

5 March 2010

Director-General
Department of Planning
23-33 Bridge Street
SYDNEY NSW 2000

Attention: Andrew Smith

Dear Mr Smith,

**Major Project Declaration & Preliminary Environmental Assessment
Proposed Redevelopment of 1 – 9 Allengrove Crescent, North Ryde**

We are writing on behalf of EG Funds Management, the owner and prospective developer of the above project, to formally request:

- **Major Project Declaration** - Confirmation as to whether the Minister considers the project to be a 'Major Project' pursuant to Cl 6 of *State Environmental Planning Policy (Major Projects) 2005*, by way of Clause 13 to Schedule 1 of the policy.
- **Concept Plan Authorisation** - If declared a Major Project, authorisation to prepare and submit a 'Concept Plan' for the project pursuant to Section 75M to Part 3A of the *Environmental Planning and Assessment Act 1979*.
- **Director General's Requirements** - If declared a Major Project, notification of any Environmental Assessment requirements of the Director General pursuant to Section 75F to Part 3A of the *Environmental Planning and Assessment Act 1979*.

1 Site Details

The site is known as 116a – 122b Epping Road, 259 – 263 Lane Cove Road and 1 – 9 Allengrove Crescent, North Ryde and includes the following lots:

- Lot 9 on DP576484;
- Lot 2 on DP371325;
- Lot 1 on DP845252;
- Lot 2 on DP524945;
- Lot 10 on DP739172;
- Lot 1 on DP504970;
- Lot 24 on DP869002;
- Lot 1 on DP656171;
- Lot 2 on DP656172; and
- Lots 3-7 on DP28702.

Located on the south-western corner of Epping and Lane Cove Roads, the site is adjacent to the Epping Road overpass of Lane Cove Road. It also has a western frontage to Allengrove Crescent, a minor local cul-de-sac accessed directly from Lane Cove Road. It is irregularly proportioned, has an area of 12,333m², shares a common property boundary on its south-eastern side and slopes gently down from south to north.

Most significantly, the site is within easy walking distance (<400metres) of the recently completed Macquarie Park Train Station and is well served by bus stops on adjoining arterials roads.

The site currently accommodates low density detached housing in accordance with its current Residential 2(a) zoning.

Figure 1 – Aerial Photograph of the Site



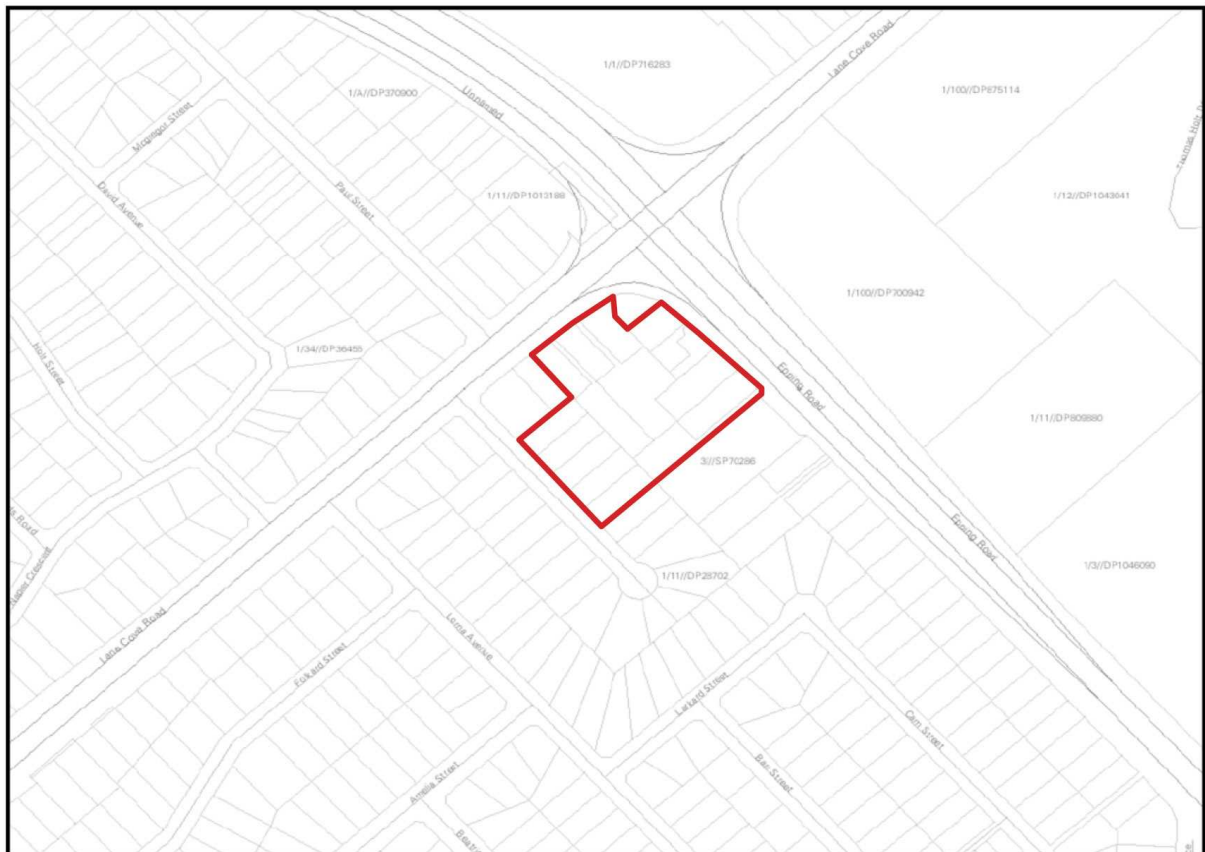


Figure 2 – Local Cadastre

2 The Locality

The site is located on Epping Road, which forms a distinct boundary between low density housing to the south-west, and multi-level industrial and commercial development to the north-east

South-West

Land to the south-west consists primarily of low rise detached houses interspersed with a number of town-house and duplex developments, and is primarily zoned 2(a) Residential under the Ryde Planning Scheme Ordinance (the PSO). Dwelling houses and residential flat buildings, to a maximum of two storeys, are permissible in this zone.

North-East

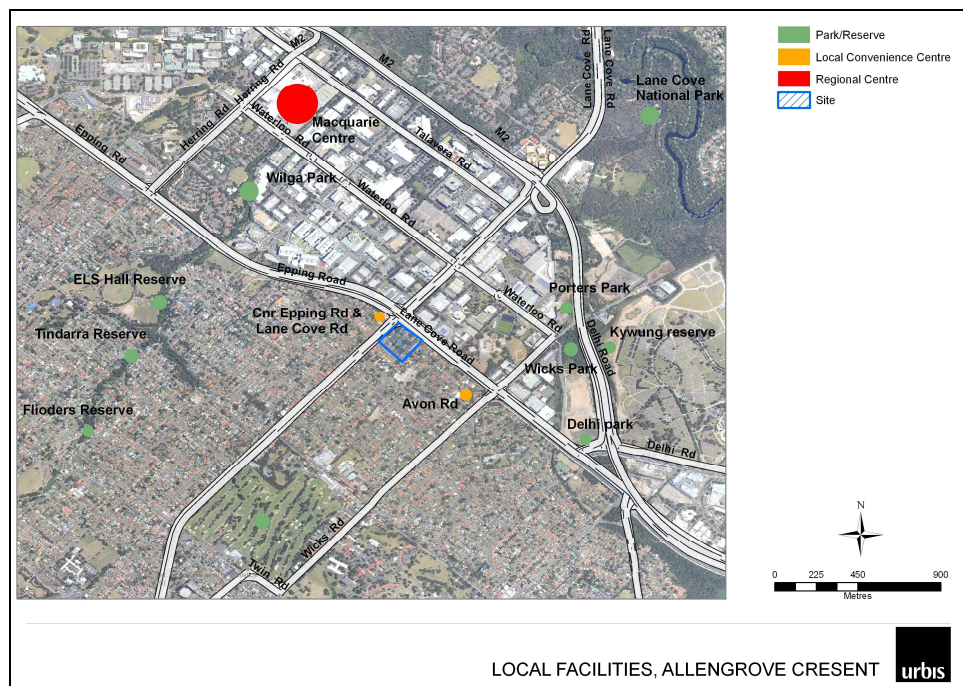
Land to the north-east of Epping Road is covered by the Ryde Local Environmental Plan No. 137 – Macquarie Park Corridor (the MPCLEP) and is primarily zoned for business and technology purposes. Significant intensification of employment generating uses is planned in this area.

Local Facilities

Immediately to the north of the site, adjoining the northern boundary is a small public reserve. The wider locality contains numerous parkland reserves within approximately 800m of the site. In addition the North Ryde Golf Course is located to the south-west and Lane Cove River National Park lies beyond the M2 Motorway to the north-east.

The site is within close proximity to local convenience shopping, including the Avon Road shops, which include a restaurant, computer shop, real estate agency, gym and convenience store, approximately 200m to the south-east of the site, and the small shopping complex directly across Lane Cove Road from the site. The regional Macquarie Shopping Centre is approximately 1.6km from the site.

Figure 3 – Local Facilities



3 Description of the Project

The envisaged project comprises:

- The demolition of all existing development.
- The erection of approximately 300 apartments spread amongst:
 - 3 x 8 storey buildings.
 - 2 x 4 storey buildings.
 - 1 x 3 storey building.
- Approximately 460 basement car parking spaces.
- Approximately 28,370m² gross floor area (GFA), resulting in a floor space ratio (FSR) of approximately 2.3:1.
- Principal vehicular access via Allengrove Crescent.

Figure 4 – Indicative Development Concept



4 Key Planning Considerations

The key planning instruments and policies that currently apply to the Project are outlined in the following section of this correspondence.

4.1 Ryde Planning Scheme Ordinance

The PSO is the comprehensive planning instrument for the Ryde LGA. Under the PSO the site is currently zoned Residential 2(a), which aims to retain the low-rise residential character of the area. Such an objective is not considered to be appropriate for the site, considering recent strategic planning initiatives, such as the Chatswood to Epping Rail Line and Inner North Subregional Strategy.

Under the current zoning of the site residential flat buildings are permissible with consent, but limited to two storeys in height.

4.2 Ryde Local Environmental Plan No. 137 – Macquarie Park Corridor

On 20 January 2006, Macquarie Park Corridor Local Environmental Plan 137 (LEP 137) was gazetted. It rezoned the Macquarie Park Corridor to facilitate higher density employment generating uses. Whilst LEP 137 only applies to land on the opposite side of Epping Road from the site, it nevertheless significantly changes the strategic planning context of the site.

While LEP 137 provides for significant density increases, the 3(g) Business Special (Employment) zoning within the immediate vicinity of the Macquarie Park Railway Station specifically excludes residential uses to maintain the employment potential within the corridor.

However, areas within the Macquarie Park Corridor which do permit residential uses are generally subject to the following standards:

- Floor Space Ratio: 1:1 - 2:1.
- Height: 6 – 8 storeys.

4.3 Sydney Metropolitan Strategy

The Sydney Metropolitan Strategy (the Metro Strategy) sets forth the policy guidelines to shape the future of the Sydney region. A number of factors discussed in the Metro Strategy are particularly relevant to the proposed development.

4.3.1 Global Economic Corridor

The site is located across Epping Road from the 'Macquarie Park' industrial / technology park. This area is recognised at all levels of government as a critical component of the 'Global Economic Corridor', which extends from Epping through the Sydney CBD, to the airport and Port Botany (refer to Figure 4). The strategic economic importance of Macquarie Park has recently been reinforced by the completion of the Epping to Chatswood railway link, including three new railway stations in the Macquarie Park locality. The Metro Strategy describes the Global Economic Corridor as:

"The corridor of concentrated jobs and activity in centres, from North Sydney to Macquarie Park and the City to Sydney Airport and Port Botany has been the powerhouse of the Sydney and Australian Economy"

Figure 5 – Global Economic Corridor



Source: Sydney Metropolitan Strategy

4.3.2 Macquarie Park Employment Lands

As a strategic part of the Global Economic Corridor Macquarie Park is recognised as a vital employment precinct. The importance of maintaining the employment growth potential of Macquarie Park is universally recognised, with the following statement included in the General Manager's Report (No. 13/06) of July 2006:

"No new dwellings should be provided in Macquarie Park, except for an increase in the density of existing residential areas, as already proposed by the recently gazetted LEP for Macquarie Park. The employment lands should be protected, especially as they form part of the global economic corridor identified by Metropolitan Strategy. In addition, many of these areas are unsuitable for residential development due to their lack of amenity and their disconnection from existing residential areas."

However, in addition, the Metro Strategy identifies a number of key strategic objectives to ensure the viability of its subregions. These include:

- The attainment of specific regional and subregional housing targets.
- The efficient utilisation of existing/new infrastructure.
- The concentration of housing density in and around corridors and centres, particularly railway stations.
- The creation of vibrant mixed use centres that accommodate both working and living.

The combined effect of the above considerations strongly supports significant residential density increases in locations that are outside the Macquarie Park employment precinct, but still within close proximity of the new railway stations.

4.3.3 Residential Targets

The Metro Strategy plans for an additional 30,000 dwellings in the Inner North Subregion by 2031 with 10,515 originally planned to be located within the Macquarie Park Corridor and a total of 15,974 in the Ryde LGA. Both Ryde Council and the Northern Sydney Regional Organisation of Councils (NSROC) have expressed concern over their ability to achieve these targets. NSROC's Subregional Planning Strategy provides for a growth of only approximately 5,500 dwellings for the Ryde LGA representing a shortfall in the order of 10,500 dwellings.

While the Department of Planning has recently revised down the Ryde LGA targets to 12,000 additional dwellings, this is still more than double what Council has planned for, leaving a shortfall of about 6,500 dwellings.

Table 1 – Additional Dwelling Targets for Ryde LGA 2031

| Original DoP Targets (2005) | NSROC Targets | Revised DoP Targets (2009) |
|-----------------------------|---------------|----------------------------|
| 15,974 | 5,598 | 12,000 |

Council has argued that the housing targets are not achievable because existing residential land within Macquarie Park is already developed and strata titled, and all other land should be reserved for strategically important employment purposes, not high density housing. No account is made for potential opportunities that may exist immediately beyond the Macquarie Park employment land.

In addition, only a small percentage of new dwellings in the region are predicted to be within transit nodes. There is clearly scope for additional investigation into areas which can accommodate additional dwellings and utilise the new rail infrastructure.

Accordingly, the proposal represents a strategic opportunity to contribute to the attainment of the dwelling targets for the area.

4.3.4 Infrastructure Utilisation

It is understood that while stations on the recently constructed Epping to Chatswood Railway carry significant passenger numbers to the Corridor in the morning, and from the corridor in the evening, inbound morning patronage and outbound evening patronage is very low as there are few residents living in the vicinity of the stations. Consequently, there is significant unused passenger capacity on a major piece of public infrastructure.

Significant residential development of the site would utilise some of this spare capacity, without placing any additional burden on transport infrastructure.

4.3.5 Transit Oriented Development

The Metro Strategy clearly seeks to concentrate future development around existing centres/transport nodes and along transport corridors. Land is generally considered to be within easy walking distance of a transport node if it is within 400 metres, and 800 to 1000 metres is generally considered to be the walking limit.

The site is therefore well placed to provide Transit Oriented Development being less than 400m from the new Macquarie Park station and adjacent to bus stops that provide access to a bus services covering a large proportion of the Sydney Metropolitan Area (refer to Figures 5 and 6). The site is almost the only potential residential development opportunity in such close proximity to the new Macquarie Park station.

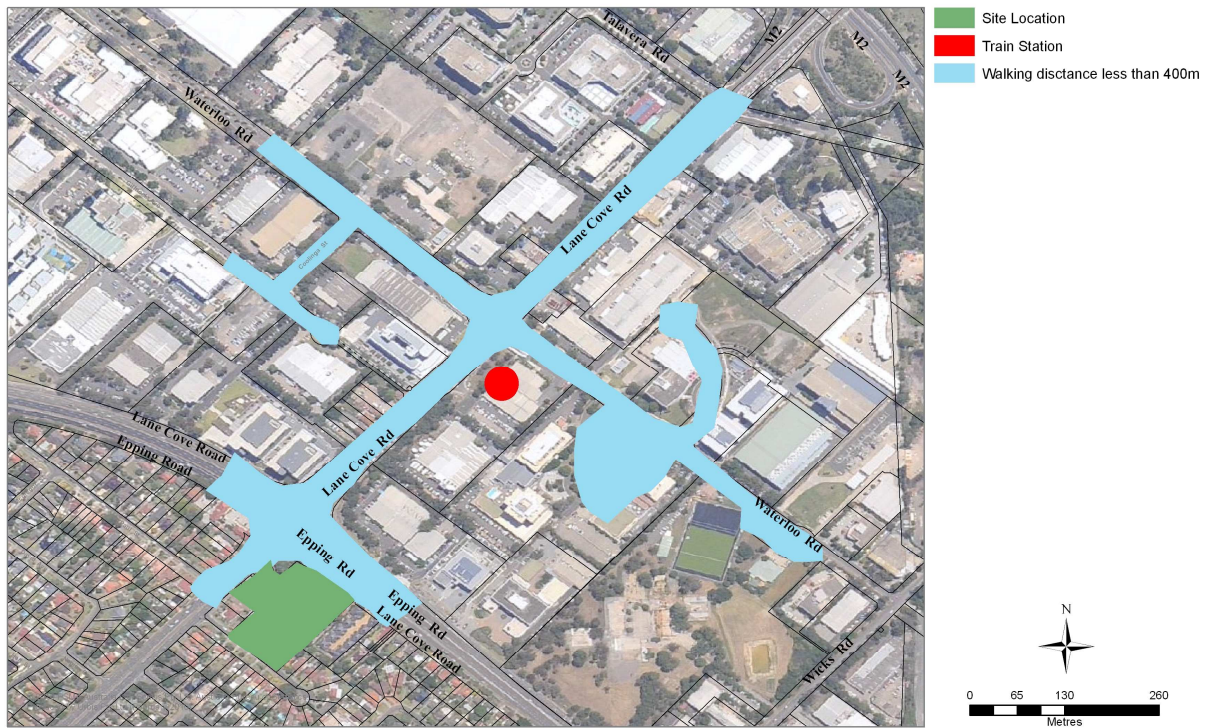


Figure 6 – Walking Distance to Macquarie Park Station

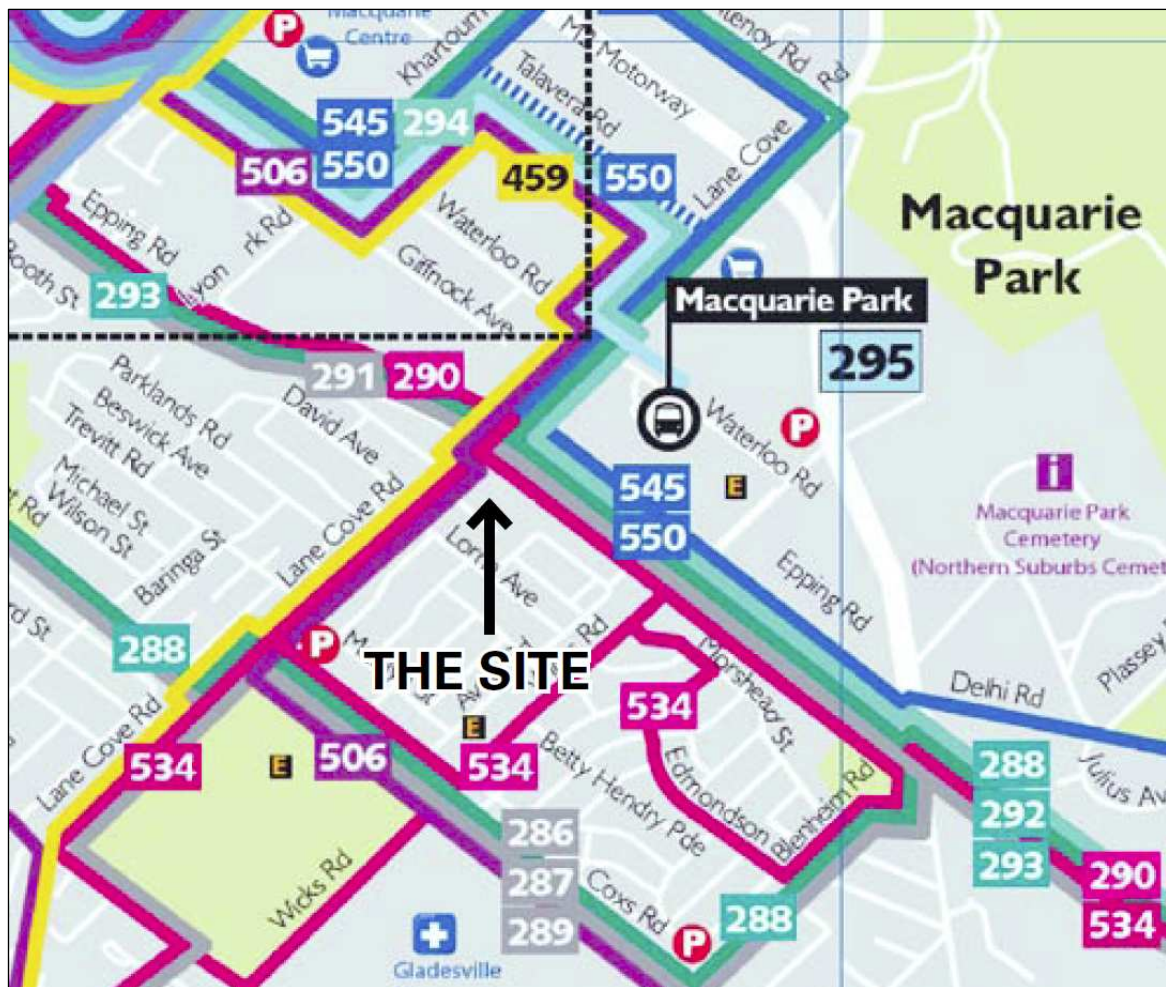


Figure 7 – Bus Routes Servicing the Site

In addition, the site has excellent road and bus access, being at the junction of two of the major arterial roads serving the northern districts of Sydney. Lane Cove Road provides direct access to both the north shore/northern beaches and to Homebush Bay and the central western suburbs. Epping Road provides excellent access to the lower North Shore/Sydney City and to Epping and the Hills District.

5 Part 3A and SEPP (Major Development)

5.1 Major Project Declaration

Pursuant to Clause 6 of SEPP Major Development, development that, in the opinion of the Minister, is of a kind described in Schedule 1 is a Project to which Part 3A of the EP&A Act applies, and for which the Minister is the consent authority. Clause 13 of Schedule 1 includes:

“Development for the purpose of residential, commercial or retail projects with a capital investment of more than \$100 million”.

The attached preliminary estimate indicates that the Capital Investment Value of the development will be \$111,800,000.00. As the proposed development is for residential purposes, it is clearly of the kind described above.

We therefore formally request the Minister to declare whether, in his opinion, the development has a capital investment of more than \$100 million, and whether it is therefore a 'Major Project'.

5.2 Concept Plan Authorisation

Pursuant to Section 75M of the EP&A Act, the Minister may authorise or require the proponent to apply for approval of a concept plan that:

- (a) outlines the scope of the project and any development options, and*
- (b) sets out any proposal for the staged implementation of the project, and*

A detailed description of the project is not required in a Concept Plan.

Furthermore, a single application may be made for approval of a Concept Plan for a project and for approval to carry out any part or aspect of the project.

In accordance with this provision, authorisation is sought to submit a Concept Plan seeking approval for key development parameters, such as:

- Land use.
- Building envelopes.
- Landscape concept.
- Car parking numbers.
- Vehicular access arrangements.

Separate subsequent Project Approval will be sought for:

- Detailed design of buildings.
- Detailed landscape design.
- Internal apartment planning.

On 24 July 2005, DoP (formerly DIPNR) issued Draft Guidelines for Major Infrastructure and other projects under Part 3A. These guidelines include a section entitled '*What projects will concept approval apply to?*' which describes three potential circumstances in which the Minister may authorise the submission of a concept plan. The first circumstance listed is:

- "A. ***Major project delivery on a site where alternate layouts or configurations need to be considered upfront including the setting of the development footprint along with the justification of the project***".
(our emphasis)

EG Funds Management is seeking to confirm approval of the site rationalisation and development concept, including land use, density, car parking, building footprint and height of development on various parts of the site prior to committing to the detailed design of the buildings for which approval is sought.

5.3 Director General's Environmental Assessment Requirements

Pursuant to Section 75F(2), when an application is made for the Minister's approval for a project, the Director-General is to prepare environmental assessment requirements having regard to any such relevant guidelines in respect of the project. The following Preliminary Environmental Assessment has been prepared to assist the Director General in preparing these requirements.

6 Likely Issues and Preliminary Environmental Assessment

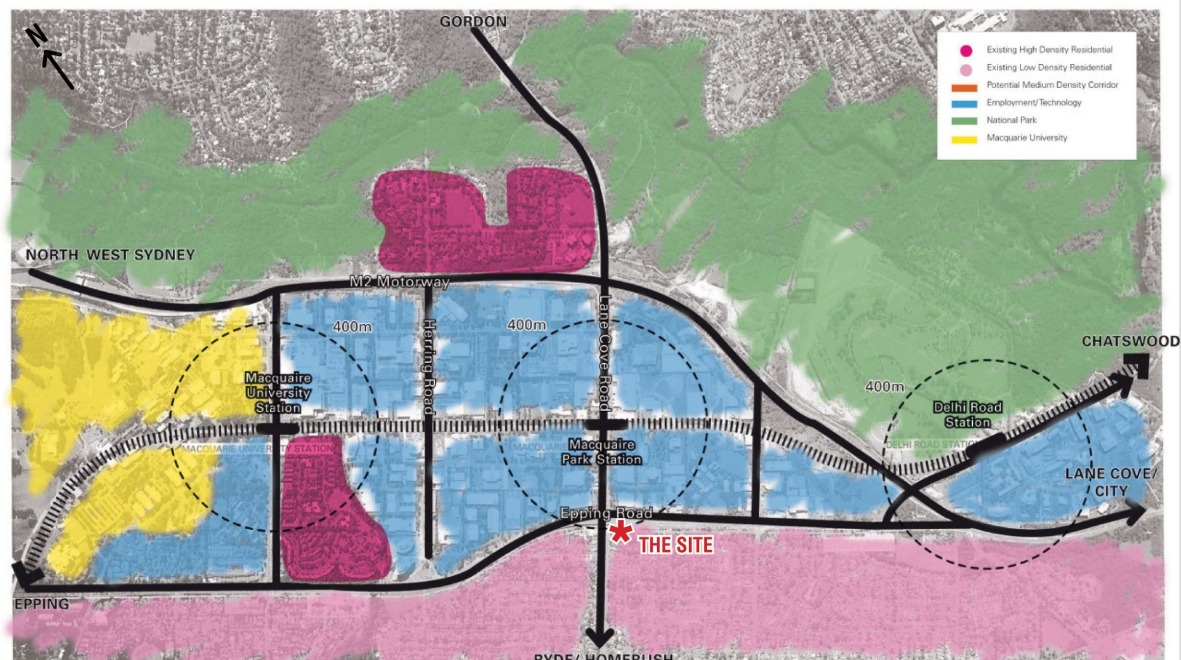
The following outlines the issues that the applicant envisages will be addressed in the environmental assessment of the project.

6.1 Land Use and Density

As previously discussed, the area surrounding the site is primarily categorised by two land use types:

- Low density residential to the south-west of Epping Road
- The business and technology uses of the Macquarie Park Corridor to the north-east of Epping Road.

Figure 8 – Existing Land Use

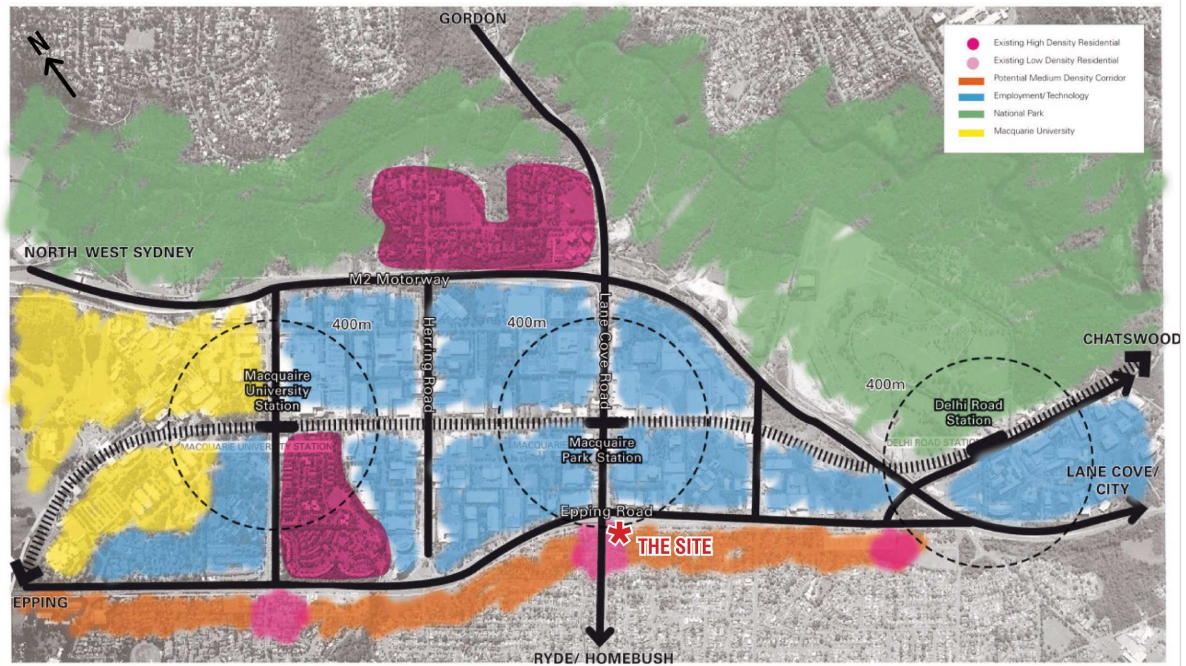


Whilst some increased residential density has occurred to the south-east of the Macquarie University Station and north of the M2 motorway, residential development in the area is generally restricted to low density single unit dwellings. Most notably, very little residential development, and no higher density residential development, falls within 400m of either Macquarie Park Station or Delhi Road Station.

Given the zoning protection of strategic employment land within Macquarie Park, few opportunities remain for increased residential densities that can contribute to the development of vibrant town centres, the achievement of dwelling targets and the fulfilment of the Chatswood – Epping Rail Line commuter potential.

Accordingly, the only prospect for additional housing provision within walking distance of the new railway stations are the existing residential zones to the south-west of Epping Road and particularly land around the intersections of Delhi Road, Lane Cove Road and Herring Road as illustrated in Figure 8.

Figure 9 – Potential Future Land Use



6.2 Height and FSR

Residential flat buildings on the south-western side of Epping Road are currently limited to two storeys. Given the strategic position of the site, there is clearly scope for additional height and housing density.

Whilst not located within the Macquarie Park Corridor the site is directly adjacent to it. The built form controls of LEP 137 therefore provide an indication of likely future building scale.

LEP 137 includes FSR standards ranging from 1:1 to 3:1, with 2:1 FSR provided along the those parts of Lane Cove and Waterloo Roads within 400 metres of Macquarie Park Station as shown in Figure 9. Similarly, LEP 137 includes height standards ranging from 4 to 10 storeys, with 8 storeys being provided along the those parts of Lane Cove and Waterloo Roads within 400 metres of Macquarie Park Station, and stepping down to 4 storeys along most of the Epping Road frontage, as shown in Figure 10.

The extension of this spatial pattern across Epping Road would provide for a supply of high density housing to contribute to the attainment of DoP's housing targets and increased patronage on the Chatswood-Epping Rail Line, without undermining the employment capacity of the Macquarie Park Corridor.

Furthermore

- Existing development to the north-east along Lane Cove Road and north-west along Epping Road includes a number of 6 and 8 storey commercial buildings which provide analogous building forms to those envisaged on the site.
- Established large trees within the pocket park adjoining the site establish an existing height scale comparable to that proposed.

Figure 10 – Existing FSR Controls under the MPCLEP and Proposed FSR Extension

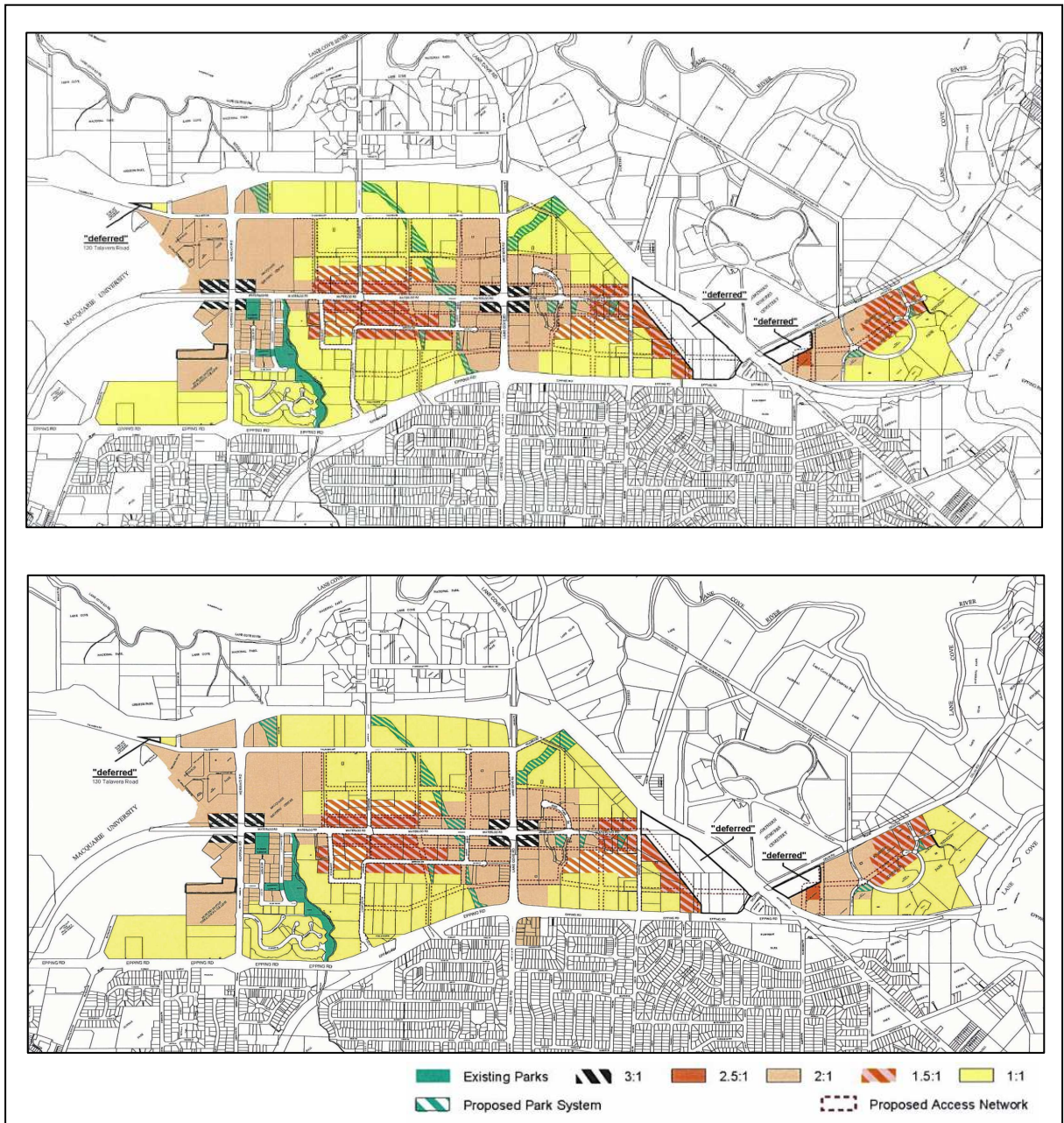
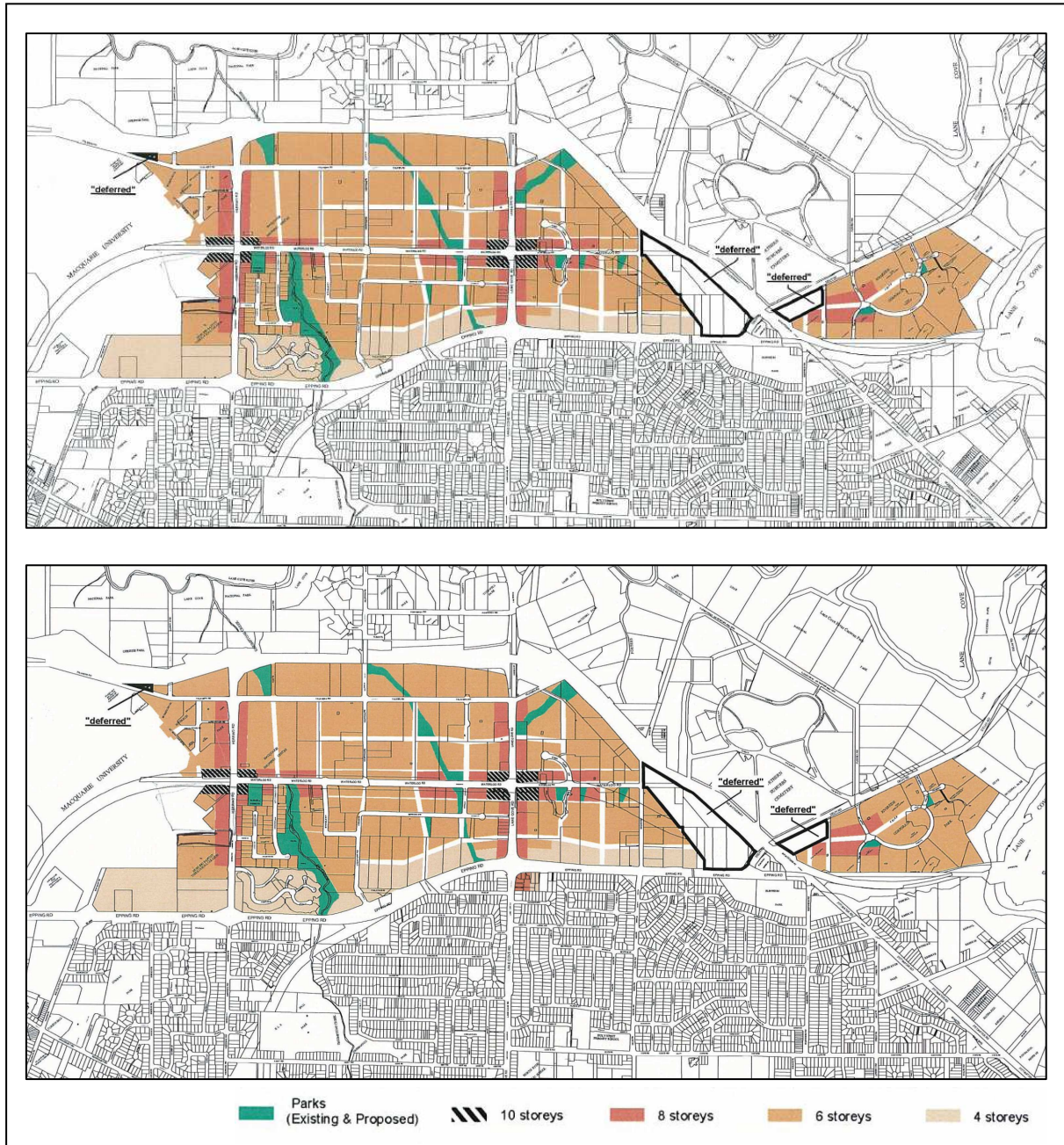


Figure 11 – Existing Height Controls under the MPCLEP and Proposed Height Control Extension



6.3 Urban Design Issues

Urban Design Principles to be developed and considered in the Environmental Assessment will include:

- Open space and landscape.
- Connectivity, entry and links.
- Built form, including height, setbacks, building separation, architectural character and height.
- Views and vistas.
- Response to topography.
- Water Sensitive Urban Design (WSUD).

These principles will be used to develop and assess the final proposal.

6.4 Interface to adjoining development

Existing development around the site is predominantly one, and sometimes two storeys. Its will therefore be important to provide a transition between the maximum of eight storeys proposed, and the lower scale of surrounding development . Noting that the longest south-eastern boundary adjoins multi-unit villa development for most of its boundary, the proposed massing concept provides a three storey building envelope to Allengrove Road, with a 8.5 metre setback, and a four building envelope mass along the south-eastern boundary, with a 7.5 metre setback.

6.5 Overshadowing

Height is proposed to be massed to ensure that all proposed and surrounding development will receive daylight in accordance with the Residential Flat Design Code. The Environmental Assessment will be accompanied by hourly shadow diagrams between 9.00am and 3.00pm on both the Summer and Winter solstices.

6.6 Privacy

Buildings will be sited and oriented to minimise potential privacy intrusion into surrounding residential properties.

6.7 Residential Amenity

The project will be designed in full compliance with State Environmental Planning Policy No 65 – Design Quality of Residential Flat Development and the Residential Flat Design Code.

6.8 Vegetation

While most existing vegetation on the site will be removed, all required measures will be undertaken to ensure the protection of the tall stand of mature eucalypts within the adjoining pocket park on the corner of Lane Cove and Epping Roads. In addition to a detailed Arborist's Report into measures required to protect these trees, the application will be accompanied by a detailed landscape plan.

6.9 Traffic

A preliminary traffic report has been conducted by Colston Budd Hunt & Kafes which suggests that, in accordance with the RTA guidelines the proposed development could generate 55-90 vehicles per hour two-way during peak hours. The report notes that access could be considered via access could be considered from Epping Road, Lane Cove Road and/or Allengrove Crescent, however access via Allengrove Crescent would be preferable. The effects of this traffic on the surrounding road network would be examined further as part of the EA.

6.10 Contamination / Remediation

A Phase 1 Environmental Site Assessment undertaken by Environmental Investigation Services has found that as the site and surrounding area has predominantly been used for residential purposes, no activities which could be expected to generate significant soil or groundwater contamination were obvious.

Whilst the results of some onsite tests showed elevated levels of contaminants in some soil samples it is not expected that these levels will inhibit the suitability of the site for the residential development, subject to further assessment following the demolition of existing buildings on site.

A full site assessment will be included as part of the EA.

6.11 Heritage

We are not aware of any heritage items or conservation areas that could potentially be effected by the project

6.12 Utilities

The site is within a serviced urban area, and we do not anticipate any significant issues augmenting services to accommodate the project.

7 Consultation

Preliminary market consultation has been undertaken to ascertain current housing demand in the locality. The consultation process included:

- Document review - outline of Local and State Government planning documents and strategies including the Metropolitan Strategy, Draft Inner North Subregional Strategy, Ryde Council Social Plan and Draft Management Plan.
- Demographic overview - demographic analysis and assessment of in-bound migration patterns.
- One-on-one stakeholder interviews - key employers, community groups, existing residents and educational institutions.
- Focus group – one focus group of participants identified from stakeholder interviews and community profile as representing the incoming community.
- Summary on findings - summary of key stakeholder interview findings and focus group including assessment of social and economic impacts of medium-high density housing.

Consultation revealed a demand for additional housing in North Ryde with stakeholders expressing considerable support for medium-high density residential accommodation in the area to accommodate incoming young professionals. The reasons underpinning stakeholder support for medium-high density housing in North Ryde included:

- Its proximity to key retail and service amenities, public transport and employment areas (particularly Macquarie Park Station).
- The shift in the socio-demographic profile of the area with a large proportion of young professionals (singles and couples) employed in the Macquarie Park research and employment precinct looking to relocate closer to their work places.
- The expansion of Macquarie University and the need to cater for students looking to reside within close proximity to the university.
- Reduced traffic congestion - less people commuting by car to the workplace and relying more on public transport and/or walking/cycling to work.
- Improved standard of living and well-being in the community.

The full stakeholder consultation report will accompany the EA and ongoing community consultation will be undertaken as part of the development process.

8 Summary

The project represents a strategic opportunity to contribute to the housing targets for the Ryde LGA, on one of very few sites capable of doing so within easy walking distance of the new stations along the recently completed Chatswood to Epping rail line. Specifically, the envisaged project will:

- Contribute to reducing the 6500 dwelling shortfall between the Departments revised 2031 housing target for the Ryde LGA, and the maximum number of dwellings Council believes it can achieve.;
- Increase the opportunities for employees within the Macquarie Park Corridor to live within walking distance of their employment.
- Utilise significant spare capacity for commuter use of Macquarie Park Railway Station;
- Contribute to the vitality of the Macquarie Park centre;
- Provision of a supply of housing with excellent bus, rail and road access, and within the vicinity of a range of existing recreational and retail facilities.

By providing such centre supporting, transit oriented development, the project is directly consistent with the principles of both the Metropolitan Strategy and the Draft Inner North Subregional Strategy.

As the project has a capital investment value of \$111.8M and is for residential purposes, we request that

- the Minister declare the project to be a Major Project pursuant to Clause 13, Schedule 1, Part 3A of the Environmental Planning and Assessment Act 1979
- the Minister authorise the submission of a concept plan.
- The Director General advise of any requirements for the preparation of the Environmental Assessment.

We would welcome the opportunity to provide a detailed briefing to you and officers of the Department of Planning should you consider it warranted. If you have any questions or wish to discuss the matter further, please do not hesitate to contact me on (02) 8233 9970.

Yours sincerely,



Ian Cady
Associate Director

Attachments: Estimate of Capital Investment Value, prepared by WT Partnership