

MAJOR PROJECT ASSESSMENT

MP 09_0102 / MP 09_0184

***Costco Wholesale Retail Warehouse and Costco
Australian Regional Headquarters***

17-21 Parramatta Road, Auburn

Proposed by: Costco Wholesale Australia Pty Ltd



Director-General's Environmental Assessment Report

Section 75I of the Environmental Planning and
Assessment Act 1979

March 2010

© Crown copyright March 2010
NSW Department of Planning
www.planning.nsw.gov.au

Disclaimer:

While every reasonable effort has been made to ensure that this document is correct at the time of publication, the State of New South Wales, its agents and employees, disclaim any and all liability to any person in respect of anything or the consequences of anything done or omitted to be done in reliance upon the whole or any part of this document.

1. EXECUTIVE SUMMARY

This report is an assessment of a Concept Plan (MP 09_0102) and Project Application (MP 09_0184) seeking approval for the construction of a Costco Wholesale Retail Warehouse and Costco Australian Regional Headquarters at 17-21 Parramatta Road, Auburn pursuant to Part 3A of the *Environmental Planning and Assessment Act, 1979* (the Act).

The site is located on the northern side of Parramatta Road within the Auburn Local Government Area, approximately 19 km west of the Sydney CBD. The site has a total area of 2.522 ha and has vehicular access off Parramatta Road at the western and eastern corners of the site.

The Proponent is Costco Wholesale Australia Pty Ltd.

Environmental Assessment (as exhibited)

The Concept Plan and Project Application seek approval for:

- Demolition of all existing buildings
- Excavation of the site for the construction of the basement car parking area
- Construction and use of a new 3 storey Costco Wholesale Retail Warehouse building comprising:
 - 13,686m² of retail area
 - 1,960m² of commercial office floorspace for the Costco Australian Regional Headquarters
- Loading docks, car parking (771 spaces) and bicycle parking for 68 bicycles
- Landscaping
- Signage to the exterior of the building
- Infrastructure works including roadworks (including provision of a new signalised intersection at the intersection of Parramatta Road and Nyrang Street), stormwater management works and utilities

The Capital Investment Value of the original proposal is **\$60.923 million**. The Proponent advises that the proposal will create **130** new construction jobs and at the commencement of the use (expected to be 2011) **160** full-time jobs equivalent plus an additional **70** jobs in the head office.

Permissibility

The site is zoned 4(c) Industrial Enterprise under the *Auburn Local Environmental Plan 2000*. The current zoning of the site prohibits the proposal, as it is partly defined as a 'shop' and 'commercial premises'. The submission of a Concept Plan however allows the Minister to give project approval for prohibited land uses.

Draft LEP 2000 (Amendment No. 22) is currently being finalised by Council to create the 'Parramatta Road Retail Precinct', which has frontage to Parramatta Road between Silverwater Road and Hill Road, Lidcombe (the subject site is included within this precinct). Draft LEP 2000 (Amendment No. 22) seeks to amend the LEP by permitting 'retail premises' and 'office premises' within the 'Parramatta Road Retail Precinct'.

Public Exhibition

The proposal was placed on public exhibition for a 30 day period from **21 October 2009** to **20 November 2009**. The Department received a total of 13 submissions during the exhibition, comprising 9 submissions from the public and 4 submissions from public authorities (Auburn City Council, Roads and Traffic Authority, NSW Office of Water and Sydney Water).

Key issues raised during the exhibition include:

- Permissibility and compliance with controls
- Suitability of site
- Economic impacts
- Traffic and access impacts
- Environmental impacts

Preferred Project Report (PPR) and Response to Submissions

On 11 February 2010, the Proponent submitted a PPR and Response to Submissions. Key revisions to the Environmental Assessment include:

- A revision to the CIV of the proposal from **\$60.923 million to \$57.897 million**
- Removal of car parking within the Haslams Creek riparian zone that result in an increase to the soft landscape area provided on the site from 2,869m² to 3,349m². The overall car parking provided on site reduces from 771 parking spaces to 745 parking spaces
- Amended vehicular access arrangements illustrating the new intersection, slip lane and entry point off Parramatta Road
- Increased GFA by 71m² comprising of:
 - an increase of 41m² to the retail GFA
 - an increase of 39m² to the commercial GFA
 - a reallocation of uses adjacent to the Tyre Sales area that results in a decrease of 9.45m².
- Increased building setbacks to provide a street verge along the Parramatta Road frontage.
- Raising of the basement car parking level by 1 metre to be higher than the measured groundwater level
- Reduced maximum building height by 1 metre
- Provision of two dedicated Tyre Centre parking areas (15 dedicated parking spaces)
- Amended floor plan layout over all levels

Key Assessment Issues

Key assessment issues considered in this report include centres policy justification; impacts upon existing centres; traffic and access impacts; and encroachment on the riparian zone.

On balance, the proposal is considered appropriately located within a site, which has been specifically identified as an emerging centre for large scale retail premises by Draft LEP 2000 (Amendment No. 22).

Whilst it has been demonstrated that the proposal is located within an emerging centre, the impact of the proposal on existing centres has also been considered. The Proponent provided further information in relation to economic impacts upon surrounding centres. It is considered that the proposal is unlikely to have an unreasonable impact upon surrounding centres.

The proposed inclusion of a new signalised intersection into the site from Parramatta Road will assist in reducing the proposal's impact upon traffic within the area. The provision of one exit point for customers will also assist in directing the traffic flow from the site.

The Proponent has also amended the proposal by removing the proposed car parking area adjacent to Haslams Creek and replacing it with a fully landscaped 10 metre riparian setback.

Public Benefits

The proposal provides an additional form of retail development within the Sydney locality. The development of the site for a Costco Wholesale Retail Warehouse and Australian Regional Headquarters will assist in supporting the revitalisation of the area identified within Draft LEP 2000 (Amendment No. 22), which is proposing the inclusion of large scale retail premises of this nature. The proposal will also provide increased business investment and job opportunities within NSW.

Planning Assessment Commission (PAC)

The Minister for Planning's current Delegation dated 18 November 2008, delegates the Minister's functions under Section 75J of the EP&A Act for project applications to which a statement has been made disclosing a reportable political donation to the Planning Assessment Commission (the PAC). The delegation does not apply to Concept Plan applications.

During exhibition of this proposal a submission was received which included a reportable political donation. In this instance, it recommended that the Minister determine the Concept Plan and refer the Project Application to the PAC for determination.

Conclusion

The Department has assessed the merits of the proposal and is satisfied that the impacts of the proposed development have been addressed within the Environmental Assessment Report, Statement of Commitments and the Department's recommended conditions of Approval.

The Department is satisfied that the site is suitable for the proposed development and that the project will provide environmental, social and economic benefits to the region. The proposal is recommended for approval subject to conditions.

CONTENTS

1. EXECUTIVE SUMMARY	3
2. BACKGROUND	6
2.1 The Site	6
2.2 Existing Site Features	6
2.3 Surrounding Development	8
2.4 Surrounding Heritage Items	8
3. STRATEGIC CONTEXT	9
4. PROPOSED DEVELOPMENT	12
4.1 Environmental Assessment (as exhibited)	12
4.2 Preferred Project Report (PPR)	13
5. STATUTORY CONTEXT	15
5.1 Major Project Declaration	15
5.2 Permissibility	15
5.3 Director-General's Environmental Assessment Requirements (DGRs)	15
5.4 Exhibition	15
5.5 Other Statutory Considerations	15
6. CONSULTATION AND ISSUES RAISED	16
6.1 Public Exhibition Details	16
6.2 Submissions from Public Agencies	16
6.3 Submissions from the Public	18
7. ASSESSMENT OF ENVIRONMENTAL IMPACTS.....	19
7.1 Land Use and Impact on Existing Centres	19
7.2 Built Form and Landscaping	22
7.3 Traffic, Access and Parking	24
7.4 Environmental Impacts	27
7.5 Other	28
8. PUBLIC INTEREST / PUBLIC BENEFIT.....	30
9. CONCLUSION.....	30
10. RECOMMENDATION.....	31
APPENDIX A. STATUTORY CONTROLS	32
APPENDIX B. DIRECTOR-GENERAL'S REQUIREMENTS	37
APPENDIX C. ENVIRONMENTAL ASSESSMENT & PREFERRED PROJECT REPORT	38
APPENDIX D. INSTRUMENT OF APPROVAL.....	39

2. BACKGROUND

2.1 The Site

The site, known as 17-21 Parramatta Road, Auburn, is located on the northern side of Parramatta Road (**Figure 1** and **2** below). The site is approximately 19km west of the Sydney CBD, within the Auburn Local Government Area and comprises an area of 2.522 ha over two parcels of land that are legally described as:

- Lot 1 DP 214452 (19-21 Parramatta Road) contains an existing single storey warehouse, transport depot and office building previously utilised by Bev Chain / Linfox.
- Lot 1 DP 522225 (17 Parramatta Road) is used by the adjoining Hertz premises for parking of rental trucks and also includes a pole sign at the rear of the allotment, which is to be removed.

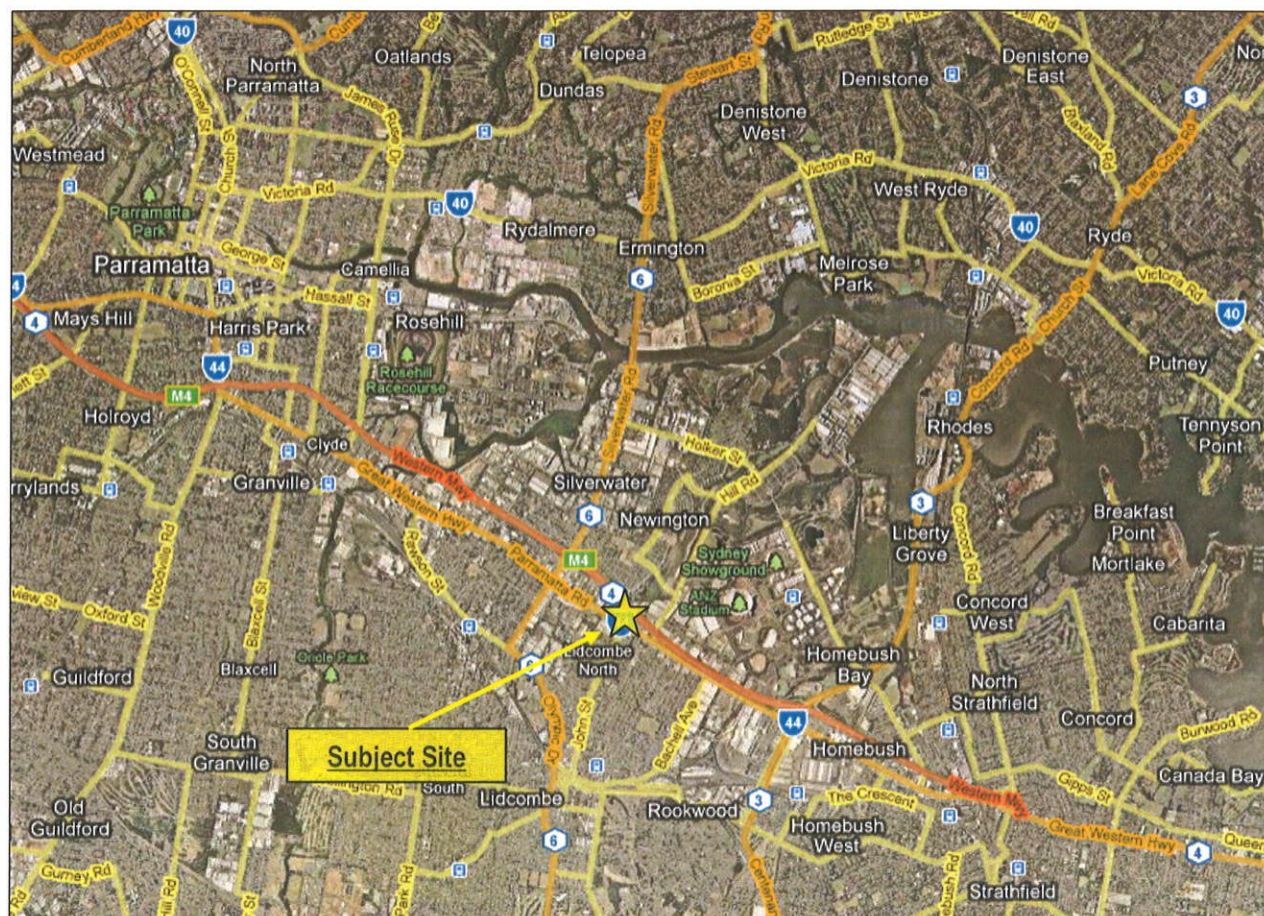


Figure 1: Site Locality – Regional Context

2.2 Existing Site Features

The site is currently occupied by an existing single storey building covering approximately 80% of the site. The remainder of the site is occupied by staff / visitor parking and turning areas for vehicles. The site falls from the south-eastern corner towards the north-western corner and Haslams Creek. Haslams Creek adjoins the property along the western boundary and the site is affected by flooding.

The site has frontage to Parramatta Road, with vehicular access available from the western and eastern corners of the site. Vegetation on the site is limited to a strip of conifer trees located along the Parramatta Road frontage, vegetation in the south-eastern corner and screening vegetation between the site and the M4 Motorway.

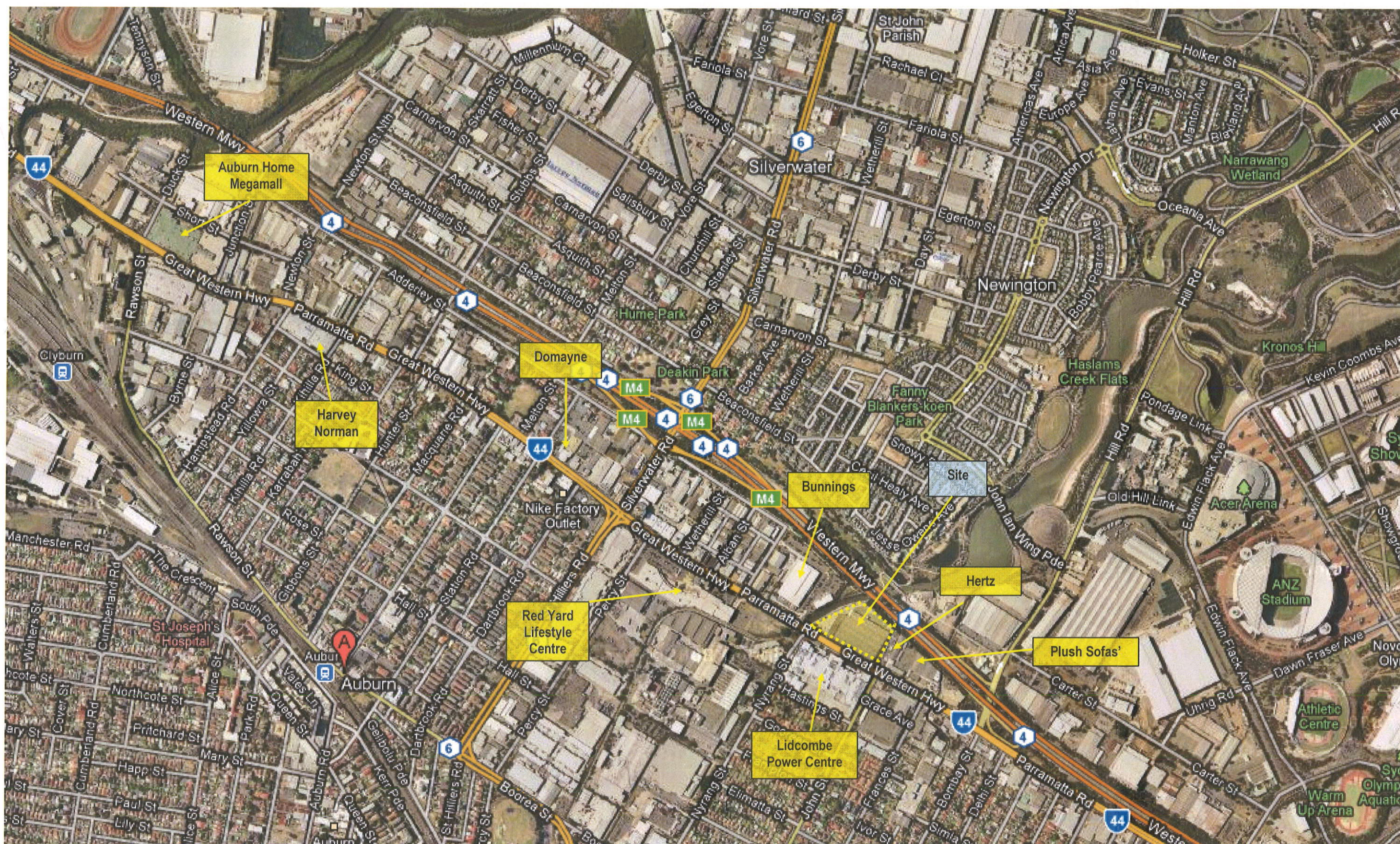


Figure 2: Site locality map illustrating adjoining landuses

2.3 Surrounding Development

- Adjoining the site to the north is the M4 / Western Motorway.
- Light industrial premises adjoin the site to the east, including Hertz Rental and Plush Sofas'.
- Directly opposite the site across Parramatta Road to the south is the Lidcombe Power Centre, a bulky goods retailing centre.
- Haslams Creek bounds the site to the west with a Repco and Bunnings warehouse located further west.

Other bulky goods / retailing outlets within the broader locality include Harvey Norman, Domayne, Red Yard Lifestyle Centre and the Auburn Home Megamall.

2.4 Surrounding Heritage Items

There are three **local** heritage items within the vicinity of the subject site. These include:

- **Canalisation of Haslams Creek south of Parramatta Road** - The item is listed in the *Auburn Local Environmental Plan 2000*.
- **Haslams Creek Bridge** - The Haslams Creek Bridge was constructed by the Department of Main Roads in 1927. The item is listed as a heritage item in the *Auburn Local Environmental Plan 2000*.
- **Haslams Creek Culvert** - The heritage item is the reinforced concrete culvert that lies on the original alignment of Parramatta Road. The item is listed in the RTA's Heritage and Conservation Register.

3. STRATEGIC CONTEXT

NSW State Plan

The NSW State Plan 2010 aims to achieve improved urban environments and ensure sustainable development through reductions in greenhouse gas emissions and development in close proximity to existing centres, services and transport.

The proposal is consistent with the NSW State Plan 2010, including:

- *Increased business investment and support jobs.* The proposal provides a new type of business within Sydney metropolitan area. The proposal will provide an additional **\$57.897 million** investment into the region that will assist in providing additional employment to the locality and the provision of the Costco headquarters within the proposal reinforces Sydney as a Global City promoting Western Sydney as an important business location.
- *Increase the number of jobs closer to home.* The proposal will provide **160** full-time jobs equivalent plus an additional **70** jobs in the head office within the Auburn LGA.
- *Protect our native vegetation, biodiversity, land, rivers and coastal waterways.* The proposal provides measures to enhance the existing environment both on the site and within the adjoining Haslams Creek.

Sydney Metropolitan Strategy "City of Cities"

The Sydney Metropolitan Strategy, developed to support the continuing economic growth of Sydney and enhance its standing as a global city, places the Auburn City Council area in the West Central Subregion. The site lies on Parramatta Road within a defined enterprise / renewal corridor.

The proposal satisfies the following objectives of the Metropolitan Strategy:

- *B5 – protect and strengthen the primary role of the economic corridor*
- *B6 – focus development in renewal corridors to maximise infrastructure use where demand and opportunities exist*
- *B7 – recognise the role of enterprise corridors as locations for local employment*

Draft West Central Subregional Strategy

The Draft West Central Subregional Strategy targets the provision of an additional 61,000 jobs for the region by 2031, with the Auburn LGA containing an employment capacity target of 12,000 jobs by 2031.

The proposal is expected to generate approximately 230 jobs (70 headquarters jobs and 160 full-time equivalent jobs) on opening, which would provide a contribution to the overall employment capacity target for the Auburn LGA. The Proponent states that at maturity (by the year 2021), approximately 385 jobs will be provided on site (260 full-time equivalent jobs and 125 full-time equivalent headquarters jobs).

The site is currently identified in the Draft West Central Subregional Strategy as containing Category 1 employment lands, which seeks to retain the land for industrial use. This categorisation policy is currently under review by the Department.

However, it is considered that introducing a large scale retail premise on this site would provide a more effective use of the industrial land in this locality. The strategic work undertaken by Auburn Council (i.e. Employment Lands Strategy) demonstrates that there is currently ample productive industrial land within Auburn LGA. The analysis shows that there will be a 20% reduction in the demand for industrial land over the next 20 years within the Auburn LGA.

In recognition, Council has prepared an amendment to their Local Environmental Plan, under Draft LEP 2000 (Amendment No. 22), to establish the 'Parramatta Road Retail Precinct' for large format retail development. This site is located in the area covered by that LEP.