

OUTCOMES COMMITTEE

Meeting Date 11 October 2022

Item Number. 104

SUBJECT: Draft Voluntary Planning Agreement associated with Development Applications for 2 Kamira Avenue Villawood

FILE NUMBER: 20/14505

REPORT BY: Chris Shinn, Coordinator Strategic Planning

RECOMMENDATION:

That:

1. Council agree in-principle to the two Letters of Offer from Traders in Purple Pty Ltd and NSW Land and Housing Corporation to enter into a Voluntary Planning Agreement (VPA) associated with the Development Application for 2 Kamira Avenue Villawood.
2. The two Letters of Offer form the basis for the preparation of a draft VPA and associated Explanatory Note.
3. The draft VPA and associated Explanatory Note be placed on public exhibition for a period of 28 days from the day it is advertised on Council's website and the NSW Planning Portal.
4. Council receive a further report detailing the outcome of the public exhibition period.

Note: This report deals with a planning decision made in the exercise of a function of Council under the Environmental Planning & Assessment Act and a division needs to be called.

SUPPORTING DOCUMENTS:

AT-A	NSW Land and Housing Corporation - VPA Letter of Offer	4 Pages
AT-B	Traders In Purple - VPA Letter of Offer	1 Page

CITY PLAN

This report is linked to *Theme 2 Places and Infrastructure* in the Fairfield City Plan.

SUMMARY

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Council is in receipt of 2 associated Letters of Offer requesting to enter into a Voluntary Planning Agreement. The Letters of Offer are associated with future development applications for the redevelopment of the NSW Land and Housing Corporation site at 2 Kamira Avenue Villawood and have been submitted by NSW Land and Housing Corporation (LAHC) and their development partner for the project, Traders In Purple Pty Ltd (Traders In Purple).

Letters of Offer are the initial step under Section 7.4 of the Environmental Planning and Assessment (EP&A) Act 1979 for a developer seeking to enter into a Voluntary Planning Agreement with Council.

The first Letter of Offer (Attachment A) is from NSW Land and Housing Corporation (LAHC). LAHC are seeking to undertake a land swap with Council to facilitate the development of their site and to ultimately provide the community (via Council) with a 3,000sqm park.

The second Letter of Offer (Attachment B) is from Traders In Purple Pty Ltd who are seeking to provide a community benefit by embellishing the new 3,000sqm park.

This report provides the background to the development at 2 Kamira Avenue Villawood and details of the Letters of Offer.

BACKGROUND

A. Urban Design Study and Planning Proposals

On 5 June 2020, the Villawood Town Centre planning proposal (Fairfield LEP 2013 Amendment No.31), which included 2 Kamira Avenue was gazetted. This proposal implemented the Villawood Town Centre Urban Design Study (VUDS) by amending the Fairfield Local Environmental Plan (FLEP) 2013. The aim of the proposal was to provide more dwellings in close proximity to services and transport, better pedestrian connectivity, more public open spaces and provide economic revitalisation of the town centre.

The VUDS provided for a significant density increase on the NSW LAHC site while ensuring that significant open space was provided for the development site and the broader community to reflect the accessible open space historically provided on-site and to address future demand.

Following the gazettal of Fairfield LEP 2013 Amendment No.31, LAHC appointed development partner Traders In Purple to develop the 1.5 hectare Kamira Avenue site. LAHC and Traders In Purple, in preparing their concept plans for the site, identified a number of opportunities to build on and improve the existing urban design framework for the Villawood Town Centre, and as such the site has been subject to 2 further planning proposals.

The first planning proposal rezoned a 430sqm portion of Hilwa Park to reflect to the desired built form and road layout within the VUDS.

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The second planning proposal which was gazetted on 23 September 2022 introduced retail and commercial uses on the north eastern portion LAHC site. That proposal sought to address the shortage of retail and commercial space within the centre and to activate the ground floor of the development to reflect the desired outcome of the VUDS.

To facilitate the development of the site as mentioned above, a land swap is required to be undertake between LAHC and Council. The most efficient way to manage this process is through a Voluntary Planning Agreement.

B. Voluntary Planning Agreement (VPA)

NSW Land and Housing Corporation and their development partner Traders In Purple have submitted 2 associated Voluntary Planning Agreement (VPA) – Letters of Offer associated with the overall development of the NSW LAHC site at 2 Kamira Avenue Villawood. The offers have been made in accordance with Section 7.4 of the Environmental Planning and Assessment Act (EP&A) 1979.

The VPA Letters of Offer are directly associated with the future development applications for the site. As part of Council considering the Letters of Offer, it is important to ensure that what is being offered results in a significant benefit and a good outcome for the community.

The VPA Letters of Offer propose the following:

NSW LAHC Letter of Offer

The Letter of Offer from NSW Land and Housing Corporation proposes the following:

- Land transactions: LAHC seek to reconfigure their land in accordance with the VUDS to facilitate a more efficient development. This reconfiguration requires land dedication and land acquisition. The tables below outline the transactions required and form the basis of the LAHC Letter of Offer.

Land to be dedicated to Council from NSW LAHC

Land	Future use	Quantum	Current zoning
Lot 37 DP 202006 (part)	Public Open Space	1,260m ²	R4
Lot 39 DP 202006 (part)	Public Open Space	500m ²	R4
Lot 381 DP 1232437	Future Road Connection	403m ²	R4
Lot 382 DP 1232437 (part)	Future Road Connection	480m ²	R4
Total		2,643m ²	

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Land to be acquired by NSW LAHC from Council

Land	Future use	Quantum	Current zoning
Lot 31 DP 36718 (part)	Incorporated into development site ensuring development is consistent with Villawood town Centre Urban Design Study	430m ²	R4
Kamira Court Lane	Public Road	1,260m ²	R4
Total		1,670m²	

The land transaction proposed above results in a net positive land increase to Council of 973m².

Traders In Purple Letter of Offer

The Letter of Offer from Traders In Purple Pty Ltd seeks the following:

- **Open space embellishment:** The VPA Letter of Offer from Traders In Purple Pty Ltd seeks to provide significant value to the community through the embellishment of the new future park with a total embellishment value of approximately \$1,840,000.00. This equates to approximately \$613.00 per square metre for the entire 3,000m² park. A standard park embellishment would be somewhere in the range of \$150.00-\$250.00 per square metre. A high level park embellishment such as that at Koonoona Park in Villawood was approximately \$600.00 per square metre.

It is noted that the park location forms an important transition between park and public domain so a higher level of embellishment is expected to facilitate a suitable transition.

- **Credit and offsets:** The VPA Letter of Offer also seeks to confirm the development contribution credit that the applicant would obtain for previous dwellings on site. Previously the NSW LAHC site contained 111 dwellings of various sizes. A development credit is standard practice for development contributions and is consistent with Councils Section 7.11 Development Contributions Plan 2011.

The proponent seeks to embellish the proposed new park to a total value of \$1,840,000.00. As a result, they also seek to offset this embellishment value against their future development contribution liability that relates only to open space embellishment. The current contribution rate for all stages of the development for embellishment is approximately \$248,841.00 (Note: this figure may vary due to future Plan indexation). The draft VPA would therefore result in a net positive development contribution for open space embellishment to Council of \$1,591,159.00

There are no further proposed offsets or credits proposed and as a result the proponent will be required to pay the remainder of their future development contribution.

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Given the significant contribution proposed within the Letter of Offer, it is recommended that on this occasion Council accept the request to offset the open space embellishment component of their future contribution against the value proposed within the draft VPA.

Consultation & Timing

Should Council agree in-principle to the Letters of Offer, a draft Voluntary Planning Agreement will be prepared. The draft VPA and associated plain English Explanatory Note will be prepared in accordance with the Letters of Offer and will then be placed on public exhibition concurrently with the associated development application/s.

In accordance with the NSW Environmental Planning and Assessment Regulation 2021, VPAs are required to be publically exhibited for a minimum of 28 days.

Social Implications

The 2 VPA Letters of Offer seek to provide significant benefit to the community by way of increased land to be dedicated to Council for the purpose of open space and for the embellishment of that open space.

Villawood has one of the lowest existing provisions of open space across all of Fairfield Local Government Area (LGA) with approximately 3.6m² per person. That figure will decrease to 1.6m² per person in 2036 without any further provision of open space. The dedication of the new park and its associated embellishment as part of the 2 Letters of Offer will help Council to partially address this open space deficiency.

Financial Implications

The 2 Letters of Offer seek to enter into a land transfer which is proposed to result in a net positive increase of land to Council of approximately 973m². Additionally, the embellishment and associated offset would result in a net positive development contribution for open space embellishment to Council of approximately \$1,591,159.00.

The financial implications result in a net positive gain to Council.

Legal

Once a draft VPA is prepared, Council's solicitors will review the VPA documentation to ensure that there are no issues and that the conditions in the VPA provide security for Council's interests.

Policy

Voluntary Planning Agreements are required to be assessed against the Practice Note on Planning Agreements issued in February 2021 by NSW Department of Planning and Environment, as well Council's Voluntary Planning Agreement Policy 2018.

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CONCLUSION

Council is in receipt of 2 associated Letters of Offer requesting to enter into a Voluntary Planning Agreement. The Letters of Offer are associated with development applications for the redevelopment of the NSW Land and Housing Corporation site at 2 Kamira Avenue Villawood and have been submitted by NSW Land and Housing Corporation and their development partner for the project, Traders In Purple.

The Letters of Offer are seeking to undertake a land swap with Council to facilitate the development of the site and to ultimately provide Council with a 3,000sqm park in addition to embellishing the new 3,000sqm park to the value of \$1.8M.

It is recommended that Council agree in-principle to the 2 Letters of Offer from NSW Land and Housing Corporation and their development partner Traders In Purple Pty Ltd to enter into a Voluntary Planning Agreement associated with the development applications for 2 Kamira Avenue Villawood.

It is also recommended that the 2 Letters of Offer form the basis for the preparation of a draft VPA and associated plain English Explanatory Note and that the 2 documents be placed on public exhibition concurrently with the associated development application/s.

Council will receive a further report detailing the outcome of the public exhibition period.

Chris Shinn
Coordinator Strategic Planning

Authorisation:

Manager Strategic Land Use Planning
Group Manager City Strategic Planning

Outcomes Committee - 11 October 2022

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***** END OF ITEM 104 *****