

1.3 PROPOSED AMENDMENT C143 –REZONING OF 1 JACKSONS ROAD AND 634-648 WELLINGTON ROAD, MULGRAVE – FORMER BODYSHOP AND OFFICEMAX SITE (SMC: File No. W18-336)

Responsible Director: Peter Panagakos

RECOMMENDATION

That Council:

- 1. Request the Minister for Planning to authorise Council, pursuant to Section 8A of the Planning and Environment Act 1987, to prepare Amendment C143.*
- 2. Authorise the Director City Development to prepare and finalise the planning scheme amendment documentation in accordance with this report.*
- 3. Upon receiving authorisation from the Minister for Planning, prepare Amendment C143 and exhibit the amendment in accordance with Section 19 of the Planning and Environment Act 1987.*
- 4. Notes the proposed change of zone from Commercial 2 Zone to Mixed Use Zone is not currently supported by the Monash Industrial Land Use Strategy 2014, but recognises the changed circumstances of the site and is supported by Plan Melbourne 2017-2050 the Monash Housing Strategy 2014 and the strategic directions of the Monash Planning Scheme.*

INTRODUCTION

The purpose of this report is to consider a request from the owners of land at 1 Jacksons Road and 634-648 Wellington Road, Mulgrave (the 'subject site') to rezone the land to allow for a range of multi storey, mixed use developments, including medium density housing options through Planning Scheme Amendment C143.

The proposed amendment seeks to amend the Monash Planning Scheme to:

- Introduce Schedule 2 of the Mixed Use Zone to the Monash Planning Scheme.
- Rezone the land at the subject site from Commercial 2 to the Mixed Use Zone Schedule 2.
- Introduce Schedule 16 of the Design and Development Overlay to the Monash Planning Scheme.
- Apply the Design and Development Overlay Schedule 16 over the subject site.
- Apply the Environmental Audit Overlay over the subject site.

BACKGROUNDMonash Industrial Land Use Strategy (2014)

In July 2014 Council adopted the Monash Industrial Land Use Strategy. This document provides the strategic direction to support the future planning and development of industrial land (zoned Industrial 1 and Commercial 2) within the City of Monash including the rezoning of land for non-industrial uses. This direction is based upon analysis undertaken on a number of levels to determine:

- Monash's future role as an industrial and employment location within a regional and metropolitan context;
- Development opportunities for each industrial precinct; and
- The strategic direction, vision and an appropriate land use for each precinct.

This Strategy addresses a number of competing strategic land use objectives to ensure sustainable land use outcomes that balance Monash's role as a regional employment location with a need to facilitate more diverse housing opportunities, urban renewal and economic development generally. In particular, this Strategy aims to encourage continued investment in these precincts while recognising the longer-term interests of the community.

This Strategy identified the subject land as part of Precinct 26 (Corner Wellington Road and Jacksons Road Mulgrave). The stated vision and strategic direction for all areas of this precinct was:

"It is expected that this precinct will continue to perform its role as a corporate head office and distribution centre location into the foreseeable future. There is no strategic justification for considering a change of land use at this stage."

The Strategy recommended that the precinct be rezoned to Industrial 1, which under reformed zones provides the flexibility for office uses.

The current request for zone change does not reflect the recommended zoning as outlined in this Strategy. However, as is outlined further in the Issues and Discussion section below the usage and ownership of the land has changed since 2014 when the Strategy was prepared and the proponents have submitted an economic report in support of the rezoning from Commercial 2 Zone to Mixed Use Zone.

Figure 1 below shows the location of the subject site.

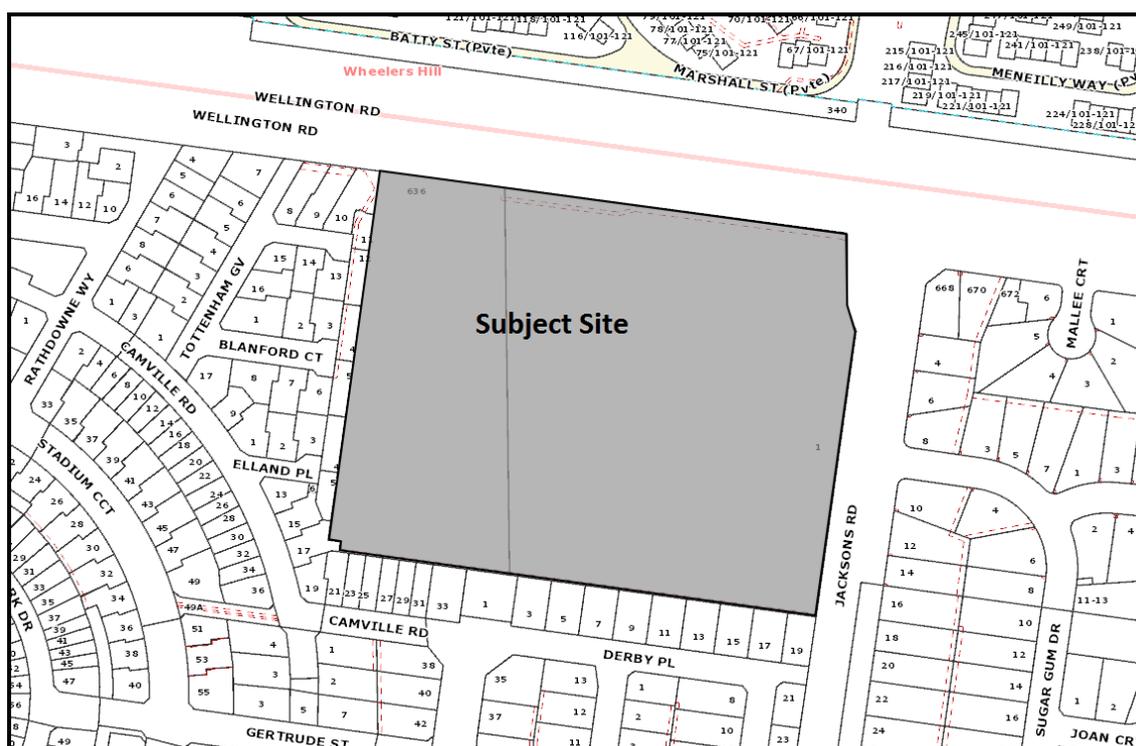


Figure 1: Subject site (Precinct 26, Monash Industrial Land Use Strategy, 2014)

The subject site

The subject site is currently within the Commercial 2 Zone and comprises two land titles in separate ownership, totalling an area of 5.4 hectares and comprising:

- 1 Jacksons Road
The 3.7 hectares land ownership currently has two buildings:
 - i. A two level office building comprising 2,500m² floor space, including common areas. Approximately 500m² of the building is being used by Link Health and Community for administration purposes. A child care centre occupies approximately 650m², plus outdoor areas.
 - ii. A 4,000m² warehouse of which only 100m² is used.

The previous long term tenant of the site, the Body Shop vacated the building after the business was sold and relocated their office and warehouse functions to Chadstone and South Melbourne respectively.

- 634 – 648 Wellington Road.
The 1.7 hectare land ownership contains a two level office building comprising 1,970m² and warehouse comprising 7,580m².

The previous tenant of the site OfficeMax has vacated the site and consolidated operations in New South Wales with local office staff relocating to Richmond. The warehouse is used on an occasional and temporary basis.

Other uses on the site include the weekly Mulgrave Farmers Market, which operates under the management of the Wise Foundation. This is popular with the community and

operates every Sunday from 8:00am to 1:00pm with up to 70 primary producers, food and craft stalls.

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A Planning Permit for the 'Use and development of a childcare centre' was issued for 1 Jacksons Road on 5 May 2018. The proposed centre, if constructed will cater up to 200 children and would replace an existing childcare centre on the site. Construction of the centre has not commenced and the permit expires on 5 May 2020 should the development not commence.

ISSUES AND DISCUSSION

The amendment request was accompanied by a town planning rezoning report, an economic report and a transport impact assessment. The proponents have also submitted a draft Design and Development Overlay - Schedule 16 and draft Schedule 2 to the Mixed Use Zone. Both of these have been significantly revised in consultation with officers and the Department of Environment, Land, Water and Planning (DELWP).

Strategic Justification

As noted in the background section of this report, the rezoning of the site from Commercial 2 Zone to Mixed Use zone is not supported by the Industrial Land Use Strategy 2014. However, the background report to the Industrial Land Use Strategy provides additional commentary for future development of the site. In reference to development opportunities:

"The most obvious development opportunity for the precinct would be for residential development which would most likely be in the form of townhouses. However while the existing buildings remain functional there is little justification for considering a change of land use."

"It is expected that this precinct will continue to perform its role as a corporate head office and distribution centre location into the foreseeable future. There is no strategic justification for considering a change of land use at this stage."

This commentary essentially places a strong emphasis on retaining the Commercial 2 zone, based on the existing uses on the site and this continuing into the foreseeable future. Given that these uses have now ceased it is relevant to reconsider the appropriate land use for the site and a potential change of use.

To support this position the proponents have submitted an economic report that has been prepared by Deep End Services. The report concludes the following:

Local planning policy of the City of Monash supports the retention of industrial and commercial land for employment generating purposes. The two sites at Mulgrave are however of very low strategic value in the context of the industrial land supply in Monash and the land use and economic changes which have occurred since the initial use was conceived.

The larger of the two sites (1 Jacksons Road) was developed 45 years ago when housing estates in Mulgrave and Wheelers Hill were being developed, the Waverley Park football ground was just two years old and the Monash Freeway link from Chadstone to Eumemmering was under construction.

The two sites are now surrounded by housing, forming an isolated industrial node which is removed from other industrial land and out of context with the surrounding residential and retirement village uses.

The early edge-of-city advantages of the site have been eroded as the buildings and facilities have aged and new, more efficient buildings in planned estates with on-site amenities are available elsewhere with equal or better freeway connections. The industrial market in Monash has expanded and consolidated to the technology node around Monash University and the more traditional areas through Oakleigh, Clayton and Springvale.

The loss of 5.3 hectares of Industrial 1 zone is of little significance given the relatively low rate of industrial land development in Monash and the large existing supply of land and buildings.

For new businesses entering or relocating in Monash, there are new industrial buildings available for lease, others readily turning over for re-lease and significant redevelopment opportunities in the older areas where traditional activities have declined and will be displaced by modern buildings more suited to the market. The slow but steady take up of the Monash technology precinct and Caribbean Gardens at Scoresby are better examples of where the market is shifting.

The elevation and eastern aspect of both sites and the new residential interface with Waverley Park, makes the land far more suited to a mixed-use scheme with residential and commercial use.

An ageing population and the low diversity of housing choice support higher density housing, aged care and medical uses. These and other on-site uses under the Mixed Use zone can meet the needs of the structural demographic changes occurring in the area and allow residents to move closer to their existing networks.

In conclusion, there are positive economic and employment benefits in rezoning the site to Mixed Use zone and no material impacts on the effective supply of high quality industrial land in Monash. The change will allow the land to revert to a range of higher and better uses which should deliver a net gain in jobs and economic activity.

In support of this position the Monash Housing Strategy 2014, which has been incorporated into the Monash Planning Scheme, recognises that there is an increasing demand for a variety of different housing styles to cater for a growing population and

changing community needs, such as an ageing population and student accommodation. Within this Strategy, the municipality is divided into eight categories. The subject site is located within Category C, which is noted as being an 'area with limited development potential'. Overall, however, the Strategy does recognise there are opportunities for larger sites that may provide more intensive development outcomes. Within such locations, the desired development outcomes will need to be sensitive to the scale and character of the surrounding locality. In regard to the current site any future development would therefore need to have regard to low scale suburban context of the adjoining Waverley Park Estate.

Proposed Amendment C143

The amendment is seeking to change the zoning of the site from Commercial 2 Zone to the Mixed Use Zone and introduce a new Schedule 2 to the Mixed Use Zone. The Objectives for the proposed Schedule 2 of the Mixed Use Zone are:

- To provide a range of medium density housing opportunities incorporating a diverse mix of residential dwelling types.
- To encourage a diversity of land uses, with a focus on health and community services, in easily accessible locations for the broader community.

The Mixed Use Zone would allow for the development of various types of medium density residential uses, which are currently prohibited in the Commercial 2 Zone. The Mixed Use Zone will also allow the current uses on the site to continue and offer the opportunity for other non-residential uses.

The proponents anticipate a vision for the site as a 'Wise Wellness Precinct' that incorporates the current uses on the site for health services, the childcare centre (and potentially new centre), the community market and allows other potential uses on the site such as offices, health and community services or limited retail uses to occur. It is likely the redevelopment of the site will predominantly be for a diversity of residential accommodation that provides for a range of dwelling types and sizes.

The precise mix of future uses on the site will be determined through future planning permit applications in the context of the objectives noted above. The scale of development on the site will be managed through the application of schedule 16 of the Design and Development Overlay. This is outlined in more detail below.

Site Design – Proposed DDO – Schedule 16 (DDO16)

The proposed DDO16 would introduce a series of design objectives, design requirements and development outcomes to manage the future design and scale of development and ensure the amenity and character of surrounding residential areas is maintained. The outcomes that DDO16 is seeking to achieve are summarised below.

Appropriate scale of development

- DDO16 includes measures to manage the impacts on neighbouring properties and to ensure that sight lines can be maintained through the property to the Dandenong Ranges.
- The site has been divided into four sub-precincts, as shown in **Figure 2** below, each reflecting particular maximum building heights and minimum setbacks.

1 JACKSONS ROAD AND 634 WELLINGTON ROAD, MULGRAVE – Sub-Precinct Areas, Boundary Setbacks and High-Value Trees



High-Value Trees Reference

Tree No.	Species	Common Name
1	<i>Quercus bicolor</i>	Swamp White Oak
2	<i>Corymbia maculata</i>	Spotted Gum
3	<i>Eucalyptus bicostata</i>	Victorian Blue Gum
4	<i>Quercus canariensis</i>	Algerian Oak
5	<i>Quercus canariensis</i>	Algerian Oak

LEGEND

- - - - Site boundary
- - - - Setback
- ↔ Existing access point (left-in/left-out)
- Existing high-value trees
- Sub-Precinct A
- Sub-Precinct B
- Sub-Precinct C
- Sub-Precinct D
- Setback Area
- Landscaped Setback Area

Figure 2. Sub-Precinct layout plan in DDO16

- Maximum building heights in sub-precincts A and B and C are four storeys (or 13.5 metres)
- For sub-precinct C, the maximum height is proposed to be four storeys or the maximum height permitted in the adjoining residential zone.
- The maximum building height in sub-precinct is 6 storeys (or 22 metres).
- Setbacks from Wellington Road are proposed to be 10 metres and from Jacksons Road 7.6 metres.
- At the residential interface within sub-precinct C, along the southern and western site boundaries, development is required to be setback 3m from the residential boundary stepping back further for higher built form as shown in **Figure 3** below.

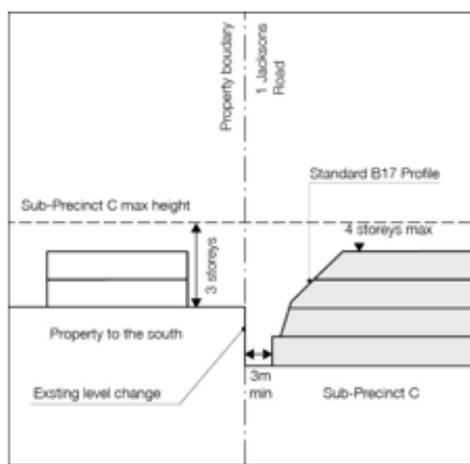


Figure 3. Building height and setback at the residential interface

- The building heights are set as maximums and are therefore mandatory. This means that a permit cannot be applied for to vary the building heights. This will provide certainty to the surrounding residential properties that the heights are not discretionary and may not be increased.
- A Design objective has been included to require "...separation between buildings that promote views across and through the site". To give effect to this Design objectives there is a requirement for a separation between buildings of at least 12 metres up to four storeys and at least 18 metres above four storeys to maintain views through the site.

Site topography.

- The topography of the site slopes steeply downwards from west to east with a fall of approximately eight metres over the site. Further, there is a steep fall between the two properties that results in a topographical physical barrier.
- A design objective has been included that recognise that the height of future buildings on the site need to respond to the variable topography.
- The planning report includes a series of indicative cross sections that show the slope of the site, transitioning building heights and the relationship to adjoining properties. An example of an indicative east west cross section is shown in **Attachment 1**.

- Application guidelines are included in Mixed Use Zone Schedule 2 to require the submission of a site plan and indicative land use and yields at the planning permit stage to the satisfaction of Council.

Circulation and access.

- DDO16 sets out requirements to ensure pedestrian, cycling and vehicle permeability through the site, future land uses and between the two land ownerships to recognise the change in topography. It is also necessary to ensure appropriate access is provided to Jacksons Road and Wellington Road.

Public realm and building design

- DDO16 sets out requirements to ensure that the future design is of a high architectural quality and recognises interfaces with the public and private realm. This includes a setback of 10m from Wellington Road and a setback of 7.6m from Jacksons Road.
- Landscape design is an important aspect of DDO16 and includes requirements to enhance the new character of the precinct, and soften the impact of future development on adjoining properties, and at the interface to Wellington Road and Jackson Road. DDO16 recognises five existing high value trees on the site to be retained and protected.

Site contamination

As the site was previously used for industrial and warehouse uses, it is likely that there would be some level of contamination that would need to be addressed. This may impact on the future redevelopment of the site for sensitive uses (e.g. dwellings, childcare and community market uses). As a result it is appropriate that the Environmental Audit Overlay should be applied to the boundaries of the subject land – as required under *Ministerial Direction No. 1 – Potentially Contaminated Land*.

Strategic Assessment Guidelines

All planning scheme amendments are required to be assessed against the Strategic Assessment Guidelines required by the Minister's Direction No. 11, and these form the basis of the Explanatory Report for the proposed Amendment. The key strategic considerations that must be addressed, where relevant, are:

1. Why is the amendment required?
2. Does the amendment implement the objectives of planning and address any environmental, social and economic effects?
3. Does the amendment address relevant bushfire risk?
4. Does the amendment comply with all the relevant Minister's Directions?
5. How does the amendment support or implement the Planning Policy Framework (PPF)?
6. How does the amendment support or implement the Local Planning Policy Framework (LPPS) and, specifically the Municipal Strategic Statement (MSS)?
7. How does the amendment support or implement the Municipal Planning Strategy (MPS)?
8. Does the amendment make proper use of the Victoria Planning Provisions?
9. How does the amendment address the views of relevant agencies?

10. Does the amendment address the requirements of the transport Integration Act 2010?
11. What impact will the new planning provisions have on the administrative costs of the responsible authority?

It is considered that the proposed amendment adequately addresses the Strategic Assessment Guidelines.

Of note is the requirement that the amendment implement the objectives of planning in Victoria as outlined in the *Planning and Environment Act 1987*, as follows:

- a) *To provide for the fair, orderly, economic and sustainable use, and development of land,*
- b) *To provide for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity;*
- c) *To secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria;*
- d) *To conserve and enhance those building, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value;*
- e) *To protect public utilities and other assets and enable the orderly provision and co-ordination of public utilities and other facilities for the benefit of the community;*
- f) *To facilitate development in accordance with the objectives set out in paragraphs (a), (b), (c), (d), and (e);*
- fa) *To facilitate the provision of affordable housing in Victoria;*
- g) *To balance the present and future interests of all Victorians.*

Objective (fa) is a recent change made by the Victorian State Government to the objectives of planning in Victoria and includes the requirement to facilitate the provision of affordable housing.

Requirements for Affordable Housing would be determined at the planning permit stage in conjunction with the land owners and would be considered in the context of the policy at the time. It is noted that consultants have recently commenced the development of an Affordable Housing Strategy for Monash Council, that will provide Council with advice and options for seeking affordable housing outcomes on this and other redevelopment sites in the municipality.

CONSULTATION

Upon receiving authorisation, the amendment would be exhibited in accordance with Section 19 of the *Planning and Environment Act 1987*, including:

- Notice in the Victorian Government Gazette
- Notice in the Monash Leader newspaper
- Letters to owners and occupiers of abutting and nearby properties
- Information on Council's website
- Information in the Mulgrave Library
- Media releases and social media posts, as appropriate

The statutory exhibition period would be for a minimum of one month, and provides an opportunity for interested persons to make a submission to Council about the amendment.

Following the exhibition period, submissions would be considered in a further report to Council. If there are objecting submissions, Council may either change the amendment in line with the submission, abandon the amendment, or request an independent planning panel to hear submissions and prepare a report for Council to consider.

POLICY IMPLICATIONS

The proposed Amendment C143 is consistent with the strategic policy directions of *Plan Melbourne 2017-2050* and the Monash Planning Scheme. Specifically, Plan Melbourne at Direction 1.3 aims to “*Create development opportunities at urban renewal precincts across Melbourne*” and Policy 1.3.1 is to “*plan for and facilitate the development of urban renewal precincts*”, and goes on to state that:

“Urban renewal precincts should be developed as mixed-use neighbourhoods that offer a range and choice of housing as well as other services. They should offer high levels of amenity and connectivity and integrate into surrounding neighbourhoods... A number of former industrial and other sites— including government sites—around Melbourne are currently underutilised. Local planning authorities should identify and plan for ways these sites can be repurposed to create jobs and accommodate growth.”

FINANCIAL IMPLICATIONS

There are costs associated with progressing Amendment C143 (i.e. exhibition costs, panel fees, statutory fees) as well as costs incurred to Council for administering the contributions schemes. The statutory amendment fees would be paid by the proponent.

CONCLUSION

The proposed Amendment C143 would rezone the land at 1 Jacksons Road and 634 to 648 Wellington Road, Mulgrave from Commercial 2 Zone to the Mixed Use Zone. The change of zoning is not currently supported by the Monash Industrial Land Strategy. However, given the closure of head office operations on the site, there is some justification for reconsidering the future of the site, and opportunities for a range of higher and better uses which could occur on the site, including residential uses.

The rezoning of the site is supported by Plan Melbourne 2017-2050, an economic report submitted with the rezoning request, the Monash Housing Strategy 2014 and the strategic directions of the Monash Planning Scheme.

A Design and Development Overlay – Schedule 16 has been prepared to ensure the scale of future development on the site is consistent with the character of surrounding residential uses, particularly within the neighbouring Waverley Park Estate.