HAWKESBURY CITY COUNCIL

SPECIAL MEETING

Where People Make the Difference!

SPECIAL BUSINESS PAPER

DATE OF MEETING: 14 December 1994

LOCATION: Council Chambers

TIME: 7:30pm

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SPECIAL

Section 4

Reports for Determination

ITEM: 20 DISCOUNT DEPARTMENT STORE (DDS) BASED RETAIL CENTRE FOR THE CITY OF HAWKESBURY

FILE NUMBER: P1343/212/10 (Hely & Horne Stuart Perry); LEP010/93 (Hawkesbury City Centre Pty Ltd); LEP016/94 (Macquarie Bank); LEP018/93 (Richmond Growth Pty Ltd); LEP019/93 (A & A Lederer Pty Ltd); LEP002/87 (Lonsdale, Jackett & Jonjin)/EVD

REPORT:

This report has been prepared by Council staff in conjunction with Plant Locational International.

Background

It is useful to recapitulate on the history of proposals for "district" level retail facilities in the City of Hawkesbury. This is not to say that Council should be bound in its deliberations by past decisions as there has been significant change in many of the relevant variables, but merely to indicate that there has been considerable interest in the establishment of such a centre over a long period of time. They also illustrate previous pitfalls such as aggregating sites, obtaining the approval of the Department of Planning and fending off disgruntled competitors.

Richmond

In 1986 Council received two separate proposals for a discount department store based centre virtually simultaneously.

One application was for a large discount department store on the northern side of Francis Street on land owned by R C Tate. The plan provided for a store of 12,000m^2 to be located on a suspended concrete slab above the floodplain. Provision was made for 540 parking spaces on a single level between Francis Street and the building alignment.

Another application was for a smaller K-Mart having an area of approximately 6,800m^2 and linking to the existing Coles supermarket by way of a proposed arcade of new shops with these shops having an additional area of 1,900m^2. This proposal provided for 240 basement car parking spaces and 245 spaces on ground level.

Both sites were ultimately supported by Council but neither proceeded for a variety of reasons.

A third proposal was submitted in 1989 by SHK Architects which suggested the partial closure of West Market Street and the utilisation of the two major existing carparks. This proposal did not proceed.

Windsor

There have been various suggestions and proposals for the establishment of a retail complex over the land known as "Hollands Paddock" which is the vacant land generally bounded by The Terrace, Baker Street, George Street and New Street. These have not proceeded for a number of reasons, principally flooding and construction cost.

Clarendon

On 11 December 1992 Council received a rezoning application for an integrated retail, tourism, residential and leisure development (LEP 13/92). The retail component incorporated a centre with a gross leasable area (GLA) of 15,500m^2 with an additional 2,600m^2 devoted to bulky goods retail.

Following a number of reports to Council and resolutions, Council resolved at its meeting on 13 April 1993 not to proceed with the making of a Draft Local Environmental Plan to permit the establishment of an integrated retail, tourism, residential and leisure development at Prestonville, Richmond Road, Clarendon.

An application for rezoning was again submitted on 16 August 1993. At Council's meeting on 9 November 1993 it was resolved that:-

1. Council investigate the contents and funding required for a Retail Strategy for the City, including the availability of external funding sources.

2. The preparation of a draft LEP for the Clarendon Shopping Centre proposal not be supported at this time but be further considered with 1 above.

3. The preparation of a draft LEP for the residential component of the Clarendon proposal not be supported at this time.

Bligh Park

Mr Tom Lonsdale has been pursuing a commercial zoning of his land off Rifle Range Road for a number of years. In 1991 he wrote to Council proposing that his land and land owned by Mr Neville Jackett and Hawkesbury City Council be rezoned to permit a DDS/Shopping Plaza.

Recently Mr Lonsdale and two other property owners, Messrs Jackett and Jonjin, proposed a commercial zoning of their land (9 hectares) to facilitate a DDS based centre.

DOES THE CITY OF HAWKESBURY REQUIRE A DISCOUNT DEPARTMENT STORE BASED CENTRE?

There has been some dispute as to whether such a centre is actually required. Such debate turns on the estimate of "escape expenditure" to other major retailing centres such as Penrith, Blacktown and Castle Hill and secondly the extent to which a DDS based centre in the Hawkesbury would stem the exodus of that expenditure.

Since the consideration of the proposed Clarendon development in 1993, Council commissioned a consultant, Plant Location International (PLI), to examine the demand for a major increase in the stock of retail floor space in Hawkesbury and what effect such an increase would have both on the existing retail sector and in terms of employment within Hawkesbury in general. Plant Location International are experienced in modelling retail demand and provide advice to many major shopping centre developers.

Plant Location International estimate escape expenditure in 1994 to be some $100 million. In 1991-92 escape expenditure was equivalent to approximately 26% of total available expenditure but since the major expansion and upgrading of centres such as Penrith Plaza this figure could have risen to 30%. They forecast by the year 2011 escape expenditure could rise to $144 million per annum if there is no major upgrading of the retail sector.

Based on past survey work undertaken by PLI, they assume that, at a minimum, escape expenditure will range somewhere between 13% and 17% of total available expenditure from an area such as Hawkesbury. Therefore there is a considerable variation between the current level of escape expenditure and the level which should be achievable.

PLI undertook a survey of 409 residents in Richmond and Windsor in July 1994. The survey found that 150 respondents (37%) considered the area lacked a discount department store. Within this group some respondents made specific reference to DDS chains such as Kmart, Target and Big W. A further 90 respondents (22%) referred to the need for a department store such as Grace Bros or David Jones even though it is unlikely such a store will ever be established in the Hawkesbury.

The other major response concerned the need to substantially upgrade clothing stores in Hawkesbury. This includes mens, womens and children's clothing. In total some 25% of respondents referred to the need for a greater range and higher quality of stores in this category.

It is worth noting that the investigations by PLI corroborate, in general terms, the findings of a report by Hirst Consulting Services prepared in November 1992 on behalf of the proponents of the Hawkesbury City Centre at Clarendon.

In summary there is much expert evidence to support the need for a DDS based retail centre as a means of reversing the current exodus of retail expenditure out of the area. If this can be achieved there will in aggregate be an economic stimulus to the area through the creation of additional jobs. For example, if escape expenditure could be reduced to 13%, additional sales of $39 million would accrue which would, in theory, create an additional 400 positions in the retail sector in the City of Hawkesbury.

WHAT ARE THE FEATURES OF THE CURRENT REZONING PROPOSALS FOR A DISCOUNT DEPARTMENT STORE BASED CENTRE?

Council is faced with the unusual situation of having six rezoning proposals before it for the establishment of such a centre. Another proposal (the seventh) involving the use of the former waste depot site at South Windsor was rejected as not warranting further consideration.

The following table summarises the key features of each of the six proposals. The maps accompanying this report indicate the site of each proposal.

PROPOSALS FOR DISCOUNT DEPARTMENT STORE (DDS) BASED CENTRES

	1. Hely & Horne Stuart Perry Architects	**2. A & A Lederer Pty Ltd**	**3. Hawkesbury City Centre Pty Ltd**	**4. Richmond Growth Pty Ltd**	**5. Macquarie Bank**	**6. Lonsdale, Jackett and Jonjin**
Location	Bounded by Paget Street, Windsor Street, East Market Street and the railway line	The existing Council carpark behind Richmond Mall (current Coles supermarket) and properties fronting Francis Street	The former Prestonville property, Richmond Road, Clarendon	Generally the block bounded by March Street, Paget Street, Lennox Street and East Market Street, Richmond	Land comprising part of the University of Western Sydney off Londonderry Road, Richmond	Land comprising Lot 341 Rifle Range Road, Lot 308 Collith Avenue and Lot 309 Collith Avenue
Overall size	6,150m^2	11,200m^2 (9,635m^2 total retail floor area)	18,500m^2 gross leasable floor area	15,300m^2	24,400m^2 gross leasable floor area plus 6 x cinemas	No plan available. Owners have a combined site area of approximately 9 hectares
Size of DDS	1,000m^2	5,450m*2*	6,305m^2	6,200m^2	7,800m^2	No plan available
Size of Supermarket	2,500m^2	2,000m^2	One at 3,540m^2 (Woolworths) and a second (Franklins) at 1,840m^2.	3,800m^2	One at 4,500m^2 (Woolworths) and a second (Franklins) at 4,000m^2	No plan available
Other majors	Nil	Nil	One major trader at 2,260m^2 plus a bulk retail centre at 3,200m^2.	Nil	Nil	No plan available
Area of Specialty shops	2,650m^2	2,185m^2	2,296m^2	4,000m^2	5,800m^2 plus 1,500m^2 for leisure and entertainment	No plan available
No. of specialty shops	Not specified	32	26	Not specified	Not specified	No plan available
Off street parking	270 plus up to 65 for commuters	638	1,140	856	1,600 approximately	No plan available
Date received	12 July 1994	29 October 1993	16 August 1993	29 October 1993	17 November 1994	11 May 1990

Notes:- .Except where indicated the floor areas are total floor areas as distinct from leasable area. In some instances they have been scaled from plans and should be considered as approximate.

HOW SHOULD A DISCOUNT DEPARTMENT STORE BASED CENTRE BE SELECTED?

It is only proposed that Council evaluate the sites which have been the subject of rezoning proposals, as they have the potential to proceed to fruition. To consider other sites would delay the establishment of a new retail centre for an indeterminate period with a continuing aggregate economic loss to the residents of the Hawkesbury.

The only objective means of evaluating the merits of each proposal is through the application of some agreed assessment criteria. In the definition of the criteria there must be some subjective weighting of variables, however the process is transparent and should the Council disagree with the criteria or weightings, they may be changed and the rezoning proposals re-evaluated.

Plant Location International have been engaged to assist in the development of a methodology for assessing the proposals. Much of the following report is based upon the advice provided by PLI.

In assessing any rezoning application, Council must have regard not only to the extent to which a proposal is in accordance with general planning principles and standards, but also whether the proposed development can be serviced by existing infrastructure and the affect it will have on the environment. With respect to planning standards, while these are matters for consideration in the evaluation of any rezoning proposal, it is worth recognising that Council is evaluating **rezoning** rather than **development** proposals. Accordingly, there is a limit to the extent to which technical planning criteria can be applied to each proposed rezoning as these issues are more capable of being assessed at the development application stage.

Over and above the issues outlined, there are some strategic criteria which are applicable in this case. If Council accepts the general proposition that any future retail development should significantly upgrade retail services so as to reduce escape expenditure, the scale and tenant mix of the developments proposed by each applicant are an important strategic consideration.

For these reasons it is proposed that the assessment criteria should be separated into **strategic criteria** on the one hand and **technical criteria** on the other. Strategic criteria should be attributed greater weight as there is little point in supporting a rezoning proposal if it does not deliver substantial net benefits in terms of improving retail services in the area. Therefore the preferred site will be determined by the strategic criteria provided that basic technical criteria are met. If two proposals have equal benefits in terms of strategic criteria, then it would be relevant to consider technical criteria as a means of selecting a preferred development.

Technical criteria primarily relate to town planning requirements which need to be satisfied for any development to proceed. Clearly, it would be pointless if a proposal satisfied a significant number of strategic criteria but failed on a range of technical matters such as the availability of general urban services, access, parking and the like.

It is also proposed that the two broad areas of classification - **strategic** and **technical** be **ranked** to assist in the evaluation process. In other words there are some strategic criteria which appear more important than others and similarly there are some technical criteria which could be ascribed greater significance compared with others.

The selection of the criteria and their ranking or weighting have been undertaken by Plant Location International in consultation with Council staff. There will not be unanimous agreement as to the particular criteria selected or their weighting, however it is impossible to evaluate the proposals without forming such opinions.

WHAT ARE THE STRATEGIC CRITERIA IN ORDER OF IMPORTANCE?

1. Tenancy Structure

Most would agree that one of the key means to reduce escape expenditure flowing from the Hawkesbury is the incorporation of a full line DDS within any new retail centre. Such stores, as exemplified by Big W and Kmart, are usually in the range 6,500 to 8,000 square metres. A major DDS store is also operated by Target, a division of Coles Myer. Target stores traditionally have specialised in clothing and related products and as a consequence do not carry a full range of merchandise comparable to that of both Kmart and Big W. Target stores are usually in the range of 5,000 to 7,000 square metres.

PLI recommends that any retail proposal which is the subject of rezoning which does not include a full line DDS (Kmart or Big W) of at least 6,000m^2 should be ranked in terms of strategic criteria as being less preferred than one that does.

2. Tenancy Support

As the primary objective of the rezoning is to achieve a centre which is capable of reducing the exodus of escape expenditure it is relevant to evaluate each proposal in terms of the degree of support it enjoys from potential major tenants - that is, DDS and supermarket operators.

If such support does not exist there is a reasonable likelihood that the development will not proceed and that the relatively long gestation period which has preceded expansion of retailing in the Hawkesbury will continue. If applicants are unable to provide documented evidence of recent support for their proposal from major tenants it is considered that the project should be ranked lower in terms of suitability than those which provide such evidence.

3. Impact on Existing Centres

As noted in PLI's report on retailing in Hawkesbury, the addition of any district scale DDS based centre will have an impact on existing retailers in the City. There is considerable debate as to whether this impact would be reduced by a large scale centre incorporated within the fabric of one of the existing business centres or by a centre developed in a "free standing" location. The Windsor and Richmond Chamber of Commerce have argued that the development should be located within an existing retail centre (Windsor or Richmond) rather on a free standing site away from those centres.

From both PLI's experience as a long-standing retail consultant, and from a search of the literature on this issue, there is no conclusive evidence available which demonstrates that the incorporation of a new centre within the fabric of an existing centre will have a beneficial impact on existing retailers in the strip centre or reduce the negative impacts.

Recent (1994) customer surveys conducted by PLI in Campbelltown suggest that shoppers at Campbelltown Mall do in fact shop more frequently in Queen Street (the existing strip) than those interviewed at Macarthur Square some 1.5km to the south of Queen Street. For example, some 46.2% of shoppers interviewed at Campbelltown Mall shopped in Queen Street at least once a fortnight while only 12.9% of Macarthur Square shoppers did so. Despite this finding, retailing in Queen Street is perceived to be in decline as evidenced by vacant shops and the introduction of cheap, discount merchants.

It would seem that there are a large number of variables, both short term and long term, which determine the extent to which a new planned centre reinforces an existing centre. These variables include the location of other major shopping attractions in the strip centre, the amenity of the strip centre and the quality of the specialty shops in the strip.

An added complication in the case of Hawkesbury is the fact that even if a development were to be incorporated within the fabric of the existing business area in, say, Richmond, it possibly would have the same effect on Windsor as would a free-standing development in a neutral location - that is, in neither Richmond or Windsor. The only argument is whether a free-standing development would similarly adversely affect both Richmond and Windsor compared to one that was sited within one of the existing centres.

On balance, the following propositions are put forward:-

. "free-standing" complexes will tend to have a major impact on all existing retailers compared with ones incorporated within existing centres as they clearly create a separate destination for shoppers to undertake retail expenditure; and

. "incorporated" centres will still have an impact - even where the surrounding strip centre contains good quality retailing - and possibly a major impact where the quality of retailing in the surrounding strip is poor.

. in the instance of Richmond it is possible that the development of other centres in or just off the retail strip will enhance the quality of the strip and encourage a greater percentage of shoppers to use the existing retailers in conjunction with the new planned centre.

4. Size

In PLI's view, there is both the demand for, and the capacity to absorb, a district scale retail centre within Hawkesbury. Taking into account the format of such centres which have been developed - not only in Sydney but elsewhere in Australia during the last decade - this implies a centre of at least 15,000 square metres gross leasable area (GLA). The usual components of such a centre include a full line DDS, at least one major full-line supermarket and a wide range of specialty stores.

PLI consider that such a centre would have a significant impact on the current level of escape expenditure flowing from Hawkesbury. Accordingly, any retail proposal which is the subject of rezoning and does not involve a centre of district scale (that is, at least 15,000 sq.m.) should not be as highly ranked as one that does.

5. Accessibility to the Trade Area

An important strategic consideration is the general accessibility of a new retail complex to the residential base of Hawkesbury City in general. Given the dispersed nature of population in Hawkesbury, and the fact that almost all proposals involve developments in either Richmond (the demographic centre of the City) or adjacent to it, no site appears to have an overwhelming locational advantage.

The assessment of accessibility of each development proposal should also include the question of its accessibility by both private and public transport. Some proposals may be remote from public transport and thus would have a lower level of performance in terms of accessibility criteria than ones which are well located vis-a-vis the existing public transport network. Similarly, some proposals may be more amenable to pedestrian access than others.

In relation to car based travel which constitutes the majority of trips to such centres, driving distances and times to any proposed site are not sufficient enough to confer major advantages on a particular site in terms of car based accessibility.

6. Expansion Capability

PLI considers it is important to give some consideration to the capacity of any proposed new centre to be expanded in the future, possibly to some 25,000 sq.m. As Hawkesbury's population increases there will no doubt be additional demands for retail development in the coming decades. While it is not essential that current developments are able to meet future demand for floor space growth, the capacity to do so (either on the proposed site or immediately adjacent to it) should be viewed as a positive feature. Given that future increases in retail floor space could be accommodated elsewhere in the City, this issue of expansion capability is assessed as being less important than the other strategic criteria.

Implementation Capacity

A further possible strategic criterion relates to the likelihood of development proceeding on the rezoned site. Given the tortuous background to this matter in Hawkesbury, Council may wish to have some regard to the capacity of the proponent to execute the development as proposed.

This is a most difficult matter to address given that it would involve:-

. an assessment of the financial capacity of the proponent;
. an assessment of the "security" of the site where multiple owners may be involved; and
. the track record of the proponent and/or their advisers in this type of development.

Such an assessment, were it to be contemplated, would also be complicated by the capacity for a proponent who does not meet one or more of the above criterion to "on-sell" the site to a third party who may have superior financial resources and expertise.

On balance, it would appear that while it may be desirable to include this issue in any assessment of the rezoning proposals before Council, there are too many ambiguities involved for it to be successfully incorporated in the assessment process.

An alternative approach has been included in the recommendation whereby a legal agreement is entered into with the favoured developers which would incorporate a security which would be forfeited in the event that the development did not proceed.

WHAT ARE THE TECHNICAL CRITERIA IN ORDER OF IMPORTANCE?

1. Constraints

Significant basic constraints on future development on any site include the impact of flooding, height limits or any other physical factor which may act to reduce the ability of development to actually occur on the site proposed for rezoning. Any of the above could either render a site incapable of development or severely reduce its development capacity.

2. Servicing

Of critical importance to any development of this scale is the availability of all general urban services, water, sewerage, power, drainage and the like.

3. Parking

As a minimum, all proposals must of course meet Council's existing standards for the provision of parking for new retail development. In terms of the performance of a new district centre and its amenity to customers there are some advantages if existing parking standards can be exceeded. Thus, those proposals which can provide parking provision over and above Council standards arguably have some technical advantage.

4. Traffic

Clearly, developments of the scale being proposed have the capacity to generate significant volumes of traffic and impose new stresses on the existing road network. Proposals which involve developments sited within the existing fabric of business centres can often produce a more severe detrimental impact in terms of traffic build up than can those sited in free standing locations.

5. Heritage

In relation to the impact of any development on heritage there are two issues to consider - firstly, whether the property will directly impinge upon any existing heritage property in its immediate environs and the effect of that impingement. Secondly, an assessment needs to be made of the extent to which the proposed development on the site in question is sympathetic to surrounding heritage properties. This criterion will tend to act against those proposals located near heritage properties and in favour of those free standing proposals which are not surrounded by existing heritage buildings.

6. Visual Impacts

Allied to the issue of heritage impacts, Council should give consideration to the visual impact of development on any site proposed for rezoning. Major retail developments are by their nature "visually dominant" - particularly those which incorporate a DDS. Such structures often result in at least some facades of the building consisting of tilt up panel walls with little or no design articulation. Clearly those proposals which are less dominant in visual terms may be preferred to those which will have a major visual impact.

HOW SHOULD THE CRITERIA BE EXPRESSED IN A WEIGHTED SELECTION MATRIX?

Taking into account the matters covered in this report, PLI recommends that each proposal be assessed against a weighted criteria system as shown in the following tables. As discussed there is clearly scope for argument over the relative weightings applied. Nevertheless they do provide a basis for a rational assessment of the relative merits of each of the rezoning proposals.

Strategic Criteria Weighting			
Criterion	**Weighting**	**Scoring**	
		Yes	**No**
Major Tenants			
• Contains full-line DDS	6	1	0
• Contains a major DDS	6	0.5	0
Tenancy Support			
• Evidence of major tenant support[1]	5	1	0
Impact			
• Walking distance to existing centre	4	1	0
Centre Size			
• Exceeds 15,000m^2 GLA	3	1	0
Accessibility			
• Walking distance to station	2	0.5	0
• Walking distance to residential areas	2	0.5	0
Capacity for Expansion			
• Capable of expansion to 25,000m^2	1	1	0
Note 1: DDS and major supermarket operator support			

A proposal which met all of the above criteria would achieve a maximum score of 21 "credits".

Technical Criteria Weighting			
Criterion	**Weighting**	**Scoring**	
		Yes	**No**
Constraints			
• Is the site free of major constraints?	6	1	0
Services			
• Can all major urban services be provided?	5	1	0
Parking			
• Are Council's standards met?	4	0.5	0
• Are Council's standards exceeded?	4	0.5	0
Traffic Impact			
• Does the site have acceptable impacts?	3	1	0
Heritage			
• Proposal has no affect on heritage items?	2	1	0
Visual Impact			
• Development on site will not have a major impact?	1	1	0

A proposal which met all of the above criteria would achieve a maximum 21 "credits". It should be noted, however, that should a site fail on the first two technical criteria listed there are grounds to argue that it should be excluded from further consideration notwithstanding its strategic merit.

Provided technical criteria can be met, the preferred site will be the site which achieves the most number of strategic criteria "credits".

WHAT IS THE OUTCOME OF APPLYING THE WEIGHTED SELECTION MATRIX

The following tables detail the results of applying the weighted selection matrix to each of the six proposals which have been received. Where any assumptions have been made these are detailed in the notes referred to in the tables.

Applicant:- Hely & Horne Stuart Perry Architects (railway land)				
Criterion	**Weighting**	**Yes**	**No**	**Total**
Major Tenants				
• Contains full-line DDS	6		0	0
• Contains a major DDS	6		0	0
Tenancy Support				
• Evidence of major tenant support	5		0	0
Impact				
• Walking distance to existing centre	4	1		4
Centre Size				
• Exceeds 15,000m^2 GLA	3		0	0
Accessibility				
• Walking distance to station	2	0.5		1
• Walking distance to residential areas	2	0.5		1
Capacity for Expansion				
• Capable of expansion to 25,000m^2	1		0[1]	0
TOTAL STRATEGIC				6
Constraints				
• Is the site free of major constraints?	6	1		6
Services				
• Can all major urban services be provided?	5	1		5
Parking				
• Are Council's standards met?	4		0[2]	0
• Are Council's standards exceeded?	4		0[3]	0
Traffic Impact				
• Does site have acceptable impacts?	3	1		3
Heritage				
• Proposal has no affect on heritage items?	2	1		2
Visual Impact				
• Development on site will not have a major impact?	1	1		1
TOTAL TECHNICAL				17

Notes:

1. There would seem to be some potential to integrate the development with other development on the southern side of the railway line in the long term. It is unlikely that there is any potential in the short/medium term.

2. The second option proposed to provide 270 parking spaces at two levels for the development. In relation to commuter parking it is proposed to provide 56 spaces at two levels as well as a bus interchange. Based on Council's Car Parking Development Control Plan, 277 spaces are required for the shopping development.

3. As commented, the proposed provision is less than Council's DCP.

Applicant:- A & A Lederer Pty Ltd (Richmond Mall)				
Criterion	**Weighting**	**Yes**	**No**	**Total**
Major Tenants				
• Contains full-line DDS	6		0	0
• Contains a major DDS	6	0.5		3
Tenancy Support				
• Evidence of major tenant support	5	1		5
Impact				
• Walking distance to existing centre	4	1		4
Centre Size				
• Exceeds 15,000m^2 GLA	3		0	0
Accessibility				
• Walking distance to station	2	0.5		1
• Walking distance to residential areas	2	0.5		1
Capacity for Expansion				
• Capable of expansion to 25,000m^2	1		0[1]	0
TOTAL STRATEGIC				14
Constraints				
• Is the site free of major constraints?	6	1		6
Services				
• Can all major urban services be provided?	5	1		5
Parking				
• Are Council's standards met?	4	0.5		2
• Are Council's standards exceeded?	4	0.5		2
Traffic Impact				
• Does site have acceptable impacts?	3	1		3
Heritage				
• Proposal has no affect on heritage items?	2		0[2]	0
Visual Impact				
• Development on site will not have a major impact?	1	1		1
TOTAL TECHNICAL				19

Notes:

1. It is not considered that expansion of the site is possible in the short/medium terms. There is some adjoining land which could conceivably be incorporated in the development however there are a number of heritage items and existing retail outlets.

2. The proposal involves the demolition of "Rosmoyne", No. 128 Francis Street, which is an item of environmental heritage under Schedule 11 of Hawkesbury Local Environmental Plan 1989.

Applicant:- Hawkesbury City Centre Pty Ltd (Clarendon)				
Criterion	**Weighting**	**Yes**	**No**	**Total**
Major Tenants • Contains full-line DDS • Contains a major DDS	6	6		6
Tenancy Support • Evidence of major tenant support	5	1		5
Impact • Walking distance to existing centre	4		0	0
Centre Size • Exceeds 15,000m^2 GLA	3	1		3
Accessibility • Walking distance to station • Walking distance to residential areas	2 2	0.5[1]	 0	1 0
Capacity for Expansion • Capable of expansion to 25,000m^2	1	1		1
TOTAL STRATEGIC				16
Constraints • Is the site free of major constraints?	6	1		6
Services • Can all major urban services be provided?	5	1		5
Parking • Are Council's standards met? • Are Council's standards exceeded?	4 4	0.5 0.5		2 2
Traffic Impact • Does site have acceptable impacts?	3	1		3
Heritage • Proposal has no affect on heritage items?	2	1		2
Visual Impact • Development on site will not have a major impact?	1	1		1
TOTAL TECHNICAL				21

Notes:

1. Assumes that the Clarendon railway station can be relocated mid way between the proposed development and the Hawkesbury Race Club.

Applicant:- Richmond Growth Pty Ltd (fire station block)				
Criterion	**Weighting**	**Yes**	**No**	**Total**
Major Tenants • Contains full-line DDS • Contains a major DDS	6	6		6
Tenancy Support • Evidence of major tenant support	5	1		5
Impact • Walking distance to existing centre	4	1		4
Centre Size • Exceeds 15,000m^2 GLA	3	1		3
Accessibility • Walking distance to station • Walking distance to residential areas	2 2	0.50 .5		1 1
Capacity for Expansion • Capable of expansion to 25,000m^2	1		0[1]	0
TOTAL STRATEGIC				20
Constraints • Is the site free of major constraints?	6	1		6
Services • Can all major urban services be provided?	5	1		5
Parking • Are Council's standards met? • Are Council's standards exceeded?	4 4	0.5 0.5		2 2
Traffic Impact • Does site have acceptable impacts?	3	1		3
Heritage • Proposal has no affect on heritage items?	2		0[2]	0
Visual Impact • Development on site will not have a major impact?	1	1		1
TOTAL TECHNICAL				19

Notes:

1. It is not considered that the site is capable of expansion in the short/medium terms. In the longer term it may be possible to integrate the development on the site with development on the northern side of March Street adjacent to Richmond Railway Station.

2. The site contains 13 buildings which have some heritage significance. It is proposed that these be either retained or relocated on the development site.

Applicant:- Macquarie Bank (University)				
Criterion	**Weighting**	**Yes**	**No**	**Total**
Major Tenants • Contains full-line DDS • Contains a major DDS	6	6		6
Tenancy Support • Evidence of major tenant support	5	1		5
Impact • Walking distance to existing centre	4		0	0
Centre Size • Exceeds 15,000m^2 GLA	3	1		3
Accessibility • Walking distance to station • Walking distance to residential areas	2 2	0.5[1] 0.5		1 1
Capacity for Expansion • Capable of expansion to 25,000m^2	1	1		1
TOTAL STRATEGIC				17
Constraints • Is the site free of major constraints?	6	1		6
Services • Can all major urban services be provided?	5	1		5
Parking • Are Council's standards met? • Are Council's standards exceeded?	4 4	0.5 0.5		2 2
Traffic Impact • Does site have acceptable impacts?	3	1		3
Heritage • Proposal has no affect on heritage items?	2	1		2
Visual Impact • Development on site will not have a major impact?	1	1		1
TOTAL TECHNICAL				21

Notes:

1. The development is at the limit of the suggested 800m walking distance. With available plans it would seem that this radius lies somewhere in the carpark of the development and technically complies with the criteria. As there is no intervening retail development between the railway station and the site it would seem likely that any pedestrian movement would be negligible.

Applicant:- Lonsdale, Jackett and Jonjin (Bligh Park)				
Criterion	**Weighting**	**Yes**	**No**	**Total**
Major Tenants				
• Contains full-line DDS	6		0[1]	0
• Contains a major DDS	6		0[2]	0
Tenancy Support				
• Evidence of major tenant support	5		0	0
Impact				
• Walking distance to existing centre	4		0[3]	0
Centre Size				
• Exceeds 15,000m^2 GLA	3		0[4]	0
Accessibility				
• Walking distance to station	2		0	0
• Walking distance to residential areas	2	0.5		1
Capacity for Expansion				
• Capable of expansion to 25,000m^2	1	1[5]		1
TOTAL STRATEGIC				2
Constraints				
• Is the site free of major constraints?	6	1		6
Services				
• Can all major urban services be provided?	5	1		5
Parking				
• Are Council's standards met?	4		0[6]	0
• Are Council's standards exceeded?	4		0	0
Traffic Impact				
• Does site have acceptable impacts?	3	1[7]		3
Heritage				
• Proposal has no affect on heritage items?	2	1		1
Visual Impact				
• Development on site will not have a major impact?	1	1		1
TOTAL TECHNICAL				16

Notes:

1. No plan to allow evaluation

2. No plan to allow evaluation

3. An existing "centre" is not considered to include the neighbourhood shopping centre at Bligh Park

4. No plan to allow evaluation

5. A relatively large site area is available which could conceivably allow for expansion

6. No plan to allow evaluation

7. No traffic study has been submitted however it is likely that satisfactory arrangements could be made through the provision of traffic signals at the corner of Rifle Range Road and George Street

GLOSSARY

Full-line Discount Department Store (DDS)	a multi-department store operated by Kmart or Big W and containing clothing, shoes, clothing accessories, homewares, toys, sporting goods, hardware, home electrical products and the like with a floor area of at least 6,000 sq.m. GLA.
Major Discount Department Store	a large discount store operated by Target but containing fewer departments than Kmart or Big W with a floor area of at least 5,000 sq.m. GLA.
Full-Line Supermarket	a supermarket containing dry goods, bakery, deli, fruit and vegetables and butchery with a floor area in the vicinity of 3,500 sq.m. GLA
Major Supermarket	a supermarket of at least 2,500 sq.m. GLA
Gross Leasable Area (GLA)	generally excludes public spaces, amenity and loading areas
Walking Distance	within a radius of 800 metres from site

Glossary provided by Plant Location International

WHICH IS THE FAVOURED SITE?

On the basis of the suggested weighted selection matrix the preferred site by a reasonable margin is the proposal by Richmond Growth Pty Ltd (fire station block). There is little distinction between the Macquarie Bank proposal (University) and the Hawkesbury City Centre proposal (Clarendon) with the Macquarie Bank proposal being slightly preferred because it is within walking distance of a large residential area. The other proposals are generally too small or lack adequate documentation.

There would appear to be no technical criteria which preclude development on any of the three sites, however the cost of providing services and traffic facilities will vary from site to site.

HOW SHOULD COUNCIL ENSURE THAT THE DEVELOPMENT PROCEEDS IN ACCORDANCE WITH THE PROPOSAL AND WITHIN A REASONABLE PERIOD OF TIME?

The past history of establishing district level shopping centres in the Hawkesbury and experience in other areas indicates that Council's support for a particular site does not ensure that the development will proceed within a reasonable period. Development may not proceed for a host of reasons outside of Council's control and including:-

- failure of negotiations to sell the land to a developer;
- purchase of all or part of the preferred development site by a disgruntled competitor;
- excessive development costs in relation to the englobo land value;
- legal action by disgruntled competitor to prevent the development from proceeding;
- resident objection to the rezoning application;
- the Department of Planning refusing the rezoning application;
- change in plans between the rezoning proposal and the development/building application;
- withdrawal of support from major traders.

Given professional advice which demonstrates the high economic cost to the City of permitting a continuation of the existing high levels of escape expenditure, Council should give more attention to the issue of implementation than it has done in the past. There has been a tendency to consider that Council's obligation to the community only extends to the rezoning and development assessment process.

Consideration was given to the possibility of supporting two district level shopping centres with the assumption that only one would proceed.

The advantage of this arrangement is that competition would likely ensure that one proposal proceeded quickly.

The obvious disadvantage is that there would be potential for both proposals to proceed with a resultant major oversupply in floor space to the detriment of existing retailers. There is also some doubt as to whether such an approach would be favoured by the Department of Planning.

Another option which has been discussed with Council's solicitor is the concept of a legal agreement containing a bond which would be forfeited in the event of the development not proceeding within a reasonable period. Any delays which were beyond the control of the proponent would result in a time extension of the period.

Council is entitled, both legally and ethically, to execute such an agreement and retain the bond if the development does not proceed within a reasonable period. By selecting a preferred site the rezoning process is conferring a substantial capital gain to the owners of the land. It is reasonable that in conferring such a gain the proponents demonstrate their good faith and commitment to seeing the project through to fruition.

It is suggested that a bond, probably a bank guarantee, with a monetary value of $1 million would be sufficient security to ensure that the development proceeds within a reasonable period.

The agreement would need to make provision for the bond to be discharged in stages and to be completely discharged upon the opening of the centre for trading. For example, 33% of the sum could be discharged at the BA approval, a further 33% following substantial commencement in accordance with the Environmental Planning and Assessment Act with the remaining third upon opening of the centre.

In the instance of the land being sold before the centre is opened, the bond would be discharged only if the purchaser commits to the same deed and security as the vendor.

It is considered reasonable that the proponents for the preferred proposal be provided with a period of 4 months to enter into the deed of agreement and provide the $1 million security. A reasonable period in which to undertake the plan documentation and construction (excluding Council processing time) is 24 months.

Should the proponents for the preferred site not enter into the deed or provide the security within a period of 4 months, then Council should automatically support the second preferred site and invite the proponents to enter into the same arrangements and so on.

RECOMMENDATION:

1. That Council endorse the following proposals in order of preference:-

    1. Richmond Growth Pty Ltd
    2. Macquarie Bank
    3. Hawkesbury City Centre Pty Ltd

2. That Council prepare a draft local environmental plan to permit the Discount Department Store based district centre proposed by **Richmond Growth Pty Ltd** and request that the Director of the Department of Planning issue a Section 65 certificate to enable the plan to be placed on public exhibition.

    Further the draft local environmental plan is to define the development as including a discount department store of at least 6,000m^2 GLA and a full line supermarket of at least 3,500m^2 GLA. The local environmental plan is to lapse within 2 years of gazettal if the development does not proceed.

3. A development control plan be prepared prior to gazettal of the draft local environmental plan to ensure that the development proceeds generally in the form nominated by Richmond Growth Pty Ltd.

4. Richmond Growth Pty Ltd be advised that they must enter into an agreement with Council within 4 months of the date of this resolution to open the centre within a period of 2 years from the date of the gazettal of the rezoning. The agreement is to include a bond in the form of a bank guarantee or other approved security for the sum of $1 million. The terms of the agreement are to be as generally outlined in the report.

5. In the event that Richmond Growth Pty Ltd does not enter into the required deed and provide the necessary bond within 4 months of the date of this resolution then the draft local environmental plan is to be discontinued and the matter further reported to Council. It is foreshadowed that the proposal by Macquarie Bank would then be supported on the same terms and conditions.

ATTACHMENTS:

AT-1 Site Plan No. 1
AT-2 Site Plan No. 2

FN:ORC14SBX.V01 ****** END OF ITEM 20 ******

SPECIAL

MEETING

Meeting Filename: OR141294.BIS

END OF BUSINESS PAPER