

<b>ITEM 3.5</b>	<b>PLANNING PROPOSAL (PEX2020/0006) 114-120 OLD PITTWATER RD, BROOKVALE</b>
<b>REPORTING OFFICER</b>	<b>PRINCIPAL PLANNER</b>
<b>TRIM FILE REF</b>	<b>2020/521776</b>
<b>ATTACHMENTS</b>	<b>1 Planning Proposal 2 SGS Report - Primewest Site Planning Advice, April 2020 3 Submissions</b>

## PURPOSE

To seek endorsement of the Local Planning Panel for a Planning Proposal to include an additional permitted use of 'office premises' within Schedule 1 of the Warringah Local Environmental Plan 2011 (WLEP 2011) on land at 114-120 Old Pittwater Road, Brookvale and to progress the Planning Proposal to a Gateway Determination.

## BACKGROUND

The subject site and surrounding properties fronting Old Pittwater Road are zoned IN1 General Industrial. The subject site is developed with two large existing buildings which were previously home to the national headquarters of Fuji Film and Avon. The existing buildings are currently only partially occupied with extensive vacant office floorspace. It is noted that stand-alone 'office premises' are currently prohibited in the IN1 General Industrial zone.

Having regard for the current zone, the existing vacant office space cannot be separately leased for stand-alone office purposes. Any business wanting to use the existing office space must demonstrate that the office space is ancillary to a use permitted in the IN1 General Industrial zone. Unfortunately, the Proponent has been unsuccessful in their attempts to attract suitable businesses to occupy the existing building. Accordingly, the Proponent now seeks to amend Schedule 1 of the WLEP 2011 to allow 'office premises' as an additional permitted use (APU) limited to a maximum 15,657sqm gross floor area (GFA) within the existing buildings. The proposal does not seek to increase the amount of office space currently on site. This will allow the existing vacant office floor space to be used by any business and does not require a connection with an Industrial use.

It is noted that for a period, between 2000 and 2011, 'office premises' were permissible on the subject site in accordance with the Warringah LEP 2000. The subject site (and the whole Brookvale Industrial Precinct west of Pittwater Rd) was included in Locality G10 – Brookvale Industrial West. In this Locality, office premises were listed as Category Two development, which was permissible subject to consent, provided the consent authority is satisfied that the development is consistent with the desired future character described in the Locality Statement. The Lifestyle Working co-working office building in the IN1 zone near the site was approved in 2004 under these provisions. Prior to 2000, the Warringah LEP 1985 was in place, and offices (under the definition of commercial premises) were prohibited under the site's 4(a) General Industrial Zoning.

The subject site is owned by Primewest Funds Ltd (the proponent) who first approached Council in 2016 to discuss planning mechanisms to facilitate the use of existing buildings on the site for office/business premises. At that time, Council had begun a community engagement process for the Draft Brookvale Structure Plan (draft BSP). It was suggested that the proponent delay requesting a Planning Proposal until the draft BSP had been prepared and presented to Council for endorsement for formal public exhibition.

In April 2018, the proponent made a request to Council to prepare a Planning Proposal to amend Schedule 1 of the Warringah Local Environmental Plan 2011 (WLEP) to add office premises and business premises as additional permitted uses under the site's IN1 General Industrial zoning.

The request was subsequently withdrawn by the proponent, having regard to the status of the draft BSP exhibited late 2017 with over 100 submissions received, planning priorities set out in the State Government's North District Plan (released March 2018) to retain and manage industrial and urban services land, and the need for Council to undertake further analysis of traffic and transport issues in Brookvale-Dee Why and LGA-wide employment and housing studies associated with preparation of a Local Strategic Planning Statement and a review of Council's four Local Environmental Plans.

Prior to withdrawal of the 2018 Planning Proposal, Council officers held discussions with the Greater Sydney Commission (GSC) and were advised that the GSC could not support approval of office or business premises within the industrial areas of Brookvale until further studies had been completed, including an LGA-wide employment study. During these discussions, the GSC emphasised its position on protection of industrial and urban services land, the low supply context of such land in the North District, and a policy of retaining and managing industrial and urban services land set out in the North District Plan. The GSC advised any loss of industrial land to alternative uses would need to be fully justified in terms of net community benefit having regard to the broader economic functions of industrial areas, livability and sustainability outcomes, and a clear planned vision for Brookvale. The GSC also provided feedback to the proponent after withdrawal of the 2018 Planning Proposal to the effect that the GSC would not endorse any planning proposal or structure plan for Brookvale until the Council completes its Local Strategic Planning Statement.

The Northern Beaches Local Strategic Planning Statement was completed and came into effect on 26 March 2020. On 7 August 2020, the proponent made a request to Council and lodged material in support of the Planning Proposal (Attachment 1) that is the subject of this report.

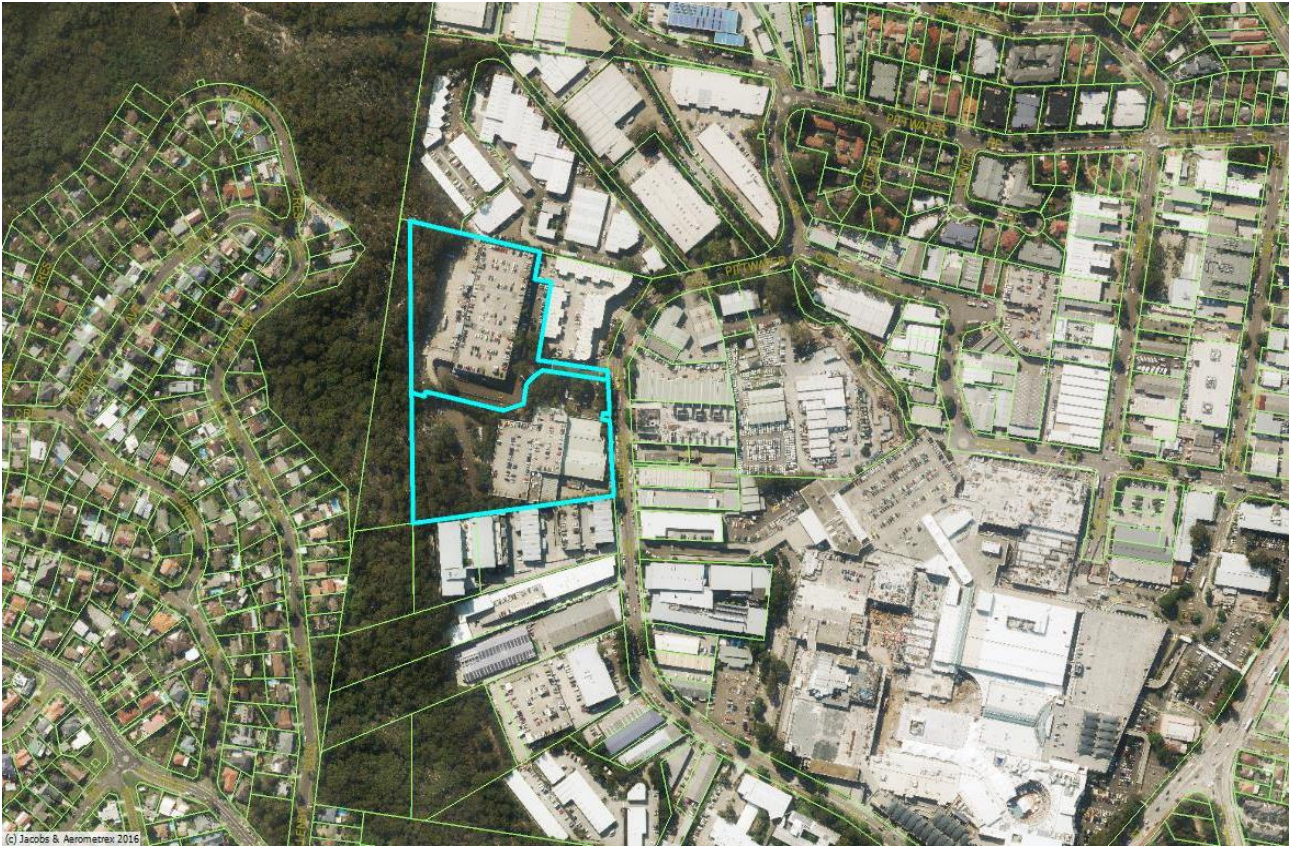
## SITE DESCRIPTION

The site has a total area of approximately 4.2ha (see table below) and a combined frontage of 120m to Old Pittwater Road, Brookvale.

Property Description	Area	Owner
Lot 1 DP 868761	2.015ha	Primewest Funds Ltd
Lot 3 DP 868761	2.180ha	Primewest Funds Ltd

The site (see Figure 1) is located in an industrial area which spans either side of Old Pittwater Road between Cross Street and Pittwater Road, behind the Warringah Mall Shopping Centre. Adjoining land to the rear western boundary of the site is a steep bushland reserve that rises to a residential area along Allenby Park Parade at an elevation some 40-50m above that of the site. The site itself slopes upwards from east to west, with the steepest land at the rear being undeveloped bushland.

The site is developed with two large buildings which were previously home to the national headquarters of Fuji Film and Avon. The northern building, set back from the road and accessed via a shared driveway, is three storeys with roof-top car parking, and is currently occupied largely by a Woolworths warehouse and distribution centre (primarily for filling online orders) on the upper level, and a Service NSW centre open to the public, and a printing business and pilates studio on the lower levels. The southern building, situated closer to the road, is two to five storeys with rooftop parking, and appears to be largely vacant, with limited occupation by some warehouse and office-based businesses. There is a shared main entry/exit driveway and a number of at-grade parking areas.



(c) Jacobs & Aerometrex 2016

Figure 1 - Subject Site



## CURRENT ZONING

The site and surrounding properties fronting Old Pittwater Road are zoned IN1 General Industrial. The adjoining bushland reserve to the west is zoned RE1 Public Recreation. The Warringah Mall shopping Centre to the south-east is zoned B3 Commercial Core (see Figure 2).

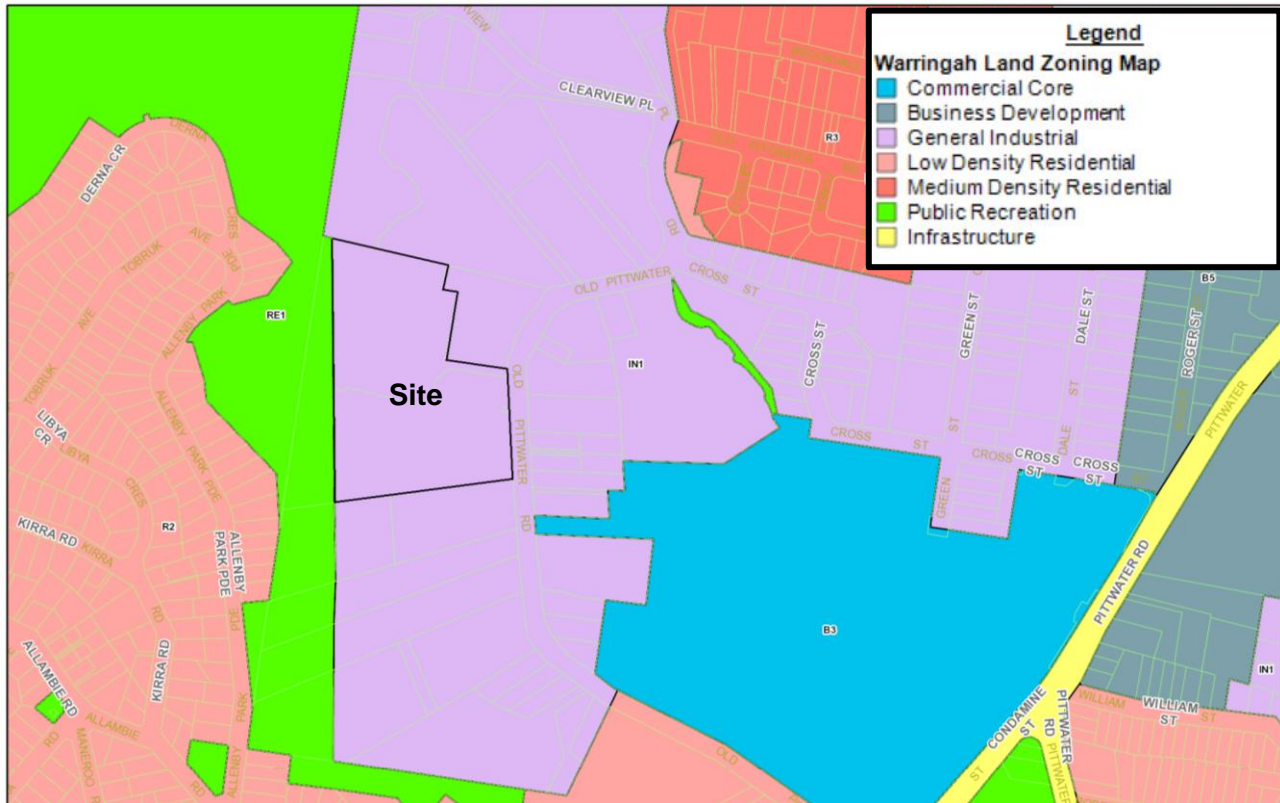


Figure 2 - Zoning

The objectives of the IN1 General Industrial zone include:

- To provide a wide range of industrial and warehouse land uses.
- To encourage employment opportunities.
- To minimise any adverse effect of industry on other land uses.
- To support and protect industrial land for industrial uses.
- To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area.
- To enable a range of compatible community and leisure uses.
- To maintain the industrial character of the land in landscaped settings.

Uses permitted with consent in this zone include:

*Boat building and repair facilities; Depots; Freight transport facilities; Garden centres; General industries; Hardware and building supplies; Industrial retail outlets; Industrial training facilities; Light industries; Liquid fuel depots; Neighbourhood shops; Oyster aquaculture; Places of public worship; Roads; Storage premises; Take away food and drink premises; Tank-based aquaculture; Timber yards; Vehicle body repair workshops; Vehicle repair*

*stations; Vehicle sales or hire premises; Warehouse or distribution centres; Any other development not specified in item 2 or 4*

Office premises are a prohibited use under the site's IN1 General Industrial zoning.

## THE PROPOSAL

The Planning Proposal seeks to amend Schedule 1 of the Warringah Local Environmental Plan 2011 to allow 'office premises' as an additional permitted use (APU) limited to a maximum 15,657sqm gross floor area (GFA) within the existing buildings. The proposal includes a new Area 24 on the APU Map Sheet 008A and a new subclause in Schedule 1 for Area 24 (details provided in Part 2 below).

Office premises is defined as follows:

**office premises** means a building or place used for the purpose of administrative, clerical, technical, professional or similar activities that do not include dealing with members of the public at the building or place on a direct and regular basis, except where such dealing is a minor activity (by appointment) that is ancillary to the main purpose for which the building or place is used.

## ASSESSMENT OF PLANNING PROPOSAL

The following assessment is undertaken in accordance with the NSW Department of Planning, Industry and Environment's '*Planning Proposals: A Guide to preparing Planning Proposals*'.

### Part 1 – Objectives or Intended Outcomes

The intended outcome of this Planning Proposal is to allow existing floorspace on the site, which was previously ancillary office space, to be used independently of approved warehouse/industrial uses, until such time as the existing buildings on the site are redeveloped.

The intention is to make office premises permissible with consent, but to limit this permissibility to only within the existing buildings and up to a specified maximum gross floor area for each building that aligns to the floor area of the existing buildings. If, and when the buildings are redeveloped in the future, this permissibility is intended to cease.

The proponent's stated objectives for the planning proposal are to:

- Make the most efficient use of existing built form and site infrastructure in the short to medium term,
- Capitalise on the current employment potential of the site and ensure it can operate at its full economic capacity,
- Facilitate the transitioning of the site from traditional (niche manufacturing and wholesale services) to advanced manufacturing and innovative industries, and
- Protect the current manufacturing operations on site as well as the longer term strategic value of the industrial zoned land.

### Efficiency and Employment

The proponent contends that the existing buildings on the site incorporate a significant component of ancillary office space owing to the nature of the former businesses that occupied them, namely Fujifilm and Avon, which operated their head office alongside their main warehouse facilities in the buildings. The amount of office space within the building's total 15,657sqm (see Table 1). No plans were provided to delineate the warehouse and ancillary office space within each building.

	114 Old Pittwater Rd	120 Old Pittwater Rd	Total
<b>Warehouse (GFA sqm)</b>	6,214	8,459	14,673
<b>Office (GFA sqm)</b>	11,317	4,340	15,657
<b>Parking</b>	225	309	534

Table 1 – Breakdown of existing floorspace (figures supplied by site's owner - Primewest Funds Ltd)

The proponent states that while there continues to be demand for warehousing and other industrial uses on the site, there is no longer demand for any business to operate both the industrial and office space that exists on site, as is required under the current IN1 General Industrial zone. Due to technological advances, there is now less need for head office operations to co-locate with industrial facilities. Larger scale manufacturing and warehousing have tended to relocate to outer metropolitan areas (cheaper land) and closer to major roads, rail and/or ports. The proponent further states that the ancillary office space has been vacant for several years and a number of businesses have expressed interest in using the space as stand-alone office premises - that is, office activities independent of and not ancillary to any industrial or other activity undertaken on the land.

The proponent has provided details of prospective tenants seeking office floor areas in and around the Northern Beaches. The floorplates sought range in size from 500-3,000sqm (average 1,283sqm). The list includes businesses involved in infrastructure and civil works, IT, cybersecurity, personal products, public administration, and transport research collaboration.

It was also noted that with changes in business behaviour arising from COVID-19, including increased working from home, less use of public transport and a need to reduce costs, there is increasing demand for well-located metropolitan contemporary facilities close to amenities with good parking.

The proponent highlighted an increasing awareness amongst large corporations for decentralising work forces to minimise risk and disruption, and a movement to create secondary major offices in metropolitan areas (that is, locations outside major CBDs).

It is accepted that the 15,657sqm of ancillary office floorspace is those parts of the existing buildings which are designed, built and fitted-out for office activities and were ancillary to the primary factory/warehousing operations of the businesses which previously occupied the buildings.

This floorspace is particularly suited to office activities and the site's owner has had difficulty finding new tenants as the site's IN1 zoning only allows office activities where ancillary to permissible uses.

Given the owner's unsuccessful efforts to find factory/warehouse tenants who require substantial ancillary office space for their operations, and the likelihood that this floorspace could remain largely vacant and unused (as it has since Fujifilm and Avon left), a mechanism to allow office premises uses independent of any industrial activity would enable efficient use of existing built assets which can generate employment and economic opportunities without construction cost or time factors. This is a preferable outcome to the floorspace remaining vacant into the foreseeable future.

The economic impact of the COVID-19 pandemic increases the imperative for employment and it is possible that the Planning Proposal may satisfy the State Government's criteria for fast-tracked assessment under the Planning System Acceleration Program.

### Protection and Transitioning

Limiting the office premises use to a specified maximum GFA for each existing building (equating to the existing ancillary office space) is intended to protect the current industrial activities on the site. The quantum of existing industrial (warehouse) floorspace will not be reduced. The site's single ownership also means any potential land use conflict can more readily be minimised and managed,

as it is in the interests of the owner to ensure the activities of tenants are harmonious. While the site comprises two lots which could ultimately be sold to different entities, a maximum GFA for office premises is proposed for each existing building on the two lots and any future owners would be compelled to manage any conflict arising from the activities of different tenants within their buildings.

Existing permissibility for industrial and other uses under the site's IN1 zoning is unchanged by this Planning Proposal. It will therefore still be possible for new industrial activities to be established using any of the existing floorspace, subject to consent, in accordance with the IN1 zone. While the floor space may have been previously designed and fitted-out for administrative or office-type activities, this does not preclude its use or adaptation for use for industrial activities.

While not in itself responding to changes in technology and innovation, the proposal would in effect enable the site to achieve an economically active 'holding pattern', until such time that conversion and/or redevelopment to accommodate high-tech and innovative industries can occur, if and when the interest and capability in the marketplace arises for such industries in this location.

Given the solid construction and substantial investment in the existing buildings, it is accepted that redevelopment may be a long term prospect. In the meantime however, economically viable, employment-generating use of the existing ancillary office space which might otherwise remain vacant is appropriate.

## Part 2 – Explanation of Provisions

The following amendments to Warringah Local Environmental Plan 2011 (WLEP) are proposed:

- Insert the following subclause in WLEP Schedule 1 - Additional Permitted Uses:
 

“24 Use of certain land at 114-120 Old Pittwater Road, Brookvale

  - (1) This clause applies to part of Lots 1 and 3 DP 868761, 114-120 Old Pittwater Road, Brookvale shown as “Area 24” on the Additional Permitted Uses Map.
  - (2) Use of that land for the purpose of office premises is permitted with development consent if the consent authority is satisfied that:
    - (i) there will be no reduction in gross floor area available for industrial activities on any Lot,
    - (ii) the development is carried out in an existing building, and
    - (iii) no more than 11,317 sqm on Lot 1 DP 868761 and 4,340 sqm on Lot 3 DP 868761 of existing gross floor area will be used for office premises.”
- Amend WLEP Additional Permitted Uses Map Sheet APU\_008A in accordance with the proposed additional permitted uses map (See Figure 3).

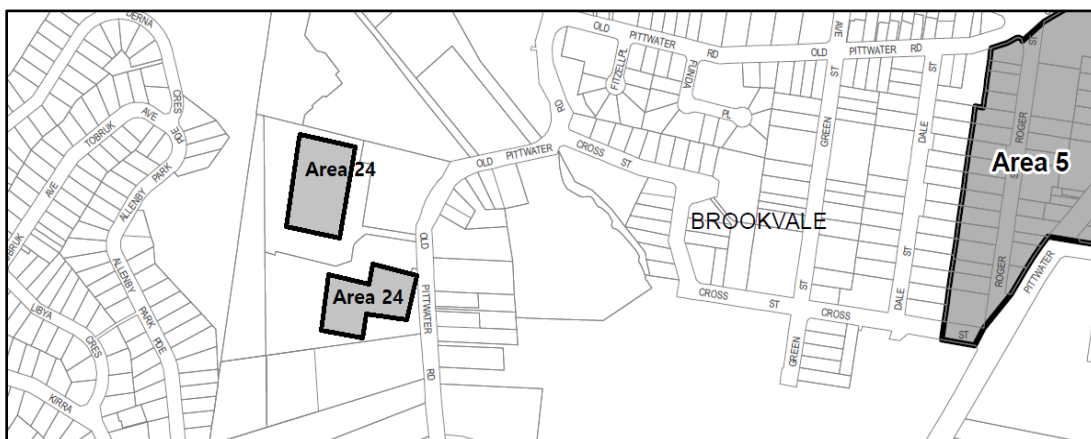


Figure 3 Extract of Proposed LEP Map – Sheet APU\_0008A  
(Note: Area 24 approximates the footprint of the existing buildings on the site)



### Proposed Clause 24

Material submitted by the proponent includes a legal opinion on the drafting of proposed Clause 24, prepared by Holding Redlich. The opinion was prepared in order to confirm that the clause, as drafted, will achieve its intended outcomes. It purports that the drafting of the clause, combined with defining the area of the existing buildings on the APU Map, provides a robust approach which protects the IN1 zone in the long term because:

- (a) the proposed clause makes it clear that the use is limited to only a specific area and within an existing building. As such, the clause could not be relied upon for any proposed new buildings; and
- (b) the clause requires any proponent to satisfy Council (and for Council to be satisfied) that the requirements of the clause have been met before development consent will be granted (and, in fact, can be granted). As is clear from clause (2) of the proposed clause, this includes Council being satisfied that there will be no reduction in GFA available for industrial uses and that the development is being carried out within an existing building.

Council's Legal Counsel conducted a preliminary review of proposed Clause 24. As the proposed clause is somewhat novel, there is a level of uncertainty as to its workability, particularly subclause (2)(i). Any amount of office premises use could be regarded as a reduction in gross floor area available for industrial activities as all of the existing floorspace could potentially be used for industrial purposes. The intention however is that there be no reduction beyond the 15,657sqm GFA that is regarded as existing ancillary office space.

The proponent supplied examples of similar clauses in other Local Environmental Plans. None of the examples prescribe a maximum GFA for the additional permitted use within an existing building, nor do any include a provision requiring the consent authority to reach a state of satisfaction about the reduction in the primary use of a building before being able to exercise the power to grant development consent. Nevertheless, the Environmental Planning and Assessment Act provides under section 3.14(3A) for an environmental planning instrument to "make provision for any zoning of land or any other provision to have effect only for a specified period or only in specified circumstances."

If the Planning Proposal proceeds through Gateway, it is anticipated that Parliamentary Counsel will in due course review the proposed Clause 24 and advise of any revisions necessary to achieve the intended outcomes.

### Precedent

The legal opinion submitted by the proponent also suggests that the Planning Proposal will not create a precedent given the specific circumstances of the site, the proposed restrictions on the additional permitted use, and the justification given to meet strategic and site-specific merits tests and to demonstrate consistency with the relevant regional and district plans and Council's local strategic planning statement.

In 2019, Council engaged SGS Economics & Planning (SGS) to undertake an Employment Study for the Northern Beaches to inform the preparation of Council's Towards 2040 Local Strategic Planning Statement (LSPS) and the comprehensive review of its four Local Environmental Plans.

In April 2020, Council sought SGS's advice specifically in relation to the subject site and the proposal to allow office premises uses (Attachment 2). The advice from SGS acknowledged that the proposal has merit in terms of the opportunity to reuse an existing asset for a more productive function, and that the proposal is broadly consistent with the principles and strategic aims in the Greater Sydney Commission and Council's strategic planning documents including the need to protect and retain existing industrial land. However, SGS expressed a concluding view that, on balance, the proposal



is not appropriate for two key reasons: the potential precedent for loss of industrial land uses, and potential to undermine strategic employment objectives for Brookvale and Frenchs Forest.

As commercial office space typically achieves higher rents than industrial floorspace, there is often a financial incentive for owners of industrial properties to want to convert to commercial office uses. It is possible that allowing an office premises as an additional permitted use on the subject site may result in expectations amongst other landholders in the IN1 zoned precinct in Brookvale that Council may allow office premises on other sites in the precinct. Such expectations however would not be realistic. Other sites are unlikely to be able to demonstrate sufficient strategic and site-specific merit.

The subject site has unique characteristics including the size, design and layout of floorspace in the existing buildings, land area and ownership, former and current occupants, and circumstances which have resulted in substantial ancillary office space being largely vacant with limited prospects for economically viable use in the short to medium term under the current planning controls. The site has a significant latent capacity to support immediate employment and economic activity through use as office premises until such time that the buildings are redeveloped in the future. Given the particular building design and former use, it is arguable that the Planning Proposal represents less of a conversion from industrial to commercial, and more a logical concession in the planning controls to better reflect what exists on the site and the activities historically undertaken there.

The Planning Proposal has sufficient strategic and site-specific merit on balance, having regard to the benefits that can be derived from allowing an efficient, productive, employment-supportive use of existing under-utilised buildings and infrastructure, which outweigh any perceived loss of capacity and utility for industrial and urban services activities. The site's IN1 zoning is retained, thereby protecting its role and function for industrial and urban services in the long term. The permissibility of office premises will cease when the site is redeveloped in the future and Clause 24 no longer applies.

The strategic and site-specific merit tests are discussed in detail in Part 3 Section B of this report.

### **Part 3 - Justification**

#### **Section A - Need for the Planning Proposal**

##### **1. Is the Planning Proposal a result of an endorsed Local Strategic Planning statement, Strategic Study or Report?**

No. The Planning Proposal is the result of a proponent-led request to Council which began with enquiries in 2016 and an earlier planning proposal request in 2018 that was withdrawn pending completion of the LSPS and progress on Council's Employment Study.

##### Local Strategic Planning Statement

The Towards 2040 Local Strategic Planning Statement (LSPS) came into effect on 26 March 2020. The LSPS aligns with the North District Plan and Greater Sydney Region Plan and acts as the link between strategic land use planning at the district level and local statutory planning for the Northern Beaches LGA.

The LSPS includes a structure plan which designates a Strategic Centre at Brookvale and identifies it as an employment and innovation centre. The relevant planning priorities, principles and actions for Strategic Centres are set out under the Productivity Direction of Jobs and Skills. Under Planning Priority 22 - Jobs that match the skills and needs of the community, the LSPS identifies the North District Plan target of 3,000-6,000 additional jobs for Brookvale-Dee Why by 2036.

Material submitted with the proponent's request includes an Economic Need and Impact Assessment prepared by Location IQ, which estimates the Planning Proposal has the potential to create 1,374 jobs (705 on site and a further 669 created indirectly through multiplier effects in the local economy), thereby assisting in achieving the employment targets and improving the LGA's employment self-sufficiency. In terms of jobs generated by one site, these numbers are significant.

The Location IQ report describes two alternatives to the Planning Proposal: do nothing and the office buildings remain significantly vacant for the foreseeable future, or redevelop the site. These are seen as neither commercially viable nor appropriate from a strategic planning or sustainability perspective.

While there can be no certainty as to when the site may be redeveloped and the permissibility for office premises ceases, enabling in the interim the use of existing vacant ancillary office space would provide immediate opportunities to generate significant employment and economic activity which would benefit the broader community, especially at a time of economic downturn and job losses due to the COVID-19 pandemic.

#### Employment Study and Site-specific Advice by SGS Economics & Planning

As discussed earlier in relation to the matter of precedent, SGS was engaged by Council for the Northern Beaches Employment Study and to provide specific advice in relation to the subject site and the proposal to allow office premises uses. That advice viewed the proposal as broadly consistent with strategic planning principles including the need to protect and retain existing industrial land. One of the reasons underlying SGS's conclusion that on balance the proposal is not appropriate was the potential to undermine strategic employment objectives for Brookvale and Frenchs Forest.

SGS made reference to the vision outlined in the draft Employment Study to consolidate Brookvale's role as the Northern Beaches' major strategic centre. It envisages development concentrating around a civic space between Pittwater Road and Roger Street, with a mix of commercial, civic and entertainment functions in a multi-function centre that will become the focus of activity.

The intention is to concentrate all new commercial floorspace (offices) in a future commercial core, with a town centre location (still to be determined) on land currently zoned B5 Business Development in close proximity to the B-line bus stop and walkable from Warringah Mall and other existing/future places of activity, creating a civic, community and commercial hub.

SGS notes the proposal to allow office premises on the subject site is not necessarily inconsistent with the vision for Brookvale, however it could have the potential to undermine strategic aims for creating a more discernible core, particularly the ability of key commercial core sites and the new town centre to be developed as envisioned in the Employment Study. SGS makes particular reference to co-working and small office tenancies, and highlights the Lifestyle Working facility as an example of how this type of development is starting to encroach into the IN1 zone. SGS suggests that if the proponent seeks to transform the site into this product type, the risk is that it will draw demand away from the future commercial core where it is best suited to locate in terms of accessibility and proximity.

It is impossible to predict the type of office premises that might be sought for the subject site (tenancy size, business category, and operational arrangements). However, the existing buildings seem better suited to larger independent offices than small business or co-working arrangements. The proponent provided details of prospective tenants seeking larger offices in and around the Northern Beaches. The floorplates sought range in size from 500-3,000sqm (average 1,283sqm). The list includes businesses involved in infrastructure and civil works, IT, cybersecurity, personal products, public administration, and transport research collaboration. Larger floorplate offices may not be in direct competition with the type intended for the commercial core where a finer grained cluster of diverse, high activity, smaller businesses and co-working facilities are envisaged.

Lifestyle Working is a purpose-built co-working facility with contemporary, sustainable architecture incorporating a central atrium, small short-term rentable offices, and shared spaces such as meeting rooms, break-out areas, and a lap pool. It was approved in 2004 under the previous Warringah LEP when offices were permissible by consent in the G10 Brookvale Industrial West Locality. It is a high amenity, modern facility benefitting from close pedestrian connection to Warringah Mall. The existing buildings on the subject site being older and originally designed to house the factory/warehousing and office functions of large organisations, may not offer the same amenity and utility as Lifestyle Working is able to offer which appeals to co-working and smaller creative and innovative businesses.

A further consideration is timing. The future town centre/commercial core envisaged for Brookvale in the draft Employment Study is a medium to long term prospect. The structure planning process is ongoing. A peer review is currently underway to integrate the findings and recommendations of an array of planning projects including the TMAP traffic and transport study for Brookvale-Dee Why and the LGA-wide Employment Study, Housing Strategy, and Social Infrastructure Study. A revised draft Brookvale Structure Plan will need to be endorsed by Council for public exhibition before being finalised and a Planning Proposal prepared to implement any recommended changes to the LEP. All of this needs to occur before major redevelopment projects can be designed, approved and constructed under the revised planning controls. Realistically it could be 3-5 years before the future town centre/commercial core begins to take shape.

In light of the above, SGS's advice, while not supportive, does not preclude the Planning Proposal.

**2. Is the Planning Proposal the best means of achieving the objectives or intended outcomes, or is there a better way?**

Yes. The Planning Proposal retains the IN1 zone and the proposed office premises APU would allow efficient, employment-supportive use of existing vacant ancillary office floor space. This permissibility lapses when the site is redeveloped. Proposed Clause 24 can be refined by Parliamentary Counsel.

**Section B – Relationship to Strategic Planning Framework**

**Does the proposal have strategic merit?**

**3. Will the Planning Proposal give effect to the objectives and actions of the applicable regional plan, or district plan or strategy?**

Greater Sydney Region Plan

Yes. The Planning Proposal gives effect to the following objectives of the Region Plan:

Direction & Objective	Assessment
<b>Productivity - Jobs and skills for the city</b>	
Objective 22 Investment in business activity in centres	<p>The Region Plan recognises the important role centres play in providing access to jobs, goods and services, and seeks to manage a hierarchy of centres to grow jobs and improve access to goods and services. Within this hierarchy, the Region Plan identifies 34 Strategic Centres, including one at Brookvale-Dee Why. The stated expectations for Strategic Centres include high levels of amenity and walkability, and areas being identified for commercial uses and where appropriate, commercial cores.</p> <p>The subject site's existing vacant, older ancillary office space seems less suited to the smaller, more vibrant, diverse, and public-facing businesses that should be clustered in the commercial core in Brookvale to achieve high levels of amenity and walkability, and to improve access to goods and services. The proponent's list of prospective tenants bears this out. Furthermore, structure planning for Brookvale is ongoing, with the exact location of a future town centre and commercial core still to be determined. Development of Brookvale's commercial core is a medium-long term prospect.</p> <p>Allowing office premises on the subject site would enable efficient utilisation of existing vacant floorspace and site</p>

Direction & Objective	Assessment
	infrastructure and create the opportunity to generate jobs immediately in the context of an economic downturn. New business activity and employees in Brookvale, could in fact gather momentum in the marketplace to increase demand and support development of the future commercial core. On balance, the potential community benefit of this is greater than any risk to the long term vision for the strategic centre.
Objective 23 Industrial and urban services land is planned, retained and managed	<p>The Region Plan requires a "retain and manage" approach for all existing industrial and urban services land in the Eastern Harbour City. A strong rationale underlies this approach and the growing shortage of industrial and urban services land in North District is recognised. Speculation in terms of rezoning potential impacting on the property economics of industrial land is highlighted as an issue. The Region Plan emphasises the need for a consistent policy position to keep downward pressure on land values.</p> <p>As discussed earlier, advice received from SGS recognises that the proposal is broadly consistent with the strategic aims to protect and retain existing industrial land.</p> <p>The intention of the Planning Proposal is to allow existing floorspace which was previously ancillary office space, to be used independently of approved warehouse/industrial uses, until such time that the existing buildings on the site are redeveloped. The Planning Proposal limits the proposed office premises use to a specified maximum GFA within each existing building on the site. The site's IN1 General Industrial zoning is unchanged by this Planning Proposal. It will still be possible for new industrial activities to be established, subject to consent, using any of the existing floorspace on the site. The proposed APU clause is intended to lapse when the site is redeveloped in the future in accordance with the IN1 zone.</p> <p>The Planning Proposal responds to the unique characteristics of the site and existing buildings which have significant latent capacity to support immediate employment and beneficial economic activity through use as office premises until such time that the buildings are redeveloped.</p> <p>The Planning Proposal is unlikely to set a precedent or raise reasonable speculation for rezoning elsewhere as other sites are unlikely to be able to demonstrate sufficient strategic and site-specific merit in the same way as the subject site.</p>

#### North District Plan

Yes. The Planning Proposal gives effect to the following objectives of the North District Plan:

Direction & Planning Priority	Assessment
<b>Productivity – Jobs and skills for the city</b>	
Planning Priority N10	The North District Plan reiterates the Region Plan's stated expectations for Strategic Centres including high levels of



Direction & Planning Priority	Assessment
Growing investment, business opportunities and jobs in strategic centres	<p>amenity and walkability, and areas being identified for commercial uses, and where appropriate commercial cores.</p> <p>As discussed earlier in section 3.1, the Planning Proposal would enable efficient utilisation of existing vacant floorspace and create the opportunity to generate jobs immediately in the context of an economic downturn. New business activity and employees on the site, could foster momentum in the marketplace to increase demand and support the longer term development of the future commercial core of Brookvale's strategic centre.</p> <p>As the site's IN1 zoning is retained and the office premises permissibility will lapse when the buildings are redeveloped, the Planning Proposal does not represent an extension of the strategic centre onto industrial and urban services land.</p>
Planning Priority N11 Retaining and managing industrial and urban services land	<p>The North District Plan highlights the importance of urban services for local communities and businesses and the need to safe-guard and efficiently manage the scarce supply of industrial and urban services land in the district.</p> <p>As discussed earlier in section 3.1, the Planning Proposal is broadly consistent with retaining and managing industrial and urban services land. The site's IN1 zoning will remain. The Planning Proposal will allow efficient, employment-supportive use of existing vacant floorspace, until such time that the site is redeveloped. Existing industrial/warehousing activities on the site will not be reduced, and the site's single ownership is conducive to minimisation and management of any land use conflict. No subdivision is proposed.</p> <p>The Planning Proposal is unlikely to set a precedent or raise reasonable speculation for conversion of industrial zoned land elsewhere in the precinct as other sites are unlikely to be able to demonstrate sufficient strategic and site-specific merit in the same way as the subject site.</p>

**4. Will the planning proposal give effect to a council's endorsed local strategic planning statement, or another endorsed local strategy or strategic plan?**

Yes. The Planning Proposal gives effect to the following planning priorities of the LSPS:

Direction for Productivity – Jobs and skills	
Planning Priority and Action	Comment
<p>Planning Priority 22</p> <p>Jobs that match the skills and needs of the community</p> <p>Action 22.1 Complete the LEP employment study and develop LEP and DCP controls to grow job opportunities...</p>	<p>The LSPS structure plan designates a Strategic Centre at Brookvale and identifies it as an employment and innovation centre. Planning Priority 22 identifies a target of 3,000-6,000 additional jobs for Brookvale-Dee Why by 2036, by far the highest growth in the LGA.</p> <p>The proponent's Economic Need and Impact Assessment prepared by Location IQ estimates the Planning Proposal has the potential to create 1,374 jobs (705 on site and a further 669 created indirectly through multiplier effects in</p>

	<p>the local economy). These are significant job numbers for one site and if realised would assist in achieving the job targets and improving the LGA's employment self-sufficiency, the benefits of which are heightened in an economic downturn.</p> <p>The LSPS identifies for Brookvale the opportunity to grow high-skilled employment and innovation-led change. The proponent's list of prospective tenants aligns well with high skilled jobs and innovative business (although, there can be no guarantee as to the future tenants). The Planning Proposal affords a significant opportunity to generate high skilled jobs and support innovative business utilising existing vacant floorspace while retaining the IN1 zone.</p> <p>The Employment Study, LEP review and local structure planning for Brookvale are ongoing. The location of the future commercial core / town centre close to the B-line stop are yet to be identified and its development is a medium-long term prospect. The Planning Proposal is a mechanism to grow jobs in the interim without construction costs and delays, and potentially also foster momentum and interest in the market for new offices to be developed in Brookvale.</p>
<p>Planning Priority 24</p> <p>Brookvale as an employment and innovation centre</p> <p>Action 24.3</p> <p>Respond to the findings of the LEP studies, review the draft Brookvale Structure Plan and develop LEP and DCP controls to optimise growth of Brookvale as a transit supportive employment centre, the centre of focus for the LGA</p>	<p>Two relevant principles under Planning Priority 24 are:</p> <ul style="list-style-type: none"> <li>• Support Brookvale as an employment-based centre</li> <li>• Preserve the industrial integrity of industrially-zoned land</li> </ul> <p>The Planning Proposal affords a significant opportunity to generate high skilled jobs and support innovative business utilising existing vacant floorspace while retaining the IN1 zone. It is unlikely to undermine the growth of Brookvale as a transport-supportive employment centre as it involves existing floorspace that is not an obvious competitor in the property market for the smaller, more vibrant, diverse, and public-facing businesses that are ultimately intended to cluster in the future commercial core in Brookvale.</p>
<p>Planning Priority 28</p> <p>Safeguarded employment lands</p> <p>Action 28.1 Complete the strategic review of industrial and urban services land (part of the LEP employment study) and develop LEP and DCP controls to protect the integrity of employment land; address land use interfaces; and facilitate innovative built form</p> <p>Action 28.3</p> <p>Review and update the draft Brookvale Structure Plan to respond to the findings of the employment study and determine</p>	<p>The LSPS notes the scarcity of industrial land in the North District and that future planning must balance local needs, a transitioning economy and high value industries.</p> <p>A relevant principle is:</p> <ul style="list-style-type: none"> <li>• Support efficient use of land and built form that responds to changes in technology and innovation.</li> </ul> <p>The Draft Brookvale Structure Plan exhibited in late 2017 included possible amendments to the western IN1 area (which includes the subject site) to allow office premises and business premises as additional permitted uses. Those changes are now under review having regard to the clear policy to retain and manage urban and industrial land expressed in the Region Plan and North District Plan when they came into effect in early 2018.</p>

the right mix of industrial and urban services for the centre	<p>The Council's ongoing work on the Employment Study and the draft Brookvale Structure Plan will determine the appropriate mix of land uses broadly across the IN1 zoned land. The site will be subject to any applicable LEP changes required to implement the final Structure Plan.</p> <p>In the meantime, the Planning Proposal represents an efficient use of existing built form and a flexible response to the unique characteristics and circumstances of the site. It will enable job creation and economic activity at a time when the community needs it and will give effect to important employment objectives in the LSPS.</p>
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**Does the proposal have site-specific merit, having regard to the following?**

The natural environment (including known significant environmental values, resources or hazards)	The natural environment will not be affected. The proposal relates to use of existing buildings and no alternations or additions are proposed.
The existing uses, approved uses, and likely future uses of land in the vicinity of the proposal.	Council's Transport Network has advised that the proposal is acceptable as it is using existing buildings stock.
The services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for provision.	<p>Council's Transport Network has advised that the proposal is acceptable as it is using existing buildings stock.</p> <p>No road upgrades or other infrastructure requirements have been identified.</p>

**5. Is the Planning Proposal consistent with applicable State Environmental Planning Policies?**

Yes. The Planning Proposal is consistent with applicable State Environmental Planning Policies.

**6. Is the Planning Proposal consistent with applicable Ministerial Directions?**

Yes. The Planning Proposal is consistent with applicable Ministerial Directions.

Ministerial Direction 1.1 Business and Industrial Zones

This direction issued on 1 May 2017 specifies objectives and requirements for planning proposals that will affect land within an existing or proposed business or industrial zone. The objectives are:

- (a) encourage employment growth in suitable locations,
- (b) protect employment land in business and industrial zones, and
- (c) support the viability of identified centres

Relevant requirements are:

- (a) give effect to the objectives of the direction
- (b) retain the areas and locations of existing business and industrial zones
- (d) not reduce the total potential floor space area for industrial uses in industrial zones

The Planning Proposal is consistent with Direction 1.1 as it retains the site's existing IN1 zoning, only enables office premises use of existing ancillary office floorspace, will not reduce the existing floorspace currently used for industrial/warehousing activities, and ensures that if and when the site is redeveloped in the future the proposed APU clause will lapse.

It is reasonable to argue that there will be a reduction in the floor space area for industrial uses as it provides for non-industrial use of this floorspace. However, the floor space in question is designed, built and fitted-out for office activities and was historically used for office activities, albeit ancillary to the primary factory/warehousing activities of the organisations which occupied the buildings. Given changes in technology and business, this floorspace could remain largely vacant under the current planning controls. The Planning Proposal would enable efficient, viable use of existing built assets, providing immediate opportunities to generate significant employment and economic activity which would be especially beneficial for the broader community at a time of economic downturn. This is preferable to the floorspace remaining vacant into the foreseeable future.

#### Ministerial Direction 6.3 Site Specific Provisions

This direction applies to planning proposals that will amend an LEP to allow a particular development to be carried out. The objective is to discourage unnecessarily restrictive site specific planning controls. The Planning Proposal is introducing site specific controls. However, the controls are necessary to comply with strategic objectives and only apply to the existing buildings for the life of those buildings. They will not affect any redevelopment and are therefore minor and not restrictive.

### **Section C - Environmental, Social and Economic Impact**

#### **7. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?**

No. The Planning Proposal involves use of existing buildings, and no additional building or site works are proposed.

#### **8. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?**

No. The Planning Proposal involves use of existing buildings, and no additional building or site works are proposed. Traffic impact on the local road network is deemed acceptable as the proposal is using existing buildings.

Gateway Determination can require referral to Transport for NSW for consideration of the likely impact of the Planning Proposal on state and regional roads.

#### Council's Transport Network Referral Response

The response from Council's Transport Network unit raised concerns regarding public transport access (the site is about 1200m walking distance to the bus interchange and B-line stop on Pittwater Road), impacts on the road network, and inadequate parking provision. The response concluded that as the proposal is for an additional permitted use using existing building stock, without any major reconstruction, it is deemed acceptable and detailed transport requirements such as access points, internal roads, parking, and bicycle facilities can be addressed at development application stage.

#### **9. Has the Planning Proposal adequately addressed any social and economic effects?**

Yes. On balance, the potential social and economic effects are positive.

#### Council's Economic Referral Response

Council's Economic Development & Tourism Unit has advised that the Planning Proposal is supported and concluded that, in view of temporary nature of the proposal to allow stand-alone office at the subject site (i.e. until the building is ready for redevelopment), the impact on the longer-term integrity of the Brookvale industrial precinct is less significant. The intent to convert the site back to industrial land uses (such as Life Science or high-technology), in the future would contribute to establishment of Brookvale as an advanced manufacturing hub. In the interim, the take-up of the



existing office space would contribute towards addressing skills mismatch on the Northern Beaches and attracting knowledge-based jobs.

The referral comments from Council's Economic Development & Tourism Unit can be summarised as follows:

- The Brookvale IN1 zone represents the largest industrial precinct in the North District, which has been identified as having the lowest ratio of industrial zoned land per capita across all of the metropolitan region, and a clear State Government directive to 'retain and manage'. It is the manufacturing hub for the region, and has a rich manufacturing history. Today, Brookvale houses around 2,200 manufacturing jobs and 180 registered manufacturing businesses.
- The proposal to allow the existing ancillary office space to be used as stand-alone office not related to any warehouse/manufacturing, could represent a 'potential' loss of industrial floorspace capacity, as this would prevent the site from being re-purposed for industrial uses. However, it is noted that the proponent intends to revert the site back to industrial uses in the future and are proposing only a temporary use of the existing structure for office space. It is envisaged in the future that the site would be used for Life Sciences that support manufacturing, R&D and office.
- The IN1 zone does permit uses that would support Life Sciences (namely high technology industry), which is permitted under the IN1 zone (sub-categories 'Light industry'). There is an existing cluster of technology-based businesses within the Brookvale precinct (film production and software design). Interest in an advanced manufacturing hub in Brookvale's industrial lands could be explored under existing planning provisions.
- There continues to be demand for flexible industrial land which can accommodate integration of manufacturing, warehouse and ancillary office uses. Council recently commissioned a Northern Beaches wide Employment Study. This found that whilst jobs in 'Manufacturing' are projected to decline locally over the next 20 years (-30%), increased floorspace required per worker (i.e. automation), higher office component and demand for wholesale trade and logistics (e-commerce), is estimated to result in continued additional demand for industrial floorspace on the Northern Beaches, with an additional 51,652 sqm required by 2036 across key industrial precincts (9% of existing 636,714 sqm).
- The continued demand for industrial land is acknowledged in the Economic Need and Impact Assessment, as is the recognition that a transition to advanced manufacturing is underway in Brookvale. Maintaining the IN1 zone that permits high-technology, would enable this transition when market conditions are right.
- If the site was to continue to provide office space over the longer-term, this could impact on recommendations of the draft Employment Study for a new commercial core/civic precinct within the wider Brookvale precinct, by absorbing demand for office space. This commercial precinct is proposed to be located along the more accessible Pittwater Road, in close proximity to the B-line to support connections to economic activity in the City and encourage use of public transport, and create a town centre "heart" for Brookvale area. However, as this is only proposed as a temporary permitted use, the proposed site could be a test for demand for office space in the Brookvale area in planning for a new commercial precinct.

In consideration of the comments from Council's Economic Development & Tourism unit it can be concluded that the Planning Proposal enables efficient, employment-supportive use of existing ancillary office space without the cost or delay of building construction. It is estimated to have the potential to create up 1,374 local jobs, which if achieved would be of significant benefit to the community at a time of economic downturn. The proponent's list of prospective tenants aligns well

with high skilled jobs, and supports the view that the existing buildings are more likely to attract larger, independent tenants than the smaller, more vibrant, diverse, and public-facing businesses that are ultimately intended to cluster in the future commercial core in Brookvale.

The location of the future commercial core / town centre in close proximity to the B-line stop is still to be determined and its development is a medium to long term prospect. The Planning Proposal is a mechanism to grow jobs in the interim and could potentially foster momentum and interest in the market for new offices to be developed in Brookvale.

The fact that there are significant stocks of vacant office space on the Northern Beaches, in particular the larger floorplates in the Frenchs Forest business park, is not sufficient reason to refuse to allow use of existing vacant ancillary office space on the site. The subject site offers a different amenity and accessibility to Frenchs Forest, particularly given its location close to a regional shopping centre. Frenchs Forest business park may not have the same appeal.

The Planning Proposal will not reduce the existing warehouse floorspace in the buildings. This space will remain available for continued industrial and urban services activities that support the community.

On balance, the potential social and economic benefits of allowing office premises as an APU, within the specified GFA limits and only for the life of the existing buildings, outweigh any potential negative impacts.

## **Section D - State and Commonwealth interests**

### **10. Is there adequate public infrastructure for the Planning Proposal?**

Yes. The Planning Proposal involves use of existing buildings, and no additional building or site works are proposed. Council's Transport Network has advised that the proposal is acceptable as it is using existing building stock. Without traffic modelling, it is difficult to predict whether the traffic generated by the proposed office premises will require upgrades to the adjoining regional and state road network, particularly Pittwater Road and Condamine Street. Referral to Transport for NSW can be a requirement of the Gateway determination for the Planning Proposal.

### **11. What are the views of state and Commonwealth public authorities consulted in accordance with the Gateway Determination?**

Not applicable at this stage as the Planning Proposal has not progressed to Gateway determination.

## **COMMUNITY CONSULTATION**

Preliminary (non-statutory) public notification of the Planning Proposal was undertaken between 17 and 31 August 2020. Three submissions (Attachment 3) were received. The main concerns raised are:

- potential noise from construction, machinery and roof-top air-conditioning and refrigeration units impacting on residential properties in Allenby Park Parade, and
- lack of parking and increased traffic congestion as a result of the 1,300 additional employees in the proposed offices

These concerns are noted, however they are not sufficient grounds on which to not proceed with the Planning Proposal. Noise impacts can be addressed at the development consent stage. The reference to 1,300 additional employees in the proposed offices is incorrect. The Economic Impact Assessment submitted by the proponent estimates 705 net additional jobs on site, plus a further 669 additional jobs created elsewhere through multiplier effects in the economy.

If the State Government issues a Gateway determination that the Planning Proposal should proceed, formal statutory public exhibition of the Planning Proposal will take place for a minimum of 28 days or as otherwise directed by the Determination.

## **AGENCY REFERRALS**

At this stage, the Planning Proposal has not referred to any state agencies for comment. Referral to state agencies such as Transport for NSW can be a requirement of the Gateway determination.

## **INTERNAL REFERRALS**

Referrals were sent to the following Northern Beaches Council business units for comment:

- Transport Network, and
- Economic Development & Tourism.

The responses from these two units are discussed in sections 8 and 9 of this report.

## **TIMING**

It is anticipated that the timing for completion of this Planning Proposal would be 6-8 months from the date of Council's approval to proceed. Following the issue of a Gateway Determination. The matter will be reported back to Council for final consideration following the statutory public exhibition.

If the Council has notified the proponent that it does not support the request to prepare a planning proposal or has failed to indicate its support within 90 days of the proponent submitting their request (90 days in this case is 6 November 2020), the proponent can ask for a Rezoning Review. This date will have passed by the time the Panel considers the Planning Proposal. The proponent has indicated it will wait for the Local Planning Panel to consider the Planning Proposal before seeking a Rezoning Review.

## **LINK TO COUNCIL STRATEGY**

The Planning Proposal aligns with the following goals of the Shape 2028 Northern Beaches Community Strategic Plan:

- Goal 13     Our businesses are well-connected and thrive in an environment that supports innovation and economic growth
- Goal 14     Our economy provides opportunities that match the skills and needs of the population

## **FINANCIAL CONSIDERATIONS**

The proponent paid the scheduled application fees of \$66,400 for a major planning proposal. These fees become part of the Strategic and Place Planning budget and are used to cover all the necessary work and expenses involved in preparing and progressing the Planning Proposal.

## **SOCIAL CONSIDERATIONS**

The Planning Proposal will enable efficient, employment-supportive use of existing buildings without the cost or delay of construction. It is estimated to have the potential to create up 1,374 local jobs, which if achieved would be of significant benefit to the community at a time of economic downturn.

The Planning Proposal will not reduce the existing warehouse floorspace in the buildings. This floor space will remain available for continued industrial and urban services activities that support the community. The site will remain in the IN1 zone, and when redeveloped in the future the APU will lapse and the whole site will be available to support industrial and urban services activities.

**ENVIRONMENTAL CONSIDERATIONS**

The proposal involves use of existing buildings. No additional building or site works are proposed.

**GOVERNANCE AND RISK CONSIDERATIONS**

The Planning Proposal is unlikely to generate significant risk or governance issues.

**CONCLUSION**

The Planning Proposal will enable efficient, viable use of existing built assets, providing immediate opportunities to generate significant employment and economic activity which would be especially beneficial for the broader community given the need to recover from an economic downturn.

The permissibility for office premises is limited to a specified maximum GFA within each existing building, which represents only those parts designed, fitted-out and previously used for office activities, albeit ancillary to the factory/warehousing operations of the businesses that previously occupied the buildings.

The Planning Proposal retains the site's IN1 zoning and will not reduce the floorspace currently used for industrial/warehousing activities. The proposed APU clause is intended to lapse if and when the site is redeveloped in the future. The Planning Proposal responds to the unique site characteristics and circumstances and is unlikely to set a precedent.

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**RECOMMENDATION OF MANAGER STRATEGIC PLANNING**

That the Panel:

- A. Recommends that Council endorse the Planning Proposal for 114-120 Old Pittwater Road, Brookvale, and forward it to the NSW Department of Planning, Industry and Environment to seek a Gateway Determination.
-