# **TONGARRA ROAD**

# **ALBION PARK**

# POTENTIAL STATE SIGNIFICANT SITE

# PRELIMINARY INFORMATION



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## 1.0 INTRODUCTION

#### 1.1 Background

This report has been prepared for Delmo Albion Park Pty Ltd. They are the owners of land at Albion Park in the Local Government Area of Shellharbour. The land is currently zoned predominantly Rural 1(a) Agriculture under the provisions of Shellharbour Rural Local Environmental Plan 2004. It is proposed that the land be developed for light industrial purposes and as a result the land will require a change in zoning and development approval for the proposed use.

As the proposed development would have an investment value of up to \$400 million dollars, and would employ up to 1650 people on completion, it is considered that this proposal falls within the definition of Group 4 Other Manufacturing industries, distribution and storage facilities in Schedule 1 to State Environmental Planning Policy (Major Projects) (Major Projects SEPP) and as a result is a project to which Part 3A of the Environmental Planning and Assessment Act applies.

The land is adjacent to the Albion Park Airport (Airport) also known as the Illawarra Regional Airport. Shellharbour Council owns Albion Park Airport and adjacent land and as such is considered to have a conflict of interest in relation to the handling of the change in the planning controls relating to the site to enable the proposed development to proceed.

As a result this report provides background information to enable the Minister for Planning to initiate an investigation into the proposal with a view to adding the site to Schedule 3 of the Major Projects SEPP as a State Significant Site (SSS).

## 1.2 Criteria for a State Significant Site

A SSS must be of State or regional planning significance because of its social, economic or environmental characteristics.

When considering whether a site can be categorised as being of State significance the Minister will consider whether the site meets one or more of the following criteria:

(a) be of regional or State importance because it is in an identified strategic location (in a State or regional strategy), its importance to a particular industry sector, or its employment infrastructure, service delivery or redevelopment significance in achieving Government policy objectives; or

(b) be of regional or State environmental conservation or natural resource importance in achieving State or regional objectives. For example protecting sensitive wetlands or coastal areas; or
(c) be of regional or State importance in terms of amenity, cultural heritage, or historical significance in achieving State or regional objectives. For example sensitive redevelopment of heritage precincts; or

(d) need alternative planning consent arrangements where:

- (i) added transparency is required because of potential conflicting interests
- (ii) more than one local council is likely to be affected.

This report addresses the State and regional significance of the site and the need for alternative planning consent arrangements in terms of these criteria.

## 1.3 Circumstances Relating to the Site

The site is strategically located at the intersection of the Princes and Illawarra Highways, on the proposed extension of the F6 freeway, adjacent to the Airport and next to Albion Park Rail Station. The Airport has been identified in the Draft Illawarra Strategy as the regional airport for the Illawarra Region and the area has been identified as an area for employment generating activity. The key opportunity for the land is to provide:

- Airport related activities
- General transport and light industrial uses
- Commercial activities related to light industrial and
- Support services for the region

However, for this to occur there needs to be a change in the planning controls relating to the site.

## 1.4 The Project and Its Cost

The project is the industrial development of the land and this development would have an investment value of approximately \$400million.

## 1.5 Relevant Planning Requirements

The following planning controls are relevant to the future development of this site:

- State Environmental Planning Policy Major Projects
- State Environmental Planning Policy 14 Coastal Wetlands
- State Environmental Planning Policy 55 Remediation of Land
- Illawarra Regional Environmental Plan
- Draft Illawarra Regional Strategy
- Shellharbour Local Environmental Plan 2000
- Shellharbour Rural Local Environmental Plan 2004
- Shellharbour Industrial Development Control Plan
- Shellharbour Floodplain Risk Management development Control Plan

## 1.6 Consultation

During the preparation of this submission consultation was carried out with the Department of Planning; Department of State and Regional Development; and with staff of Shellharbour City Council.

## 2.0 PLANNING FRAMEWORK

2.1 State Planning Policies

<u>State Environmental Planning Policy</u> - <u>Major Projects</u> Under the provisions of this policy the proposed development of the site would come within the definition of a major project as the proposed development would come within the definition in Group 4 (11) and (12) of Schedule 1 to the SEPP.

It is also proposed that the site be added to Schedule 3 of the SEPP as a State Significant Site.

<u>State Environmental Planning Policy 14 – Coastal Wetlands</u> There is a wetland (382) identified under SEPP 14 on the site and as a result any development of that area would be designated development and would require the consent of the Council and the concurrence of the Director of the Department of Planning. Any restoration works to the wetland would also require Council consent and concurrence of the Director.

<u>State Environmental Planning Policy 55 – Remediation of Land</u> Any contamination on the site would need to be addressed and the land made suitable for the proposed development.

## 2.2 Regional Planning

Illawarra Regional Plan

This plan identifies the land as Airport Buffer Area and uses allowed in this area must be compatible with the operation of the airport.

The plan also provides policies in relation to industrial development and environmental matters.

## Draft Illawarra Strategy

This provides a strategy for the future development of Shellharbour, Wollongong and Kiama Local Government Areas. The strategy identifies that clustering business with synergies and similar environmental impacts will reduce land use conflicts and improve business efficiency and identity. For example, clustering transport, freight and logistics in and around the Illawarra Regional Airport should be encouraged. Albion Park is identified as the Illawarra Regional Airport.

## 2.3 Local Planning

<u>Shellharbour Rural Local Environmental Plan 2004</u> This plan zones the subject land as follows:

- Part 9(b) Arterial Roads Reservation
- Part 7w Wetlands
- Part 1(a) Agriculture

The proposed industrial and warehousing uses are not permissible under these zonings.

The site also contains a Heritage Conservation Area which identifies the SEPP14 Wetland 382.

Water courses through the area are identified as "Areas of High Conservation Value" in the LEP.

**Development Control Plans** 

These provide detailed controls for various types of development.

## 3.0 SITE DESCRIPTION

#### 3.1 Location

The site is located at 78 Tongarra Road Albion Park. It is situated with frontages to Tongarra Road and to the Illawarra Highway.

#### 3.2 Description

The Land comprises of 3 parcels:

- Lot 1 DP70380
- Lot 3 DP70380
- Lot B DP109816

It has an area of approximately 80ha.

#### 3.3 Existing Development

The site is used predominantly for cattle grazing with ancillary dairy, residential properties and machinery maintenance sheds. In addition, the south eastern portion of the site is used for soil mixing as part of a landscaping business.

#### 3.4 Topography/Geology/Contamination

A Stage 1 environmental Site Assessment was prepared of the site by Consulting Earth Scientists and the following are their findings.

## Site Topography

A review of the Albion Park 1:25 000 topographic map, Sheet 9028-1-N (CMA, 1986) revealed that the site has an approximate elevation of less than 10 m AHD and is located on the valley flat below the Illawarra Escarpment. There is a general down gradient slope of less than 5 degrees to the south east toward Frazers Creek. The portion of Lot 6 surrounding Frazers Creek is noted on the map as being subject to inundation.

Frazers Creek enters the southern portion of the site (Lot 6) and flows north east through an onsite wetland and to the Macquarie Rivulet approximately 800 m north of the northern corner of Lot 6. The Macquarie Rivulet, which flows into Lake Illawarra located approximately 1.5 km to the north east of the site, also forms the western boundary of Lot 1 on the western side of Illawarra Road. Surface water falling on the site would follow local onsite drainage and either infiltrate directly into the underlying soil or flow toward Frazers Creek or Macquarie Rivulet.

## Site Geology and Soils

#### **Regional Geology**

Review of the Kiama 1:50 000 Geological Series Sheet 9028-1 (NSW Department of Mines, 1974) indicated that the majority of the site is underlain by alluvium, gravel, beach and dune sand of the Quaternary Period. However, the south east corner of Lot 6 (underlying the existing onsite residences) is underlain by Berry Siltstone comprising mid-grey to dark-grey siltstone to fine sandstone of the Shoalhaven Group of the early-late Permian Period.

#### Soils

Review of the Kiama 1:100 000 Soil Landscape Series Sheet 9028 (Department of Conservation and Land Management, 1993) indicated that the site was situated on the Fairy Meadow soil landscape group. As described by the soil map, the landscape in which soils of the Fairy

Meadow soil landscape group are found comprises alluvial plains, valley flats and terraces bellow the Illawarra Escarpment. Local relief is less than 10 m with slopes usually less than 5%.

Soils of the Fairy Meadow soil landscape group are described as shallow to moderately deep (50-100cm) alluvial loams and siliceous sands on terraces with prairie soils and yellow podzolic soils occurring on the drainage plains. The limitations of this soil landscape group are noted as being a flood hazard, of low wet bearing strength and having highly permeable topsoils with high seasonal water tables.

## Potential Contamination Issues

## Summary of site history

From 1901 to 1977, the site was owned by individuals and farmers and was most likely used for rural grazing purposes during this period. In 1977, the owners changed the name on the title to Johnston (Marks Villa) Pty Ltd and G.H. Johnston Pty Ltd. Site use from 1977 to the present was not determined however anecdotal evidence suggests that the majority of the site was used for grazing cattle, while an area near an old silo in the central portion of the site and a second area in the south east corner of the site was used for a landscaping business.

## Summary of potential contamination issues

a)Potentially contaminating activities

The following potentially contaminating activities typically associated with the use of a site as rural grazing land and a landscaping business include:

- Uncontrolled filling;
- Maintenance of farm machinery;
- Storage of chemicals, including petroleum hydrocarbons;
- Pesticide and/or herbicide application;
- Asbestos containing materials and lead paint associated with structures.

The following are considered to be potential chemicals of concern: metals, Total Petroleum Hydrocarbons (TPH), Monocyclic aromatic hydrocarbons (BTEX); Polycyclic Aromatic Hydrocarbons (PAHs); Organochlorine Pesticides (OCPs); Organophosphate Pesticides (OPPs); Polychlorinated Biphenyls (PCBs); and Asbestos.

b)Summary of Areas of Potential Environmental Concern Based on a review of site history and a detailed site inspection, a number of limited areas have been identified where past and present activities have had the potential to cause contamination as follows:

- Areas used for a landscaping business including: adjacent to the silo, stockpiled soil between the cottages and the south eastern portion of the site adjacent to the airport runway;
- Machinery maintenance shed;
- An above ground car maintenance hoist and adjacent drainage channel;
- An area in the vicinity of three ASTs;
- An area surrounding an above ground waste oil container;
- An area to the south of a dairy building where steel pipes may indicate the presence of underground fuel storage tanks;

- Land surrounding existing residential cottages and other buildings constructed with Asbestos Containing Materials (eg fibrous cement sheets) and which may have been painted in the past with lead-based paint;
- Potentially filled areas including land in the south west sector; farm tracks and an old well; and
- Former structures surrounding a silo.

## 3.5 Flooding

The site is presently impacted by flooding. An existing waterway enters the site from the south after crossing Tongarra Road. The defined channel flows across the south western corner of the site. The remainder of the site is generally flat with an average grade of 2% falling from east to west. The western portion of the site is virtually level, particularly in the area of the existing wetland.

During extreme rainfall events flooding occurs on the site. This is mostly confined to the western portion. A flood study has identified the 100 year ARI flood level at approximately RL7.0. It is noteworthy that due to the site being flat, there is minor difference in flood levels for less significant events.

## 3.6 Flora and Fauna

The site has been largely cleared of vegetation apart from the wetland area. There are some trees around the edges of the site.

The areas on the site which are identified as of conservation significance including the SEPP14 Wetland are all considered to be much degraded at present. The wetland area has been used as a rubbish dump and is in need of attention. The conservation areas along the creeks are similarly degraded and in cases have dried out completely.

# 3.7 Heritage

Part of the site is identified as a Heritage Conservation Area under the provisions of the LEP. However, this designation relates to the SEPP 14 Wetland on the site and the provisions in the LEP relate to Conservation Areas not Heritage Conservation Areas. The study which led to the identification of the site as a Conservation Area "Nature Conservation Study Rural Lands Study" Area City of Shellharbour June 2000, identifies the site as a Juncus Rushland. The wetland has an area of 8.24ha and is of moderately high conservation priority.

Adjacent to the site is a heritage item identified in the LEP as Ravensthorpe 52 – 56 Tongarra Road.

# 3.8 Site Context

The site is adjacent to the Albion Park Airport which is the Illawarra Regional Airport. To the west of the site the land use is predominantly rural with large lot subdivisions. To the south is the residential land of Albion Park and to the east there is an existing industrial area adjacent to the other boundary of the airport.

Albion Park is identified as a major town in the draft Illawarra Regional Strategy where business and industry will be supported. The site and the area around it is identified as employment lands in the strategy to

provide employment for the large residential areas at Shellharbour and planned for West Dapto.

The site is well placed in relation to transport routes with both Tongarra Road and the Illawarra Highway adjacent to the site and the Princes Highway which connect both. The new freeway will cross over the south west boundary of the site and then along part of the western boundary. The airport is adjacent to the site as is the railway and Albion Park Rail Station.

## 4.0 DEVELOPMENT CONCEPT

#### 4.1 Concept for the Site

A concept plan for the development is included in Appendix 6. This is a preliminary concept only to illustrate the possible development of the site. It indicates that a substantial development can be carried out on the site within the environmental constraints that exist on the site.

It is proposed that the site will be developed for a combination of light industrial/warehouse and commercial uses. Those areas of environmental significance on the site will be retained as wetland areas or will be made available as conservation/open space areas.

The total area which will be available for development will be 52ha and this will be subdivided into 35 lots with site areas ranging from 3,160sqm to 6.72ha. Access to the site will be from Tongarra Road.

If the site were rezoned to the existing light industrial zone in the Shellharbour Local Environmental there would be a 1:1 floor space ratio applying to the site and a 9 metre height limit, subject to airport controls.

It would appear from preliminary studies that a total area of 52 hectares of the 80 hectare site could be available for development, including a portion which is flood affected but could be filled. It is considered that a floor space ratio of 0.6:1 would be appropriate for the development of the site.

The resulting total building area is approximately 313,000sqm. The total construction value of the proposed development would be in the order of \$376 million and would generate approximately 290 full time equivalent jobs during the construction phase. Once completed, the industrial park would provide approximately 1,650 full time equivalent positions.

## 4.3 General Development Parameters

The general parameters which have been adopted for the development are as follows:

- Conserve those areas of wetland and high conservation value
- Provide an open space area in part of the flood affected area of the site
- Provide a self-contained business/industrial park with access from Tongarra Road
- Provide for a development density of a floor space ratio of 0.6:1 over the remaining 52hectares of the site
- Provide a height limit of 9m for the development
- Provide car parking integrated into the development

## 4.4 Open Space and Landscape

It is proposed that extensive areas of the site will become open space. These areas are shown in the proposed zoning plan included in Appendix 7. The significant wetland on the site will be retained and will be integrated into the industrial development. Studies will be carried out to ensure that there will be no adverse impacts on this area as a result of the development proposal.

It is intended that as part of the development proposal a Management and Rehabilitation Plan will be prepared and implemented for the wetlands and open space areas on the site.

## 5.0 DEVELOPMENT ISSUES

#### 5.1 Site Zoning

In order for the development of the site to proceed, it will be necessary to change the zoning of parts of the site. It is intended that the areas zoned 7w Wetland and 9(b) Arterial Road will not be part of the developed area so they may remain in their current zoning. However the remainder of the site will require amended planning controls. It is considered at this stage that the appropriate zonings will be the Industrial 4a3 Airport Light Industrial Zone and either the public or private Open Space Zone as in the Shellharbour Local Environmental Plan. However, the details of the future planning controls for the site would be developed as a result of the environmental studies which it is intended to carry out in relation to the site.

## 5.2 Shellharbour Council Land

Shellharbour Council is the owner of the Airport land adjacent to the site. Legal advice has been sought in relation to the possibility that the Council might have a conflict of interest in relation to the handling of the rezoning of the subject site. The advice notes that it has long been recognised that in circumstances where a Council is considering an application to effect a rezoning of land in which it has an interest of some sort, it is of paramount importance to avoid the perception by the community that a conflict of interest has arisen. This is especially so when the land in which the Council has an interest will materially and substantially benefit as a result of the rezoning.

Were the Council to rezone the site, the benefits that would flow to the airport and associated land as a result of the proposed development may well give rise to accusations of conflict of interest and the probity of the Council's decision to rezone the site is likely to be questioned.

As a result of the above, the advice concluded that it would not be in the public interest that the Council act as planning authority in respect of a rezoning of the site or the proposed development.

## 5.3 Hydraulics

The proposed re-zoning includes some flood mitigation works to consolidate useable land and to improve overall stream flow during flooding. The objective is to complete filling to above the 100 year ARI flood level for the portion of the site indicated on the plans. Preliminary investigation work indicates that this filling will not have a detrimental impact on either flood storage volumes or flood flows. Flow velocities are not negatively impacted due to the relatively small percentage of land proposed to be filled. Further, because of the small area there is only negligible impact on flood storage volumes. Further and detailed flood impact studies will be completed as part of final design works to determine stream flow velocities so that appropriate detailing of the filling and stream works can be designed and implemented.

It will be necessary to develop a detailed water sensitive design proposal for the site. It will be of great importance to ensure that there are provisions to deal with stormwater and flooding on the site to ensure that there are no adverse impacts on the sensitive wetlands and conservation areas on the site. A detailed study will be carried out

to ensure that there are no adverse impacts and the hydraulic design for the development will be based on the outcome of these studies

## 5.4 Contamination

Further studies will be carried out to indicate whether there will be a need for any remediation on the site. However, at this stage it appears that any contamination of the site will be minor.

## 5.5 Access, Traffic and Parking

The traffic within the development will consist of a mix of commercial vehicles transporting goods into and out of the development and private vehicles of employees and people servicing the area. A new access road constructed to Austroads standards will provided within the development. This will consist of 20m road reserve with a 13m carriageway, providing 4.5m traffic lanes and 2m shoulder. There shall be provision for 3.5m wide footpaths.

The development will generate additional traffic within the surrounding road network, in particular Tongarra Road. The full extent of this impact will be assessed as part of future and detailed traffic studies. It is proposed that the entry into the site be a controlled intersection and that Tongarra Road will have some upgrading works completed along the section from the site entry to the Princes Highway.

## 5.6 Flora and Fauna

As part of the development proposal studies will be carried out of the existing flora and fauna on the site and the outcome of these studies will be integrated into the development proposal for the site. It is already proposed that extensive areas of the site will be conserved but the development of the site will need to be designed so that there will not be adverse impacts on any significant flora and fauna which is identified.

## 5.7 Heritage and Conservation

There are no heritage items on the site but there are important wetland and conservation areas. There are heritage items in the vicinity of the site. Detailed studies will be carried out of these areas plans prepared for the ongoing management of the areas of significance both during and after the completion of the development.

## 5.8 Visual Issues

The development of the site will have a visual impact on the surrounding area. However, there is already a developed industrial area adjacent to the airport and the new development will fit into this visual environment. A visual analysis of the site and its context will be carried out as part of the development proposal.

## 5.9 Provision of Utilities

A full study will be carried out in relation to the servicing requirements for the site. However, at this stage it is considered that it will be possible to provide all required services for the site to be developed as proposed.

## 5.10 Social and Economic Issues

DTZ International Property Advisors have assessed the site and have advised that the proposed development represents a significant

industrial development in the Shellharbour and Illawarra region. Although it is difficult to quantify the demand for the proposed development, there are a number of factors that will contribute to demand including:

- Lack of large industrial sites in the Sydney basin is driving users to consider alternative locations include the Illawarra region and Central Coast
- This has led to a significant increase in industrial land values in the Sydney Basin
- Large industrial sites in the Illawarra region are tightly held and rarely traded, reducing the supply of industrial development land and increasing industrial land values
- The West Dapto Urban Release Area Planning Project, if approved, will reduce the amount of zoned industrial land at Kembla Grange
- Change in land use at Bankstown Airport will create demand from airport-related users
- Relocation of Patrick/Toll car carrying from Port of Sydney (Rozelle) to Port Kembla

Accordingly, considerable demand is expected to be generated from both general industrial uses and airport related uses.

## 7.0 CONCLUSION

This report has provided preliminary information to enable the Minister for Planning to make a decision in relation to the potential State Significance of a site at Albion Park in the Shellharbour Local Government Area.

The proposed development of the site for light industrial/open space/conservation will represent an investment of \$376 million and will provide employment for 1650 people in the Albion Park area.

It is considered that Shellharbour Council would have a conflict of interest in relation to dealing with any rezoning of this site as they are the owners of the adjacent land, Albion Park Airport and as a result could materially benefit from the redevelopment of this site. The Council have been consulted in relation to this submission and their response has not yet been received.

The site and the proposals for it are considered to meet the criteria for a State Significant Site as follows:

- The site is of regional importance as it is identified in the draft Illawarra Strategy as a site where clustering of freight and logistics should be encouraged adjacent to Albion Park Airport which is identified in the strategy as the Illawarra Regional Airport
- There are sensitive wetland areas on the site (SEPP14 Wetland 382) which will be conserved, rehabilitated and managed as part of the development proposal
- Alternative planning consent arrangements are necessary because of the potential conflict for Shellharbour Council in determining the proposal

Thus the proposal meets three of the criteria which the Minister will consider when making a decision in relation to a State Significant Site.

**APPENDIX 1** 

# SITE SURVEY PLAN

# **APPENDIX 2**

# SITE CONTEXT PLAN



Delmo Albion Park Pty Ltd Level 32 126 Phillip Street Sydney NSW 2000

**APPENDIX 3** 

SITE PHOTOS



Delmo Albion Park Pty Ltd Level 32 126 Phillip Street Sydney NSW 2000

# **APPENDIX 4**

# SITE ANALYSIS PLAN



Delmo Albion Park Pty Ltd Level 32 126 Phillip Street Sydney NSW 2000

# **APPENDIX 5**

# **EXISTING SITE ZONING**



Delmo Albion Park Pty Ltd Level 32 126 Phillip Street Sydney NSW 2000

# **APPENDIX 6**

# INDICATIVE PRELIMINARY CONCEPT FOR THE SITE



Delmo Albion Park Pty Ltd Level 32 126 Phillip Street Sydney NSW 2000

# **APPENDIX 7**

# POSSIBLE FUTURE ZONING OF THE SITE



Delmo Albion Park Pty Ltd Level 32 126 Phillip Street Sydney NSW 2000