

Clause 6 Request & Preliminary Environmental Assessment – Marrickville Metro Shopping Centre

November 2009

urbis

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Executive Summary

This report has been prepared on behalf of AMP Capital Investors (AMPCI). It seeks the Minister for Planning's opinion that the proposed development of the Marrickville Metro Shopping Centre is a Major Project under the SEPP (Major Development) and requests that the Minister also authorise the preparation of a Concept Plan for the project.

AMPCI's vision is to re-vitalise Marrickville Metro and create a town centre for the surrounding community. The proposed development has the potential to create significant benefits including:

- Meeting the local shopping and service needs of the surrounding population.
- The creation of vibrant new community spaces.
- Better connection of the centre with the adjacent open spaces and community facilities.
- Physical improvements to the shopping centre and the way it interacts with its immediate surrounds
- Improving public transport access and improvements to the local road system.

AMPCI proposes to develop approximately 32,505m² of additional retail floor area to Marrickville Metro to incorporate an additional discount department store, supermarket, mini major and specialty retail space. The concept incorporates a vision to enhance the town square together with improved street activation and pedestrian connections.

The proposed development of the centre is consistent with and will further Government Planning Policy. The Draft South Sub-Regional Strategy identifies the opportunities for Marrickville Metro to emerge into a Town Centre. Similarly, the proposal is also entirely consistent with the draft Centres Policy which as a guiding principle supports the ability of centres to emerge and grow in response to market demand.

These important State Government directions are not recognised at Local Government level and accordingly it is essential that the Minister determine the project to be a Major Project and authorise the preparation of a Concept Plan in order that this major may proceed and be capable of being assessed on its' merits.

The project has a capital investment value of approximately \$140million and therefore represents a significant project in terms of employment and economic development for NSW.

AMPCI is willing to work with all key stakeholders during the assessment process in order to achieve the most optimal outcome for all concerned.

1 Introduction

This report has been prepared on behalf of AMP Capital Investors (AMPCI), the owner of the Marrickville Metro Shopping Centre at 34 Victoria Road, Marrickville and land to the immediate south at 13-55 Edinburgh Road, Marrickville.

AMPCI proposes to develop approximately 32,505m² of additional retail floor area to Marrickville Metro to incorporate an additional discount department store, supermarket, mini major and specialty retail space. The concept incorporates a vision to enhance the town square together with improved street activation and pedestrian connections.

The purpose of this report is to request that:

1. The Minister for Planning form an opinion that the proposal is of a kind described in Group 5 in Schedule 1 (classes of development) of State Environmental Planning Policy - Major Development (2005) (Major Development SEPP).
2. Provided the Minister forms the opinion that the project is one to which Part 3A of the Environmental Planning and Assessment Act, 1979 ("the Act") applies, the Minister authorise the proponent to submit a Concept Plan Application for the proposed retail development associated with the Marrickville Metro Shopping Centre; and
3. The Director General issues the Director General Requirements to inform the preparation of an Environmental Assessment to accompany the Concept Plan for the proposed development.

To support the request for the Director General Requirements, this submission includes a Preliminary Environmental Assessment (PEA). This PEA identifies the relevant planning policies and provides a justification for the authorisation of the Concept Plan request. Finally, it provides a brief outline of the anticipated key issues of the development and the approach to address these matters as part of the Environmental Assessment.

2 Site Details

2.1 Site Description

The site comprises three principal land parcels:

1. Marrickville Metro Shopping Centre located at 34 Victoria Road, Marrickville. This land has an area of approximately 3.566 hectares. The site is comprised of two titles: Lot 100 in DP 715231 and Lot 1 in DP 612551.
2. 13-55 Edinburgh Road, which has an area of approximately 8,800m² and is located to the south of Marrickville Metro, with frontage to Smidmore Street, Murray Street and Edinburgh Road. The legal description of the property is Lot 1 in DP 612551. An industrial warehouse development currently occupies this land.
3. The section of Smidmore Street immediately to the south of Marrickville Metro, between Murray Street to the east and Edinburgh Road to the west. This land is vested in Marrickville Council as the local road authority.

An aerial photograph of the site is provided below as **Figure 1**.

Figure 1 – The Site



AMPCI currently own both the Marrickville Metro property as well as the industrial property at 13-55 Edinburgh Road. The portion of Smidmore Street which bisects the two AMPCI owned properties is owned by Marrickville Council.

2.2 Site Context

Marrickville Metro is a subregional shopping centre, approximately seven kilometres from the Sydney CBD. The shopping centre consists of the major tenants of Kmart and Woolworths and a range of speciality stores. Located on site adjoining the shopping centre is the “Mill House”, which is a listed heritage item. In addition the ‘Old Vickers Mill’ façade is located on the north eastern corner of the site.

Marrickville Metro is located within an established residential and industrial precinct.

- Land to the west and north of the shopping centre comprises small lot residential housing.
- The shopping centre directly abuts residential properties fronting Bourne Street, while housing exists opposite the site on the north side of Victoria Road.
- The residential precinct to the north of Victoria Road is a heritage conservation area.
- By contrast, the interfaces to the south and east are predominantly industrial in character, with larger allotments and larger building scales.

The site enjoys excellent public transport access including St Peters railway station, 800 metres to the south-east and two bus routes providing regional transport links.

3 Description of Proposal

3.1 Vision for the Site

Marrickville Metro has the potential to expand and become a true town centre for the surrounding community.

The vision for Marrickville Metro is based on a number of desired outcomes:

- An opportunity to design a scheme that enables the centre to expand to meet the local shopping and service needs of the surrounding population in one single integrated centre.
- The opportunity to create a vibrant, north facing town centre community space.
- Opportunities to better connect the centre with the adjacent open spaces and community recreational facilities (Enmore Park and the existing or redeveloped Enmore Park Aquatic Centre) as well as local schools.
- Physical improvements to the shopping centre and the way it interacts with its immediate surrounds including enhanced visual interest and activation along Victoria Road.
- Opportunities to capitalise on the existing centre and the way in which it acts as a transitional space between the residential and industrial areas in the Marrickville LGA.
- Improving public transport and connections between Marrickville Road and King Street to the Marrickville Metro, and which also service other areas in this inner area of Sydney.
- Improvements to the local road system to benefit the immediate stakeholders of the centre.

3.2 Overview

This PEA presents a base proposal (preferred concept) for the expansion of the centre. An alternate option “bridging solution” is also included. Both options involve expanding the retailing onto the land to the south at 13-55 Edinburgh Road.

The principle difference between the two options is that the base proposal requires Council consent for the closure and use of part of Smidmore Street to create a continuous ground floor retail connection between the existing centre and the new addition. The alternate bridging solution maintains the Smidmore Street as a fully operational roadway. A pedestrian/road bridge on level 1 would be required to link the expanded part of the centre to the existing centre on the northern side of Smidmore Road.

It is intended that a final agreed concept will be submitted with the Concept Plan application.

3.3 Base Proposal

The base proposal (preferred option) will create a fully integrated centre that would provide seamless access for customers across two levels of retailing.

This concept will result in additional retail floorspace of approximately 32,505sqm. A copy of the plans is included at **Attachment A**.

A breakdown of the existing and proposed gross floor area is provided in **Table 1**.

Table 1 – Breakdown of Existing and Proposed GFA

	Existing (GFA sqm)	Proposed (GFA sqm)	Total (GFA sqm)
DDS	7564	7000	14564
Supermarket	5814	3200	9014
Mini Majors	0	4840	4840

Specialty	9471	7600	17071
Kiosks	300	360	660
Pedestrian pathways / Amenities / BOH	5111	9505	14616
Total Centre	28260	32505	60765

The new floorspace will be distributed as follows:

Ground Floor South:

- Mini Major – 1,840sqm
- Mini Major -1,200sqm
- Specialty Shops – 2,000sqm
- Kiosks- 200sqm
- Pedestrian links, amenities BOH – 3,315sqm

Ground Floor South:

- Specialty Shops - 600sqm

First Floor:

- New Supermarket – 3,200sqm
- Discount Department Store – 7,000sqm
- Mini Majors – 1,800sqm
- Specialty Shops – 5,000sqm
- Kiosks – 160sqm
- Pedestrian links, amenities, BOH – 6,190sqm
- Car parking layout and design will be resolved at the detailed design stage. It is proposed to provide additional car parking at a rate of approximately 4.5 spaces per 100sqm of floor area. Given the high percentage of access to the centre by pedestrians, there may be opportunities to reduce to this ratio subject to further investigation and analysis. The concept proposal involves the provision of 2 levels of parking at roof level (replacing the existing one full level and partial second level of parking), and 2 partial basements under the 13-55 Edinburgh Road site and also part of Smidmore Street.
- An enhanced Town Square on Victoria Road, at the main street entry to the centre. The Town Square will incorporate landscaping and street furniture and lighting.
- The existing heritage building will be integrated into the town square through the public domain works. A future use for the building will be further explored. It may continue to be used as the centre management, alternatively community uses or retailing are other possible uses that will be considered.
- A new bus arrival node within the site boundary (to alleviate disruption to traffic flows) will be provided on Murray Street. A new pedestrian entry to the centre has been created at this node to provide direct convenient access to customers using bus services.

3.4 The “Bridging Solution”

The “Bridging” Solution” (alternative option) generally reflects the layout of the base option. As this option does not involve a continuous ground level link across Smidmore Street, it has a reduced retail floorspace of approximately 800 – 1,000sqm from the preferred option.

As outlined above, this option involves the construction of a pedestrian/road bridge link from the southern part of the development to level 1 of the northern part of the centre. Smidmore Street continues to provide a connection for vehicles between Murray Street and Edinburgh Road. It is proposed that basement car parking would be located underneath Smidmore Street below street level.

4 Local Planning Context

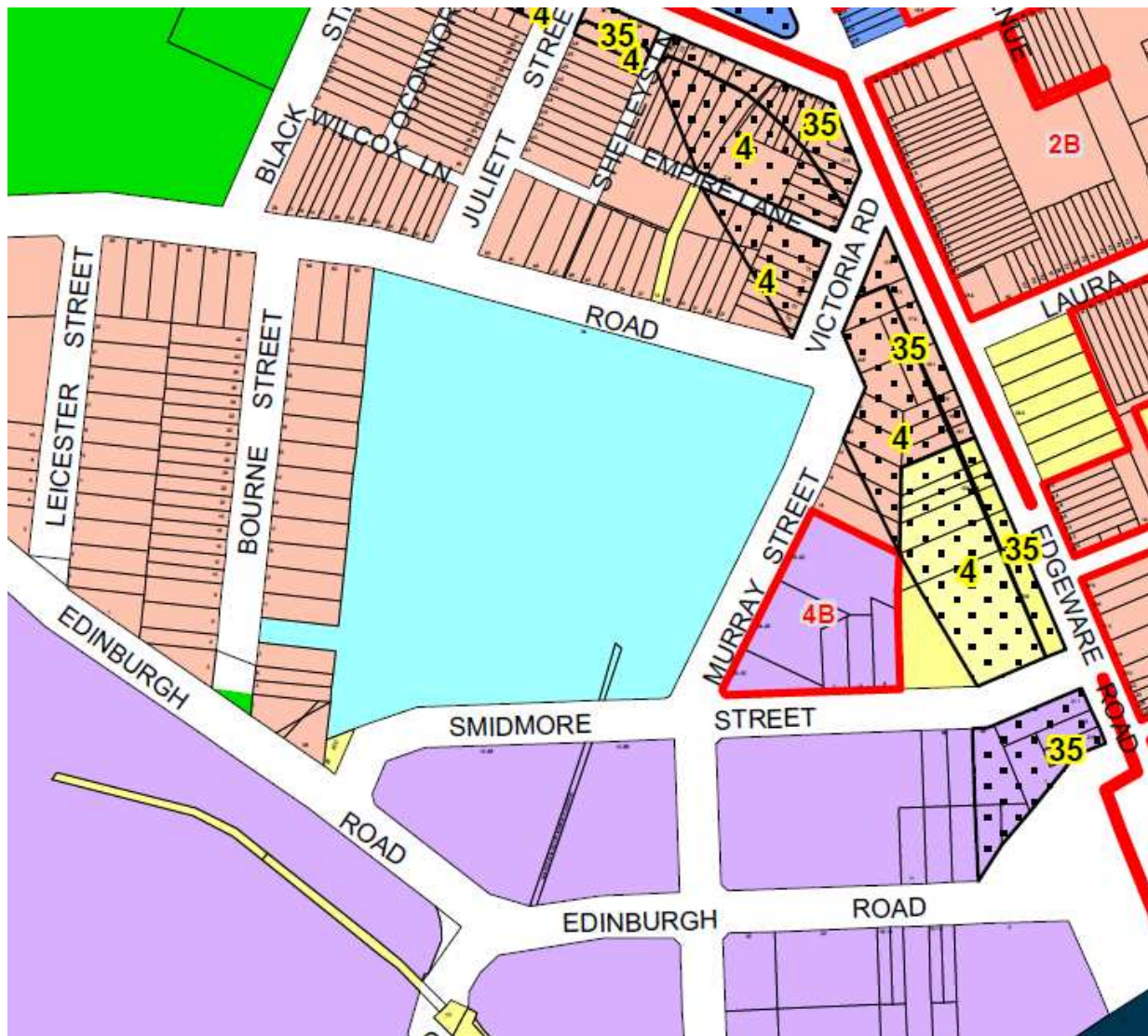
4.1 Current Local Controls/Policies

The primary local environmental planning instrument that currently applies to the site is Marrickville Local Environmental Plan 2001 (MLEP 2001). The following land use zones apply:

- Marrickville Metro Shopping Centre - General Business 3(a)
- 13-55 Edinburgh Street, Marrickville - General Industrial 4(a)
- Smidmore Street, Marrickville – unzoned.

An extract of the zoning map is provided below in **Figure 2**.

Figure 2 – Marrickville LEP 2001 Zoning Map (source: Marrickville Council – last amended 15 December 2008)



Having regard to MLEP 2001, the Concept Plan constitutes part permissible and part prohibited development.

The proposed development is permissible within the General Business 3(a) zone and on the unzoned land, once the road has been lawfully closed. However, 'shops' (other than those specifically listed which meet local employee convenience needs) are prohibited within the General Industrial 4(a) zone.

Other relevant controls in MLEP 2001 include:

- Clause 28 – Aircraft noise: the site is located within the 25-30 ANEF contour, based on the 2023/24 ANEF Contours Map currently provided on Marrickville Council's website. As such, the proposed redevelopment will require the noise reduction provisions in accordance with Australian Standard AS 2021–2000 — Acoustics — Aircraft Noise Intrusion — Building Siting and Construction.
- Clause 29 – Flood prone land: the site is not listed as being flood affected, based on the Flood Affected Properties Map currently provided on Marrickville Council's website.
- Clause 30 – Development on public roads: development consent is required for development on a public road that has been lawfully closed.
- Clause 33 – Floor space ratios: the 3(a) zoned land generally has a maximum FSR of 2:1 (although the site specific provision for Marrickville Metro only limits the FSR to 0.8:1), while the 4(a) zone has a maximum FSR of 1:1.
- Part 6 – Heritage conservation controls: the design concept has considered the existing heritage items associated with the site and adjoining lands. A more detailed heritage assessment will be provided as part of the final design.
- Clause 57 – Acid sulphate soils: it is acknowledged that the site is potentially affected by acid sulphate soils and this matter would need to be addressed in any future proposal for redevelopment involving earthworks.

5 Strategic Planning Considerations

5.1 Sydney Metropolitan Strategy (2005)

The Sydney Metropolitan Strategy aims to guide growth and change in the Sydney metropolitan region over the next 30 years. The Strategy has been prepared with five aims, each of which is discussed below with regard to the proposed redevelopment of this site:

1. Enhance liveability
2. Strengthen economic competitiveness
3. Ensure fairness
4. Protect the environment
5. Improve governance

A key component of the Sydney Metropolitan Strategy has been the preparation of subregional plans, to provide detailed objectives and actions to guide development. The South Subregional Plan applies to the site.

5.2 Draft South Subregional Strategy (2007)

There are nine key directions for the South Subregion, three of which have direct relevance to the site and are identified below:

- Direction 1 - Retain Strategic Employment Lands
- Direction 5 - Identify And Investigate Renewal Areas for the South
- Direction 8 – Recognise Diversity Across the Subregion

In addition to the directions, the Strategy contains a number of actions that form relevant considerations to the proposal. They include:

- A1.1 – Provide a framework for accommodating jobs across the subregion
- A1.2 – Plan for sufficient zoned land and infrastructure to achieve employment capacity targets in employment lands
- A1.4 – Contain the rezoning of employment lands to residential zonings across Sydney
- A1.5 – Protect and enhance employment lands of state significance
- A1.9 – Facilitate the use of old industrial areas
- B1.1 - Establish a typology of centres
- B3.1 – Establish a stronger centres initiative
- B4.1 - Concentrate retail activity in centres, business development zones and enterprise corridors
- B4.2 – Support centres with transport infrastructure and services

Section 6 of this report provides a preliminary assessment of the proposed development against these relevant directions and actions.

5.3 Draft Centres Policy (2009)

Draft Centres Policy seeks to provide a planning framework for the development of new and existing retail and commercial centres in NSW. The draft policy was exhibited from 9 April to 9 May 2009.

The policy is based on **6 principles**:

1. Retail and commercial activity should be located in centres to ensure the most efficient use of transport and other infrastructure, proximity to labour markets, and to improve the amenity and liveability of those centres.
2. The planning system should be flexible enough to enable centres to grow, and new centres to form.
3. The market is best placed to determine the need for retail and commercial development. The role of the planning system is to regulate the location and scale of development to accommodate market demand.
4. The planning system should ensure that the supply of available floorspace always accommodates the market demand, to help facilitate new entrants into the market and promote competition.
5. The planning system should support a wide range of retail and commercial premises in all centres and should contribute to ensuring a competitive retail and commercial market.
6. Retail and commercial development should be well designed to ensure they contribute to the amenity, accessibility, urban context and sustainability of centres.

In addition to outlining the principles to guide the growth and expansion of existing centres, the policy provides criteria to assist Councils and proponents in considering appropriate areas of land to accommodate the expansion of existing retail centres to meet market demand through the Suitability Criteria.

The Suitability Criteria is outlined below:

- access to public transport, or the infrastructure capacity to support future public transport
- good pedestrian access
- good road access for employees, customers and suppliers and, where necessary, capacity to provide new road infrastructure
- close proximity to local labour markets with the skills required by business
- urban design opportunities that create the potential to integrate with surrounding land uses
- potential to increase the amenity of the local area
- capacity to contribute to environmental outcomes
- environmental constraints, such as flooding
- impact on the supply of the existing land use such as residential land (including impacts on housing supply and affordability) or industrial lands.

5.4 Draft SEPP 66 Policy Package

In accordance with Planning Circular PS 08-013, states that Draft Environmental Planning Instruments which have not been made within 3 years of exhibition no longer form a head of consideration. Draft SEPP 66 was exhibited back in 2001 and therefore no longer is a relevant consideration.

That said, the policy package support the draft SEPP, remains current state government policy and therefore should be considered where relevant.

The Environmental Assessment will therefore consider the “Right Place for Business Services” and “Improving Transport Choice” policies from accompanying policy package, if the Draft Centre’s Policy (aimed to replace the current centre policy) has not been finalised.

5.5 Draft Marrickville Comprehensive Local Environmental Plan (2010)

Marrickville Council has undertaken a number of local strategic planning policies to guide the preparation of the future Comprehensive Local Environmental Plan and Consolidated Development Control Plan for the Marrickville Local Government Area. It is understood that Marrickville Council aims to complete the preparation of the new LEP and DCP by 31 March 2010.

The preliminary draft LEP 2010 proposes the following:

- To zone the existing shopping centre B2 Local Centre. The proposed FSR for the shopping centre is 0.75:1 compared to the current FSR standard of 0.8:1.
- The Edinburgh Road site is proposed to be zoned IN1 General Industrial.

Council has undertaken a number of strategies to inform the comprehensive LEP. These strategies are outlined below.

- **Marrickville Urban Strategy**

The Marrickville Metro Precinct was initially identified as an ‘*Investigation Area*’ in the Draft Marrickville Urban Strategy, being a precinct capable of transformation and renewal, recognising the significant public benefits of future change. This identification was generally consistent with the provisions of the Draft Subregional Strategy for the South Subregion.

However, Council removed reference to this ‘*Investigation Area*’ in the adopted version of the Marrickville Urban Strategy (against the recommendations of its consultants) and instead adopted a position of ‘no change’ to Marrickville Metro.

Council opposes the directions of the Draft Sub-Regional Strategy relating to Marrickville Metro and the opportunity to rezone the Smidmore Road site to ‘*encourage a design which better relates to the surrounding area*’.

- **Marrickville Employment Lands Study**

The Marrickville Employment Lands Study (MELS) was prepared by *SGS Economics and Planning* to provide strategic planning advice on the industrial zoned land, taking into account the existing and future context.

As the Marrickville Metro Precinct was removed as an ‘*Investigation Area*’ from the Marrickville Urban Strategy, no consideration is given to the potential of the land to be redeveloped to create additional employment (and/or housing) opportunities, noting that a change to retail use would create significant additional employment opportunities in the LGA.

- **Marrickville Integrated Transport Strategy**

The Marrickville Integrated Transport Strategy aims to address local transport issues and increase the use of sustainable transport by reducing car use and increasing the use of public transport, walking and cycling.

The proposed development is consistent with the key actions of the MITS report, taking into account the proposed improvements to public transport infrastructure and the provision of additional retail services within walking and cycling distance of established residential areas to capture local retail spending and reduce reliance on motor vehicles.

The proposal is entirely consistent with the provisions of the Marrickville Integrated Transport Strategy. However, significant concern is raised by the inconsistencies between the South Subregional Strategy and local strategic planning policies and the potential implications for Marrickville Metro with regard to the controls in the future LEP.

6 Requirements of Major Project SEPP

6.1 Class of Development

Schedule 1 of the Major Projects SEPP lists the types or classes of development that may be considered as Part 3A projects.

The relevant type or class for this project is listed in 'Group 5 - Residential, commercial or retail projects' and as provided below:

- (1) *Development for the purpose of residential, commercial or retail projects with a capital investment of more than \$100 million.*
- (2) *This clause does not apply to major development within the meaning of section 31 of the City of Sydney Act 1988.*

The proposal as described in Section 3 of this report is clearly is of a kind that satisfies the definition of a 'retail project'.

6.2 Capital Investment Value

In accordance with Schedule 1, Clause 13 of the Major Development SEPP, development for the purpose of residential, commercial or retail project must have a minimum capital investment value of \$100mill.

The Capital Investment Value (CIV), as defined in the SEPP, has been determined by Davis Langdon According to their assessment the CIV for the project is **\$140million.**

A copy of the advice from Davis Langdon is included at **Attachment B.**

6.3 Demonstration of Planning Merit

Under the provisions of the Environmental Planning and Assessment Regulation 2000, The Minister has discretion to determine whether or not to authorise a Concept Plan to be accepted under Part 3A of the EP&A Act if any part of the project would otherwise be prohibited by an environmental planning instrument.

In this case, the Concept Plan proposal is part permissible and part prohibited. The prohibited element relates to the expansion of retailing on the industrial zoned land.

Therefore, to assist the Minister's consideration of the proposal, the following section of the report seeks to demonstrate the planning merits of the project having regard to the relevant strategic planning policy.

6.3.1 Consistency with Sydney Metropolitan Strategy Aims

1. **Enhance liveability**

The proposal will enhance Sydney's liveability by providing additional retail services that are located within close proximity of established inner city residential suburbs and result in a design that better relates to the surrounding context. The site has an established built form and is capable of accommodating additional development by expanding to the industrial area to the south and avoiding any significant detrimental impacts on nearby residential development to the north, east and west.

The developed centre will create significant new public spaces for the community and a design that is more externally orientated and active.

2. **Strengthen economic competitiveness**

The proposed development seeks to strengthen economic competitiveness by retaining local spending within the Marrickville local government area and providing a significant number of additional local employment opportunities. The project is estimated to generate in order of 700 full time positions.

3. **Ensure fairness**

The site proposes to align retail and community services close to where people live by expanding an existing shopping centre which is well serviced by existing rail and bus services and located within close proximity of established residential development.

4. **Protect the environment**

Similar to the above, the expansion of an established subregional shopping centre and improvements to the existing public transport links offers the potential to reduce car reliance. Marrickville Metro already has a significant high proportion of customers who walk to the centre. In addition, development brings with it opportunities to enhance the environmental performance of new and altered buildings.

5. **Improve governance**

This report has been prepared to demonstrate the appropriateness of this site for retail expansion and form the basis for a request to the Minister for the proposed development to be declared as a 'Major Project'.

6.3.2 Consistency with Subregional Strategy Directions

Direction 1 - Retain Strategic Employment Lands

Marrickville LGA has an employment target of 500 additional jobs between 2001 and 2031. The proposed expansion of the Marrickville Metro Shopping Centre has the potential to create an additional 700+ retail jobs, not including jobs generated by construction activities and other multipliers.

The 4(a) General Industrial zoned land is identified as land that has the potential for retail development. Page 33 of the Draft Subregional Strategy includes the following statement:

Land north of Edinburgh Road and south of Smidmore Street and between Smidmore and Murray Street has potential for higher level employment uses, which could include retail, office or mixed use. This would support the Marrickville Metro Centre and encourage a redesign which better relates to the surrounding area.

Overall, the proposal is considered to be consistent with the provisions of Direction 1, based on the employment generation arising from the proposed development and the redevelopment of the industrial zoned land.

Direction 5 - Identify And Investigate Renewal Areas for the South

The Draft Subregional Strategy seeks to 'revitalise the Newtown, **Marrickville Metro** and St Peters Investigation Areas (SO A1.9)'. Further, page 68 of the Draft Strategy states:

The future role of Marrickville Metro...may change over the next 25 years. Currently, Marrickville Metro is identified as a Village. There may be potential for retail/commercial floor space increases in addition to the provision of higher density housing with the locality to achieve Town Centre status"

The Draft Strategy clearly envisages an opportunity for the growth of Marrickville Metro and the surrounding precinct. Research undertaken on behalf of the owners indicates that the opportunity to grow the floor space of the centre exists now and therefore represents a first stage of the emergence of the Marrickville Metro as a Town Centre over the life of the strategy.

The proposed development is considered to be consistent with the provisions of Direction 5.

Direction 8 – Recognise Diversity Across the Subregion

One of the two key directions for Part F – Parks, Public Places and Culture is to ‘*protect scenic, heritage and environmental assets of the subregion*’.

The proposed redevelopment of the existing shopping centre to the south in the current industrial zone will enable the listed heritage item (the Mill House) to be protected, which is consistent with the provisions of Direction 8.

6.3.3 Consistency with Subregional Strategy Actions

A1.1 – Provide a framework for accommodating jobs across the subregion

- The proposal constitutes a development that aims to provide additional retail land to service the need of the existing and future population in the locality.
- The proposal will create in the order of 700 additional full time jobs not including additional employment generated through the construction phase and associated multiplier effects.

A1.2 – Plan for sufficient zoned land and infrastructure to achieve employment capacity targets in employment lands

- The proposal will result in a loss of 8,800sqm of industrial zoned land that sits within a large precinct totally 815,000sqm. This constitutes only 1% of the total present area.
- The proposal will generate approximately 700 additional jobs for the locality and therefore will have a positive impact on employment.

A1.4 – Contain the rezoning of employment lands to residential zonings across Sydney

- The proposal incorporates a small portion of industrial land to be used for the expansion of Marrickville Metro. This will ensure that an employment function of the land is retained rather than being lost to residential development which will not contribute to strengthening the role and function of the centre.

A1.5 – Protect and enhance employment lands of state significance

- The portion of the site that is employment land is small in scale and is not considered to be state significant. It is located on the edge of the Sydenham industrial area and therefore the conversion of the land into a retail development to create a town centre will not disrupt the function or significance of the wide range of businesses in the industrial area.
- The impact of the loss of this site on the role and function of the Sydney industrial area will be negligible.

A1.9 – Facilitate the use of old industrial areas

- The industrial portion of the site has become degraded and is not achieving its economic potential. Table 1 (page 5) identifies Marrickville Metro as a site for revitalisation and renewal. The proposed development will achieve this action by retaining the land for an employment function and by doing so enable the Marrickville Metro to expand in a way that enhances the range of retail services and creates local jobs. In addition, the expanded site will allow for the centre to integrate a town square on the Victoria Road frontage as a place for congregation and social interaction amongst the local community.

B1.1 - Establish a typology of centres

- This action identifies that the future role of Marrickville Metro may change over time and that potential future retail/commercial floorspace increases would enable the centre to achieve “town centre” status. The proposal is entirely consistent with this action as the expanded centre will better serve the retail needs of the community and will do so through a design that provides wider community benefit by creating a town square on a highly constrained site.

B3.1 – Establish a stronger centres initiative

- The proposal achieves this action by creating an expanded retail centre that will:
 - Offer wider choice of retail goods and services to meet the needs of the community
 - Create additional local employment opportunities
 - Support public transport infrastructure by enhancing the attractiveness of a destination that already has direct bus services.
 - Creating a safe and appealing public domain through the town square to foster social interaction.

B4.1 - Concentrate retail activity in centres, business development zones and enterprise corridors

- The proposal is entirely consistent with this action as it constitutes an expansion to an existing retail centre. This will avoid creating out-of-centre retailing destination thereby strengthening Marrickville Metro as a single focal point for convenience retail shopping in the locality.

B4.2 – Support centres with transport infrastructure and services

- The proposal is consistent with this action as it strengthens the role of the existing retail centre. The centre is already supported by transport infrastructure so the proposal will contribute to the viability and reliability of transport services linking Marrickville Metro.

6.3.4 Consistency with Draft Centres Policy Principles

Principle 1 – retail and commercial activity should be located in centres

- The proposal clearly meets this principle by expanding an existing centre. This will deliver a wide range of benefits such as:
 - Helping stimulate economic activity and encouraging retail competition
 - Ensuring the most efficient use of infrastructure
 - Creating additional job opportunities close the local population
 - Providing a focal point for the community and creating a sense of place

Principle 2 – centres should be able to grow and new centres form

- Marrickville Metro is located within a locality that presents limited opportunity for expansion to serve the growing need for retail goods and services. The proposal represents a viable opportunity to grow the centre. The loss of a small industrial site will be more than compensated through the improved convenience retail offering, additional job creation and public domain improvements that the proposal will deliver.

Principle 3 – market determines need for development, planning regulates location and scale

- A considerable amount of market analysis has been undertaken by the proponent and submitted to Council to inform the preparation of the Marrickville Urban Strategy. The research has identified that the local community is underserved in terms of supermarket and discount department store retail floorspace per capital when compared with the Sydney average¹.

¹ There is just 522sqm of discount department store floorspace per 1,000 residents in the main trade area, compared with an average ratio of 115sqm per 1,000 across Sydney as a whole. In terms of supermarket space, with just 133sqm per 1,000 people in the main trade area compared with 225sqm per capita across Sydney.

- Given the expansion limitations within the surrounding strip shop retail villages, Marrickville Metro is the only location that can accommodate a full line supermarket and discount department store with adequate car parking to meet the needs of residents.

Principle 4 – ensuring the supply of floorspace accommodates market demand

- The proposal will introduce more speciality retailing within the centre that will foster greater competition and should result in greater choice and cheaper goods and services for customers.
- The Part 3A assessment process provides the framework for a proposal such as this to reduce the barriers to entry and allow an existing centre to expand. As this proposal meets the key state policy considerations for Part 3A projects, the Department of Planning can help achieve the desired goal of this principle by authorising the preparation of a Concept Plan for further detailed consideration.

Principle 5 – support a wide range of retail and commercial premises and contribute to a competitive retail market

- The proposal satisfies the location and design criteria of this policy as it will deliver wider public benefits that just increased retail services. That said, the proposal is worthy of support as it will contribute to a competitive retail market.

Principle 6 – contributing to the amenity, accessibility, urban context and sustainability of centres

- The preferred concept design will create a fully integrated retail centre for the convenience of customers. In addition, it will create an enhanced town square that has the potential to become a focal point for community interaction, together with new shops fronting Victoria Street to provide activation.
- By reducing some of the estimated \$500 million of escape expenditure from the LGA, the proposal will serve to reduce the need for the local community to travel outside of the local area (often by car) for their basic retail needs.
- The significant investment into the shopping centre both new and existing brings with it the opportunities to introduce a range of ESD initiatives that will reduce demands on water and energy.
- The concept incorporates measures to improve connectivity from public transport services. Furthermore, the loading facilities will be designed to mitigate impacts on existing residents.

6.3.5 Consistency with Draft Centres Policy – Suitability Criteria

- ***access to public transport, or the infrastructure capacity to support future public transport***

The proposal provides the opportunities to enhance public transport infrastructure and accessibility in the local and broader area. Marrickville Metro is served by three State Transit Authority (STA) bus routes:

- Route 355 - Marrickville Metro to Bondi Junction via Newtown and Waterloo.
- Route 308 - Millers Point to Marrickville Metro via Redfern and St Peters Station.
- Route 352 - Marrickville Metro to Bondi Junction via Newtown, Sydney University, Surry Hills, Darlinghurst and Paddington.

Marrickville Metro is also located within walking distance of (800 metres) of St Peters Railway Station.

The development and growth of the centre creates the opportunity to enhance bus services that terminate at the centre and improve linkages to St Peters Railway Station.

- ***good pedestrian access***

The centre is conveniently located to residential areas of Marrickville to enable customers to walk to the centre. In fact 21% of customers walk to the centre which is approximately 3 times the average for a sub-regional shopping centre. The planned improvements to the town square on Victoria Road along with new street facing retailing will enhance the pedestrian experience to the centre and provide a sense of place and improved community space.

The new pedestrian connection off Murray Street adjacent to the proposed bus-bay will further improve pedestrian access to the centre.

- ***good road access for employees, customers and suppliers and, where necessary, capacity to provide new road infrastructure***

The proposed development will provide for improved intersection at key roads surrounding the site.

An additional loading dock of Smidmore Street will service the additional retail space at the southern end of the development away from residential areas to the north and west.

- ***close proximity to local labour markets with the skills required by business***

The centre is an accessible location close to the surrounding Marrickville LGA communities and is well served by public transport. The proposal will provide the opportunity for more people to do their shopping locally.

- ***urban design opportunities that create the potential to integrate with surrounding land uses***

The expansion creates the opportunity to improve the centres integration with the surrounding streets and an active and engaging entrance to the centre along Victoria Road is envisaged. The integration of an enhanced town square with the heritage building will provide for potential community uses and an interesting and attractive public domain that will benefit the local community. Similarly, the market place entry from Murray Street has the potential to be a new front door and gateway into the centre.

- ***potential to increase the amenity of the local area***

As outlined above, the proposal will improve the interface of the development with the public domain by activating the part of the Victoria Road frontage and enhancing the amenity of the town square at the main entry to the centre. Similarly, the proposed activation and new entry to the market place from Murray Street will enhance access and visual interest of the centre from the surrounding area.

- ***capacity to contribute to environmental outcomes***

Measures to improve the environmental performance of the building will be explored as part of the detailed design process. Such considerations will include passive and active methods to reduce energy consumption and water use.

- ***environmental constraints, such as flooding***

We understand as part of Council's new flood mapping, that part of the site is potentially affected by the Probable Maximum Flood level of the Cooks River. This will be investigated by specialist consultants and form part of the documentation in support of the Concept Plan application.

There are no other environmental constraints (such as significant vegetation or contamination) impacting on the development or are anticipated to arise as a consequence of the development.

- ***impact on the supply of the existing land use such as residential land (including impacts on housing supply and affordability) or industrial lands.***

As outlined previously, the proposal will have a minimal impact on the supply of industrial land (1%) in the Sydenham precinct. The benefits of the proposal include greater retail choice and competition to meet the needs of the community, public domain improvements and job creation far outweigh the loss of one small isolated industrial site.

7 Preliminary Environmental Assessment

7.1 Introduction

The existing shopping centre is located within an inner urban area at the interface between significant employment lands to the south and dense residential development to the north and east. Any significant expansion to the centre will create the potential for impacts both positive and negative.

This section of the report seeks to identify the likely key issues to be addressed as part of the further development of the design and the preparation of the detailed environmental assessment.

7.2 Treatment of Smidmore Street

The current preferred concept seeks to close Smidmore Street in order to allow the expansion of the shopping centre to the south. The road closure will require consent of Marrickville Council as the owner of this land. The proponent will seek to enter into discussions with Council as soon as possible regarding the proposal to acquire and close this road.

An alternative option has also been prepared for discussion that involves keeping Smidmore Street open to traffic and in Council control and ownership and allowing at-grade pedestrian movement between the two parts of the shopping centre. This approach would also necessitate a bridge link above the road to allow for pedestrian and road access between the first floor components of the centre. A bridge link would require Council's agreement to a lease/purchase of air rights or similar arrangements.

It is also proposed that the car parking basement levels within land to the south extend below Smidmore Street. A stratum or similar arrangement would need to be agreed with Council for this element of the proposal to proceed.

It is proposed to undertake further discussion with Council and other authorities to confirm the most appropriate response to the treatment of Smidmore Street.

7.3 Traffic and Access

A preliminary assessment has been undertaken on the surrounding road network. This initial assessment has found that the surrounding road network functions appropriately but that there are potential capacity limitations at certain intersections that will need to be addressed as part of the further development of the site.

It is proposed to undertake a detailed traffic assessment of the surrounding road network to further explore the current functioning of the road system and the impacts associated with increased traffic generated by the development.

There are currently two vehicle ramps that provide access to the roof top car park of the shopping centre. The preliminary concept proposes to retain the ramp from Murray Street, however the ramp from Smidmore Street may be relocated depending on the final treatment and approach to Smidmore Street. The vehicle access strategy will be further developed as part of the further development of the design.

At the same time, opportunities to also improve access to the centre by pedestrians and cyclists will also be investigated.

7.4 Heritage

The subject site includes a heritage item known as the “Mill House” located in the northern section of the site fronting Victoria Road. In addition, properties to the north of the site are located within a heritage conservation area.

As part of the concept development, careful consideration is being given to the massing of the extensions to ensure that the Mill House and its immediate context are protected. This has resulted in the additional building massing being setback away from the northern frontage thereby reducing any potential impact on the heritage items. It is proposed to enhance the surrounds of the Mill House as part of renovations to the ‘Town Square’ precinct of the site.

It is proposed to prepare a Heritage Impact Statement as part of the detailed Environmental Assessment that will address the relationship of the new built form with the Mill House and Victoria Road generally.

7.5 Interface with Adjoining Properties

The existing shopping centre has a direct interface with residential properties fronting Bourne Street to the west, with a high wall located on the boundary separating the shopping centre from the rear of these residential properties. Future development on level 1 of the shopping centre will be carefully sited and designed to consider the interface with the rear of these residential properties in terms of visual bulk, overshadowing, privacy and acoustic impacts.

7.6 Economic Impacts

AMPCI has commissioned significant research into retail and consumer demands over the past 3-4 year through three of Australia’s leading retail economists and researchers. This work has included:

- Exit interviews of over 500 customers using Marrickville Metro over a one week period, undertaken by Directional Insights Pty Ltd;
- A telephone survey undertaken by Urbis;
- Retail demand assessment prepared by MapInfo Dimasi Pty Ltd;
- A survey of retail floorspace and shop composition for the commercial strip shopping centres of King Street Newtown and Marrickville Road and Illawarra Roads, Marrickville by Urbis; and
- An economic impact assessment prepared by Urbis.

The research under by AMPCI’s consultants draws the following key conclusions:

- A significant growth in spending in the Marrickville Trade Area of approximately \$370 million between 2005 and 2015;
- Approximately 50% under provision of retail floor space per capita compared against Sydney averages;
- Approximately \$780 million of sales per year escaping from Marrickville’s trade area to other centres.

With limited retail development within the trade area, residents are increasingly being forced to travel beyond the trade area to experience and access the most modern retail concepts, formats and brands. The need for residents to travel extended distances to access some of their favourite brands and services significantly contributes to trade area sales escape expenditure, with obvious impacts on the local economy, development, employment and training opportunities within the Marrickville LGA.

It is therefore our assessment that there is significant demand within the local area for the proposed development and that such development will not adversely impact upon the viability of local strip shopping centres within the LGA.

It is proposed to provide a detailed economic impact analysis as part of the detailed Environmental Assessment.

7.7 Social Impacts

Marrickville Metro is a social hub and meeting place for the community with 4-5 million visitations per annum. Surveys undertaken by AMPCI demonstrate that Marrickville Metro has a very high proportion of customers (21%) who travel to the centre by foot. This is estimated to be triple the proportion when compared to typical sub-regional centres (approximately 7%).

Marrickville Metro is a vibrant community place and an important element in the local fabric, but equally it could be much more.

The opportunities exist to build on this include:

- Making Marrickville Metro more than just a place to shop. In particular, create a community place, a place to dwell and a civic space, including community space (subject to further research into community needs);
- Improving access and movement around the centre, including improved public transport support facilities and access to St Peters Station;
- Improving the range of retail services to meet the needs of the local community. This includes the potential redevelopment opportunities to the south; and
- Opportunities for increased residential densities in the immediate precinct linking with the St Peters Railway Station node.

Council's Urban Strategy recognises the growing needs for further community facilities in the LGA and the opportunities to provide such facilities as part of the redevelopment of sites within existing centres. AMPCI supports this initiative as recognises the opportunities to provide community facilities within or adjacent to established centres such as Marrickville Metro. It is proposed to explore this as part of a social impact assessment to be prepared as part of the Environmental Assessment.

7.8 Urban Design

The expansion of Marrickville Metro brings with it the opportunity to significantly enhance the design of the centre and the interface with the public realm. The existing centre is tired and in need of significant capital investment to enhance its presentation and interface with the community.

The concept proposes to re-inforce the town square fronting Victoria Road as the key civic space for the centre, providing an indoor/outdoor environment capitalising on the northern exposure and heritage context. This civic space has the potential to incorporate features such as public seating, lighting, landscaping and new ground surfaces to enhance the amenity of the space and connect to potential community services located within this precinct.

The opportunity also exists to externalise elements of the centre such as the corner of Victoria Road and Murray Street by creating an active edge and engaging with the surrounding community.

The "market place" is proposed to be centred on Smidmore Street providing the fresh food market place for the centre and the community. The final composition and design of this space will be dependent on the agreed treatment of Smidmore Street.

The Concept Plan application will be accompanied by a Landscape Concept Plan detailing the proposed improvements to the public domain.

7.9 Consultation

AMPCI has been engaging with Marrickville Council for over four years to assist in identifying the strategic opportunities for the Marrickville Metro Precinct. Despite AMPCI's best efforts to co-operatively work with Council, no substantive progress has been made. Council has formed a position that Marrickville Metro should not be permitted to expand based on views (unfounded based on AMPCI's research) about the negative impact on local strip shopping centres.

AMPCI however remains willing to work constructively with Council to establish an appropriate design solution for the site.

In addition to engaging with Council, AMPCI has also undertaken a comprehensive telephone survey of residents within the Marrickville LGA seeking to determine to community attitudes towards the potential expansion of Marrickville Metro. A survey sample of 1201 respondents was undertaken. A high proportion (80%) stated that they were either enthusiastic to change or would be supportive depending on the final concept, while 20% were generally resistant to change of any kind. This survey indicates that the majority of the Marrickville community is willing or open to change to the Metro subject to the resolution of the final design.

8 Summary and Conclusion

In accordance with Clause 6 of State Environmental Planning Policy (SEPP) – Major Development, and under the provisions of the Part 3A provisions of the Act, we formally seek the Minister's confirmation that the proposal is to be declared a Major Project, and that authorisation be given to submit a Concept Plan application.

We also request the Direct-General issue Environmental Assessment Requirements for the proposal to assist in the preparation of the Environmental Assessment documentation for a Concept Plan approval.

This report has been prepared to provide the Department of Planning with an understanding of the project and how it satisfies state strategic planning policy. As identified in this report, the proposal satisfies a number of the key directions and actions of the South Subregional Strategy. Furthermore, the proposal is highly compatible with the principles of the Draft Centres Policy, which outlines a framework to facilitate the growth of centres to meet the needs of the community.

The preferred option represents an appropriate design outcome and will offer maximum convenience for customers of the centre, acknowledging that further design development is required to achieve the optimal design solution. This option relies on Council approval to close part of Smidmore Street. As an agreement has yet to be reached with Council, an alternate option has been presented which still achieves most of the key desired outcomes of the development. A decision on a final scheme will be made prior to lodgement of the Concept Plan application.

Importantly, the proposal will preserve the economic function of the site and enable a wider range of retail shops and services to be provided for the community. The proposal will also incorporate a range of measures to improve local amenity from integrating the town square with the main entry through to new landscape and public domain works.

Overall, the proposed expansion of the Marrickville Metro Centre is considered an appropriate evolution of the centre and will enable it to continue to perform an important role in the local community. By satisfying the key state planning strategies, the proposal will deliver an outcome that benefits all parties.

AMPCI is willing to work with all key stakeholders during the assessment process in order to achieve the most optimal outcome for all concerned.

For these reasons, we conclude that there is sufficient planning merit and community benefit for the Minister to authorise the proponent to prepare a Concept Plan application so that the project can be assessed under the provisions of Part 3A of the EP&A Act.

Appendix A Concept Plans

Appendix B Davis Langdon Capital Investment Value Estimation

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