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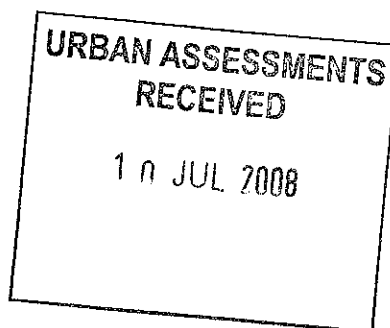
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Anthony W
10/7

8th July 2008



Mr Michael Woodland
Director - Urban Assessments
Department of Planning
23-33 Bridge Street
SYDNEY NSW 2000

Dear Michael,

Re: Concept Plan for the Redevelopment of former Tempe Tip site (MP 07_0149)

Background

Thank you for meeting with our team recently to discuss the above Major Project. As agreed in our discussion, this letter provides a summary of changes to the Concept Plan originally submitted to the Department of Planning ("Department") as part of the Part 3A Major Project request. In our view, though there is a decrease to the site area, the scheme fundamentally remains that which the Minister declared to be a Major Project.

To recap, the Major Project request was submitted in November 2007 and after discussions with Departmental officers, was updated with a more detailed report combining a Preliminary Environmental Assessment (PEA) in February 2008. The matter has, since then, been with the Department for consideration.

We recently received formal notification (on 16th June 2008) that the Minister for Planning on 23rd May 2008 declared the proposal a Major Project pursuant to Clause 6 of the Major Projects SEPP. Since the request was lodged and the Minister's declaration, some components of the project have needed to be changed.

These amendments are detailed below and a copy of the amended Concept Plan has also been attached to this letter.

Amendments to proposed Concept Plan

(a) Site Area

The amended site area now totals 9.98 hectares. The previous site area was quoted as 12.14 hectares. However, following recent updated survey work, it was recalculated to total 12.02 hectares.

The revised Concept Plan thus has a reduced overall site area of 2.04 hectares, which constitutes the total area of Lot 2 in DP 803493, currently occupied by the Pretty Girl industrial building.

The IKEA development remains unchanged in quantum and physical form and has been reconfigured to occupy the new site area of 9.98 hectares. Within this site area, as shown on the Concept Plan attached, there will be areas for landscaping, pedestrian movement and roadways, but for simplicity we have not given a break down of these spaces as the plan is not in a refined form.

In our view, the change to the site area will have no material impact on the Major Project status as the area for the IKEA development has been retained, and in fact has been increased.

(b) Uses

The original concept was fundamentally a project to establish a new IKEA development as the other uses already existed within the site. The IKEA warehouse and showroom building is proposed to increase from 33,000m² to approximately 36,390m². The proposal retains two levels (approximately 2,800m²) of the existing Ateco building for the regional headquarters for IKEA.

The proposed amendment only strengthens the reasons for why the IKEA bulky goods warehouse and office headquarters development was declared a Major Project pursuant to Clause 6 of the Major Projects SEPP. The amended concept therefore is retained as a mixed use development incorporating bulky goods and commercial uses. In addition, there is also a small area of industrial warehouse space in the Ateco building which further contributes to the range of mixed of uses and activities on the site.

The Kennards self-storage development has now been removed from the Concept Plan. For commercial reasons, this business has chosen to re-locate elsewhere. This change has enabled IKEA to incorporate the additional area to achieve an optimum level of internal access and customer parking to meet their needs.

The Pretty Girl industrial building was originally included within the Concept Plan for the sole purpose of providing vehicular access to the western loading dock of the IKEA development. Since the Pretty Girl building is presently occupied by industrial tenants, the Concept Plan was not seeking to carry out any additional work or creating new uses on the Pretty Girl site. The Pretty Girl site is owned by a separate Valad property fund to that which owns the entire amended site area for the IKEA development. With the Kennards business deciding to relocate, the IKEA development has now been re-positioned on the site obviating the need to include the Pretty Girl site for loading dock access to IKEA. Given this, the Pretty Girl site is no longer needed in the concept plan and therefore has been excluded from the amended Concept Plan.

(c) Car parking

The original Concept Plan for the IKEA development incorporated car parking for approximately 1,650 cars. The amended concept will provide approximately 1,800 car spaces for IKEA. The increase in car parking reflects the increased size of the IKEA development but more importantly, it represents a car parking and access layout that IKEA head office (in Sweden) believes will better serve the anticipated parking demand and customer needs.

Planning and Assessment Process

The Preliminary Environmental Assessment & Clause 6 Request Report (February 2008) did not explicitly state the desired assessment and staging process. Now that there is certainty that the concept is for a single development, we are able to submit a detailed Concept Plan application. We therefore do not propose to submit a concurrent project application. The Concept Plan application should contain sufficient detail to enable the Minister to waive the requirement for further environmental assessment for the project, in accordance with Clause 75P of the Environmental Planning and Assessment Act, 1979. This will hopefully have the end effect of enabling the Minister to approve the carrying out of the project.

Overall outcomes of Concept Plan Amendment

Our proposed amended Concept Plan is, in our view, substantially the same development as that originally submitted to the Department and is still in a form to enable the project to progress to the next stage of the Major Project process within the bounds of the Minister's declaration of 23rd May 2008. Our reasons are outlined below.

- **Mixed use development** – The amended concept retains a mix of uses of; bulky goods, commercial, warehouse and some industrial uses on the site. Although the amount of industrial uses on the site has changed, the quantum and nature of new uses on the site remains. Although the Pretty Girl industrial site is not included within the amended concept, the industrial use of that site will continue, so in reality the amendment does not remove this industrial use activity from the precinct.
- **Regional significance** – As discussed above, the amendment to the amended Concept Plan has the effect of strengthening the role that the IKEA development will have in the precinct and wider region. The new flagship IKEA showroom and warehouse, together with its regional office headquarters, will have a significantly positive impact on the Princes Highway Enterprise Corridor and wider region which is suffering from a lack of substantive investment, development opportunity and amenity.
- **Community support** – We have consulted with the local community and key stakeholders and the research shows that there is a wide community view that the IKEA development will contribute positively to the revitalisation of the area and provide good local employment opportunities. The amended concept will not change this view.
- **Employment Benefits** – The amended scheme will result in the creation of approximately 600 jobs for the area of which about one-third will be in commercial office activities. The amendments to the Concept Plan will have a negligible impact on the estimated jobs on-site given the low employment generation of uses such as self-storage.
- **Heritage preservation & adaptive re-use** – The Concept Plan still proposes to retain the commercial part of the historically significant Ateco building and adaptively reuse this for the new IKEA headquarters. This building which is a local landmark will thus still be retained.
- **Reuse of highly constrained site** – It is widely recognised that the site is significantly impacted by the Obstacle Limitation Surface - height limitation, and noise impacts from Sydney Airport that restricts the scale and types of uses suitable for the site. Furthermore, the concept has been designed to respond to the constraints that the excising site contamination presents. Given these significant constraints, the proposed concept remains the most appropriate form of development in its local context and in the wider strategic context of generating employment.

Summary

The amended Concept Plan maintains the original principal use of the site by IKEA and removes only that part of the site that is no longer required for the IKEA development to operate. The proposal comprises a mix of bulky goods, commercial and industrial uses of a kind listed in Schedule 1, Part 5, Clause 13 of Major Projects SEPP.

This proposal provides a solution to the considerable site constraints and will deliver substantial community benefit. The proposal will preserve the economic function of the site by generating some 600 new jobs, which will prove to be the catalyst for rejuvenation of development along the planned Princes Highway Enterprise Corridor.

The amendments to the original concept do not undermine the regional significance of the IKEA development. The inclusion of their regional office headquarters with their new flagship showroom and warehouse, still in our view, constitutes a mixed use Major Project development of the kind declared by the Minister on 23rd May, pursuant to clause 6 of the Major Project SEPP.


We therefore request that upon consideration of this documentation that the Department confirms their position on the new Concept Plan. We would also be most grateful, given our time constraints, to receive the Director-General's Environmental Assessment Requirements urgently. This will enable the project team to finalise documentation to accompany the Environmental Assessment application.



If you have any queries on the information submitted, please don't hesitate to contact me on 8233 9955.

Yours sincerely,

A handwritten signature in black ink that reads 'Stephen White'. The signature is written in a cursive, flowing style.

A small, faint circular stamp is located to the left of the name.

Stephen White
Associate Director

Encl – Amended Concept Plan by *Krikis Tayler* (Dated 8/7/08)