

Preliminary Assessment

Cronulla Sharks Redevelopment

Concept Plan and Stage 1 Project Application

Submitted to
Department of Planning
On behalf of Cronulla Sharks

December 2010 ■ 10688

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This report has been prepared by:

Gordon Kirkby

A handwritten signature in blue ink, appearing to read 'Gordon Kirkby', written in a cursive style.

Signature

Date 9/12/10

Contents

1.0	Introduction	1
2.0	Project Background	2
3.0	The Site	4
3.1	Local context	4
3.2	Site description	4
3.3	Existing development	5
4.0	Relevant Planning Instruments and Controls	6
4.1	Overview of planning instruments applying to the site	6
5.0	Description of the Proposed Development	8
5.1	Overview	8
5.2	Stage 1 Retail Neighbourhood Centre and Club Entertainment Precinct	8
5.3	Stage 2 Residential Masterplanned Estate	10
5.4	Stage 3 Extension and Improvement of Sharks Playing Field Facilities including Grandstand Extensions	10
6.0	Preliminary Assessment	12
6.1	Overview of Potential Environmental Impacts	12
7.0	Project Justification	15
7.1	Residential Development	15
7.2	Retail	15
8.0	Conclusion	17

Figures

1	Locality Plan
2	Current Zoning
3	Proposed development concept

1.0 Introduction

Cronulla Sharks is the owner of Lot 11 DP 526492 and Lot 20 DP 529644 being a 10 hectare site located at 461 Captain Cook Drive, Woollooware. The site is currently occupied by the licensed Cronulla Sharks Leagues Club, Shark Park stadium and ancillary car parking and training facilities. The site is located within the Sutherland Shire LGA. Cronulla Sharks proposes to redevelop the site for a mixed use neighbourhood retail centre and residential master-planned estate. The existing leagues club and stadium will continue to operate at the site.

The purpose of this submission is to seek the Minister's opinion pursuant to Clause 6 of *State Environmental Planning Policy (Major Development) 2005* (The Major Development SEPP) that the proposed Cronulla Sharks redevelopment is development of the kind described in Schedule 1 (Clause 13 - Residential, commercial or retail projects over \$100 million) and therefore is a 'major project' to which Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act) applies.

If the Minister forms the opinion that the proposed development is a major project, it is further requested that he authorise the submission of a Concept Plan for the project to provide the development framework for the whole site and a concurrent Project Application for the Stage 1 of the redevelopment being the retail neighbourhood centre.

We also request that the Director-General issue his environmental assessment requirements for the Project Application.

This preliminary assessment is submitted to the Department of Planning to assist the Director-General in determining the level and scope of the environmental assessment required to accompany the Concept Plan and concurrent Project Application for Stage 1.

The preliminary assessment has been prepared on behalf of the applicant, Bluestone Capital Ventures No.1 Pty Ltd in joint Venture with Cronulla Sharks by JBA Urban Planning Consultants Pty Ltd, and is based on information provided by Cronulla Sharks and its Joint Venture Development Partner. It includes the following information relevant to the proposal:

- background to the proposal;
- a description of the project;
- site description;
- proposed planning provisions applying to the site;
- consultation;
- identification of the environmental issues associated with the project; and
- project justification.

2.0 Project Background

The Cronulla Sharks site has an area in excess of 10 hectares and includes the following parcels of land:

- The "approved site" which has an area of approximately 3.044 hectares and includes the site of the existing licensed club and associated car hardstand parking area;
- "Shark Park" which is the home ground of the Cronulla Sharks rugby league team and has an area of 2.84 hectares; and
- The "Western Land" which has an area of approximately 4.116 hectares and is occupied by hardstand car parking and training facilities.

The Board of the Cronulla Sharks has the following key objectives in terms of development on its land:

- Development of a new relevant and modern club facility;
- create alternative on-going income streams for the club and reduce its reliance on gaming machines;
- enhance the overall Shark Park experience while maintaining Shark Park as the home ground for the Sharks;
- sufficient parking to ensure the Club and Shark Park continue to operate effectively;
- enable the existing club to continue trading through the construction process, including the provision of temporary car parking for patrons;
- a structure which ideally ensures that Sharks maintain the underlying ownership of the majority of the land
- repay non-performing debt through both short term and sustainable long term investment returns.

In 2009, after a lengthy approval process, Sutherland Shire Council granted development consent on the "approved site" to the following:

- 5 storey, 138 unit seniors living development including 169 parking spaces (GFA 14,355m²)
- 5 storey 150- room hotel including 83 parking spaces (GFA 6,140m²);
- 2,617m² supermarket and retail shops including 376 parking spaces; and
- 750m² extension to the existing club premises.

While this development consent is still valid, the development is allows is not considered to be commercially viable nor bankable in terms of securing value for the site and the Club has not been able to obtain financial support for it. The outcome does not reflect the highest and best use of the Cronulla Sharks landholdings nor meet the Club's objectives.

Considerable potential exists for a new development outcome over the entire property that reflects the highest and best use of the land holding, in line with the Club's objectives. In this regard there is potential for the site to accommodate additional residential, seniors living, retail, entertainment, sporting, community and other uses. This would create a long term sustainable and viable solution for the Club as well as create a destination location that meets the needs of the surrounding community. A financially viable Sharks provides a positive social benefit to the community through the Clubs on-going support for local sporting

and charitable activities. Without redevelopment, the Clubs key role in the Sutherland Shire community would be lost.

3.0 The Site

3.1 Local context

The site is located in the eastern portion of the Sutherland Shire on Captain Cook Drive, Woollooware which is a four lane divided carriageway and classified as a regional road in this location. The site's location is shown in **Figure 1**.

To the north of the site are mangrove wetlands on the southern shore of Woollooware Bay which connects to Botany Bay. To the north east lies the Kurnell Peninsula, at the end of which is the village of Kurnell approximately 9 km away. Cronulla is approximately 2km to the south-east and the suburb Woollooware is to the immediate south. To the west is the suburb of Caringbah.

The site is immediately surrounded by Mangrove wetland to the north, a service station to the east, Captain Cook Drive to the south, beyond which are Woollooware Golf Club and Woollooware High School. To the immediate west is the Solander playing fields and a Toyota complex. High voltage transmission lines to the Kurnell Oil Refinery and industrial area traverse to the immediate north of the site.



□ The Site

Figure 1 – Locality Plan

3.2 Site description

The subject site is described as Lot 11 DP 526492 and Lot 20 DP 529644. The site is owned by the Sharks Leagues Club. The site is approximately 10 hectares in area.

3.3 Existing development

The site is currently occupied by the Sharks Leagues Club (a four storey licensed club building), a level, bitumen sealed car park servicing the patrons of the Club, the football stadium (Shark Park) and additional car parking and sports facilities to the west of the stadium. Access to the club car park site is via a roundabout off Captain Cook Drive where it intersects with Woollooware Road. The northern end of the car park provides pedestrian access to the Woollooware Bay Mangrove Boardwalk.

See **Figure 1** for the existing lands uses.

4.0 Relevant Planning Instruments and Controls

4.1 Overview of planning instruments applying to the site

The following planning instruments and planning policy documents are of key relevance to the proposed development:

- State Environment Planning Policy (Major Development) 2005 (Major Development SEPP);
- State Environmental Planning Policy (Infrastructure) 2007;
- State Environmental Planning Policy No.55 - Remediation of Land
- Draft South Subregional Strategy
- Sutherland Local Environmental Plan 2000
- Sutherland Local Environmental Plan 2006

4.1.1 Major Development SEPP 2005

Clause 6 of the Major Development SEPP provides that development that, in the opinion of the Minister, is development of a kind referred to in Schedule 1 (Classes of Development), is declared to be a project to which Part 3A of the EP&A Act applies. Group 13 - Residential, commercial or retail projects in Schedule 1 identifies development for the purpose of residential, commercial or retail projects with a capital investment of more than \$100million.

The proposal is for a mixed use development incorporating residential and retail uses. The capital investment value of the project will be approximately \$200 million.

4.1.2 Draft South Sub-regional Strategy

The draft sub-regional strategy was released in December 2007 and has not been finalised. Cronulla Sharks lodged a submission to the public exhibition of the draft Sub-regional strategy in March 2008, requesting that the strategy be revised to recognise the site as a local "Stand Alone Shopping Centre" and incorporate criteria to assess retail proposals in appropriate locations.

4.1.3 Existing Zoning Provisions

The western sections of the site covering the Shark Park stadium and the adjacent training areas is zoned Private Recreation (Zone 15) under *Sutherland Local Environmental Plan 2006* (SLEP 2006). The eastern section of the site, including the Sharks Leagues club and car parking area is zoned 6(b) Private Recreation under the *Sutherland Local Environmental Plan 2000* (SLEP 2000). The site is excluded from *Sutherland Local Environmental Plan 2006*. The current zones on the site are shown in **Figure 2** below.



Figure 2 – Current Zoning (Source: Sutherland Shire Council)

Under Zone 15 in SLEP 2006 which applies to the central and western sections of the site, the existing uses associated with the recreation areas and facilities as well as uses associated with the Leagues Club operations are permissible with consent. The proposed residential development for this part of the site is currently prohibited.

Under LEP 2000, which covers the eastern section of the site, the land uses permissible in the zones relate primarily to private recreation and associated uses including registered clubs, restaurants etc. Retail uses are prohibited under the current zone. In addition to the underlying zoning however, Clause 65(5) of the LEP provides that consent may be granted to development on the site for the purposes of a conference / convention centre, seniors living, hotel, motel, residential flats or ancillary shops. These uses are acceptable if they are consistent with and do not adversely affect the on-going use of the Cronulla Sutherland Leagues Club and satisfy a range of matters and development standards in Schedule 8 of the LEP, principally relating to built form, urban design and environmental protection of Woollooware Bay. Sutherland Shire Council supported such uses in its 2009 approval (see Section 2 above).

To permit redevelopment of the site as a mixed use neighbourhood retail centre and residential master planned estate, rezoning will be required. Through authorising the submission of a Part 3A Concept Plan, The Minister, under Sections 75O and 75R of the EP&A Act is able to undertake a merit assessment of land uses on the site that are not permissible and should he approved the concept plan, amend the local environmental planning instruments. Under Clause 8N of the *Environmental Planning and Assessment Regulation 2008*, the Minister is not able to exercise these powers where the site is located within an "environmentally sensitive area of State significance" or is a "sensitive coastal location". The site is not considered to be either.

5.0 Description of the Proposed Development

5.1 Overview

The Concept Plan proposes to develop the Cronulla Sharks site in three stages:

- Stage 1 - Retail Neighbourhood Centre on the eastern car park site and redevelopment of the Sharks Leagues Club facilities ;
- Stage 2 - Residential Masterplanned Estate on the western car park and field area; and
- Stage 3 - Extension and improvement of the Sharks playing field facilities including grandstand extensions.

While the project will be developed as three stages, the planning for the site will maximise integration of all proposed uses on the site including the existing stadium and Sharks club building which will be retained and remain in use during the redevelopment.

The proposed Floor Space Ratio (FSR) over the whole site is approximately 0.9:1 comprising:

- Sharks Club building - 8,000m²;
- Retail - 12,800m²; and
- Grandstand - 3,000m²;
- Residential - 63,000m².

The a preliminary plan of the overall concept plan scheme is shown in **Figure 3** below.

5.2 Stage 1 Retail Neighbourhood Centre and Club Entertainment Precinct

The re-development proposal of the Cronulla Sutherland Leagues Club, seeks to introduce a mixed use precinct for the local community. The development incorporates multi-level retail use on the eastern end of the existing club, currently operating as an at-grade carpark. It should be stressed that the existing Leagues Club will continue to operate alongside the proposed retail development, and where appropriate provide complementary uses in under-utilized areas of the club to retail and other patrons. Possible uses being considered include child care facilities, multi-purpose function rooms, restaurants and an entertainment zone to cater for the wider community that is complementary to the revitalized development of the club. These uses will be spread between the four levels of the existing club.

Level	Super-market	Grocer	Mini Major	Liquor	Medical	Specialty	Car Spaces
1				1,450m ²	900m ²		281
2	4,200m ²	1,250m ²	1,500m ²			3,500m ²	
3							372

Table 1 - Preliminary summary of retail uses

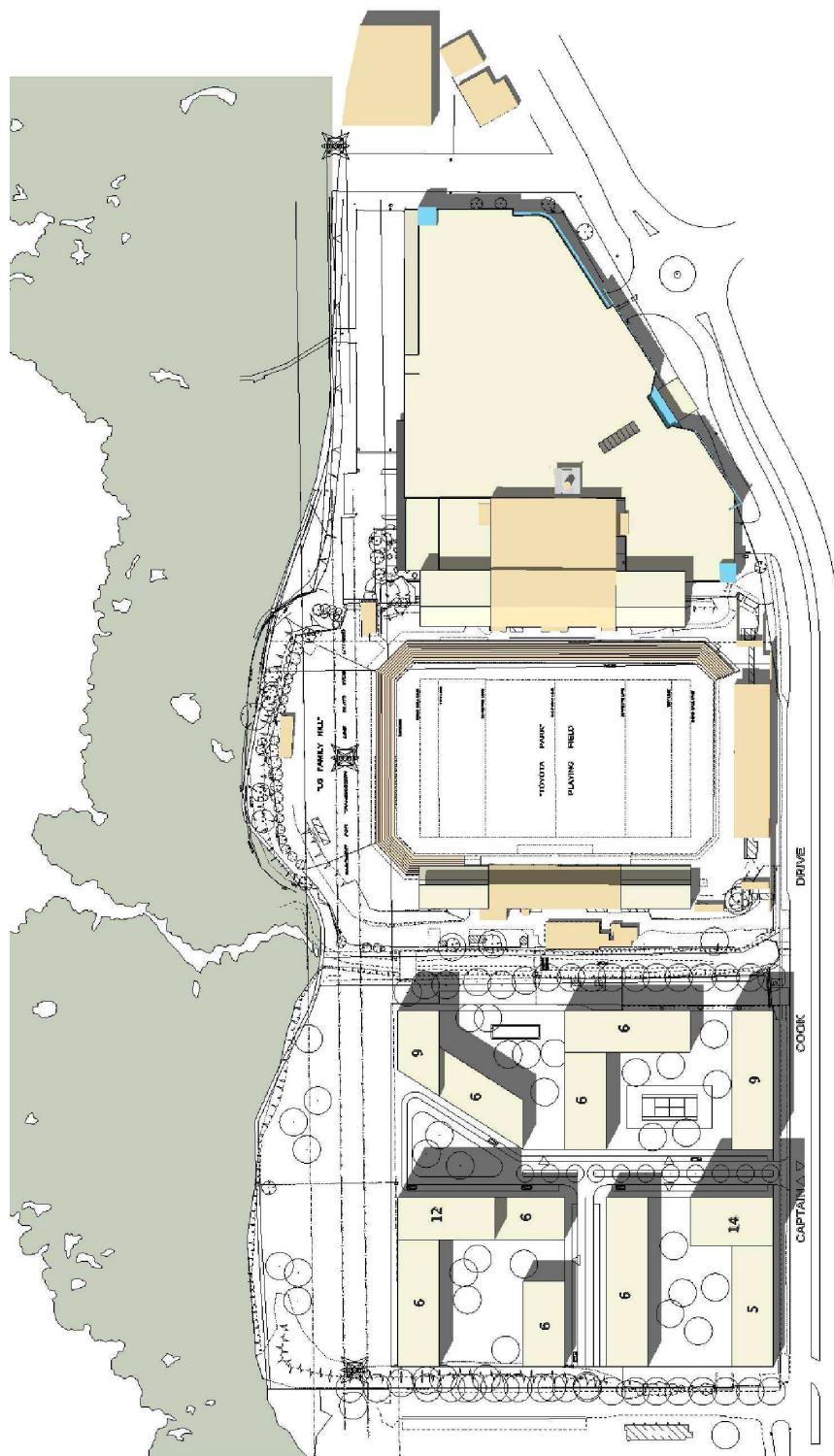


Figure 3 – Proposed development concept

The retail centre footprint is designed to accommodate a 30m foreshore protection zone from the mean high water mark of Woollooware Bay. This is consistent with foreshore building line setbacks in the locality and, apart from the ecological benefits, will assist masking the visual presence of the building when viewed from across the bay.

The proposed retail neighbourhood centre will be located on the eastern side of the site (currently the Sharks Leagues club car park). The proposed shopping centre will be anchored by a 4,200m² supermarket which will be complemented by another 7,700m² support retail, restaurant and entertainment uses that will have a food based theme. The centre will also include a 900m² medical centre. A preliminary summary of proposed uses is at Table 1 above. Final floor space areas and car parking provision will be firmed once the detailed environmental assessment has been completed in the Environmental Assessment Report.

The proposed centre will be adjacent to the existing Sharks Club building. The Club building entrance will be re-configured to integrate with level 1 of the retail centre to provide easy access but a clear entry demarcation between the two uses. The proposed medical centre and Liquor store will be located on the ground floor.

Car parking for the centre will be located on the ground level and rooftop. Approximately 653 spaces are proposed to be provided. The proposed neighbourhood retail centre will be accessed off Captain Cook Drive. Loading facilities will utilise the existing Club access to the west of the existing Woollooware Road roundabout. Customer parking will access the site via the current Woollooware Road roundabout.

5.3 Stage 2 Residential Masterplanned Estate

The proposed residential masterplanned estate will be located on the western section of the site. It is proposed to accommodate approximately 700 residential units over a number of stages. The proposed residential estate will occupy an area of 4.2 hectares with a proposed floor space ratio of approximately 1.5:1 for this part of the site.

The residential estate will be characterised by a number of individual buildings across the site of varying heights to provide visual interest when the site is viewed from a distance as well as to maximise amenity through view sharing. Indicative building heights are shown in **Figure 3**.

The development on the site will be designed around providing accessible through site linkages as well as providing pedestrian and cycle linkage to the neighbourhood retail centre to the east and the Woollooware Bay shore line generally. Vehicular Access to the site will be via Captain Cook Drive. Car Parking provision will be devised taking into account relevant RTA and Sutherland Shire Council requirements.

5.4 Stage 3 Extension and Improvement of Sharks Playing Field Facilities including Grandstand Extensions

The proposed extensions and improvements to the Sharks playing field and facilities will include the following:

- The Eastern Grandstand will be extended to the north and south;

- The Western Grandstand will be extended to the north and south;
- Training and fitness facilities will be upgraded;
- Change room will be facilities moved from behind the existing western stand and incorporated into one of the extended and modernised grandstand's ground floor areas; and,
- Other sport and fitness related uses.

6.0 Preliminary Assessment

The information below has been prepared to assist the Director-General in identifying the general requirements and key environmental issues associated with the project.

A number of environmental studies and assessments are currently being prepared or will be commenced upon receipt of the Director-General's Requirements. These studies will address and resolve key environmental and infrastructure issues associated with the development.

6.1 Overview of Potential Environmental Impacts

The key environmental considerations associated with the proposed Concept Plan development are:

- Social and economic impacts
- Built Form and Urban Design
- Visual impact
- Foreshore access
- Transport, Access and Parking
- Infrastructure provision, staging and funding
- Stormwater management
- Former landfill and potential contamination

6.1.1 Social and Economic Impacts

The EAR will include full justification of the proposed mix of land uses in the local and regional context. A report has been prepared by Pitney Bowes for a similar scale of retail development on the site in March 2008. As summary of the findings of the study which supported retail development on the Sharks Leagues Club site is in Section 7.

This report undertook an assessment of the market potential for the proposed retail uses and the potential impacts on the retail hierarchy in southern Sydney. The report concluded that there was a deficiency in retail floorspace in the locality and that development of a neighbourhood retail centre on this site would address this deficiency, however would not significantly impact on the viability of other centres in the southern metropolitan area. The report will be revised for the current development proposal as part of the EAR.

The Sharks Leagues Club provides significant social and community benefits to the local area and wider Sutherland Shire which will be outlined in the EAR. The proposed development will enable the club to continue to contribute to the Sutherland Shire Community into the future through ensuring its financial security. While there will be the loss of playing two fields on the western section of the site, a recently approved development on land at North Wanda will incorporate at least 8 new playing fields of which 2 will be available within the next few months.

6.1.2 Built Form and Urban Design

The environmental assessment for the overall concept plan will incorporate a level of detail sufficient to assess the overall layout of development on the site including proposed building footprints, building envelopes, height and FSR and associated

land uses, open space areas and linkages and access and parking arrangements. The plans will be supported by an urban design analysis of the site in its context.

For the Stage 1 Project Application, the EAR will be supported by detailed architectural plans, elevations, building floorplans, shadow diagrams and montages.

6.1.3 Visual impact

The assessment will include an analysis of the proposed development in terms of the impact on views to and from the site, in particular distant views from the north (e.g Dolls Point), along Captain Cook Drive, adjoining open space and education areas.

6.1.4 Transport, Access and Parking

The site is located on Captain Cook Drive which is a divided 4 lane road in each direction. The Route 969 Bus (linking Cronulla Station with Sutherland Station) has a stop within 250 metres of the site. Potential exists for this route to also service the site. A transport and access report will be undertaken that will address inter alia:

- traffic generation and the potential impacts on the surrounding road network;
- car parking provision (including game day requirements),
- service and delivery movements;
- public transport;
- pedestrian and cycle access; and
- required intersection works or road upgrades.

6.1.5 Infrastructure provision, staging and funding

An infrastructure assessment will be undertaken to examine the existing infrastructure capacity, potential future capacity and any required upgrades, timing and funding arrangements.

6.1.6 Stormwater management

The proposed development drains into the Woollooware Bay which is fringed by inter-tidal mangrove habitat. Stormwater management will be a key design issue. The environmental assessment will include a stormwater management plan that will address potential water quality issues associated with the development.

6.1.7 Contamination

It is understood that the site has been subject to uncontrolled fill in the past associated with a Council landfill for building and domestic waste. Preliminary reports indicate that there is likely to be the need for remediation in certain areas of the site. Investigations will be undertaken in accordance SEPP 55 - Remediation of Land with regard to the presence of any contaminated material and required remediation treatment, should contaminated material be located.

6.1.8 Other Issues

Transmission Lines

A transmission line and easement traverses to the immediate north of the site connecting to the Kurnell Oil Refinery. The environmental assessment will take into account this infrastructure and incorporate required setbacks or design considerations.

Waste Management

A development of this nature will generate wastes. An assessment of the requirement for waste management facilities, in particular the collection of waste and recycling of all suitable wastes, will be undertaken as part of the Environmental Assessment.

Energy and Water Efficiency

An assessment of energy and water consumption and opportunities for incorporating efficiencies will be undertaken.

Acid Sulfate Soils

The site is located in an area of known acid sulfate soils occurrence below the reclaimed land which was progressively filled with "hard fill". An acid sulfate soil management plan with appropriate environmental controls and monitoring for proposed site works will be required to be prepared and implemented as part of the development.

7.0 Project Justification

7.1 Residential Development

Residential development on the western section of the Sharks site to create 700 dwellings will assist in achieving the NSW Government's target of 35,000 new dwelling in the Sydney South Sub-region by 2031 as required in the Draft South Sub-regional Strategy. The development will, on a local level, assist Sutherland Shire Council in terms of achieving its LGA target of 10,100 new dwellings required by the draft Strategy by 2031 (Action C1.3.1).

The development of residential in this location, when considered in the context of the broader mixed use development proposal for the Sharks site in the Concept Plan, also meets the Sub-regional strategy Action 2.1 of focusing residential development around centres, town centres, villages and neighbourhood centres. The proposed residential development will provide for a range of unit sizes providing for a mix of housing that will cater for changing demographics and household formations (Action C2.3).

7.2 Retail

The Cronulla Sutherland Leagues Club engaged Pitney Bowes MapInfo to determine the market demand and justification for a retail proposal in the context of the regional and local retail hierarchy. The retail assessment considered the following:

- An analysis of the trade area likely to be serviced by the proposed retail centre on the site, taking into consideration projected population and spending levels and the socio-demographic profile of the trade area population;
- The competitive retail environment within which the proposal would operate; and,
- An assessment of the future potential for a shopping centre on the site and the expected impact on existing retail facilities throughout this part of metropolitan Sydney.
- It should be noted that the Pitney Bowes assessment considered a 4,500m² supermarket for the centre. The current proposal caters for a slightly smaller supermarket of 4,200m².

The Pitney Bowes analysis concludes that there is excellent potential for additional supermarket floorspace within the main trade area of the Cronulla Leagues Club site. This is due to the current low provision of supermarket floorspace (27m² per 1000 people) as outlined earlier. With the addition of a 4500m² supermarket at the Leagues Club site, the supermarket floorspace provision increases to 167m² per 1000 people which is still well below both the Sydney metropolitan and Australian average. More importantly, the primary sector of the main trade area could support a supermarket on its own.

In terms of retail return, the assessment found that the average trading level for Franklins at Cronulla to be \$16,000 per m² per annum. This is double the Australian average of \$7,500 to 8,000 per m². Even with the addition of the proposed centre at Cronulla Sutherland Leagues Club, it is estimated that the retail return for the Franklins supermarket will be \$9,000 per m² per annum, still above the Australian average.

In terms of other supermarket based centres which this proposal would compete with, It is estimated that a new supermarket at the Leagues Club site would have a \$23m impact on competitive supermarkets within the surrounding region. This impact would be mainly felt by the supermarkets at Caringbah. The analysis

found that \$17million per annum (75%) would be taken out of the Caringbah supermarkets which are known to be highly successful, particularly Woolworths which is understood to be one of the best performing supermarkets in Australia. The remaining \$6million loss would be felt across some 8 other supermarkets in the region which is less than \$1million per centre.

In terms of economic benefits, it is estimated that once fully operational, the proposed retail centre would likely generate a net increase of 368 full time-equivalent jobs translating to approximately \$8.1 million in salaries and wages for the area.

The Pitney Bowes Study concludes:

There is a strong need for a convenience based full-line supermarket centre at the proposed site to serve the local population by providing a modern enclosed retail destination with conveniently located parking , outside of the congested current retail centres and precinct.

8.0 Conclusion

The proposed mixed use redevelopment of the Sharks Leagues Club site including neighbourhood retail use, residential development and upgrades to the sports facilities, including the Sharks stadium, will create a long term sustainable and viable solution for the Club as well as create a destination location that meets the needs of the surrounding community. A financially viable Sharks provides a positive social benefit to the community through the Clubs on-going support for local sporting and charitable activities. Without redevelopment, the Clubs key role in the Sutherland Shire community would be lost.

The information contained in this preliminary assessment is to assist the Director General in determining the level and scope of any requirements for an environmental assessment to accompany the lodgement of a Concept Plan and concurrent Project Application under Part 3A of the EP&A Act.

Having regard to the above and in accordance with provisions in Part 3A of the EP&A Act, it is requested that the Director General issue the environmental assessment requirements for the Concept Plan and Project Application.