

30 April 2014

Michael File
Director, Strategic Assessment
Department of Planning & Environment
23-33 Bridge Street
Sydney NSW 2000

Dear Michael,

RE: Carter Street Urban Activation Precinct (CSUAP)

Introduction

As you are aware, Goodman owns a key site within the Carter Street Urban Activation Precinct (**CSUAP**) and has been invited to make a response to the Department of Planning & Environment's recently exhibited proposal for rezoning of that land.

The Goodman submission which is attached has been prepared by JBA and provides a robust and comprehensive analysis of the reports and documents placed on exhibition for public comment. Without wishing to traverse the content of the attached submission, I would like to take this opportunity to reinforce the strategic importance of the Carter Street precinct which offers an unrivalled potential to create a vibrant and sustainable urban community adjacent to Sydney Olympic Park.

In reviewing the Goodman submission, it will be apparent that the primary distinction between the scheme that has been exhibited and the Goodman proposal, relates to density. That is not to say that the other planning and engineering issues raised in the attached submission are not important. However, the great bulk of the issues raised go more towards rationalising various aspects of the exhibited scheme. Nevertheless, I would like to address the following two issues in particular:

1. Density controls; and
2. Developer contributions.

What is the Appropriate Density for the CSUAP?

Having read the various reports prepared by DP&E in respect of the CSUAP, it is noteworthy that, other than traffic issues, there is no planning reason put forward as to how the density

controls for the precinct have been determined. Goodman suggest that the FSR for the precinct should permit up to 2.75:1 in place of the 2:1 FSR proposed in the draft planning controls.

The reasons in support of the higher density controls are as follows.

1. The CSP is located adjacent to Sydney Olympic Park (**SOP**) which boasts a huge complex of world class sporting and recreation facilities that are unrivalled anywhere in the Sydney metropolitan area. Any renewal of the land in and around SOP should have as its focus, an ambition to leverage these community assets to their maximum potential. Creating a high density residential population in Carter Street is the only way to ensure that the use of these high value public assets in SOP are maximised.
2. The Traffic and Transport report prepared by AECOM confirms that there is a lower trip generation rate for the CSUAP than assumed in the exhibited reports. Accordingly, together with necessary infrastructure upgrades which will be provided by the developer, the CSUAP can accommodate a greater density than assumed by the DP&E. AECOM are of the view that the site can easily accommodate 7,500 dwellings which is the yield delivered at an FSR of 2.75:1.
3. SOPA has density controls ranging from 12:1 at the town centre, falling to 5:1 at the Carter Street interface with Edwin Flack Drive. Wentworth Point too has higher density controls than CSUAP despite being further away from transport connections. If the density of the CSUAP is set at a maximum of 2:1 FSR, then this will create an inconsistent urban outcome and the result will be seen as a missed opportunity to capitalise on the strategic benefits that the site has to offer. As the CSUAP is a brownfields site without any adjoining neighbourhood constraints, and with excellent transport connections, (including 800m to SOP Station and with good bus and car access to Parramatta Rd, M4 and soon the Westconnex) the potential of the site to satisfy the objectives of the Draft Metropolitan Strategy is unique.
4. The economic and efficient use of land remains an important consideration in the land use planning debate. It should not be assumed that the change of zone itself is a sufficient incentive for an area to activate as envisaged by the relevant planning authority. There are a range of factors to be taken into account including the remediation of the land, the cost of installation of substantial infrastructure required to support the new use and the cost of development contributions. In addition the economic cycle and the variability of demand are all matters that are complex and very difficult to predict in a way that sounds in an assumed FSR outcome.

Goodman commissioned AT&L to provided cost estimates that confirm these up-front costs are substantial and may act as a barrier to activation of the precinct in the short to medium term. To limit the density of the CSUAP to 2:1 is highly likely to be a sub-optimal outcome both from an economic perspective as well as an urban design outcome.

5. Limiting the CSUAP to an FSR of 2:1 is not consistent with the planning outcomes of other urban activations around Sydney including Wentworth Point. In the circumstances where there are no planning restrictions that might otherwise limit the density and where there is access to multiple modes of transport the FSR for the CSUAP should be significantly higher than that currently proposed.

Developer Contributions

Goodman is concerned about the nature, extent and cost of the suggested developer contributions that are outlined in the draft planning controls for the precinct.

The draft controls do not suggest a regime for offsetting some of these costs against sec 94 contributions. Without agreement about these matters prior to the rezoning, it has been Goodman's experience that the consent authority will not have any regard to matters that are outside its section 94 plan. In that case the developer is faced with the prospect of providing local and regional contributions which are well beyond that which is reasonable or proportional.

Specifically in this case, there are imposts on the Goodman land which are intended to serve the broader community, yet there is no recognition of the impact of that impost. Unless there is a commercial agreement about the extent of the impost and how they are to be recognised, (including a mechanism to permit increased FSR, or, the FSR maps are amended to reflect the extent of the required impost (e.g. the allocation of land to a public school)), then Goodman will be placed at a significant disadvantage to others in the precinct.

We respectfully request that this issue be discussed with greater specificity with the objective of identifying an appropriate outcome.

Way Forward

As stated above there are 2 significant issues that Goodman consider require further investigation and analysis before a final determination is made in respect of the planning proposal for the CSUAP.

As you may be aware, Goodman has specifically requested that the Department of Transport investigate the traffic issues that may be said to be impacting on the density calculations for the precinct.

Specifically, this investigation should consider the installation of a west bound off-ramp from the M4 into the precinct. The purpose of that infrastructure would be to service the CSUAP, Wentworth Point and SOP. That road upgrade would likely significantly reduce congestion at Hill Rd and Burnie Ave thus relaxing the upper limit on density of all the precincts. The surrounding landowners that benefit from the off ramp solution could collectively pay for the physical works.



It would be useful to have a meeting with yourself and the relevant officers at the Department of Transport as soon as possible to understand the nature and extent of the work they are carrying out and when their report might be available.

In the meantime, we would very much like the opportunity to maintain a dialogue with you in relation to our submission. If you require any additional information from us, please do not hesitate to contact myself on 9230 7208, Will Dwyer on 9230 7312 or Belinda Zatta on 9230 7121.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Jason Little", is written over a horizontal line.

Jason Little

General Manager, Australia