supported by the development, to allow full consideration of all factors the DCP provision has been amended to remove the 15 per cent coverage requirement. The provision still requires a green roof be provided to the greatest extent possible.

The landowner raised concerns about the design excellence strategy wording

27. A design excellence strategy is included in the draft DCP as the development is likely to require a competitive design process in accordance with both the capital investment value and height triggers in Clause 6.21 of Sydney LEP.
28. Goodman raised concerns about the language of the design excellence strategy, suggesting it may override Clause 6.21 of the LEP by requiring a competitive design process if the triggers are not met or if the consent authority waives the requirement in accordance with Clause 6.21 (6).

The DCP now clarifies the design excellence strategy only applies when required

29. The design excellence strategy is in the DCP to guide a competitive design process only if one is required by the LEP. The wording in the introductory part of the design excellence strategy has been amended to clarify this.

The EPA raised air pollution concerns from nearby tunnel ventilation stacks

30. The EPA's submission refers to their comments and recommendations made during assessment of the Westconnex New M5 Project (SSI 6788) in March 2016.
31. The comment summarises the impact of PM2.5 pollutant concentration at elevated receptors. The results indicated a potential increase near the St Peters ventilation outlets at 30 metres. With no building at the time being near 30 metres tall in the vicinity, it was not predicted to result in adverse air quality impacts.
32. With the maximum height limit proposed to increase from 18 metres to 30 metres, the EPA recommended that an air impact assessment at elevated receptors be undertaken. This will determine whether additional treatments are required in the future development to protect against pollutant exposure from the ventilation outlets.

33. In response, Goodman has committed to undertaking an air quality impact assessment at development application stage. In February 2021 the EPA accepted the landowner's commitments to a detailed air impact assessment at development application stage and have no outstanding objection to the planning proposal proceeding.
34. To ensure an air impact assessment is undertaken at DA stage, a site-specific LEP clause has been added to this effect. This is required because the landowner may change in future, nullifying commitments made by Goodman.

Heritage NSW raised DA-related considerations

35. Heritage NSW made a submission to the planning proposal. They identified the presence of state and local heritage items nearby and have re-iterated their support for the City's recommendation that a full Heritage Impact Assessment should be provided at development application stage.

Heritage NSW identified Alexandra Canal as a state heritage item

36. In their submission Heritage NSW advised the planning proposal correctly identified Alexandra Canal as a local heritage item but did not also identify it as a state heritage item.
37. The City has amended this omission within the planning proposal. Nevertheless clause 5.10 of the LEP enables the consent authority to require a heritage impact statement for development in the vicinity of a heritage item. The City has forwarded to the landowner Heritage NSW's recommendation the statement of significance in the Alexandra Canal's state heritage listing be considered in a Heritage Impact Assessment at the time of a development application.

Transport for NSW raised DA-related considerations

38. In their submission Transport for NSW noted a detailed Construction Traffic Management Plan will be required following the approval of any development assessment.
39. Transport for NSW also noted the use of the Planning Circular 'How to Characterise Development' may assist in reviewing whether the office component of the proposed development is ancillary in nature.

Transport for NSW recommended flooding and stormwater considers Sydney Gateway

40. Transport for NSW referred to the recently approved Sydney Gateway motorway project and recommended that a flood model considering the changed stormwater context be prepared if there is new drainage infrastructure proposed connecting into the existing drainage network with a net increase in discharge.
41. In response to Transport for NSW's submission Goodman has confirmed there would be no net increase in discharge to the stormwater network from the existing development on the site as the current development consists of nearly entirely impervious surfaces across the site. The flooding and stormwater assessment undertaken for the Sydney Gateway project will have considered this as the existing context.
42. Transport for NSW have reviewed this advice and confirm they have no outstanding objections to the planning proposal proceeding.

Transport for NSW identified an error in the planning proposal request's trip generation rates

43. Transport for NSW have assessed Goodman's traffic report and in their submission suggested that higher trip generation rates should have been used for the ancillary office component. They have raised concern that higher than forecast private vehicle trips will require upgrades to nearby roads and intersections, and that if the site were to subdivide and be developed separately, the cumulative effects would be difficult to assess during individual development applications.
44. The site is not currently proposed to be subdivided and developed separately. Although this is a possibility the ancillary office component of a future unknown development pattern is not captured by this planning proposal. Transport for NSW have only raised concern with the rate used for office floor space, and in line with the IN1 General Industrial land use zoning any office use must be ancillary and subordinate to industrial uses.
45. A future development application will include a more final and detailed breakdown of proposed land uses by floor area. The development application will be referred to Transport for NSW under clause 104 'Traffic-generating development' of State Environmental Planning Policy (Infrastructure) 2007, where appropriate trip generation rates can be agreed upon, and the resulting need for any road or intersection upgrades assessed.

Sydney Water identified additional water servicing needs

46. Sydney Water made a submission highlighting that the site currently uses a private pump to sewer arrangement which is not condoned by the authority. The submission makes clear any future development on the site will require an application to Sydney Water to confirm potable water and wastewater connection points.
47. This information is not relevant to the planning proposal but will be referred to the landowner for consideration at development and building stage.

Key Implications**Strategic Alignment - Planning**

48. The Greater Sydney Commission's Greater Sydney Region Plan and Eastern City District Plan are used to shape strategic planning and infrastructure in metropolitan Sydney and align planning from the broadest regional area down to the local area. The City's Local Strategic Planning Statement sets the land use planning strategy for the city which is required to align with the Region and District Plans. The City's planning controls are then required to give effect to the strategic plans.
49. The Region Plan, District Plan and Local Strategic Planning Statement adopt planning priorities of similar themes, being infrastructure, liveability, productivity, sustainability and governance. How this proposal gives effect to these priorities is discussed in detail in the planning proposal and summarised below:
 - (a) **Productivity** - The proposal retains industrial uses in a well located and high value site in the City's IN1 - General Industrial zone. Facilitating the intensification of industrial uses and enabling 370 jobs on the site gives effect to productivity strategic planning objectives, particularly:

- (i) 'P3 Protecting industrial and urban services in the Southern Enterprise Area' in the Local Strategic Planning Statement, and
 - (ii) 'Planning Priority E1: Growing investment, business opportunities and jobs in strategic centres' and 'Planning Priority E12: Retaining and managing industrial and urban services land' in the District Plan.
- (b) **Infrastructure** - The subject site is well located to maximise freight and logistics services and integrates with Westconnex, Sydney Gateway, Sydney Airport, Port Botany, the Cooks Rivers Intermodal Terminal and Sydney CBD. Intensification of development on the site contributes to infrastructure strategic planning objectives particularly:
- (i) 'I2 Align development and growth with support infrastructure' in the Local Strategic Planning Statement, and
 - (ii) 'Planning Priority E10: Delivering integrated land use and transport planning and a 30-minute city' in the Eastern City District Plan.
- (c) **Sustainability** - The proposed development includes high sustainability performance features, which are supported by planning controls requiring a minimum 2000 kWp photovoltaic system, green roofs and walls, on-site capture and storage of water and energy, and achieving a 5 Star Green Star rating. This gives effect to sustainability strategic planning objectives, particularly:
- (i) 'S2 Creating better buildings and places to reduce emissions and waste and use water efficiently' in the Local Strategic Planning Statement, and
 - (ii) 'Planning Priority E19: Reducing carbon emissions and managing energy, water and waste efficiently' in the District Plan.

Strategic Alignment - Sustainable Sydney 2030

50. 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 proposed planning controls are aligned with the following strategic directions and objectives:
- (a) Direction 1 - A Globally Competitive and Innovative City - The Proposal supports one of the first multi-level industrial facilities in Australia which responds to a global trend to construct high density warehouses. This development will contribute to the productivity of the city.
 - (b) Direction 2 provides a road map for the City to become A Leading Environmental Performer - The Planning Proposal will deliver ecological sustainable development on the site, through 5-star Green Star rating on the warehouse and 5.5-star NABERS Energy Commitment Agreement on the ancillary office component. Water sensitive urban design features and a photovoltaic system will also be achieved on the site.
 - (c) Direction 3 - Integrated Transport for a Connected City - Future development on the subject site is well located to capitalise on its proximity to existing and future transport and freight infrastructure including Sydney Airport, Port Botany, St Peters Interchange as well as Mascot, St Peters and Sydenham Stations and local bus stops. It also includes provision for pedestrian and cycle way access.

- (d) Direction 9 - Sustainable Development, Renewal and Design - The Planning Proposal will support future development that is more ecologically sustainable through achieving sustainability benchmarks and design features.

Relevant Legislation

51. Environmental Planning and Assessment Act 1979
52. Environmental Planning and Assessment Regulation 2000

Critical Dates / Time Frames

53. The Gateway determination requires the planning proposal be made by 16 September 2021.

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