

Rhodes East SIC

07 March 2018

Department of Planning and Environment,
GPO Box 39,
Sydney NSW 2001

Dear Sir/Madam,

DRAFT Special Infrastructure Contribution Rhodes East

We write in submission to the exhibited contributions framework for Rhodes East. IKEA are the landowners of 1-3 Leeds Street Rhodes. The 10,125 sqm site is currently serving as the warehouse facility for our IKEA stores. While we fully recognise the transition of land uses in the area and are making arrangements for alternate more suitable premises, we need to ensure there is a viable development outcome for this to occur.

Our site is within the area described as the Leeds St Precinct. The DPE plan appears to have significant aspirations for the public amenity of this area. Somewhat unusually only 7,690 sqm of our site is represented as having development potential and the remainder although zoned B4 Mixed use appears to be reserved for foreshore public open space. The cost of this open space does not appear to be adequately represented in either the SIC or Councils development contributions plan. As exhibited there seems to be little incentive for the dedication and embellishment of this land, this is further exacerbated by the other high development costs.

A feasibility analysis by Hill PDA accompanies the proposal, it models a potential development outcome on a site further to the West of our landholding. Of some concern to us is that it shows that development of the site is currently not feasible given the combined SIC, affordable housing and local contributions, but may be some time in the future. Adding to this concern this report also contains a number estimates of development costs that are significantly lower than advice we have received.

IKEA is unaware of the feasibility of surrounding development sites (with the exception of the example above) however given the current operations of the site entail significant vehicle movements and potential for adverse amenity impacts, it would be difficult for us to operate in a predominantly residential area. A failure of the plan to achieve a viable development outcome would not only impede our ability to relocate it would also create uncertainty around the delivery of a key foreshore open space connection.

The proposed SIC rate should be reduced or benchmarked against that in other areas. It seems unusual that a precinct with high levels of existing amenity and infrastructure should have to pay one of the highest State levies in the metropolitan area, in addition to one of the highest affordable housing levies.

Finally, a direction should be provided to council that given the suite of infrastructure and affordable housing proposed to be levied and acquired by other means, local contributions should not exceed current levels.

Thank you once again for the opportunity to provide a submission, please do not hesitate to contact us if you would like to discuss,

Best regards

A handwritten signature in black ink, appearing to read 'Steve Adamson', with a long horizontal flourish extending to the right.

Steve Adamson
Country Property & Expansion Manager
IKEA Pty Ltd