

1.1 PROPOSED AMENDMENT C149 – STAGE 1 REZONING OF OAKLEIGH NORTH INDUSTRIAL PRECINCT –DANDENONG ROAD OAKLEIGH
(SMC: File No. F18-119589)

Responsible Director: Peter Panagakos

RECOMMENDATION

That Council:

1. *Requests the Minister for Planning to authorise Council, pursuant to Section 8A of the Planning and Environment Act 1987, to prepare Amendment C149.*
2. *Authorises 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, prepares Amendment C149 and exhibit the amendment in accordance with Section 19 of the Planning and Environment Act 1987.*
4. *Directs the Director City Development to write to the owners and occupiers of land to the north of the site to inform them of the proposed amendment, and to consult with them about the future zoning of the balance of the precinct in accordance with the Monash Industrial Land Use Strategy 2014.*

INTRODUCTION

The purpose of this report is to consider a request from the owners of land at 1557-1591 Dandenong Road, 66-76 Atkinson Street and 9-15 Park Road, Oakleigh (the 'subject land') to rezone the land to allow for a range of multi storey, mixed use developments through Planning Scheme Amendment C149.

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

- rezone the land from the existing Industrial 1 Zone to a Mixed Use Zone,
- apply a new Design and Development Overlay Schedule (and remove the existing DDO1 schedule);
- apply a Development Plan Overlay; and
- apply an Environmental Audit Overlay.

The amendment will also provide for the extension of Dalgety Street through to Park Road, which abuts part of the subject land to its north.

BACKGROUND

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 10 (Oakleigh North Industrial Precinct). The stated vision and strategic direction for all areas of this precinct was:

"Offers the opportunity for the creation of a high profile mixed use precinct to complement the Oakleigh Town Centre. Rather than competing with that centre, this precinct will offer an alternative location for:

- *Office activities where businesses are seeking a Princes Highway location that offers a higher level of exposure to that available within the Oakleigh Town Centre.*
- *Medium and higher rise apartment development that will leverage off the amenity and recreational facilities offered immediately to the north."*

The Strategy recommended applying the Mixed Use Zone to all areas of the precinct, with the exception of the Stamford Road sub-precinct in the north east. Early discussions about the future rezoning and development of land in Precinct P10 has occurred with all landowners over recent years in the Precinct. However the adjoining land owners to the north and east have decided not to participate in this current proposed amendment.

The Figure 1 below shows the location of Precinct P10 and the subject.

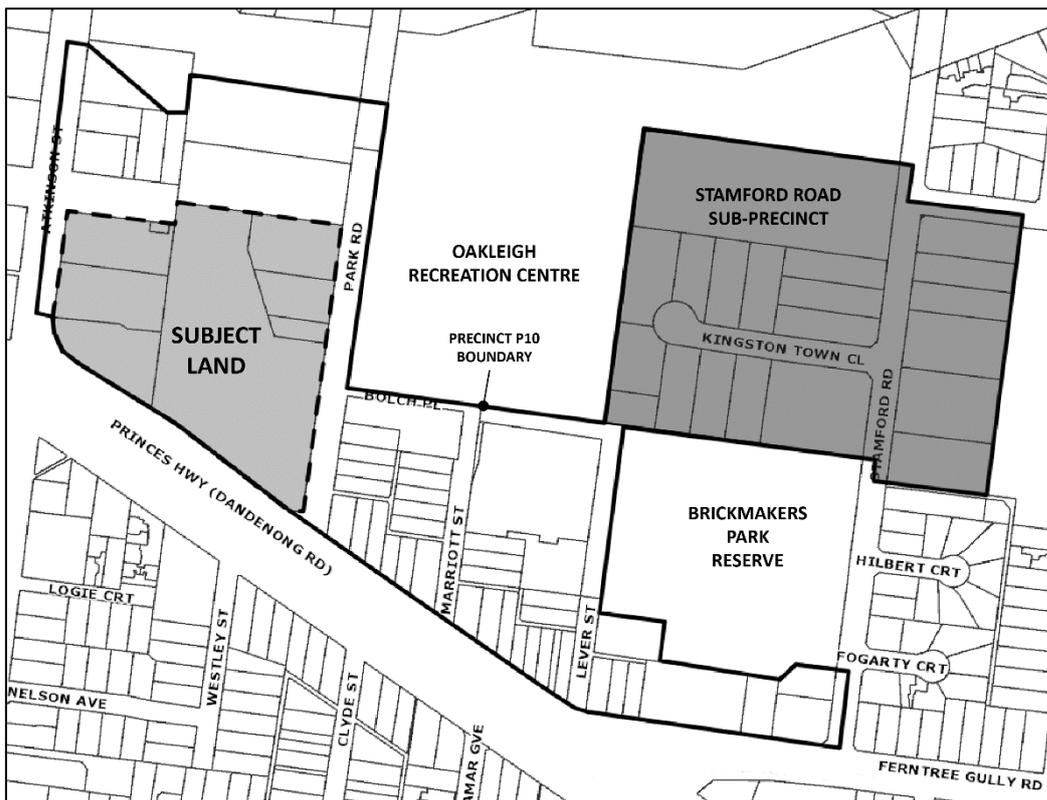


Figure 1: Precinct 10, Monash Industrial Land Use Strategy, 2014

The subject land

The subject land shown in Figure 2 below, is currently in the Industrial 1 Zone and comprises 5 land titles in 3 ownerships, totalling an area of 3.3ha and comprises:

- 1557-1567 Dandenong Road
- 1569-1591 Dandenong Road
- 9-15 Park Road
- 66-70 Atkinson Street
- 72-76 Atkinson Street

The subject land currently contains a number of business including two car dealerships (Garry & Warren Smith and Chadstone Toyota) and a bus charter depot (Quinces Coaches).

Balance of Precinct 10

Given that the Industrial Land Use Strategy recommends the rezoning of the precinct and this amendment will be the catalyst for significant change in the precinct it is appropriate to advise surrounding land owners of the implications of these changes and the opportunities for the rezoning of the balance of Precinct 10.

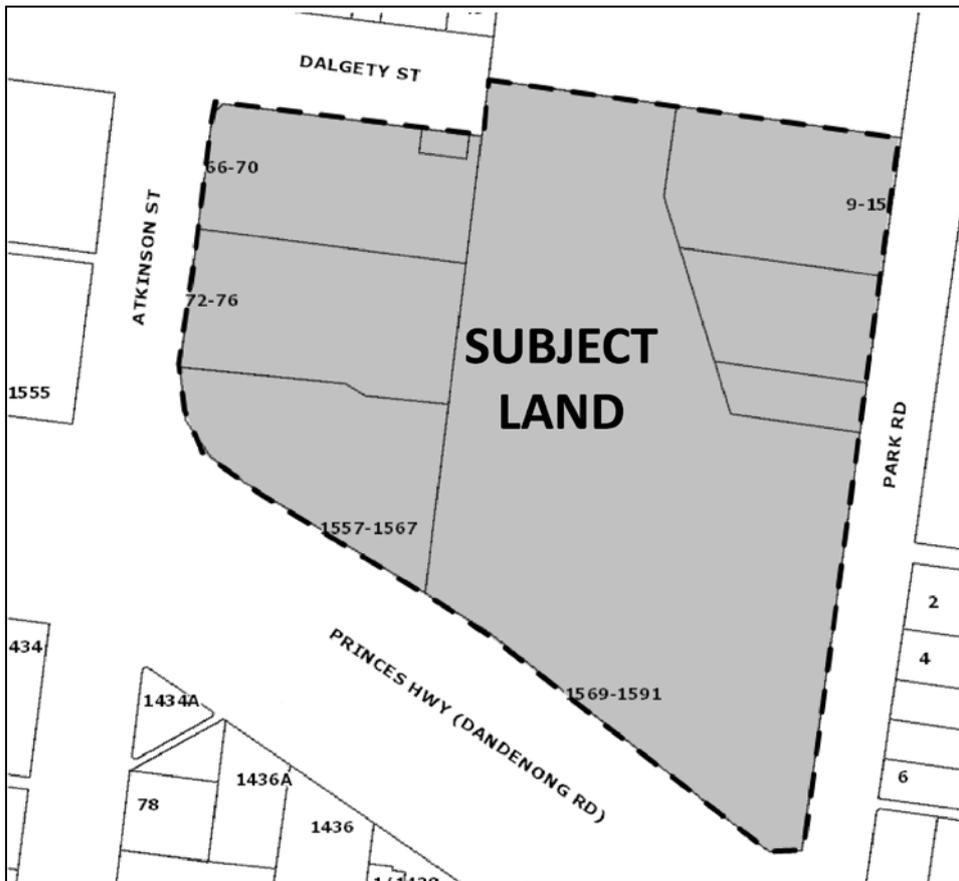


Figure 2: Subject Land

ISSUES AND DISCUSSION

Proposed Amendment C149

The proposed amendment seeks to:

- Rezone the subject land from the Industrial 1 Zone to the Mixed Use Zone
- Apply an Environmental Audit Overlay
- Remove the existing Schedule 1 to the Design and Development Overlay from the subject land
- Apply a new Schedule to the Design and Development Overlay based on the Urban Design Framework
- Apply a Development Plan Overlay that includes the built form and layout requirements of the urban design framework prepared for the site
- Provide for the extension of Dalgety Street to Park Road; and
- Facilitate the provision of affordable housing outcomes on the site.

The amendment request was accompanied by a town planning report, an Urban Design Framework (the revised version of this is provided as **Attachment 1**), economic, traffic engineering, site contamination, flooding and cultural heritage assessments. A draft DDO schedule was also provided, which has been significantly revised in consultation with officers.

The amendment gives effect to the Industrial Land Use Strategy (2014) by partially rezoning Precinct P10 to facilitate a range of uses on the subject land, including offices, retail and high density residential development.

The Urban Design Framework (UDF)

As part of the development of the rezoning request, an Urban Design Framework has been prepared that sets out the location of streets, open space, road network and building height and massing. Refer to **Attachment 1**.

The UDF contains the following key components:

- The extension of Dalgety Street as the primary link road along the north of the site.
- An internal road from the Dalgety Street extension, and internal circulation access from the service road, Atkinson Street and Park Road.
- Pedestrian and cycle access throughout the site.
- Public open space in the centre of the site accessed from Dalgety Street on the site's northern boundary.
- Breaks the site into four precincts:
 - Precinct A – along the Dandenong Road frontage
 - Precinct B – north east corner on Atkinson Street
 - Precinct C – north west corner on Park Road
 - Precinct D – centrally located between Precincts A and B
- Up to ten buildings ranging in height from 6 to 11 storeys, with taller buildings provided centrally in Precinct D and on the corner of Atkinson Street and Dandenong Road, smaller buildings provided to the north and mid-range buildings along the remaining frontage of Dandenong Road and in the southern portion of Precinct B.

Details about the proposed building heights are shown in Figure 3, and the key land uses and built form outcomes are shown in Figure 4 on the following pages.

Figure 4: Key Land Uses



The proposed Schedule to the Design and Development Overlay will use the Urban Design Framework as the basis for the built form controls.

Other Planning Tools options / Development Plan Overlay

Initial discussions with the Department of Environment, Land, Water and Planning (DELWP) about the proposed amendment indicated that a Development Plan Overlay (DPO) would be another, preferred planning tool to apply to the site. The DPO is an overlay that is used for large or complex sites to:

- Require a development plan to be prepared to coordinate proposed use or development before any permit under the zone can be granted,
- Guide the content of the plan by specifying that it should contain particular requirements,
- Provide certainty about the nature of the proposed use or development,
- Ensure that permits granted are in general conformity with the plan, and
- Provide statutory force to plans.

The DPO has previously not been a favoured as it removes notification and appeal rights for planning permits that are sought once the Development Plan is approved.

The advantages of the DPO as a planning tool in this instance are that it is proposed to be used from the start of the process to set out the style and intensity of development and the site is effectively an island site bounded on all sides by roads or industrial interfaces.

The majority of the content of the UDF would be included in the Development Plan. This is not possible with a Design and Development Overlay (DDO), which is generally limited to building and setback issues. The DPO could outline the approach of having active uses along the Dandenong Road frontage of the site rather than allowing residential development at ground floor level, and the road layout for the site which cannot be controlled by a DDO alone.

The Development Plan would be prepared to the satisfaction of Council, as the responsible authority, and future planning applications must be 'generally in accordance' with the Council approved plan. The DPO is an option that could be considered by Council and would only be recommended by officers in circumstances where there are no sensitive interfaces. Whilst the DPO has caused issues for Council previously, given its use by the State Government on former school sites a number of years ago, its potential application in this instance is more robust as it contains sufficient detail about the future development outcomes for the site and would be consulted on as part of the rezoning process.

Site contamination

As the site was previously used for a range of uses including petrol filling station, car storage and repairs, former brick works and motor sales, it is likely that there would be some level of contamination that would need to be addressed.

A Preliminary Site Investigation was provided by the proponent with the amendment request that identified several potential sources of contamination (as a consequence of current and previous uses).

These may impact on the future redevelopment of the site for sensitive uses (e.g. dwellings, childcare and public open space). The report concluded that an Environmental Audit would be required for the parts of the site where a sensitive use is proposed. As residential development is proposed in all parts of the subject site (at upper levels at least), along with a central area of public open space, 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 buildings, 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);*
- f) (a) *To facilitate the provision of affordable housing in Victoria;***
- g) *To balance the present and future interests of all Victorians.*

The highlighted objective (g) 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. It is proposed that this amendment include a Section 173 agreement with the land owners to facilitate the provision of affordable housing to satisfy this objective. Whilst the final details of this are being discussed with the owners, there is general agreement to the requirement that a minimum of 5% of future dwelling units on the site be provided as affordable housing units.

CONSULTATION

Upon receiving authorisation, the amendment will be exhibited in accordance with Section 19 of the *Planning and Environment Act 1987*. The formal exhibition process and (non-statutory) consultation measures include:

- Notice in the Victorian Government Gazette
- Notice in the Early General News section of the Monash Leader newspaper
- Letters to owners and occupiers of abutting and nearby properties, including all industrial properties within the same precinct
- Information on Council's website
- Information in the Oakleigh Library
- Media releases and social media posts, as appropriate

The statutory exhibition period is a minimum of one month from the gazettal notice, and provides an opportunity for interested persons to make a submission to Council about the amendment. Following the exhibition period, the submissions will be considered and a further report made to Council. If there are objecting submissions, then Council will be required (unless it chooses to abandon the amendment) to request an independent planning panel to hear submissions and prepare a report for Council to consider.

POLICY IMPLICATIONS

The proposed Amendment C149 is consistent with the strategic policy directions of *Plan Melbourne 2017-2050* and the Monash Planning Scheme. Specifically, Plan Melbourne at Direction 1.3 is 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.”

Council has identified this precinct as a potential urban redevelopment site in the *Industrial Land Use Strategy (2014)*, and Amendment C149 seeks to facilitate the redevelopment of an important and prominent part of this precinct, with future rezonings anticipated for the remainder of the precinct.

FINANCIAL IMPLICATIONS

The financial implications to Council are minimal as there are statutory fees that are charged to the proponents, and the proponents will be required to cover the costs of a planning panel if held.

The proponents have agreed to the transfer of land to Council for the extension of Dalgety Street as there is a clear benefit to the viability of future development and the road extension. The central public open space area is part of the open space contribution, with the remaining contribution to a total of 10% provided through a financial contribution that Council can use in accordance with the *Monash Open Space Strategy (2018)*.

CONCLUSION

The proposed Amendment C149 is consistent with the recommendations in Council's previously adopted position in the *Industrial Land Use Strategy (2014)*, *Plan Melbourne 2017-2050* and the strategic directions of the *Monash Planning Scheme*.

The amendment will facilitate the redevelopment of the site to reflect the vision outlined in the *Urban Design Framework (Attachment 1)*.

It is appropriate to respond positively to the request for the amendment from the proponents and to request the authorisation of the amendment and to exhibit it.