



GOSFORD CITY CENTRE PLAN

Submission of the
Urban Development Institute
Of Australia NSW
to Gosford City Council
and the
NSW Department of Planning



January 2007

Introduction

The Urban Development Institute of Australia (UDIA) appreciates the opportunity to comment on the Gosford City Centre Plan and commends Gosford Council and the Department of Planning for their continued interest in the revitalisation of the Gosford CBD. UDIA NSW particularly appreciates being given the opportunity to be represented on the Reference Group established for the project. In this regard the UDIA has taken the opportunity to submit its ideas to the Cities Taskforce team during the plan preparation process.

This submission, to some extent, represents a summary of some of those ideas. However the submission also attempts to address the inter relationship between the Gosford City Centre Plan, the recently exhibited Draft Central Coast Regional Strategy, and the other five City Centre Plans which form part of the Greater Metropolitan Region (GMR) Strategy.

GMR Context

UDIA NSW has established a working group to examine the Six Cities initiative being undertaken by the Department of Planning as part of the GMR Strategy. The release and exhibition of all of the six city centre plans has revealed a number of urban design and policy principles that are common to all of the plans and as such, UDIA NSW has considered it prudent to prepare a comprehensive response to the Six Cities initiative. This review is currently underway and will be finalised in February.

In addition to the above mentioned review, there are locationally specific elements of each of the plans that need to be examined in the context of achieving the stated objectives. In this regard UDIA NSW has prepared individual submissions on both the Wollongong plan and now the Gosford Plan.

As the Government seeks to strengthen each of the Six Cities, it is likely that each will be competing with each other for public and private sector investment. The demand and supply analysis for each centre needs to be considered in the context of likely available jobs and the nature of those employers. In other words, location of government offices has traditionally been used as a catalyst for distributing employment and investment opportunities to encourage revitalisation. UDIA NSW contends that Government investment of this nature will continue to play a fundamental role in the revitalisation and development of the six centres.

Central Coast Regional Context

The relationship of the Gosford City Centre Plan to the Draft Central Coast Regional Strategy needs to be considered on a number of levels.

The relative competitiveness of Gosford CBD for investment given that there has been a shift to non CBD locations such as Erina and Tuggerah which will not be subject the same levy structure as the CBD. In addition these centres have in the past enjoyed the advantage of lower development costs, fewer site constraints and greater parking availability, and in the case of Tuggerah, easier access to the Freeway. This occurrence is not limited to Gosford but is an issue which must be considered if the revitalisation vision is to be realised. Similarly there will be competition amongst the six centres for infrastructure funding, these major investment drivers do not appear to have been clearly resolved in the exhibited documents.

For example, the infrastructure required to enable Gosford City Centre to achieve its potential goes well beyond that proposed under the Civic Improvement Plan.

The Vision

UDIA NSW supports the Vision enunciated in the Plan. The three key actions listed for the City centre relate to:

- To being complimentary to Gosford's Vision 2005
- Kibble Park as the Civic Heart
- Expansion of key education and cultural facilities

UDIA NSW contends that the following key actions are essential to the Vision for Gosford as a Regional City:

- Creation of an investment environment which will give Gosford a competitive advantage within the region and allow it to attract a fair proportion of investment from within the GMR.
- Developing the waterfront as a key economic driver for revitalising the City.
- Realising underutilised public assets in the CBD, such as the health precinct, education lands, and waterfront to generate funding and act as catalyst for revitalising the City.
- Creation of a bypass to improve access to the City centre and reduce though traffic.
- Establishing an appropriate governance model to achieve these actions.

Commercial Viability

UDIA NSW contends that the demand for the proposed floor space needs to be analysed. During the reference group meetings it was understood that the DoP's feasibility modelling would be made available to the development industry for review. This has not happened as yet. UDIA NSW contends that the proposed additional floor space is well in excess of demand and falsely raises expectations. This particularly applies to the limitation on the City Core which allows commercial and retail but prohibits residential. Achieving the upper limits in relation to height and FSR is therefore unlikely.

Recommendation 1

The Gosford CBD Reference Group be provided with the Department of Planning feasibility modelling and with the Department and Gosford Council, analyse the demand for commercial floorspace in the CBD.

Housing and Population Forecasts

The housing/population forecasts for the City Centres (in the case of Gosford at least) must be examined in the context of the Metro and Regional Strategies. This is an area the UDIA NSW Central Coast Chapter is happy to examine in greater detail in conjunction with the regional DoP office. The draft Central Coast Regional Strategy proposes a dwelling mix in the order of 80:20 which is very high for a region like the Central Coast and a significant proportion of this is directed into the CBD.

UDIA NSW contends that these forecasts need to be reviewed in the context of the balance of urban renewal to greenfields split proposed in the draft Regional Strategy. The high proportion of new housing allocated to the City Centre is a major driver for the Plan, if these forecasts are overly optimistic it will again reduce the prospect of achieving the vision. This is particularly so if UDIA's concerns about the overly optimistic employment generation and commercial floor space take up rates for the CBD prove to be correct. UDIA has already provided the Department of Planning's Regional Office with preliminary work by undertaken Richard Cardew in relation to population forecasts for the Region.

Competitiveness

One of the drivers of the region to enable it to compete for investment and population growth against the other six centres will be the more effective utilisation of existing infrastructure and the City's natural assets. Gosford's ability to compete for investment will be dependant on the City creating and fostering attractions that offer a point of difference to other centres. The City must focus on creating and fostering its existing competitive advantages. Given the existing infrastructure in the City and its proximity to the waterfront, these should include cultural, entertainment, and education facilities.

The plan in part addresses these issues, although as noted elsewhere in this submission, UDIA NSW contends that there is considerable scope to strengthen the education, cultural and entertainment and recreational values by linking the waterfront and existing education campuses in a more physical and commercially focussed way.

The other key aspects to creating a competitive investment environment are through the use of Government sponsored initiatives to act as a catalyst for change. There are several opportunities where Governments can work in partnership with the private sector to undertake these initiatives. These are discussed elsewhere in the submission, but include the City Link project and the education, cultural, waterfront precincts.

Lastly establishment of important infrastructure as a driver for investment in its own right but also to create the competitive advantage is essential. This is discussed further below.

Strategic Infrastructure

Key infrastructure items critical to the task of revitalisation are not addressed in the plan. UDIA NSW is cognisant of the difficulty faced by the Cities Taskforce in preparing a plan that commits the Government to programming major works, however it must be acknowledged that lack of infrastructure provision remains a significant hurdle to the revitalisation task. There is little value in preparing a 20 year planning strategy that fails to address such issues, and as such fails to provide a facilitating mechanism for fostering investment.

In the case of Gosford, a plan to develop a major east west by pass has not been considered but in our view is a key element to free up access to the waterfront and avoid major through traffic in both east west and north south directions. When Chris Johnson outlined the Wollongong City Centre plans at the UDIA lunch in August last year, the key speaker Ralph Luck from the Thames Urban Renewal stressed the need for government to provide infrastructure at the outset. We understand that all regions and centres are competing for funds. This submission outlines some alternatives to raise funds through the development of public lands

Relationship to Surrounding Neighbourhoods

In addition to the East/West Bypass UDIA in its submission on both the CBD and Regional Strategy put forward the need to relate Gosford to its immediate neighbourhood. Considering Gosford City as the Centre of a triangle bounded by East Gosford, North Gosford and West Gosford has a number of advantages. Firstly it provides a larger and immediate catchment to the CBD which can add to the support and vitality of the CBD if these surrounding areas are made easily accessible. In conventional retail planning these surrounding neighbourhoods or villages would be seen to be the primary catchment. In the case of Gosford CBD these villages offer another level of diversity of housing employment and lifestyle opportunities which can enhance the attractiveness of the CBD. Public transit systems such as “The CAT” operating in peth provide a real opportunity to link the CBD to its immediate primary catchment by an efficient transport service which would dramatically increase mobility in and around the City and its immediate surrounds. This could be seen as a first step in developing a series of urban corridors and nodes suggested by the UDIA in its conceptual “Central Coast Structure Plan”

In this respect Gosford City Centre and its surrounding villages could become the demonstration model for urban renewal throughout the Central Coast.



Realising Key Public Land Holdings and Implementation

It is questionable whether incremental small scale investment by individual developers will bring about the conditions for urban renewal envisaged in the plans. Identification of key public lands which can be packaged and put to the market as public, private partnerships (PPPs) etc through expressions of interest (EOI) or competition processes etc could provide revenue to help fund strategic infrastructure, and provide substantial projects drivers for investment.

The UDIA NSW concept of a new multi-strand education campus combining the University, TAFE, existing primary school and possibly parts of the high school linked with the cultural and entertainment precinct at the waterfront provides an example of such possibilities. This

area could include student accommodation mixed with permanent residences, home offices etc to provide an exciting and vibrant place to drive the revitalisation program for Gosford.

The attachments to this submission provide a conceptual illustration of how this could be achieved.

UDIA Central Coast Chapter has been liaising with the Vice Chancellor of the Ourimbah Campus and Gosford TAFE with respect to the establishment of a university campus in the CBD. This could be a significant driver if it is broadened to include redevelopment of substantial area of publicly owned land effectively linking Kibble Park to the waterfront in a way which would create revenues for public infrastructure in the City. At the same time this would create diversity, new jobs, encourage more investment and start to lead a path towards an exciting, vibrant Regional City.

UDIA is aware that Gosford Council recently exhibited its Waterfront Strategy. Whilst UDIA is yet to review the strategy, it is contended that the strategy falls short of delivering the potential to link the waterfront to the City in a meaningful way. The potential to generate revenue and at the same time increase the amenity and utility of the City's key asset does not appear to have been achieved. In addition questions of implementation and funding remain unanswered. UDIA believes resolution of this precinct and its relationship to the City is fundamental to achieving the Vision for Gosford City Centre.

Funding and Development Levies

The blanket levy (4% levy in the case of Gosford) is something of a concern, particularly if it drives investment to other locations. Already there is an inherent attractiveness for offices to move to business parks because of easier access and better parking cheaper rents etc? and cheaper development contributions? The funding mechanisms need to ensure that investment is attracted to the new Centres and they have a competitive advantage otherwise the desired outcomes will not be realised. Perhaps a broader based levy which distributes the cost across each region may be better?

Private industry investment is an essential part of the urban revitalisation package. To bring this powerful and critical force to bear, public and private sectors must recognise their complementary abilities and know the different frameworks within which each makes decisions. In preparing the Gosford City Centre Plan, it is critical that Council and the Department of Planning work with development industry stakeholders to correctly identify and implement a regulatory framework that attracts private investment that is needed to realise the revitalisation vision.

Council and the Department of Planning have prepared an ambitious plan for the Gosford CBD that will rely heavily on private investment and business attraction to fund civic infrastructure believed necessary to support the growth and development of the city centre. Through the Civic Improvement Plan, Council and DoP have identified public domain projects and special city centre projects to be partly funded through development contributions.

The City of Sydney established the precedent for s94A levies with a levy of 1%. It is unreasonable to expect that development feasibilities in a regional city can sustain levies greater than that of Australia's only global city centre.

The development industry is prepared to make an equitable contribution to funding the cost of new infrastructure where a nexus between the levy, the new development, and the provision of new infrastructure is clearly demonstrated. It is recognised that industry consultation has occurred with regard to the proposed quantum and that some development can be accommodated in this tax environment. Nevertheless, these levies represent a series of disincentives that are unlikely to encourage extensive, innovative construction.

RECOMMENDATION 2

UDIA NSW recommends that Council and the Department of Planning introduce a Section 94A Levy for a maximum of 1% of the cost of new development consistent with Sydney Central City Contributions Plan.

RECOMMENDATION 3

That funding for essential City infrastructure be raised through a broader across the region couple with a program to realise funds for through the development of public assets within Gosford provided that those funds are used for Gosford CBD infrastructure

Design Competitions and FSR & Height Bonuses

Architectural design excellence is vital to creating an attractive and liveable city. Seeking to improve design of new development in the Gosford city centre should therefore be a key concern for Council and the Department. The introduction of SEPP 65 provided a solid platform for improving the design of urban development on which Councils can improve through more locally specific controls to provide desirable flexibility.

The draft Gosford City Centre Local Environmental Plan 2006 requires that any new development application for a building greater than 36 metres in height or \$1,000,000 in value on a 'key site' must be subject to a design competition. UDIA NSW contends that this is an onerous requirement for developers and a further disincentive for developers to invest in the Gosford CBD.

UDIA NSW strongly advocates design excellence and provides industry recognition for design leaders through an annual awards process however contends that forcing developers to fund design competitions for every DA over 9 storeys is a costly impost that will not guarantee superior design outcomes but will slow the development process.

The draft City Centre LEP provides for FSR or height bonuses of up to 10% for proposed developments that have been subject to a design competition and the concurrence of the Director-General has been obtained to the DA. Whilst FSR and height bonuses are proposed in the draft LEP as an incentive for developers, they do not provide any real benefit for developers as they are negated by vendor expectations.

Such 'bonuses' are usually automatically taken up as increased land value and as such are priced into the value of the land as a right, not as a bonus. Furthermore, they often aggravate existing community prejudices against higher densities causing delays and increases in holding costs.

UDIA NSW further contends that development controls, whilst retaining an appropriate level of flexibility should seek to achieve desirable heights and densities in the first place and combine best practice urban design principles within existing community expectations.

UDIA NSW recommends that if FSR bonuses are offered that an alternative approach be adopted to the blanket application proposed. UDIA NSW suggests that the Council identify the total FSR across a development area based on market depth; design [3D building envelopes] and amenity.

The FSR would then be allocated against the above criteria and assigned to those developers that consolidate their lands or first seek to develop. Unused FSR for early developers could be traded to later developers. This creates a bonus" based on merits as an incentive to develop early with later developments receiving less incentive or no bonus.

It should be acknowledged that incentives are tools to encourage development and cannot overcome weaknesses in the fundamentals of a site such as high vendor expectations, high taxes and low sale prices.

RECOMMENDATION 4

UDIA NSW recommends that requirements for compulsory design competitions removed from the LEP.

RECOMMENDATION 5

UDIA NSW recommends that Council and the Department of Planning pursue a more sophisticated use of FSR bonuses to stimulate early development rather than compensate for onerous taxes and charges.

Investor Confidence

Critical to the task of achieving the revitalisation vision is first creating and fostering investor confidence in Gosford. UDIA NSW interests the excessive s94A charges, the state infrastructure levy and design competitions as a series of disincentives.

UDIA NSW contends that the creation of amenity is central to the viability of urban renewal and urban renewal is arguably the most pressing challenge of Gosford's revitalisation. Place making, including the creation of an attractive, memorable environment which emphasises high quality civic spaces and quality of life is critical to urban renewal.

The Civic Improvement Plan demonstrates that Council and the Department have identified key public domain infrastructure that will contribute to creating and improving amenity in the city centre. UDIA NSW maintains that government funding is required to improve public domain to encourage private investment. Rather this plan asks developers to assume all the risk then pay for the public domain. The Gosford proposal is entirely contrary to international experience where significant public investment has been used to creative attractive spaces to appeal to developers, employers and homebuyers.

Parramatta's Civic Centre project offers a good model for urban renewal stimulated by improved public amenity. Parramatta Council has been central to the planning and financing

of the Civic Centre project which seeks to create amenity and a sense of place using civic structures and public land.

The NSW State Government has assisted in this process through the redesign and reconstruction of the Parramatta Railway Station. The response has been favourable with considerable residential and commercial activity planned in response to the favourable signals received from government and the market. Parramatta is becoming a destination with a real sense of place and dynamism.

RECOMMENDATION 6

Council and the State Government consult with key industry stakeholders to investigate alternative measures to fund the provision of major public infrastructure.

Implementation and Governance

The Cities Taskforce team have played a vital role in preparing the city centre plans for the six centres in conjunction with the respective local councils yet the development industry is concerned that the NSW Government will now abdicate the role of ensuring the plans are achieved to local government. UDIA NSW contends that there is a fundamental governance role to be played that is beyond the scope of local government operations and influence.

UDIA NSW has repeated suggested that the Government consider the success of the Honeysuckle Development Corporation and Growths Centres Corporation as governance models that should be used to ensure the objectives of Cities Taskforce initiative are achieved. This suggestion has been rejected on the basis of the establishment and maintenance costs involved with such a venture.

UDIA NSW contends the need for an alternative governance structure remains to ensure that issues surrounding the management of Government assets and interagency cooperation are not unnecessary stumbling blocks to the revitalisation vision. One such option could include the involvement of Government agencies, which may include Landcom, operating under the facilitating scope intended for Part 3A of the *Environmental Planning and Assessment Act 1979*.

RECOMMENDATION 7

The Department of Planning investigate a range of alternative governance options for the implementation of the City Centre Plan to achieve the objectives of the plan and to ensure effective management of Government owned assets.

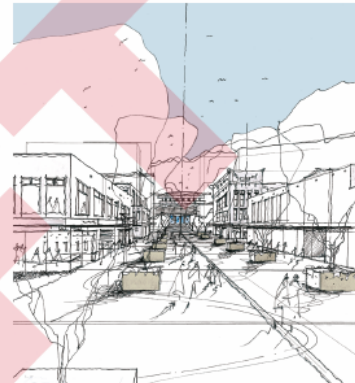
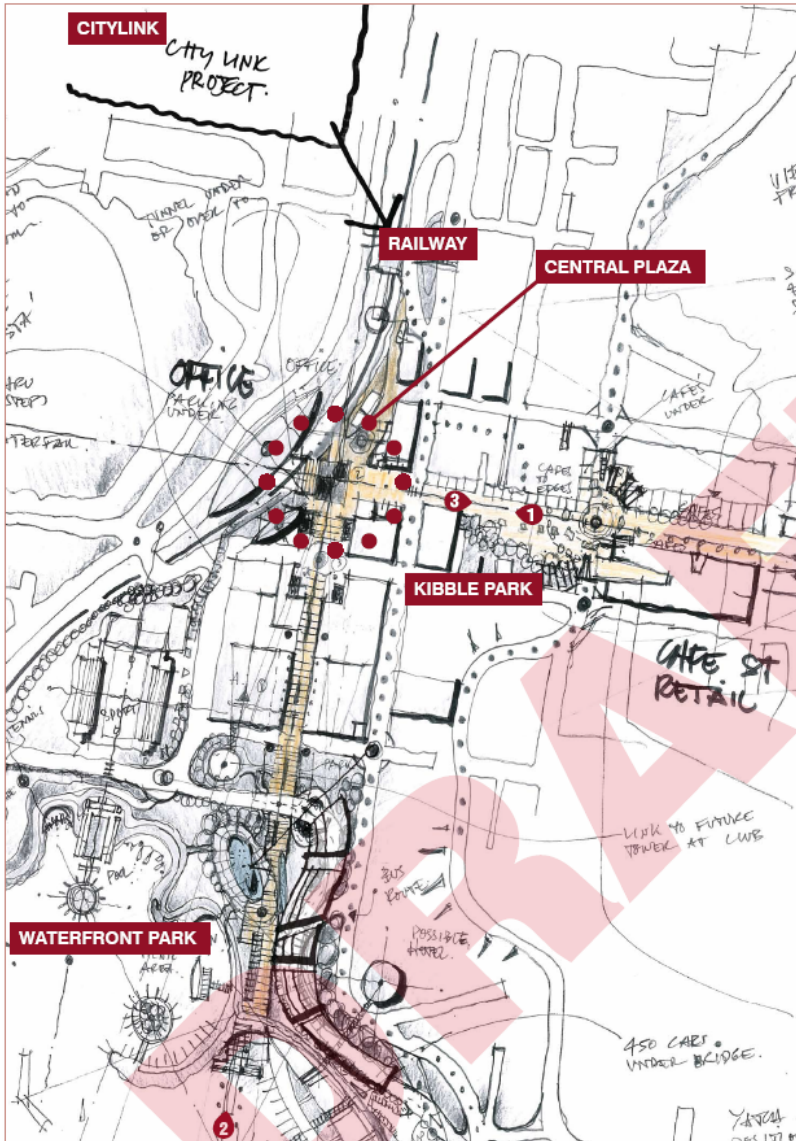
Conclusion

Council with the Department of Planning have released a plan for the Gosford CBD that represents a significant milestone in the City's growth as a major regional centre and provides an ambitious framework for the future. As Gosford strengthens its role as a major regional centre in greater metropolitan region of Sydney, business attraction and major commercial investment will be increasingly important and ensuring that urban planning policy is sympathetic to these objectives just as important.

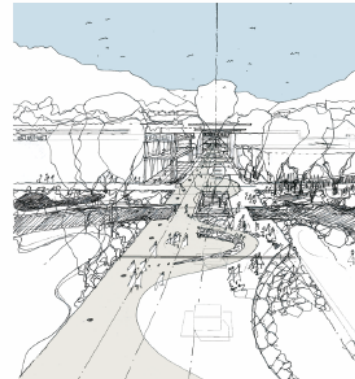
UDIA NSW has offered the following recommendations on the plan and looks forward to contributing further to planning the revitalisation of the Gosford CBD:

1. The Gosford CBD Reference Group be provided with the Department of Planning feasibility modelling and with the Department and Gosford Council, analyse the demand for commercial floorspace in the CBD.
2. UDIA NSW recommends that Council and the Department of Planning introduce a Section 94A Levy for a maximum of 1% of the cost of new development consistent with Sydney Central City Contributions Plan.
3. That funding for essential City infrastructure be raised through a broader across the region couple with a program to realise funds for through the development of public assets within Gosford provided that those funds are used for Gosford CBD infrastructure
4. UDIA NSW recommends that requirements for compulsory design competitions removed from the LEP.
5. UDIA NSW recommends that Council and the Department of Planning pursue a more sophisticated use of FSR bonuses to stimulate early development rather than compensate for onerous taxes and charges.
6. Council and the State Government consult with key industry stakeholders to investigate alternative measures to fund the provision of major public infrastructure.
7. The Department of Planning investigate a range of alternative governance options for the implementation of the City Centre Plan to achieve the objectives of the plan and to ensure effective management of Government owned assets.

Concept



1 View to Central Plaza from William Street



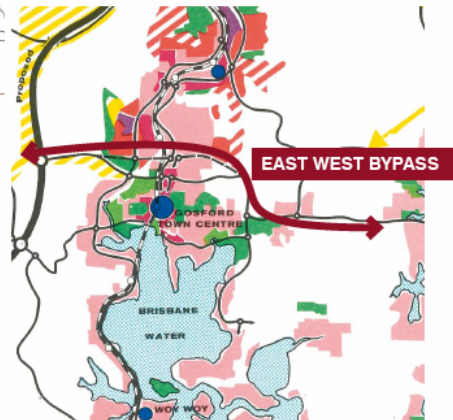
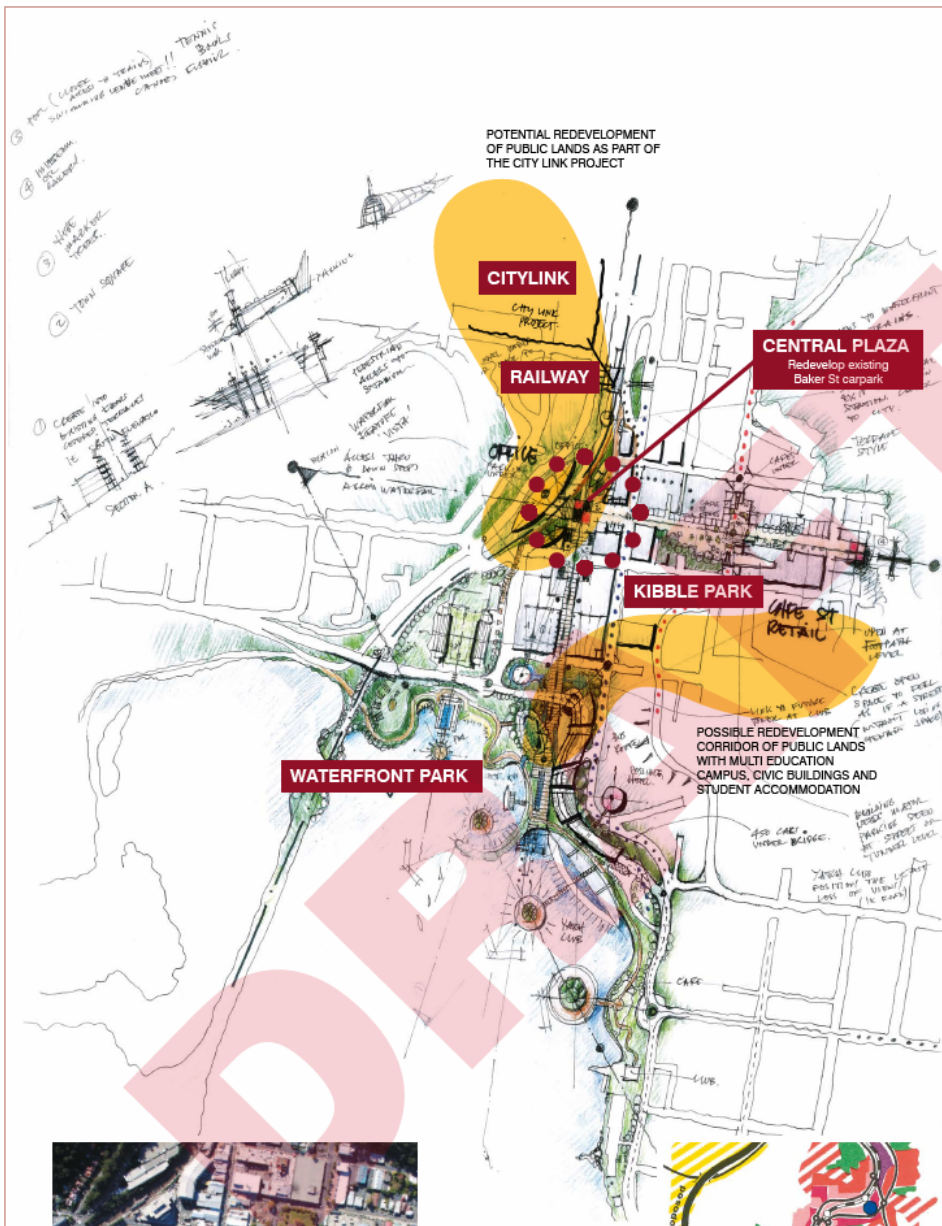
2 Aerial View from Waterfront to Central Plaza



Gosford Waterfront



3 View from William Street towards Rumbalara



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Gosford City Waterfront

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