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INDEPENDENT PLANNING COMMISSION

**GATEWAY DETERMINATION REVIEW – 355 AND 375 CHURCH STREET,
PARRAMATTA**

MEETING WITH CITY OF PARRAMATTA COUNCIL

COMMISSION: **CHRIS WILSON (CHAIR)**

OFFICE OF THE IPC: **JANE ANDERSON**

COUNCIL: **ROBERT COLOGNA**

LOCATION: **VIA VIDEO CONFERENCE**

DATE: **4.09 PM, WEDNESDAY, 7 APRIL 2021**

MR C. WILSON: Before we begin, I would like to acknowledge the traditional owners of the land from which we variously meet today and pay my respects to elders, past, present and emerging. Welcome to the meeting today to discuss the Gateway Determination Review for 355, 375 Church Street, Parramatta. My name is
5 Chris Wilson and I'm the Chair of this Commission Panel.

We're also joined by Jane Anderson from the Office of Independent Planning Commission. In the interest of openness and transparency and to ensure the full capture of information, today's meeting is being recorded and a complete transcript
10 will be produced and made available on the Commission's website.

This meeting is one part of the Commission's consideration of this matter and will form one of several sources of information upon which the Commission will base its advice. It is important for me to ask questions of attendees and to clarify issues
15 whenever it's considered appropriate. If you're asked a question and are not in a position to answer, please feel free to take the question on notice and provide any additional information in writing, which we'll then put on our website.

To ensure accuracy of the transcript, I request that all members here today introduce themselves before speaking for the first time and for everyone to ensure they do not speak over the top of each other. We will now begin. So, as noted in the agenda – pretty short agenda. It's just the two discussion points. And Condition 1(d), which relates to the isolated site – we understand the Department now has agreed to take it out. Are you aware of that?
20

25 MR R. COLOGNA: My name is Robert Cologna. I'm from Parramatta Council, as my introduction. Look, I was made aware of that in a conversation with the Applicant yesterday. So - - -

30 MR WILSON: Okay.

MR COLOGNA: - - - it may be the Council has been formally advised, one of my – one of the members of my team. Unfortunately, the officer responsible for this matter is away on sick leave. She may have an email confirming that but I - - -
35

MR WILSON: Okay.

MR COLOGNA: I haven't seen it as yet.

40 MR WILSON: No, no. It's no drama. I just wanted to let you know that I don't think it's worth discussing today. That's all. Because it's done and dusted, basically.

MR COLOGNA: Sure.

45 MR WILSON: Okay. So we'll just – we'll go straight on then to the main issue, which is obviously the car parking rate for McDonald's. Do you want to just talk about that briefly first before we sort of raise it? Do you have any questions in terms of Council's consideration? And maybe, in doing so, to respond to some of the

concerns that Transport and the Department have raised in relation to their assessment of that – of that rate.

5 MR COLOGNA: Okay. In order to answer, I think I need to give a bit of background. So - - -

MR WILSON: Sure.

10 MR COLOGNA: - - - at the same time that we're assessing site-specific planning proposals, such as the subject planning proposal, we're also progressing a larger body of work, which is the Parramatta CBD planning proposal - - -

MR WILSON: Yes.

15 MR COLOGNA: - - - that will seek to implement new controls for the whole of the CBD. As part of that body of work, Council has taken a policy position and that policy position has been endorsed by the Department and the Department of Transport informally – the Department of Transport informally.

20 The Department of Planning have issued a Gateway Determination and it's pursuing investigations to – for car parking rates for the future CBD based on the class A rates that applied in – that are applied in the City of Sydney. So up until now for almost – I think almost all applications – I can't think of another exception – we have sought to put in place parking controls for sites, specific DCPs in the PP, that are consistent
25 with what we anticipate will be in the CBD PP in the future, which is rates consistent with the class A rates in the City of Sydney plan, and we've progressed on that basis.

30 So the issue that is material to this application is the applicant requested a consideration of a variation to that approach to allow additional car parking on this particular site. And so as Council officers, we are agonised over the potential planning issues and impacts associated with that. From a technical planning point of view, we were satisfied that on a site basis, given the existing number of car parking spaces on the site for the restaurant to use, that there are – there was very little in the way of technical arguments to argue that the rates have been put in place by – or
35 requested by the applicant being resolved in a decrease in car parking or traffic generation associated with the McDonald's use.

MR WILSON: Sure.

40 MR COLOGNA: And so then the issue that we agonise over for quite some time related to the issue of whether or not this would set a precedent and unravel our strategies for car parking for the broader CBD PP. And whether or not we could mount an argument to say that this site had unique characteristics that meant that it couldn't be seen as a precedent for other sites. The first thing I'd say to you in terms
45 of the issue of precedent is we haven't had – we've got at least 20 site-specific

planning proposals in the CBD at the moment – or at least 20 that we’ve been processing over a few years, and I can only think of one other proposal where they’ve actually challenged the car parking rates. So it’s not an environment where developers are actually challenging and seeking additional car parking on their sites,
5 so the issue of precedent isn’t one where, you know, we’ve got – normally if we’ve got 50 people asking for a variation to a certain policy, and we’re seeking to - - -

MR WILSON: Sure.

10 MR COLOGNA: - - - vary it on one, then it’s a much greater risk because we need to have that conversation with 50 parties. I can only recall one other site where somebody has pushed back on car parking rates, and requested additional rates in the CBD. So the issue of precedent is important, but it’s not immediately material to
15 decisions we’re making at Council. Other issues that we took into consideration when we looked at whether or not this site was unique was, first of all, we looked at the planning history. So I’m not sure if you’ve had a chance to read the Council report, but there was a previous DA on this site - - -

MR WILSON: Yes.

20 MR COLOGNA: - - - that went to the local planning panel, and in something that I find pretty unusual for a decision-making body on a DA, they refused a DA on the basis that it wasn’t dense enough, that it was an under development of the site, and so McDonald’s, essentially, had made a case to say, well, look we want to redevelop
25 this site. If Council has a vision for redeveloping this site, we wanted to see the improvements made to the urban design outcomes for this site. McDonald’s responded to that by putting in that application, and ultimately the independent panel refused that application on the grounds that they thought it was an under
30 development of the site.

So it was goodwill from McDonald’s to try and achieve Council’s objectives in terms of urban design and other outcomes that had been stifled by, what I consider to be, a process that was unusual, and maybe didn’t serve the city well, because McDonald’s made the point to us that in 20 or 30 years time when the strategy for the CBD and
35 the redevelopment of light rail, the densification of surrounding areas, they’re happy to acknowledge that in that sort of timeframe, maybe even 10 years, that their customer base may not be as car dependent as they are today, and as they will be in the next – well, they expect to be the immediate future.

40 And so we – in terms of the development scenario for this site we envisage that if that was the case then McDonald’s wouldn’t be redeveloping that site until that dynamic changed, because it wouldn’t be in their economic interests to move away to a development form that drove away their customers, and so the site would then, potentially, be retained as it is, with the existing car parking arrangements, and the
45 existing poor urban design outcomes, in the short to medium term. We didn’t think that was a good outcome.

We then started to look at the issue of whether or not this would be a precedent that would be taken up for other sites. There are no other sites within the CBD that contain a standalone fast food highway type restaurant where that is dependent on vehicles in the way that this site is now. Most of the other – so all the other sites in the CBD where there are restaurants are essentially restaurants in the bottom levels of what are residential or mixed use or commercial buildings. Victoria Road is one of the few major arterial roads, and if you go back to the traditional highway use model where you would have vehicle dependent uses along highways. I know I'm getting into a bit of planning history. You can see why McDonald's ended up being permitted along Victoria Road, but we didn't get any other of these sorts of restaurants along Victoria Road or the Great Western Highway, which are the two roads close to the CBD where a precedent may come up.

So on the basis of those mix of issues we thought that we could defend a decision to vary the controls on this particular site, and that if another developer came and tried to mount an argument to say, well, the McDonald's development is a precedent that means you should also vary car parking and allow me additional car parking on another site, that we could differentiate between the McDonald's site and any other site in the CBD in order to say that we didn't think it was a relevant precedent.

MR WILSON: Okay. Just on that, Robert, I accept that. I think that it's a fair and reasonable argument. I guess it comes down to acceptability. I mean, have you had detailed justification as to what is viable and what is not viable on that site? I mean

MR COLOGNA: Look, we – no, is the short answer to that, we haven't got a report on viability. We were, essentially, advised by McDonald's that their custom and trade at the moment is reliant on vehicular traffic, and that foot fall, other than on days where there are major events at the stadium, you know, is only a small proportion of their business, and ultimately, I think, we accepted that argument on the basis that the site is not that densely developed to the point where you would expect that sort of McDonald's to be able to trade off foot traffic and public transport alone.

MR WILSON: That's very reasonable. Okay. Sorry, to interrupt, I just thought I would ask that one.

MR COLOGNA: No, that's all right. I've actually probably reached the end, so if there are any other questions.

MR WILSON: Yes. Just in terms of – okay. So in terms of that natural, sort of, main road topology for retail, what implication do you think the light rail system is going to have because sooner or later – I mean, it's going to be – access is going to be a little bit more problematic, I would have thought, and less, I guess, less attractive for people driving past.

MR COLOGNA: Yes. Look, what I envisage that will happen, is that over time there will be a densification of the area where McDonald's start to turn their mind to the fact that most of their customers turn up on foot, or via public transport, and potentially people who see that McDonald's as a destination for vehicle trips, i.e. the people who go, "Why don't we drive to McDonald's and grab a feed" during the peak hour will be significantly reduced. So there's still a case that, you know, that in areas where it will have less of an impact, so sort of on weekends and on – and in the evenings and those sorts of things, outside the peaks, you might still have people going to McDonald's as a destination, but what I envisage is that in a – in the medium term that McDonald's business model will change, that people will start to access it differently, and that we will have, potentially, an oversupply of car parking on this site, but I don't think that will happen for a number of years until light rail becomes more firmly established, and there is density along the light rail corridor that gives sufficient critical mass to a customer base for McDonald's for them to turn from that. And we've talked to McDonald's about the ability to amend that car parking in the future to go to other uses for – just for efficiency reasons, and they're open to that strategy. And it's also the reason that we put a sunset clause on these rates.

20 MR WILSON: Yes. No, appreciate that.

MR COLOGNA: We didn't want them to, essentially, be given the variation and then take 15 years to do it, and then be in a different operating environment and still trying to apply the same rates.

25 MR WILSON: I guess there is the potential, though, to apply those rates, and then the context change – the strategic context changes, and they have that over supply. There's no way of controlling that, though, is there?

30 MR COLOGNA: No. So it – but ultimately that will be driven by the economic interests of McDonald's and the owner, which is, essentially, what drives a lot of investment decisions for change to get more efficient use out of land. So I think – I would argue you would just rely on the economic imperative of McDonald's is not going to run an asset with a whole heap of floor space that's not making any return, they will seek to amend their building in a way that maximises a return, and if the car parks are not part of the business model that maximises their return, that's their incentive to make change in the future, but there is certainly no planning mechanism I'm aware of to make that happen.

40 MR WILSON: Just in terms of the long term strategic outlook for the CBD, I was just looking at the map, so, you know, what is Council's forecast in terms of the uptake of these – particularly the incentive building map and so forth, the incentives that have been provided in the CBD?

45 MR COLOGNA: I apologise, Chris, I would have to take that on notice. I did know that information once, but it's not at the front of my mind right now.

MR WILSON: That's okay, that's no dramas.

MR COLOGNA: So I apologise.

5 MR WILSON: If you could provide that. It just – I presume there must be a CBD planning proposal has a timeframe in mind.

10 MR COLOGNA: Look, it's certainly got some development scenarios, and I know also how LSPS would have some growth strategies as well, but, again, I apologise, they're just not front of mind right now.

15 MR WILSON: That's okay. All right. So if you don't mind providing that, if it's available, that would be really appreciated. Yes, because it goes to transport's view that the area is rapidly changing. From what I'm hearing from you is that that change is unlikely to happen so rapid, and correct me if I'm wrong, are you saying that, you know, Council is trying to provide incentive to drive that change, but that change is going to take some time.

20 MR COLOGNA: Well, even the development of density in and around this site I don't think automatically drives the critical mass that McDonald's needs. Essentially, you would need, in my opinion, development along the whole line. So, for example, to the north of this site the light rail then goes into the Cumberland Hospital site and into Westmead, and it is really a mixture of people living in the local area who would then access it, but also people who might then use public
25 transport and be travelling through the corridor who would take the opportunity take that business. So I can give you some scenarios, if we've got them, or the best scenarios we have for growth, but I actually envisage that there's probably more to do with the critical mass of people in the area – both in the area for residential or commercial purposes, but also people travelling through, which is the broader growth
30 scenario over a longer period of time.

MR WILSON: So people travelling along Victoria Road, basically?

35 MR COLOGNA: Yes. Victoria Road is one of them but I'll probably see them as less important than people travelling along the light rail line north-south from Westmead into the CBD.

40 MR WILSON: I see what you're saying. Yes. Okay. All right. Jane, there were a couple of questions you had. Have we covered them all?

45 MS J. ANDERSON: I guess, Chris, just on the CBD planning proposal, Robert, we note that that was on public exhibition, which ended in November last year. We just wondered if you could provide us with an update on the status of the CBD planning proposal - - -

MR COLOGNA: Yes.

MS ANDERSON: - - - and where things are up to.

MR COLOGNA: We've got 310 submissions and so we're slowly working our way through responding to those. We have a timetable for reporting the matter to the
5 Local Planning Panel potentially in April and then through to Council in May.

MS ANDERSON: Okay. Thank you.

MR WILSON: There's a – there's a – so the Department in their report to us or in
10 their justification report has paraphrased Council as saying that the progression of the site-specific planning proposal for the McDonald's site is necessary, so Council and the Department can consider the site-specific provisions. If it was not for these controls, the same argument would apply to site specific proposal outright as it would otherwise only seek to impose controls consistent with the CBD proposal. So
15 is that basically saying that the only really reason we need this PP at this stage is to set the site specific parking rates?

MR COLOGNA: That's right. Because if the – if the car – if the site specific parking rates don't apply, then the other controls on the site will actually be
20 implemented via the CBD planning proposal, and given that it's at the end of the exhibition process, it's possible and, I think, likely that it would beat the site specific planning proposal to the punch and the controls would be put in place, anyway. So you'd be pursuing – pursuing a PP to put in place controls that have already been put in place by the CBD PP.

25

MR WILSON: So the CBD PP would mirror what's in this one?

MR COLOGNA: So this is completely based on the CBD PP, with the exception of the car park.
30

MR WILSON: That's what I mean. In terms of car parking rates, just assume if the CBD planning proposal was to give the nod before this, would it have the site – notwithstanding what happens today or through this process, if it proposed to have that specific rate, yes?
35

MR COLOGNA: No. The CBD PP would apply the class A rates - - -

MR WILSON: Okay

40 MR COLOGNA: - - - as part of the Sydney – the City of Sydney - - -

MR WILSON: Yes.

MR COLOGNA: - - - and this PP would then be essentially one of the first
45 amendments to that – to that plan to put in place this site - - -

MR WILSON: Okay. Yes, yes, I know.

MR COLOGNA: - - - specific control.

MR WILSON: I understand now, sorry. Okay. That's fine, thanks.

5 MS ANDERSON: Chris, I just have one other question, if it's okay. Robert, it was
just – also in the Department's assessment report there's a section that talks about the
site-specific parking rates, and that Council did raise some concern, and that Council
officers proposed an alternative rate of one space per 45 square metres, which would
10 result in approximately 20 car parking spaces; however, based on the feasibility
concerns of McDonald's Council does support the one space per 30 square metres, or
30 spaces. Do you mind just giving us some insight into that thinking?

MR COLOGNA: Yes. Look so we were trying – we were – this wasn't a simple
15 process for us, it wasn't a – McDonald's turned up and said, "Here are the
arguments" and we said, "We would report this to Council." What we tried to do
was test – to go back to Chris' point around viability, we tried to test the edges of
what would be viable and what wouldn't for McDonald's in the short to medium
term. And so we put to them formally that a lower rate, you know, would be easier
20 for us to support if we were going to support, so we'd still – the one per 20, from
memory, is still a variation to it, it just wasn't as significant a variation. And
ultimately what – through the assessment process we were trying to get a feel for,
you know, where is the viability point for McDonald's, and that one per 20 was as
part of that discussion, and that assessment and analysis, to get a feel for that, but
ultimately we felt that we were comfortable enough recommending the rates that are
25 in the report, and that we acknowledged that the conversation and the assessment had
taken us down that path as part of the reporting process.

MR WILSON: So on a similar theme, the Department, in one of its reports,
30 indicated maybe that it could be left up to the Applicant to deal with parking in the
sense – in terms of the mix of parking, you know, they could choose to adopt less
parking for residential; is that what it was, Jane, that was the - - -

MS ANDERSON: Yes, I think, Robert, that we saw in one of the Department's
35 reports that potentially if a commercial parking rate was applied that, you know,
through the DA process there could be further discussions of how that is allocated,
and potentially more could be allocated to McDonald's without the need for a site-
specific condition.

MR COLOGNA: Look, off the top of my head I can't recall whether that was
40 discussed with the applicant as part of the assessment, but from a pure planning point
of view I see a couple of opportunities. One is an opportunity to do what you're
talking about, and the second is an opportunity for those transfers to go back to touch
on the issue that Chris talked about earlier, which is what do you do with them when
they're not as well used in the future, is that they could be, potentially, sold back to
45 some of the residences in the future if McDonald's didn't make a decision to
redevelop the site and use that floor space for other purposes. Yes, it's a viable

planning model, but I guess you would need to talk to the applicant about that as well. If we did discuss it with the applicant, then I don't recall having done so.

5 MR WILSON: So physically, really, the implications are not physical or technical. They're not – they don't really have – the rate doesn't really have an impact on the road network, does it?

MR COLOGNA: That's my understanding that, from a technical point of view - - -

10 MR WILSON: Yes.

MR COLOGNA: - - - the – yes, from a technical point of view we didn't think we could defend a refusal to accept these rates on, you know, it's going to cause a traffic problem here or there.

15 MR WILSON: Yes.

MR COLOGNA: We did refer it to – as part of the – our preparation of our report to the transport authorities, in particular the light rail, and they raised issues to do with, you know, the - - -

20

MR WILSON: Physical access.

MR COLOGNA: - - - driveway arrangements and technical issues, rather than any outright objection to the density or the use.

25

MR WILSON: Yes, okay. All right. Look, I'm not quite sure we have any more. Jane?

30 MS ANDERSON: Yes, that's all from me, Chris, I think.

MR WILSON: Yes. Look, really appreciate your time, and sorry we had a few technical issues, and, yes, thank you very much.

35 MR COLOGNA: No worries, my pleasure. So in terms of the further information about the timeframes for the CBD and our anticipated growth scenarios, I would email those to Margaret, is that the pathway?

40 MS ANDERSON: You could email them to me, Robert, so I'm the planner on the project.

MR COLOGNA: Okay.

45 MS ANDERSON: That would be great, thank you.

MR WILSON: Appreciate it, Robert. Thank you very much.

MR COLOGNA: Pleasure.

MS ANDERSON: Thank you.

5 MR COLOGNA: See you later.

MS ANDERSON: And thanks Auscript.

10 **RECORDING CONCLUDED**