

## AMENDED PLANNING PROPOSAL - 111 WICKS RD, 29 EPPING RD AND 31-35 EPPING RD MACQUARIE PARK – SUPPLEMENTARY REPORT

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### REPORT SUMMARY

Council has received an amended Planning Proposal relating to the following land:

- 111 Wicks Road, Macquarie Park;
- 29 Epping Road, Macquarie Park; and
- 31-35 Epping Road, Macquarie Park.

Council has previously considered this matter at its Ordinary Meeting of the 27 August 2013 where it resolved as follows:

- a) That this matter be deferred to allow for further discussions to be undertaken with Council staff and the applicant*
- b) That a further report be provided to Council following the outcomes of those discussions.*

The initial Planning Proposal was the subject of an independent assessment prepared by SJB Planning.

This report will address key changes proposed in the amended Planning Proposal from that originally considered. This report has been prepared independently of Council, by SJB Planning.

The Planning Proposal as amended seeks to change zoning, height and floor space ratios applicable to the site. The amended Planning Proposal seeks to:

- Change the zoning of 111 Wicks Road from part B7 Business Park and B3 Commercial Core to B4 Mixed Use;
- Change the building height controls:
  - From 30m to 89m at 111 Wicks Road; and
  - From 22m to 55m at 31-35 Epping Road.
- Change the FSR controls applying to the entire site from 1.1 / 1.5:1 across the site to a GFA of 47,000m<sup>2</sup> across the whole site, with a maximum 25,000m<sup>2</sup> for hotel and residential use (resulting in a FSR of 2.45:1 for the site).

No change is proposed to the zoning or height controls applying to 29 Epping Road.

The amended Planning Proposal has arisen from the:

- Finalisation of the planning controls for the North Ryde Station Urban Activation Precinct (NRSUAP);
- Finalisation of an agreement between the proponent and UrbanGrowth NSW regarding a land swap of a portion of land to facilitate access from Epping Road into the North Ryde Station Urban Activation Precinct;
- Council resolution of 17 August, 2013.

The Proponent requests that the 'Preferred Concept Scheme' be formally considered in the assessment of the amended Planning Proposal, given that an agreement has been reached with UrbanGrowth NSW regarding a land swap. The amended Planning Proposal is supported by further analysis of urban design considerations, employment potential and supplementary traffic analysis.

SGS Economics and Planning have provided an independent assessment of the employment potential in the report titled Peer Review Urbis Employment Potential Report: Stage 1 (referred to as SGS Stage 1) as well as further advice regarding broader strategic issues addressed in the SGS Economics and Planning report Strategic Implications for Macquarie Park Corridor: Stage 2 (referred to as SGS Stage 2).

The amended Planning Proposal continues to be supported by a Draft Voluntary Planning Agreement (VPA) offer. The VPA offer was for a \$4.4 million contribution to be paid in stages as the site developed. The offer was generally in accordance with the document exhibited with Ryde DLEP 2013 Amendment No.1. The terms of the offer have not altered and are therefore not addressed further in this report.

Essentially the amended Planning Proposal continues to seek to include residential uses as a permitted use on part of the site, increase FSR and heights above current controls, and propose controls to facilitate a mixed use development including commercial use, hotel and residential use.

The analysis and approach adopted in the original assessment is still valid. The key issues with this proposal remain:

- Whether the range of land uses sought – specifically residential – is appropriate and consistent with the strategic framework for the site and area, and whether there is strategic merit in the matter proceeding;
- Whether the built form resulting from a change in height and FSR is an appropriate outcome for the site when considered in the immediate and broader context of the site, and whether there is site specific merit in the matter proceeding; and
- The value of the VPA offer.

While the amended Planning Proposal is supported by a Preferred Concept Scheme, this does not mean that the building or land use configuration is necessarily the final outcome for the site. A change in zoning to B4 Mixed Use technically opens the door for the entire portion of the site proposed to be zoned B4 to be used for residential purposes. The restriction of 25,000m<sup>2</sup> GFA for hotel and residential uses, would still allow residential use up to 25,000m<sup>2</sup>. The use of a GFA and schedule 1 is not supported as this is currently inconsistent with the structure of the Ryde LEP 2010 and Council officers have advised that NSW Planning and Infrastructure are unlikely to support this approach to legal drafting.

The fundamental issue remains as to whether or not it is appropriate to change the approach to planning for the Macquarie Park Corridor to allow for residential use. The introduction of residential use remains inconsistent with the strategic planning direction for the Macquarie Park Corridor. Dwelling targets can more than adequately be met within the city – in part on land that is within close proximity to the site.

Furthermore, if residential uses were permitted, there would be a need to reassess the strategic focus of the corridor. There would be a need to revisit the infrastructure that is currently planned to ensure that residential uses were catered for.

More significantly, the introduction of residential uses into a planned employment area in a piecemeal way can have the potential to undermine the integrity of a commercial area and crowd out future commercial development. It can have the effect of increasing landowner's expectation of attracting higher prices from residential development that has the potential flow on effect of resulting in land prices that can render commercial offices unfeasible. This matter is comprehensively addressed in the SGS Stage 2 report titled Strategic Implications for Macquarie Park Corridor.

SGS Stage 2 at page 16 of their report notes that:

*'Responding simply to effective demand and current development pressures without due consideration of underlying demand runs the risk of facilitating an under supply of employment generating floor space in the future. This is particularly relevant to decision over large strategic sites, as in any given location there is always a few sites available to meet the purpose and function for which the area was zoned.'*

*Extract from Page 16 of SGS Strategic Implications for Macquarie Park: Stage 2.*

The economic importance of the Macquarie Park Corridor is well recognised. The economy of Macquarie Park has double in size in the last 13 years. It is currently on track to surpass North Sydney's economy in the next four (4) to five (5) years, making it NSW's 2<sup>nd</sup> largest economy and Australia's 9<sup>th</sup> largest (PwC Australia Uncovered – A Lense for Understanding our Evolving Economy page 8).

The Macquarie Park Corridor and the current planning strategy is realising the corridor's function. The continued growth of the Macquarie Park Corridor as a major employment hub in Sydney relies on protecting and strengthening its commercial role, and maintaining a critical mass of commercial – achieved through strategically prioritising commercial uses over residential uses. This is reinforced by limiting the encroachment of residential uses in the corridor, through planning policy.

Having regard to the strategic context of the site, the amended information provided, including the revised concept plan, associated employment analysis and the outcomes available from the land swap, for the reasons outlined in this report, it is recommended that the amended Planning Proposal not proceed to Gateway.

### **RECOMMENDATION:**

- a) That the Council not support the Planning Proposal as amended for 111 Wicks Road, 29 Epping Road and 31-35 Epping Road proceeding to Gateway determination for the following reasons:
  1. The Amended Planning Proposal is inconsistent with the vision for the Macquarie Park Corridor as a specialist Precinct whose primary purpose is for the employment and economic functions; and
  2. The Amended Planning Proposal is inconsistent with the City of Cities: A Plan for Sydney's Future (the Metropolitan Plan) Metropolitan Plan for Sydney 2036, Draft Metropolitan Strategy for Sydney 2031, Ryde Local Planning Sydney 2011, Ryde LEP 2010 and Ryde Draft LEP 2013 as amended.
  3. The need for the current planning framework applying to Macquarie Park Corridor to be retained to protect employment lands that is strategically important to the economic viability of the state.
- b) That the proponent be advised accordingly.

## 1.0 Introduction

This is a supplementary report to that considered at the Ordinary Council meeting of the 27 August 2013. A report on the Planning Proposal for the sites known as 111 Wicks Road, 29, 31-35 Epping Road, Macquarie was considered at this meeting.

The recommendations of the report were as follows:

- a) *'That Council does not support the Planning Proposal for 111 Wicks Road, 29 Epping Road and 31-35 Epping Road Macquarie Park proceeding to Gateway determination on the grounds that*
  - *The Planning Proposal is inconsistent with the vision for the Macquarie Park Corridor as a Specialist Precinct whose primary purpose is for employment and economic functions;*
  - *The Planning Proposal is inconsistent with the strategic direction for the Macquarie Park Corridor adopted in the City of Cities: A Plan for Sydney's Future (the Metropolitan Plan) Metropolitan Plan for Sydney 2036, Draft Metropolitan Strategy for Sydney 2031, Ryde Local Planning Sydney 2011, Ryde LEP 2010 and Ryde Draft LEP 2013.'*

Council at this meeting resolved as follows:

- a) *'That this matter be deferred to allow for further discussions to be undertaken with Council staff and the applicant.*
- b) *'That a further report be provided to Council following the outcomes of those discussions.'*

Since the matter was considered by Council, the North Ryde Station Urban Activation Precinct (NRSUAP) has been finalised.

The proponent has revised the Planning Proposal so that the preferred Concept Plan and associated changes to controls in the NRSUAP could be considered. Changes have also occurred to the original proposal as a consequence of an in principle agreement between UrbanGrowth NSW and the proponent to execute a land swap between the adjoining sites, that facilitates access from Epping Road to the North Ryde Station Urban Activation Precinct.

A meeting was held on Monday 20 January 2014 with Council staff to discuss changes to the Planning Proposal arising from Councils resolution, finalisation of the NRSUAP, and the in principle agreement with UrbanGrowth NSW.

The initial Planning Proposal included two (2) Concept Proposals – one being a Preferred Concept Proposal. The original report did not have regard to the Preferred Concept Proposal as it relied on lands outside of those controlled by the proponent. This report will now consider the Preferred Concept Proposal as amended, and included in the supporting documentation to the amended Planning Proposal.

The report relies on previous documentation of the site and surrounding context, statutory controls and strategic context. This report does not provide further re-valuation of the Voluntary Planning Agreement offer, of a cash contribution of \$4.4 million offset, by works in kind including construction of open space and roads, or traffic and stormwater issues as these aspects are not determinative factors as to whether the matter proceeds or otherwise.

The additional Employment Potential of the Proposed Development report prepared by Urbis and submitted as part of the package of amended documentation has been peer reviewed by SGS Economics & Planning. SGS Economics and Planning have also undertaken a broad strategic analysis of the corridor to understand the implication of introducing residential uses into the Macquarie Park Corridor. These reports are titled 'Peer Review of Urbis Employment Potential Report - Stage 1' (referred to as SGS Stage 1) and 'Strategic Implications for Macquarie Park - Stage 2' (referred to as SGS Stage 2). These reports are included as an

attachment to this report.

This report will:

- Identify the changes to the Planning Proposal;
- Identify the changes to the statutory and strategic context since August 2013;
- Provide an assessment and review of the Planning Proposal including comment on the additional planning justification; and
- Provide conclusions and recommendations.

## 2.0 Amended Planning Proposal

### 2.1 Additional Information

A supplementary report has been received from the proponent for the Planning Proposal. The proponent notes that the purpose of the supplementary report is as follows:

*'This report provides supplementary information to support the Planning Proposal following the resolution of Council on 27th August 2013 to defer consideration of the proposal and enable detailed assessment of the Preferred Concept Plan to be undertaken.*

*The purpose of this report is as follows:*

- *To present the Preferred Concept Plan for consideration by Council as the Planning Proposal; and*
- *To demonstrate a co-ordinated structure planning approach for approximately 14.5 hectares of land at the eastern end of the Macquarie Park Corridor, which includes:*
  - *A single access point from Epping Road to provide vehicle access to the site.*
  - *A mid-block access point to Wicks Road providing access for pedestrians and vehicles to the site and the adjoining North Ryde Station Urban Activation Precinct site ("NRSUAP").*
  - *Expanded open space increasing permeability and amenity for future residents and workers within Macquarie Park.*
- *To provide a response to the issues raised in the SJB assessment report, including the preparation of an Employment Potential Assessment.*

*As this Planning Proposal is substantially the same as the original proposal, the strategic justification contained in Section 6 of the original report still remains relevant, however this report outlines the additional strategic justification and benefits which the current Concept Plan is able to achieve.'*

*Extract from Page i of Executive Summary Macquarie Park Planning Proposal by Urbis January 2014.*

The amended Planning Proposal contains the following:

- *'A response to the key issues raised in the SJB assessment report of 15 August 2013;*
- *Further demonstration of the integration between the site and the UrbanGrowth NSW site, particularly in terms of vehicle and pedestrian access between them, and the provision of open space;*
- *Details of the proposed zoning and building heights policy changes which complement those recently gazetted on the UrbanGrowth NSW site, and further justification for the scale of development proposed having regard to the new urban context that will develop in this part of Macquarie Park through the UrbanGrowth NSW site; and*

- *An employment assessment report that details the substantial economic benefits of the proposal for the Macquarie Park Corridor and wider City of Ryde region which were not previously available for consideration.'*

*Extract from Page 2 of Macquarie Park Planning Proposal by Urbis January 2014.*

The primary objective and intended outcome of the Planning Proposal remains unchanged from those originally reported. Additional detail regarding the Preferred Concept Plan has been provided and is included in a supplementary Urban Design study by AJ+C which support the revised Planning Proposal.

Additional reporting lodged with the Planning Proposal includes:

- Urban Design Study – Supplementary Report – AJ+C, January 2014;
- Employment Potential of Proposed Development – Urbis, December 2013; and
- Traffic Advice – Supplementary Report – Traffix, January 2014.

Changes occurred to the Planning Proposal and the Preferred Concept Plan as a result of an in principle agreement between UrbanGrowth NSW and the proponent relating to a land swap, which is detailed in the following section.

## **2.2 In Principle Land Swap Agreement**

The details of the land swap provided by the proponent are as follows:

*'This supplementary material reflects the in principle land swap agreement with UrbanGrowth NSW, who own the southern adjoining land in the NRSUAP. As outlined above, the gazettal of the SEPP Amendment resulted in an amendment to RLEP 2010 to include development standards for the land, which was previously deferred from the application of RLEP 2010.*

*The in principle land swap agreement between the proponent and UrbanGrowth NSW when executed will most critically ensure the UrbanGrowth NSW site will be able to establish a safe vehicle entry point off Epping Road which had not been achievable to date within its current land holding. It will also facilitate the development of both the NRSUAP site and the subject site with co-ordinated land uses, building placement and road layout arrangements. The in principle land swap agreement is illustrated in Figure 5.*

*The in principle land swap agreement would provide approximately 624sq.m of land from 29 Epping Road to the NRSUAP site to accommodate:*

- *A left-term deceleration lane along Epping Road into the NRSUAP site;*
- *A new consolidated vehicle access point off Epping Road to the NRSUAP, which provides scope to connect into the proponent's site; and*
- *More open spaces by creating a new private open space area adjacent to the child care centre.*

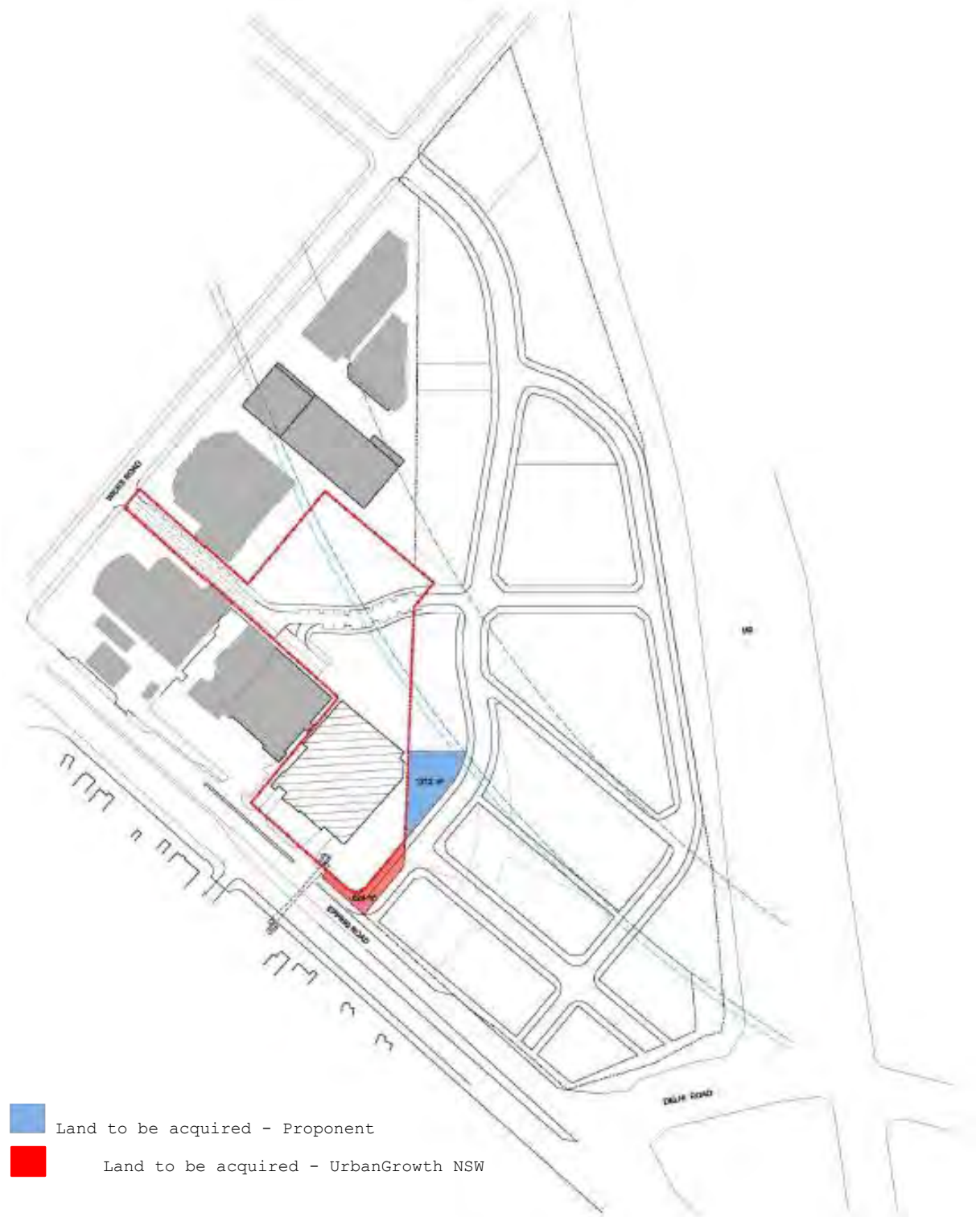
*In exchange for the 624sq.m of land that would be transferred to UrbanGrowth NSW, the proponent would in turn purchase approximately 1,212sq.m of land.*

*The land that would be transferred to UrbanGrowth NSW is currently contained within the proponent's site, and still forms part of the Planning Proposal site.'*

*Extract from Page 6 of Macquarie Park Planning Proposal by Urbis January 2014.*

Notwithstanding the land swap, there is no change to the area of land to which the Planning Proposal applies as the land swap has not occurred. The land area to be acquired from UrbanGrowth NSW is not included as part of the Planning Proposal as it is already zoned B4 Mixed Use as part of the NRSUAP. It would appear that the proponent has provided to Council an indicative FSR over the reduced site area (site minus 624m<sup>2</sup>).

An extract of Figure 5 from the Planning Proposal report illustrates the proposed land swap.



Modified extract of Figure 5 – Land Swap from Page 7 of Macquarie Park Planning Proposal by Urbis January 2014.

### 2.3 The Preferred Concept Plan

The amended Planning Proposal is accompanied by a Preferred Concept Plan that is understood to form the basis of potential DCP provisions.

Key elements of the Preferred Concept Plan when compared against the previous concept plan as reported are detailed in Table 1 below. The changes between the current and previous plan are in bold.

Element	Concept Masterplan (reported)	Concept Plan (current)
<b>Commercial</b>	8 storey addition above the rear of the existing Domayne / Harvey Norman store (three storey building).  6 storey building to 29 Epping Road.	8 storey addition above the rear of the existing Domayne / Harvey Norman store (three storey building).  6 storey commercial building on 29 Epping Road.
<b>Bulky goods retail</b>	Domayne / Harvey Norman store as existing.	Domayne / Harvey Norman store as existing.
<b>Retail</b>	Neighbourhood facilities including shops, cafes.	Neighbourhood facilities including shops, cafes.
<b>Residential accommodation</b>	17 levels of apartments within 27 storey building. Total Dwelling Yield: 160 - 170 apartments	17 levels of apartments within 27 storey building. Total Dwelling Yield: 160 - 170 apartments
<b>Hotel</b>	Lower 10 levels of 27 storey building. 200 rooms.	Lower 10 levels of 27 storey building. 200 rooms.
<b>Child care centre</b>	N/A	<b>Potential for child care centre at ground floor level of building on 29 Epping Road.</b>
<b>Gross Floor Area</b>	<b>47,274m<sup>2</sup></b>	<b>46,889 m<sup>2</sup></b>
- <b>Commercial</b>	<b>14,477 m<sup>2</sup></b>	<b>13,580 m<sup>2</sup></b>
- Hotel	9,144 m <sup>2</sup>	9,144 m <sup>2</sup>
- Bulky goods retail (existing)	8,663 m <sup>2</sup>	8,663 m <sup>2</sup>
- Residential	14,840 m <sup>2</sup>	14,840 m <sup>2</sup>
- Cafe	150 m <sup>2</sup>	150 m <sup>2</sup>
- <b>Childcare Centre</b>	<b>N/A</b>	<b>512 m<sup>2</sup></b>

Table 1 - Concept Plan Comparison - extracted from Page 25 of Macquarie Park Planning Proposal by Urbis May 2013 and Page 11 of Macquarie Park Planning Proposal by Urbis January 2014.

The initial Planning Proposal included two (2) concept plans, one being a Preferred Concept Plan that was not considered because it relied on lands outside of the proponent's control.

Key changes from the original plan considered, are essentially the potential for a childcare centre and a change from a proposed FSR of 2.4:1 to 2.45:1. The GFA area proposed at 47,000m<sup>2</sup> is similar to what was originally proposed. The FSR quoted is an FSR calculation applying to the site area excluding the 624m<sup>2</sup> land swap.

And extract of Figure 6 and 7 from the Planning Proposal report overleaf provide details of the Preferred Concept Plan.





Figure 6 – Illustrative Concept Masterplan – Extract from Page 27 of Macquarie Park Planning Proposal Supplementary Report by AJ+C January 2014.

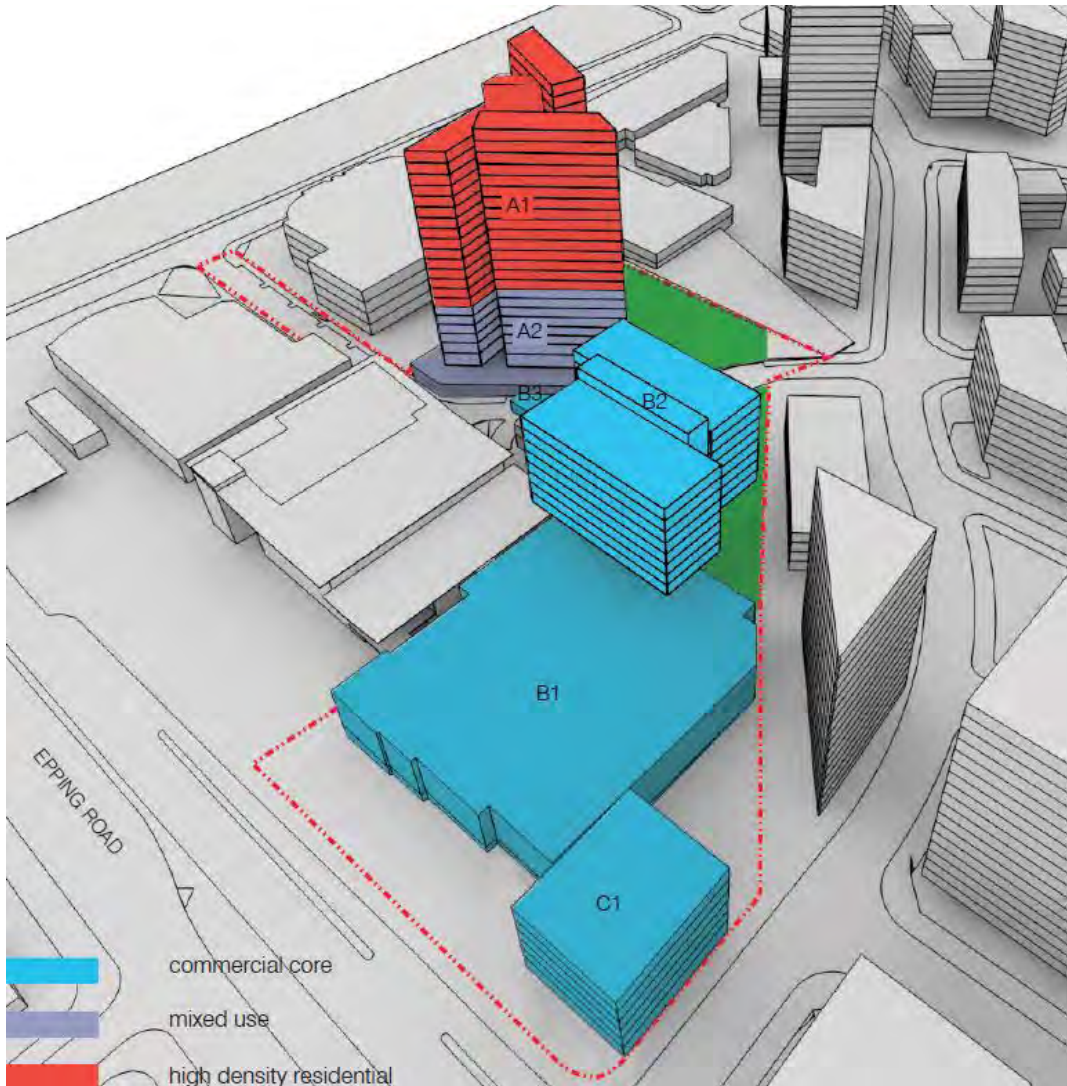


Figure 7 – Distribution of Use – Extract from Page 31 of Macquarie Park Planning Proposal Supplementary Report by AJ+C January 2014.

Table 2 describes the broad land use mix.

Site	Use	Building Height
111 Wicks Road	RFB 200 Room Hotel Café	27 storeys 89 metres
31-35 Epping Road	Commercial Bulky Goods – 8,663m <sup>2</sup>	3 to 12 storeys 55 metres
29 Epping Road	Commercial	6 storeys 21 metres

Table 2 - Proposed Land Use, Mix and Scale

## 2.4 Explanation of Provisions

The amended Planning Proposal seeks to change the:

- Zoning of that part of the site at 111 Wicks Road from part B7 Business Park and part B3 Commercial Core to B4 Mixed Use;
- Height from 30m to 89m on 111 Wicks Road; and
- Height from 22m to 55m on 31-35 Epping Road.

The controls sought also propose the addition of a GFA across the whole of the site of 47,000m<sup>2</sup> in lieu of a FSR. This would comprise 25,000m<sup>2</sup> for hotel and residential use.

The amended Planning Proposal maintains the:

- Existing B3 Commercial Core zone to 29, 31-35 Epping Road; and
- 22 metre height control to 29 Epping Road.

The differences between the original Planning Proposal and the amended Planning Proposal are summarised as follows:

- Increase in height on 31-35 Epping Rd from 50m to 55m;
- Removing the whole site from the FSR Map and introducing through Schedule 1 a maximum GFA across the site of 47,000m<sup>2</sup>;
- Also including in Schedule 1 a maximum GFA of 25,000m<sup>2</sup> for hotel and residential use; and
- An in principle resolution of the land swap with UrbanGrowth NSW – resulting in a Preferred Concept Plan.

The amended Planning Proposal essentially seeks to increase the range of land uses presently permitted under Ryde LEP2010 and Ryde Draft LEP 2013 (now 2014) on part of the site. The additional use sought is residential use.

The existing B3 Commercial Core zone under Ryde LEP 2010 permits a broad range of uses including:

- Childcare centres;
- Commercial premises;
- Hotel or motel accommodation;
- Serviced apartments; and
- Medical centres.

Similarly the existing B7 Business Park zone (which applies to the access handle from Wicks Road) permits a range of uses including:

- Business premises;
- Childcare centres;
- Office premises;
- Neighbourhood shops; and
- Restaurants.

The current zoning of the site permits all of the identified uses under the Preferred Concept Plan – **except** for residential use.

The proposed B4 Mixed Use zone permits a similar range of uses to the B3 Commercial Core zone. The point of difference is that the B4 Mixed Use zone also permits shop top housing, boarding houses and seniors housing – it does not strictly permit residential accommodation as a broad land use category.

The following table provides a summary of the differences between Councils current controls, the Planning Proposal as originally submitted and as amended.

Control	Ryde LEP 2010	Amendment No.1	Planning Proposal	Amended Planning Proposal
<b>Zoning</b>				
111 Wicks Road	B7 Business Park – access handle B3 Commercial Core	No change	B4 Mixed Use	B4 Mixed Use
31-35 Epping Road	B3 Commercial Core	No change	No change	No change
29 Epping Road	B3 Commercial Core	No change	No change	No change
<b>Height</b>				
111 Wicks Road	1:1 / 1.5:1	2:1	2.4:1	Schedule 1 – GFA 47,000m <sup>2</sup> of which 25,000m <sup>2</sup> for hotel and residential use.
31-35 Epping Road	1.5:1	2:1	2.4:1	
29 Epping Road	1.5:1	2:1	2.4:1	
<b>FSR</b>		Potential for:		
111 Wicks Road	30 metres	45 metres	89 metres	89 metres
31-35 Epping Road	22 metres	45 metres	50 metres	55 metres
29 Epping Road	22 metres	45 metres	22 metres	No change
<b>Land Uses Permitted</b>	<ul style="list-style-type: none"> <li>▪ Retail premises</li> <li>▪ Commercial premises</li> <li>▪ Hotels</li> <li>▪ Childcare centre</li> <li>▪ Serviced apartments</li> </ul>	<ul style="list-style-type: none"> <li>▪ No change</li> </ul>	<ul style="list-style-type: none"> <li>▪ Same uses plus addition of Residential Accommodation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Same uses plus addition of Residential Accommodation</li> </ul>
<b>Site Area</b>			<b>19,763m<sup>2</sup></b>	<b>19,763m<sup>2</sup> to be reduced by 624m<sup>2</sup> with land swap when executed (19,139m<sup>2</sup>).</b>

Table 3 - Summary of Proposed and Amended Proposal

The Planning Proposal also proposes increases to the applicable height and increases to the FSR through the application for a GFA across the majority of the site.

The amended Planning Proposal also suggests an alternative mechanism to implement the proposal through the additional use provisions to Schedule 1 of Ryde LEP 2010 / Ryde Draft LEP 2013 (now 2014).

Overleaf, an extract of Figure 8 from the Planning Proposal report illustrates the proposed zone change and an extract of Figure 9 from the Planning Proposal report illustrates the proposed height controls.

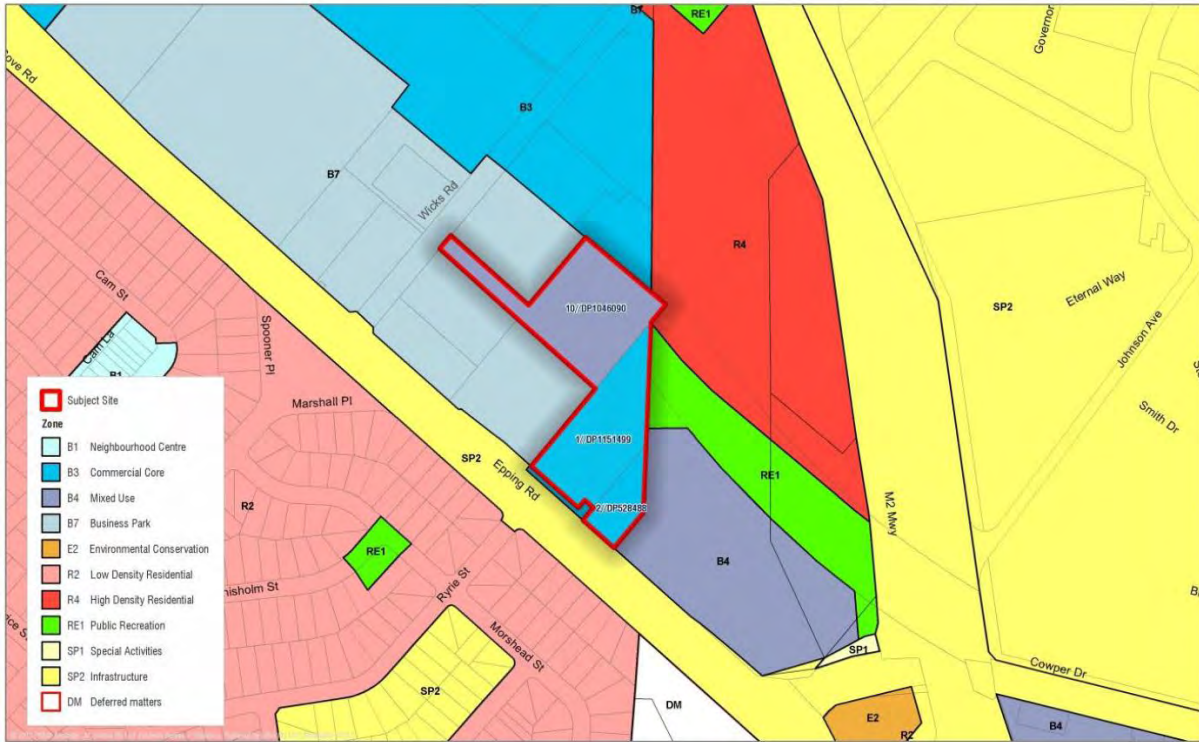


Figure 8: Proposed Land Use Zoning Map from Page 14 of Supplementary Planning Proposal Report – Urbis January 2014



Figure 9: Proposed Amendment Ryde LEP Maximum Building Height Map from Page 16 of Supplementary Planning Proposal report – Urbis January 2014

### 3.0 Strategic and Statutory Context

#### 3.1 State, Regional and Local Planning Strategies

The previous report outlined in detail the strategic planning framework applicable to the consideration of the Planning Proposal.

These documents included:

- Metropolitan Plan 2036 for Sydney and Draft Metropolitan Strategy for Sydney 2031;
- Inner North Subregion Draft Subregional Strategy;
- City of Ryde Local Planning Study; and
- Macquarie Park Corridor – General Background Studies.

Of particular relevance is the designation of the Macquarie Park Corridor as a Specialised Precinct and the following criteria applicable to such a Precinct.

- The primary significance of Specialised Precincts is as employment destinations and / or as the location of essential urban services;
- Specialised Precincts have an amount of employment that is of metropolitan significant, but other uses in the Precinct are not necessarily at a scale currently of metropolitan significance;
- Specialised functions must be protected for the long-term, and residential and other non-specialised but competing uses must not override the core employment activities in these precincts. Some, however, will plan for ancillary uses which are suitable, such as staff or student accommodation near universities and hospitals; and
- The way a Specialised Precinct interacts with the rest of the city is complex, and growth and change in and around them must be carefully planned to ensure they continue to serve their primary employment and economic function.

The Ryde Local Planning Study recognised the need to provide a diverse range of housing within the Local Government Area including residential units. The Local Planning Study identified five (5) town centres which are to function as genuine mixed use precincts. The centres are established centres capable of absorbing additional residential development as they provide complementary and supportive uses, services, facilities and open space. This has been captured and reflected in Council's existing planning controls.

With regards to Macquarie Park, it is considered that sufficient residential capacity is provided in the existing B4 Mixed Use zones around Herring Road and the North Ryde Station Precinct.

#### 3.2 North Ryde Station Urban Activation Precinct (NRSUAP)

State Environmental Planning Policy Amendment (North Ryde Station Precinct) was gazetted on 23 September 2013 and had the effect of amending the Ryde LEP 2010 as it related to the NRSUAP.

The amendment introduced zoning, height and FSR controls to the lands immediately to the east of the site, the subject of the Planning Proposal.

Figures 10, 11 and 12 overleaf illustrate the adopted zones, building heights and FSR applicable to these lands and the relationship of the controls applying to the subject site.

The lands to the east have been zoned to accommodate a significant amount of residential accommodation in building forms, FSR and heights greater than those permitted under the Ryde LEP 2010 or anticipated in the Draft Ryde LEP 2013 (Amendment No.1).

Lands fronting Epping Road are zoned B4 Mixed Use. Lands further to the north of Epping Road are zoned

R4 High Density Residential and RE1 Recreation.

Building heights in the NRSUAP immediately adjoining the subject site are:

- 57 metres to Epping Road; and
- 75 metres at a shared corner.

FSR's permitted on these adjoining lands are in the order of 3:1, 3.3:1 and 4.3:1 in the immediate vicinity. FSR, height and land use to the west have not changed as these lands fall outside of the NRSUAP.

The NRSUAP is also accompanied by a site specific Development Control Plan that will guide future development on the site. Within this Development Control Plan there is an indicative site layout that provides an overarching plan for the road network of the site.

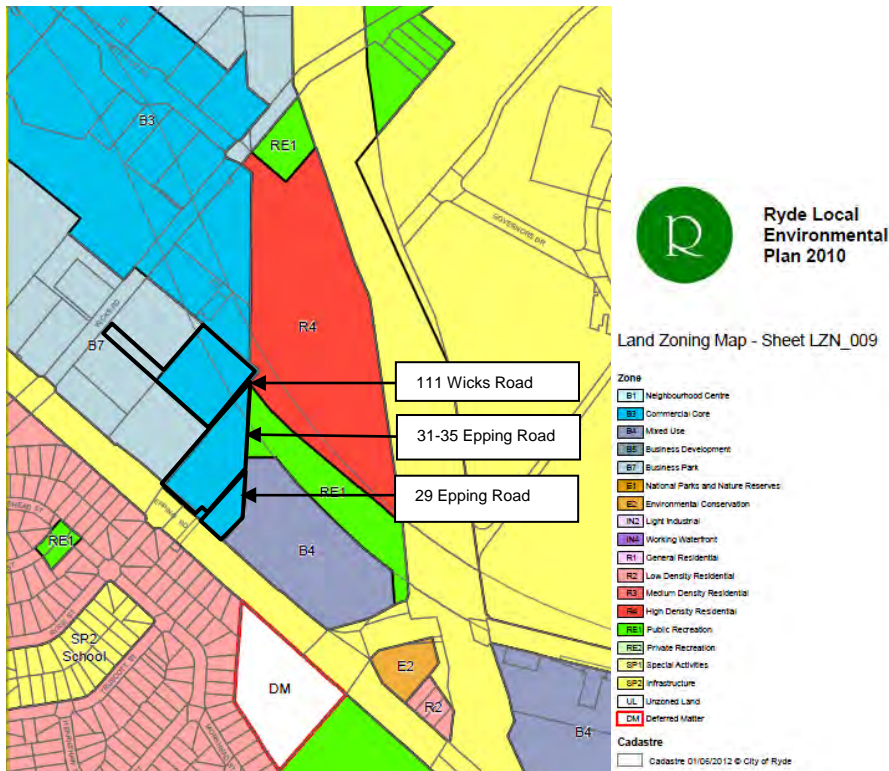


Figure 10: Zoning Map from Ryde LEP 2010 - State Environmental Planning Policy Amendment (North Ryde Station Precinct) 2013

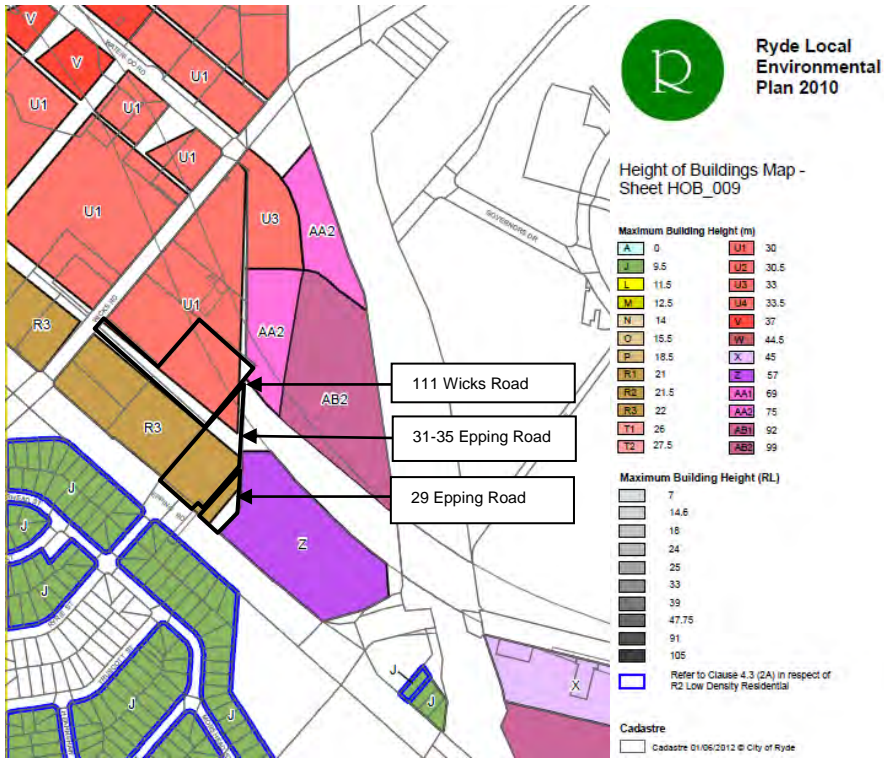


Figure 11: Building Heights Map from Ryde LEP 2010 - State Environmental Planning Policy Amendment (North Ryde Station Precinct) 2013

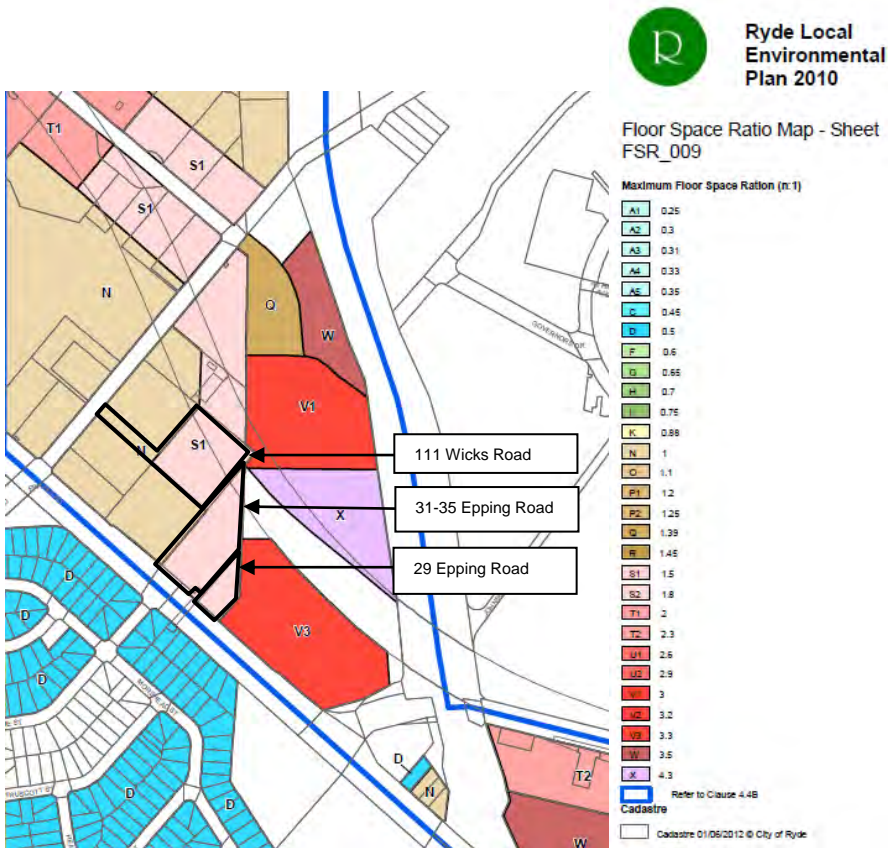


Figure 12: Floor Space Ratio Map from Ryde LEP 2010 - State Environmental Planning Policy Amendment (North Ryde Station Precinct) 2013



### 3.3 Draft Ryde LEP 2013 and Draft Ryde LEP 2013 (Amendment No.1)

Draft Ryde LEP 2013 is still being considered by the NSW Planning and Infrastructure. At this stage it is anticipated that the instrument will be finalised in the second quarter of 2014.

Amendment No.1 was formally considered by Council at its meeting of 22 October 2013 where it was resolved to forward this matter to the NSW Planning and Infrastructure requiring the plan to be made. It is anticipated that the amendment will be finalised in the second quarter of 2014.

It should be noted that the amendment was accompanied by a revised and rationalised road network and open space plan for the corridor. With regards to the subject site, this road network and open space plan remains the same as that currently contained within Ryde Development Control Plan 2010.

## 4.0 Assessment & Review of Planning Proposal

### 4.1 Approach to Assessment

The previous report approached the merit assessment of the original Planning Proposal as follows:

- At a strategic level which also addressed the planning justification put forward; and
- At a site specific level.

The amended Planning Proposal has been assessed by a consideration of the:

- Strategic merit assessment as originally identified - at section 4.2;
- Original planning justification - at section 4.3;
- Additional planning justification - at section 4.4;
- Site specific merit assessment originally identified – at section 4.5; and
- Additional site specific issues arising – at section 4.6.

The position included in the original assessment is show in italics under the relevant headings.

### 4.2 Strategic Merit Assessment

#### 4.2.1 The Corridor's Principle Function

##### Original Assessment:

*'The preceding sections of this report have outlined the key strategic documents that provide the framework for development in and around the Macquarie Park Corridor. All of these documents recognise the importance of the role that the Macquarie Park Corridor plays in Sydney's Global Economic Corridor.*

*In all strategic documents, the importance of the Corridor as a specialist employment hub is recognised and is identified as its primary purpose. This importance has been reflected in the State Government's priorities to provide essential infrastructure to the area such as the Epping to Chatswood Rail Line.*

*Planning for the area generally needs to provide capacity for jobs in the short, medium and long term.*

*These strategic documents also make reference to:*

- *The need for job targets and growth;*
- *The need for a choice of housing in close proximity to transport options;*

- *The recognised benefits of transit orientated development;*
- *The broader benefits of locating employment opportunities close to housing and transport;*
- *The aim of ensuring people spend less time travelling to access employment, services, recreation and regional facilities; and*
- *Planning for well-designed higher density development within walking distances of existing transport infrastructure.*

*It can then be the case, that more often than not, mixed use developments or sites located within an 800 metre catchment of major transport facilities meet most, if not all, of these strategic objectives.*

*However areas for housing and employment cannot be planned on a site by site or development by development basis. In order to protect important key functions as part of strategic planning, city-wide, regional and even local choices regarding priorities need to be made. Decisions based on research and analysis are made about competing land use demands, higher order functions are identified and boundaries are drawn. This is what has occurred in the case of the Macquarie Park Corridor.*

*The Macquarie Park Corridor, is a higher order specialised centre, whose primary purpose for employment and economic functions are protected through the adopted policy framework. It is structured as a business core with a residential ring. This is reinforced in the Ryde LEP 2010 and Ryde Draft LEP 2013. It is further reinforced by the initial planning for North Ryde Station Urban Activation Precinct and that being undertaken for the Herring Road Precinct.*

*The housing targets in Ryde are able to be met. The delivery of additionally zoned land as part of the Urban Activation Precinct is where priority should be focused. Not on the addition of potentially piecemeal sites because they provide a land use mix.*

*The development of the Macquarie Park Corridor is in its early phases. It has developed more recently over the last 10 to 15 years. It currently supports approximately 39,000 jobs (at 2006) and is planned to accommodate 58,000 to 2031.*

*Council have recently reviewed the infrastructure requirements and supported a broad uplift in development capacity, to facilitate the provision of finer grain infrastructure to support the abovementioned strategic objectives.*

*The planning for the Specialised Precinct is still in its early phases with its full potential yet to be recognised, and it is not appropriate to deviate from this at this point in time.*

*The current Planning Proposal is a piecemeal approach to change within an area with a primary function for employment and economic purposes. It has potential to undermine its direction. Furthermore the justification has not addressed the underlying policy positions and provided reasonable justification for change, on a site basis.*

*The competing interest of different land uses attracted to Specialised Centres/Precincts is recognised in the Criteria at Appendix B of the Draft Metropolitan Strategy 2031. This criteria recognises the competing demands but includes the following criteria:*

- *Specialised functions must be protected for the long-term and residential and other non-specialised but competing uses must not override the core employment activities in the precinct.*

*The primary significance for the Macquarie Park Corridor is as an employment destination. Strategic decisions have been made about where the focus for residential development should occur. There is no reason to alter this approach.*

*The uses proposed other than the residential are permitted in the B3 Commercial Core zone which is the majority of the site, just not at the scale and density proposed.*

*Strategically, to alter the zoning and permit residential development is inappropriate given the strategic changes being provided to accommodate residential development in the vicinity and the fact that relevant targets can be met within the existing framework.*

*The function of the Corridor has been identified and planned. Boundaries have been drawn. The medium to long term protection of the Corridor as a preeminent place for employment overrides the need to consider the site for any residential use.'*

*Extract from Pages 36 and 37 of the SJB Review of Planning Proposal – 15 August 2013.*

#### Additional Comments:

Having reviewed the additional material presented, the key issue of protecting lands for specific strategic employment function as outlined above remains sound.

A range of uses – other than residential can be carried out within the existing zones.

It is fundamentally the introduction of the residential use which is inconsistent with the broader strategic direction.

Additional information has been provided regarding potential job numbers. However it is notable that these numbers are actually less than what could potentially be delivered if the range of land uses were developed under the existing framework. This issue is discussed further at section 4.3.1.

The previous conclusion remains valid particularly in light of the extent of residential land uses provided for within the NRSUAP.

The SGS Stage 2 report aimed to assess the strategic importance of the Macquarie Park Corridor, and the implications of introducing residential development into the Macquarie Park Corridor in the context of its role in the Global Economic Corridor.

This involved analysis of:

- Economic drivers – the elements of a successful business park;
- Policy – identification of best practice tools and approaches in protecting employment lands;
- Strategic Analysis – comprising a market analysis, assessment of the competitive offer of the Macquarie Park Corridor and the context of competitor location and a qualitative analysis of the cost of competing land use (commercial vs. residential).

Chatswood CBD and Hornsby Town Centre were also discussed as case studies.

The Macquarie Park Corridor is recognised as being of State and National significance for knowledge based industries. Sites such as Macquarie Park Corridor are of increasing importance to current and future employment generation because of the evolving economic geography of Sydney, where knowledge and service industries continue to have a greater share of employment.

SGS Stage 2 at page 12 notes that:

*'Macquarie Park has gained a reputation as one of Australia's leading hi-tech industrial areas, attracting companies specialised in the computing, medical, pharmaceutical, communications and electronics industries. A recent report estimates that it has the 10<sup>th</sup> highest economic output in Australia, behind North Sydney (9<sup>th</sup>) and Adelaide (8<sup>th</sup>), and attracts headquarters for Australian companies and branch headquarters for international companies...'*

*Extract from Page 12 of SGS Strategic Implications for Macquarie Park: Stage 2.*

SGS Stage 2 at page 13 notes that:

*'... Chatswood is cited as an example of a commercial area where further commercial development opportunities have been limited due to residential development. Residential development is also posing a threat in Port Botany, with increased congestion as residential development intensifies in this area.*

*The strategy suggests that 'Stronger Corridors Initiative' should be established to cover the North Sydney to Macquarie Park and City to Airport corridors (p.109) to protect economic assets and manage potential conflict. However, there was no evidence of the development of such an initiative.'*

*Extract from Page 13 of SGS Strategic Implications for Macquarie Park: Stage 2.*

SGS Stage 2 at page 15 notes that:

*'... responding simply to effective demand and current development pressures without due consideration of the underlying demand runs the risk of facilitating an undersupply of employment generating floor space in the future. This is particularly relevant to decisions over large strategic sites, as in any given location there is almost always few suitable sites for large scale commercial development.*

*... In broad terms, the risk of pure commercial areas is residential encroachment, and the risk to pure industrial areas is bulky-good retail and dispersed uses (and in some cases, residential development). Given the unique nature of the Corridor, commercial core and business park zoned areas are likely to be under pressure from competing uses. Not accounting for the strategic importance of MPC in the GEC would be sub-optimal and counter to the objectives of the business park itself. For these reasons, careful and conscientious planning is required for the MPC. And particular attention should be given to its strategic role in the GEC, and its importance at a State and National level.'*

*Extract from Page 16 of SGS Strategic Implications for Macquarie Park: Stage 2.*

The importance of the Macquarie Park Corridor to the NSW economy, coupled with the lessons learned from the initial policy failures in Chatswood, reinforces the need to ensure planning policy maintains the primary function and purpose of the corridor.

### **4.3 Assessment of Original Planning Justification**

#### **4.3.1 Creation of Additional Jobs**

##### Original Assessment:

*'The proposal suggests a creation of 880 new jobs. There are existing commercial and industrial / showroom uses currently occurring on site.*

*There is no analysis of the existing jobs currently provided on site and the job potential under the uplift and range of uses potentially available under Amendment No.1. Furthermore, residential uses once completed do not provide comparable supply of jobs when compared to ongoing commercial uses.*

*The only additional use is essentially the residential use. Other uses proposed are actually permitted in the B3 zone and would already contribute to employment targets.*

*It is considered that the basis for the job numbers are not adequately identified, and do not provide the same employment capacity when considered in the context of the preferred land use mix for the site.'*

*Extract from Page 38 of the SJB Review of Planning Proposal – 15 August 2013.*

Additional Comments:

Additional detailed assessment has been provided. In the report Employment Potential of Proposed Development dated December 2013, prepared by Urbis. The document has now provided sufficient information to identify how job numbers were calculated.

Urbis concludes that the development has a potential to deliver 920 long term jobs with 650 construction jobs and 1,020 supplier jobs. Most of the assessment of potential jobs has been compared to current employment where there is a recognisable increase. This figure has since been updated to 1,071.

However when compared to potential jobs under the existing land use scenarios, the projected job numbers are very similar - 1,071 (updated figure) as opposed to 1,100. Notably SGS Stage 1 report at page 13 and Table 8 estimates that jobs under the existing land use scenarios are in the order of 1,600, which is significantly higher than Urbis projections. The introduction of residential uses has the effect of limiting employment capacity.

The broader issue of employment capacity is addressed at section 4.3.3 in respect to the strategic policy position of preserving lands for employment purposes.

## 4.3.2 Consistency with Government Policy Initiatives

Original Assessment:

*'State Government Metropolitan-wide strategies and decisions regarding mixed use precincts are considered at a metropolitan level. The Metropolitan Plan 2036 and Draft Metropolitan Strategy 2031 both identify Specialised Centres / Specialised Precincts as having stronger employment and economic functions than other centres – there is a reduced focus on housing.*

*Where housing is provided for, it is accommodated in a planned way. The decision to identify the North Ryde Station Urban Activation Precinct for housing essentially reinforces the pre-eminence of the remainder of the Corridor for its protection for employment generating uses.*

*The Specialised Precincts are not the same as Strategic Centres and are not planned in the same way. The Metropolitan Strategy differentiates between the two. To apply the same principles to Strategic Centres as Strategic Precincts – which is essentially what the proponent has done - does not appropriately recognise the differentiation between their relative importance and different functions.*

*The bookend of potential residential uses to the remainder of the Macquarie Park Corridor means that residential uses are more than adequately catered for. Further encroachment into the Specialised Precinct would be inconsistent with State and Local strategic directions. Council dwelling targets are able to be more than met within existing zoned lands and density.'*

*Extract from Pages 38 & 39 of the SJB Review of Planning Proposal – 15 August 2013.*

Additional Comments:

The conclusions originally reached have not changed as a result of the submission of additional information.

The finalisation of the planning for NRSUAP reinforces the position that residential uses are more than adequately provided for. The NRSUAP has been zoned to cater for approximately 3,000 additional dwellings. Council strategic policies have made provision for adequate housing through the five centres and the existing B4 Mixed Use zones.

The encroachment of residential use into the Specialised Centres / Specialised Precincts is inconsistent with government policy particularly where such use has been adequately planned for. Notably the City of Ryde can more than meet its housing targets of 12,000 dwellings in the Draft Subregional Strategy with existing and planned centres.

The planning for the Macquarie Park Corridor, given its economic importance, cannot be treated in the same way as either a mixed use precinct or regional centre. Overriding weight needs to be given to the employment function.

Chatswood CBD provides a very real example of how a more flexible policy approach to a broad range of uses in a regional centre undermine one of the key functions of a regional centre as an employment destination. Chatswood CBD is part of the Global Economic Corridor.

SGS Stage 2 report at page 28 and 29 provides a broad chronology of how the introduction of high density residential development to meet urban consolidation targets has affected the availability of commercial. In the mid 1990's, once permitted in the centre, residential development occurred at a pace more rapid than anticipated, with the residential sector outbidding the commercial section (SGS Stage 2 page 28). High density residential development is considered the highest and best use in the current property market – Chatswood – where there is considerable pressure to convert space within the CBD to non-employment uses, exacerbated by the changing office market conditions (SGS Stage 2 pages 28 and 29).

An economic analysis commissioned by Willoughby Council in 2010 concluded that the level of residential development within the Chatswood CBD had occurred to the extent that the area between the rail line and Pacific Highway may well fall short of its full potential as a major sub-regional commercial centre (SGS Stage 2 page 29).

Furthermore if high rise residential continued unabated, the centre would fall short of its potential as a critical mass of business space as is required for a centre to maintain its attractiveness as a business centre.

In response to these findings Willoughby Council in 2012 introduced planning controls specifically to restrict residential use in the commercial core, and increased densities to promote redevelopment of sites.

This case study is evident of how piecemeal decisions based on a site by site approach can undermine the higher order role of a centres employment function – a case of where residential development has squeezed out commercial.

#### 4.3.3 Metropolitan Plan 2036 and Draft Metropolitan Strategy 2031

##### Original Assessment:

*'The direction of both these documents is very much about protection of Specialised Centres / Specialised Precincts. They perform vital economic and employment roles across the metropolitan area.*

*Both documents refer to the complex interaction with the rest of the city and the fact that growth and change in and around them must be carefully planned.*

*The identification as a Specialised Precinct and the fact that residential uses have been both planned in and around the Corridor in a coordinated way means that the current proposal is inconsistent with both strategies.*

*Single site addition of residential uses and significant changes in density and height does not represent a holistic approach.*

*The introduction of residential use will undermine the key strategic directions, which are best outlined at Appendix B of the Draft Metropolitan Strategy 2031 which is also a reflection of the position of the Metropolitan Plan 2036.*

*There is a distinction between a Strategic Centre and Specialised Precinct which is not recognised in this Planning Proposal.'*

*Extract from Page 39 of the SJB Review of Planning Proposal – 15 August 2013.*

Additional Comments:

The proponent argues that the proposal does not diminish the employment capacity of the Macquarie Park Specialised Centre and continues to support residential development in close proximity to public transport. Furthermore it is asserted that the proposal has additional strategic benefit that makes it consistent with the Metropolitan Plan 2036 and the Draft Metropolitan Strategy 2031. These additional benefits are identified as:

- Maintaining a suitable supply of employment generating lands;
- Supporting land use to support the continued growth of Macquarie Park as a specialised centre;
- Focusing residential uses on the fringe; and
- Providing a coordinated approach to further development in the eastern end of the centre.

These strategic benefits are just as readily recognised within the existing and planned policy frameworks.

The proposal represents the piecemeal introduction of residential use to a planned precinct which is inconsistent with the broader strategies. The NRSUAP was planned in a holistic way, as has the Macquarie Park Corridor.

The market impact of introducing residential uses into areas specifically planned for employment has also not been addressed.

Fundamentally the distinction between a Specialised Precinct Centre and other mixed use or CBD environments needs to be reinforced. This is achieved through maintaining a broad policy position that is weighted in favour of the protection of employment lands. This translates to restricting residential use to protect the precinct as an overall policy position.

PwC in 'Australia Uncovered – A New Lens for Understanding our Evolving Economy' notes that:

*'In the last 13 years:*

- *the economy of North Sydney hasn't grown*
- *the economy of Macquarie Park has doubled in size.*

*At these rates, our prediction is that the Macquarie Park economy is set to surpass North Sydney's economy in the next 4 to 5 years. This will make it NSW's 2<sup>nd</sup> largest economy and Australia's 9<sup>th</sup> largest economy...*

*... The government need to understand which of these locations are operating at capacity and which areas have the greatest potential for further growth so as to inform the right policy and investment focus.'*

*Extract from page 8 of PwC's Australia Uncovered – A New Lens for Understanding our Evolving Economy.*

SGS Stage 2 at page 17 notes that the economic geography of Sydney is evolving where knowledge and service industries are more important than ever. This by extension then increases the importance of the role of Macquarie Park Corridor and the broader Global Economic Corridor as a Specialised Precinct providing employment lands. The knowledge industries are already concentrated in this area.

SGS Stage 2 at page 18 noted a potential capacity shortage over the next 25 years, particularly in the south centres. SGS also notes that there is a documented shortage of long term commercial space, though the extent is debatable.

SGS Stage 2 at page 33 found that:

- *The market assessment foreshadowed future shortages in the centres closer to the CBD – implying strong latent demand in the medium to long term for Macquarie Park.*

- *The competitive offer analysis* highlighted that MPC was at the ‘top-of-the-pack’ in terms of attractiveness for business park uses.
- *The assessment of competing land-uses* indicated that there is likely to be minimal benefits from residential development on the subject site (due to existing capacity in surrounding areas), and that residential development may ‘crowd out’ future commercial development through increased land value expectations. In other words, the case for allowing residential land-use is weak.

*Extract from Page 33 of SGS Strategic Implications for Macquarie Park: Stage 2.*

Given the weakness of the case, coupled with the more than adequate supply of residential lands to accommodate housing, the importance of the role of the Macquarie Park Corridor to the economy of NSW, there is little justification to allow for residential development to encroach into the precinct.

The introduction of residential uses into the precinct will set an undesirable precedent that will be difficult to contain as the broad arguments in support of this proposal are equally applicable to many other sites. The delineation of the corridor as a major employment function needs to be maintained.

SGS Stage 2 at page 16 notes the current importance and function of Macquarie Park Corridor as follows:

*‘Business parks users lie along the industrial-office land-use spectrum, rather than pure commercial office or pure industrial users. Macquarie Park is no different – both high tech light industrial and high tech commercial tenants locate in the Corridor. In broad terms, the risk to pure commercial areas is residential encroachment, and the risk to pure industrial areas is bulky-good retail and dispersed uses (and in some cases, residential development). Given the unique nature of the Corridor, commercial core and business park zoned areas are likely to be under pressure from competing uses. Not accounting for the strategic importance of MPC in the GEC would be sub-optimal and counter to the objectives of the business park itself. For these reasons, careful and conscientious planning is required for the MPC. And particular attention should be given to its strategic role in the GEC, and its importance at a State and National level.’*

*Extract from Page 16 of SGS Strategic Implications for Macquarie Park: Stage 2.*

The ad-hoc approach to changes to the planning framework on a site by site basis has the potential to dilute the strategic purpose and role of the corridor.

#### 4.3.4 Consistency with S117 Direction

##### Original Assessment:

*‘The proposal will potentially result in the loss of employment lands for residential use. This is inconsistent with Direction 1.1 as it potentially undermines the viability of the strategic centre, given the potential for further proposals to be put forward and the loss of employment lands.’*

*Extract from Page 39 of the SJB Review of Planning Proposal – 15 August 2013.*

##### Additional Comments:

The employment figures suggest that the range of uses proposed (inclusive of residential) at FSR greater than current yields are less than employment potential under existing potential scenarios (SGS Stage 1 page 13).

The employment capacity of the site is diminished because of the introduction of residential uses.

#### 4.3.5 Existing Character and Urban Structure

##### Original Assessment:

*‘The proposal provides potential for additional residential use on the fringe of the centre. The surrounding urban character is an employment area of a very different built form and scale.’*



*Essentially, it is not necessary as the North Ryde Station Urban Activation Precinct will potentially provide this form of development.'*

*Extract from Page 39 of the SJB Review of Planning Proposal – 15 August 2013.*

Additional Comments:

While the potential land swap will facilitate improved access to the NRSUAP, this does not need to be dependant on increased density and addition of residential uses on the subject site.

A great deal of information has been provided to support the integration with the NRSUAP. However there is little analysis of integration with the broader employment area. The lands along Wicks Road and Epping Road are to remain for employment purposes. The point of change for the broader character and urban structure is the NRSUAP. Changes to the boundaries are not appropriately addressed on an individual site basis. The additional of residential uses in the NRSUAP adequately supports the function of the Macquarie Park Corridor.

The fragmented and piecemeal approach to the introduction of residential uses would potentially open the gates for similar proposals on other sites as the broad justifications are not necessarily site specific.

An ad hoc approach does not provide for adequate planning for infrastructure to support residential use. Consideration of residential use should only be carried out at a strategic level in order to properly plan for services. In the current case, there is no reason to introduce additional residential uses.

The original comments remain valid.

4.3.6 Sufficient Physical Land in the Macquarie Park

Original Assessment:

*'The purpose of planning controls in the case of Specialised Precincts is to maintain their function as specialised employment areas. This justification fails to respond to the primary purpose of the nature of the controls applying to the centre. They are to restrict and protect for the short, medium and longer term. Changing the zone to allow residential development would undermine this approach, and potentially diminish capacity in the medium to longer term.'*

*Extract from Page 39 of the SJB Review of Planning Proposal – 15 August 2013.*

Additional Comments:

The position that residential use would potentially undermine the primary purpose of the precinct remains.

The piecemeal approach of varying from a policy position will set a precedent that will make it difficult to maintain boundaries and limits – potentially impacting on the primary function of the Specialised Precinct.

SGS Stage 2 at page 16 notes:

*'This distinction between underlying and effective demand creates a 'disconnect' between the 'price value' and the 'use value' of the land, which has implications for commercial floor space supply (Productivity Commission, 2011). For example, a region may be forecast to see substantial population growth resulting in a long-term demand for commercial floor space, however, due to current market conditions the construction of such floor space may not be considered financially feasible. In situations such as these, development pressure often exists to respond to the shorter-term effective demand through the rezoning of commercial zones or the permitting of non-commercial uses. However, responding simply to effective demand and current development pressures without due consideration of the underlying demand runs the risk of facilitating an undersupply of employment generating floor space in the future. This is particularly relevant to decisions over large strategic sites, as in any given location there is almost always few suitable sites for large scale commercial development.'*

*Extract from Page 16 of SGS Strategic Implications for Macquarie Park: Stage 2.*

The example of the Chatswood CBD is illustrative of how site by site decisions can undermine important functions of a centre over a medium term.

#### 4.3.7 Responding to the Land Use Condition in the South-East

##### Original Assessment:

*'While the proposal does respond to the NRSUAP, the scale and land use relationships have not considered lands to the north and west. There needs to be a clear delineation of boundaries and limits to change in order to protect the primary purpose of the Corridor. The point of transition is at the property boundaries of the NRSUAP. It is not appropriate to encroach further.'*

*Extract from Page 40 of the SJB Review of Planning Proposal – 15 August 2013.*

##### Additional Comments:

The further urban design work by AJ+C has provided additional justification for integration with the finalised NRSUAP. However, the relationship with lands to the north and west has not been further addressed. The main emphasis has been on the integration with the NRSUAP.

#### 4.3.8 Logical Location in Relation to Transport Services and Promote Better Utilisation of the Train Line

##### Original Assessment:

*'This justification is equally true of employment uses. While the location meets accepted distances, this is not the overriding factor that should determine land use.'*

*Residential uses are already potentially adequately being catered for in proximity to rail use.*

*Strategically, the site and surrounding land's principal function should be as employment land to protect the importance of the broader function of the Macquarie Park Corridor. Strategically the employment and economic focus should override housing options.'*

*Extract from Page 40 of the SJB Review of Planning Proposal – 15 August 2013.*

##### Additional Comments:

This position remains valid notwithstanding the additional material.

#### 4.3.9 Consistency with Ryde Draft LEP 2013 – Amendment No.1

##### Original Assessment:

*'The effect of the Ryde Draft LEP 2013 (Amendment No.1) permits access to bonus floor space ratio and height that captures some of the value to implement new roads and parks.'*

*The new road and park infrastructure is outlined in the Planning Proposal relating to Amendment No.1 at Figures 4.02 and 4.03, and reflects the recommendation contained in the Architectus Report – Macquarie Park Plan Review – Recommendation Paper dated 14 May 2013.*

*The proposed road access specific to the current Planning Proposal is further south than that proposed by Council. It proposes a road and open space network not planned for, and is inconsistent with Council's current approach.*

*This Planning Proposal is not consistent with the road and park infrastructure as shown and therefore cannot be supported.'*

Extract from Page 40 of the SJB Review of Planning Proposal – 15 August 2013.

#### Additional Comments:

This amendment has a long history and was the subject of a detailed report to Council on 9 April 2013. The Planning Proposal was exhibited from the 12 June 2013 to 19 July 2013.

The amendment proposed to include:

- Deferred provisions for increased FSR and building height controls to become available for development upon entering into a VPA with Council to provide key infrastructure - roads and open space; and
- Introduction of new maps with the highest FSR and heights concentrated along Waterloo Road and the lowest FSR and heights located towards the perimeter of the Macquarie Park Corridor.

The Preferred Concept Plan maintains the access points as originally proposed and remains inconsistent.

The site would potentially benefit from a 45 metre height and 2.1 FSR subject to the Voluntary Planning Agreement being entered into under Ryde Draft LEP 2013 (Amendment No.1). The form and scale proposed in the Planning Proposal is inconsistent with maintaining heights along the ridge and stepping down to the edges of the corridor.

#### **4.4 Assessment of Additional Planning Justification - New**

##### 4.4.1 Overview

The following section addresses the key points put forward by the proponent. The key reason for the planning proposal are summarised on pages 17 and 18 and are extracted as follows:

- *'The commencement of State Environmental Planning Policy Amendment (North Ryde Station Precinct) 2013, which rezoned the NRSUAP site and introduced residential mixed use development in the eastern end of the Macquarie Park Specialised Centre.*
- *The need for a new access point to the NRSUAP site off Epping Road due to the constraints of the previously proposed access point to the NRSUAP site.*
- *Emergence and creation of mixed use precincts at the eastern and western edges of the Macquarie Park Specialised Centre, to maximise the benefit from recent government transport infrastructure investment.*
- *The closure of the Stamford Grand North Ryde Hotel and redevelopment of that site, and the need for international standard hotel accommodation within a major business park such as the Macquarie Park Specialised Centre.*

*The Planning Proposal is presented as the best means of achieving the objectives and intended outcomes of this proposal as it:*

- *Presents amendments to part of the zoning, height and floor space ratio controls which will support a wider mix of land uses to part of the site and increase development density compatible and complementary to the adjoining NRSUAP site.*
- *Facilitates increased integration between the NRSUAP and the proposal, including:*
- *A single co-ordinated access point from Epping Road through an in principle land swap agreement that will support the NRSUAP Spine Road traversing 29 Epping Road (part of the subject site).*
- *A mid-block connection to Wicks Road connecting to the NRSUAP Spine Road that would provide a co-ordinated access point to both the site and the NRSUAP for vehicles and pedestrians.*
- *Integrated network of open space which would be connected by the internal road network to improve vehicle and pedestrian permeability through the site and the NRSUAP, and improve accessibility to key infrastructure.'*

*Extract from Pages 17 & 18 of Macquarie Park Planning Proposal by Urbis January 2014.*

The key points and additional information relate to:

- The benefit that the proposal will have as a means of integration with the NRSUAP and support for employment figures; and
- Improved access to NRSUAP.

The planning justification relies on the arguments included in the original Planning Proposal and the supplementary information lodged.

The additional key strategic reasons in support of the Planning Proposal while outlined through the document are best summarised as stated in the conclusion to the report and are detailed as follows:

***'Maintain a suitable supply of employment generating lands***

- *Potential to deliver around 920 jobs on the site, being a twelve-fold increase of 845 additional jobs compared to current employment;*
- *The additional jobs generated on the site meets the annual supply of jobs required in the whole Centre to meet the employment targets contained in the Metro Plan; and*
- *Deliver approximately 22,724sq.m of commercial office and hotel floor space, and a total of approximately 845 jobs across the site. Figures updated to 1,071 jobs – Urbis.*

***Support the continued growth of Macquarie Park as a Specialised Centre***

- *Approximately 70% of future development on the site is proposed to be non-residential;*
- *The proposed land uses, including the hotel will strengthen the Centre, by providing key services which are essential to the success of major business parks;*
- *Improved vehicle access to both the NRSUAP and the site from Epping Road and Wicks Road through co-ordinated access points to service both sites, improving their ability to contribute to the growth of Macquarie Park as a Specialised Centre; and*
- *New fine grain road network through the NRSUAP and the site, consistent with Council's vision to improve pedestrian and vehicle permeability within the Centre.*

***Focuses residential development on the Fringe***

- *The NRSUAP has been identified at all levels of government as being a fringe location within the Centre, and this has been supported through draft Ryde LEP Amendment No.1 which seeks to create a Central Spine along Waterloo Road which terminates at Wicks Road;*
- *While the Riverside Corporate Park is further east of the site; this precinct is detached from the wider Macquarie Park Specialised Centre, and as a separate centre which shares infrastructure with the wider Centre;*
- *There is an agreed position at both the State and Local government level that residential development should be situated at the fringe of the Centre; and*
- *The site presents a fringe location and should be considered appropriate to support a broader range of services, including incorporating a child care centre, café, and hotel, which will all provide support infrastructure services to employment uses within the Centre.*

***Co-ordinated approach to future development in eastern end of the Centre***

- *This Planning Proposal has been prepared through a comprehensive masterplanning process which incorporates both the NRSUAP and the site, creating a total of approximately 14.5 hectares of land, to be master planned to overcome existing site constraints including site access and servicing, without diminishing the opportunities of surrounding sites for future redevelopment.*
- *The proposal presents opportunities for more open space including new plazas within the site, and the opportunity for the creation of a new private open space adjacent to the child care centre; and*
- *Presents built form uplift which is consistent with Council's vision to support the up-scaling of development in the corridor as evident through Draft LEP Amendment No.1.*

*In addition, the Planning Proposal presents an opportunity to deliver the following **economic benefits** to the Centre:*

- *Development of an under-utilised site in an orderly and efficient manner.*
- *Will support 920 on-going jobs on the site.*
- *Potential to deliver 650 construction jobs and 1,020 supplier jobs linked to construction activity.*
- *Attracting Harvey Norman's head office - a leading Australian business to locate at Macquarie Park will further strengthen and enhance the reputation of the area as a location of choice for potential "blue chip" employers.*
- *The provision of a 200 room hotel which will effectively replace the hotel rooms that would be lost by the redevelopment of the Stamford Hotel site. Providing good quality hotel accommodation is an essential component of a successful large scale business park. We understand that the receipts from the development of the residential apartments will provide the necessary funds to enable the development of the hotel that would otherwise be of marginal viability.*
- *The provision of up to 170 residential apartments to contribute toward City of Ryde's housing target of 12,000 additional dwellings between 2004 and 2031 (based on the draft Inner North Subregional Strategy) within walking distance of major employment, retail and further education facilities and excellent public transport connectivity.*
- *The addition of ancillary café and child care uses to meet the daily needs of workers on site.*
- *Improved integration with adjoining planned residential uses through the creation of a mixed use area.*

*Accordingly, this Planning Proposal will achieve the right balance of contributing employment growth within the Centre, while also supporting a wider range of land uses which will support the on-going success of Macquarie Park as a Specialised Centre. The proposed changes to the built form controls are responsive to the commencement of the State Environmental Planning Policy Amendment (North Ryde Station Precinct) 2013 that rezoned the NRSUAP site and the ongoing progress of draft LEP Amendment No.1, which seek to increase development density throughout the Centre. For these reasons, and the reasons detailed in this report, the Planning Proposal is worthy of Council support.'*

*Extract from Page 27 & 28 of Macquarie Park Planning Proposal by Urbis January 2014.*

These points are addressed as follows:

#### 4.4.2 Maintains a Suitable Supply of Employment Generating Lands

##### Proponent's Position:

*'The Metro Plan targets 61,000 jobs to be provided within the Centre by 2031. Based on an employment figure of 47,500 jobs within the Centre in 2011, this means a total of 13,500 new jobs are required to be created within the centre by 2031, which equates to 675 jobs per annum.*

*Approximately 70% of development area to be supported under the Planning Proposal is non-residential employment generating floor space. The proposed development will deliver some*

*22,724sqm of commercial and hotel floorspace with a corresponding generation of 845 net additional jobs on the site, which equates to more than a single year's supply of jobs for the centre, and accounts for 6% of the total employment target to 2031 for Centre. With the site comprising just 2.5% of land within Macquarie Park zoned to support commercial development, this indicates the proposal is more than capable of providing a suitable supply of jobs to meet the Metro Plan employment targets.*

*The employment potential of the site and Centre is discussed in detail in the "Employment Potential of Proposed Development" report contained in Appendix B.'*

*Extract from Page 18 of Macquarie Park Planning Proposal by Urbis January 2014.*

#### Additional Comment:

Urbis identify the theoretical employment capacity under the current planning controls as 1,100 jobs.

Urbis provided updated job numbers for the Preferred Concept 1,071 (SGS Stage 1 page 10).

SGS Stage 1 has estimated the theoretical employment potential development yields of 1.5:1 and 2:1 scenarios. These job numbers, including Domayne, are in the order of 1049 and 1543 / 1600 (SGS Stage 1 page 13 Table 8).

SGS Stage 1 also note that if the FSR proposed was developed under a maximum office job potential then jobs would be close to 2100.

The previous Planning Proposal lacked evidence of the basis from which job figures were calculated. This has been adequately addressed.

However what has clearly been demonstrated in both Urbis and SGS analysis is that:

- The employment potential at floor space ratios greater than currently permitted are at best the same employment potential available under existing controls;
- This is a function of the land use mix;
- The theoretical employment potential at FSRs proposed under Amendment No. 1 are actually greater than those achieved under the Planning Proposal.

The proponent notes that the proposal will provide jobs and maintain employment lands. This aspect is not disputed. However the jobs created are between marginally less and significantly less than those theoretically available under the existing and planned scenarios for development.

SGS Stage 1 also note that the issue of large scale residential development in a commercial core can undermine the integrity of the commercial area and crowd out future commercial development.

Restricting residential use from employment lands clearly has a benefit in respect to employment potential. The introduction of residential uses clearly impacts upon the capacity of the lands to generate employment.

SGS Stage 1 note in respect to residential development that:

*'... large scale residential development in commercial core areas can undermine the integrity of commercial areas and 'crowd out' future commercial development. It increases surrounding landowners expectation of attracting higher prices from residential development, often resulting in land prices that can render commercial offices unfeasible....'*

*Extract from Page 15 SGS Economics and Planning Peer Review of Urbis Employment Potential Report: Stage 1.*

SGS Stage 1 at page 6 concludes that:

*'Overall we find the approach taken in this study appropriate to assess the contribution of the proposed development to the employment target... In particular, the market assessment (supply, job growth and vacancy) is appropriate for a study of this nature.'*

*Extract from Page 16 SGS Economics and Planning Peer Review of Urbis Employment Potential Report: Stage 1.*

However the review notes that in the case of job numbers, under existing controls, that they are in the order of 1,600 jobs, notably at FSR significantly less than that proposed.

All of the land uses proposed, other than residential, can be accommodated on site under existing or proposed controls – albeit at less height and FSR.

The key question relates to residential use and whether it should be permitted on a piecemeal basis. The strategic position has been to ensure that the development of the Macquarie Park Corridor is not compromised from its specific purpose.

The encroachment of residential uses into principally employment lands has the effect of changing the land values. Given the relative early development of the area, the strategic position of retaining the majority of lands for employment should be maintained.

Given the unique nature of the Corridor, commercial core and business park zoned areas are likely to be under pressure from competing uses. Not accounting for the strategic importance of MPC in the GEC would be sub-optimal and counter to the objectives of the business park itself.

SGS Stage 1 at page 15 notes that:

*'...we note that there has been next to no analysis of the housing market and the necessity for residential development on the site. We broadly agree that the provision of apartments in an accessible location, close to employment, can be viewed as an economic benefit for future residents. However, large scale residential development in commercial core areas can undermine the integrity of commercial areas and 'crowd out' future commercial redevelopment. It increases surrounding landowners' expectations of attracting higher prices from residential development, often resulting in land prices that can render commercial office unfeasible. As a consequence, landowners could complain that commercial is no longer feasible (and sometimes rightly so) and build political pressure for rezoning to residential development. Hence, why allowing residential development in commercial core areas is sometimes described as 'the thin edge of the wedge' or 'a death by a thousand cuts'.*

*Extract from page 15 of Peer Review of Urbis Employment Potential Report: Stage 1.*

The Chatswood CBD case study is a case in point.

#### 4.4.3 Supports Land Use to Support the Continued Growth of Macquarie Park as a Specialised Centre

##### Proponent's Position:

*'The SJB Report states that Macquarie Park is still in its early phases of development. As outlined in the Employment Potential Report in Appendix B, Macquarie Park already contains over 800,000sq.m of commercial floorspace, however has significant scope for future development to achieve over 2 million sqm of floorspace. Accordingly, while there is scope for commercial floorspace in Macquarie Park to more than double in the future, the scale of development currently within the Centre indicates a level of a well-established Centre, and development of the Centre cannot accurately be described as being „in its early phases“.*

*Due to the commencement of State Environmental Planning Policy Amendment (North Ryde Station Precinct) 2013 which rezoned the NRSUAP site, there is greater certainty of land use and scale in the eastern part of the Centre. The direction presented by the State government for the*

*NRSUAP indicates a strong commitment to addressing key challenges facing Sydney including locating more jobs closer to home, more efficient transport, tackling climate change and enabling a more sustainable city.*

*This Planning Proposal also works to address these challenges in the following ways:*

- *Delivers a mix of land uses which will provide both jobs and homes within the site.*
- *Will provide permanent housing and temporary accommodation (by way of the hotel) to increase the ability of the Centre to deliver jobs close to homes.*
- *Develop a currently under-utilised site to take advantage and increase utilisation of key transport infrastructure including North Ryde Station, and the proposed new pedestrian bridge linking the NRSUAP to the eastern side of Delhi Road.*
- *Contribute to the mix of land uses within the Centre and deliver essential social infrastructure including new open space and a child care facility. This infrastructure, as well as the hotel, have been identified as essential components of a successful large business park, and fundamental to attracting new office investors and tenants.'*

*Extract from Page 18 & 19 of Macquarie Park Planning Proposal by Urbis January 2014.*

#### Additional Comment:

The use of the land in accordance with the current zoning and controls also supports the continued growth of the Macquarie Park Corridor. The NRSUAP can more than adequately provide for residential development in the areas appropriately zoned.

The key point here again is the potential impact of allowing residential uses into an evolving and specialised precinct that is in one of the top performing locations nationally in terms of its contribution to Australia's economy.

It is not an argument of how well or otherwise this proposal will integrate with the NRSUAP. It is about the potential impact that piecemeal introduction of residential uses has on the continued capacity of the Macquarie Park Corridor to fulfil its strategic role as a Specialised Precinct.

The proposal contributes to mix and provision of infrastructure, and provides for a reasonable integration with NRSUAP.

However these are not reasons to abandon a strategic and considered approach to reserve lands for employment particularly where all the elements of this project can readily be provided in planned areas within and adjoining the precinct.

Examples of planning mechanisms responding to the need to preserve commercial or employment lands can be found in approaches taken in other centres. Planning controls applying to the CBD of Chatswood have excluded residential uses from their commercial core as a mechanism to ensure a continual supply of commercially zoned land. This was a response to limit the fact that strong residential demand was seeing commercial offices being replaced by residential.

The introduction of residential uses in a piecemeal way to the broader corridor has the effect of undermining its function as an employment destination. SGS Stage 2 (page 15) found in the broader strategic assessment that decisions regarding the amount and location of land available for commercial use significantly influences the location, size and scale of business activities.

Strategic planning frameworks are critical to minimising risk of under or over supply of commercial land. The Macquarie Park Corridor is estimated to have the 10<sup>th</sup> highest economic output in Australia (PwC March 2014).



The strategic importance of the Macquarie Park Corridor was also considered by SGS Stage 2 report as follows:

*‘Three analytical tools were used to understand the strategic importance of MPC in the GEC – assessment of the market for commercial floorspace in GEC, assessment of MPC’s competitive offer, and the broad costs and benefits of alternative land-uses on the subject site. All three assessments were largely qualitative, and focused on MPC’s role as a key centre in the GEC. The key findings from these assessments are below:*

- *The market assessment foreshadowed future shortages in the centres closer to the CBD – implying strong latent demand in the medium to long term for Macquarie Park.*
- *The competitive offer analysis highlighted that MPC was at the ‘top-of-the-pack’ in terms of attractiveness for business park uses.*
- *The assessment of competing land-uses indicated that there is likely to be minimal benefits from residential development on the subject site (due to existing capacity in surrounding areas), and that residential development may ‘crowd out’ future commercial development through increased land value expectations. In other words, the case for allowing residential land-use is weak.*

*Taken together, these three assessments suggest that there is a strong case to preserve MPC’s role as a hub for future employment. Given its State (and National) importance, Macquarie Park needs careful and proactive planning to protect employment lands for future employment generation.’*

*Extract from Page 33 of SGS Strategic Implications for Macquarie Park: Stage 2.*

#### 4.4.4 Focuses residential development on the Fringe

##### Proponent’s Position:

*‘The SJB Report asserts that residential development should only be located in fringe locations within the Centre, and that the proposal should not be supported as is not situated in a fringe location.*

*The NRSUAP has been identified at all levels of government as being a fringe location within the Centre, and providing key housing to support the future growth of the centre. There is no compelling reason in our opinion why the subject land should be considered anything other than a fringe area to Macquarie Park Corridor. Key considerations are as follows:*

- *The draft Ryde LEP Amendment 1 for Macquarie Park Corridor including the subject site, adopted by Council and soon to be made, up-scales the planning controls. Of relevance, is the clear designation of Waterloo Road as the principle “central spine” (contained in the Architectus Report “Macquarie Park Plan Review – Recommendations Paper” dated May 2013) of the centre which will accommodate the highest scale buildings and building densities as well as support a new central park to strengthen Waterloo Road as the commercial core and focal point in corridor. The central spine stops at the intersection with Wicks Road. Areas outside the “core” including the subject site have been allocated lower building height and FSR controls, reflecting their location outside the central commercial core.*
- *This Planning Proposal has been designed to complement the NRSUAP development, and deliver a co-ordinated structure plan approach to the eastern edge of the Centre. The connectivity of the site with the NRSUAP is evident through the incorporation of an integrated road network, and the proposal can deliver improved accessibility and permeability for the NRSUAP and other land to the east of Wicks Road.*
- *The M2 Motorway provides a physical barrier between Macquarie Park Corridor and the Riverside Corporate Park resulting in Riverside Corporate Park to operating separately from the remainder of the commercial areas in the Corridor. Accordingly, the triangular wedge bounded by the M2*

*Motorway, Epping Road and Wicks Road has limited accessibility for pedestrians and vehicles and is positioned in a fringe location within the Centre.*

*For these reasons, the land east of Wicks Road in the triangular wedge between the M2 motorway and Epping Road is a fringe location, and therefore a suitable location to support a wider mix of land uses while still maintaining a strong employment focus.'*

*Extract from Page 19 of Macquarie Park Planning Proposal by Urbis January 2014.*

#### Additional Comment:

The fringes of the Macquarie Park Corridor have been identified by the designation of zoning – i.e. R4 and B4 zones in NRSUAP and B4 in and around Herring Road Precinct. The existing B4 zones and the Urban Activation Precincts are areas identified for residential development.

This proposal is a piecemeal approach to extend the area and has not had regard to integration with further uses along Wicks Road. The fringes are already identified and are capable of accommodating significant residential development.

There is no need to provide more residential uses in an area specifically planned for other uses as lands within the city are estimated to provide a housing supply of over 12,000 dwellings between 2014 and 2030.

The impact of permitting residential uses in employment zones has not been acknowledged, nor the impacts on continued supply or the precedent effect this would have.

Housing targets for Ryde LGA are more than adequately met through the five (5) town centres, Herring Road and the NRSUAP. More importantly both Herring Road and the NRSUAP provide a significant amount of zoned land in close proximity to the Macquarie Park Corridor to meet the needs of a workforce providing ample opportunities for housing options in walking distance of a significant employment corridor.

There is no strategic need to zone additional lands for residential purposes.

#### 4.4.5 Coordinated approach to future development in the eastern end of the centre

#### Proponent's Position:

*'This Planning Proposal represents an integrated structure planning approach to the eastern edge of the Centre. The proposal has been prepared through a comprehensive masterplanning process which incorporates both the NRSUAP and the site, creating a total of approximately 14.5 hectares of land, to be master planned to overcome existing site constraints.*

*The integrated structure planning of the site with the NRSUAP delivers the following key benefits:*

- *Single co-ordinated access point from Epping Road through the NRSUAP which can also provide vehicle and pedestrian access to the site from Epping Road.*
- *Mid-block access to Wicks Road connecting to the NRSUAP Spine Road that will support vehicle and pedestrian movements north-south through the site and the NRSUAP.*
- *Open Space network which will improve vehicle and pedestrian permeability through the site and the NRSUAP.*

*The master plan of the site in conjunction with the NRSUAP has also considered access and servicing for other sites east of Wicks Road. The proposal would not diminish future opportunities for these sites to be redeveloped in the future.'*

*Extract from Page 20 of Macquarie Park Planning Proposal by Urbis January 2014.*

Additional Comment:

While this proposal adequately addressed the relationship and integration with the NRSUAP, it fails to address the scale and land use relationship of the remaining lands between Wicks Road.

This integration needs to be considered more holistically than on a site by site basis from a point of building scale and massing. This does not need to extend to a broadening of uses to residential as these are more than adequately catered for under the NRSUAP and Herring Road sites.

Integration with the NRSUAP, strategically is not a reason to alter, in a piecemeal way, the planned and considered approach to the provision of broader employment lands to service the NSW economy.

It should also be noted that the proposal fails to adequately relate to the Indicative Layout Plan for the NRSUAP (contained within the site specific DCP) as it does not connect to the proposed road network in the indicated location. This has significant ramifications for the wider road network. This is as the road network of amendment 1 and the NRSUAP have been designed to connect, providing a holistic approach for the wider Macquarie Park Corridor.

#### 4.4.6 Broader Economic Benefits

The concluding points included in the planning justification are broad points that can equally apply to any development. All of the economic benefits outlined can be accommodated by development within the existing policy framework.

Planning strategically needs to occur on more than a site by site basis. Development for employment uses at current yields would deliver significant employment numbers commensurate with those anticipated by the proposal. The economic benefit of additional jobs adjoining a newly planned urban area at NRSUAP has not been factored into the assessment.

In respect to the additional of residential use, SGS Stage 2 report at page 15 notes that:

*'...we note that there has been next to no analysis of the housing market and the necessity for residential development on the site. We broadly agree that the provision of apartments in an accessible location, close to employment, can be viewed as an economic benefit for future residents. However, large scale residential development in commercial core areas can undermine the integrity of commercial areas and 'crowd out' future commercial redevelopment. It increases surrounding landowners' expectations of attracting higher prices from residential development, often resulting in land prices that can render commercial office unfeasible. As a consequence, landowners could complain that commercial is no longer feasible (and sometimes rightly so) and build political pressure for rezoning to residential development. Hence, why allowing residential development in commercial core areas is sometimes described as 'the thin edge of the wedge' or 'a death by a thousand cuts'.*

Extract from page 15 of Peer Review of Urbis Employment Potential Report: Stage 1.

The Chatswood CBD case study is a case in point.

## 4.5 Site Specific Merit Assessment

### 4.5.1 Land Use

#### Original Assessment:

*'The proposal will result in an isolated pocket of B4 lands surrounded by B3 Commercial Core and B7 Business Development. It will result in residential uses being permitted on a site further west than the North Ryde Station Urban Activation Precinct.*

*While the other uses proposed are already permitted in the B3 Commercial Core zone, the location*

of residential uses changes the nature of the interface with existing zoned land.

*As outlined in the supporting documents to Ryde Draft LEP 2013 Amendment No. 1, the fine grain infrastructure that provides good pedestrian and traffic circulation is missing. The introduction of residential uses on a piecemeal basis is inconsistent with the broader strategic approach taken to the planning of the area, and is not supported.'*

*Extract from Page 40 of the SJB Review of Planning Proposal – 15 August 2013.*

#### Additional Comments:

This position remains valid and has been discussed in the previous section.

The introduction of residential land use will undermine the role of the corridor due to the:

- Potential to 'crowd out' future employment use;
- Reduce potential for employment land;
- Change expectation regarding land values; and
- Potentially affect the supply of employment lands in the medium term.

Table 4 extract from pages 24 and 25 of SGS Stage 2 analysis provides a broad cost and benefit analysis of competing land uses as follows:

TABLE 4. COMPETING LAND-USE ANALYSIS

Aspect being considered	Benefits of each type of land-use	Costs of each type of land-use
MPC character as a business park and commercial 'sense of address'	Commercial development would be consistent with the MPC's character and commercial 'sense of address' and enhance it.	No substantial cost associated with commercial development. However, retailers may miss out on potential increase in turnover related to residents' consumption— this is likely to be minor since most existing retailers in the MPC rely on office workers for critical mass. In addition, MPC already has regional shopping centre (Macquarie Shopping Centre) with catchment beyond the corridor.
	Residential development may activate the precinct by providing critical mass for retail firms.	Residential development is not consistent with the current zoning and MPC's character as a business park. It also has the potential to adversely impact the 'sense of commercial' address of MPC.
Role and function of MPC for Ryde LGA	Commercial development would assist in meeting the job targets, and would enhance the relative position and brand of MPC, and reaffirm its role as a supplier of premium grade office space. This would assist Ryde LGA in future employment generation, and generate related rate revenues.	Given current capacity levels, additional commercial development is not likely to negatively impact on existing commercial development.
	Residential development would bring associated rate revenues (likely to be higher than commercial) to Ryde Council.	Residential development would not contribute to the job target for Ryde and it is inconsistent with the role and function of MPC for Ryde. In addition, it may 'crowd-out' future commercial development. In addition, there is sufficient currently zoned land to meet the housing target (see Local Planning Study).

TABLE 4. COMPETING LAND-USE ANALYSIS

Aspect being considered	Benefits of each type of land-use	Costs of each type of land-use
Role and function of MPC in GEC	Commercial development would assist in the supply of commercial floorspace and job generation in the GEC. This is of particular importance since MPC has been identified as a 'specialised centre'. In addition, the retention of land, and sustaining of MPC's brand value is integral to GEC retaining its position at both the State and National level. Development that is consistent with the role and function of MPC and GEC is self-reinforcing; and is likely to assist in maintaining MPC's relative position.	No apparent costs associated with commercial development. Land value expectations would not be impacted.
	There is no apparent benefit associated with residential development as it is not consistent with the role and function of MPC in GEC.	Residential development would not fit in with the role and function of MPC in GEC. Given repeated requests for rezoning to residential, it may drive up land value expectations – reducing affordability for commercial uses, and it may adversely impact the branding and relative position of MPC in GEC at a State and National level.
Job generation capability – current and future	Commercial development would assist in current employment generation on-site. Firms with links to those locating in the MPC may wish to co-locate in MPC or proximate locations.	No costs associated with commercial development.
	Residential development may contribute to off-site job generation - mainly in population driven industries such as retail.	Residential development is unlikely to generate substantial number of jobs on site.
Changes to surrounding land values	Commercial development is likely to keep land-value expectations low. This is a benefit since relative land-prices are a key factor in keeping relative-rent prices low - an essential characteristic for viable commercial development. This would ensure MPC's attractiveness in the GEC.	Land-owners would forego increases in land-values and capital gains associated with residential rezoning.
	Residential development is likely to increase land-value expectations - this would be reflected by increased requests to allow residential development in MPC. These land-value increases are benefits accruing to land-owners.	Requests for residential rezoning are likely to put upward pressure on current and future land values in the MPC. This may compromise the affordability, feasibility and relative position of commercial development in MPC; and may have flow-on effects adversely impacting employment generation in GEC.

Extract of Table 4 Pages 24 and 25 of SGS Strategic Implications for Macquarie Park: Stage 2.

The case for allowing for additional residential use is particularly weak, when these uses are more than adequately catered for in close proximity to the site.

#### 4.5.2 Density

##### Original Assessment:

*'The FSR sought are not significantly greater than those permitted under the incentive scheme proposed in the Ryde Draft LEP 2013 – Amendment No.1. However they undermine the strategic approach of larger FSR and heights along Waterloo Road with a stepping down to Epping Road. The increased FSR has not been considered in the context of the adjoining sites to the west. Furthermore it has not been demonstrated that the appropriate infrastructure can support the level of density proposed.'*

Extract from Page 40 and 41 of the SJB Review of Planning Proposal – 15 August 2013.

##### Additional Comments:

This position remains valid. The relationship with the NRSUAP is illustrated at Figure (ii).

The FSR proposed are less than those contemplated under the NRSUAP. While the heights in numerical terms are commensurate, if not higher, their relative heights – specifically the lower element is similar in scale to the adjoining NRSUAP. This scale is inconsistent with Council's adopted approach to transition of scale down towards the edges and the desired urban form for commercial type buildings.

#### 4.5.3 Building Height and Form

##### Original Assessment:

*'The heights proposed are some 28 metres and 59 metres higher than those currently permitted and five (5) metres and 44 metres higher than those permitted under the Ryde Draft LEP 2013 (Amendment No. 1).*

*The corresponding heights have been considered in the context of the North Ryde Station Urban Activation Precinct as part of the documentation but not as part of the immediate lands within the Macquarie Park Corridor.*

*The 50 metre and 89 metre height and 2.4:1 FSR are significantly greater than the 45 metres permitted in the immediate vicinity and 65 metres permitted along the Waterloo Road spine and central core.*

*While building heights and FSR do not need to be the same, the approach to development in the Macquarie Park Corridor has been a well-considered and studied exercise. There have been urban design studies and feasibility studies that support the approach. The introduction of a site specific solution to one site that significantly changes the approach undermines this strategic and considered approach without any real justification.*

*The support of this proposal would undermine the strategic urban design approach to the Macquarie Park Corridor which has been planned and delivered in a holistic way. The current proposal does not continue to reinforce this approach.*

*The variation proposed cannot be supported as it is inconsistent with the structured, informed and planned approach taken to delivery of building height forms and scale in the Macquarie Park Corridor.'*

*Extract from Page 41 of the SJB Review of Planning Proposal – 15 August 2013.*

##### Additional Comments:

This position remains valid. The proposed heights are 55 metres and 89 metres. Figure (iv) illustrates the relationship of the building height and form to the NRSUAP. The highest building proposed, because of the topography, is similar in height to the 75m building proposed on the NRSUAP.

These heights are contrary to Council's adopted controls and planning principles adopted for the built form. Council's planning framework and urban design policy support location of higher density and height along the spine of Waterloo Road, the commercial core stepping down to the edges. This proposal interrupts this approach.

This extent of change in scale relationship is not appropriately considered on a site by site basis. It should be approached on a precinct basis. The following diagrams illustrate a number of sections through the site and the proposed built form relationship to that planned for the adjoining lands. The juxtaposition and change in height from 45 metres to 89 metres within the same block is not supported.

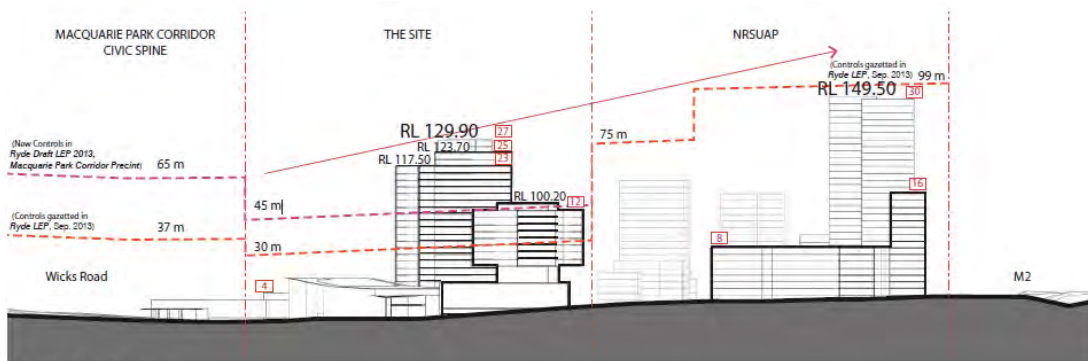


Figure 3.05.1a - Section 1

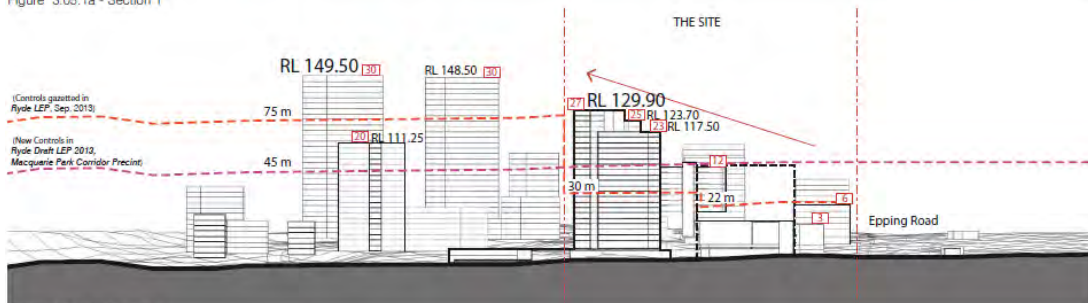


Figure 3.05.1b - Section 2

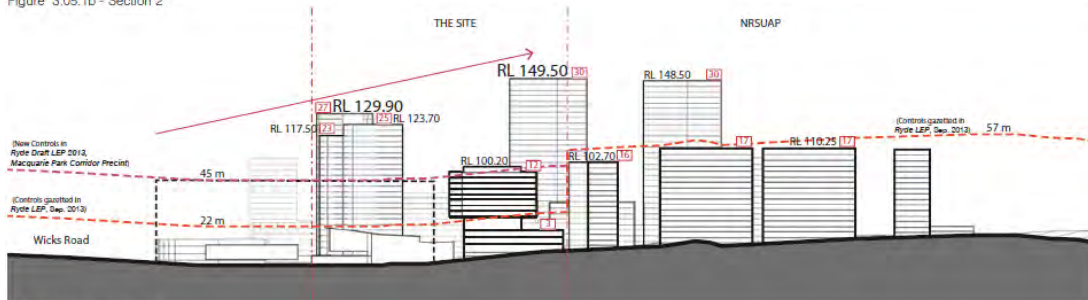


Figure 3.05.1c - Section 3

Figure (iv) – Building Height and Form – Extract from Page 20 of Macquarie Park Planning Proposal Supplementary Report by AJ+C January 2014.

4.5.4 Context and Visual Impact

Original Assessment:

*‘The premise for the Planning Proposal is put forward as a means of integrating the adjoining North Ryde Station Urban Activation Precinct. The immediate scale of building height on the North Ryde Station Urban Activation Precinct proposes a range from 57 and 67 metres up to 99 metres along the M2 Motorway interface.*

*The proposed development seeks 50 metres to Epping Road and 89 metres to the Wicks Road site. FSRs proposed across the North Ryde Station Urban Activation Precinct vary from 1.5:1, 3:1, 3.5:1 and 4.0:1 at different points across the sites.*

*The photo montages included as part of the Planning Proposal (AJ+C Urban Design Study p.19 & 20) have provided some analysis of the potential visual impacts of the proposed scale of buildings. It is not clear that these photo montages have been taken from the same place and appear to have different buildings from those shown in the North Ryde Station Urban Activation Precinct.*

*While the scale of buildings does not have to be exactly the same, the introduction of heights on the site greater than those proposed on the North Ryde Station Urban Activation Precinct has not been justified.*

*The testing of separation distances and potential impacts of shadows between the two (2) precincts has not occurred. Furthermore the testing of separation and shadow impacts on the potential adjoining 45 metre building forms to the west and north on the lands along Wicks Road and Epping Road has not been provided.*

*The location of an 89 metre tall building in close proximity to the shared common boundaries does not reasonably address separation distances to potential 45 metre building forms and impacts on the potential to recognise development on adjoining lands.'*

*Extract from Page 41 of the SJB Review of Planning Proposal – 15 August 2013.*

#### Additional Comments:

The heights in metres are noted as being greater than those proposed on the NRSUAP. However the relative levels, because of the topographic differences are acknowledged.

### **4.6 Additional Site Specific Issues**

#### 4.6.1 Site Specific Issue

Additional information has been provided in respect to traffic and stormwater. These issues in the whole are able to be resolved and are not considered to be determinative.

#### 4.6.2 Urban Form and Scale

The supporting Urban Design Study prepared by AJ+C is comprehensive. It supports the premise of integration with the NRSUAP. The document is correct in pointing out the topographic differences between the NRSUAP and the subject site and accurately details the differences in heights.

While a lot of attention has been focused on integration with NRSUAP, little has been provided on integration and relationship with the remaining B3 Commercial lands along Wicks and Epping Roads.

Ryde LEP 2013 (Amendment No.1) provides the potential for 45 metre built form between the site and Wicks Road, stepping up to 65 metres along the spine of the western side of Wicks Road. The urban form steps down to 45m on Wicks Road and steps up again towards NRSUAP.

The proximity of the 89m tower to adjoining properties has still not been resolved and has potential to impact upon adjoining lands to the west and north.

As previously outlined, the approach to additional scale and height has been determined as part of the Draft Ryde LEP 2013 (Amendment No.1). Given the building forms and scale proposed as part of the NRSUAP, it may be appropriate to revisit the relationship.

However the building scales sought result in a building form that steps down from a potential 65 metres west of Wicks Road to 45 metres east of Wicks Road then up to 89 metres at one point and then to range of heights supported on the NRSUAP.

This approach is a function of the fragmented approach of considering building form and scale on a site by site basis with the objective of integration with the NRSUAP as opposed to the broader Macquarie Park Corridor.

While there may be argument that building form and scale could be revisited in the light of the finalisation of the NRSUAP, this does not extend to a review of land use.

The previous concerns regarding separation distance and the relationship of 89 metre buildings close to common boundaries remains valid.



## 5.0 Drafting Amendment Provisions

The amended Planning Proposal states:

*'In lieu of a maximum FSR to the site, the proponent seeks the inclusion of a Schedule 1 Amendment identifying the maximum GFA for development on the whole site. The Schedule 1 Amendment should provide a maximum GFA across the whole of the site with a maximum of 25,000m<sup>2</sup> for hotel and residential uses'.*

*Extract from Page i of Executive Summary Macquarie Park Planning Proposal by Urbis January 2014.*

The amended Planning Proposal proposes:

- Changes to zoning;
- Changes to height controls; and
- Introduction of a GFA in m<sup>2</sup> across the whole of the site as an amendment to Schedule 1.

Zoning and height control changes are proposed via a map amendment which is consistent with the structure of the Ryde LEP 2010.

Schedule 1's purpose is to identify additional permitted uses on a site, not to use it as a density standard.

The proposed provision in respect to, including GFA, in Schedule 1 is generally not supported as it is inconsistent with the current structure of the Ryde LEP 2010 and Draft Ryde LEP 2013.

FSR is the planning tool adopted in the Ryde LEP 2010 to control the density of development. The adoption of a GFA does not provide sufficient limits to the extent of residential – should this aspect of the proposal be supported.

The relevant FSR applicable to each site given the work undertaken in the preparation of the Preferred Concept Plan can reasonably be identified on a site basis.

## 6.0 Conclusion

The amended Planning Proposal has provided comprehensive information to support a change in controls to increase floor space and essentially allow residential use on part of the site.

This change is based on the premise that the development provides a much improved access to the NRSUAP and integration with the future development of the NRSUAP. The development will create jobs.

The fundamental issue centres on the introduction of residential use into a planned strategic employment centre.

The key strategic benefits in support of the Planning Proposal can be summarised as:

- Maintaining a suitable supply of employment generating lands;
- Support the continued growth of Macquarie Park as a Specialised Centre;
- Focus residential development on the fringe;
- Co-ordinated approach to the future development in the eastern end of the Macquarie Park Corridor;
- Development of an underutilized site for a range of land use; and
- Potential delivery of 1,071 ongoing jobs and associated construction and supplier jobs.

The introduction of residential uses into the Macquarie Park Corridor is inconsistent with the detailed and structured strategic planning framework that continues to be implemented.

The importance of the corridor in respect to the NSW and Australian economy is well documented. The Macquarie Park Corridor is one of the top ten locations which make the biggest contribution to the Australian economy.

The economy of Macquarie Park has doubled in size in the last 13 years. It is currently on track to surpass North Sydney's economy in the next four (4) to five (5) years, making it NSW's 2<sup>nd</sup> largest economy and Australia's 9<sup>th</sup> largest (PwC Australia Uncovered – A Lense for Understanding our Evolving Economy page 8).

The Macquarie Park Corridor and the current planning strategy is realising the corridor's function. The continued growth of the Macquarie Park Corridor as a major employment hub in Sydney relies on protecting and strengthening its commercial role, and maintaining a critical mass of commercial – achieved through strategically prioritising commercial uses over residential uses. This is reinforced by limiting the encroachment of residential uses in the corridor, through planning policy.

The planning strategies deliberately and appropriately give weight to employment uses over residential. To date, given the above outcomes, it would suggest that this was and continues to be a sound policy approach.

The piecemeal approach to the introduction of residential use into the corridor has the potential to undermine its broader function.

SGS Stage 1 in their peer review have acknowledged the impact of residential uses in employment areas.

This piecemeal approach also means that infrastructure and services cannot be appropriately planned for.

The arguments put forward in support of the proposal are equally relevant to other sites and will establish an early precedent that will be difficult to resile from, to the detriment of the broader function.

In summary, the introduction of residential use has:

- Potential to undermine the broader function and purpose of the corridor;
- Potential to 'crowd out' future employment uses;
- Potential to change expectations regarding land values; and
- Represents a piecemeal approach to planning.

Strategic weight should continue to be placed on the strategic function of the corridor and reflected in planning policy. This translates to maintaining a restrictive policy approach regarding residential uses to preserve for the medium to longer term the Macquarie Park Corridor's primary employment function – an approach that has also been adopted for the Chatswood CBD in direct response to the impact high density residential use was having on its primary function.

The provision of housing is well catered for in and around the Macquarie Park Corridor, making the case weak for the need for additional lands for housing. The strategic approach and planning for the area has been considered with the principal aim of maintaining a suitable supply of employment generating lands with a fringe of residential for the medium to long term.

This strategy should continue to be applied given the timing and future needs of the area, and in recognition of the need to protect Specialised Precincts for the long-term and to ensure residential and non-specialised but competing uses must not override the core employment uses.

Where locations are ranked as the 10<sup>th</sup> largest contributor to the Australian economy and potentially NSW's 2<sup>nd</sup> largest economy, the primary employment function cannot be compromised. To date this has been achieved by focusing residential development on the fringes within clear boundaries, and should be maintained.

The current Planning Proposal does not achieve these objectives and in fact has the potential to undermine the strategy adopted for the Macquarie Park Corridor and should not be supported.

## 7.0 Recommendations

- A. That the Planning Proposal for 111 Wicks Road, 29 Epping Road and 31-35 Epping Road not proceed to Gateway for the following reasons:
1. The is inconsistent with the vision for the Macquarie Park Corridor as a Specialist Precinct whose primary purpose is for employment and economic functions;
  2. It is inconsistent with the City of Cities – A Plan for Sydney's Future (the Metropolitan Plan), Metropolitan Plan for Sydney 2036, Draft Metropolitan Strategy for Sydney 2031, Ryde Local Planning Study 2010, Ryde LEP 2010 and Ryde Draft LEP 2013 as amended.
  3. The need for the current planning framework applying to Macquarie Park Corridor to be retained to protect employment lands that are strategically important to the economic viability of the State.
- B. That the proponent be advised accordingly.