

2 July 2019

Mr Daniel East
Acting Manager, Strategic Planning and Policy
Inner West Council
PO Box 14
Petersham NSW 2049

Planning proposal for 1-5 Chester Street, Annandale

Dear Mr East,

Thank you for your letter dated 25 June 2019 regarding the planning proposal for 1-5 Chester Street, Annandale.

I note that you have offered the opportunity to withdraw the proposal prior to it being reported to the Inner West Planning Panel. Notwithstanding your advice, we would like the proposal to be progressed to the Panel for consideration on its merits.

Your letter highlights that Council has a preference to consider the *Student Housing and Creative Employment Uses mix over the market housing option given its alignment with the objectives of the Camperdown-Ultimo Collaboration Area*. This option forms part of the planning proposal, and my client is willing to progress with the consideration of this option.

This letter gives consideration to the issues raised by Council in relation to the proposal to assist you in finalising your report to the Panel.

Clarification of the preferred proposal

For clarity the preferred proposal seeks to replace the 'existing scenario':

- approximately 127m² Industrial floor space and 4 jobs;
- maximum 1:1 FSR Industrial;
- no Height Limit,

with the 'proposed scenario':

- creation of 65-98 jobs and 83 affordable Boarding House rooms, restricted to student use;
- 1.5:1 plus 0.5:1 FSR (in line with Affordable Rental Housing SEPP bonus), resulting in a maximum 2:1 FSR for an affordable boarding house;
- a minimum 0.75:1 office style accommodation, targeted at creative, health, education and innovation uses;
- a maximum 17m (5-6 storey) height limit, consistent with previous studies carried out on the site and the surrounding buildings.

Strategic merit of the proposal

The proposal is consistent with State Government endorsed strategies:

- the Greater Sydney Regional Plan
- the Eastern City District Plan, and
- the Camperdown-Ultimo Collaboration Area Place Strategy.

The District Plan sets out the following in relation to the Collaboration Area:

The Camperdown Ultimo Collaboration Area is part of the Innovation Corridor along the western and southern fringes of the Harbour CBD. The Innovation Corridor contains knowledge-intensive, creative and start-up industries along with health, education and research services that support the global competitiveness of the Harbour CBD. The opportunities to grow this precinct are further discussed in Planning Priority E8'' (GSC Eastern City District Plan, page 59).

The Camperdown-Ultimo Collaboration Area includes select major projects planned, approved or under construction across key identified landholdings include:

- Sydney University's approved \$1.4B campus masterplan
- RPA Hospital and surrounds
- UTS \$1B plus 'smart campus' masterplan underway
- Mirvac's approved \$1B ATP masterplan under construction

A key purpose of the Collaboration Area is to optimise these and other assets by identifying new opportunities for partnerships and collaborations to improve productivity. Instead, The District Plan highlights that the *surrounding high density and mixed-use precincts with workers, residents and students support the Collaboration Area's vitality and growth* (GSC Eastern City District Plan, page 65).

Key GSC objectives for these surrounding lands is: *the growth of start-up and creative industries and supporting a range of housing types and price points for key workers and students* (GSC Eastern City District Plan, page 65).

The proposal also aligns with key priorities and actions outlined in the Camperdown-Ultimo Collaboration Area Place Strategy which was released in February 2019, including those relating to increased supply of student housing, and the provision of employment space for education, health, tech start-ups, innovation, and creative industries. The demand for student housing and creative office style, education space to support the area has been well documented.

The planning proposal clearly fulfils the definition of creating higher density and mixed-use precincts around the key identified landholdings of the Collaboration Area.

The proposal is further supported by the University of Technology Sydney (UTS), with their letter of interest forming part of the planning proposal – UTS have expressed an interest in the entire project if it proceeds to DA stage.

Critically, whilst informed by it, the proposal does not rely solely on the Parramatta Road Corridor Urban Transformation Strategy 2016 (PRCUTS) and therefore its strategic merit test cannot be based

on the PRCUTS alone, including the out of sequence checklist and precinct wide traffic study requirements.

Out of Sequence / Prematurity

Whilst it is noted that the proposal is out of sequence as identified in the PRCUTS, the proposal and affiliated material demonstrates that the existing infrastructure is more than sufficient to accommodate the additional 83 students and minimal additional cars generated by the proposal.

Precinct Wide Traffic Study

We note your concerns that the proposal should not proceed until such time that a precinct wide traffic study is prepared.

For clarity, due to the proposed increase in floorspace being entirely affordable boarding house for student use, the proposal includes zero increase in proposed on site car parking compared to current controls. Further, the traffic generated by the proposal is less than the traffic generation potential under the existing controls. As evidenced by the Traffic and Transport Assessment, the proposal does not have any adverse or additional impact on the local road network and it is appropriate for the proposal to proceed in the absence of this study.

Your letter also raises concern about the impact of the proposal on public transport capacity. The Traffic and Transport Assessment provided with the proposal demonstrates that the proposal would be able to be accommodated within existing public transport infrastructure capacity.

Loss of employment land

Your letter raises concern about the loss of employment land associated with the proposal, noting that the industrial FSR would be reduced from 1:1 to 0.75:1. It is important to note that the 0.75:1 FSR is a minimum generated by design analysis specific to this site (i.e. locating the employment uses on the ground and lower ground floors where its most suited).

The proposal results in an increase in employment floorspace and particularly jobs as outlined below:

| | Existing Scenario | Maximum Under Current Controls | <u>Proposal</u> |
|------------------------------|--------------------------|---------------------------------------|--------------------------------|
| Employment Floorspace | 127m ² | 1,307m ² | <u>980m²</u> |
| Employment Jobs | 4 | 13-25 | <u>65-98</u> |

The number of jobs in the proposal is generated using a ratio of 1 employee per 10-15 m², which is typical for creative office / co-working premises of this scale.

The employment space created by the proposal is also far better suited to servicing the education, health, creative and innovation uses – as envisaged for the Camperdown-Ultimo Collaboration Area.

Urban Design / Amenity

The proposal is consistent with the PRCUTS proposed 17m height limit, some existing nearby buildings and proposed DA's (Kennards site to the east for example). Due to the site's specific Urban Design analysis and the proposed uses, the proposal results in a higher FSR than is identified in PRCUTS.

Critically, the proposal increases the supply of affordable housing and creative employment use, which is significantly undersupplied in the local area. This is evidenced in the Camperdown-Ultimo Collaboration Area Place Strategy and the Economic Impact Assessment included in the proposal. Due to the nature of the proposed uses, it is deemed acceptable to provide a higher FSR on the site, justifiable by providing a building design that does not create any adverse impacts on the neighbours.

We note that being Boarding House and employment use – the design would not need to comply with ADG / SEPP 65. That said, ADG / SEPP 65 setbacks have been considered in the proposal. Separation distances with all neighbouring buildings comply with ADG / SEPP 65 recommended setbacks. At DA stage, the building façades would also be carefully designed to minimize overlooking and increase privacy.

You raise concern about the compatibility of student housing with industrial / commercial uses both within the site and in the surrounding area. The non-residential uses on site are proposed to comprise a mix of offices uses targeted at the creative, innovation, health, and education sectors (not traditional industrial uses). These types of uses do not have a significant amenity impacts and are compatible with student housing.

The existing surrounding uses within the vicinity of the site being a mix of recreation, commercial and residential uses (many occupied by students), are compatible and of a low impact nature. The employment uses are self-storage warehouses to the west and small light industrial units (mainly used as offices) to the south which are oriented away from the site. These uses would not have any adverse impact on the proposed student housing. Public parkland abuts the site to the north adding student amenity and providing a significant buffer to low rise residential 60 metres away on Susan Street. The adjacent parkland and residential properties do not experience any significant overshadowing as a result of the proposal.

Further, a noise impact assessment has been prepared which forms part of the planning proposal which considers the noise generating potential within the surrounding industrial areas which concludes that the noise impacts can be appropriately mitigated.

Your letter also highlights that a development application (D/2019/125) has been lodged for an expansion of the self-storage facility to the west of the site. The development application comprises a mix of retail uses fronting Chester Street, commercial office and additional self-storage. These uses are entirely compatible with the proposal, particularly the inclusion of retail / commercial uses at the lower levels. We note that at 5-6 storeys, the height of that DA is consistent with the subject proposal.

Detailed design considerations such as corridors, ceiling heights, communal open space, GFA calculations, and detailed building / façade design are not required at planning proposal stage, and would be dealt with at DA stage when a more detailed design is prepared. It goes without saying that the design will be compliant with the relevant controls at that stage.

Management arrangements for student housing

Your letter raises concern that the proposal does not include provisions to ensure that the proposal will be transferred to a community housing provider or maintained at below market rental rates in perpetuity.

The proposal is for a boarding house to be used for student housing. Under the Affordable Rental Housing SEPP there is no requirement for a boarding house to be managed by community housing provider. A boarding house by definition of its small rooms, offers lower rents than the private sector, and is a form of affordable housing, suited to students.

Management of the facility will be by a professional, accredited specialist operator and by nature of the use, student tenants will be of low to moderate income – thereby achieving the objective of increasing supply of quality affordable student housing.

Infrastructure contributions / VPA

Your letter notes that an amended VPA letter of offer has not been provided. As included in the previous and current proposal, the VPA could include: beautification of the public domain and lighting around the site; an art mural; affordable housing; and sustainable design (4 star GreenStar). We now provide a draft VPA offer annexed to this letter.

My client is open to further discussion of this approach throughout the planning proposal process.

I trust this information will assist you in finalising your report to the Local Planning Panel. Please contact me if you wish to clarify any of the matters outlined in the planning proposal or this letter.

Regards,

A handwritten signature in cursive script, appearing to read "Michael File".

Michael File

Director

Phone: 0433 458 984

E-mail: Michael@fileplanning.com