

ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

# Discussion Paper - Progress of the Nelson Bay Town Centre & Foreshore Strategy



13 December 2016 - Council Report



ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE  
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## ACRONYMS

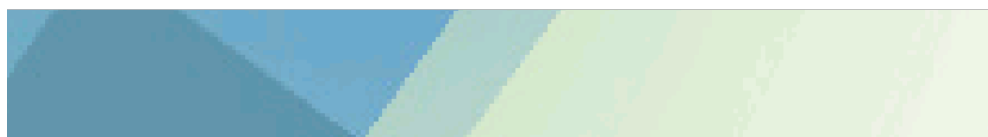
|          |                                                                                    |
|----------|------------------------------------------------------------------------------------|
| LEP      | Port Stephens Local Environmental Plan 2013                                        |
| DCP      | Port Stephens Development Control Plan 2014                                        |
| Strategy | Nelson Bay Town Centre and Foreshore Strategy                                      |
| RFB      | Residential Flat Buildings                                                         |
| SEPP 65  | State Environmental Planning Policy - Design Quality of Residential Flat Buildings |
| PSPS     | Port Stephens Planning Strategy                                                    |
| VPA      | Voluntary Planning Agreement                                                       |
| CP       | Contributions Plan                                                                 |
| LHUDA    | Lower Hunter Urban Design Awards                                                   |
| DPS      | Destination Port Stephens                                                          |
| LGA      | Local Government Area                                                              |
| FSR      | Floor Space Ratio                                                                  |
| ASF      | Active Street Frontages                                                            |
| DA       | Development Application                                                            |
| LGA      | Local Government Area                                                              |
| HVRF     | Hunter Valley Research Foundation                                                  |
| SMART    | Specific, Measurable, Accurate, Realistic and Time-Based                           |
| HoB      | Height of Building                                                                 |
| UFM      | Urban Feasibility Model                                                            |
| HFSS     | Heritage Floor Space Scheme                                                        |
| NCC      | Newcastle City Council                                                             |
| PSC      | Port Stephens Council                                                              |
| Survey   | HVRF - Survey of Stakeholders                                                      |
| PIA      | Planning Institute of Australia                                                    |
| SAMP     | Strategic Asset Management Plan                                                    |
| RT&H     | Raymond Terrace and Heatherbrae Strategy                                           |

ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE  
NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.



## LIST OF FIGURES

|           |                                                                                   |    |
|-----------|-----------------------------------------------------------------------------------|----|
| Figure 1  | Identification of Nelson Bay Town Centre and Foreshore_____                       | 9  |
| Figure 2  | Development Consents and Unacted Approvals (1996-2016)_____                       | 10 |
| Figure 3  | Illustration of Design Excellence_____                                            | 16 |
| Figure 4  | Illustration of the Nelson Bay Woolworths_____                                    | 18 |
| Figure 5  | Identification of ASF & Lots less than 15m Wide by 30m Long_____                  | 20 |
| Figure 6  | Height of Existing Buildings_____                                                 | 21 |
| Figure 7  | Table Summarising what conditions provide for viable property development_____    | 23 |
| Figure 8  | Five Sites Identified for Feasibility Testing_____                                | 24 |
| Figure 9  | Existing Height of Building Limits_____                                           | 25 |
| Figure 10 | Line Graph Illustrating the Varying Profit Margins_____                           | 26 |
| Figure 11 | Line Graph Illustrating Similar Property Markets_____                             | 27 |
| Figure 12 | Proposed Heights of Building and FSR_____                                         | 28 |
| Figure 13 | Identification of the Tomaree Peninsula Contributions District_____               | 35 |
| Figure 14 | Line graph illustrating the impact of an additional development contribution_____ | 36 |
| Figure 15 | Public Parking_____                                                               | 37 |
| Figure 16 | Existing Traffic and Parking Actions_____                                         | 38 |



ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE  
NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

## TABLE OF CONTENTS

|                                               |    |
|-----------------------------------------------|----|
| ACRONYMS                                      | 2  |
| LIST OF FIGURES                               | 3  |
| TABLE OF CONTENTS                             | 4  |
| EXECUTIVE SUMMARY                             | 5  |
| SUMMARY OF IDEAS                              | 8  |
| PART 1 - THE NEED FOR A REVIEW                | 14 |
| Purpose                                       | 14 |
| Background                                    | 14 |
| Methodology                                   | 15 |
| PART 2 - IMPROVING THE STRATEGY               | 14 |
| 2.1 DESIGN EXCELLENCE                         | 16 |
| 2.2 BUILDING HEIGHTS                          | 22 |
| 2.3 DEVELOPMENT INCENTIVES                    | 30 |
| 2.4 PUBLIC DOMAIN                             | 33 |
| 2.5 TRANSPORT AND PARKING                     | 37 |
| 2.6 IMPLEMENTATION AND CASE MANAGEMENT        | 39 |
| NEXT STEPS                                    | 39 |
| REFERENCES                                    | 40 |
| ATTACHMENT 1 - INDEPENDENT FEASIBILITY REPORT |    |
| ATTACHMENT 2 - THIRD PARTY REVIEW             |    |



ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE  
NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

## EXECUTIVE SUMMARY

This Discussion Paper (the Paper) provides a review on the progress of the Nelson Bay Town Centre and Foreshore Strategy (the Strategy). The Paper identifies that since the adoption of the Strategy over four years ago, the Nelson Bay Town Centre and Foreshore has seen very limited re-development. This is despite this period being one of significant growth for the Australian housing and construction industry.

In recognition of this limited growth, Council initiated a review of the existing Strategy to identify potential short-comings. This Review identified the following six key themes, which has subsequently informed the structure of this Paper, being:

1. Design Excellence;
2. Building Heights;
3. Development Incentives;
4. Public Domain;
5. Transport and Parking; and
6. Implementation and Case Management.

The Discussion of these themes results in the indication of 21 ideas for a better strategy. The intent of these ideas is to guide discussion rather than pre-empting future amendments to the Strategy. The ideas may attract the highest degree of interest include building height, car parking and the revision of development contributions in order to fund the identified public domain works. They are summarised as follows:

### Building Height

It is proposed that the existing and adopted height limits be legally included as development standards within the LEP. Within the town centre, this would mean a height of building limit of 7 storeys (24.5m) and through the use of Port Stephens Local Environmental Plan 2013 (LEP) (c4.6 - Exceptions to Development Standards), this height limit could be varied in order to encourage feasible development to occur. When and where this variation could be applied would be subject to further rigour through the development of Council Guidelines for the use of Clause 4.6 - Exceptions to Development Standards.

### Car Parking

The Paper reinforces that the findings of the GHD, 2012, 'Transport and Parking Study' that identified that the existing public car parking stations are under-utilised. For example, the Donald Street East Multi-Storey Car Park was operating at 76% utilisation during peak periods prior to its closure. The Paper suggests that short-term capacity can be provided through a range of means, such as time-limited parking, which would also fund the future construction of car parking when the demand increases.

### Development Contributions

The Paper identifies major gaps in the public domain, such as missing and inconsistent pathways. The Paper seeks to improve public domain by amending and expanding the existing locality based contribution for Nelson Bay. The Paper proposes that an additional contribution of \$4,000 has the potential to raise \$124,000 per annum. This could fund costed works identified by the existing Strategy and Council's Strategic Asset Management Plan (SAMP).

These are just three of the 20 ideas for a better strategy identified within this Paper. Feedback on these ideas and your own ideas are encouraged during public exhibition. The objective being, to gain feedback in order to inform future amendments to the existing Strategy and accompanying documents, such as the LEP, Development Control Plan (DCP) and Development Contributions Plan (CP).

A summary table of the ideas for a better Strategy is now provided on the next page.



# ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

## Summary List of Changes

This Paper could be best summarised by viewing the following table. The intent of these ideas is to guide discussion rather than pre-empting future amendments to the Strategy. Ideas and suggestions outside of those listed are strongly encouraged through submissions provided to this Paper.

| <b>Key:</b><br>Sections of Council:<br>ED - Economic Development Team (PSC)<br>SP - Strategic Planning Team (PSC)<br>PS - Property Services (PSC)<br>DAC - Development Assessment & Compliance (PSC)<br>FS - Facilities and Services (PSC) |                                                                  | Stakeholders outside of Council:<br>RMS - Roads & Maritime Services<br>CL - Crown Lands<br>IP - Implementation Panel |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------|
| <b>Timing:</b><br>Short - 1 Year following the adoption of amendments to the Strategy.<br>Medium - 2 to 5 Years following the adoption of the Strategy.<br>Long - 5 to 10 Years following the adoption of the Strategy.                    |                                                                  |                                                                                                                      |            |
| No                                                                                                                                                                                                                                         | Idea                                                             | Timing                                                                                                               | Owner      |
| <b>Design Excellence</b>                                                                                                                                                                                                                   |                                                                  |                                                                                                                      |            |
| 1                                                                                                                                                                                                                                          | An Independent External Urban Design Panel.                      | Short                                                                                                                | SP, DAC    |
| 2                                                                                                                                                                                                                                          | LEP Clause for Activated Street Frontages.                       | Short                                                                                                                | SP         |
| 3                                                                                                                                                                                                                                          | LEP Clause for Appropriate Vertical to Horizontal Proportions.   | Short                                                                                                                | SP         |
| 4                                                                                                                                                                                                                                          | Education Program on Urban Design.                               | Short                                                                                                                | SP, ED, IP |
| 5                                                                                                                                                                                                                                          | Support for Awards that recognise Design Excellence.             | Short                                                                                                                | SP         |
| <b>Building Heights</b>                                                                                                                                                                                                                    |                                                                  |                                                                                                                      |            |
| 6                                                                                                                                                                                                                                          | Building Heights are Informed by All Variables.                  | Short                                                                                                                | SP         |
| 7                                                                                                                                                                                                                                          | Development of Council Guidelines for the use of Clause 4.6.     | Medium                                                                                                               | SP, DAC    |
| 8                                                                                                                                                                                                                                          | Expansion of the Strategy Boundary to include ridgelines.        | Short                                                                                                                | SP         |
| <b>Development Incentives</b>                                                                                                                                                                                                              |                                                                  |                                                                                                                      |            |
| 9                                                                                                                                                                                                                                          | Implementing the intent of previous incentive clauses            | Short                                                                                                                | SP         |
| 10                                                                                                                                                                                                                                         | Public goods are provided by those who use it.                   | Long                                                                                                                 | SP         |
| 11                                                                                                                                                                                                                                         | LEP and DCP requirements encourage design excellence.            | Medium                                                                                                               | SP         |
| <b>Public Domain</b>                                                                                                                                                                                                                       |                                                                  |                                                                                                                      |            |
| 12                                                                                                                                                                                                                                         | Development of a Streetscape Design Guide.                       | Medium                                                                                                               | SP, FS     |
| 13                                                                                                                                                                                                                                         | Detail provided to public domain works, costing and priorities.  | Short                                                                                                                | SP, FS     |
| 14                                                                                                                                                                                                                                         | Revise s94 Development Contributions Plan for Catchment.         | Medium                                                                                                               | SP         |
| 15                                                                                                                                                                                                                                         | Preparation of a Signage Strategy and Implementation of Actions. | Long                                                                                                                 | FS         |
| <b>Transport and Parking</b>                                                                                                                                                                                                               |                                                                  |                                                                                                                      |            |
| 16                                                                                                                                                                                                                                         | Identification of future satellite parking locations.            | Short                                                                                                                | SP, PS     |
| 17                                                                                                                                                                                                                                         | Explore user-pays approaches to the provision of parking.        | Medium                                                                                                               | SP, PS     |
| 18                                                                                                                                                                                                                                         | Encourage private enterprise to provide parking on Council land. | Ongoing                                                                                                              | SP, DAC    |
| <b>Implementation</b>                                                                                                                                                                                                                      |                                                                  |                                                                                                                      |            |
| 19                                                                                                                                                                                                                                         | Re-wording existing actions to be SMART.                         | Short                                                                                                                | SP         |
| 20                                                                                                                                                                                                                                         | Implementation Panel that reports quarterly on progress.         | Short                                                                                                                | SP, IP     |

**ITEM 10 - ATTACHMENT 1      DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.****Consultation**

The objective of this Paper is to guide feedback in order to inform future amendments to the existing Strategy and accompanying documents, such as the LEP, DCP and CP. The objective of this Paper will be achieved through providing a range of opportunities for this feedback to be provided.

If supported by Council for public exhibition, the Paper will be placed on public exhibition from February-March 2017. Prior to this, the Paper would have been publically available for two months given that it was reported to Council on 13 December 2016. This public exhibition period will take place as follows:

Week One

1. Notification placed in the Port Stephens Examiner and Council's Website;
2. Formal Letters provided to Special Interest Groups;
3. Nelson Bay & District Business Association - Presentation by Council Officers;
4. Tomaree Residents & Ratepayers - Presentation by Council Officers;
5. Relevant Information uploaded to Engagement HQ - Online Community Consultation Tool

Week Two

6. Community Drop-In Sessions - Individuals can discuss matters one-on-one with Council Officers;

Week Three

7. Council Officers are available over the phone or at the Council Front Counter;
8. Submissions being prepared;

Week Four

9. Council Officers are available over the phone or at the Council Front Counter;
10. Submissions are due by 5pm, (To be confirmed). They are sent to Council via:
  - Email at [landusesubmissions@portstephens.nsw.gov.au](mailto:landusesubmissions@portstephens.nsw.gov.au); or
  - Hard Copy at Port Stephens Council, PO Box 42, Raymond Terrace, NSW, 2324

Post Exhibition

11. Submissions are reviewed by Council Officers;
12. Submissions inform draft amendments to the Strategy, LEP, DCP or CP.
13. Draft amendments reported back to Council, so that they can be placed on public exhibition.

The time required during post exhibition will depend on the range of matters raised during the public exhibition period. These matters may result in the need to engage specialist external advice, which places timeframes outside of Council's immediate control. Council would anticipate that the post exhibition period could range from two to six months. Those who make submissions will be kept informed.

The Paper now provides a brief summary of the 20 ideas before the Paper discusses their detail.

## ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

# SUMMARY OF IDEAS

## PART 1 - THE NEED FOR A REVIEW

Since its adoption in 2012, the Nelson Bay Town Centre and Foreshore Strategy (the Strategy) has sought 'to guide Nelson Bay towards becoming more attractive to tourists, the business community and residents'. Unfortunately, four years on from its adoption, we've seen limited private investment in the town centre, despite this period being one of significant growth for the national, state and regional housing/construction industry.

The transition of the the LEP – the legislative tool that details town planning regulations – into a standard instrument LEP also meant that a number of the actions originally identified within the Strategy would not have the same intent if legislatively applied. However, now options have been identified, for example, LEP (c4.6 - Variation of Development Standards) can now be tailored to have the same effect as the previously proposed clauses relating to design excellence. These factors in addition to the following shortcomings means its timely that the Strategy be reviewed:

- Development standards, such as heights are not informed by development feasibility;
- Limited local policy guidance on the variation of development standards;
- Floor space incentives, despite Floor Space Ratios (FSR) not being included in the LEP;
- A development contributions levy based on commercial development, despite the significant growth in commercial development being at the nearby commercial centre of Salamander Bay;
- Lack of detail relating to the type and structure of the proposed Independent Urban Design Panel;
- The Strategy boundary not accounting for existing building height along dominant ridge-lines;
- Revised development controls (for example, private open space) under State Environmental Planning Policy No 65 and the associated Apartment Design Guide; and
- No clear reporting requirements against the identified actions.

Although the Nelson Bay Town Centre is the epicentre for the wider Tomaree Peninsula, this Review is focused around the existing Strategy Boundary (**FIGURE 1**). The land-use strategy for the wider Tomaree is provided by the existing Port Stephens Council (PSC), 2011, 'Port Stephens Planning Strategy'.

### The Role of the Nelson Bay Town Centre and Foreshore Strategy (the Strategy)

The Strategy provides the strategic methodology for the standards (that is, land-use zones, building heights, building setbacks, etc) Contained within the LEP, Development Control Plan (DCP) and Section 94 Development Contributions Plans. It also identifies public domain works, process improvements and policy gaps that would assist in achieving the objective of the Strategy. The following figures set the context by identifying key elements of the Nelson Bay Town Centre and Foreshore, the Strategy Boundary and the development consents that have occurred over the past twenty years.





ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

FIGURE 1 - Identification of Nelson Bay Town Centre & Foreshore

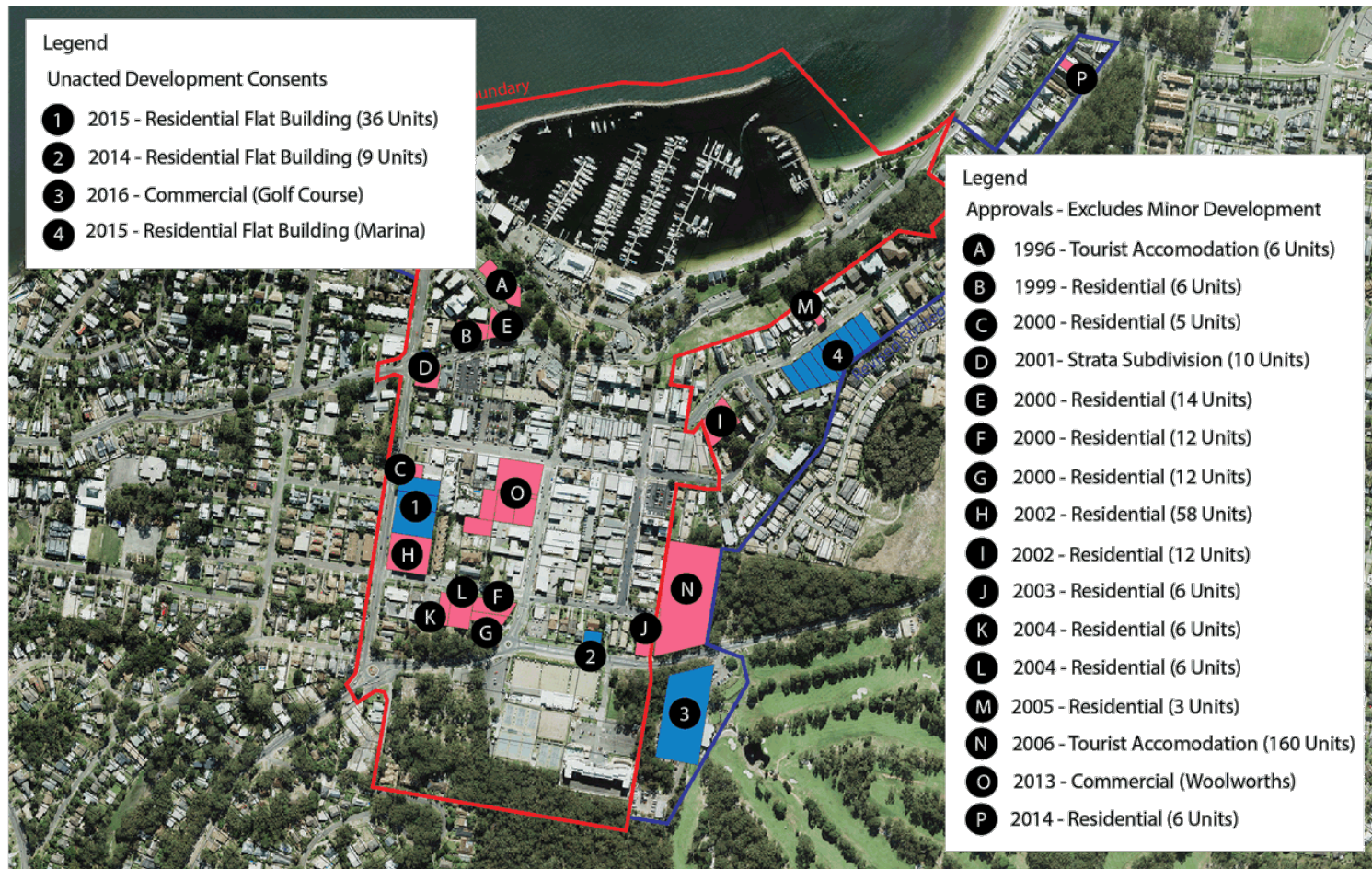


**ITEM 10 - ATTACHMENT 1     DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.**



ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

FIGURE 2 - Development Consents and Unacted Approvals (1996-2016)





ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.



## PART 2 - IMPROVING THE STRATEGY

A comprehensive audit of the existing Strategy actions has identified five key areas that are considered critical in order to produce an Improved Strategy. These are reflective of the key concerns previously identified by the HVRF, 2012, 'Survey of Stakeholders' (the Survey), they include:

### 1. Design Excellence

The Survey identified that 'improving architecture' as one of the most pressing issues facing the town, which was reflective of a number of past developments in the town centre representing poor architectural merit and urban form. Negative features have included high and narrow units and poor articulation.

The NSW planning framework provides Council with a number of tools to facilitate design excellence. For example, State Environmental Planning Policy (SEPP) No. 65 - Design Quality of Residential Apartment Development allows for Council to appoint an external Urban Design Panel to provide independent advice on significant development applications. While, Part 7 - Additional Local Provisions of the LEP allows Council to specify minimum vertical to horizontal building widths.

**ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.**

Ideas for a better Strategy include: 1) The appointment of an Independent Urban Design Panel; 2) An LEP Clause that identifies locations where Active Street Frontages (ASF) are to be provided; 3) A LEP Clause requiring blocks to have minimum vertical to horizontal proportions; 4) Education Program on Urban Design; and 5) Support for Awards that recognise Design Excellence.

**2. Building Heights**

The Survey identified that 'managing building heights' as one of the most pressing issues facing the town and that the existing Height of Building (HOB) limit has been consistently reinforced by renters, residents and non-residents (HVRF, 2012, p.v).

The legislative framework provides Council with a number of tools to set and vary the maximum height of buildings. For example, Part 4 - Principal Development Standards of the LEP allows Council to specify the maximum building height that is based on desirable urban form, centres hierarchy, prevailing winds, over-shadowing and human scale. At the same time, Clause 4.6 - Exception to Development Standards allows Council Officers to vary these development standards.

Ideas for a better Strategy include: 6) Formulation of Council Guidelines for the use of Clause 4.6; 7) Ensuring maximum building heights account for development feasibility; and 8) Expansion of the Strategy Boundary to take into account existing development height along the two dominant ridge-lines of Magnus Street and Thurlow Avenue (**FIGURE 11**).

**3. Development Incentives**

If a Development Application (DA) could exhibit design excellence or a strategic public benefit the Strategy proposed that a variation of up to an additional two storeys (7m) and an additional Floor Space Ratio (FSR) of up to 0.5:1 (2.5:1) for all sites in the town centre (p.65). Additionally, the Strategy also proposed an FSR incentive of an additional 0.5:1 (3.0:1) for a number of significant sites (**FIGURE 14**).

The legislative framework provides Council with the ability to incentive desirable outcomes through regulation. For example, under Part 7 - Additional Local Provisions of the LEP, Council can develop a clause that allows variations to regulatory constraints, such as height and floor space if a public good that would not otherwise be provided by market is required, such as heritage conservation or public parking.

Ideas for a better Strategy include: 9) Implementing the intent of previous incentive clauses through providing further guidance for the use of Clause 4.6; 10) Identification of key public domain projects and associated costing; and 11) Encouragement of design excellence through the development controls within the LEP and DCP.

**4. Public Domain**

Investment in the public domain is often considered the most significant contribution that Government can make towards increasing business confidence and in turn creating great places. The Survey identified that the 'Appearance of the Town' as one of the most pressing issues facing the town (p.v). A walk through of the Town Centre identifies inconsistent paving, a lack of street trees and a poor use of signage.

Ideas for a better Strategy include: 12) Development of a Streetscape Design Guide for the Nelson Bay Town Centre; 13) Identification of key public domain projects and associated costing; 14) Revision of the s94 Development Contributions Plan for the Nelson Bay Catchment; and 15) Preparation of a Signage Strategy and Implementation of Actions.

**5. Transport and Parking**

The Survey identified that the 'Provision of adequate parking spaces' as the second most important issue identified by all stakeholders and the most significant issue from the perspective of businesses.

**ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.**



At the same time, the GHD, 2012, 'Transport and Parking Study' identified that off-street parking and on-street parking was operating under capacity during events and on a weekday. Increasing parking availability can be used as a tool to stimulate activity in centres by improving access to facilities and services.

However, widespread car park construction would be costly, add to congestion on the road network and may be to the detriment of nearby centres (p.109). For example, the cost of replacing the 232 car spaces that would be lost through the closure of the Donald Street Car Park has been estimated to be in the vicinity of between \$5-7M. To put this into perspective, Council's annual capital expenditure budget from rates, fees and charges is \$5M, which is a budget intended for the entire Local Government Area (LGA).

Ideas for a better Strategy include: 16) Identification of future satellite parking locations; 17) Explore user-pays approaches to the provision of parking; 18) Encourage private enterprise to provide parking on Council land.

#### **6. Implementation & Case Management**

Implementation is the most critical stage of the Strategy process. It is the point in the process where the actions are realised and in turn those previously identified shortcomings are addressed.

However, often once the Strategy is finalised the actions are no longer front and centre and get pushed back in terms of priority. This Paper recognises that it is critical that actions are constantly revised based on the resources available to ensure their intent is realised and the objective of the Strategy is achieved.

Ideas for a better Strategy include: 20) Re-wording the existing actions to be Specific, Measurable, Accurate, Realistic and Time-Based (SMART); and 21) Implementation panel to meet on a quarterly basis.



**ITEM 10 - ATTACHMENT 1      DISCUSSION PAPER - PROGRESS OF THE  
NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.**

## PART 1 - THE NEED FOR REVIEW

### PURPOSE

The purpose of this discussion paper (the paper) is to review the progress of the Nelson Bay Town Centre and Foreshore Strategy (the Strategy) four years on from its adoption. This review identifies shortcomings of the current Strategy and provides a list of suggested changes to facilitate discussion. This objective is to gain feedback in order to inform a future draft amendment to the existing Strategy.

### BACKGROUND

Nelson Bay is the primary tourist and service centre of the Tomaree Peninsula and of the Port Stephens Local Government Area (LGA). It is also the primary entry point to the Port Stephens waterway for many tourists, and contains the highest concentration of tourist facilities in the area.

The LGA attracts in the order of 617,000 domestic and 27,000 international overnight visitors per year as well as 612,000 domestic day trippers (DPS, 2015, p.2). This represents between 13-21% of tourism in the Hunter Valley (DPS, 2015, p.1). Growth in international arrivals is estimated between 5-10% growth in domestic visitor nights and growth in domestic day trips between 4-10% till 2025 (Aus, 2016, pp. 2-8).

At the same time, the Tomaree Peninsula collectively has the highest residential population within Port Stephens, making up 25,076 or 38% of the total 65,320 (Rem Plan, 2016, p.93). The population is estimated to grow by 29,390 and make-up 30% of the total forecast 97,471 person population by 2036.

These figures illustrate that the Tomaree will continue to grow. The role of the Strategy is ensuring that the epi-centre of the Tomaree, being the Nelson Bay Town Centre and Foreshore, becomes more attractive to tourists, the business community and residents.

The development of the existing Strategy was a product of the following:

1. Hunter Valley Research Foundation, 2012, 'Survey of Stakeholders';
2. GHD, 2012, 'Transport and Parking Study'; and
3. Design Urban, 2011, 'Capacity Model'.

The above project specific studies, when combined with a number of pre-existing studies, such as the Department of Lands, 2008, 'Foreshore Plan of Management' resulted in the Nelson Bay Town Centre and Foreshore Strategy (the Strategy) and Implementation Plan. These Plans were adopted by Council on 24 April 2012 and their actions have been progressively implemented. These have included:

- Endorsed Design for the Extension of Yacaaba Street;
- Development of a Master-plan for Apex Park;
- Facilitation of the Woolworths Development;
- Victoria Parade 'Black Spot' Funding Works; and
- Revision of the Port Stephens Development Control Plan 2014.

Despite this progress, a number of actions remain outstanding. This is not only the result of timing and resource constraints, but the identified shortcomings of the Strategy include:

ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.



- Development standards, such as heights are not informed by development feasibility;
- Limited local policy guidance on the variation of development standards;
- Floor space incentives, despite Floor Space Ratios (FSR) not being included in the LEP;
- A development contributions levy based on commercial development, despite the significant growth in commercial development being at the nearby commercial centre of Salamander Bay;
- Lack of detail relating to the type and structure of the proposed Independent Urban Design Panel;
- The Strategy boundary not accounting for existing building height along dominant ridge-lines;
- Revised development controls (for example, private open space) under State Environmental Planning Policy No 65 and the associated Apartment Design Guide; and
- Lack of regular reporting against the identified actions.

## METHODOLOGY

The Strategy lists 24 actions. The intent of these actions was to assist in the achievement of those listed principles, such as 'Principle 1 - Nelson Bay economy has long-term viability and is less seasonally dependent'. To date, a number of these actions have been implemented, such as the design of the Ya-caaba Street extension or the Apex Park Master-plan, while a number of the actions have been subject to further resourcing, such as the development of a street tree master-plan.

A progress review against these actions was conducted in order to inform the contents of this Paper. The existing actions were broken down into Specific, Measurable, Accurate, Realistic and Time-Based (SMART) targets in order to be consistent with more recent strategies, such as the Raymond Terrace and Heatherbrae Strategy. This approach of placing the existing actions into this SMART format has led to the identification of a number of key themes.

The discussion of these focus areas, such as design excellence, results in the identification of a number of suggested changes, such as the need for an independent urban design panel. Feedback on these suggested changes will inform a draft amendment to the existing Strategy. Overall, this methodology is intended to improve the effectiveness of the existing Strategy. The six key themes will now be discussed.

ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE  
NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

## PART 2 - A WAY FORWARD IMPROVING THE STRATEGY

### 2.1 DESIGN EXCELLENCE

The Strategy includes a number of actions that focus on building design, such as the development of an independent urban design panel. This is reflective of the Survey identifying that 'improving architecture' as one of the pressing issues facing the town (HVRF, 2012, p.v).

#### What is design excellence?

Design excellence is the recognition that building design should positively contribute to the overall quality of a town and to provide buildings that are appropriate to their context. In some circumstances, this contribution may be a landmark building, but more typically it is a well-design building that fits into the street. The following Figure identifies some elements relevant to achieving design excellence.

FIGURE 3 - Illustration of Design Excellence



This illustration is an example of elements to be considered when aiming to achieve quality urban design. Key features include:

- Appropriate block width, which then allows for side setbacks that cater for light infiltration and deep soil landscaping, which softens the overall appearance of built-form;
- Entrances to the building is at the same level as the street that allows for easy access;
- An identifiable pedestrian entry makes it easy for visitors and emergency services to locate



## ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

- Building height should provide due consideration for human scale. That is, five storeys is between 15-20m building height, which is a 1:1 ratio with the street width of 20m;
- The consistent building setback for the first three storeys, which then sets back for the fourth storey reduces the overall bulk and scale of the development;
- The front setback is utilised for landscaping that softens the overall built form;
- Front balconies provide passive surveillance to the streetscape. At the same time, privacy screens block direct overlooking into those private living spaces from public spaces;
- Materials and colours of the driveway are consistent and are at grade with the public footpath, which makes it more easily accessible and usable for wheelchairs, mobility scooters, bikes, etc;
- The transparent garage door reduces the 'blank wall' appearance that is typical of garage doors;
- A wider single driveway allows for safe ingress and egress, while not reducing kerbside parking or creating increased conflict points that comes from allowing two access points;
- Kerbside parking is clearly marked to ensure the driveway is not blocked by parked cars;
- The colour scheme is drawn from the existing colours of neighbouring buildings;
- Orientation for windows allow for maximum solar exposure and natural ventilation;
- Services (e.g. power) are placed underground or screened (e.g. A/C Units);
- Design of the building reflects its use.

While it is recognised that not all development has the privilege of a flat site, particularly in Nelson Bay the principles of good urban design can still be applied. These principles could be grouped under the headings of context, built form, density, sustainability, landscape, amenity, safety, housing diversity and aesthetics. These principles result in buildings that are more livable and in turn more valuable. The following Figure is an example of a building that has some missing design excellence features.

A review of current built form, including development undertaken since the Strategy and LEP has been in place found that these design elements are not demonstrated on a regular basis. The development that was review resulted in the following observations:

- Narrow lot width (less than 15m) and lot length (less than 35m) results in a tall skinny structure;
- Monotone colours and consistent materials result in a lack of visual interest;
- Minimal side setbacks remove opportunities for landscaping and light penetration. They also reduce the potential privacy of buildings on neighbouring lots;
- Consistent square pocket windows reduce opportunities for passive surveillance;
- Lack of landscaping or opportunities for landscaping hardens the appearance of the structure;
- No footpath to the front door reinforces the dominance of motor vehicles;
- Roof-top balcony to the extremity of side boundaries creates potential for over-looking;
- Pitched roof is in contrast to the overall structure and their nearby unit buildings; and
- Service entries next to the main entry door reduce overall aesthetics and amenity.

From this, it can be seen that the current planning regulations may not be producing the most desirable urban design outcomes. A table summarising the development controls that apply to development defined as a residential flat building and commercial premises was developed to inform this Paper.

This table identifies that detailed guidance is provided to common elements, such as heights, setbacks, protection of view corridors, etc. However, short-falls are identified in the identification of activated street frontages, minimum horizontal to vertical horizons and encouraging design excellence. From this, a number of ideas to improve the design excellence of buildings has been identified.

### Ideas for a Better Strategy (Design Excellence)

#### 1. Amending the LEP to ensure identified streets provide activated street frontages

This clause will seek to provide activation to those identified streets in order to achieve good design outcomes. The Nelson Bay Woolworths (FIGURE 5) is an example of a building that provides an activated street frontage. Good urban design features for the Nelson Bay Woolworths are identified as follows:





ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

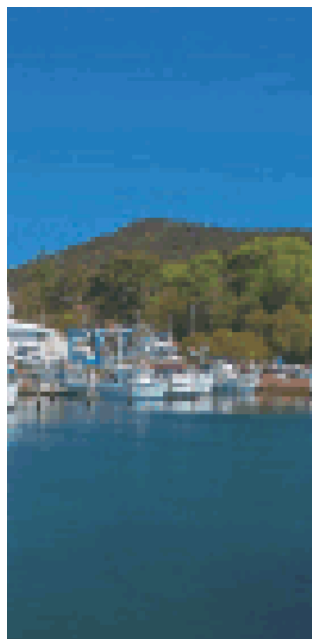


- Central location in the town centre supports existing speciality shops;
- Clear identifiable entry point on the street corner encourages pedestrian activity;
- Pedestrian crossings provide direct access from different sides of the street;
- Lack of internal shops means speciality stores are not taken away from the streetscape;
- Transparent glass windows and shops provide passive surveillance to the streetscape;
- Underground parking means floor level space is given to parking;
- Underground services (e.g. power) cleans up aesthetics and provides spaces for landscaping;
- Continual awning coverage provides protection from elements, such as rain and sun; and
- Rear separate loading bays reduce potential conflict with pedestrians and cars.

FIGURE 4 - Illustration of the Nelson Bay Woolworths



# ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.



## 2. Amending the LEP to ensure appropriate vertical to horizontal proportions

This clause will apply to those lots within the Strategy Boundary with a width less than 15m and a length less than 35m, which is identified by (FIGURE 6). This clause will seek to ensure the consolidation of narrow and short lots and in turn avoid the high and narrow lots that have been considerable undesirable, but are currently encouraged by the current development standards contained within the LEP.

## 3. An Independent External Urban Design Panel to encourage design excellence.

The Strategy suggested that large developments should be considered by an urban design panel in order to facilitate improved development outcomes. The role of an Urban Design Panel is to provide independent expert advice on development that is lodged with Council. SEPP No 65 - Design Quality of Residential Apartment Development details how these panels would be formulated <[www.planning.nsw.gov.au](http://www.planning.nsw.gov.au)>.

Council does not have a formal design panel, but currently utilises Panels from other Local Government Areas when significant development is proposed, such as the recent proposal for 11-13 Church Street, Nelson Bay. It is proposed that the following developments be referred to the Design Panel:

- Residential Flat Buildings;
- Seniors Housing Developments;
- Industry, Storage Facility and Warehouse over 2,000sqm in floor space;
- New Buildings or major extensions to Commercial Premises over 2,000sqm in floor space;
- Buildings within the Nelson Bay or Raymond Terrace Town Centre that seek to vary the building height or are located on Significant Sites (FIGURE 14); and
- Hospitals, Schools and Churches;

The above approach is generally consistent with that of Newcastle City Council (NCC). A review of Development Application (DA) data for Port Stephens Council has identified that an average of seven developments would be defined as one of the above each year. It is estimated that this Panel would result in an additional \$3,000 for an applicant and an additional 30 days to process the DA.

## 4. Education Program for Urban Design

Continued education and learning is critical for all those involved in the decision-making framework. An annual internal education program will not only place quality urban design outcomes at the forefront of minds of decision makers, but then have a ripple effect to applicants as they're guided into providing more well-informed proposals. Education will focus on the revised SEPP No.65 - Apartment Design Guideline and the role of urban design in producing great places (i.e. place making).

## 5. Support for Awards that Recognise Design Excellence.

The Lower Hunter Urban Design Awards (LHUDA) is an example of a local initiative that seeks to recognise design excellence. The following are examples of developments that have been recognised:

- British Aerospace Australia, Williamstown - Large Scale Development (Commercial) (1999);
- Newcastle Airport - Large Scale Commercial Development Award (2007);
- Richards Residence, Soldiers Point - Residential Dwelling Award (2012);
- Sandvik Australia, Heatherbrae - Large Scale Commercial Award (2012);
- Wes Trac Newcastle Service Centre & Training Institute - Large Scale Commercial Award (2013);
- Fraser Residence, Soldiers Point - Residential Dwelling Award (2013); and
- Raymond Terrace GP Super Clinic/Health One - Large Scale Commercial Award (2014).

From this, it can be seen that over the twenty-five years that Port Stephens Council has been involved in these awards the only developments on the Tomaree Peninsula that has been recognised is two single detached residences at Soldiers Point. This is not to say that this is the only awards category for design, but seeks to illustrate that the ideas discussed within this Paper seek to improve the overall design.



ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

FIGURE 5- Identification of Activated Street Frontages & Lots less than 15m Wide by 30m Long



**ITEM 10 - ATTACHMENT 1     DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.**



ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

FIGURE 6 - Height of Existing Buildings



## ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

### 2.2 BUILDING HEIGHTS

The Survey identified that 'managing building heights' as one of the most pressing issues facing the town and that the existing Height of Building (HoB) limit has been consistently reinforced by renters, residents and non-residents (HVRF, 2012, p.v).

#### What is Building Height?

Height limits are important because they help shape the character of an area. For example, in areas where only dwelling houses are permitted lower maximum building heights are applied. By comparison, in areas where residential flat buildings (i.e. units) are permitted and greater density is expected, taller building height limits apply.

The maximum Height of Building (HoB) is listed as a development standard under the LEP. This development standard assists in shaping desired character (i.e. urban form, protection of identified view corridors, human scale, over-shadowing and property values). HoB is also a key input that restricts floor space and in turn development feasibility.

#### A Review of Building Height

A review of the existing building heights has reinforced that the five storey limit has applied over the past few decades (**FIGURE 8**). This can be seen to be reflective of the HoB limit contained within the LEP, which was based on the recommendations within the Port Stephens Council, 1984, 'Tall Building Study' and reinforced through the more recent Strategy.

The four existing structures/approvals that come close to this HoB limit, but are still within the height of the proposed limits discussed under the existing Strategy include:

1. 71 Victoria Parade, Nelson Bay (Commercial & Residential) - 6 Storey/21m;
2. 5B Talleen Road, Nelson Bay (Bowling Club) - 8 Storey/28m;
3. 14 Magnus Street, Nelson Bay (Residential) - 6 Storey/21m;
4. 11-15 Church Street, Nelson Bay (Residential) - 6 Storey/21m.

An exception to this consistent application of the height limit is provided by the approved development at 29-45 Magnus Street, Nelson Bay. This approved development is 8 Storey (22m), which exceeds the existing HoB limit of 15m by 7m (46%). The identification of this approval has highlighted the significant development that has taken place along the two ridgelines that Magnus Street and Thurlow Avenue. It also identifies the need to provide some guidance around the use of the LEP (c4.6 - Exception to development standards), which allows development to provide justification for the variation of a development standard, such as HoB through the DA process.

These guidelines should assist in providing greater transparency and community participation in their development given that the existing development standards were developed following extensive consultation at the strategic planning phase. At the same time, the revision and subsequent expansion of the Strategy Boundary (**FIGURE 14**) will capture development that has already taken place along the ridgelines and can be seen to be within a walkable distance (i.e. 400m) and cyclable distance (i.e. 800m) of the town centre.

In order to provide a more detailed understanding as to why there has not been any significant residential unit development in the past ten years (**FIGURE 2**), Council engaged a consultant to undertake an independent feasibility appraisal. The appraisal used 5 (17.5m), 8 (25m), 11 (32.5m), 14 (40m) and 17 (47.5m) HoB scenarios for the five sites identified by (**FIGURE 10**). The reasoning for choosing these five is provided in the Independent Feasibility Report (**ATTACHMENT 1**). They are identified as:

- Site 1 - 49, 51, 51A & 51B Stockton Street, Nelson Bay;
- Site 2 - 11, 13 & 15 Church Street, Nelson Bay;
- Site 3 - 36A to 36F Donald Street, Nelson Bay;
- Site 4 - 15, 17, 19 & 19A Tomaree Street, Nelson Bay; and
- Site 5 - 16, 18 & 20 Donald Street, Nelson Bay.

The methodology utilised for the feasibility assessment was based on the Urban Feasibility Model (UFM) developed by the NSW Department of Planning and Environment. The independent feasibility assessment made a number of market observations and sought to identify whether a developer would be able to achieve a viable 20% profit margin in the current property market. A particular emphasis was placed on varying the development height as this is currently the most significant development standard that



# ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.



The Feasibility Appraisal makes a number of key market observations, including:

- Costs of an excavated basement carpark is approximately \$50,000 per single car bay and an above ground car park is approximately \$25,000 per single car bay;
- Construction costs significantly increase from medium density (8 storeys) to higher density buildings due to increased structural materials and regulations relating to fire sprinklers, etc.;
- Modest unit pricing (gross realisations) achieved in the current market in Nelson Bay; and
- A lack of foreshore (frontage) development sites where a high ratio of units have an ocean view and generate the highest prices, capital rates (\$/sqm of living area) and profit margin.

The following table identifies at what point a 20% viable profit margin for a typical developer is achieved and therefore may provide them with enough certainty to take the investment risk.

**FIGURE 7** - Table summarising what conditions provide for a viable profit margin

|                               | Site 1               | Site 2               | Site 3               | Site 4               | Site 5                                                                                                                  |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------|
| Height                        | 5 Storeys - 42 Units | 8 Storeys - 51 Units | 8 Storeys - 42 Units | 8 Storeys - 60 Units | The cost of replacing 140 public car spaces renders the redevelopment unfeasible even if the site is gifted at no cost. |
| Parking                       | Above Ground         | Below Ground         | Above Ground         | Below Ground         |                                                                                                                         |
| Development Profit            | \$4,026,073          | \$4,161,053          | \$5,017,193          | \$4,533,311          |                                                                                                                         |
| Development Margin            | 24.39%               | 18.80%               | 24.62%               | 17.22%               |                                                                                                                         |
| Internal Rate of Return (IRR) | 21.70%               | 21.40%               | 38.77%               | 20.03%               |                                                                                                                         |
| Performance Ranking           | Viable               | Viable               | Viable               | Viable               |                                                                                                                         |
| Residual Land Value           | \$1,588,727          | \$1,905,415          | \$2,200,584          | \$2,196,599          |                                                                                                                         |

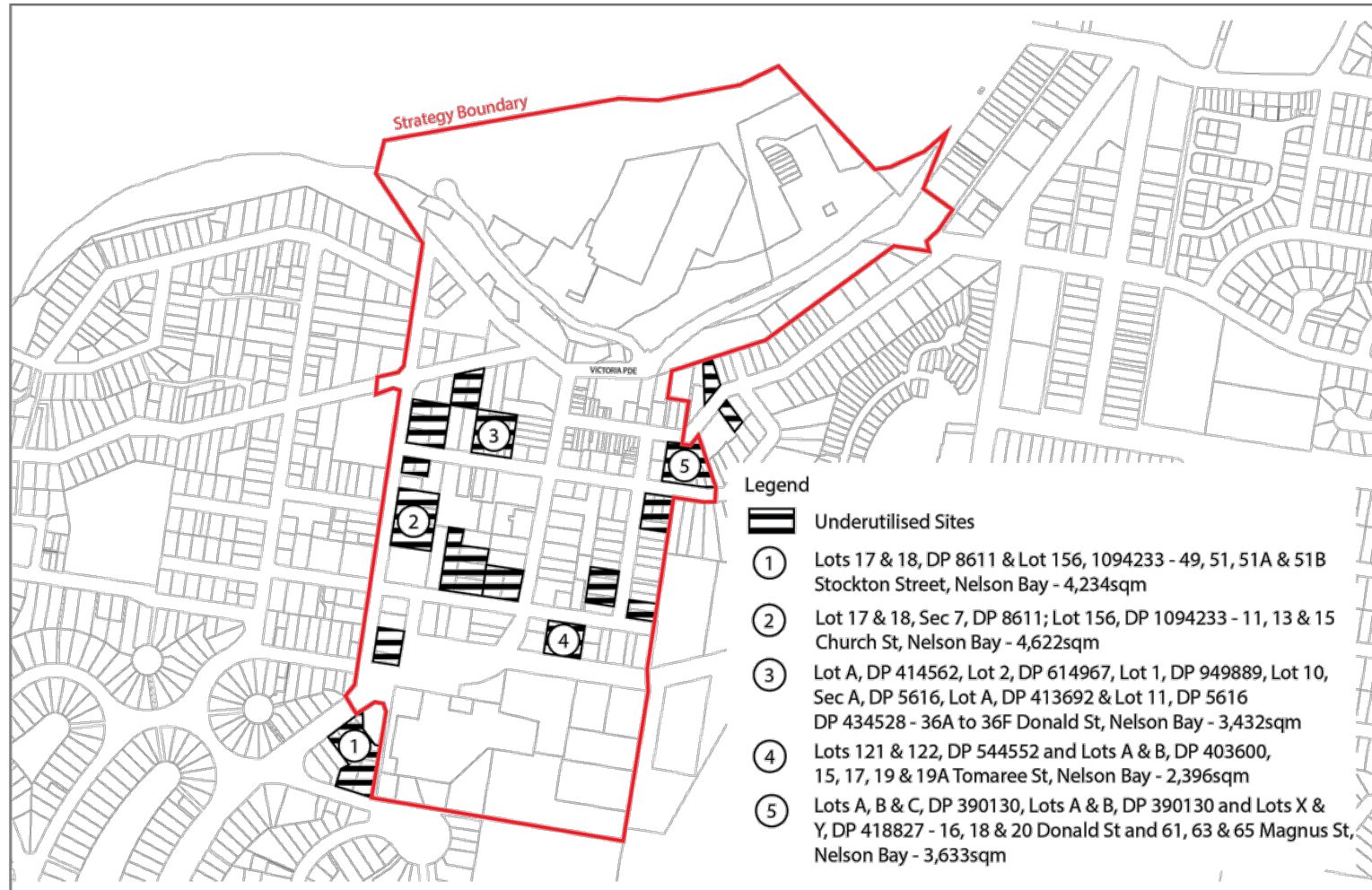
While the above table summaries what conditions provide for a viable profit margin the varying margins for each site is best illustrated by the line graph provided as **(FIGURE 12)**.





ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

FIGURE 8- Five Sites Identified for Feasibility Testing



**ITEM 10 - ATTACHMENT 1     DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.**

ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

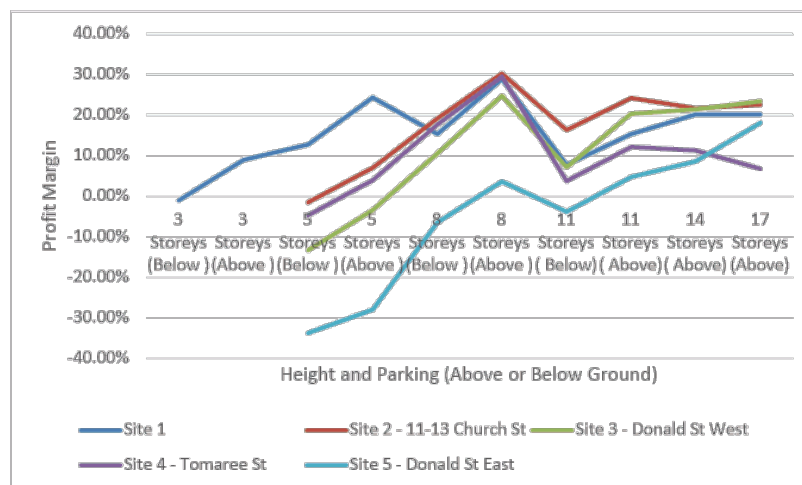
FIGURE 9- Existing Height of Building Limits



# ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.



FIGURE 10 - Line Graph Illustrating the Varing Profit Margins



What these results indicate is that the feasibility of development is dependent on the individual characteristics of each site. There is a high emphasis placed on the need to achieve water views as sale prices significantly increase as a result, which translates into increased height to achieve this goal. The cost of below ground parking means that above ground parking is favoured. However, above ground parking is often undesirable as it limits the potential for activated street frontages within commercial centres and places parking at the same level of neighbouring residential buildings.

It is well known that the residential unit market in Nelson Bay has been static and has actually declined over the past ten years. This is due to a number of defaults and abandoned development sites stalling development activity and causing poor developer sentiment. From the feasibility analysis, it is clear that current conditions are not allowing for re-development. This is despite significant growth for the Australian residential housing and construction industry over recent years. These observations have not only been made by the Independent Feasibility Report (**ATTACHMENT 1**), but are reinforced by the third party peer review by local economists located within Nelson Bay (**ATTACHMENT 2**). The below graph compares the residential unit markets of similar coastal villages along the eastern seaboard.



# ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

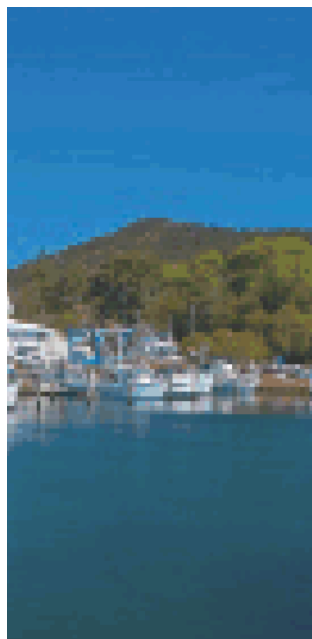
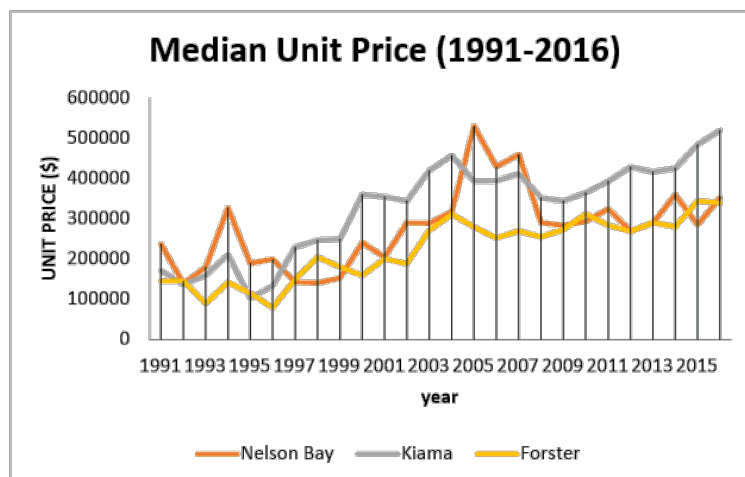


FIGURE 11 - Line Graph Illustrating Similar Property Markets



What the above graph illustrates is that Nelson Bay experienced significant growth from 2000 to 2005 and then dropped significantly. The market has still not recovered from that high of 2005. These market conditions have not allowed for feasible redevelopment to occur over the past ten years, so the question is, what should be done with this information?

It is our belief that quality residential unit stock is required in order to provide confidence in the market and what is required to make development feasible is water views. At the same time, maximum height requirements must ensure that they do not come at the price of significant over-shadowing, loss of human scale and blocking of views. In response the following changes are suggested for discussion.

## Suggested Changes

### 6. Revising height limits and introducing a Floor Space Ratio (FSR) into the Port Stephens Local Environmental Plan 2013 (LEP).

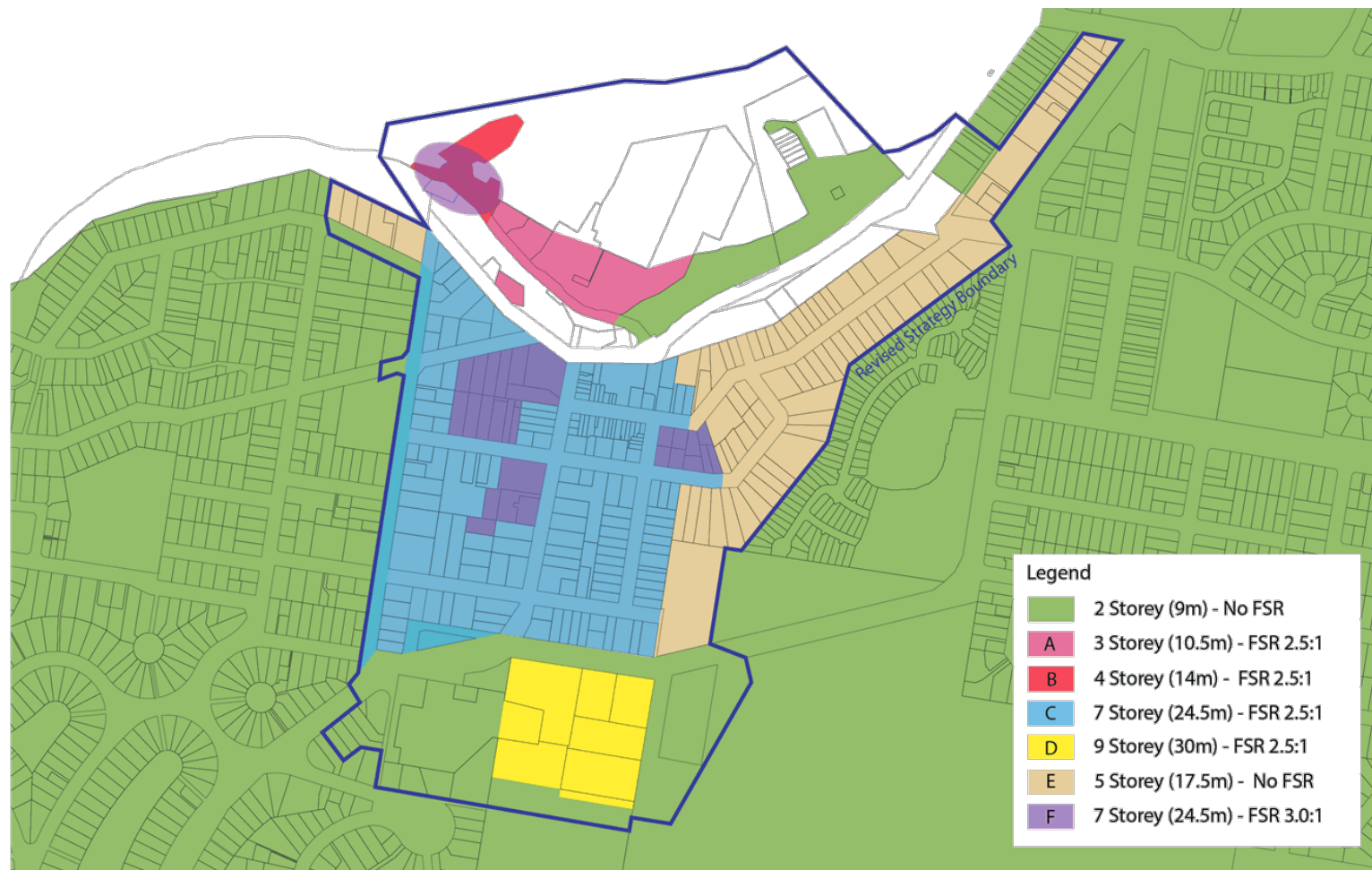
It is proposed that the maximum HoB and FSR are introduced in accordance with (FIGURE 14).

The proposed changes seek to provide enough height incentive for developers to achieve water views and at the same time the introduction of FSR controls will control the overall bulk of upper storeys and therefore aim to reduce the potential obstruction of views for neighbouring buildings, overshadowing and prevailing winds. The proposed changes are illustrated by (FIGURE 14) and are summarised as follows:

| No. | Existing HoB   | Strategy HoB     | Proposed HoB     | Strategy FSR    | Existing FSR | Proposed FSR |
|-----|----------------|------------------|------------------|-----------------|--------------|--------------|
| A   | 2 Storey (8m)  | 3 Storey (10.5m) | 3 Storey (10.5m) | 2.5:1           | No FSR       | 2.5:1        |
| B   | 2 Storey (8m)  | 4 Storey (14m)   | 4 Storey (14m)   | 2.5:1           | No FSR       | 2.5:1        |
| C   | 5 Storey (15m) | 7 Storey (24.5m) | 7 Storey (24.5m) | 2.5:1           | No FSR       | 2.5:1        |
| D   | No HOB         | 9 Storey (30m)   | 9 Storey (30m)   | 2.5:1           | No FSR       | 2.5:1        |
| E   | 2 Storey (8m)  | Not in Strategy  | 5 Storey (17.5m) | Not in Strategy | No FSR       | 2.5:1        |
| F   | 5 Storey (15m) | 7 Storey (24.5m) | 7 Storey (24.5m) | 3.0:1           | No FSR       | 3.0:1        |

ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

FIGURE 12 - Proposed Heights of Building and FSR



**ITEM 10 - ATTACHMENT 1      DISCUSSION PAPER - PROGRESS OF THE  
NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.**

The proposed changes seek to provide that balance between protecting views, maintaining prevailing winds and managing human scale, while allowing some feasible development to occur. It must be noted that the proposed FSR were not included in feasibility modeling to date, but will be included and the results presented in any future draft amendment to the Strategy.

**7. Formulation of Council Guidelines for the use of Clause 4.6**

The NSW Government, Department of Planning & Environment, 2011, 'Varying Development Standards: A Guide' (the Guide) discusses the cumulative effects of varying development standards. For example, the variation of 7m (46%) for the approved development at 29-45 Magnus Street, Nelson Bay sets the precedent for similar variations to occur at the Development Assessment Stage and has the potential to reduce the very certainty that development standards are meant to provide in terms of property values, views, over-shadowing, prevailing winds, etc.

At the same time, this ability to vary development standards allows individual proposals to be judged on their own merit. This is important given the sometimes broad brushed approach that can occur in the planning process and when reflected in a standardised LEP. As a result, they do not always reflect or cater for a more detailed understanding of the individual site characteristics.

In accordance with the Guide the purpose of this action is to develop a further set of Council guidelines that reinforces the need for flexibility at the Development Application Stage, but provides further rigor to limit the negative cumulative effects that these variations can potentially cause. These guidelines would seek to ensure consideration of: 1) 'The Five Part Test', which was established by the NSW Land and Environment Court to ensure matters such as cumulative impact; 2) Consideration of the strategic planning framework; and 3) Transparent reporting requirements. These draft Guidelines could be presented as part of a future draft amendment to the Strategy.

**8. Expansion of the Strategy Boundary to account for existing height along ridgelines**

The existing strategy boundary (**FIGURE 11**) focuses on the commercial area of the town centre. It does not recognise the significant development that has taken place along those dominant ridgelines of Magnus Street and Thurlow Avenue. The existing development along these ridgelines is reflective of the desire to obtain views of Port Stephens, while still being within walking and cycling distance of the services that the town centre provides. The expansion of the Strategy boundary can be seen to be reflective of the existing maximum building height of 15m, which is distinctively different from the maximum building height of 9m that is applied to the majority of land on the Tomaree Peninsula.

At the same time, it is recognised that locations such as 'Little Beach' and Shoal Bay are examples of a locations that have existing buildings that would not be considered a low density residential character. These locations have not been considered given that they are considered some distance from the existing Strategy Boundary. This change to the Strategy Boundary could form amendment to the Strategy.





ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

## 2.3 DEVELOPMENT INCENTIVES

The Strategy proposed that a variation of up to an additional two storeys (7m) and an additional floor space ratio of up to 0.5:1 (2.5:1) for all sites in the town centre if a development application exhibited outstanding design excellence or demonstrated a strategic public benefit (p.65).

Additionally, the Strategy also proposed a Floor Space Ratio (FSR) incentive of an additional 0.5:1 (3.0:1) for those sites identified by (FIGURE 3), which included:

1. Sea-breeze/Nelson Towers/Donald Street West Car Park Site;
2. Coles Supermarket Site;
3. Donald Street East Car Park Site; and
4. Fisherman's Co-Operative Site.

### What is the purpose of Development Incentives?

Public policy can usually achieve desired outcomes through one or more of the three following avenues:

1. Education;
2. Regulation; and
3. Financial Expenditure.

Council encourages design excellence through education by its continued commitment to the LHUDA. It encourages the protection of view corridors through regulation by restricting the HoB and at the same time encourages redevelopment through investment in the public domain, such as footpaths and trees.

While the above pathways seek to encourage desired outcomes that have been agreed by the community the generic regulatory development controls (i.e. height) do not take into account the individual circumstances of each site.

For example, the incentive to redevelop a site that contains a heritage listed building increases as land value and building maintenance increase over time. In recognition that heritage is a variable that contributes to a desired urban character, development incentives, such as the City of Sydney - Heritage Floor Space Scheme (HFSS) provides landowners who are responsible for the building maintenance with floor space credits that can then be sold to other sites that are seeking to exceed the height limit.

Examples of current local development incentives within Port Stephens include:

1. D11 - Raymond Terrace Centre, which is a specific part of the Port Stephens Development Control Plan 2014, which provides a 100% reduction for on-site parking requirements in order to encourage the redevelopment of vacant sites within King Street; and
2. Clause 4.1D - Minimum Lot Sizes for Certain Split Zones, which is a clause under the LEP that seeks to allow the subdivision of an undersized lot of environmental or agricultural significance and provide it with a subsequent dwelling entitlement due to the understanding that the presence of a dwelling leads to more active land management.

### A Review of Development Incentives

Floor Space Ratio (FSR) requirements were not included as part of the LEP and therefore their application within the Nelson Bay Town Centre and Foreshore is at odds within the approach taken for the rest of the Local Government Area (LGA).

Recent development (i.e. Woolworths) on the sites to which the incentives apply (FIGURE 11) have not sought to draw on the additional height and FSR provisions. However, there is potential on other sites, such as the Donald Street East Carpark to utilise these incentives as a potential means to off-set the cost of providing public car parking. However, as previously discussed, the feasibility results indicate that the true cost of replacing parking would render most development unfeasible in the current market (FIGURE 12).

## ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.



Unfortunately, Nelson Bay's position within the Hunter Region means that it may not be of a size where it is likely to receive buildings that are of architectural significance. Buildings of architectural significance are those where multi-national corporations may be located; those of civic importance; or where residents are willing to pay a premium to purchase an apartment. Examples include:

1. University of Newcastle, City Campus - \$95M;
2. State of Law Courts, Hunter Street Civic, 10 Courts and two Tribunal Rooms - \$94M;
3. Icon Central Apartments, Hunter Street Civic, 262 Apartments - \$150M; and
4. Arena Apartments, Watt Street, Newcastle East - \$100M.

All these examples are taken from the regional City of Newcastle, which operates and is recognised as a regional city Nelson Bay that provides higher order services (i.e. health, justice or financial). Nelson Bay plays a far different and less significant role in relation to health, civic and social services. Its major industry is tourism and in turn significant development that has taken place includes:

1. Mantra Apartments, Tomaree Street, 161 Residential Units;
2. Nelson Bay Bowling and Recreation Club - Dowling Street;
3. Shoal Bay Resort and Spa - Shoal Bay Road; and
4. Birubi Point Surf Lifesaving Club.

Given that Nelson Bay is unlikely to attract buildings that are of a size and scale to display architectural significance it is proposed that the additional height and FSR incentives just be adopted as part of the development standards for each site given that they have already set an expectation for the market.

### Suggested Changes

#### 9. Reduce the uncertainty that is provided through development incentives

The reduction in the uncertainty that is provided through development incentives is proposed through their removal and allowing more appropriate mechanisms to achieve this. Their potential incorporation into the existing development standards as described in the previous section could allow this to occur. This includes revised standards addressing desirable urban form, centres hierarchy, prevailing winds, over-shadowing, human scale and feasibility to increase the likelihood that redevelopment can occur. It is consistent that certainty of outcomes will increase, while the variation of development standards will be consistent with the Guidelines prepared for Clause 4.6.

ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.



**10. Public goods, such as parking are provided by those who use it.**

Development incentives, such as increased heights or FSR are not incentivising private landowners to provide expensive public goods, such as public parking. The private development market in the Nelson Bay Town Centre, despite illustrating some evidence of recovery, continues to be marginal for private investment in the residential unit market. This means that banks are not likely to finance projects for a typical 20% profit margin, with this margin at an even greater risk when facing a \$3.5-\$6.0M overhead of replacing existing public car spaces.

It is recommended that public goods, such as public parking or public domain works need to be funded by those who use and directly benefit from it, that is the businesses, residents and visitors of the Tomaree Peninsula. The ratepayers of the western (e.g. Wallalong) and central parts of the LGA (e.g. Medowie) do not benefit from such works and in turn it is recommended that these assets should not be funded through general revenue. Alternatively, the introduction of a revised s94 - Development Contributions Plan or an additional rates levy, that for example previously used to fund the Magnus Street beautification in the 1990s would over time provide the means by which a public car parking structure or public domain works, such as signage and streetscape improvement could be equitably funded. These mechanisms for alternative sources of revenue will be discussed in the next section.

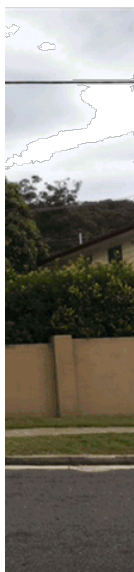
**11. Review of Development Controls contained within the LEP and DCP**

The Port Stephens LEP and DCP were recently reviewed when Port Stephens Council transitioned to a standard instrument LEP template. This was the result of a state-wide direction to make LEPs consistent with a standard template. Now they are in force, we can review what outcomes are being achieved and its effectiveness in assisting in the delivery of the Strategy. The suggested changes for the LEP have been previously been discussed under Part 2.1 - Design Excellence. It is now appropriate that we discuss the identified shortcomings of the existing DCP in relation to development defined as a Residential Flat Building (RFB), which includes:

- Building Depth;
- Building Separation;
- Street Setbacks;
- Side and Rear Setbacks;
- Orientation;
- Public Domain Interface;
- Communal and Public Open Space; and
- Urban Design Panel.



## ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.



### 2.4 PUBLIC DOMAIN

#### What is Public Domain?

The public domain includes the natural and built environment used by the general public on a day-to-day basis, such as streets, plazas, parks and public infrastructure. The Survey identified that the 'Appearance of the town' as one of the most pressing issues facing the town (HVRF, 2012, p.v).

#### The Objective of Public Domain

The objective of public domain is to create public spaces that people can enjoy. Quality public domain is created through the application of tested urban design principles, such as street to height ratios, block size or consistent streetscape materials. Urban design can significantly influence the economic, environmental, social and cultural outcomes of a place:

- The economic success and socio-economic composition of a locality - whether it encourages local businesses and entrepreneurship; whether it attracts people to live there; whether the costs of housing and travel are affordable; and whether access to job opportunities, facilities and services are equitable;
- The physical scale, space and ambiance of a place and establishes the built and natural forms within which individual buildings and infrastructure are sited. As such, it affects the balance between natural ecosystems and built environments; and
- Health and the social and cultural impacts of a locality; how people interact with each other, how they move around, and how they use a place.

Investment and maintenance of the public domain is generally understood as one of the most significant contribution that Government can make towards encouraging investment and redevelopment.

#### A Review of the Nelson Bay Public Domain

A review of the existing public domain identified the following:

- Inconsistent pathway widths and materials;
- Missing pathway connections;
- Poor legibility resulting from poor signage and way finding tools;
- Inconsistent approach to street tree plantings and landscaping; and
- Pedestrian barriers and incomplete street linkages.

The Strategy identified a number of actions to address these shortcomings, such as the development of a Public Domain Plan or Street Tree Masterplan. However, to date, these actions have not been completed. In order to ensure that the importance of the public domain is continually reinforced and achieved the following changes are suggested.

#### Suggested Changes

##### 12. Development of a Streetscape Design Guide for the Nelson Bay Town Centre

This approach has been adopted in the Raymond Terrace and Heatherbrae Strategy (RT&H Strategy) and could also be applied to Nelson Bay. In the RT&H Strategy, it identifies the need to develop a streetscape design guideline that would be used in the implementation of the William Street, Port Stephens Street and Adelaide Street upgrades. A Guideline for the Nelson Bay Town Centre and Foreshore would seek to provide a similar level of detail as the City of Ipswich, 2013, 'Ipswich Streetscape Design Guideline - A guide for Council, Developers and the Community', which identifies a common approach for paving, signage, street furniture, lighting, signage and the style of public art.

##### 13. Detail provided to public domain works, costing and priorities

The PSC, 2011, 'Nelson Bay Town Centre and Foreshore Improvement Program, identified a comprehensive list of public work works, which could be summarised as:

**ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.**

1. A seamless pedestrian route from Stockton Street to the water;
2. Prepare a landscape plan;
3. Government Road street tree planting and treatment;
4. Church Street and Government Road intersection treatment;
5. Apex Town Park Upgrade;
6. Village Precinct (Magnus in particular) tree replanting;
7. Public Art - Main Target being the Village Precinct and Stockton Street;
8. Pedestrian Way-Finding Signage;
9. Vehicular Way-Finding Signage;
10. Introduction of a scramble crossing on Victoria Parade;
11. Cycle upgrades identified within the Pathways Plan;
12. Review the position of the podium currently in the view corridor on Stockton Street;
13. Prepare a Lighting Strategy that integrates with the street tree Landscape Plan;
14. Review the state of paved areas and prepare a plan for maintenance and replacement;
15. Incorporate street furniture along movement corridors, such as Stockton Street, public open spaces, public transport nodes and within public car parking areas. The opportunities to use street furniture as public art should also be acknowledged and explored.

It is suggested that further detailed design and costing be provided to the above listed works. These works need to be considered alongside the works identified within Council's Strategic Asset Management Plan (SAMP). In order to take this approach, a nexus must also be made between an increased population and the need for these works. Once made, these works can be identified for the Tomaree Catchment (FIGURE 15).

**14. Revision of the s94 Development Contributions Plan for the Nelson Bay Catchment**

The Port Stephens Council 2007, 'Port Stephens Development Contributions Plan' is the relevant plan for collecting contributions per residential dwelling. The Plan collects contributions for the following infrastructure types:

1. Civic Administration - Plan Management and Works Depots;
2. Public Open Space, Parks and Reserves;
3. Sports and Leisure Facilities;
4. Cultural and Community Facilities;
5. Roadworks; and
6. Fire & Emergency Services.

The current contributions is \$13,788 per dwelling. The total of these contributions are subsequently utilised to fund those projects listed for the Tomaree Catchment under Part 5 - Works Schedules.

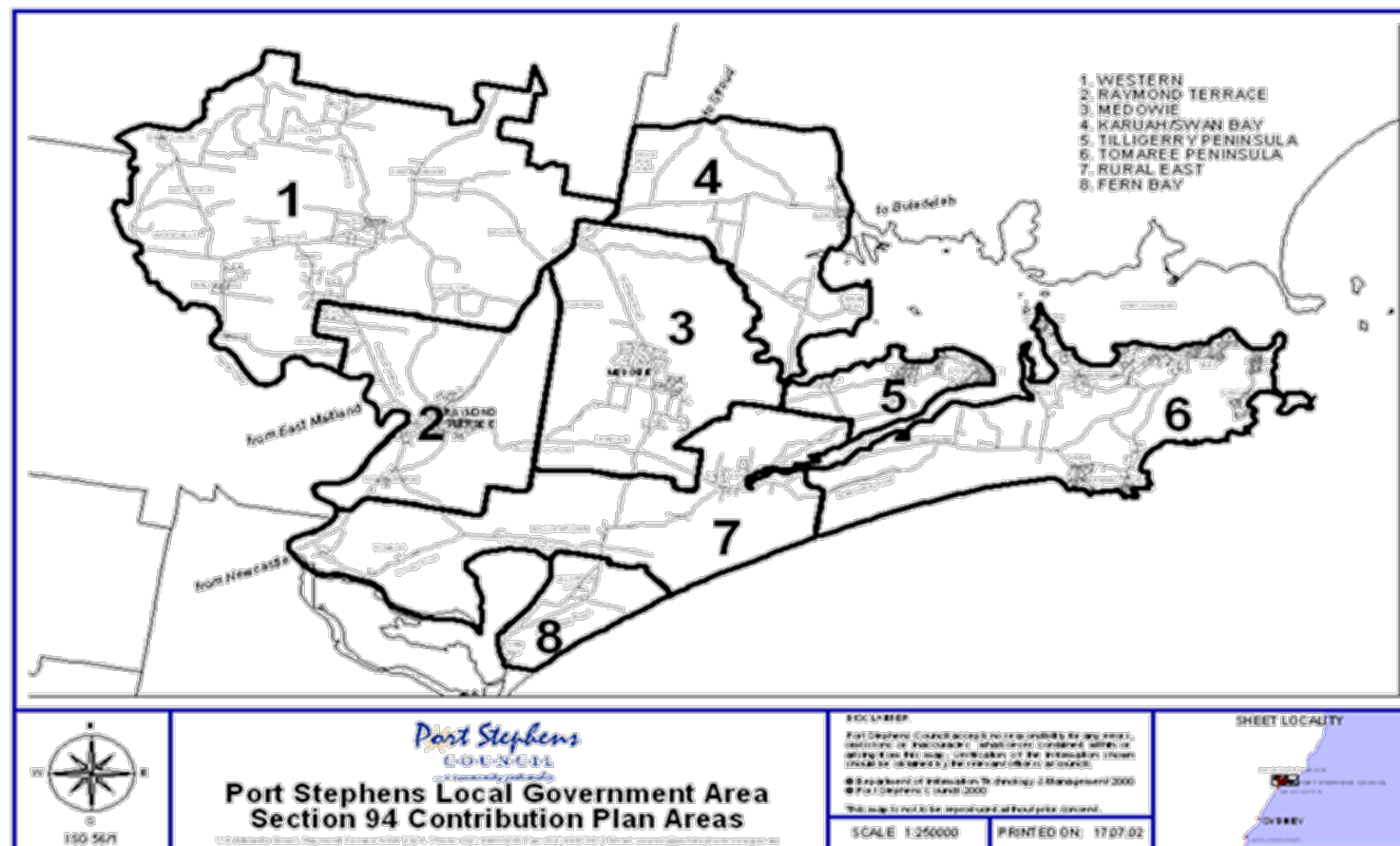
This Plan also allows for an additional contribution of \$14,402 to be levied if a commercial premise within the Nelson Bay Town Centre is unable to provide the required on-site parking as prescribed under the DCP. The total of these contributions would subsequently fund the projects listed under 5.6- Nelson Bay Commercial/Retail and Foreshore Area Parking, such as 'Construction of a new six level carpark joining the existing Donald Street East Car Park'.

Given the low forecast demand for commercial floor space in Nelson Bay and the most recent significant redevelopment of Woolworths at Nelson Bay providing its own parking on-site it is highly unlikely that the current Nelson Bay local contributions will collect enough funds to fund a multi-million dollar parking project. Further to this, the feasibility work that informed parts of this Discussion Paper identified the cost of above-ground parking to be closer to \$25,000 per bay and over \$50,000 for under-ground bays.

To achieve this, a revised s94 - Development Contributions Chapter for the Tomaree would be required with a revised locality specific provision should seek to fund public domain projects that have been identified in this review. This would include the Yacaaba Street Extension, Streetscape Design Guideline and physical ground works. The importance of this cannot be understated as the growth and prosperity of the town centre will have positive ripple effects for the whole Tomaree Peninsula and Port Stephens economy. In turn, the revised locality specific contribution is proposed to apply to the total land identified by (FIGURE 15). Based on historical development data, the impact of varying contributions levies is illustrated by the following (FIGURE 16).

ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

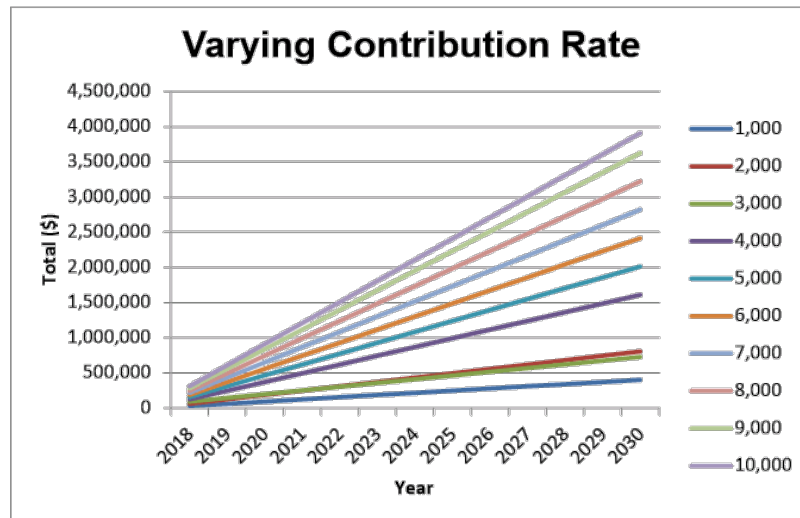
FIGURE 13 - Identification of the Tomaree Peninsula Collection District





## ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

FIGURE 14 - Line graph illustrating the impact of an additional development contribution



Over the past eight years, on average, 31 dwellings are levied a development contribution of \$13,788. The above graph illustrates that if an additional contribution of \$4,000 is applied to the Tomaree Precinct this would result in \$124,000 per annum. Depending on the priority levy, this levy could be used to immediately fund those projects that have been detailed and costed as a result of the previous idea.

What the above information is seeking to emphasise is the importance of laying the framework to fund future long-term projects. Council annual capital infrastructure budget is too small – previously cited as \$5M per annum – to fund projects of this scale on a regular basis. Furthermore, the reliance on this budget could be considered inequitable as it must be evenly redistributed from its source, being the wider LGA.

### 15. Preparation of a Signage Strategy and Implementation of Actions

The Strategy identified a number of actions relating to signage. Therefore, it is suggested that the following actions be incorporated within an overall sign-age strategy for the town centre and associated access routes:

- Signage that promotes Dowling Street as the preferred route to access Shoal Bay;
- Discussions with digital map providers to direct cars along Dowling Street; and
- Move the 40km/h signage on Government Road to the west of Church Street to provide an increased pedestrian zone and also in the opposite direction along Government Road.

There is considered to be no reasoning in progressing this action ahead of an amalgamation that would have significant implications for Council branding and subsequent consistency with signage.

## ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

### 2.5 TRANSPORT AND PARKING

#### What is Transport & Parking?

The Survey identified the 'Provision of adequate parking spaces' as the second most important issue identified by all stakeholders and the most significant issue from the perspective of businesses.

#### What is the Parking Situation within the Town Centre?

The GHD, 23 May 2013, 'Nelson Bay Town Centre Transport and Parking Study' (the Parking Study) identified 300 off-street parking spaces in the town centre managed by Council and 800 managed by private landowners. The key locations for public parking are listed below:

FIGURE 15 - Public Parking

| Car Park                                                                          | Spaces | Average Use | Peak Use |
|-----------------------------------------------------------------------------------|--------|-------------|----------|
| Donald St East (Levels 2 & 3)                                                     | 142    | 45%         | 73%      |
| Donald St East (Ground Level)                                                     | 90     | -           | -        |
| Donald St West                                                                    | 93     | 86%         | 100%     |
| Cnr Donald & Yacaaba St                                                           | 60     | -           | -        |
| Governemnt Road                                                                   | 61     | -           | -        |
| Note: Deficit of 21 spaces following the closure of Donald St East (Levels 2 & 3) |        |             |          |
| Nelson Bay Foreshore                                                              | 197    | -           | -        |
| Woolworths                                                                        | 184    | -           | -        |
| On-Street Parking (Magnus, Donald, Stockton & Yacaaba)                            | 174    | -           | -        |
| TOTAL                                                                             | 1,1001 | -           | -        |

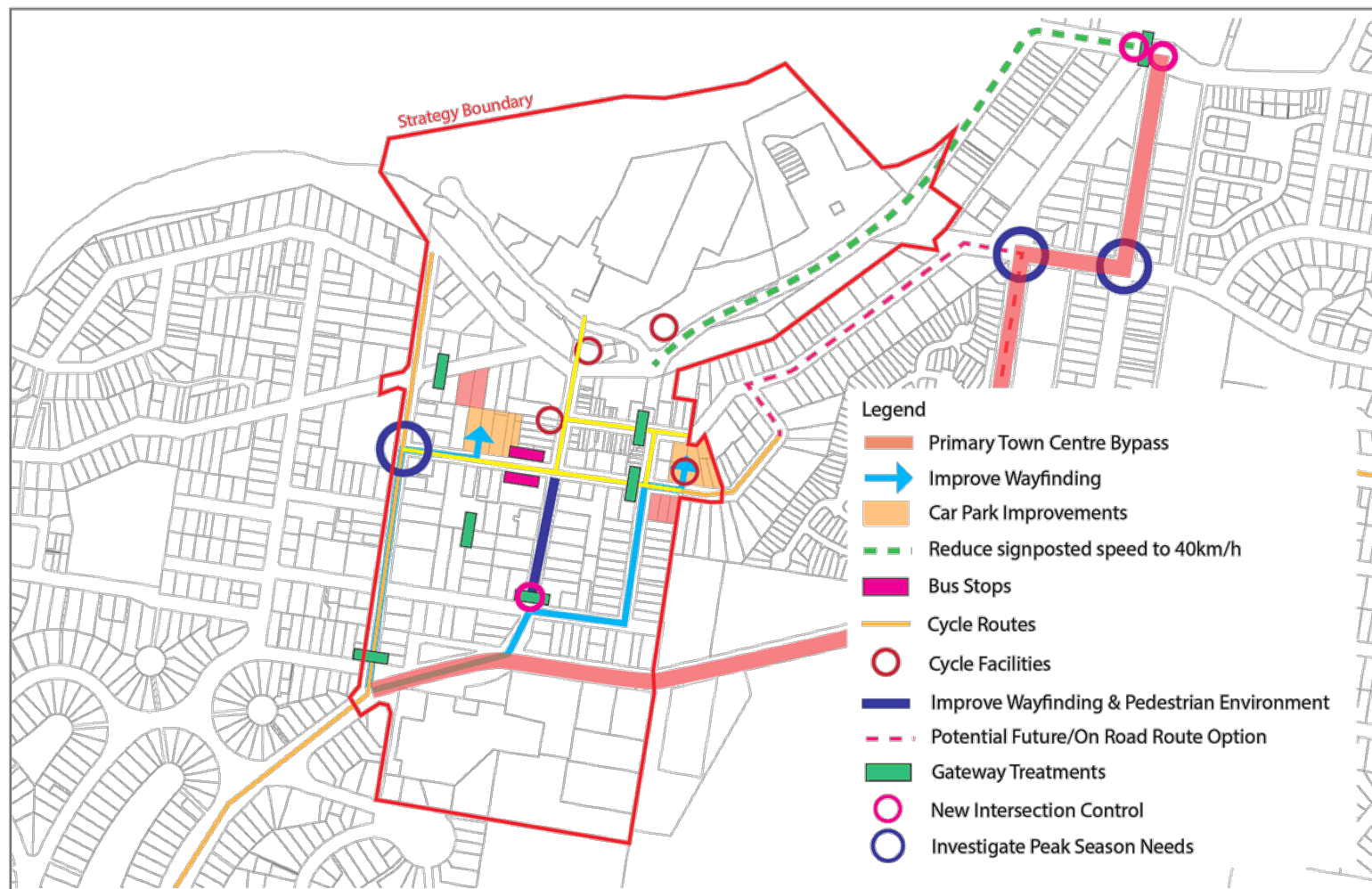
The Parking Study identifies that off-street and on street parking is operating under capacity during events and on every weekday (GHD, 2012, p.45). The Parking Study discusses how increasing parking availability can be used as a tool to stimulate activity in centres by improving access to facilities and services. However, widespread car park construction would be costly, add to congestion on the road network and may be to the detriment of nearby centres. Therefore, a common resource effective approach is to increase the availability of parking spaces by encouraging greater turnover.

This can be achieved by limiting the duration of parking (i.e. 1-2 hours) or by charging a time-based fee, usually via parking metres (GHD, 2011, p.9). In the longer term, the Strategy also identifies the desire to provide long-term parking in the town centre. This long-term strategy could be achieved through the redevelopment of the Donald Street Car Park Site or the development of a satellite parking location. The benefit of a site on the periphery of the town centre is that it would reduce town centre traffic and could be more cost-effective as land on the periphery would have a reduced value compared to the centre.

From this, it can be seen that more supply can be provided in the short-term by placing time restriction on existing parking. The funds collected from this, could then be used to fund the development of a long-term parking option. At present, a parking capacity still exists and Council has not collected any funds for the construction of new parking.

ITEM 10 - ATTACHMENT 1 DISCUSSION PAPER - PROGRESS OF THE NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.

FIGURE 16 - Existing Traffic and Parking Actions





**ITEM 10 - ATTACHMENT 1      DISCUSSION PAPER - PROGRESS OF THE  
NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.**

In both the short and long-term the following options would both increase parking turn-over and collect funds for the construction of future parking:

1. Time Limited Parking (User Pays);
2. Identification of future Satellite Parking Locations on the periphery of the town centre;
3. Private development to provide a component of public parking; or
4. Extension or purchase of land with temporary parking stations.

**Suggested Changes**

16. Identification future satellite parking locations;
17. Explore user-pays approaches to the provision of parking; and
18. Encourage private enterprise to provide parking on Council land.

## **2.6 IMPLEMENTATION AND CASE MANAGEMENT**

The implementation of a stage of a strategy process is the most critical. It is the point in the process where the actions discussed in the strategy are realised and in turn those previously identified shortcomings are addressed. However, once the Strategy is finalised the implementation and delivery of actions sometimes loses momentum.

As a result, it is considered critical that the actions contained in a Strategy are Specific, Measurable, Accurate, Realistic and Time-based (SMART). It is also critical that they're constantly revisited and revised based on the resources that have been provided to ensure they achieve their actual intent.

**Suggested Changes**

19. The existing Strategy actions have been reviewed, but need to be further broken down to be Specific, Measurable, Accurate, Realistic and Time-Based (SMART).
20. Implementation panel to meet on a quarterly basis.

## **NEXT STEPS**

From here, feedback on this Paper will be summarised, which will then be used to feed into a proposed amendment to the Strategy. If supported by Council, the proposed amendment will then be placed on public exhibition, along with the Draft LEP, DCP and s94 Amendments.

Feedback received during the public exhibition period will then be incorporated into a final version to be reported back to Council. Once endorsed, the clearly re-defined actions will be implemented in order to achieve the over-arching goal of the Strategy: 'to guide Nelson Bay towards becoming more attractive to tourists, the business community and residents'.

**ITEM 10 - ATTACHMENT 1      DISCUSSION PAPER - PROGRESS OF THE  
NELSON BAY TOWN CENTRE & FORESHORE STRATEGY.**

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