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23 January 2017

Mr Marcus Ray
Deputy Secretary Planning Services
Department of Planning and Environment
23-33 Bridge Street
Sydney NSW 2000

Attn: Karen Armstrong, Director, Sydney Region East

Dear Mr Ray,

RE: Planning Proposal, Kingsford and Kensington town centres

Further to Council's Draft Planning Strategy for the Kensington and Kingsford Town Centres forwarded to the Department in December 2016, please find enclosed 3 copies of the planning proposal and accompanying technical studies.

In accordance with Council's resolution of 17 December 2016, Council is seeking a gateway determination under the Environmental Planning and Assessment Act to enable the planning proposal, draft Strategy, associated studies and community infrastructure and benefits plans to be placed on public exhibition. Council intends to undertake a minimum 6-week community consultation and engagement process, stakeholder meetings and a broad range of activities using innovative ways to foster feedback from a cross section of the community.

The planning proposal does not propose any changes to the existing B2 Local Centre Zone that applies to the two town centres, as it suitably provides for their future growth and development by allowing a flexible range of business uses integrated with residential uses and seeks to maximise transport patronage and achieve a high standard of urban design and amenity. Three residentially zoned sites in Kingsford are proposed to be included within the B2 Zone, as they were identified as opportunity sites during the preparation of the Issues Paper. These sites are located at the edge of the town centre and comprise a number of retail/commercial uses or are within a block that contains predominantly business uses.

The draft LEP provisions have been prepared in line with the attached Urban Design Report by Conybeare Morrison that analysed the opportunities and

constraints within the two centres and developed the urban design principles for a preferred built form using 3D modelling. The built form principles reinforce the Anzac Parade streetscape and vision for a boulevard character by increasing the permissible building height up to 9 storeys (31m) with taller buildings in prominent highly accessible locations identified as strategic precincts, of up to 18 storeys (60m, subject to 'design excellence' being suitably demonstrated). This will achieve a sensitive transition from more recently constructed development (with current controls allowing up to 25m in Kensington and 24m in Kingsford). It will also recognise heritage and contributory buildings and will create an appropriate interface with existing lower scale residential development, particularly in Kensington which lacks laneway/road separation, necessary for rear service access to development fronting Anzac Parade and setbacks to protect sunlight and privacy to lower density residential uses. It is noted that the introduction of light rail infrastructure along Anzac Parade highlights the imperative to plan for rear access to properties which is also in line with RMS requirements to minimise traffic conflicts on major roads.

In relation to FSR, the planning proposal sets a uniform FSR of up 4:1 along the main spine of the two centres and 5:1 at three key precinct nodes. The FSR was derived by taking an average of the built form testing carried out by CM+ using typical floor plan layouts and compliance with key design criteria in the Apartment Design Guide of SEPP 65. The increased FSR of 4:1 in Kingsford will provide for a 25% increase in capacity for this centre, while the increase in Kensington provides between 25% - 27% increased capacity. The increased capacity has been established with consideration of the public transport infrastructure limitations of the town centres, as outlined in the EMM Consulting report at Appendix 12.

Implementation of new planning controls and planned improvements to local infrastructure and the public domain is likely to create a catalyst for existing sites to be redeveloped and/or amalgamated with adjoining sites. The preferred built form outcome can provide up to 5,100 dwellings of which 1,515 new dwellings would be created above current capacity. This represents a significant 33.6% of the total future dwelling forecast for the entire LGA based on the Department's 2014 projected dwelling demand of 15,150 dwellings by 2031. The 2014 dwelling projection was used in the draft Strategy for consistency with earlier work commenced by Council during preparation of the Issues Paper for the centres in 2015. By way of comparison, the preferred built form outcome would provide 40.5% of the 2016 implied dwelling projections for the entire LGA. In relation to other urban renewal projects in Sydney, the dwelling outcomes under Council's planning proposal are considered reasonable and appropriate. For example, the dwelling yield exceeds planned growth along the 20km Parramatta Rd corridor; the 2km length of the centres results in 2,550 dwellings per km compared to 1,350 dwellings per km along the Parramatta Rd corridor.

A key aspect of the planning proposal is the introduction of a clause in RLEP 2012 that allows the consent authority to impose an affordable housing contribution on new development within the town centres. Council is delighted that the Minister has recently agreed to support Council's ongoing commitment to delivering affordable housing within the local area through

an amendment to SEPP 70 (Minister's letter at Appendix 7). In accordance with the EPA Act, the SEPP amendment will enable Council to include an affordable housing clause in Council's LEP. A staged implementation of the new levy is proposed from 3% of developed residential floor space constructed up to 2019, rising to 5% after that time. This will enable some 200 affordable housing units to be dedicated to Council in accordance with Council's Affordable Housing Program and Action Plan 2008-2018. To support the proposed affordable housing clause, a draft Affordable Housing Plan and scheme has been prepared for the two centres (Attachment A of the planning proposal). As outlined in the Minister's letter, Council welcomes concurrent exhibition of the SEPP and Council's LEP amendment.

Another key component of the draft Strategy is the preparation of a draft Development Contributions Plan for the two centres. The purpose of the draft plan is to enable Council to levy monetary and/or land contributions on new development within the centres to provide for necessary local infrastructure and community facilities. The draft Plan will apply to development proposals (including complying development) within the B2 Local Centre zones of Kingsford and Kensington. The draft schedule of works which outlines \$85 million worth of local infrastructure and community facilities, is contained in Attachment B of the planning proposal. Council seeks the Department's assistance in seeking a variation to the existing levy of 1% in Council's S.94A Development Contributions Plan to 3% of the cost of carrying out development within the town centres.

The draft Contributions Plan responds to the expected increased demand on local infrastructure and community facilities as a result of the likely population growth within the centres and the needs of local residents and the workforce. A number of the local infrastructure improvements were identified by the winning entry to the International Urban Design Competition. The realisation of the town centre visions (as outlined in the planning proposal) is contingent on the infrastructure and works identified in the draft Strategy and supported by feasibility analysis (Hill PDA report at Appendix 4) and independent policy advice (SG Haddad Advisory report at Appendix 3).

In order to fund the complete schedule of anticipated community benefits, the planning proposal also introduces a new clause in RLEP 2012 that enables the maximum building height on a site within the centres to be achieved subject to a community infrastructure charge. The charge level (per m² value of the uplift) has been derived through the feasibility analysis and specialist advice on current infrastructure planning mechanisms operating in Sydney and in other international cities. Supporting DCP provisions will also be prepared to provide details on the how the charge will apply, exemptions to the charge and the location and type of infrastructure to be funded through the charge.

In relation to commercial uses and future employment opportunities, the centres are strategically located to take advantage of their proximity to the Randwick Education and Health Specialised Centre precinct comprising UNSW, the Hospitals campus and surrounds. The centres are also to benefit from having greater public transport connectivity following the introduction

of the light rail. Approximately 10,00m² and 6,000m² of additional commercial floor space will be required in the Kingsford and Kensington town centres respectively by 2036. In order to ensure an adequate supply and address a cumulative loss of commercial floor space (based on recent development trends in the town centres), the planning proposal includes an active frontages clause and a minimum 1:1 commercial FSR for the three strategic nodes.

Council's planning proposal for the Kensington and Kingsford town centres responds to the forecast dwelling and employment projections and provides the rationale for the proposed planning changes that will guide the sustainable growth of the two centres. Considerable research and analysis has been undertaken by Council in finalising the draft Strategy, informed by independent expert advice and evidenced based research. The implementation plan in Part F of the Strategy summarises the various actions, timeframes and responsibilities for achieving the town centre visions.

The planning proposal is consistent with priorities and directions in *A Plan for Growing Sydney*, the draft Central District Plan, S.117 Directions and relevant State policies (see Attachments I-K of the planning proposal)

Council appreciates the ongoing liaison and advice from yourself, Karen Armstrong and the Department's Sydney Region East team and looks forward to a gateway determination in due course. If you would like to meet with Council officers to discuss specific details of the planning proposal and required legislative amendments, please contact Alan Bright on 9093 6895.

Yours sincerely,

Ray Brownlee PSM
General Manager