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## 259-271 PACIFIC HIGHWAY, LINDFIELD (LINDFIELD LIBRARY SITE) - PROJECT UPDATE

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### EXECUTIVE SUMMARY

**PURPOSE OF REPORT:**

To update Council on the progress of planning for the site and the land reclassification process and present a recommendation for a preferred option for the potential redevelopment of the existing Lindfield library precinct at 259-271 Pacific Highway, Lindfield.

**BACKGROUND:**

At the Ordinary Meeting of Council on 11 November 2014 Council resolved to commence the reclassification process for Council land at 259-271 Pacific Highway, Lindfield, also known as the 'Lindfield library precinct', from Community to Operational land.

At the same meeting Council resolved to prepare built form options for their approval prior to placing it on public exhibition.

**COMMENTS:**

Consultants have been engaged to prepare a number of studies to further the planning for the site, including:

- urban design / architectural consultants to prepare built form options;
- heritage consultants to undertake an Historical Archaeological Assessment (HAA);
- land economists to advise on market demand and financial feasibility; and
- geo-technical and land contamination specialists to advise on any potential sub-surface limitations of the site.

The results of these studies and others are summarised in this report.

**RECOMMENDATION:**

That Council adopts built form Option 2 and proceed to prepare an illustrated concept design of Option 2 for public exhibition.

## PURPOSE OF REPORT

To update Council on the progress of planning for the site and the land reclassification process and present a recommendation for a preferred option for the potential redevelopment of the existing Lindfield library precinct at 259-271 Pacific Highway, Lindfield.

## BACKGROUND

At the Ordinary Meeting of Council on 11 November 2014 Council considered the reclassification of Council land at 259-271 Pacific Highway, Lindfield, also known as the 'Lindfield library precinct', from Community to Operational land. At that meeting Council resolved:

- A. *That a Planning Proposal be prepared, in accordance with section 55 of the Environmental Planning and Assessment Act, 1979, to reclassify lot 8 DP 660564 and lots 1, 2 and 3 DP 212617, known as 259-271 Pacific Highway, Lindfield from Community land to Operational land; and to increase the maximum FSR from 1.3:1 to 2.0:1 via an amendment to the Ku-ring-gai Local Centres LEP, 2012.*
- B. *That Council formally seek to discharge all interests for lot 8 DP 660564 and lots 1, 2 and 3 DP 212617, known as 259-271 Pacific Highway, Lindfield.*
- C. *That the Planning Proposal be submitted to the Department of Planning and Environment for a Gateway Determination in accordance with Section 56 of the Environmental Planning and Assessment Act, 1979.*
- D. *That upon receipt of a Gateway Determination, the exhibition and consultation process is carried out in accordance with the requirements of the Environmental Planning and Assessment Act, 1979 and with the Gateway Determination requirements.*
- E. *That Council undertake a public hearing under the provisions of the Local Government Act, 1993 for the proposed reclassification of lot 8 DP 660564 and lots 1, 2 and 3 DP 212617, known as 259-271 Pacific Highway, Lindfield from Community land to Operational land.*
- F. *That a report be brought back to Council at the end of the exhibition and public hearing processes.*
- G. *That Council relocate the Ku-ring-gai Youth Development Service (KYDS) service within the proposed Lindfield community hub (upon completion of the facility) and that the new facility provide purpose-built rooms to be designed in consultation with representatives of KYDS to meet their specific requirements.*
- H. *That a concept design with an FSR of up to 2.0:1 and a building height of 5 storeys be prepared and reported to Council for their approval prior to placing it on public exhibition in conjunction with the consultation and public hearing processes for reclassification.*

- I. That a further report to Council is prepared considering the funds required, and the associated risks and advantages for Council if it was to prepare a development application for the site. Such further report to Council to include an investigation of potential for active uses on the Woodford Lane or Library precinct site.*
- J. That no significant development take place on the site nor any removal of existing tenants, until construction of the Lindfield Community Hub has commenced.*

This report will update Council on the progress of Resolutions A-E and in particular H and I.

## COMMENTS

Consultants have been engaged to prepare, on behalf of Council, a number of studies to further the planning for the site, including:

- urban design / architectural consultants to prepare built form options;
- heritage consultants to undertake an Historical Archaeological Assessment (HAA); and
- land economists to advise on market demand and financial feasibility.

The results of these studies and others are summarised in this report.

### **A. Site Description**

The Lindfield library precinct is legally described as lot 8 in DP 660564 and lots 1, 2 and 3 in DP 212617 (refer Figure 1); it has a total land area of approximately 5,848.6m<sup>2</sup> and is the address for a number of Council services and facilities including:

- Lindfield Branch Library (lot 8 in DP 660564);
- former Arrunga Aged Care Self-Contained Units (now vacated) (lot 3 in DP 212617);
- former Lindfield Seniors' Centre (lot 2 in DP 212617);
- former Lindfield Seniors' Resource Centre (lot 8 in DP 660564);
- Ku-ring-gai Youth Development Service (KYDS) (lot 8 in DP 660564);
- Lindfield Community Centre tennis courts and sun shelter (lot 8 in DP 660564); and
- car park and access road (lot 1 in DP 212617).

Other elements on the site are:

- toilet facilities;
- landscaped areas; and
- a former well (subject to investigation).



Figure 1 – Lindfield library precinct - 259-271 Pacific Highway, Lindfield



Figure 2 – Lindfield library precinct showing layout of facilities

### ***B. Existing Facilities and Services***

The Lindfield Community Facilities Study (Elton Consulting, 2013) recommended that the existing library and Seniors' Centre facilities be replaced with new facilities co-located in a community hub situated on the western side of Lindfield with a total area of over 2,455m<sup>2</sup>. This recommendation is based on the fact that the current Lindfield Library and associated facilities are old, outdated, no longer fit-for-purpose and not suitable for long term adaptation and re-use due to their condition. The existing buildings are not appropriate or capable of meeting the needs of the future population. It is proposed to relocate KYDS Youth Development Service to new purpose built facilities within the proposed Lindfield Community Hub. Similarly, the tennis courts have very low usage levels. There is more than an adequate supply of such facilities within close proximity to the site.

At the Ordinary Meeting of Council on 10 December 2013 Council resolved to locate the proposed new Lindfield branch library and new community centre to the western side of Lindfield local

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centre on land owned by council on Woodford Lane, Lindfield in accordance with the recommendations made by Elton Consulting in the Lindfield Community Facilities Study, December 2013, known as the Lindfield Community Hub site.

### ***C. Planning Context***

The Lindfield library precinct is currently zoned B2 - Local Centre under the *Ku-ring-gai Local Centres LEP 2012* (KLEP 2012) with a maximum building height of 17.5 metres (5 storeys) and a maximum floor space ratio (FSR) of 1.3:1. The Lindfield library precinct is classified as community land under the *Local Government Act, 1993*. The process to reclassify Council land has commenced - to reclassify the site from Community land to Operational land and to increase the maximum FSR from 1.3:1 to 2.0:1 via an amendment to the *Ku-ring-gai Local Centres LEP 2012* (KLEP 2012). The proposed Planning Proposal is currently with the Department of Planning for consideration. A decision is expected in late August 2015.

The KLEP 2012 shows an absence of heritage items, areas of biodiversity or riparian lands on the subject site.

The site is located in the Lindfield Local Centre. The *Ku-ring-gai (Local Centres) DCP 2012 Volume B* guides the qualitative design response to the site, both in relation to the particular characteristics of Lindfield as a centre and the building typologies considered appropriate.

The subject site is subject to the relevant requirements of the *Ku-ring-gai (Local Centres) DCP 2012* contained in Volume A, Part 7 – Residential Flat Buildings and Part 8 – Mixed Use Development. Additionally, the site is subject to the controls under Volume B, Part 8 – Development near Railways and Busy Roads, which identifies particular setback controls to respond to noise constraints in these areas.

With reference to the local centre suite of planning documents, including the *Town Centres Public Domain Plan, 2010*; *Ku-ring-gai Contributions Plan, 2010* and *Local Centres DCP, 2013* the subject site has not been identified as a strategically important site for the delivery of future public community infrastructure.

### ***D. Background Studies***

To date, Council has engaged specialist consultants to carry out initial investigations into the site's conditions and constraints. A preliminary contamination assessment is required to be included with the planning proposal submission.

SLR Consulting have been engaged by Ku-ring-gai Council to prepare a Stage 1 – Preliminary Site Investigation report. Based on a review of the available desktop search data and observations made during the site walkover, the consultant makes the following conclusions and recommendations:

- there is a moderate likelihood of unacceptable contamination to be present on the site, as result of past and present land use activities;
- further assessment would be required to assess the suitability of the site for future land uses. The further assessment would likely require intrusive soil sampling using a targeted sampling point approach to address the identified areas of environmental concern;

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- likely future land use options should be identified prior to undertaking further assessment works, to enable appropriate human and environmental health exposure scenarios to be considered during those assessment works; and
- further contamination assessment work should be undertaken by a suitably experienced environmental consultant.

Traffic consultants, Peopletrans, prepared the Lindfield Transport Network Study 2014. Among the recommendations of this study, is an extension of Tryon Lane through to the subject site, to connect with the Pacific Highway. This will enable enhanced circulation for kiss-and-ride associated with Lindfield train station.

Other completed studies that are relevant to this project include:

- a Plan of Management (December 2014);
- a land valuation (November 2014);
- Lindfield Community Hub – preliminary feasibility modelling by Jones Lang LaSalle, 2014; and
- Lindfield Community Facilities Study prepared by Elton Consulting, December 2013.

### ***E. Development Options***

In response to resolutions from the Ordinary Meeting of Council 11 November 2014 SJB Urban (SJB) have been engaged to prepare three (3) built form options for the Lindfield library precinct, situated at 259-271 Pacific Highway, Lindfield. The consultants have engaged a rigorous process of site and context analysis, identified opportunities and constraints, devised bespoke design principles to inform the preparation of the various options. Options for different uses, including market housing, affordable housing, commercial uses, co-working spaces and childcare facilities have been explored in the three (3) options. A summary of the findings is set out below and the full study prepared by SJB Urban can be found in **Attachment 1**.

In preparing the three built form options, SJB have considered the context of the site to the north of the library precinct, at 283 Pacific Highway and how its potential future development may link closely in relation to the proposed built form outcomes, open space configuration and new street connections through the site. The options integrate the adjoining site into proposals to provide a holistic approach to the development of the southern end of the Lindfield Local Centre.

The aforementioned design principles form the fundamentals for the each of the following three (3) options. Similarly, the existing site conditions, opportunities and constraints have determined the optimal location and orientation of the proposed built form.

#### ***E.1 Site Analysis***

The library precinct sits within the Lindfield Local Centre. The site is bound by the Pacific Highway to the west, the North Shore rail line to the east, existing commercial development to the north and existing residential apartments to the south. The site is considered to have good exposure and aspect and proximity to the Pacific Highway (albeit one egress/ingress point), is situated 400 metres from Lindfield Station and is within the vicinity of the proposed Lindfield Community Hub and Lindfield Village Green.

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Topographically, the site is situated at street level with a significant fall from the Pacific Highway towards the rear boundary. There are numerous trees onsite, the largest of which are characteristic of the site's boundaries, with particularly dense/established foliage typical of the northern boundary interfacing with the Volvo car dealership at 283 Pacific Highway. Note – a detailed arboriculture assessment has not as yet been undertaken for the site.

The library precinct is characterised by five buildings of varying architectural styles ranging from the 1950s to 1970s, a carpark and two tennis courts, surrounded by lawns and gardens.

A number of constraints and opportunities have been identified:

**Constraints**

- traffic noise generated from the Pacific Highway;
- existing extant well situated in front of the library building;
- limited access from the Pacific Highway;
- existing trees on the site;
- setback control of 6 metres from the Ku-ring-gai Council DCP;
- adjoining residential buildings with habitable rooms and balconies facing north towards the site;
- rail noise generated by the rail line to the east; and
- existing building abutting northern boundary.

**Opportunities**

- Strengthen the existing street edge and frontage to the Pacific Highway;
- new street connecting the Pacific Highway with Tryon Place;
- active frontages at the rear, interfacing with Tryon Place;
- existing trees on the site create a buffer between subject site and the adjoining sites, rail corridor and residential flat buildings;
- stepped built form to respond to the site's topography; and
- potential future development of the adjoining site to the north (283 Pacific Highway).

***E.2 Design Principles***

Based on a contextual site analysis, the following design principles provide the basis for the evolution of the three (3) built form options prepared by SJB:

- connectivity;
- liveability;
- culture & place;
- community;
- activation & accessibility;
- integration with the Lindfield local centre; and
- amenity.

***E.3 Built Form Option 1***

The key characteristics of Option 1 are as follows:

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- this option is based on an FSR of 1.75:1, building heights between 5 - 6 storeys, generating 94 dwellings (units) and 163 car parking spaces;
- a through-site connection is proposed on the southern portion of the site - improving both pedestrian and vehicular connectivity from Tryon Place through to the Pacific Highway, whilst creating two viable development parcels;
- a useable area of open space is centrally located and contained by the proposed built form to the north, east and west;
- ground floor commercial uses fronting the Pacific Highway and Tryon Place will activate these street edges. This is especially important for the Tryon Place frontage, as it will form an important new link to the site from the rail station. Given its interface with the rail line, façade activation is essential to enlivening this 'back of house' space;
- proposed built form directly abuts the adjoining property (283 Pacific Highway);
- a range of building lengths and depths have been proposed across the site, which achieve the desired urban, amenity and development outcomes – allowing for a moderated building bulk and scale along the Pacific Highway frontage (block A2), maximising residential amenity and outlook throughout the site [particularly the northerly aspect of block A3], with building setbacks that respond to both the existing residential grain and commercial character of the Centre (blocks A2 & A3), whilst allowing for deep soil planting and unencumbered vehicular access/movement to the proposed basement car parking, as demonstrated in the massing diagrams – refer Figure 3;
- orientation of the blocks in this option engender an activated street edge along the entirety of the new through-site link (particularly blocks A1 & A2), using both commercial and residential uses to achieve this, encouraging continued activity and pedestrian movement through this shared zone;
- this option would require a minor LEP amendment (Schedule 1) to allow apartment buildings. No childcare centre is proposed in this option; and
- Option 1 has the lowest projected financial return of the three options presented in this report. The full financial analysis report prepared by Jones Lang LaSalle is in **Confidential Attachment A2**.



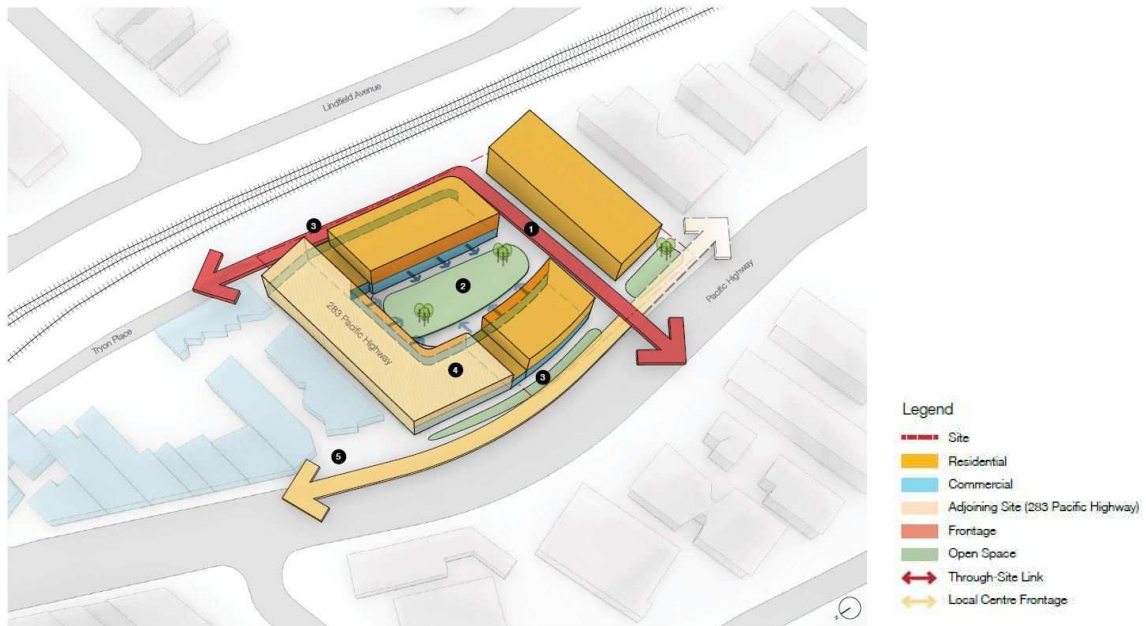


Figure 3 – Master Plan Option 1



Figure 4 – Illustrative Plan Option 1



View from the North West

Figure 5 – Option 1 Massing



View from the South West

Figure 6 – Option 1 Massing



Figure 7 – Option 1 Section

#### *E.4 Built Form Option 2*

The key characteristics of Option 2 are as follows:

- this option is based on an FSR of 1.75:1, a range of building heights between 4-6 storeys, generating 106 dwellings (units) and 150 car parks;
- in this option the through-site connection aligns with the subject site's northern boundary, removing the constraints associated with building interfaces along the Pacific Highway and Tryon Place frontages. Locating a road on a boundary rationalises basements (i.e single basement/single entry point) in turn creating a better developable site area overall;
- similar to that of Option 1, a range of building lengths and depths have been proposed however the orientation of the blocks differs, adopting a more contiguous form and stepped profile in response to the site's topography. In contrast to Option 1, a majority of the proposed apartments are orientated towards the Pacific Highway or rail line, taking advantage of district views at the upper levels, with lower level apartments overlooking the internal amenity space. Refer Figures 10 and 11 – Option 2 Massing;
- proposed building setbacks respond to both the existing residential grain and commercial character of the centre (block a3);
- the open space is apportioned into two key areas - a public space that flanks the through-site connection and a private amenity space (potentially with deep soil) situated on the southern portion of the site, corralled by the development;
- ground floor commercial uses are focused at the northern edge of the subject site, interfacing with Tryon Place, the new through-site link and overlooking the public open space;
- integration with the town centre's character is focused at the northern extent of the Pacific Highway frontage;
- deep soil landscape setbacks are provided along both the eastern and southern boundaries;
- this option would require amending the existing planning proposal to an R4 (High Density Residential) Zone and a height amendment to allow a maximum building height of 6 storeys (20.5 metres). This option includes a child care centre.
- Option 2 has the median projected financial return of the three options presented in this report. The full financial analysis report prepared by Jones Lang LaSalle is in **Confidential Attachment A2**.

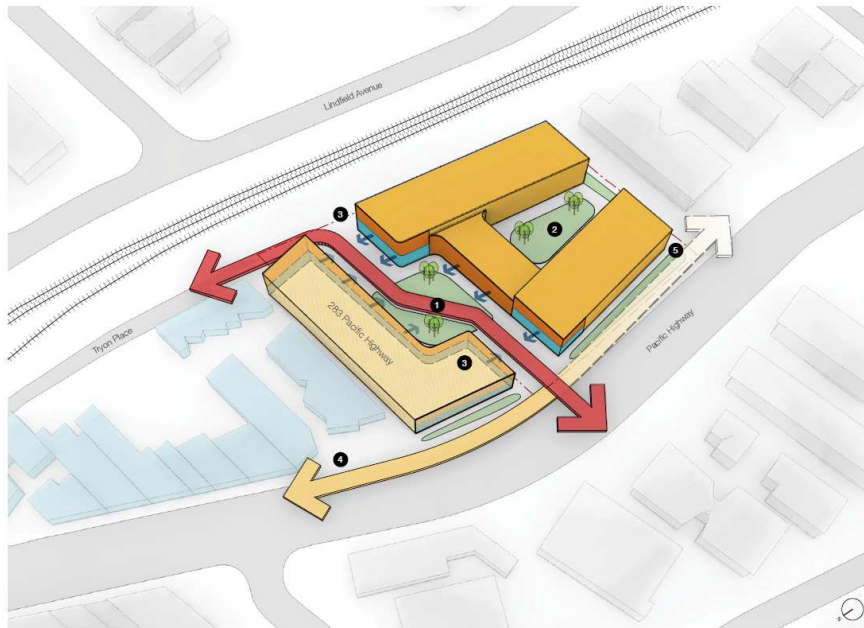


Figure 8 – Master Plan Option 2 and 3

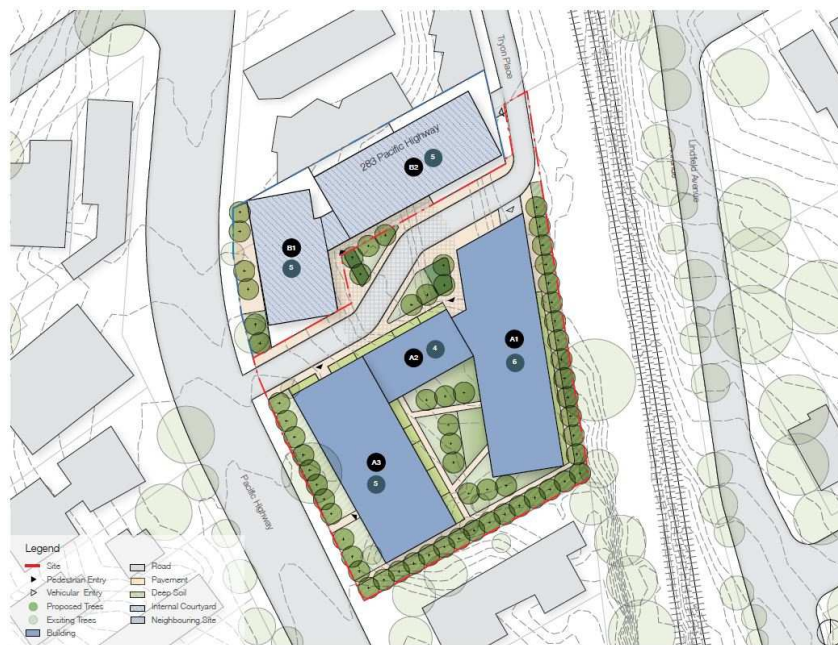


Figure 9 – Illustrative Plan Option 2





View from the North West

Figure 10 – Option 2 Massing



View from the South West

Figure 11 – Option 2 Massing

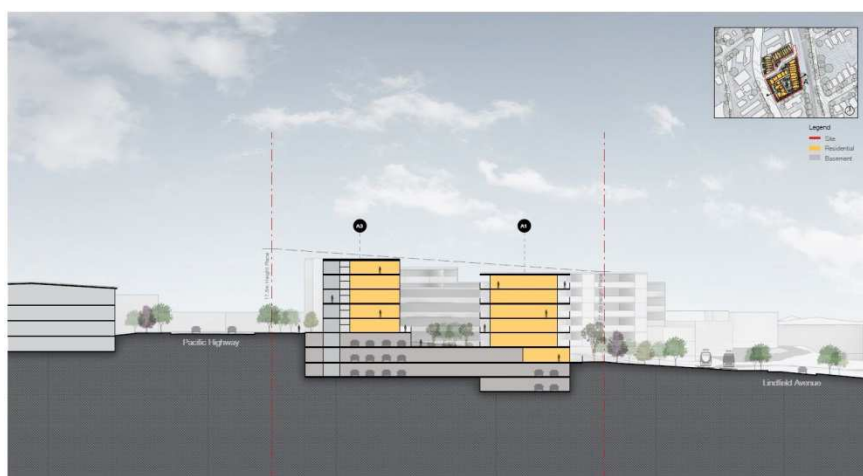


Figure 12 – Section

### ***E.5 Built Form Option 3***

The key characteristics of Option 3 are as follows:

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- this option is based on an FSR of 2.0:1, a mix of building heights ranging from 4-7 storeys, generating 121 dwellings (units) and 171 car parks;
- the through-site connection aligns with the subject site's northern boundary (as it does in Option 2), removing the constraints associated with building interfaces along the Pacific Highway and Tryon Place frontages. Locating a road on a boundary rationalises basements (i.e single basement/single entry point) in turn creating a better developable site area overall;
- similar to that of Option 2, a range of building lengths and depths have been proposed however the orientation of the blocks differs, adopting a more contiguous form and stepped profile in response to the site's topography. In contrast to Option 1, a majority of the proposed apartments are orientated towards the Pacific Highway or rail line, taking advantage of district views at the upper levels, with lower level apartments overlooking the internal amenity space. Refer Figures 14 and 15 – Massing Option 2;
- proposed building setbacks respond to both the existing residential grain and commercial character of the Lindfield local centre (block A3);
- the open space is apportioned into two key areas - a public space that flanks the through-site connection and a private amenity space (potentially with deep soil) situated on the southern portion of the site, corralled by the development;
- ground floor commercial uses are focused at the northern edge of the subject site, interfacing with Tryon Lane and the through-site link and overlooking the public open space;
- integration with the town centre's character is focused at the northern extent of the Pacific Highway frontage;
- deep soil landscape setbacks are provided along both the eastern and southern boundaries;
- this option would require amending the planning proposal to an R4 (High Density Residential) Zone and a height amendment to allow a maximum building height of 7 storeys (23.5 metres). This option includes a child care centre.
- Option 3 has the highest projected financial return of the three options presented in this report. The full financial analysis report prepared by Jones Lang LaSalle is in **Confidential Attachment C2**.



Figure 13 – Illustrative Plan Option 2



View from the South West

Figure 14 – Option 2 Massing



Figure 15 – Option 2 Massing

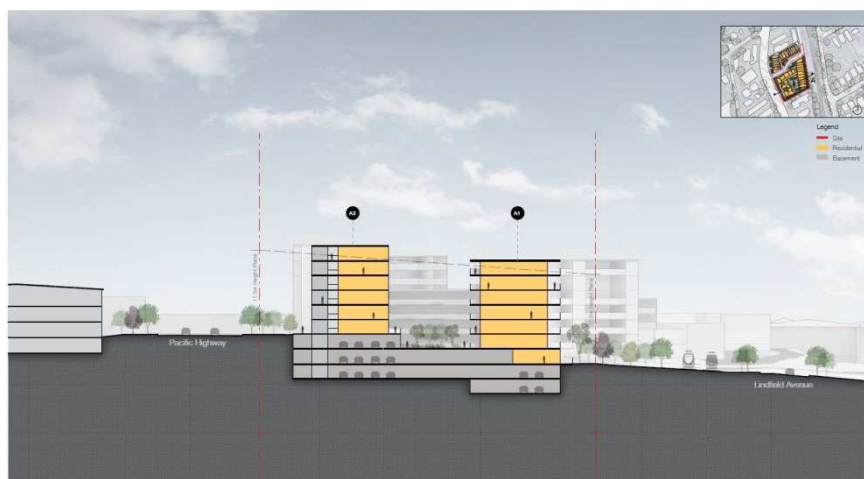


Figure 16 – Section

## F. Financial Feasibility Analysis

JLL have prepared a feasibility study for the Lindfield Library Precinct at 259-271 Pacific Highway, Lindfield, the full report is in **Confidential Attachment A2**. Specific deliverables provided within the report include the following:

- input into the identification of opportunities and constraints of the landholdings;
- market research of a range of potential asset classes including residential, inclusive of affordable housing, office, retail and childcare uses;
- undertake a feasibility analysis; and
- recommendations on maximising value.

The site is highly accessible, situated directly to the south of the mixed use commercial strip of the eastern side of the Pacific Highway and is within 400 metres of the Lindfield Railway Station. Within the context of the local centre and surrounding uses, the site forms a key transition site with established community uses sitting between existing commercial and residential uses.



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JLL has undertaken a financial analysis on the three built form options prepared by SJB. A summary of the findings is set out below.

### ***F.1 Residential Land Use Analysis***

In analysing the market conditions JLL have had regard for potential developments that may compete with the subject development. The development progress of a number of residential unit proposals, within Lindfield and suburbs immediately adjoining, such as Killara, Roseville and Gordon have been identified and summarised in the JLL report. It is noted that significant numbers of units are in the pipeline in these areas and would potentially compete with the subject project. Given the number of residential and mixed use developments within the area, any developments with a unit yield of less than 20 units has been omitted.

The market for residential development sites throughout the metropolitan area remains active, however, due to the lack of sales in the immediate area, JLL have considered broader sales evidence for comparative purposes, including a number of sites in Artarmon, Gordon, St Ives, Killara and Lane Cove North.

JLL consider demand for residential is currently very strong with the demand for completed product and development sites and that residential uses are the 'highest and best' use. The proposed development should therefore look to achieving the greatest potential residential yield to maximise value.

### ***F.2 Affordable Housing***

The State Environmental Planning Policy (Affordable Rental Housing) 2009 (AHSEPP) was introduced on the 31 July 2009 to increase the supply and diversity of affordable rental and social housing throughout NSW. JLL have considered the key impacts on marketability of this SEPP on the subject site to be:

- that a proportion of the development will be rented out as 'affordable housing';
- that the rent proportion will be so at a discount market rent, for a minimum period of ten years; and
- a requirement for specialised management.
- there is limited comparable evidence for transactions that can provide a guide to the impact on value. However, JLL's research has identified a site at 1190 Pacific Highway, Pymble that is currently being marketed. The site is DA approved for 43 apartments on a 1,982.5sqm GFA with:
  - a unit mix consisting of 11 x 2 bedrooms, 4 x 1 bedroom + study and 28 x 1 bedrooms;
  - approved under the Affordable Housing SEPP for 30% of the GFA; and
  - located 400 metres to Pymble train station and shopping village.

JLL's observations suggests that there is a lack of evidence in the market, to provide definitive guidance on the demand for affordable housing, however the research undertaken by JLL indicates a significant discount to unencumbered residential product.

### *F.3 Non-Residential Land Uses*

Based on the assessment in section 8 of the JLL report regarding childcare and commercial office uses, JLL conclude that while a small amount of non-residential land uses could be accommodated, potentially in the form of a child care centre, these should be limited due to the locational attributes of the site. It is recommended to focus retail in the core of the centre. Retail on this site would be considered a low driver because of its location on the fringe of the centre.

### *F.4 Feasibility Analysis of Options*

JLL have compared the three (3) options prepared by SJB using a Discounted Cash Flow Model (DCF) which derives Residential Land Value (RLV). In all cases nil escalations and 100% debt financing of the development have been assumed. JLL have also analysed the site using the direct comparison model. The feasibility outcome (Residential Land Value Approach) for each option has been reviewed, together with the direct comparison approach.

The outcome of the JLL analysis is provided in **Confidential Attachment A2**.

JLL make the following conclusions and key observations for council's consideration:

- residential uses are the 'highest and best use' of the site and should be maximised;
- affordable housing provides a far inferior financial outcome compared with unencumbered residential uses. If Council considers affordable housing JLL recommends that the affordable housing be restricted to a single building rather than having it within each building – thus allowing the potential to subdivide off the affordable housing component;
- some demand exists for non-residential uses, albeit at a materially "softer" rate than the residential land uses. The market will determine most appropriate use; however, JLL considers that a childcare use would be viable at this location; and
- JLL has seen compression in the market between the value of development approved sites and sites without development approval, the additional ~15% might be worth pursuing to maximise the value of the site, but would add significantly to Council's timeframe for disposal.

As such JLL recommends Ku-ring-gai Council pursue the following strategies to maximise value:

- pursue development strategies which maximise the residential yield from the site, not including affordable housing. While a small amount of non-residential land uses could be accommodated, potentially in the form of a child care use, these should be limited due to the locational attributes of the site;
- pursue development approval on the site with maximum development yield; or
- offer a sale and leaseback, to provide the developer time to achieve a development approval. A timeframe of 12-18 months would be ideal to from the markets perspective.

### *G. Historical Archaeological Assessment*

The library precinct contains an extant well which was constructed as part of the previous use of the site as a dairy farm owned by the Coleman family [late 19<sup>th</sup> Century] and is located directly in front of the existing library. The well is not listed as a heritage item. The study area is not listed on any heritage registers and does not border any heritage-listed sites or conservation areas.

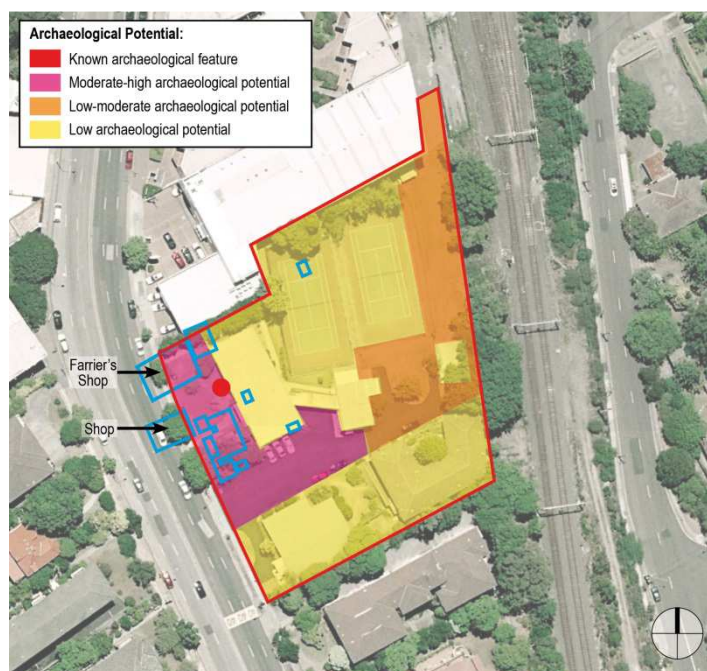


Figure 17 – Location of extant well [red dot] and former shops

GML Heritage Pty Ltd (GML) has been engaged on behalf of Council to prepare a historical archaeological assessment (HAA) of the Lindfield library precinct and in particular undertake historical research to better understand the significance of the existing well and identify any necessary mitigation measures should they be required. The HAA is required to inform a concept design for the potential redevelopment of the site. The report evaluates the site's potential to contain a historical archaeological resource and assesses its heritage significance. The report also identifies historical archaeological opportunities and constraints and provides recommendations for the management of the potential resource. The full report is available in **Attachment A3**.

The HAA report concludes that:

- the site has moderate to high potential to contain historical archaeological remains associated with the key phase of its late nineteenth century development associated with Thomas Coleman's shops and small industry complex. The complex became a landmark in the district and was known to the locals for many years as Coleman's Corner;
- the majority of the site's potential archaeological remains have been assessed to be of significance at a local level. Relics associated with the nineteenth century convict labour used at the Clanville property for orcharding and farming are unlikely to exist onsite, but if any substantial evidence were found, it would be significant at a state or possibly national

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level. As such, most of the potential archaeological remains constitute relics within the meaning of the Heritage Act;

- given the local interest in the extant well and the history of the site, it is recommended that the well be left in situ and incorporated into the new design. However, if this option is not feasible due to construction restraints, removal with relocation and interpretation should be considered. It is further recommended that interpretation of the well be relocated to the associated Lindfield Community Hub site, being a more publicly accessible location;
- interpretation of the site's archaeological resource, post excavation, should warrant the implementation of a public interpretation program (possibly in the form of interpretive signage or other suitable medium) in order to offset development impacts on the potential significant resource that may exist on site;
- in the event that unexpected historical archaeological evidence is not identified in this report but was to be encountered during the site works, works should cease and the Heritage Division, OEH, be notified immediately in accordance with Section 146 of the Heritage Act; and
- in the event that Aboriginal archaeological remains are located during the course of the proposed development or historical archaeological investigations within the subject site, work should cease immediately, and, if not already present, an archaeologist should be contacted to document and assess these finds.

Based on discussions between Council staff and GML, it has been ascertained that further investigative works will need to be undertaken on site. To be able to determine the nature and extent of the site's archaeological potential, GML would undertake an archaeological investigation of the site prior to development in the library precinct. This investigation would include archaeological testing, recording and a report outlining the findings, with particular reference to the state of the extant well in front of the existing library building. This investigation would be carried out under the conditions of a Section 139 approval under the Heritage Act 1977.

### ***H. Preferred Built Form Option (Option 2)***

Option 2 has been assessed as the preferred for the following reasons:

- the option is based on a range of building heights between 4-6 storeys which is considered optimal for the site;
- the option provides a new public road connection along the subject site's northern boundary, removing the constraints associated with building interfaces along the Pacific Highway and Tryon Lane frontages;
- locating the road on a boundary rationalises car parking basements which in turn creates a better developable site area overall;
- a range of building lengths and depths have been proposed which offer a more contiguous form and stepped profile in response to the site's topography;

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- a majority of the proposed apartments are orientated towards the Pacific Highway or rail line, taking advantage of district views at the upper levels, with lower level apartments overlooking the internal communal open space;
- the option provides a small public space adjoining the new road which may be a good location for site history interpretation;
- Option 2 has the median projected financial return of the three options presented in this report.

Given some of the matters raised in the risk section below, it would be quite acceptable for Council to give serious consideration to **option 3**.

**INTEGRATED PLANNING AND REPORTING**

Theme 3 - Places, Spaces and Infrastructure

Theme 6 - Leadership and Governance

Community Strategic Plan Long Term Objective	Delivery Program Term Achievement	Operational Plan Task
A range of well planned, clean and safe neighbourhoods and public spaces designed with a strong sense of identity and place.	P4.1.1 Plans to revitalise local centres are being progressively implemented and achieve quality design outcomes in collaboration with key agencies, landholders and the community.	- Implement a place management approach for the local centre improvements to coordinate works and achieve quality outcomes.
	P4.1.4 An improvement plan for Lindfield centre is being progressively implemented in collaboration with owners, businesses and state agencies.	- Engage with relevant stakeholders to establish timing, extent and partnership opportunities. - Develop and finalise project scope. - Maintain engagement with the key stakeholders.
Ku-ring-gai is well led, managed and supported by ethical organisations which deliver projects and services to the community by listening, advocating and responding to their needs.	L2.1.1 Council maintains and improves its long term financial position and performance.	- Review Long Term Financial Plan (LTFP) each year based on 10 year forecasts - Undertake quarterly reporting to Council on the financial performance of the organisation. - Assets are identified for disposal to discharge the Services Relocation Loan by 2016 - 2017.

Community Strategic Plan Long Term Objective	Delivery Program Term Achievement	Operational Plan Task
		<ul style="list-style-type: none"> <li>- Review opportunities for sustainable and Assets equitable increases to Council's income supported by the community.</li> <li>- Continue to analyse opportunities to expand the revenue base of Council.</li> <li>- Ensure the commercial property portfolio provides market returns. Manager Integrated Planning, Property</li> </ul>
	L2.1.4 Council has increased its commitment to infrastructure asset management priorities.	<ul style="list-style-type: none"> <li>- Identify available funding sources in the LTFP and allocate to priority projects.</li> <li>- Funding strategies are developed and implemented in line with Council's Assets adopted Asset Management Strategy.</li> <li>- Regularly revise Council's strategic asset management plans and integrate with financial planning processes.</li> <li>- Continually improve the integrity of asset data and asset registers.</li> <li>- Implement asset management plans and progress improvement plans for each asset class.</li> <li>- Implement an integrated corporate asset management system for all asset classes.</li> </ul>

## GOVERNANCE MATTERS

Section 45 of the *Local Government Act, 1993* prevents Council from selling; exchanging, or otherwise disposing of Community classified land therefore it is proposed to reclassify the site from Community Land to Operational Land in accordance with Section 27 of the Act.

At its Ordinary meeting of Council on 11 November 2014, Council resolved to prepare a Planning Proposal to amend the Ku-ring-gai Local Environmental Plan (Local Centres) 2012 to reclassify the site from Community land to Operational land and increase the maximum FSR from 1.3:1 to 2.0:1. A Planning Proposal, prepared in accordance with Section 55, *Environmental Planning and*

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*Assessment Act, 1979*, was submitted to the Department of Planning and Environment on 26 May 2015. A Gateway Determination is yet to be issued for the Planning Proposal.

Should Council adopt Option 2 or Option 3 for the site, a variation to the Planning Proposal would be required to facilitate the implementation of either option.

Under section 58 of the EP&A Act, Council may, at any time, vary its proposals as a consequence of its consideration of any submission or report during community consultation or for any other reason. If it does so, a revised planning proposal is to be forwarded to the Minister.

## **RISK MANAGEMENT**

The main risk for Council of undertaking the reclassification process is community concern about the loss of community assets; this can impact on Council's reputation.

The case of the library precinct is different to other sites Council has put forward for reclassification because:

- Council has clearly articulated its intention to create a new community hub on the western side of Lindfield local centre which will replace the existing facilities with new, larger purpose-built facilities. This proposal is supported by two recent studies: The Ku-ring-gai Community Facilities Strategy (Elton Consulting, 2013) and the Lindfield Community Facilities Study (Elton Consulting, 2013).
- Council has committed to a master planning process for the Woodford Lane precinct which is currently underway and will add further weight to Council's vision.
- Council has been actively acquiring land in the Woodford Lane precinct; to date Council has acquired almost 5,000m<sup>2</sup> of land on Bent Street, an area of land equivalent almost equivalent to that of the library precinct (which is about 5,800m<sup>2</sup> in area).

A second risk is managing the quality of development within the library precinct. This could be mitigated by Council preparing a development application and selling the site with a development approval for a well-designed development with an appropriate level of density and scale which is economically feasible.

A third risk is, if Council were to sell the land, the purchaser may seek greater height and density through a planning proposal under Part 3 Division 4 of the EPA Act. This risk may also be mitigated by Council preparing a development application and selling the site with a development approval.

There are significant risks for Council in relation to any decisions it makes regarding zoning, reclassification, planning controls, and/or divestment for any of its town centre sites or "hub" projects. These risks are potential loss of revenue in the event a site is sold with lesser development yield than might reasonably expected under a new regime of dwelling targets and where a purchaser subsequently comes back to Council with a planning proposal for an uplift in controls, and/or that the "opportunity" for greater dwelling production on key town centre sites is simply lost by development at lesser height and density.

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Notwithstanding that the State Government has not made any specific pronouncements about increased dwelling targets since it was first elected, there is a plethora of material available in the public realm that points to significantly increased dwelling targets for all metropolitan councils when draft subregional plans are released later in 2015. This is supported by the current subregional planning process being conducted by the Department of Planning and Environment in which all councils are being consulted, but arguably not engaged in any meaningful way, about new targets. It is also arguable that subregional plans were substantially completed before the State election, with release being held back until arrangements for the greater Sydney Commission are finalised and closer to when decisions are made in relation to local government amalgamations.

Barring direct intervention by the Department or the new Greater Sydney Commission in the spatial distribution of new dwellings at a local level, Council will have to make decisions about the form of its town centres going forward. Specifically, Council may be required to deliberate as to whether the currently relatively contained town centres are developed to be higher and denser than currently envisaged under the Local Centres LEP, or are they more spread out than at present, assuming continuation of the current, generally five storey, model. In this respect, the achievement of dwelling targets in the town centres specifically is being hampered by the constrained development controls applied to some sites in the translation of the Town Centres LEP into Council's Local Centres LEP. Many sites in the core of the town centres remain marginal or unviable notwithstanding the recent property price escalation in Sydney. This contention is supported by much of the viability work Council itself commissioned in its local centres planning process, and which has been more recently confirmed by the Department of Planning and Environment through demonstration of an Urban Feasibility Model developed to guide subregional planning.

**FINANCIAL CONSIDERATIONS**

There are no direct financial impacts to Council as a result of this report.

If reclassification was to proceed and Council resolved to reclassify the site from Community Land to Operational Land this would facilitate potential future sale of the Lindfield library precinct. The proceeds of the sale of the site could be used in a number of ways:

- to pay down debt associated with the purchase of 828 Pacific Highway, Gordon;
- to address the asset renewal gap (funding shortfall) by returning the funds to reserves for expenditure on new assets or major asset refurbishment in accordance with the Long Term Financial Plan (LTFP) guiding principles (LTFP, page 4); or
- to fund Council's co-contribution for projects identified in the Development Contributions Plan 2010. The LTFP proposes that asset sales from rationalisation of property assets commence in 2015/16 and continue over a 10 year period as Contribution Plan projects proceed (LTFP, page 23).

**SOCIAL CONSIDERATIONS**

It is noted that this site is likely to have some social significance given that it has been the site of the library since 1954, however the Lindfield Community Hub will provide for the continued provision of contemporary designed community facilities within the local precinct.



The preferred option (Option 2) proposes to include a child care centre. This could be owned by council, and leased to a commercial operator, providing both long term income for Council and retention of a community facility on the site which reflects the current site use.

Historical Archaeological Assessment recommends that the well be left in situ and incorporated into the new design. However, if this option is not feasible due to construction restraints, removal with relocation and interpretation should be considered. It is further recommended that interpretation of the well be relocated to the associated Lindfield Community Hub site, being a more publicly accessible location.

Interpretation of the site's archaeological resource, post excavation, should warrant the implementation of a public interpretation program (possibly in the form of interpretive signage or other suitable medium) in order to offset development impacts on the potential significant resource that may exist on site;

### **ENVIRONMENTAL CONSIDERATIONS**

The planning proposal for the reclassification will not result in any additional environmental effects to those considered during the preparing of the draft Local Centres LEP.

Due-diligence studies have been undertaken in relation to site contamination, subject to further investigation.

### **COMMUNITY CONSULTATION**

Statutory community consultation will be carried out through the planning proposal process. An independently chaired public hearing is also necessary in relation to reclassification from Community land to Operational land.

It is proposed to exhibit an architectural concept for the subject site at the same time as the reclassification exhibition is underway; at the same time Council has recently completed an exhibition of options for the Lindfield Community Hub which are publicly available. In this way the community can be well informed as to Council's long term intentions to replace the existing facilities and relocate existing services into new and larger facilities in a more accessible location.

### **INTERNAL CONSULTATION**

This report was prepared by the Strategy & Environment Department in consultation with staff from other Departments where relevant.

### **SUMMARY**

This report provides an update to Council on the progress of planning for the site and a recommendation for a preferred option for the potential redevelopment of the existing Lindfield library precinct at 259-271 Pacific Highway, Lindfield.

The urban design study considered three built form options:

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- Option 1 - FSR of 1.75:1, building heights between 5 - 6 storeys, generating 94 dwellings (units) and 163 car parking spaces;
- Option 2 - FSR of 1.75:1, a range of building heights between 4-6 storeys, generating 106 dwellings (units) and 150 car parks; and
- Option 3 - FSR of 2.0:1, a mix of building heights ranging from 4-7 storeys, generating 121 dwellings (units) and 171 car parks.

Option 2 has been assessed as the preferred option, primarily because of the proposed range of building heights between 4-6 storeys (FSR 1.75:1) which is considered optimal for the site as a transition from high density to medium density. Option 3 is identical to option 2 except that the proposed building heights up to 7 storeys (FSR 2.0:1) which is considered less suitable for this site.

The financial feasibility analysis finds that:

- Option 1 has the lowest projected financial return;
- Option 2 has the median projected financial return; and
- Option 3 has the highest projected financial return

The Feasibility Assessment for the subject site concludes:

- residential uses are the 'highest and best use' of the site and should be maximised;
- the value of the site with development approval is estimated to be approximately 15% more than without development approval; and
- that Council pursue development approval on the site or offer a sale and leaseback, to provide the developer time to achieve a development approval. A timeframe of 12-18 months would be ideal from the markets perspective.

The adoption of either Option 2 or Option 3 for the site would require a variation to the existing planning proposal applying to the site and resubmission to the Department of Planning and Environment under Section 58 of the EP&A Act.

Should Council adopt Option 2, then it is recommended that the existing Planning Proposal applying to the site be amended as follows:

- Zoning of the site changed from Zone B2 Local Centre to Zone R4 high Density Residential
- Maximum building height increased from 17.5metres to 20.5 metres
- Maximum FSR decreased from 2.0:1 to 1.8:1
- Office and business premises included as addition permitted uses under Schedule 1 of KLEP (Local Centres) 2012

Should Council adopt Option 3, then it is recommended that the existing Planning Proposal applying to the site be amended as follows:

- Zoning of the site changed from Zone B2 Local Centre to Zone R4 high Density Residential;
- Maximum building height increased from 17.5metres to 23.5 metres;
- Office and business premises included as addition permitted uses under Schedule 1 of KLEP (Local Centres) 2012.

**RECOMMENDATION:**

- A. Council adopts for the site at 259-271 Pacific Highway, Lindfield:

*Either*

- a) Built Form Option 2 with an FSR of 1.8:1, a building heights between 4-6 storeys

*or*

- b) Built Form Option 3 with an FSR of 2.0:1 and a building height of between 4-7 storeys

- B. That Council proceed to prepare an illustrated concept design of the selected option for public exhibition in conjunction with the reclassification exhibition.

- C. That the existing Planning Proposal applying to the site be varied in accordance with section 58 of the EP&A Act as follows:

*Either*

- a) To facilitate built form Option 2 by:
- Zoning of the site changed from Zone B2 Local Centre to Zone R4 high Density Residential
  - Maximum building height increased from 17.5 metres to 20.5 metres
  - Maximum FSR decreased from 2.0:1 to 1.8:1
  - Office and business premises included as addition permitted uses under Schedule 1 of KLEP (Local Centres) 2012

- b) To facilitate built form Option 3 by:
- Zoning of the site changed from Zone B2 Local Centre to Zone R4 high Density Residential
  - Maximum building height increased from 17.5metres to 23.5 metres
  - Office and business premises included as addition permitted uses under Schedule 1 of KLEP (Local Centres) 2012

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Director Strategy & Environment

<b>Attachments:</b>	A1	Lindfield Library Precinct - Design Report - Stage 3 - final draft - SJB	2015/186698
	A2	JLL Lindfield Library Feasibility Study 15-07-15 FINAL	<i>Confidential</i>
	A3	Lindfield Library Precinct - Historical Archaeological Assessment - Final Report - June 2015	2015/184951