

10 March 2015

NSW Planning Assessment Commission Determination Report

Modification Request for Concept Approval for Redevelopment of the Former Allied Flour Mills Site MP10_0155 MOD1

1. INTRODUCTION

EG Funds Management (the Proponent) has submitted an application to modify the Concept Approval for a mixed use development at the Former Allied Flour Mills site at 2-32 Smith Street, Summer Hill. The modification application has been lodged pursuant to Section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act) which continues to apply to transitional Part 3A projects.

The site lies approximately 6 kilometres west of the Sydney CBD. Lewisham and Summer Hill railway stations are located within 500 metres walking distance of the site and Lewisham West light rail stop is located immediately to the east of the site.

The majority of the site lies within Ashfield Local Government Area (LGA) while a small portion of the site to the east of the Hawthorne Canal is within the Marrickville LGA.

The site is currently occupied by buildings and structures associated with the former flour mill, including the Mungo Scott Mill building, two concrete silo structures (known as the 4 pack and 6 pack silos) and administration buildings. Existing buildings on the site are not heritage listed.

2. PROPOSAL

Background to the Approved Concept Plan

On 7 December 2012, the Planning Assessment Commission approved Concept Plan (MP 10_0155) for a mixed use residential, retail and commercial development incorporating:

- Adaptive re-use of the existing Mungo Scott Building, silo structures and 3 other buildings and 12 new building envelopes;
- Staged construction over 4 stages;
- 280-300 dwellings (29,500 – 33,500m² gross floor area (GFA));
- 3,500 – 4,000m² of commercial floor space;
- 2,000 – 2,500m² of retail floor space;
- A floor space ratio of 1.4-1.6 : 1;
- Up to two levels of basement car parking and 63 on-street car parking spaces;
- 4,806m² of public open space to be dedicated to Council and an additional 5,287m² of publicly accessible open space;
- New local streets serving the development;
- Road works including a roundabout at Edward and Smith Streets as part of Stage 1 and a signalised intersection at Old Canterbury Road as part of Stage 3; and
- Off-site pedestrian upgrade works in the surrounding area and to Summer Hill Village.

On 11 June 2013, the Executive Director, Development Assessment Systems and Approvals, granted consent for the development of Stage 1, being a mixed use development comprising 44 dwellings, 443m² of commercial/retail space, basement parking, new roadways, infrastructure and subdivision.

On 2 October 2014, the Sydney East Joint Regional Planning Panel approved Stage 2 of the development including construction of 5 buildings ranging from 2 to 11 levels to provide 83 dwellings, 433m² of commercial space and 3,344m² of open space.

Proposed modification

Following the Concept Plan approval the proponent has undertaken detailed design work and has come to the conclusion that the approved envelopes and building storey controls cannot accommodate the approved maximum of 40,000m² of floor space.

The proposal was publicly exhibited from 21 May to 20 June 2014. Five submissions were received from public authorities, including Marrickville Council, Ashfield Council, Transport for NSW (TfNSW), the Office of Environment and Heritage and Ausgrid. There were 15 public submissions, out of which 14 objected to the proposal and one raised concerns.

Following the public exhibition, the proponent submitted a Response to Submissions (RtS) with key changes being increased setback of the upper floor elements of Building 1A from Longport Street, architectural design guidelines to guide future development of Building 1A, an increase in the affordable housing provisions, and removal of any change to Buildings 5A and 5B.

In response to the RtS, TfNSW advised that they had no further comments. Marrickville Council confirmed that they are satisfied with the proposed affordable housing arrangements, but their previous comments regarding excessive built form still remain. Ashfield Council are still opposed to the proposed modifications.

The modification application as shown in the response to submissions seeks to modify the existing Concept Plan Approval in the following ways:

- increase the height of building envelopes for 1A, 3A, 3B and 3D buildings;
- change the number of storeys accommodated within approved building envelopes for 1A, 3A, 3B, 3C and 3D buildings;
- increase the maximum number of dwellings from 300 to 380;
- reallocation of 1,000m² of retail floor space from within the existing Mungo-Scott building to additional new residential floor space on the site (no change to total floor space);
- change in affordable housing provision from 10 dwellings for 10 years to the dedication of 4 dwellings to Marrickville Council in perpetuity;
- reduction in on-street parking from 50 to 35 spaces; and
- change in timing for the delivery of a parcel of open space – to be provided prior to final occupation certificate for Stage 4.

3. DELEGATION TO THE COMMISSION

The modification application was referred to the Commission for determination under the terms of the Ministerial delegation dated 14 September 2014 because Ashfield Council objects to the proposed modification.

Ms Jan Murrell and Ms Lynelle Briggs AO were nominated as the Commission members for the project. Ms Murrell chaired the Commission.

4. SITE VISIT

The Commission members visited the site and surrounding area on 13 February 2015.

5. SECRETARY'S ENVIRONMENTAL ASSESSMENT REPORT

The Secretary's Environmental Assessment Report identified the following key issues:

- Residential density and dwelling yield;
- Built form and urban design;
- Traffic and parking impacts;
- Residential amenity; and
- Affordable housing.

The Secretary's Report recommends approval of the modification application (as amended by the RtS) subject to conditions and additional future assessment requirements. In summary, the Department was satisfied that the site is well suited to increased residential densities given its excellent access to public transport and the provision of convenient retail services on the site. The Department considers that the proposed modifications to building envelopes will not result in any unacceptable urban design or amenity impacts to the site or surrounding premises. The Report also concludes that the public benefits in terms of affordable housing provision over the long term through the provision of units in perpetuity is acceptable.

6. MEETINGS

6.1 Ashfield Council

The Commission met with Council officers on 27 February 2015 to discuss the findings and recommendations of the Secretary's Environmental Assessment Report. Key points raised by Council included:

- the impact of increased building heights and bulk on existing low rise neighbouring residential areas;
- the proposed number and tenure of affordable housing units; and
- off street parking and traffic congestion.

6.2 Proponent

The Commission met with the Proponent and its consultants on 27 February 2015 to discuss the findings and recommendations of the Secretary's Environmental Assessment Report. The Proponent's consultants presented their vision of the proposed urban design, including the increase in the envelope and height of Building 1A and the infilling of separation of the two towers with additional floor space.

Other main points raised by the Applicant included:

- the proposed modifications will result in better efficiency of approved GFA; and
- clarification to change the timing for the delivery part of the open space is due to the need to place a crane for construction of building 1A on the other side of the Canal.

6.3 The Department

On 2 March 2015 the Commission met with Departmental officers to discuss views expressed by the Ashfield Council and the Proponent. The Commission sought clarification on the justification for the recommendation in relation to built form and affordable housing.

7. COMMISSION'S CONSIDERATION

Having considered the information available, views expressed at the meetings and written submissions the following key issues emerged for the modification application:

- Built form and mass of Building 1A;
- The increased height of Buildings 3A, 3B and 3D;
- Transference of 1,000m² of retail GFA to residential;
- An increase in the number of units and traffic generation; and
- Provision of affordable housing on the site.

7.1 Modified Envelopes, heights, unit numbers and GFA

The Commission accepts the Department's recommendation that the additional height and or floor space to the proposed buildings (2A, 3A, 3B, 3C, and 3D) can be accommodated on site without adverse visual impacts and without amenity impacts both internal and external to the site. It is noted the site is extremely well located to public transport and an increase in density where there is minor perceived impact is acceptable.

For Building 1A the Commission also accepts the Department's report that the removal of the separation between the approved towers will have minor impact given the proponent's undertakings for the future design excellence requirement to resolve the need for articulation, modulation and materials. However the Commission is not persuaded that in its context the additional height is appropriate. The Commission is of the opinion that the infill portion of the towers should only be allowed and the maximum heights should remain as approved. This decision still allows the infill to a height of the approved lower southern tower.

The Commission is satisfied that while the single building mass will be greater than that approved originally in the Concept Plan, it is satisfied that the future architectural design can ensure the built form provides for articulation and modulation. In this regard the proponent has included provisions for design excellence in its Statement of Commitments. This together, with the retention of the different heights will assist in reducing the bulk and mass of the building, in particular when viewed from the surrounding district.

The above change has also had regard to the fact that the transfer of 1,000m² will add additional volume and mass to the overall development. In considering the question of transferring the 1,000m² of retail GFA to increase the residential GFA, the Commission notes that the amount of approved retail GFA is to be fully contained within the existing Mungo-Scott building. As such, the Commission does not agree with the proponent that the transference of retail GFA to residential will not lead to an increase in the residential volume on site. The Commission is of the opinion the additional 1,000m² will add to the volume of residential on the site and, given the need to reduce the volume and mass of Building 1A, then the transference of the 1,000m² to residential is not supported.

It should be noted that achievement of the approved maximum GFA for each type of use is not automatic as it depends on the development meeting other design codes and environmental and amenity criteria. Accordingly the maximum gross floor area for the residential component will remain the same as that approved in the concept plan, that is 33,500sq m for residential. Similarly with the number of units, it may not necessarily be possible for this to be achieved on the site. This is also influenced by additional factors including the market for the size and mix.

The proponent advises that, since the original approval, more than 300 units can be accommodated in residential floor space already approved in the Concept plan. It is noted the approved Stages 1

and 2 contain 127 units and the remaining GFA for stages 3 and 4 is 20,846m² as approved in the Concept plan. This would result in these units having an average of 120m². As such the Commission considers the approved total number can be increased as the number does not dictate the volume and built form and indeed it will allow reasonable flexibility for the proponent to have a mix of sizes. The proponent stated that the current approved concept plan for Building 1A could contain 84 units with an average GFA per unit of 92.7m². The modification application, if approved, could result in 116 units with an average GFA per unit of 97.4m². The additional GFA sought in Building 1A is 3,610m².

The Commission considers that up to 360 units provides the flexibility for the proponent in terms of unit mix and size, however when read in conjunction with the envelopes, heights and the need for articulation and modulation, even this number may not be achieved.

The Commission accepts the Department's findings that the change in traffic generation and parking would not warrant refusal of the modification and recognizes this is a transit oriented development.

7.2 Affordable housing

The proponent's Statement of Commitments for the original approval, provided for ten dwellings to be provided as affordable rental accommodation for a period of ten years after which time they revert to the housing market. The proponent seeks to modify its commitment to provide 4 residential units in perpetuity that is, committing to transfer the title for 4 units, 2x2 bedroom and 2x1 bedroom units, to Marrickville Council. The Commission accepts the Department's recommendation that this provides for a good community outcome in the longer term.

7.3 Other issues

In regards to the other proposed modifications, the Commission accepts the Department's assessment and recommended conditions of approval for the height increase of buildings (other than 1A); solar access; reduction of on-street car parking spaces and change in the timing of delivery of open space for Stage 4. While the 'rule of thumb provisions' in SEPP 65 will not all be completely satisfied for each building, nonetheless the amenity across the site is satisfactory and, given the otherwise good advantages of this transit-oriented development, the modifications are reasonable.

8. COMMISSION'S DETERMINATION

Accordingly, after careful consideration of the relevant information for the modification application, the Commission agrees with the Department that it should be approved, subject to the above changes to the Department's recommendations. This will involve: maintaining the concept plan approval for the height of Building 1A; not allowing the transfer of commercial GFA to residential; and the increase in the number of units to a maximum of 360. The signed Instrument of Approval to reflect the approved modifications is attached.



Jan Murrell (Chair)
Member of the Commission



Lynelle Briggs AO
Member of the Commission