ITEM-3  DRAFT THE HILLS CORRIDOR STRATEGY (FP215)

THEME: Balanced Urban Growth

OUTCOME: 7 Responsible planning facilitates a desirable living environment and meets growth targets.

STRATEGY: 7.2 Manage new and existing development with a robust framework of policies, plans and processes that is in accordance with community needs and expectations.

MEETING DATE: 8 SEPTEMBER 2015

GROUP: STRATEGIC PLANNING

AUTHOR: PRINCIPAL FORWARD PLANNER

JANELLE ATKINS

RESPONSIBLE OFFICER: MANAGER – FORWARD PLANNING

STEWART SEALE

EXECUTIVE SUMMARY

This report recommends that draft The Hills Corridor Strategy (The Hills Strategy) be exhibited for a period of 28 days. The exhibition of the draft Strategy will provide the opportunity to inform the community, land owners, developers and other stakeholders about how Council believes the development of land surrounding the rail stations should occur.

The purpose of the document is to provide vision and guiding principles for how the areas surrounding the proposed railway stations are to be developed in a way that integrates with the Sydney Metro Northwest. It seeks to articulate Council’s response to land use development over the next 20 years for each of the seven (7) stations within, or close to, the Shire. It will guide and facilitate housing and employment growth that responds to Shire values, as well as the State Government’s NWRL Corridor Strategy. It also seeks new development to be supported by the necessary infrastructure to support future population and maintain the quality of life of current and future residents.

The Hills Strategy translates the vision and targets of the State Government Corridor Strategy into delivery in a manner consistent with the needs and expectation of The Hills Shire residents. It envisages that by 2036 suburbs alongside the Sydney Metro Northwest Corridor will accommodate up to 15,698 additional dwellings (25,984 people), and 39,823 extra jobs beyond the dwellings and jobs planned for under the current planning controls. The total dwelling and job yields anticipated exceed those envisaged by the growth projections under the State Strategy but are more contained and will provide greater certainty for landowners, developers and the community as to where transit oriented development is expected over the next 20 years. Areas that are not identified for growth in the Strategy, represent longer term opportunities.

Under the proposed implementation strategy, the achievement of the residential yield will hinge upon compliance with Council’s apartment mix, apartment size and car parking requirements. The implementation framework focuses on built form outcomes and providing a floor space incentive where development meets Council’s controls. The
proposed incentive provision will provide certainty to Council, developers and the community and is consistent with recent discussions with the NSW Planning Minister regarding the application of SEPP 65 to The Hills Shire.

HISTORY

30/09/2013
Finalisation of the North West Rail Link Corridor Strategy (now known as Sydney Metro Northwest Corridor).

01/08/2014
Endorsement of Kellyville, Bella Vista and Showground Railway Station Precincts as Urban Activation Precincts (now known as Priority Precincts).

23/09/2014
Council resolved to enter into a Memorandum of Understanding (MOU) with Urban Growth NSW for the Sydney Metro Northwest Urban Transformation Program.

11/08/2015
Draft The Hills Corridor Strategy presented at Councillor Workshop.

BACKGROUND
The delivery of Sydney Metro Northwest as Stage 1 of the Sydney Metro system will provide a reliable public transport system to the region and significantly improved access for residents to the wider Sydney area. In order to support the viable operation of the new public transport service there is a need to focus on achieving and managing a reasonable level of housing and employment growth within the corridor. The Sydney Metro will provide trains in peak times at 4 minute intervals giving it a capacity to move people far in excess of any other mode to travel in our Shire. It is a significant project and a transformational piece of infrastructure. Inevitably, it will require significant land use change around those stations for it to realise its potential and capacity.

The North West Rail Link Corridor Strategy was completed by State Government in September 2013 and identifies a vision and built form character for each of the precincts surrounding the new railway stations. Whilst only intended as a high level strategic framework to guide and inform more detailed planning investigations, the State Corridor Strategy has created significant development expectations within the community and speculation by developers.

The Hills Corridor Strategy translates the vision of the State Government Strategy to reflect the values and lifestyle of the Hills Shire residents. It articulates how growth should occur around the stations in a way that supports the role of the station, achieves housing and jobs targets and creates vibrant, safe and desirable places to live that are adequately serviced with roads, parks, playing fields, community facilities and the like.

REPORT
The purpose of this report is to present The Hills Corridor Strategy which seeks to provide a locally focused response to land use development over the next 20 years for each of the Sydney Metro Northwest stations within (or adjacent) to the Shire. A copy of the draft Strategy is included as Attachment 1.

1. Guiding Principles
The Strategy is underpinned by six (6) guiding principles that reflect Council’s traditional approach to growth. These guiding principles reflect the strategic direction of Council as
articulated in the Local Strategy and more recent responses to State level legislative and policy change (such as Council’s position on recent amendments to State Environmental Planning Policy No.65).

Together the guiding principles are considered to provide the ingredients for liveable urban areas that reflect the amenity enjoyed by existing residents in the control of higher densities. These principles respond to opportunities and constraints, locating high density in easy walking distance to the future stations, maintaining low density housing choice in more peripheral locations, providing a diversity of housing choice with a focus on family living, ensuring access to appropriate infrastructure to support lifestyles, providing employment opportunities suited to Hills residents, and maintaining the significance of strategic centres.

2. Methodology
A number of assessments have been undertaken to inform The Hills Strategy:

- Local and State plans and strategies have been reviewed to understand the wider policy context that guides and informs change at each precinct. This has assisted in the formulation of a vision for the corridor and guiding principles to facilitate development that responds to Hills Shire values.

- The local demographic profile has been reviewed to help understand the types of households who will live in the rail corridor. This work has confirmed that there will continue to be a strong family demographic.

- Opportunities and constraints for each precinct have been reviewed to understand the influence on housing and job outcomes. This review has assisted in assessing infrastructure needed and the physical barriers to growth within the individual precincts.

- Assessment of transport, employment and infrastructure have been carried out to understand the existing situation, how this is likely to change into the future and how the land use planning framework can respond to the changes.

3. Desired outcomes
The Hills Strategy envisages that by 2036 suburbs alongside the Sydney Metro Northwest Corridor will accommodate up to 15,698 additional dwellings (25,984 people), and 39,823 extra jobs, beyond the dwellings and jobs planned for under the current planning controls.

The breakdown of expected dwellings by Precinct is shown in Table 1 with most growth projected in the Castle Hill, Showground, Norwest, Bella Vista and Kellyville Precincts. This reflects the large land holdings close to the stations in the Showground, Bella Vista and Kellyville Precincts and the role of Castle Hill and Norwest as important strategic centres within the Shire and the wider region. A lesser number of dwellings are envisaged for Cherrybrook and Rouse Hill Precincts reflecting the constraints imposed by the topography, landslip and vegetation in Cherrybrook and the established master plan in Rouse Hill. There is underdeveloped land in Rouse Hill that could play a greater role given proximity to the station.
The breakdown of expected jobs by Precinct is shown in Table 2 with most growth expected in the Castle Hill, Showground, Norwest and Bella Vista Precincts. Whilst there is high demand for residential development opportunities in the short term, protecting and enhancing employment lands is a high priority to facilitate the creation of jobs that suit Shire residents. The location of projected employment growth reflects the status of Castle Hill and Norwest as strategic centres and the opportunity presented by the rail link to enhance their employment function. Norwest and Bella Vista combined are seen to have capacity for approximately 20,000 extra jobs, beyond those allowed by the current planning framework, reflecting the important role of the business park as an employment destination. For Showground Precinct there is opportunity to transition part of the precinct from an urban support light industrial location to higher order office uses centred on a new local centre and the recreational opportunities offered by Castle Hill Showground.

<table>
<thead>
<tr>
<th>Precinct</th>
<th>2011 Existing Jobs</th>
<th>Planned growth under current controls</th>
<th>Additional growth under strategy</th>
<th>2036 Forecast Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cherrybrook</td>
<td>2,237</td>
<td>0</td>
<td>0</td>
<td>2,237</td>
</tr>
<tr>
<td>Castle Hill</td>
<td>5,285</td>
<td>3,650</td>
<td>6,654</td>
<td>15,589</td>
</tr>
<tr>
<td>Showground</td>
<td>8,074</td>
<td>320</td>
<td>13,691</td>
<td>22,085</td>
</tr>
<tr>
<td>Norwest</td>
<td>6,994</td>
<td>3,159</td>
<td>11,281</td>
<td>21,444</td>
</tr>
<tr>
<td>Bella Vista</td>
<td>4,222</td>
<td>4,208</td>
<td>8,574</td>
<td>22,004</td>
</tr>
<tr>
<td>Kellyville</td>
<td>63</td>
<td>2,283</td>
<td>-233*</td>
<td>2,113</td>
</tr>
<tr>
<td>Rouse Hill</td>
<td>4,666</td>
<td>4,375</td>
<td>-154*</td>
<td>8,887</td>
</tr>
<tr>
<td>Total jobs</td>
<td>38,541</td>
<td>17,995</td>
<td>39,823</td>
<td>94,359</td>
</tr>
</tbody>
</table>

Table 2
The Hills Strategy - Employment Growth Projections 2011-2036

4. **Infrastructure Implications**

The additional growth envisaged under the Strategy will increase the demand for various public facilities and services including schools, open space and recreation facilities, community facilities and services and traffic and transport. Based on preliminary calculations and the use of standard benchmarks, the additional population that has not already been planned for (25,984 people) will generate the need for the following facilities:

<table>
<thead>
<tr>
<th>FACILITY</th>
<th>RATE</th>
<th>NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>High schools</td>
<td>1 per 4,500 new dwellings</td>
<td>3</td>
</tr>
<tr>
<td>Primary schools</td>
<td>1 per 1,500 new dwellings</td>
<td>10</td>
</tr>
<tr>
<td>Active open space (playing fields)</td>
<td>1.21 ha per 1,000 people</td>
<td>31.4 ha</td>
</tr>
</tbody>
</table>
It is noted that Council is not the responsible authority for much of this infrastructure with State Government to play a role in responding to education and health needs. Childcare and facilities for the elderly are generally addressed by the private sector. Council will be involved in the delivery of open space and community facilities by the preparation of contributions plans to ensure the additional population pays for and receives local facilities that are needed to support a quality of life similar to that enjoyed by existing residents.

Contributions will be levied on development for the provision of certain local infrastructure including passive open space, sports fields, traffic infrastructure, community facilities and services, stormwater management. Responding to anticipated demand will be challenging, particularly the costs associated with the acquisition of land in the urban context where land costs are higher. A preliminary analysis of the Council’s open space network as well as lands in Government ownership has identified opportunities that could be explored to meet the recreation demand generated by additional growth within the railway corridor. For example, allowance for sporting activities such as cricket or AFL at Castle Hill Showground, acquisition of government land adjacent to Caddies Creek Reserve to provide two ovals, liaison with Blacktown Council to potentially achieve a district sports complex at Rouse Hill Regional Park. These opportunities will be further explored in the preparation of precinct specific contributions plans.

5. **Comparison with State Corridor Strategy**

The State Government Corridor Strategy and Structure Plans have projected housing and job growth for each precinct. These are based upon a series of floor space ratio assumptions for different development types such as 3-6 storey apartments and 7+ storey apartments. Applying these ‘high level’ assumptions to individual development sites results in potential yields considerably higher than the overall dwelling projections for each precinct and is partly driving speculative investment in the corridor.

Despite the inconsistencies in the State Corridor, the overall dwelling and job growth numbers are the focus for comparing the consistency of Hills Strategy outcomes. Section 117 Direction 5.9 *North West Rail Link Corridor Strategy* requires that when preparing any planning proposal for land within the rail corridor there is a need to give effect to the objectives of transit oriented development and to ensure consistency with the growth projections and proposed future character of the State Government Strategy. The term ‘transit orientated development’ is used here to convey an image of higher density development that is designed to maximise patronage for the new rail system. In a more general context ‘transit orientated development’ also means a mixture of residential, retail and commercial activities are centered around transport but create an environment where services, recreation, entertainment, jobs and housing provide a lifestyle alternative to the traditional suburban context. It is important to note that this type of development focuses highly on appropriate scale for pedestrians, which encourages people to go about their daily tasks by means other than using the private...
motor vehicle. Such development is focused within 800m of a high intensity transport node.

Table 4 and 5 below provide a comparison of the dwelling and job growth envisaged under The Hills Strategy with the State Corridor Strategy.

<table>
<thead>
<tr>
<th>Precinct</th>
<th>Total Additional Dwellings under The Hills Corridor Strategy</th>
<th>Total Additional Dwellings under State Government Rail Corridor Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cherrybrook*</td>
<td>1,694</td>
<td>1,389</td>
</tr>
<tr>
<td>Castle Hill</td>
<td>4,807</td>
<td>4,400</td>
</tr>
<tr>
<td>Showground</td>
<td>4,263</td>
<td>3,600</td>
</tr>
<tr>
<td>Norwest</td>
<td>5,012</td>
<td>4,350</td>
</tr>
<tr>
<td>Bella Vista*</td>
<td>4,090</td>
<td>4,400</td>
</tr>
<tr>
<td>Kellyville*</td>
<td>4,473</td>
<td>4,400</td>
</tr>
<tr>
<td>Rouse Hill*</td>
<td>1,185</td>
<td>400</td>
</tr>
<tr>
<td>Total</td>
<td>25,524</td>
<td>22,939</td>
</tr>
</tbody>
</table>

Table 4
Comparison of additional dwellings under Hills Strategy and State Strategy
*Dwelling numbers adjusted to only include Growth within the Hills Shire

<table>
<thead>
<tr>
<th>Precinct</th>
<th>Total Additional Jobs under The Hills Corridor Strategy</th>
<th>Total Additional Jobs under State Government Rail Corridor Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cherrybrook*</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Castle Hill</td>
<td>10,304</td>
<td>9,500</td>
</tr>
<tr>
<td>Showground</td>
<td>14,011</td>
<td>7,700</td>
</tr>
<tr>
<td>Norwest</td>
<td>14,450</td>
<td>13,200</td>
</tr>
<tr>
<td>Bella Vista*</td>
<td>12,752</td>
<td>10,500</td>
</tr>
<tr>
<td>Kellyville*</td>
<td>2,050</td>
<td>800</td>
</tr>
<tr>
<td>Rouse Hill*</td>
<td>4,221</td>
<td>3,240</td>
</tr>
<tr>
<td>Total</td>
<td>57,818</td>
<td>44,940</td>
</tr>
</tbody>
</table>

Table 5
Comparison of additional jobs under Hills Strategy and State Strategy
*Job numbers adjusted to only include Growth within the Hills Shire

As may be seen in the tables the overall dwelling and job yields anticipated by the draft Hills Strategy slightly exceed those envisaged by the growth projections under the State Strategy. It is important to note however that, under the proposed implementation strategy, the achievement of the residential yield will hinge upon compliance with Council’s apartment mix, apartment size and car parking requirements.

The approach to achieving growth in the Draft Hills Strategy responds to Council’s long term principle of placing highest densities in centres (and in this case stations) and transitioning densities to medium and lower density outcomes in more peripheral locations. Figure 1 compares the locations for growth identified under the draft Hills Strategy with the study area boundaries of the State Corridor Strategy. The locations proposed for growth are generally more contained and will provide greater certainty for landowners, developers and the community as to where transit oriented development is expected over the next 20 years. Areas that are not identified for growth in the Strategy, represent longer term opportunities that should remain unchanged in the short term.
Figure 1
Comparison between The Hills Corridor Strategy Precincts (red) and The State Government Corridor Strategy Precinct (blue)
6. Implementation
The Hills Corridor Strategy presents Council’s response to planning being led by State Government for priority precincts (Showground, Bella Vista and Kellyville) as well as to the Urban Transformation Program being undertaken as a collaborative approach between State Government agencies and adjacent councils for the other Precincts.

For the Priority Precincts the planning is being led by the Department of Planning and Environment with investigations and urban design work well underway and Precinct Plans and Local Environmental Plan amendments nearing completion. It is expected that the Department will be seeking to exhibit these documents in the short term and the Hills Strategy will form the basis of Council’s response. For the remaining stations, the Hills Strategy will guide the approach to the planning for future growth under the Urban Transformation Program. Future amendments to Local Environmental Plans, Development Control Plans and Development Contribution Plans will be the responsibility of each Council. For individual planning proposals and Castle Hill North Precinct Plan, the Hills Strategy will also guide outcomes.

In the draft Strategy residential yields have been expressed in terms of ‘maximum dwellings per hectare’. They should not be interpreted as detailed guidance on acceptable or intended built form on individual sites within the corridor. These maximum densities will inform the preparation of more detailed controls such as maximum floor space ratio and building envelope controls such as maximum height, landscaped area and building setbacks. It is intended that floor space ratio will be the primary mechanism for controlling the yield on individual sites. There is no direct translation between the dwelling densities indicated in the draft Strategy and the floor space ratio that will be applied because factors such as site location and context, interface with sensitive uses, management of privacy and overshadowing and ensuring quality urban design and public domain are key considerations.

By addressing building envelope controls in the Development Control Plan, such as height in storeys, setbacks and landscaped area, there is more flexibility to articulate and guide the desired built form outcomes. For example, where a development site is adjacent or adjoining a sensitive land use such as a school or detached housing, height could be limited to 3-4 storeys for part of the site, stepping back to taller buildings more central to the site. The advantages of this approach is that it takes the focus off height as an outcome and re-focusses on achieving desired built forms tailored to the location and context. It also provides clarity and a higher degree of certainty as to the expected yield, thereby assisting in planning and managing infrastructure delivery.

As we have already seen, The North West Rail Link Corridor Strategy has given rise to unprecedented speculation in the local property market. There is a real risk that the prices paid for land could translate to diminished construction standards as the developer struggles to balance the budget. Council’s implementation strategy will need to be strong and encourage great building outcomes through sensible incentives based on design excellence.

Incentives provision
It is important to note that the desired outcomes and growth identified in the Strategy represents the maximum residential yield envisaged where development proposals are able to meet the requirements of Council in terms of apartment mix, apartment size and car parking. An incentives clause is proposed to promote the housing outcomes advocated by Council to suit the needs of expected future residents. The introduction of an incentives clause will require an amendment to Council’s Local Environmental Plan.
and potentially to SEPP 65 to implement Council’s approach. This approach is consistent with discussion previously held with the Minister for Planning.

The operation of the incentives clause will limit the floor space ratio on a site (effectively capping the built form) and only allow additional floor space where the criteria specified such as unit sizes, unit mix and car parking are met.

The proposed incentive provision will provide certainty to Council, developers and the community and is consistent with the outcomes of the discussions with the NSW Planning Minister on 3 June 2015 regarding the application of SEPP 65 to The Hills Shire, where one of the options canvassed was development of an incentive arrangement to be endorsed by the Minister to amend Council’s LEP to only provide increased development opportunity provided the development meets Council’s standards.

**Bonus provision**

Whilst higher densities are expected, it is important that the built form be outstanding to provide not only the housing we need but a positive contribution to public realm. To this end, an additional floor space bonus will be investigated for key sites close to centres where design excellence is able to be demonstrated. It is aimed at achieving a high standard of quality in built form for larger buildings within the Shire. This would involve the use of a design competition or design panel and allow an additional 10% floor space where this mechanism is used and the winning design locked in. This approach is currently used in City of Sydney and Parramatta to drive better building design and functional outcomes.

**CONCLUSION**

The draft Hills Corridor Strategy has been prepared to provide a more detailed response to the delivery of future housing and employment growth around the Sydney Metro Northwest stations within or adjacent to the Shire. The State Government Corridor Strategy that was released in 2013, together with the current strong housing market, have created significant development expectations that in some cases is unrealistic given the need to respond to the expected demand from incoming population for local infrastructure such as roads, parks, playing fields and community facilities.

The outcomes identified in the draft Hills Strategy seek to provide for a level of growth consistent with the projected growth of the State Corridor Strategy in a way that reflects the values and lifestyle enjoyed by Hills Shire residents, in particular providing for housing to suit the expected family demographic and ensuring adequate infrastructure to provide a quality of life. To achieve the expected growth, the implementation framework will include changes to zones, development controls and contributions plans. Tools to manage growth will include incentives that provide additional floor space where Council’s apartment mix, apartment size and centres car parking rates will be achieved. A further floor space bonus will also be investigated for key sites close to centres where a high standard of architectural and urban design are sought.

It is also important to note that this strategy, if adopted, would lead to LEP and DCP changes. While, the Strategy is cognisant of the aggregation of sites by existing landowners or developer interest, it has to assume each site is developable for a variety of different housing and building forms. As has been the case over many years, if a development site is aggregated by a developer, then it is possible for a planning proposal to be lodged for Council’s consideration. Where a proponent can demonstrate design excellence and the provision of necessary infrastructure, which meet the demands of the additional population, it is open for Council to consider development outcomes that might exceed what is expressed in the Corridor Strategy.
Should Council support the draft Strategy it is recommended that it be exhibited for a period of 28 days to gain community and stakeholder input. Following exhibition a further report will be provided to Council to consider submissions and refine outcomes prior to finalising the Strategy.

**IMPACTS**

**Financial**

Development within the corridor will generate considerable demand for local infrastructure including roads, open space, community facilities and water cycle management facilities to support the expected additional population. New contributions plans and/or contribution plan amendments will be needed to ensure new development funds the necessary local infrastructure.

**The Hills Future - Community Strategic Plan**

The draft Hills Corridor Strategy presented in this report seeks to facilitate balanced urban growth where sensible population and employment growth are supported in a way that achieves desirable living environments and facilitates economic growth and jobs close to home. The exhibition of the draft Strategy will provide the opportunity to inform and engage the community, land owners, developers and other Council’s and stakeholders about the development of land surrounding the rail stations. The Strategy will also be a tool to ensure the wider community is effectively represented in the precinct planning processes being led by State government.

**RECOMMENDATION**

Draft The Hills Corridor Strategy (*Sensibly delivering housing and employment around the Sydney Metro Northwest*) be exhibited for a period of 28 days (ECM DOCUMENT NO 14047585).

**ATTACHMENTS**

1. Draft The Hills Corridor Strategy (*under separate cover*)
MINUTES of the duly convened Ordinary Meeting of The Hills Shire Council held in the Council Chambers on 8 September 2015

ITEM-3 DRAFT THE HILLS CORRIDOR STRATEGY (FP215)

A MOTION WAS MOVED BY COUNCILLOR HARTY OAM AND SECONDED BY COUNCILLOR HAY OAM THAT this matter be deferred until the Castle Hill North Precinct comes back to Council in October 2015.

THE MOTION WAS PUT AND LOST

Being a Planning Matter, the Mayor called for a Division to record the votes on this matter.

VOTING FOR THE MOTION
Clr Hay OAM
Clr Tracey
Clr Dr Gangemi
Clr Harty OAM

VOTING AGAINST THE MOTION
Clr Jefferies
Clr Dr D Byrne Adjunct Professor
Clr Thomas
Clr Preston
Clr Taylor
Clr Keane
Clr Haselden

A MOTION WAS MOVED BY COUNCILLOR THOMAS AND SECONDED BY COUNCILLOR PRESTON THAT the Recommendation contained in the report be adopted.

THE MOTION WAS PUT AND CARRIED

485 RESOLUTION

Draft The Hills Corridor Strategy (Sensibly delivering housing and employment around the Sydney Metro Northwest) be exhibited for a period of 28 days (ECM DOCUMENT NO 14047585).

Being a Planning Matter, the Mayor called for a Division to record the votes on this matter.

VOTING FOR THE MOTION
Clr Jefferies
Clr Dr D Byrne Adjunct Professor
Clr Thomas
Clr Preston
Clr Taylor
Clr Keane
Clr Dr Gangemi
Clr Haselden

VOTING AGAINST THE MOTION
Clr Hay OAM
Clr Tracey
Clr Harty OAM