

ATTACHMENT I

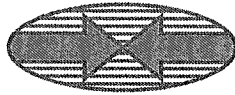
LETTER ON LAND-USE AND VIABILITY

by

LEYSHON CONSULTING P/L

responding to

DEPT LETTER OF ISSUES



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16 May, 2012

BY EMAIL

Mr Lindsay Hunt
Colston Budd Hunt & Kafes Pty Ltd
PO Box 5186
WEST CHATSWOOD NSW 1515

Dear Mr Hunt

RE: COLUMBIA PRECINCT – RESPONSES to COMMENTS MADE by DEPARTMENT of PLANNING & INFRASTRUCTURE and STRATHFIELD COUNCIL

Background

The purpose of this letter is to respond to comments made by the Department of Planning and Infrastructure (the Department) and Strathfield Council (Council) in relation to economic issues associated with the Planning Proposal for development of the so-called Columbia Precinct at Homebush.

Departmental Comments

The Department has raised a concern regarding the quantum and, hence, viability, of commercial/retail floorspace proposed at ground floor levels in the development, especially along the western edge of the site.

In response, we consider it is unusual that the Department should raise this issue. The viability of floorspace within a development is traditionally seen as the responsibility of the Applicant. This certainly is the position of the Land and Environment Court of New South Wales.

That said, the report prepared by ourselves (*Economic Assessment-Proposed Mixed-Use Project Homebush New South Wales – July 2011*) provides a comprehensive analysis of the demand for various land uses on the subject site. We understand this analysis was taken into account by the Applicant in formulating its plans which are the subject of the Planning Proposal.

We note the Applicant has opted to provide less bulky goods/showroom floorspace than was recommended in our report (Table 3.1 page 25 refers). Conversely, more commercial floorspace is proposed than we recommended. We respect the fact that these decisions involve a commercial judgment by the Applicant taking into account the recommendations made by ourselves.

We consider the mix of local convenience and bulky goods retailing now being proposed by the Applicant is appropriate for the site over the longer term. In any event, we understand it will be possible for the Applicant to vary the mix of commercial/retail floorspace on the site in the future in response to market conditions.

In relation to the retail/commercial space on the “western edge” of the subject site, we note that such space could be used for retail and commercial uses which do not require exposure to Parramatta Road or the extension of George Street.

Council Comments

Council has made a number of comments concerning the Leyshon Consulting report. These include:

- our report does not adequately address how the proposal “supports the objectives/aims of relevant state and subregional strategies for the locality including those in the Sydney Metropolitan Strategy and the draft Inner West Subregional Strategy”; and
- the report does not address in detail how the proposed development “supports and differentiates the role of strategic centres, protects employment lands and promotes Parramatta Road as an Enterprise Corridor”.

Metropolitan Strategy

The Metropolitan Plan for Sydney 2036 encourages the concentration of jobs in centres. The Plan also recognises the importance of “corridors” particularly those which carry high volumes of traffic and/or are supported by public transport. It nominates Parramatta Road as a “corridor” that is envisaged to be subject to a process of urban renewal.

The Metropolitan Plan supports flexible land use in such corridors and promotes activities that benefit from a high exposure to passing traffic or where such development can buffer residential communities.

We consider the Columbia site meets these criteria as it is located in the Parramatta Road corridor and benefits from high volumes of passing traffic. Furthermore the site is very close to an existing railway station and has access to bus services along Parramatta Road.

Draft Inner West Subregional Strategy

The draft Inner West Subregional Strategy promotes increased employment in the Burwood major centre. It also recommends that small retail outlets may be accommodated

in parts of Enterprise Corridors where such development benefits from exposure to passing traffic and which support the objective of these areas providing lower cost employment and business start-up opportunities.

The Draft Subregional Strategy clearly identifies Parramatta Road as an “Enterprise Corridor” which:

“...can support a diverse range of economic activities, from boutique shops, local industrial services, commercial premises, transport and manufacturing facilities, as well some residential in appropriately situated locations.” (Draft Inner West Subregional Strategy, Action B6.1, page 56 refers)

The proposed development also will provide only a limited amount of retail and commercial floorspace. Given this, it will not compromise the development of Burwood or any other identified major centre.

The mix of activities proposed for the Columbia site is consistent with its location within an Enterprise Corridor; furthermore these uses will differ from the types of uses found in major commercial centres in that:

- only low-scale commercial floorspace will be provided together with retail services designed to meet immediate local convenience shopping needs
- only additional bulky goods retailing of the type already established in Parramatta Road and generally absent in major commercial centres such as Burwood or Strathfield will be provided
- the proposed complement of retail and commercial uses will be combined with a substantial component of residential development.

Protecting Employment Lands

In our opinion the proposed development at Homebush does not have any implications for the protection of employment lands in Strathfield Local Government Area (LGA) or surrounding areas. As the project is currently planned, it will be entirely consistent with its inclusion in a Mixed Use zone.

The subject site currently is zoned Mixed Use 10 under Strathfield Planning Scheme Ordinance (SPO). A wide range of uses are permissible in this zone such that land with a Mixed Use zoning cannot be classed as a “traditional employment area” in our opinion.

Furthermore, the draft Strathfield Local Environmental Plan 2011 (draft LEP) proposes to zone much of the subject site as B4 Mixed Use and the balance as R4 High Density Residential. Under this proposed zoning a number of land uses found in traditional employment areas are prohibited including freight transport facilities, general industries, vehicle body repair workshops, warehouses or distribution centres and truck depots.

The draft LEP establishes a number of objectives for the B4 Mixed Use zone which will apply to the subject site. These include:

- to provide a mixture of compatible uses
- to integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling
- to facilitate mixed use urban growth around railway stations and transport nodes and corridors, commercial centres and open space
- to provide local and regional employment and live/work opportunities

As set out in our July 2011 report, the proposed development will incorporate a range of retail and commercial activities together with residential uses over all of the Columbia Precinct site all of which are appropriate to an Enterprise Corridor. We consider this to be consistent with the proposed zoning and the overall planning intention for the Parramatta Road corridor.

The proposed uses also will be provided in a highly accessible location fronting Parramatta Road and close to an existing railway station.

We consider these uses to be compatible given the characteristics of the site.

Further, the proposed uses will generate a higher level of employment than currently exists on the subject site given it is currently occupied by redundant, older-style industrial buildings which are substantially vacant.

Finally, a substantial component of demand for the uses proposed on the site will originate from occupants of its residential component. That is, it will provide on-site opportunities for residents to shop for basic convenience retail and related services.

Promoting Parramatta Road As an Enterprise Corridor

From an economic perspective the proposed development is entirely consistent with general objectives to boost economic activity through redevelopment in the Parramatta Road corridor. Critical to the revitalisation of Parramatta Road as an Enterprise Corridor will be increasing the number and quality of mixed-use developments exactly like that proposed for the Columbia Precinct at Homebush.

Conclusion

I trust the matters set out in this letter are of assistance in your continuing discussions with Council and the Department in relation to the Columbia Precinct project.

Please contact me on 9224-6111 or pdl@leycon.com.au if any further information can be provided.

Yours sincerely

LEYSHON CONSULTING PTY LTD

A handwritten signature in black ink, appearing to read 'T. Leyshon'.

**PETER LEYSHON
DIRECTOR.**