

Memo

Community Engagement & Communications

To: **Lashta Haidari**
Acting Manager, Development Assessments

From: Deb Kempe
Team leader Economic Development & Tourism

Date: 29 July 2021

Subject: ED referral response 5 Sky Line Place

Record Number: Insert Record Number here

Dear Lashta

Thank you for opportunity to review and Economic Impact Assessment (EIA) undertaken by Hill PDA as part of the application 5 Skyline Place – Stage 2. My comments are in relation to the potential impact on the future economic function of the Frenchs Forest Business Park from further senior housing within the park. These comments draw upon the draft Northern Beaches Employment Study which as informed the Northern Beaches LEP Discussion Paper currently on exhibition.

The EIA report is a thorough and robust analysis, especially on current utilisation of the FFBP compared to other metropolitan business parks, available development capacity and likely future demand of office park space.

While correct that there is significant potential capacity that could accommodate demand for future business park uses with the loss of the 7,800 sqm site for senior housing, the concern is more around future land use conflicts of expanded senior housing in the business park.

In particular, the EIA does not recognise the important logistic and manufacturing role that the Frenchs Forest Business Park plays for the Northern Beaches region and how these vital uses may be impacted by permitting residential uses. This is especially significant given the limited space for manufacturing/industrial uses across the LGA. As noted in the Northern Beached LEP Discussion Paper, the draft Northern Beaches Employment Study identifies demand for an additional 51.600sqm of industrial floorspace across the LGA by 2036, including manufacturing and logistic uses which could be located in FFBP.

The demand for industrial floorspace is largely driven by forecast growth in the logistic sector which despite declining forecast job growth in this sector, due to increased ratios of space per worker and trends in on-line retailing and faster delivery, sees continued strong demand.

As shown in tale 1 wholesale trade is the largest employer in the business park and as noted warehouse space in previous landuse audit has been highly utilised (only 3.3% vacancy). Most recent developments in the FFBP have also been in logistics, including

an Amazon distribution centre. This is reinforcing the role of FFBP as a logistic hub for the Northern Beaches.

In recent years there has also been estimated strong growth in 'white collar' or 'advanced' manufacturing jobs, especially "machinery and equipment manufacturing" and "basic chemical and chemical product manufacturing" across the LGA (source : .ID The Population Experts). The FFBP provides one of the few settings in the Northern Beaches for such industries to emerge and grow, which tend to provide highly skilled and high value add jobs, well suited to our local resident workforce.

The draft Employment Study undertaken by SGS Economics & Planning in 2019, acknowledges that the changing function of the FFBP will take time. This identified that FFBP has potential to attract large floorplate uses that require a mix of office, warehouse and manufacturing. Its future role is also seen as intrinsically linked to Brookvale industrial area and may soak up demand for displacement of manufacturing and logistic businesses in Brookvale overtime, becoming the key location for distribution and storage functions. These 24/7 operations would not be conducive with senior housing and could impact future operations.

The draft Employment Studies cites the recently approved aged care facility at 5 Skyline Place (Stage 1) along with Private Hospital in Mona Vale Business Park, as demonstrating a continued trend for health related services coming into the B7 zones. It recommends that given the general amenity of business parks, it is considered appropriate that the B7 zones continue to focus on business and light industry rather than increase the diversity of land uses, such as health.

The draft LEP Discussion Paper that is currently on exhibition, builds on the findings and recommendations of the draft Employment Study. This recommends no changes to the B7 zoning at FFBP and that the LGA's business parks will continue to provide a professional environment for specialised businesses, including high technology industries, wholesale trade and logistic activities, while more diverse range of floor plate options and shared space business models can emerge. This focus, it states, must be protected from competing uses (p172).

In particular, it specifies that hospitals are to be prohibited to prevent further expansion of private hospitals and to protect the non-residential character of the business park, given senior housing is permissible where hospitals are permitted. It acknowledges that this position will be subject to consent by the Department of Planning, Industry and Environment, as hospitals are permitted under the Infrastructure SEPP.

Whilst recognising the low demand for office space over recent years, the development of a new town centre, with open space and amenities and improved transport connections (Beaches Tunnel and East/West bus links) could provide the catalyst for renewed market interest in office park space at FFBP.

As the EIA notes, the investment in a new shopping centre, open space and recreation facilities and public transport, were key factors in the success of Norwest business park. Similar State and local governments investment for the Frenchs Forest Planned Precinct, could create the same pre-conditions for renewed market interest at FFBP.

Consequently, safeguarding the FFBP for future industrial, logistic and offices opportunities will enable it to strengthen its role as a specialised business and logistic hub for the Northern Beaches.

Further expansion of senior housing into the FFBP, could impact this role over the next decade and beyond, and as identified in the draft Northern Beaches Employment Study and LEP Discussion Paper, should not be permitted.

Regards

Deb Kempe