

MINUTES

FOR THE GREATER SHEPPARTON CITY COUNCIL

ORDINARY COUNCIL MEETING

HELD ON TUESDAY 16 FEBRUARY, 2016 AT 5.30PM

IN THE COUNCIL BOARDROOM

COUNCILLORS:

Cr Dinny Adem (Mayor)
Cr Fern Summer (Deputy Mayor)
Cr Chris Hazelman
Cr Jenny Houlihan
Cr Les Oroszvary
Cr Dennis Patterson
Cr Kevin Ryan

VISION

GREATER SHEPPARTON, GREATER FUTURE

A THRIVING ECONOMY IN THE FOODBOWL OF VICTORIA WITH EXCELLENT LIFESTYLES, INNOVATIVE AGRICULTURE, A DIVERSE COMMUNITY AND ABUNDANT OPPORTUNITIES



10.1 Commercial Activities Centres Strategy November 2015 - Adoption - Lifting Report from the Table

Disclosures of conflicts of interest in relation to advice provided in this report Under section 80C of the *Local Government Act 1989*, Council officers and others who are contracted to provide advice or services to the Council must disclose any conflicts of interests they have before any advice they provide is considered. Disclosures must be in writing, to the Chief Executive Officer and must specify the type and nature of the conflict.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.		
At the Ordinary Meeting held on Tuesday 15 December 2015 moved:		
Moved by Cr Houlihan		
That this matter lay on the table. CARRIED		
Moved by Cr Patterson Seconded by Cr Hazelman		
That the Council resolves to take the question from the table.		
Cr Houlihan returned to the meeting at 6.55pm		
The motion was put and carried.		



10.2 Commercial Activity Centres Strategy, November 2015 - Adoption

Disclosures of conflicts of interest in relation to advice provided in this report Under section 80C of the *Local Government Act 1989* officers and persons engaged under a contract providing advice to Council must disclose any conflicts of interests, including the type and nature of interest.

No Council officers or contractors who have provided advice in relation to this report have declared a conflict of interest regarding the matter under consideration.

Council Officers involved in producing this report Author: Graduate Strategic Planner Amendments

Proof reader(s): Acting Team Leader Strategic Planning and Manager Planning

Approved by: Director Sustainable Development

Executive Summary

The Commercial Activity Centres Strategy, November 2015 (the Strategy) has been prepared by Essential Economics Pty Ltd. The objective of the Strategy is to ensure that Shepparton Central Business District (CBD) remains the primary focus for retail and commercial investment in the region. The Strategy also provides guidance on the level of growth that can be supported in activity centres across the municipality.

The Strategy has been informed by an extensive consultation program with a variety of key stakeholders, Council departments and the general public. Additionally, the Strategy undertook an in-depth economic and demographic analysis to project the future retail and commercial needs of the Municipality and broader region over the next twenty years.

At the 18 August 2015 Ordinary Council Meeting, Council resolved to release the *Draft Commercial Activity Centres Strategy, June 2015* for public consultation. This was undertaken from 24 August 2015 to 24 September 2015 and included a call for submissions from the general public, and workshops and meetings with key stakeholders.

Nine submissions were received and are summarised in *Attachment 1 – Submissions Recorder*. The most significant issues raised in the submissions related to the recommendations in the Strategy for the following:

- Floorspace cap increases at specific activity centres such as the Shepparton Marketplace;
- Extension of the land included in the Shepparton North activity centre to facilitate a second full line supermarket;
- Extension of the Activity Centre Zone to Benalla Road and the Marketplace;
- Restriction of tenancy size;
- Control of cinemas outside of the Shepparton Central Business District; and
- Potential rezoning of the Mooroopna Hospital site.

Essential Economics Pty Ltd, together with Council Officers, has considered the content of each submission, provided a response (see *Attachment 2 – Response to Submissions*) and have revised the Strategy accordingly.

The Strategy will inform the preparation of subsequent planning scheme amendments to facilitate the development and economic growth of the Municipality's commercial activity centres, while maintaining the primacy of the Shepparton CBD in accordance with the recommendations of the Strategy.



10.2 Commercial Activity Centres Strategy, November 2015 - Adoption (continued)

Moved by Cr Hazelman Seconded by Cr Patterson

That the Council:

- 1. adopt the Commercial Activity Centres Strategy, November 2015.
- 2. develop an implementation plan to further develop the actions and recommendations of the *Commercial Activity Centres Strategy, November 2015* and note that budget bids will be made for the 2016/17 budget process
- 3. prepare and exhibit planning scheme amendment(s) to implement the recommendations of the *Commercial Activity Centres Strategy, November 2015*
- 4. update the Shepparton CBD Strategy, October 2008 to reflect the recommendations of the Commercial Activity Centres Strategy, November 2015

Cr Houlihan moved an Amendment Seconded Cr Oroszvary

That the Council:

- 1. adopt the Commercial Activity Centres Strategy, November 2015
- 2. develop an implementation plan to further develop the actions and recommendations of the *Commercial Activity Centres Strategy, November 2015* and note that budget bids will be made for the 2016/17 budget process
- 3. prepare and exhibit planning scheme amendment(s) to implement the recommendations of the *Commercial Activity Centres Strategy, November 2015*
- 4. update the Shepparton CBD Strategy, October 2008 to reflect the recommendations of the Commercial Activity Centres Strategy, November 2015
- 5. discourages the allocation of additional retail floor space in the Shepparton North Activity Centre until there is evidence that this will not have a detrimental effect on the CBD, in accordance with Appendix A of the Commercial Activity Centres Strategy.

CARRIED

Cr Ryan called for a division.

Those voting in favour of the motion: Cr Summer, Cr Houlihan, Cr Adem and Cr Oroszvary.

Those voting against the motion: Cr Ryan, Cr Patterson and Cr Hazelman.

Cr Summer left the meeting at 7.25pm

Cr Summer returned to the meeting 7.27pm



10.2 Commercial Activity Centres Strategy, November 2015 - Adoption (continued)

Moved by Cr Houlihan an Amendment Seconded Cr Oroszvary

That the Council:

- 1. adopt the Commercial Activity Centres Strategy, November 2015.
- 2. develop an implementation plan to further develop the actions and recommendations of the *Commercial Activity Centres Strategy, November 2015* and note that budget bids will be made for the 2016/17 budget process
- 3. prepare and exhibit planning scheme amendment(s) to implement the recommendations of the *Commercial Activity Centres Strategy, November 2015*
- 4. update the Shepparton CBD Strategy, October 2008 to reflect the recommendations of the Commercial Activity Centres Strategy, November 2015
- 5. discourages the allocation of additional retail floor space in the Shepparton North Activity Centre until there is evidence that this will not have a detrimental effect on the CBD, in accordance with Appendix A of the Commercial Activity Centres Strategy
- 6. acknowledges that previous activation strategies in the Mall resulted in an increase in sales;
- 7. develops and implements a further three year activation strategy for the Mall and provides and appropriate budget allocation to implement the strategy effectively.

LOST

Cr Summer moved an Amendment

That the Council:

- 1. adopt the Commercial Activity Centres Strategy, November 2015.
- 2. develop an implementation plan to further develop the actions and recommendations of the *Commercial Activity Centres Strategy, November 2015* and note that budget bids will be made for the 2016/17 budget process
- 3. prepare and exhibit planning scheme amendment(s) to implement the recommendations of the *Commercial Activity Centres Strategy, November 2015*
- 4. update the Shepparton CBD Strategy, October 2008 to reflect the recommendations of the Commercial Activity Centres Strategy, November 2015
- 5. discourages the allocation of additional retail floor space in the Shepparton North Activity Centre until there is evidence that this will not have a detrimental effect on the CBD, in accordance with Appendix A of the Commercial Activity Centres Strategy



10.2 Commercial Activity Centres Strategy, November 2015 - Adoption (continued)

6. That references to Cinemas be removed from the Commercial Activity Centres Strategy document prior to implementation.

MOTION LAPSED FOR WANT OF A SECONDER

Moved by Cr Houlihan Seconded Cr Oroszvary

That the Council:

- 1. adopt the Commercial Activity Centres Strategy, November 2015
- 2. develop an implementation plan to further develop the actions and recommendations of the *Commercial Activity Centres Strategy, November 2015* and note that budget bids will be made for the 2016/17 budget process
- 3. prepare and exhibit planning scheme amendment(s) to implement the recommendations of the *Commercial Activity Centres Strategy, November 2015*
- 4. update the Shepparton CBD Strategy, October 2008 to reflect the recommendations of the Commercial Activity Centres Strategy, November 2015
- 5. discourages the allocation of additional retail floor space in the Shepparton North Activity Centre until there is evidence that this will not have a detrimental effect on the CBD, in accordance with Appendix A of the Commercial Activity Centres Strategy.

CARRIED

Background

The preparation of the *Commercial Activity Centres Strategy, June 2015* has the following strategic justification:

- An objective of the Municipal Strategic Statement (MSS) at Clause 21.06-5 (Commercial/Activity Centres) of the Planning Scheme is "to have a hierarchy of viable activity centres";
- A strategy of the Greater Shepparton City Council: Council Plan 2013-2017 is to "develop, adopt and commence implementation of a Retail Strategy";
- An action of the Greater Shepparton 2030 Strategy (2006) is to "undertake a Retail/Commercial Floorspace Strategy to investigate the potential additional floor space with an economic impact assessment on the expansion of the centres relative to population projections"; and
- The Planning Scheme Review Report 2014, adopted by Council at the Ordinary Council Meeting held on 21 October 2014 identified the need to complete a Commercial Activity Centre Strategy.

Council engaged Essential Economics Pty Ltd on 4 June 2014 to complete a Commercial Activity Centres Strategy. Essential Economic Pty Ltd, together with Spiire Pty Ltd, was appointed in accordance with Council's procurement policy. The decision making process involved the appointment of an evaluation panel and a selection process.



10.2 Commercial Activity Centres Strategy, November 2015 - Adoption (continued)

The main objective of the Strategy is to preserve and promote the Shepparton CBD as the primary activity centre for retail and commercial activities in the region. A key instrument in achieving this objective is the commercial activity centre hierarchy contained in the MSS at Clause 21.06-5 (Commercial/Activity Centres) of the Planning Scheme. The Strategy proposes to amend this hierarchy to reflect the current and future commercial needs of the growing Municipality and region.

The Strategy identifies the relationship between economic activity, population levels, demographics and social sustainability of activity centres. By understanding these relationships, the Strategy provides guidance on the level, type and timing of growth that can be supported in each activity centre without compromising the role and function of the Shepparton CBD.

Furthermore, the Strategy suggests a planning policy framework to respond the unintended consequences resulting from the introduction of the new Commercial Zones in the Victorian Planning Provisions in 2013. For example, land uses (office, cinema and cinema based entertainment) are now 'as-of-right' and do not require a permit for use under the new Commercial Zones, meaning the development of these uses cannot be controlled in areas outside of the CBD. Offices, cinemas and cinema based entertainment facilities contribute positively to the vibrancy of CBD's. Their presence attracts large numbers of visitors, which stimulates social interaction and supports a strong retail base. The strategy suggests planning policy to control out-of-centre development of these attractors to the CBD.

The draft Strategy has been informed by an extensive consultation program with a variety of key stakeholders, Council departments and the general public. Specifically the consultation process included:

- A call for submission from the general public;
- One-to-one meetings with retailers, developers, shopping centre owners and trader group representatives;
- Meetings with The Committee for Greater Shepparton, Shepparton Show Me Committee and the Shepparton Chamber of Commerce;
- Two community workshops;
- Engagement with Council's Planning and Investment Attraction Departments;
- A briefing with Councillors;
- An online business survey; and
- A household telephone survey, with 500 participants from across the Municipality and region.

Additionally, a final round of consultation was undertaken. At the 18 August 2015 Ordinary Council Meeting, Council resolved to release the draft *Commercial Activity Centres Strategy, June 2015* (draft Strategy) for public consultation. The draft Strategy was available for public viewing and comment from 24 August 2015 to 24 September 2015 (see *Attachment 3 – Consultation Brochure*). Consultation included:

- A call for submissions from the general public;
- Three industry workshops; and
- Individual meetings with developers, activity centre owners and major supermarket chains.



10.2 Commercial Activity Centres Strategy, November 2015 - Adoption (continued)

Nine submissions were received and are summarised in *Attachment 1 – Submissions Recorder*. The most significant matters or issues raised in the submissions are summarised in this section, grouped into themes, following with Council Officers' position relating to each theme.

Floorspace Cap Increase

Recommendation in Strategy:

The Strategy recommends the amount of additional floorspace the Municipality can accommodate over the next twenty years. The Strategy anticipates the need for 35,700m² to 55,300m² of additional retail floorspace. Also included are specific recommendations for the amount of additional floorspace certain centres should be allocated in the short term.

• Issues raised in submissions:

The owners of the Fairleys IGA site (Metcash Ltd) and the Fairleys IGA business (IGA) have questioned the amount of additional floorspace each activity centre can accommodate without risking rising vacancy rates throughout the municipality. The owners of the Shepparton Marketplace (Dexus Pty Group) have expressed opposition to any floorspace cap on the Marketplace. However, if the floorspace cap was retained, it is their position that the proposed floorspace cap increase of 7,500m² is inadequate; they are requesting an additional 10,000m² – 15,000m².

• Council officers' position:

The retail floorspace forecasts are an indicative guide to ensure that planning policy can respond to anticipated growth and development. The Strategy undertook extensive demographic and economic analysis to project the future retail needs of the Municipality. The recommended floorspace cap increases reflect the projected growth in population and spending across the region. The process and calculations behind this forecast are detailed in the Strategy.

Currently, the Shepparton Marketplace (15,600m²) is smaller than the average retail floorspace for a shopping centre anchored by a discount department store (21,000m²). Therefore, the recommendation to increase the Shepparton Marketplace to 21,500m² is determined to be appropriate. This proposal forms part of an initial planning scheme amendment to give effect to the recommendations of the Strategy.

Shepparton North

• Recommendation in Strategy:

The Strategy recommends the extension of the Commercial 1 Zone (C1Z) to a site fronting the Goulburn Valley Highway between Ford Road and Hawkins Street and increase the floorspace cap by 6,000m² to accommodate a second full-line supermarket in Shepparton North.

• Issues raised in submissions:

The owners of a site on the corner of Goulburn Valley Highway and Ford Road support the extension of the C1Z to their land and the increase in floorspace in Shepparton North to accommodate a second full-line supermarket. Woolworths Limited has expressed interest in opening a supermarket on this potential site. Metcash Ltd and IGA have expressed opposition to the provision of 6,000m² to a site currently outside of the existing C1Z, stating that this would create a disjointed, multinode activity centre and a poor planning outcome.



10.2 Commercial Activity Centres Strategy, November 2015 - Adoption (continued)

Council officers' position:

To ensure the development of a second full-line supermarket is delivered, the expansion of the C1Z in North Shepparton may be required. This is an outcome necessary to serve the anticipated growth in north Shepparton. The area between Ford Road and Hawkins Street possesses a range of land use synergies. It is highly accessible, contains a diverse range of commercial uses and has access to key infrastructure. For these reasons and the lack of undeveloped land adjacent to the existing centre, Council Officers do not agree that the extension of the C1Z would represent a poor planning outcome. The Strategy recommends that this proposal should form part of an initial planning scheme amendment.

Extension of the Activity Centre Zone, restriction of tenancy size and prohibition of cinemas

Recommendation in Strategy:

The Strategy recommends the implementation of appropriate planning controls to the Shepparton Marketplace, Riverside Plaza and Shepparton North to ensure these centres do not undermine the role and function of the Shepparton CBD as the higher-order Central Activities District for the region. The Strategy recommends the following planning controls for these centres:

- The application of the Activity Centre Zone (ACZ) or Special Use Zone (SUZ);
- A floorspace cap on new tenancies of 4,000m²; and
- The control of a cinema.

• Issues raised in submissions:

The Dexus Pty Group opposes the planning controls listed above. Their opposition is based in an argument that restrictions on the growth of this centre are unnecessary and the addition of large retailers and/or a cinema will not be detrimental to the growth or sustainability of the CBD.

Council officers' position:

Council has a long standing and well-established policy to ensure the primacy of the Shepparton CBD. The Strategy reinforces this intention by only supporting growth that is complementary to the CBD.

The proposed controls are intended to ensure that major retailers and anchor tenants remain in the Shepparton CBD by restricting the maximum tenancy size and either prohibiting or restricting a cinema for complementary centres. These proposed controls can be implemented through the application of the ACZ or SUZ.

Mooroopna Hospital site

• Recommendation in Strategy:

The draft Strategy did not provide any specific mention of the Mooroopna Hospital site.

Issues raised in submissions:

Submissions were received which requested that the Strategy identify the Mooroopna Hospital as a potential site for commercial or mixed use development to make the redevelopment of this site more economically feasible.

• Council officers' position:

Council Officers support the potential rezoning of the Mooroopna Hospital to establish the appropriate strategic planning framework to facilitate redevelopment without detrimentally impacting upon the cultural heritage significance of the site.



10.2 Commercial Activity Centres Strategy, November 2015 - Adoption (continued)

Second full-line supermarket in Mooroopna

• Recommendation in Strategy:

The Strategy makes a recommendation for a second full-line supermarket in Mooroopna on the northern side of McLennan Street. Though, the addition of a new supermarket is not anticipated to be required in the next 10 years.

- Issues raised in submissions;
 - Dawson Planning Services Pty Ltd has provided support for a second full-line supermarket in Mooroopna in the next 10 years.
- Council officers' position:
 - Council officers support a second full-line supermarket in the Mooroopna CBD (possibly the re-location of the Coles from Mooroopna North). A location on the north side of McLennan Street supports the specialty retailing concentrated on this part of the centre.

Essential Economics Pty Ltd has considered the content of each submission and provided a response to each issue raised (see *Attachment 2 – Response to Submissions*). The Strategy has been revised and strengthened to reflect the feedback gained from the latest round of consultation (see *Attachment 4 – Commercial Activity Centres Strategy, November 2015*).

Council officers believe the Strategy is sufficiently informed by economic and demographic research, public and industry consultation and policy consideration and is now ready to be adopted by Council.

Council should also note that the Strategy provides the basis to proceed with future planning scheme amendments to implement the findings of the Strategy and protect the primacy of the Shepparton CBD, while advancing the development and economic viability of all commercial activity centres in the Municipality.

Council Plan/Key Strategic Activity

The Strategy is consistent with the vision and strategic goals of the *Greater Shepparton City Council: Council Plan 2013-2017*. In particular, it implements the following:

- Goal 3: Economic Prosperity
- Objective 2: Ensure retail strategies deliver appropriate outcomes for the community.
- Strategy: Develop, adopt and commence implementation of a Retail Strategy.

Risk Management

There are no adverse risks associated with adopting the Strategy. There could be a risk associated with not adopting the Strategy and not implementing the findings contained within it. The planning policy contained in the Strategy is required to ensure the growth of activity centres throughout the Municipality occurs in a manner that is complementary to the growth of CBD. This risk is explained further in the Economic Impacts section of this report.

Policy Considerations

The Strategy supports existing Council policy including the *Greater Shepparton City Council: Council Plan 2013-2017* and the *Greater Shepparton 2030 Strategy 2006.*

An objective of the Municipal Strategic Statement at Clause 21.06-5 (Commercial/Activity Centres) of the Planning Scheme is "to have a hierarchy of viable activity centres".



10.2 Commercial Activity Centres Strategy, November 2015 - Adoption (continued)

Financial Implications

The recommendation does not have any financial or budgetary implications for Council. A budget allocation was included in the adopted budget for the 2014-'15 financial year to complete the project.

Legal/Statutory Implications

All procedures associated with the Strategy comply with the legislative requirements and the Strategy has been prepared in accordance with the Planning Scheme and Council's Engagement Strategy.

Environmental/Sustainability Impacts

The Strategy will provide positive environmental benefits. If the recommendations contained in the Strategy are implemented through a future planning scheme amendment, development and growth will occur in a consolidated and organised manner. Existing infrastructure and road and public transit networks can be utilised more efficiently to accommodate the increased traffic generated at these activity centres.

There are no adverse environmental impacts associated with adopting the Strategy.

Social Implications

The Strategy will provide positive social benefits. If the recommendations contained in the Strategy are implemented through a future planning scheme amendment, the role and viability of the Shepparton CBD will be strengthened, while supporting an appropriate level of growth in the Municipality's sub-regional, neighbourhood and local centres.

Strong activity centres will help to create vibrant public spaces, places where people congregate, which foster social interaction and promote the exchange of ideas.

There are no adverse social impacts associated with adopting the Strategy.

Economic Impacts

The Strategy will provide positive economic benefits. If the recommendations contained in the Strategy are implemented through a future planning scheme amendment, there is an opportunity for the expansion of a number of activity centres. This would create employment opportunities and have a positive impact upon the local economy.

The implementation of the findings of the Strategy will provide each centre with certainty as to the level and type of growth that can be supported by Council. This will encourage investment and direct development to appropriate commercial activity centres throughout the Municipality.

There are no adverse economic impacts associated with adopting the Strategy. However, there could be adverse economic impacts associated with not adopting the Strategy and not implementing the findings contained within it.

The planning policy within the Strategy is vital to ensuring that the growth of activity centres outside of the CBD occurs in a manner that complements the growth of the CBD. Without this policy, there is a risk that investment will be diverted out of the CBD, leading to high vacancy rates and a deteriorating economic climate within the CBD.



10.2 Commercial Activity Centres Strategy, November 2015 - Adoption (continued)

Consultation

The consultation process is a vital aspect of the project. An extensive consultation exercise was undertaken. This has involved:

- Two calls for submissions from the general public;
- Multiple meetings with retailers, developers, shopping centre owners and trader group representatives;
- Meetings with The Committee for Greater Shepparton, Shepparton Show Me Committee and the Shepparton Chamber of Commerce;
- Five community and industry workshops;
- Engagement with Council's Planning and Investment Attraction Departments;
- A briefing with Councillors;
- An online business survey; and
- A household telephone survey, with 500 participants from across the Municipality and region.

Council officers believe that appropriate consultation has occurred and the matter is now ready for Council consideration.

Strategic Links

a) Greater Shepparton 2030 Strategy 2006

An action of the *Greater Shepparton 2030 Strategy 2006* is to "undertake a Retail/Commercial Floorspace Strategy to investigate the potential additional floor space with an economic impact assessment on the expansion of the centres relative to population projections".

The implementation of the recommendations of the *Commercial Activity Centres* Strategy, November 2015 will assist in achieving the vision of the *Greater Shepparton* 2030 Strategy 2006.

b) Other strategic links

Nil

Conclusion

The objective of the Strategy is to ensure that Shepparton CBD remains the primary focus for retail and commercial investment in the region. The Strategy provides guidance on the level, type and timing of growth that can be supported in each activity centre without compromising the role and function of the Shepparton CBD.

The Strategy has been informed by an extensive consultation program with a variety of key stakeholders, Council departments and the general public. The Strategy undertook an in-depth economic and demographic analysis to project the future retail and commercial needs of the Municipality and broader region over the next twenty years. Furthermore, the Strategy suggests a planning policy framework to respond the unintended consequences resulting from the introduction of the new Commercial Zones in the Victorian Planning Provisions in 2013.

The draft *Commercial Activity Centres Strategy, June 2015* was released for public viewing and comment from 24 August 2015 to 24 September 2015. Nine submissions were received and are summarised in *Attachment 1 – Submissions Recorder*.



10.2 Commercial Activity Centres Strategy, November 2015 - Adoption (continued)

Essential Economics Pty Ltd has considered the content of each submission and provided a response to each issue raised (see *Attachment 2 – Response to Submissions*). The Strategy has been revised and strengthened to reflect the feedback gained from the latest round of consultation (see *Attachment 4 – Commercial Activity Centres Strategy, November 2015*).

Council officers believe the Strategy is sufficiently informed by economic and demographic research, public and industry consultation and policy consideration and is now ready to be considered by Council.

Council officers recommend that Council adopts the *Commercial Activity Centres Strategy, November 2015* and commence the preparation of planning scheme amendments to implement the findings.

Attachments

1.	Submissions Recorder	Page 350
2.	Response to Submissions	Page 352
3.	Consultation Brochure	Page 363
4.	Commercial Activity Centres Strategy	Page 365