

PLANNING PROPOSAL REF	RZ20004
PLANNING PROPOSAL DESCRIPTION	Planning Proposal – 221 – 325, Luddenham Road, Orchard Hills
DATE OF LPP MEETING	Wednesday 22 September 2021
PANEL MEMBERS	Jason Perica (Chair Person) John Brunton (Expert) Mary-Lynne Taylor (Expert) Geoff Martin (Community Representative)
APOLOGY	Nil
DECLARATIONS OF INTEREST	Nil

Executive Summary

The purpose of this report is to introduce a Planning Proposal that seeks to amend planning controls within Penrith Local Environmental Plan (LEP) 2010 for 221 – 325, Luddenham Road, Orchard Hills (the site). The Planning Proposal was lodged by the proponent HB+B Property Pty Ltd.

The Planning Proposal seeks to amend Penrith Local Environmental Plan (LEP) 2010 by rezoning the site from RU2 Rural Landscape under the Penrith Local Environmental Plan 2010 to IN1 General Industrial and IN2 Light Industrial and amend the Minimum Lot Size map to reduce the minimum lot size from 40 hectares to 1000m².

The purpose of this report is to:

- refer this Planning Proposal to the Local Planning Panel for advice, and
- provide key details relating to the Planning Proposal, including Council's comments.

A review of the proposal has been completed and it is considered that there is strategic merit to advance the proposal with some recommended changes.

Council officers intend to report the Planning Proposal to an upcoming Council meeting recommending progression to the next step of seeking a Gateway Determination for Public Exhibition. A record of the Panel's advice will be included in the Council report.

Background

HB+B Property Pty Ltd lodged a Planning Proposal on 26 August 2020 that sought to rezone 221-227 & 289-317 Luddenham Road (see attachment 2), Orchard Hill from RU2 Rural Landscape to IN1 General Industrial and apply a minimum lot size of 2500m², to facilitate the development of the Alspeck Industrial Business Park which is proposed to incorporate the following:

- twenty-four (24) high-quality warehouse buildings across fourteen (14) lots, each accompanied with an ancillary office, associated parking and business identification signage for legibility and easy way-finding,
- landscaped internal estate roads including two roundabouts, a cul-de-sac and entry roads for improved amenity, and
- electrical easement, an environmental zone and basins.

The proposal also sought to fund key enabling infrastructure, such as water and wastewater, at no cost to government, to service the site to facilitate the proposed redevelopment.

As the site did not have complete frontage to Luddenham Road, and the initial proposal would surround existing rural residences and the Bosna Croatian Club, the proponent was requested to undertake a broader precinct approach to the rezoning.

As the proponent was proposing to fund enabling infrastructure, confirmation from Sydney Water was also requested to ensure proposed water and wastewater infrastructure could access the Sydney Water network and not impact on the broader staging and delivery of the servicing for the Aerotropolis.

A revised planning proposal was submitted in July 2021 that undertook a precinct approach to rezoning as requested by Council officers. The planning proposal was also accompanied with a letter from Sydney Water confirming that the site could be serviced from existing water and wastewater facilities.

Precinct approach to rezoning

A precinct approach to the rezoning was undertaken and structure plan has been prepared to determine appropriate zonings for a precinct bounded by,

- the Warragamba Water Supply Pipeline to the south
- the Metro Corridor/Outer Sydney Orbital Corridor to the west, and
- South Creek to the east
- The RE1 zone boundary to the north.

The structure plan incorporates:

- rural properties on the eastern side of Luddenham Road, and to the south of the proposed Alspec Industrial Business Park site,
- the Croatian Club site and adjoining rural properties that are located between the proposed Alspec Industrial Business Park and Luddenham Road, and
- the Transgrid site that is located directly north of Patons Lane.

The Structure Plan proposes to:

- apply the IN1 General Industrial Zone to the Alspec Industrial Business Park site, to facilitate the redevelopment of the site for industrial warehouses,
- apply the IN2 zone to the Croatian Club site and adjoining private residences, to allow this site development into smaller light industrial units to address the undersupply of light industrial land within the Penrith LGA,
- apply an SP2 zone to the Transgrid Site at 117-199 Luddenham Road, Lot 5 DP 521268, as the site will be developed for electricity supply infrastructure,
- maintain the RU2 zone on the eastern side of Luddenham Road due to flooding constraints, and
- maintain the RU2 for 327-329 Luddenham Road, due to the presence of vegetation identified as Cumberland Plain Conservation Preservation on the site.

Transgrid have provided in principle support for the application of the SP2 zone to their property, however, do not require the zone to be applied through this planning proposal.

Changes to the Planning Proposal

The Planning Proposal has been updated and now applies to 221-235, Luddenham Road, Orchard Hills. The IN2 Light Industrial zone has been applied to 229-231, 233-249, 251-261, 263-273, 273-285, and 287 Luddenham Road. With the IN1 General Industrial zone being applied to 319 -325 Luddenham Road.

The planning proposal has also been amended to reduce the minimum lot size from 2500m² to 1000m² to encourage the supply of smaller industrial lots.

Site description

The subject site is located at 221 – 325, Luddenham Road, Orchard Hills and consists of 9 lots of rural residences and associated farms buildings, and the Bosna Croatian Club's Luddenham Oval.

The site is located within the Orchard Hills Investigation Area approximately 4km south of the Mamre Road interchange with the M4 Motorway. The site is located directly north of the future Western Sydney freight line, east of the Sydney Metro West Rail line and proposed M9 Motorway (Outer Sydney Orbital Corridor), south of the Sydney Metro West Stabling Yard, approximately halfway between the new metro stations at Orchard Hills and Sydney Science Park and to the west of the Erskine Park and Mamre West industrial precincts.

The surrounding locality is characterised by rural landscape with industrial land uses approximately 1.4km east and low-density residential uses 1.7km north east of the site. The ROC Waste Management Facility is located directly to the northeast of the site. The locality can be described as an area undergoing substantial transition from a rural landscape to an urbanised precinct.

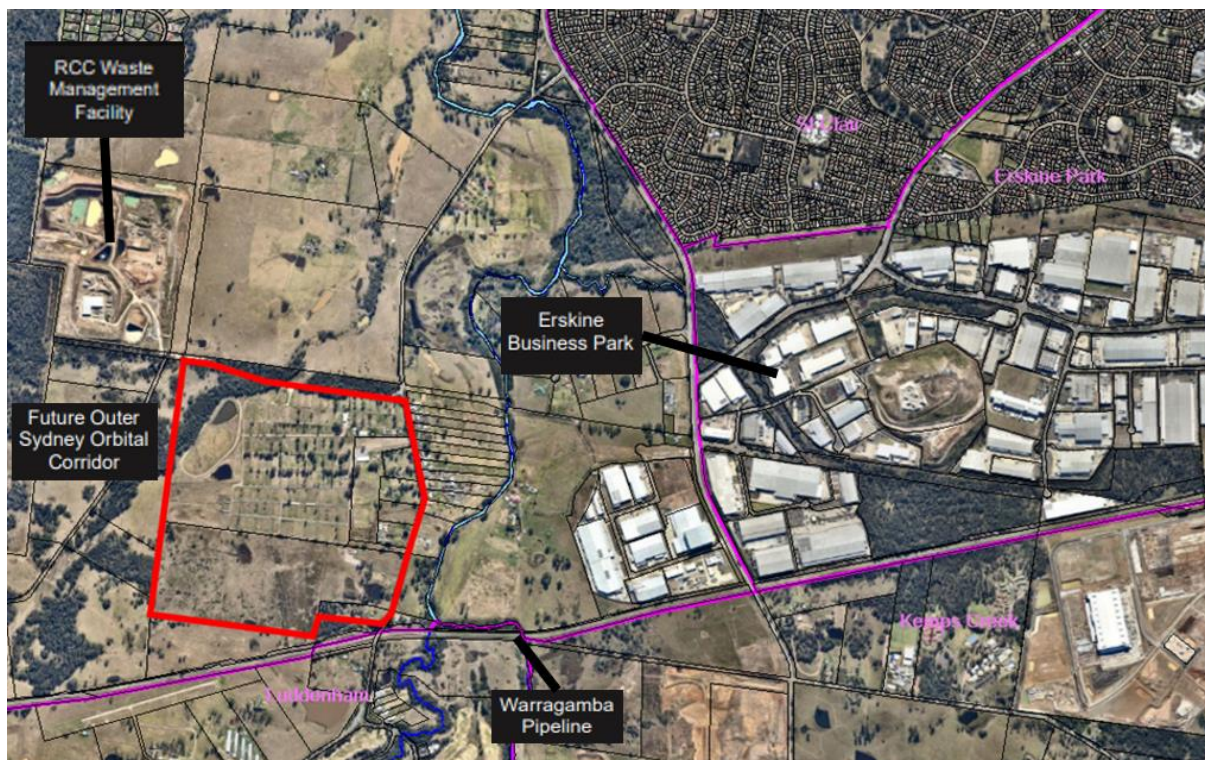


Figure 1: Aerial Location Map

The following Penrith LEP 2010 controls apply:

- **Zone:** RU2 Rural Landscape
- **Minimum Lot Size:** 40 Hectares
- **Heritage:** Item 843: Luddenham Road Alignment

Maps of the applicable Penrith LEP 2010 controls are provided below.



Figure 2: Current Zoning Map Extract



Figure 3: Minimum Lot Size Map Extract

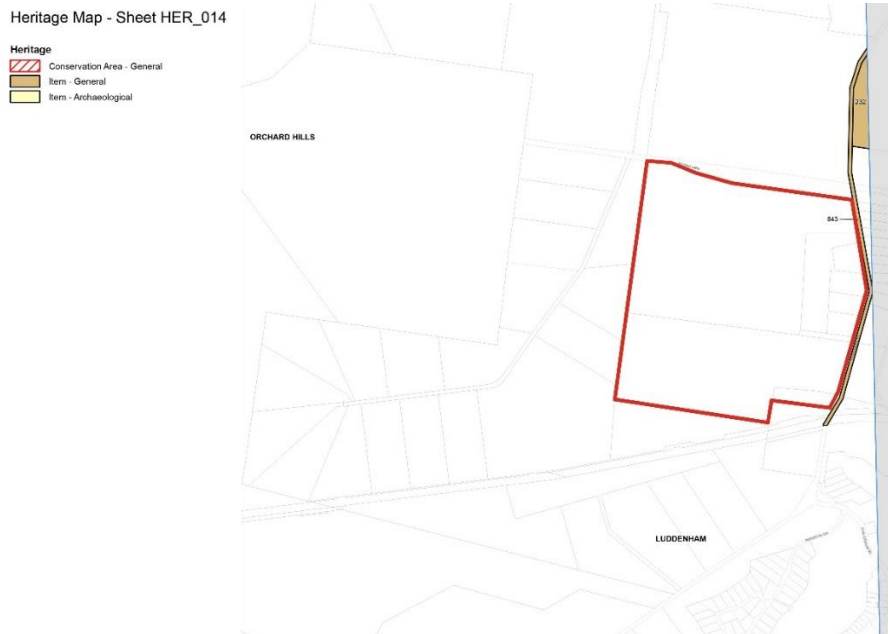


Figure 4: Heritage Map Extract

Planning Proposal

The intended outcome of this Planning Proposal is to amend PLEP 2010 as follows:

- rezone the site from RU2 Rural Landscape to IN1 General Industrial and IN2 Light Industrial,
- amend the Minimum Lot Size Map to reduce the minimum lot size from 40 hectares to 1000m²,
- maintain the current RU2 Rural Landscape that is applied to part of the western part of the site, and
- maintain the E2 Environmental Conservation zone that is applied to part of the north-western part of the site.

The proposed amendment will facilitate redevelopment of the land to enable the development of industrial warehouses, initially across three stages, which will incorporate the following:

- twenty-four (24) high-quality warehouse buildings across fourteen (14) lots, each accompanied with an ancillary office, associated parking and business identification signage for legibility and easy way-finding,
- landscaped internal estate roads including a two roundabouts, a cul-de-sac and entry roads for improved amenity, and
- electrical easement and an environmental zone and basins

The Planning Proposal does not result from any strategy or plan, but assesses and provides evidence for its consistency with strategic directions and objectives from:

- Penrith Local Strategic Planning Statement
- Draft Employment Land Strategy
- Greater Sydney Region Plan – A Metropolis of Three Cities
- Western City District Plan
- Western Sydney Aerotropolis Plan
- Greater Penrith to Eastern Creek Strategy

- Draft Cumberland Plain Conservation Plan
- Penrith Local Environmental Plan 2010
- Penrith Development Control Plan 2014

Key Considerations

Local Strategic Planning Statement

The Planning Proposal is consistent with Council's Local Strategic Planning Statement (LSPS), that was adopted by Council in March 2020, after a rigorous assurance program undertaken by the Greater Sydney Commission.

The LSPS provides a line of sight with the Western City District Plan, and the Region Plan. These strategic plans define the Metropolitan Rural Area (MRA), and identify significant planning initiatives including the Western Sydney Aerotropolis, urban investigation areas and the Greater Penrith to Eastern Creek Growth Area (GPEC).

The site is within the Penrith 'Economic Triangle', west of the north-south corridor between St Marys and Western Sydney Aerotropolis and located in the southern portion of Orchard Hills Urban Investigation Area.

The Planning Proposal demonstrates consistency with the LSPS specifically:

- Planning Priority 1: Align development, growth and infrastructure
- Planning Priority 9: Support the North South Rail Link and emerging structure plan
- Planning Priority 11: Support the planning of the Western Sydney Aerotropolis
- Planning Priority 12: Enhance and grow Penrith's economic triangle

Draft Employment Lands Strategy

The Planning Proposal is consistent with Council's Draft Employment Lands Strategy. The draft Employment Lands Strategy (ELS), that was exhibited in June 2021, is intended to help guide Council's future planning. The development of this strategy is an immediate action (Action 12.1) identified in the Penrith Local Strategic Planning Statement (LSPS) under Planning Priority 12 to 'Enhance and grow Penrith's economic triangle'.

The ELS identifies the existing function of land within Penrith's Economic Triangle and notes that land within the north-south corridor will form a new enterprise arc from St Marys to the Western Sydney Airport and Aerotropolis.

The site is within the Penrith 'Economic Triangle', west of the north-south corridor between St Marys and Western Sydney Aerotropolis and located in the southern portion of Orchard Hills Urban Investigation Area.

The Planning Proposal demonstrates consistency with the ELS specifically:

- Action 6 - Planning future employment land near access points on motorways.
- Action 13 - Planning a mix of lot sizes to allow local businesses to start-up and scale-up.
- Action 19 - Working with local servicing agencies to ensure a pipeline of serviced employment land is available for timely and balanced development.

Provision of Enabling Infrastructure at no cost to Government

The proposal includes the provision of enabling infrastructure upfront and at no cost to government. Further information will be required to determine the mechanism to deliver this and will be secured throughout the process and ahead of public exhibition.

Providing this infrastructure will ensure that development will occur once rezoning has occurred and supports that the key justification that there is a critical undersupply of serviced industrial land.

Sydney Water has provided initial advice to the proponent that they are able to access water and wastewater service. However, Council is seeking formal confirmation from Sydney Water that the servicing of the site will not take away the servicing capacity of other employment lands in the Aerotropolis and WSEA. Whilst the provision of infrastructure at no cost to Government forms part of the strategic merit of the proposal, the proposal should not be considered if it will result in a delay in servicing land that is already zoned.

Economic Considerations

Based on DPIE's Employment Lands Development Monitor data it is estimated there is currently a total of 5,006ha of unconstrained net land supply available for industrial development in the Western Sydney catchment. Of this 5,006ha, approximately 405 ha are zoned and serviced (i.e. shovel-ready), approximately 159 ha are zoned but not yet serviced, and approximately 3,440 ha represent potential future industrial land supply.

At the same time, diminishing industrial land supply in Greater Sydney, combined with unprecedented infrastructure investment in Western Sydney, is projected to drive demand for an average of 184 ha of industrial land per annum in the Western Sydney catchment between 2021 and 2061.

Comparing the average annual take-up rate for the catchment of 184 ha per annum against the 5,006 ha of land supply indicates that the catchment has only:

- 2.2 years of zoned undeveloped serviced land supply
- 6.3 years of zoned undeveloped unserviced land supply, and
- 8.7 years of unconstrained potential industrial land supply.

These supply years are all below the NSW Department of Planning, Industry and Environment's (DPIE) stated supply standards of 5-7 years for zoned serviced land, 8-10 years for zoned unserviced land, and 20 years for potential future land supply as per the Employment Lands Development Monitor. This therefore indicates a need for additional industrial land in the Western Sydney catchment, particularly "shovel-ready" land that is zoned and serviced.

Beyond meeting the pressing need for additional industrial land supply, the Planning Proposal will:

- Generate a total of 566 jobs over the four-year development phase, while contributing \$283 million to Gross Value Added
 - Support a total of 6,600 direct and indirect jobs once operational, and contributing a total of \$492 million in Gross Value Added in each year of operation
 - Providing shovel-ready industrial land for smaller operators who have not been able to compete with the institutional owners in the Mamre Road Precinct
 - Increasing the diversity of industrial development by accommodating smaller sites and end users that complement the Mamre Road Precinct's larger scale sites and end users
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- Delivering highly accessible industrial land that will have access to future road, rail and aviation infrastructure.
- Complementing the existing industrial uses and activities in the WSEA, and
- Supporting the growth of the manufacturing sector in Western Sydney through the proposed long-term tenure of Alspec at the site.

Transport and Traffic

The site should benefit from the proposed investment and upgrade to transport infrastructure due to the development of Western Sydney International (Nancy Bird – Walton Airport) and the Western Sydney Aerotropolis.

Luddenham Road will be upgraded from Mamre Road through to Elizabeth Drive into a 4-6 lane major arterial road and is also identified as a rapid bus corridor. Mamre Road is being upgraded to 4-6 lanes to address development within the Mamre Road Precinct.

The site is located approximately halfway between new Metro Stations at Orchard Hills and Sydney Science Park, with the Metro proposing an initial 5-minute peak hour frequency.

The service provided by Sydney Metro West and bus services on the rapid bus corridor should provide future workers with a viable public transport service that will provide an alternative travel option to car travel.

Patons Lane is the key access point for vehicles accessing the site and the intersection with Luddenham Road will require upgrading to a signalised intersection to service traffic generated from the development. A secondary vehicular access point off Luddenham Road at the southern part of the site could be provide as left in left out arrangement, if required. The intersection of Patons Lane and the primary Site Access Road will need to be upgraded to a roundabout treatment to provide vehicular access into the site.

The intersection of Patons Lane and Luddenham Road is anticipated to operate satisfactorily at a LOS of C or greater as a signalised intersection. The intersection of Patons Lane and the primary Site Access Road is anticipated to operate satisfactorily at a LOS of C or greater as a roundabout treatment. Both intersections would be expected to accommodate future traffic growth in 2035 as assessed under an Ultimate State scenario.

Visual Impact

Luddenham Road is the only through road from which close views to the site are available and accessible. Public domain views are from moving viewing situations and for short periods of time.

There are a limited number of private domain views that could be potentially affected by the proposed development, most notably the residences located on Luddenham Road. Based on a review of block model photomontages the proposed development does not dominate the view composition.

The proposed development would create a continuation of the industrial and urban visual character that exists to the east. Further, the visual character of the landscape west and south of the site will change due to the construction of infrastructure including the Outer Sydney Orbital and rail lines.

The changes to the visual character and context of the site are considered appropriate given its proximity to the Western Sydney Employment Area, Western Sydney Aerotropolis and future road and rail routes.

Other Land use considerations

Industrial Lot size and diversity

There is a shortage of small to medium size industrial lots in the Penrith LGA. Smaller businesses are having difficulty find suitable premises to start-up and existing local businesses to scale-up.

Whilst the planning proposal seeks to apply a minimum lot size of 1000m² to promote the supply of smaller industrial lots, this lot size control does not prohibit larger lot sizes.

To ensure that this planning proposal contributes to a greater supply of small to medium industrial lots, we are considering a Lot Density Control to promote the supply of smaller industrial lots and limit the dominance of large industrial lots.

A density control would stipulate the minimum total number of lots that would need to be provided on the site. The Lot Density Control being considered, is:

- 50 lots for land zoned IN1, and
- 60 lots for land zoned IN2.

The proposed rate for the IN1 zone allows for the provision of some larger lots as the concept masterplan for the Alspec Industrial Business Park requires at least one 9-hectare lot for the Alspec Manufacturing premises.

The proposed rate for the IN2 zone results in an average lot size of approximately 2500m² and would allow for larger lots with a 60-metre lot width to front Luddenham Road.

Development Control Plan

Should a gateway determination be sought by Council, a site-specific development control plan would need to be prepared to:

- address the interface with Luddenham Road – Council current DCP controls stipulate a minimum lot width of between 50-60 metres for lots fronting major arterial roads.
- determine appropriate minimum lot widths and building setbacks
- determine minimum lots for Strata Subdivision
- define the road layout

The development control plan will be required to be exhibited with the planning proposal.

Developer Contributions

Developer contributions will need to be levied for the provision of key local infrastructure.

Councils 7.12 Citywide Development Contribution Rate For Non-Residential Development applies to future development on the site, however an appropriate mechanism, will be determined should a gateway determination be sought, to seek contributions for:

- upgrade of Patons Lane and the provision of a roundabout at the primary site access and Patons Lane, and other road infrastructure, and
 - Drainage and Stormwater Management Infrastructure
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Any contribution mechanism will be required to be exhibited with the planning proposal.

Panel's advice

A record of the Panel's advice will be included in the report to Council. The Panel's advice will be considered by council in making a decision on whether to proceed with the Planning Proposal or not.

Conclusion

Council is in receipt of a Planning Proposal for 211-235 Luddenham Road, Orchard Hills which seeks changes to planning controls to facilitate industrial development. Council officers have completed an assessment of the proposal and the justification and rationale for the proposed changes is generally supported.

Should Sydney Water confirm that the proposal will not result in a delay in service existing zoned land, the Planning Proposal will be reported to Council in coming weeks with a recommendation to forward the Planning Proposal to DPIE to commence the Gateway Process. The Local Planning Panel's advice will be included in this report.

ATTACHMENTS

1	Planning Proposal for 211-235 Luddenham Road, Orchard Hills, August 2021
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Panel Advice provided pursuant to Section 2.19 of the Environmental Planning & Assessment Act 1979

The Panel has considered the Planning Proposal and the preliminary assessment prepared by Council officers and provides the following advice:

1. The Panel understands the key strategic justification(s) for the Planning Proposal revolves around meeting short term demand, complementing industrially-zoned and delivered land elsewhere including around the Aerotropolis, and providing a form of industrial development that meets smaller-scale local user needs. In terms of site-specific considerations, issues to resolve include appropriate transition of land use to the eastern side of Luddenham Road, protection of environmentally-significant vegetation/habitat and suitable corridors/setbacks from such land and provision/servicing of site, to also complement the wider area.

The Panel is conceptually supportive of progressing the Planning Proposal to Gateway, and the following matters should be considered to achieve the objectives and outcomes outlined above:

- a) The complementary role in relation to other industrial land should be made clearer in the Planning Proposal, in terms of supply and demand.
 - b) To give effect to the strategic desire of short-term supply to meet need, appropriate provisions should be considered to ensure this outcome is achieved (e.g. requirements for servicing, potential sunset provision etc.).
 - c) Confirming the boundary of the OSO future corridor with TfNSW.
 - d) The provisions, such as the allocation of IN2 and IN1 zoning of the land and minimum lot sizes, should favour smaller-scale local demand.
 - e) Further consideration should be given to IN2 zoning along the western side of Luddenham Road, as a land use buffer to the east, to better manage potential land use conflicts.
 - f) Support for a site-specific DCP, which should include appropriate landscape and vegetation buffers around the site.
 - g) Servicing and contributions should including suitable provisions related to road works, future potential corridors, all utility provision and staging.
2. In addition to the above, the Panel notes that the Planning Proposal for 211- 235 Luddenham Road, Orchard Hills is still subject to confirmation from Sydney Water that the proposal will not take away the capacity existing zoned land to be serviced.
 3. Should a Gateway Determination be sought by Council:
 - a) A site-specific Development Control Plan (DCP) should be prepared and exhibited with the planning proposal.
 - b) The mechanism for the delivery of key local infrastructure should be determined and be exhibited with the planning proposal.

<p>Jason Perica - Chair Person</p> 	<p>John Brunton – Expert</p> 
<p>Geoff Martin – Community Representative</p> 	<p>Mary-Lynne Taylor - Expert</p> 