

## REZONING REVIEW – Briefing Report

Date of Referral:	10 May 2017	
Department Ref. No:	PGR_2017_THILL_002_00	
LGA:	The Hills	
LEP to be Amended	The Hills Local Environmental Plan 2012	
Address:	55 Coonara Ave West Pennant Hills	
Reason for review:	<input checked="" type="checkbox"/> Council notified the proponent that it will not support proposed amendment	<input 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 or gifts to disclose.	

### SUMMARY OF THE PROPOSAL

#### Background

- The Rezoning Review request has been submitted by Mirvac Projects (Retail and Commercial) Pty Ltd to rezone land at 55 Coonara Ave, West Pennant Hills from B7 Business Park, to R4 High Density Residential and RE1 Public Recreation, to permit multi-storey residential development.
- The proposal includes provisions for open space including the dedication of 2.493ha of land which is capable of supporting a public playing field and car park.
- The Rezoning Review request has been submitted as The Hills Shire Council (Council) confirmed in writing on 5 April 2017 that the request to prepare a planning proposal was not supported.

#### Locality and Context

- The site comprises a single 25.87ha parcel of land located on Coonara Ave, near the intersection of Castle Hill Rd and adjacent to the Cumberland State Forest in the Hills Local Government Area (LGA) ([Attachment A – Site Map](#)).
- The site is located within a 600m to 1,000m radius of the Cherrybrook Station (currently under construction), and the proposed residential areas within the site have a walking distance of 800m to 1.4km to the future metro station ([Attachment B – Location Map](#)).

#### Status of Plans and Strategies

- In September 2011 the Government committed to delivering the North West Rail Link (now referred to as Sydney Metro North West).

- The *North West Rail Link Corridor Strategy 2013* (Corridor Strategy) established the strategic framework for managing residential and employment growth along the corridor for the Sydney North West Metro.
- The Corridor Strategy includes Structure Plans for each new station and its surrounds, which seek to guide development over the next 20–25 years.
- The *North West Rail Link Cherrybrook Station Structure Plan 2013* (Cherrybrook Structure Plan) provides a vision for future development around Cherrybrook Station, indicating capacity for an additional 3,200 dwellings and 50 jobs within the Cherrybrook Precinct. The Cherrybrook Structure Plan nominates the future use of the site as business park.
- The *Hills Corridor Strategy 2015* (The Hills Strategy) was prepared by Council to provide a more detailed response to the delivery of future housing and employment growth for all rail station precincts. The Hills Strategy does not nominate a future use of the site as the site has been excluded from the precinct. This Strategy has not been endorsed by the Department.
- The *Cherrybrook Station Precinct Urban Transformation Project* (UrbanGrowth Project) relates to the release of government land surrounding Cherrybrook Station by UrbanGrowth NSW. The subject site is not included in the study area. The Department has consulted with UrbanGrowth NSW and the timing of the UrbanGrowth project is unknown.

### **Site Description**

- Site topography is undulating with two ridgelines: an east-west ridgeline that runs along Castle Hill Rd and a north-south ridgeline adjoining the state forest. This forms a south facing 'amphitheatre', sloping away from Coonara Ave. There are also two watercourses that traverse the site.
- The site is currently occupied by seven interconnected low-rise buildings totalling 36,000sqm in commercial floor space, and two car parks comprising 1,687 car spaces.
- The remainder of the site includes informal recreation uses and residual vegetation containing Blue Gum High Forest and Sydney Turpentine Ironbark Forest, both of which are identified as endangered and critically endangered communities under State and Commonwealth legislation. The site also has extensive revegetation.
- The vegetation on the site and adjoining land is identified as bushfire prone, both category 1 and bushfire buffer.

### **INFORMATION ASSESSMENT**

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

- Yes. The Hills Local Environmental Plan 2012 (The Hills LEP 2012) was made on 5 October 2012.

### **STRATEGIC MERIT TEST**

*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*

*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.*

## **Draft West Central District Plan**

### Employment Land

- The draft West Central District Plan (draft District Plan) discusses the importance of concentrating jobs and employment activity in strategic and district centres, and promotes increased economic activities in the strategic centres (Productivity Priority 7) and differentiating the employment opportunities of these district centres with the strategic centres (Productivity Priority 8).
- The site is existing employment land though it is not within an identified strategic or district employment centre.
- The draft District Plan recommends that a precautionary approach be applied to rezoning employment lands or adding additional permissible uses that would hinder their role and function” (Productivity Priority 9).
- Priority 9 indicates that rezoning of employment land could be supported “...*where there is a clear direction in the Regional Plan (currently A Plan for Growing Sydney), the District Plan or an alternative strategy endorsed by the relevant planning authority. Any such alternative strategy should be based on a net community benefit assessment (i.e. analysis of the economic, environmental and social implications) of the proposed exception taking into account a District wide perspective...*”.
- A Plan for Growing Sydney does not identify this land for residential purposes and there is no alternative strategy endorsed by Council regarding the site’s future use.

### New Housing Provision

- Liveability Priority 1 sets a five-year housing target for The Hills of 8,550 dwellings, which is being met in the priority precincts and Liveability Action L3 commits Council to progressing urban renewal opportunities around the Northwest Sydney Metro Corridor.
- The site is not identified in the draft District Plan or any regional plan as an urban investigation area. It is identified within the North West Rail Link Urban Renewal Corridor / Priority Precinct as business park land.

### Affordable Housing Provision

- The draft District Plan targets that 5% to 10% of new residential floor space within urban renewal areas be allocated for affordable housing (Liveability Priority 3). The Draft Plan recommends that this floor space allocation be secured through the rezoning process.
- No affordable housing provision has been proposed, however the rezoning review request states that housing provided onsite would be more affordable than the existing product in the area.

## **Cherrybrook Station Structure Plan**

- The Department’s Cherrybrook Structure Plan promotes an additional 3,200 dwellings and 50 jobs generally within an 800m radius from Cherrybrook Station.
- The Cherrybrook Structure Plan identifies the site as Business Park, but adjacent to low and medium-density residential areas.

- The Cherrybrook Structure Plan identifies the site within a preferred low and medium-density character area.
- The site, along with the Inala and Tangara Schools, is identified in the Cherrybrook Structure Plan as a significant site. The plan notes that these sites will be subject to further consideration and collaboration with stakeholders, to determine their likely role in the future.

*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 that can be relied upon to establish strategic merit.

*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 Proponent's Rezoning Review request considers that the following changes in circumstances have not been recognised by existing planning controls:
  - commitment to build the Sydney North West Metro and Cherrybrook Station;
  - government policy to broaden housing types consistent with the 'missing middle' *Draft Medium Density Housing Code (2016)*;
  - the continuing trend toward locating commercial uses in established centres; and
  - decreasing housing affordability in the area since 2013.
- The Draft District Plan and North West Rail Link Corridor Strategy 2013 / Cherrybrook Structure Plan addresses these issues and have been prepared to guide future development along the North West Rail Link Corridor.

## **SITE-SPECIFIC MERIT TEST**

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

### **Bushfire**

- The site is within the vegetation buffer (100m and 30m) on Council's adopted bushfire-prone land planning maps.
- A bushfire assessment of the site was undertaken by Building Codes and Bushfire Hazard Solutions (March 2016) (Attachment D – Appendix A) to assess suitability of the site for residential use.
- The bushfire assessment confirms that design, management and protection measures can be provided on the site to demonstrate compliance with *Planning For Bushfire Protection 2006*.
- Council has noted that further review of bushfire constraints is required to determine adequate protection requirements.

### **Geotechnical**

- A report by IGS consulting engineers (April 2017) (Attachment D – Appendix B) confirms that the proposal is not in an area identified as a landslip area and while there are areas of slope of approximately 15%, there is not expected to be any geotechnical instability that would preclude the planning proposal from proceeding.

## Flora and Fauna

- Significant areas of the subject site are identified on the Terrestrial Biodiversity map of The Hills LEP 2012.
- Keystone Ecological undertook a flora and fauna assessment of the site (March 2016) (Attachment D – Appendix C). Two threatened ecological flora communities were identified:
  - Blue Gum High Forest, listed as a critically endangered under the NSW *Threatened Species Conservation Act 1993* (TSC Act) and Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act); and
  - Turpentine Ironbark Forest, listed as endangered under the TSC Act and listed as Critically Endangered under the EPBC Act.
- The assessment identified habitat for four threatened species and concluded that the following areas are very significant and representative of constraints to future development:
  - remnant Endangered Ecological Communities;
  - protected riparian zones; and
  - areas containing Powerful Owl nest trees.
- Council has indicated that further assessment would be required to determine suitable buffer distances around Powerful Owl nest trees.

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

- As noted above the site is not mapped in an area that is identified for residential release under the draft District Plan or Cherrybrook Structure Plan, though these Plans do identify the land within an urban renewal corridor.
- The Rezoning Review request has been submitted with a number of supporting studies, investigations and concept plans that consider the viability of the site for ongoing commercial use and compatibility of residential development on the site with surrounding uses.

### *Economic Impact Assessment*

- Hill PDA were commissioned to prepare an economic impact assessment (January 2016) (Attachment D – Appendix D) to assess the supply and demand of employment land in the Hills Shire in the context of the proposed change of use.
- Hill PDA's assessment found that major recent increases in office supply in other key locations across Sydney is impacting demand for space in metropolitan office markets.
- The assessment concludes that the loss of 34,000sqm of commercial floor space on the site is inconsequential to the historic and forecast growth in the Parramatta, Norwest and Macquarie Park employment areas which, when combined, will provide more than double this space every year with sufficient capacity to meet that growth over the next three decades.
- The report also found that job losses are insignificant against job gains expected in The Hills Shire. Many of these jobs will be located in Box Hill (16,000 jobs); Castle Hill (9,500 jobs); Showground (7,700 jobs); Norwest and Bella Vista (20,000 to 25,000 jobs); and Rouse Hill (3,500 jobs).
- Council has indicated that the site has the potential to serve as an urban support centre for the wider community and provide for the significant long-term need for local employment.

### *Commercial Viability*

- CBRE Valuations Pty Ltd were commissioned to prepare an assessment of the long-term viability of the site's existing use as a suburban business park.
- CBRE's assessment (January 2017) (Attachment D – Appendix E) found that the continued use of the subject property as an office complex is not commercially viable to meet improvements expected by future tenants in the marketplace and the economic rents required to underpin redevelopment as an office park are not achievable.
- Council has noted a potential for business growth to become more viable given the considerable housing growth within The Hills LGA.

### *Marketing and Leasing Agent Advice*

- The proposal is supported by marketing and leasing advice provided by four commercial property agents (JLL/CBRE/Colliers/Knight Frank) (Attachment D – Appendix F).
- The advice provides commentary on difficulties with attracting long-term tenants to the site (since 2014) following IBM's partial relocation, and forthcoming vacating of the site, expected in 2019.

### *Viability of Alternative Use Advice*

- GLN Planning (March 2017) (Attachment D – Appendix G) were commissioned to provide commentary on the viability of alternative uses within the current B7 Business Park zone.
- The GLN Planning advice identifies: light industrial, hardware, building supplies, nursery, self-storage units, warehousing, vehicle sales yard, place of public worship and serviced apartments as possible alternative uses, but notes their undesirability from a commercial point of view.

### *Urban Design*

- The West Pennant Hills area is characterised by predominantly 3 and 4-bedroom 2-storey single dwellings in a suburban landscape setting with undulating topography.
- The proposal is accompanied by an urban design masterplan prepared by Mirvac Design (October 2016) (Attachment D – Appendix H) which proposes a range of dwelling types including single dwellings, townhouses and apartments taking into account comparable density to surrounding land.
- The masterplan proposes 2-storey (9m) dwelling heights at the front of the site gradually transitioning to 3 storeys (14m), then 4 storeys (16m) and 6 storeys (22m).

*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.*

### **Transport Infrastructure**

- A Traffic and Transport Assessment was prepared by Traffic and Transport Pty Ltd (January 2016) (Attachment D – Appendix I).
- The assessment considered the transport impact from the existing zoning at full capacity and the transport impact from the proposal as initially lodged (1,269 residential dwellings). The assessment concluded that:
  - the site is well located for future residents to utilise the future Cherrybrook Station, with pedestrian access to be further improved with signalised crossing at Coonara Ave/Castle Hill Rd;

- as the site is not currently fully tenanted, past trip generation for the site was significantly higher than what is currently being generated;
- trip generation of the proposal would be significantly lower during commuter peak periods, estimated at some 428vph in the AM peak and 343vph in the PM peak, representing less than 50% of capacity commercial trip generation (1,000vph at commuter peak periods);
- site access intersections would operate at a good level of service as a function of the moderate trip generation and Coonara Ave through traffic flows; and
- parking would be provided at a level in excess of the minimum provisions required.
- Council states the proposed residential areas will alter the existing local/regional traffic patterns in the areas which will exacerbate traffic congestion because motorists will generally be travelling in the opposite direction to the existing employment.
- Council has indicated that the site is characterised by poor pedestrian access as future residents would need to walk more than 800m at grades of approximately 15% to get to the metro station.

### **Social Infrastructure**

- The site is located approximately 400m to Coonara Shopping Village and 1.7km to the shopping facilities at Thompson Corner. These retail centres offer a range of services.
- There is no existing local centre.
- The site is near two schools—the Tangara School for Girls and the Inala Rudolf Steiner School—and a childcare centre.
- The project proposes the delivery of future open space, including the dedication of 2.493ha of land which is capable of supporting a public playing field and car park.

### **Services and amenities**

- Preliminary investigations have been undertaken by IGS consulting engineers (April 2017) ([Attachment D – Appendix B](#)) which conclude that the sites can be serviced by all required utility infrastructure, through both extensions and augmentation to existing services in the area.

## **VIEWS OF COUNCIL**

### **Council Comments**

- Council confirmed that, with the exception of the Proponent's Rezoning Review Request Report which accompanied the Rezoning Review application, the planning proposal and the attached documents are the same documents that were considered by Council.
- Council indicated in a letter dated 1 June 2017 ([Attachment E](#)) and a supporting report ([Attachment F](#)) that it considers the current proposal should not proceed on the following grounds:
  - inconsistency with the draft District Plan;
  - inconsistencies with the Corridor Strategy, specifically employment outcomes for the subject site;
  - inconsistencies with The Hills Strategy which does not envisage a residential outcome for the site;
  - opposition to high-density residential development outside of the walkable catchment of Cherrybrook Station;
  - impacts on the local and regional road network;
  - local infrastructure requirements; and

- any rezoning of the site should await the outcome for the *Cherrybrook Station Precinct Urban Transformation Project* being undertaken by UrbanGrowth NSW.

## **ATTACHMENTS**

- Attachment A – Site Map
- Attachment B – Location Map
- Attachment C – Indicative Layout Plan
- Attachment D – Rezoning Review Application Package
  - Application Form
  - Rezoning Review Request Report
  - Rezoning Review Request Letter
  - Draft Planning Proposal
    - Appendix A Bushfire Assessment
    - Appendix B Engineering Report
    - Appendix C Flora and Fauna Assessment
    - Appendix D Economic Impact Assessment
    - Appendix E Commercial Viability Assessment
    - Appendix F Marketing and Leasing Agent Advice
    - Appendix G Viability of Alternative Use Advice
    - Appendix H Urban Design
    - Appendix I Traffic and Transport Assessment
    - Appendix J Letter of Offer VPA
- Attachment E – Council Comments
- Attachment F – Council Detailed Response

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