

Amended Item



Item No: 2.3
Title: Proposed Development of Warnervale Education and Business Precinct
Department: Innovation and Futures

9 June 2020 Ordinary Council Meeting

Reference: F2020/00039 - D13752261
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Report Purpose

The purpose of the report is to seek Council resolution for the continued development of the Warnervale Education and Business Precinct.

Recommendation

That in recognition of the establishment of the Warnervale Working Group as resolved by Council that this matter be deferred to allow consultation with the Working Group prior to a further report being provided to Council.

Context

The proposed Warnervale Education and Business Precinct is an area of Council owned operational land situated to the eastern side of 30 Jack Grant Avenue Warnervale, within Lot 2 in DP 1234942 (**Attachment 1** provides an aerial image of the subject site). The site is located 4 kilometres north of Wyong, 3.5 kilometres east from the M1 Motorway junction and 900 metres from Warnervale railway station. The site is also bounded by the Porters Creek Wetlands and the future Warnervale Link Road, connecting Wyong to Watanobbi.

The masterplan allows for a total of 63 hectares; which includes 34 hectares of B7 Business Enterprise, 29 hectares of SP2 Educational Establishment land and 1.7 hectares of E2 Environmental Conservation land (refer to **Attachment 2** for the site's zoning).

At the time of the rezoning it was identified that in order for the successful uptake of a business precinct in a greenfield site such as Warnervale, it would be necessary to provide collaborative synergies between businesses, industries and education providers, which would complement the development of each of these parts of the precinct. Hence the masterplan provided B7 Business Enterprise and SP2 Educational Establishment zoning which would allow for this opportunity.

The zoning also considered the potential location for an eventual future Council leisure and aquatic centre. This centre would include health, fitness and front of house facilities,

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amenities, various indoor lap, training and recreation pools as well as other support areas. These would be positioned within the SP2 land. The total site area for the potential facility would require approximately 1.65-2 hectares, which can be accommodated at the Warnervale Education and Business Precinct.

Report

The development of the Warnervale Education and Business Precinct has undergone considerable planning works to date. By way of background, the following milestones represent the key Council resolutions which have directed the progress:

Rezoning Warnervale Precinct 7A Structure Plan

In December 2013 as part of the Warnervale Precinct 7A Structure Plan, the site was included within a Warnervale Planning Proposal. This was resolved by the former Wyong Shire Council at its Ordinary meeting of 28 March 2012:

- 1 *That Council endorse the Planning Proposal for the purposes of community consultation;*
- 2 *That Council exhibit the Planning Proposal for 28 days, subject to the determination and specification of any additional requirements arising from further Gateway consultations;*
- 3 *That Council receive a further report on the results of public consultation;*
- 4 *That Council prepare a Development Control Plan based on the Precinct 7A Structure Plan and as part of this action investigate the potential to set aside additional natural areas without reducing the overall yield by increasing the density near the major transport nodes;*
- 5 *That Council exhibit Development Control Plan for 28 days.*
- 6 *That Council delegate authority to the General Manager to undertake any amendments to the Planning Proposal prior to public exhibition.*

Masterplan for Wyong Education and Business Precinct

Subsequent to the rezoning, the former Wyong Shire Council at its Ordinary Meeting of 27 August 2014 resolved *inter alia*:

- 961/14 *That Council place on public exhibition the draft Wyong Education and Business Precinct Masterplan for a period of 28 days once a "gateway determination" has been received.*

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- 962/14 *That Council direct the General Manager to submit a further report to Council on the outcomes of the above process.*
- 963/14 *That Council authorise the General Manager to make representations to, and seek interest from, a wide variety of education providers to be part of Councils Education and Business Precinct.*

In the report to Council of 27 August 2014, it was noted that the masterplan could potentially allow for:

- i) An Educational campus for approximately 7,000 students, residential college for approximately 1,500 students, sports and recreational precinct with sports fields and pool/gym complex and a central core including smart hub with library, administration functions and a hotel for short term accommodation.
- ii) Business/Industrial Park which integrates with future university campus.

Attachment 3 provides a copy of the draft masterplan that has been developed since that report.

Despite these resolutions being made, the masterplan has never been formally exhibited. However, it has continued to be considered as part of a broader development of the Warnervale Town Centre and Wyong Employment Zone.

Mardi to Warnervale Pipeline and the Warnervale Link Road

It should also be noted that the Warnervale Education and Business Precinct interacts with both the Mardi to Warnervale Pipeline and the Warnervale Link Road. As such, both these projects have accounted for the precinct.

Council is currently undertaking the Mardi to Warnervale Pipeline extension which will see the pipeline extended adjoining the eastern boundary of the Warnervale Education and Business Precinct.

The Roads and Maritime Authority (RMS) have proposed the completion of the Warnervale Link Road, which is currently terminated near the southern boundary of Lakes Grammar School. While the timing for the construction and completion of all stages has yet to be confirmed, it is anticipated that the road reserve will be compulsorily acquired by the RMS, and as such no excise or other would need to be undertaken by Council in conjunction with the proposed subdivision works as mentioned below.

It is envisaged that the improved connectivity associated with the Link Road will encourage industry and businesses to expand and relocate to the precinct, taking advantage of lower land development costs and availability, without compromising employee accessibility, leveraging the strong local skill base.

Council's Biocertification Project

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The Warnervale Education and Business Precinct will require biodiversity certification in conjunction with the future development of this site. It should be noted that Council has previously attempted to undertake this certification. An application was lodged with the Biodiversity and Conservation Division (BCD, formerly known as Office of Environment and Heritage), for the Warnervale Education and Business Precinct (as well as the broader Wyong Employment Zone land) in July 2016.

Council was advised in June 2019 that the 25 August 2019 deadline for Council's biodiversity certification application must be deemed adequate for public exhibition and eventual gazettal. Prior to this deadline, Council was working on a modified biodiversity certification excluding land associated to the Central Coast Airport from the application. Council was unable to address all the issues requested by the BCD before this deadline. No avenues to extend the deadline for legacy biodiversity certification applications were provided by BCD. As such, the completion of the certification never occurred, and the application has lapsed.

In order for Council to undertake the biocertification process a new application would be required, in accordance with the new biodiversity legislation. A new biodiversity certification application will be lodged in conjunction with the subdivision proposal for the precinct.

Protection of the Porters Creek Wetlands

At its meeting of 25 November 2019, Central Coast Council made resolutions for the Protection of Porters Creek Wetland. Of relevance to the development of the Warnervale Education and Business Precinct, the following resolutions from this meeting should be noted:

1217/19 That Council request the Chief Executive Officer proceed with the minimum number of subdivisions required to achieve recommendation 1218/19.

1218/19 That Council request the Chief Executive Officer prioritise the actions required to implement this resolution including allocating resources, as identified in resolution 844/19, to ensure completion by end of March 2020.

It should be noted that given that the Porters Creek Wetland and the Warnervale Education and Business Precinct are contained within the same lot, understanding of both sets of objectives need to be considered simultaneously. Subdividing Lot 2 in DP 1234942, to create a new lot over the Warnervale Education and Business Precinct is important to ensure that the area is clearly delineated by title and any restrictions of the proposed Conservation Agreement do not extend beyond the land to which they are intended.

Currently, the preferred option for the subdivision in accordance with resolution 1217/19 (as above) is contained in Attachment 4. The proposal for the subdivision would include the following:

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- 1 Subdivide Lot 3 in DP 1230740, with the creation of a new lot to the south of the parent lot, this new lot will be part of the future Porters Creek Wetland Conservation Agreement.
- 2 Boundary adjustment of the existing airport runway and overrun area. The adjusted area will be included within Lot 3 in DP1230740.
- 3 Subdivide Lot 2 in DP1234942 to create a new lot over the area designated for the Warnervale Education and Business Precinct.
- 4 The Link Road area will be acquired by the Roads and Maritime and as such it is not required to be excised from the lot at this stage.

The subdivision exercise as noted above is a highly complex activity triggering designated development provisions due to subdividing coastal wetlands and the associated State Environmental Planning Policy No 14 - Coastal Wetlands. It is currently considered that the complete subdivision and certification process may take up to two years. Notwithstanding, the works surrounding the development of the masterplan for the Warnervale Education and Business Precinct are continuing concurrently so that once the subdivision is complete, Council would be able to lodge a separate development application for its development.

Further, at its meeting of 27 April 2020, Central Coast Council resolved *inter alia*:

- 345/20 *That Council form a working group to;*
- a Oversee the activities to permanently protect Porters Creek wetland in keeping with the resolutions of 25 November, 2019 (Resolutions 1213/19, 1214/19, 1215/19, 1216/19, 1217/19, 1219/19)*
 - b Progress the development of cleared land currently available and zoned Industrial or Business in the Warnervale area as an employment precinct focused around the following sectors: health, manufacturing, food production, renewable energy and/or waste.*
 - c Engage the following:*
 - a A Project Manager with a proven track record, for an initial period of 18 months, to oversee the development of the employment lands*
 - b A consultant to progress the activities required to put in place a Conservation Agreement on Porters Creek Wetland*

Resolution 345/20 (c)(a) includes the development of the employment lands within the region, which as defined by the NSW DPIE primarily encompass land zoned as IN1 General Industrial, IN2 Light Industrial, IN4 Working Waterfront, B5 Business Development, B6 Enterprise Corridor and B7 Business Precinct. As such, the Working Group will consider the development of the Warnervale Education and Business Precinct. The making of this

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resolution, also reinforces the requirement for a coordinated approach to the development of the Precinct.

Warnervale Education and Business Precinct – The Next Steps

While the above history is detailed, it is necessary to better understand a way forward for the development of the site, which will be of regional significance to the Central Coast's economy as well as the social impacts this development would bring to the community.

As mentioned, the current resolutions (*No 1217/19*) provide for a subdivision to create the lot containing the precinct. This will in turn then allow for a subsequent subdivision for the creation of further lots, including the creation of roads and infrastructure, generally in accordance with the masterplan (refer to Attachment 3).

Expressions of Interest – businesses and educational providers

Previously when Council was considering the development of the precinct in conjunction with an aviation hub, there was considerable interest and uptake with universities and various industry stakeholders. The interest in the precinct, demonstrates that establishing key partnerships for the site is possible, however requires organising stakeholders around a common model that is congruent with sought-after outcomes.

One such model would see the development of industry driven integrated STEM education and research which would strengthen the Central Coast's development of high value industries representing the health, medical, advanced manufacturing and professional services sectors. The collaboration between education, business and industry would see education sectors working together to create new pathways to employment across the Coast's key growth sectors.

It is understood that poor access to the NBN in Central Coast employment lands currently deter tech companies and other businesses from establishing themselves within the region. However, the recent announcement by Council to deliver a 100 Gigabit per second connectivity will enable better business digital infrastructure and attract new business investment, including manufacturing of integrated smart technologies and sustainable / innovative industries.

This report will be seeking Council resolution to call for Expressions of Interest to commence this process to partner with businesses, industries and educational providers who would become anchor tenants for the precinct. Attachment 5 and Attachment 6 provide an artist's impressions for the precinct. While the design and development of the precinct will be finalised in conjunction with the Expressions of Interest exercise, these images provide an understanding of the potential within the site context.

Economic Modelling for the Warnervale Education and Business Precinct

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Economic modelling measures the degree to which the economic stimulus associated with a project improves the economic activity levels (such as incomes and jobs), after measuring the cumulative impact of all the buyer and supplier transactions that are triggered.

While the exact composition of the education, business and industry tenancies for the precinct will be subject to market demand, in order to calculate the outcome of the project a logical tenancy mix for the precinct has been assumed. These include health, manufacturing, food production, renewable energy industries and the like. Although a project will have a direct economic effect, there will also be additional or multiplier effects. That is to say, the direct effect represents the first-round of activities associated in purchasing goods from other businesses and industries. The second and subsequent rounds of purchasing are termed the indirect effects. The consumption-induced effects, which recognise that the level of local production.

In order to quantify the economic outputs for the Precinct, a consultant was engaged to run a hypothetical scenario based upon the completed and realised construction and operation of the Precinct (i.e. all of the buildings and infrastructure in accordance with the draft masterplan, **Attachment 3**). It should also be clarified that the direct effects will be specifically obtained from the Precinct, whereas the indirect are the flow-on effects experienced in broader Central Coast. These effects can be considered from the four different types of multipliers, as calculated below:

Output - Gross sales throughout the whole economy by summing all the individual transactions resulting, directly and indirectly:

\$ Million	
Direct	623.5
Indirect	245.8
Consumption	407.1
Total	1,276.3

These figures indicate that the Warnervale Education and Business Precinct would deliver an estimated direct output of \$623.5 million and additional flow on increases in output of \$245.8 million through other businesses, for a total industry or supply chain impact of \$869.3 million. A further \$407.1 million in output in the region can be associated with consumption-induced effects.

Income - Wages and salaries paid to employees of the business, industry and education providers under consideration and to other industries benefiting from the project:

\$ Million	
Direct	161.1

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Indirect	59.9
Consumption	117.5
Total	338.4

The estimated direct annual income (wages and salaries) of \$161.1 million, with \$59.9 million in additional income generated through flow on effects in other industries and a further \$117.5 million from household spending.

Employment - Number of jobs created by the stimulus, both directly and indirectly;

Full Time equivalent Employees (FTEs)	
Direct	3,367.5
Indirect	1,220.1
Consumption	2,776.1
Total	7,363.8

The creation of approximately 3,367.5 direct full-time equivalent (FTE) employment positions, with an estimated additional 3,996.3 employment positions supported indirectly through other industries and household consumption for a total employment impact of 7,363.8 FTEs.

Consumption - Net activity at each stage of production.

\$ Million	
Direct	279.2
Indirect	117.8
Consumption	204.3
Total	601.3

Lastly, it can be seen that the development of the precinct would contribute an estimated contribution to GRP of \$279.2 million from direct effects, with a further flow on impact of \$117.8 million through other businesses for a total value added of \$397 million. An additional \$204.3 million in gross regional product can be attributed to consumption-induced effects. The total value-added impact of \$601.3 million would constitute an increase of 3.96% to the estimated GRP for the Central Coast LGA (\$15.2 billion in 2017/18).

Consultation

Consultation has occurred with Council’s Strategic Planning Unit, as well as receiving advice from external economic consultants and real estate professionals.

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Following endorsement of the draft masterplan a public exhibition and engagement process will be held inviting feedback from the community.

Options

Option 1: Resolve to endorse the draft masterplan and call for expressions of interest (EOI).

This is the recommended option as this will allow for the further development of the Precinct.

Although the site is zoned in accordance with the masterplan, until such time that the subdivision plan is registered (as described earlier in this report), civil works and land sales could not occur. As noted earlier, it is anticipated that the subdivision approval would take between 18 months and 2 years to be obtained. This is allowing for designated development provisions due to subdividing coastal wetlands as well as the biodiversity certification.

It is anticipated that the EOI stages below will occur simultaneously with the subdivision process and would conclude near obtaining the subdivision consent:

EOI Stage 1 – June 2020 - July 2021

- Stakeholder engagement and non-binding agreements from interested business, industry and educational providers – 4 - 6 months
- Finalise the draft concept masterplan in preparation for public exhibition – 2 months;
- Public exhibition, including community consultation – 28 days;
- Review outcome of exhibition – 4 weeks;
- Finalise concept masterplan and accompanying documentation – 6 weeks.

Once the subdivision approval is imminent then it is anticipated that the following steps could be undertaken:

EOI Stage 2 – approx. July 2021 – June 2022

- *Preparation for the EOI* - information collation, marketing preparation / approvals, review of likely stakeholders, preparation of an information memorandum, coordination) – 2 months;
- *Formal marketing Phase* – actively discuss and meet with interested stakeholders, carry out presentations, direct marketing launches to target stakeholders, commencement of formal advertising, site meetings – 4 months;
- *Closure of EOI* – closing out Expressions of Interest and negotiating terms and Memorandum of Understanding (MOUs) – 3 months.
- *Report back to Council* – report to Council detailing the outcome of the EOI and seek Council approval on EOIs – 2 months.

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Option 2: Do nothing. This is not the recommended option as it will not meet the expectations and needs of the broader Central Coast community.

Financial Impact

A budget allowance of \$325,612 has already been allocated in next financial year's draft budget for the associated subdivision, biodiversity assessment and expressions of interest for the Precinct.

Link to Community Strategic Plan

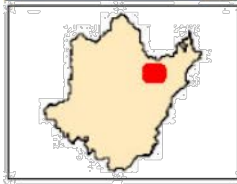
Theme 2: Smart

Goal C: A growing and competitive region

S-C1: Target economic development in growth areas and major centres and provide incentives to attract businesses to the Central Coast.

Attachments

1	Aerial Image of site	D13965661
2	Zoning of subject site	D13965674
3	Draft Masterplan	D13965676
4	Proposed Subdivision Plan	D13965685
5	Artist Impression	D13965689
6	Artist Impression	D13965693

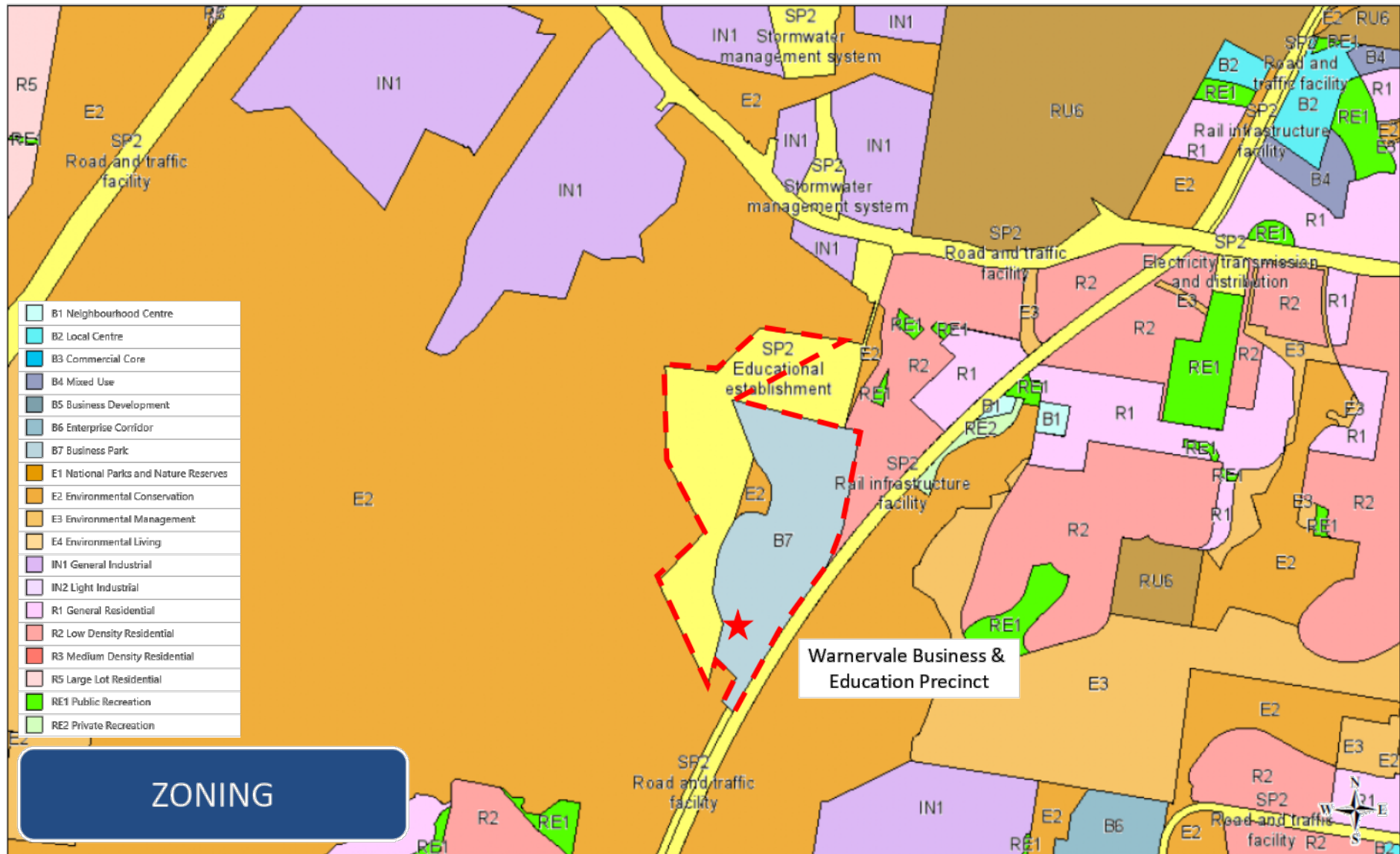


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0 120 240 480 720 Metres
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Projection: GDA 1994 Transverse Mercator, GCS_GDA_1994





- B1 Neighbourhood Centre
- B2 Local Centre
- B3 Commercial Core
- B4 Mixed Use
- B5 Business Development
- B6 Enterprise Corridor
- B7 Business Park
- E1 National Parks and Nature Reserves
- E2 Environmental Conservation
- E3 Environmental Management
- E4 Environmental Living
- IN1 General Industrial
- IN2 Light Industrial
- R1 General Residential
- R2 Low Density Residential
- R3 Medium Density Residential
- R5 Large Lot Residential
- RE1 Public Recreation
- RE2 Private Recreation

ZONING

Warnervale Business & Education Precinct



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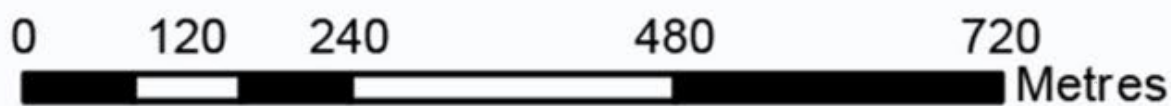
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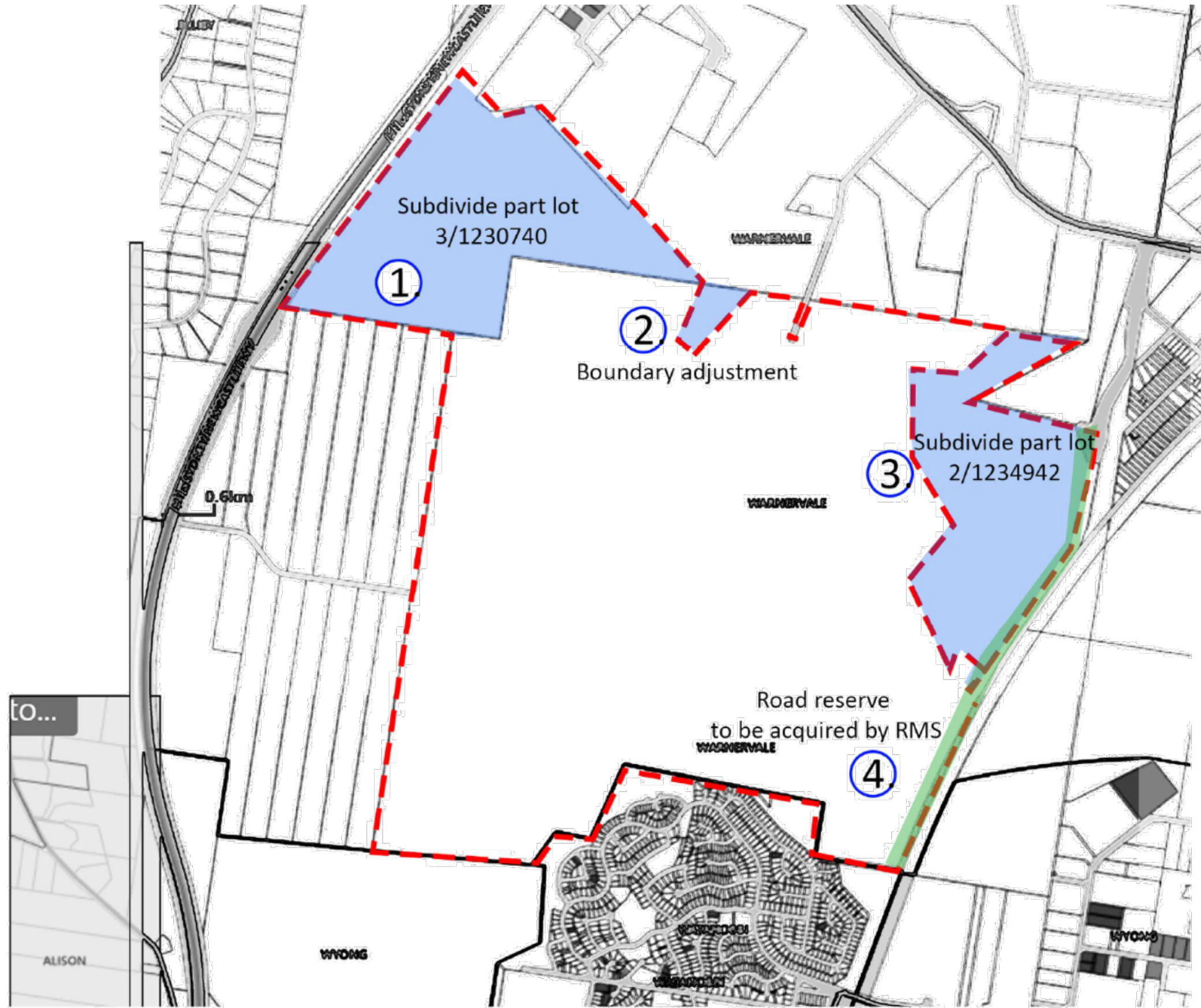


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**Draft Masterplan -
Warnervale Education & Business Precinct
Scale -1:18,955**





Proposed Subdivision



