

Preston Market Precinct – Public Open Space Needs Assessment

VPA

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Executive Summary

The Preston Market Precinct is a strategically located precinct that has been identified by local and State Government as being suitable for intensive redevelopment for mixed use purposes.

The City of Darebin have recognised the need for delivery of new and enhanced services and infrastructure, including open space, to meet the needs of the growing population that will be accommodated within the Preston Market Precinct and other parts of the City and have prepared a document called *Breathing Space*: The City of Darebin Open Space Strategy.

The current Assessment report by Mesh was commissioned by the Victorian Planning Authority (VPA) as an input in response to the direction from the Minister for Planning requiring the VPA to work in partnership with the City of Darebin, the owners of the Preston Market, the traders and broader community to prepare a structure plan and planning scheme amendment for the Preston Market Precinct.

More specifically, the report was commissioned in order to 'assist the VPA in identifying a suitable contribution toward public open space as part of the planning for any future redevelopment of the precinct. The key task will be to identify a reasonable open space contribution for inclusion in the structure plan and planning scheme amendment'.

In fulfilling the requirements of the project brief it was necessary to undertake a review of the City of Darebin Open Space Strategy, to review existing open space provision and to assess the policy and strategy context and ultimately to identify a recommended open space contribution but in so-doing to carefully consider the following key questions:

- What level of contribution is appropriate that is commensurate with development but that will not act as a disincentive to development?
- In determining an appropriate level of contribution, what is the relevance of existing per capita provision rates and/or percentages of open space?
- What form of open space contribution is appropriate i.e. land or cash or a combination of the two?

Notwithstanding the recommendations of *Breathing Space*: The City of Darebin Open Space Strategy, which supports a higher open space contribution, this report recommends adoption of a 10% open space contribution for the Preston market Precinct. The 10% contribution is recommended to comprise of a combination of on-site provision of land for passive open space purposes and cash for embellishment of existing and/or delivery of new active open space reserves.

Implementation of a 10% open space contribution, as recommended, will ensure that existing municipal open space provision ratios are maintained into the future such that the requirement for the provision of open space is equitable and will not act as a disincentive to redevelopment.

This report also recommends that any public land that is released for open space purposes as a result of elevation of the railway line and removal of the level crossings be recognised as an additional State contribution.



1. Introduction

The Preston Market Precinct (PMP) located at Murray Road, Preston comprises a precinct of approximately 5.1ha.

Mesh have been engaged by the Victorian Planning Authority (VPA) to 'assist the VPA in identifying a suitable contribution toward public open space as part of the planning for any future redevelopment of the precinct. The key task will be to identify a reasonable open space contribution for inclusion in the structure plan and planning scheme amendment'.

The request for assistance is a result of a direction from the Minister for Planning requiring the VPA to work in partnership with the City of Darebin, the owners of the Preston Market, the traders and broader community to prepare a structure plan and planning scheme amendment for the Preston Market Precinct.

Specific key tasks contained within the project brief include:

- Reviewing the City of Darebin's 2019 open space strategy (Breathing Space) and related information as it relates to the future provision of open space in the precinct;
- Assessing whether the council's proposed open space contribution for future development of the precinct is reasonable;
- Carrying out additional research to understand metropolitan benchmarks for open space provision in similar in-fill and urban development settings;
- Identifying a suitable public open space contribution for the precinct taking into account comparative benchmarks, estimated residential and employment populations and any other relevant factors; and
- Providing recommendations for the type of open space to be provided, whether it should be provided on-site or off-site, and whether it should be provided in-kind or as a cash contribution (or a combination of both).

2. Subject Land

The subject land, the Preston Market Precinct is approximately 5.1 hectares in area and comprises a number of titles, the majority of which are held by one private landowner (*see Figure 1*).



Figure 1 Subject Land



It is important to note that the Precinct includes a section of the Mernda Rail Corridor and the Preston rail station and that the State Government is currently working to elevate the rail line, remove the level crossings at Cramer Street and Murray Road and rebuild the rail station.

The Preston Market commenced operation in 1970 and is a highly valued retail, social and cultural hub.

The planning status of the Precinct is set out in the project brief and in summary includes:

- Precinct is located within Preston-High Street Major Activity Centre;
- Future re-development must align with the directions of Plan Melbourne;
- The Precinct is identified as an area of 'substantial change' in Council's 2015 revision of the *Darebin Housing Strategy*;
- In June 2007 an Incorporated Plan was introduced into the Darebin Planning Scheme for the market site. The Incorporated Plan seeks to ensure that planning decisions support the retention and viability of a fresh food market and that development respects the highly valued character of the market;
- Two planning applications were supported by VCAT;
- In August 2017 the Minister for Planning designated the Precinct as a strategic development site and directed the VPA to review the current planning controls. The Minister also imposed an interim height limit and authorised the VPA to be the Planning Authority to implement the updated controls through preparation of a structure plan and planning scheme amendment for the precinct; and
- In 2019 Darebin City Council adopted a new open space policy which requires approximately 10% open space provision for new developments and up to 18.2% on strategic sites such as the Preston Market Precinct.

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3. Preston Market Precinct Development Conditions and Assumptions

The development conditions/assumptions to the assessment outlined in this report are described below in Table 1.

Table 1: De	velopment	Conditions	and	Assumptions
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Development Condition	Status/Assumption
Total Precinct Area	5.1 hectares
Land Ownership	Single landowner (of Preston Market site) other land privately owned including State Government
Land Uses	Mixed Use
Residential Yield	2,167 apartments (to be confirmed)
Projected Population	4,767 persons
Projected persons per household	2.2 pph (assumption to be confirmed)
Development Approach	Multiple stages
Generators of active open space need	4,767 persons



4. Context and Assumptions

Prior to setting out information in relation to the Darebin Open Space Strategy, benchmarks and comparative examples as required by the project brief, it is important to provide some context that should be taken into account when determining an appropriate open space contribution.

According to analysis undertaken by the VPA for the metropolitan area, the types of open space, open space as a percentage of municipal area and per capita rates of existing open space provision are highly variable.

The variability is important and can be partially explained by the presence of waterway corridors and other natural topographic features that have been progressively transferred into public open space in some municipalities. The presence of partially restricted open space such as golf courses also account for large areas of open space in some municipalities.

What is significant within the context of the current project is to note that the existing open space network in the City of Darebin and other municipalities is the outcome of a process that has occurred over many years and that subdivision and development of land has typically only established part of the open space network. Other types of open space have been set aside following acquisition of land (via Local and/or State processes), establishment of private or restricted access activities and/or gifting of land.

Using the VPA open space data Mesh have analysed the current provision levels of open space which are set out in Table 2 below. Table 2 excludes conservation reserves, natural and seminatural open spaces as well as restricted access open space such as golf courses and open space associated with schools etc. We note that Table 2 generates a current provision level equivalent to 25m² per capita and that this differs to the 19.4m² per capita that SGS have calculated in Table 4 of Breathing Spaces. Unfortunately, Table 4 of Breathing Spaces only includes the total number of hectares of open space in the second column not the refined area based on useability so we cannot determine how SGS calculated the 19.4m².

Open Space Type	Area (Hectares)	Land Coverage as proportion of LGA*	Area as m2 per capita**
Passive Open Space	199.1	3.7%	12
Recreation Corridor	8.8	0.2%	1
Active Open Space	197.4	3.7%	12
TOTAL	405.3	7.6%	25

Table 2: Darebin Current Open Space Provision

* LGA total area is 5,347.2 hectares

**Based on population of 161,249 (ABS, ERP, 2018),

Analysis completed for this project isolates what might be best described as local passive and local active open space that has been contributed as a result of prior subdivision and development of land (via a contribution under the Subdivision Act). This development delivered open space accounts for 4.75% for the City of Darebin, 5.97% for the City of Banyule and 5.49% for the City of Moreland (note these figures are expressed as a percentage of total municipal



area. This level of contribution is not surprising given that, in most instances, a 5% open space contribution would have been made under the Subdivision Act.

On average within the City of Darebin, existing development has achieved a development density of approximately 14 dwellings per hectare (municipal average based on total municipal area minus 30% for roads etc divided municipal population divided by average of 3 persons per household). Within this context, where on average approximately 5% of land has been set aside for local open space purposes, the implications of local and state policy that supports higher density redevelopment of strategic development sites is brought sharply into focus.

Both local and state policy support redevelopment of the Preston Market Precinct at considerably increased densities. Where significantly increased yields are achieved in accordance with local and State policy the central questions that arise are:

- What level of contribution is appropriate that is commensurate with development but that will not act as a disincentive to development?
- In determining an appropriate level of contribution, what is the relevance of existing per capita provision rates and/or percentages of open space?
- What form of open space contribution is appropriate i.e. land or cash or a combination of the two?

In contemplating responses to these questions, as set out following, an attempt has been made to identify a methodology that is replicable on other sites.

The need for any methodology to be replicable is considered to be particularly important as the impact of redevelopment on existing infrastructure and/or creation of need for new infrastructure is complex as on the one hand local and state policy seeks to leverage capacity of existing infrastructure but on the other hand some infrastructure has capacity constraints and the ability to set aside land for open space and other public purposes is problematic within a built up environment.

Specifically, with regard to land implications, the following assumptions have been made:

- It is unlikely that strategic redevelopment sites will be able to fully meet their open space needs on site as a land contribution;
- It is likely that strategic redevelopment sites will set aside some land for passive open space purposes and to create a positive context for higher density/mixed use development but that the sizes, shapes and level of embellishment of the open spaces are likely to be variable; and
- It is likely that municipal open space rates per capita will fall over time as a result of incremental infill and redevelopment of strategic development sites.

5. Case Studies

Two infill development case studies have been analysed which share development context similarities with the PMP. The first case study is the East Village Precinct and the second is the Altona North Precinct.

Both of these case studies are larger sites, however they provide insight into the approach taken for open space contributions in an infill development context.

For context, the Clause 53.01 Public Open Space contribution percentages for metropolitan Council's with infill potential are displayed in Table 3. Generally, the open space contribution percentages are between 4% and 8%.



Table 3 Clause 53.01 Public Open Space Contribution Rates

Council	Clause 53.01
Banyule	All commercial and residential 5% All industrial 2.5%
Glen Eira	All subdivision (one exception) 5.7%
Hobsons Bay	Land covered by DCPO1 – 5% Land covered by CDZ2 – 7.1%
Kingston	Land with certain defined development contexts – 8% All other land – 5%
Maribymong	Subdivisions of 10 lots or greater – 5.7% All other land – 5.7%
Monash (proposed 10% contribution)	3 additional lots – 2% 4 additional lots – 3% 5 additional lots – 4% 6 or more lots – 5% Other – 5%
Moreland	Varying by suburb from 2.5% to 6.8%
Port Phillip	Fishermans Bend Urban Renewal Area – 8% All other land – 5%
Stonnington	Varies by suburb - either 5% or 8%
Whitehorse	All land – 4%

East Village Precinct

The East Village Precinct is a 24ha urban renewal area in Melbourne's south-east which will accommodate a range of residential, retail and commercial land uses. The Net Developable Area (NDA) of the Precinct is 19.83ha. At completion, the development will accommodate approximately 3,000 dwellings at 151 dwellings per developable hectare. While a larger site than the PMP, the site is comparable in that it is a high density infill development in a metropolitan municipality.

The draft Development Contributions Plan for East Village identifies infrastructure costs by type. The construction of Sporting Reserves totals \$7,165,594 while the construction of Open Space Improvements totals \$3,628,233. Combined these projects total \$10,793,827. The \$10,793,827 equates to \$3,597.94 per dwelling (assuming a yield of 3,000 dwellings).

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In addition to the construction costs, a 10% land contribution (calculated using NDA) via Clause 53.01 is required.

Altona North Precinct

The Altona North Precinct is an urban renewal area in Melbourne's west which will accommodate a range of residential, retail and commercial uses including a dedicated mixed-use precinct. The NDA of the precinct is 51.35ha. At completion the Precinct will accommodate approximately 3,000 dwellings at 58 dwellings per developable hectare. Again, this a considerably larger site than the PMP but is comparable in the sense that it is a higher density infill development in a metropolitan area.

The Development Contributions Plan for Altona North identifies infrastructure costs by type. The construction of Sporting Reserves totals \$5,671,333 while the construction of Open Space Improvements totals \$282,730. Combined these projects total \$5,954,063. The \$5,954,063 equates to \$1,984.69 per dwelling (assuming a yield of 3,000 dwellings).

The open space improvement costs for the Altona North Precinct are lower compared to the East Village Precinct due to the inclusion of more passive open space projects in East Village. Only trails are funded in Altona North, with passive open space improvement works to be funded directly by the developer.

In addition to the construction costs, a 7.1% (based on total site area which translates to 9.2% of the NDA) land contribution or cash equivalent is required via Clause 53.01.

6. Open Space Benchmarks

There are generally two approaches that are commonly adopted when calculating open space needs:

- Applying provision ratios; or
- A percentage of either total developable area or net developable area (NDA).

Two recent municipal open space strategies adopt an area per capita rate, being 30sqm per capita which is then translated into a percentage per total developable area.

The approach that is typically adopted in Melbourne's greenfield growth areas involves a translation of population based provision ratios into a land take requirement that is then expressed as a percentage of the net developable area, typically 10% with 6% being active open space and 4% being passive open space.

These percentages should be treated with caution in an infill development context however as whilst the development densities are significantly higher there are often existing facilities nearby with potential capacity. In a greenfield growth area, the infrastructure provision is based on the assumption that no other infrastructure typically exists.

In an infill development scenario, growth area and other provision ratios are sometimes used to establish need for open space and in instances where active open space cannot be provided within the developable area more detailed analysis is undertaken to establish whether any existing facilities have spare capacity or whether they can be upgraded to meet the projected needs. Alternatively, more precise demographic analysis of a project or a precinct may be undertaken to establish open space needs.

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7. Per capita Provision Benchmarks

Two key documents have recently been prepared and adopted by Councils that are experiencing redevelopment; the **Darebin Open Space Strategy** (DOSS) and the **Monash Open Space Strategy** (MOSS). These strategies have both been prepared by SGS Economics, and both identify an area based benchmark for open space (with no distinction between passive and active open space or other types of open space) – **30 sqm of open space per capita**. It should be noted however that the recommended benchmark of 30 sqm per capita is very much the ideal and includes all categories of open space including higher order open space.

8. Monash Open Space Strategy

The MOSS was adopted by The City of Monash in October 2018. As with the DOSS, the MOSS identifies a benchmark of 30sqm of open space per capita as a commonly accepted benchmark¹ for municipal open space provision.

The MOSS identifies a required open space contribution rate of 10% of site area to achieve the 30sqm per capital benchmark.

A calculation was used to arrive at the 10% contribution rate, involving an understanding of the following:

- Open Space Standards (how much open space is required per capita);
- Current provision of open space;
- Open Space required for future community (total open space required for a future population); and
- Open Space required/net developable land (estimated net developable land).

Table 11 of the MOSS (Open space contribution rate calculation) is reproduced below in Table 3.

Table 4: Table 11 Monash Open Space Strategy

Table 11. Open space contribution rate calculation

Step	Metric	Value
1	Planned population* (effective build out)	206,907 people
2	Total net developable urban area (total area of all developable lots in study area).	6,494 hectares
3	Open space required (@30m2/capita)	620.72 hectares
4	Open space requirement from all developable land (value at step 3 divided by value at step 2)	10 per cent**

Source: SGS Economics and Planning, 2018, *id. forecasts, 2016.

9. Darebin Open Space Strategy

The DOSS was adopted by The City of Darebin on 2 September 2019. This strategy is a contemporary example of a municipality's approach to open space planning. Notably, the DOSS identifies a "commonly accepted benchmark of 30 sqm [of open space] per capita". However, the DOSS does not go the next step to convert the 30sqm benchmark into a percentage contribution for open space however it is understood that a minimum contribution of 10% is proposed with ability to seek up to approximately 18% on key strategic development sites such as the Preston market.

¹ SGS Economics, Population Based Standards in Monash Open Space Strategy, 2018, p. 21.



To understand the relevance of the 18 per cent contribution, if the approach above in relation to the MOSS is applied to the Darebin example the following results are achieved:

1.	Planned population by 2041	230,118
2.	Total net developable urban area (municipal area minus 30%)	3,743ha
3.	Open Space required (@30m2 per capita)	690ha
4.	Open space requirement from all developable land (step 3 divided by step 2)	18.4%

The difficulty with this method as a means to identify a percentage based contribution however is that the total population is used rather than just the new population and the total urban area is used. In both instances the requirement is increased as existing open space is not taken into account and it is assumed that the entire urban area will be subject of redevelopment.

10. Alternative Options

Taking into account the development assumptions, and the context and assumptions that are set out in Section 4 of this report, a series of alternative methods to arrive at an open space contribution were investigated.

10.1. 30m² Per capita approach

Setting aside the relevance of $30m^2$ per person as the appropriate benchmark, if a requirement for $30m^2$ per person is applied to a projected population of 4,767 persons it would result in a requirement for **14.3 hectares** of land.

This method is not supported as the required land area significantly exceeds the total precinct area, it has no regard for existing open space and to apply it directly will act as a disincentive to development as new development is being required to subsidise the existing areas.

Analysis of Darebin per capita rates (existing) reveal that the City of Darebin has achieved $15m^2$ per capita (or 4.75% of the developable area) for local passive and active open space only or $25m^2$ per capita (or 8% of the developable area) if higher order open space is included. If $15m^2$ and $25m^2$ per capita are utilised the following results are achieved:

- 15m² per capita x 4,767 persons = **7.15hectares**
- 25m² per capita x 4,767 persons = **11.9hectares**.

None of these options are recommended given the implications described above and the inability to be easily and reliably translated into a percentage based contribution and/or a cash contribution (the obvious option being to multiply the required contribution area by the per hectare value of the site area).

10.2. Growth Area Provision Ratios

An analysis of the active open space demand generated by the future development of the Preston Market Precinct (PMP) utilising growth area benchmarks was undertaken.

One set of provision ratio benchmarks was used; Australian Social & Recreation (ASR) Research ratios. Each benchmark ratio identifies a rate of infrastructure per number of residents. The results of the analysis are shown in Table 5.



Table 5: ASR Benchmark Provision Ratio Analysis

Infrastructure Item	Provision Ratio	Preston Market Precinct Demand	Adjusted CBP Demand	Estimated Land Area
Football Field	1 field:5,000 residents	0.95	1 football field	3.5ha
Cricket Field	1 field:4,000 residents	1.19	1 cricket field	(as above)
Soccer Field	1 field:5,000 residents	0.95	1 soccer field	2ha
Tennis Court	1 court:3,000 residents	1.58	2 tennis courts	0.75ha
Total				6.25ha

As can be seen in Table 5, the ASR provision ratios result in a total land area contribution of approximately 6.25hectares. In a growth area context, contributions would typically be gathered for land and construction.

It should be noted that the growth area infrastructure provision rates for active open space are based on the typical profile of growth area communities (i.e. high proportion of young families) and acknowledgement that there is no existing infrastructure to support newly emerging communities. In the context of the PMP redevelopment it can reasonably be expected that the demographic profile will be somewhat different to that of a typical growth area and infrastructure with spare capacity exists in proximity to the land. These issues will be discussed further in a later section of this report.

Use of growth area based provision ratios are not supported given that they were developed specifically for growth areas where there is no existing infrastructure and specific demographic conditions apply.

10.3. Adjusted per capita provision ratio approach

Returning to the limitations associated with use of the 30m² provision ratio as described in Section 10.1, adoption of an adjusted approach may be more appropriate.

The City of Darebin is projected to reach a future population of 230,118 persons by 2041. This equates to an additional increase of 39.2% or 68,869 persons. Applying various per capita rates to this additional population only produces the following results as set out in Table 5.



Table 5 Per Capita rates applied to additional population

Per capita requirement	Additional Population	Land Area Required
30m2	68,869 persons	206ha
25m2	68,869 persons	172ha
20m2	68,869 persons	137ha
15m2	68,869 persons	103ha

If the required land area to achieve $15m^2$ per capita for local open space only (in keeping with previous developments) of 103ha is divided across the total net developable area (municipal area minus 30%) of 3,743ha it would produce a requirement for a contribution of 5.5%. (That is, 103ha divided across the total developable area of Darebin (5,347ha minus 30%) of 3,743ha = 5.5%).

Taking into account that it is unlikely that the entire developable area of the municipality would be required to accommodate the additional population (which equates to an increase in population of 39.2%), it is reasonable to assume that only part of the City will be required to accommodate the additional growth.

Whilst it appears that no development capacity analysis has been undertaken to accompany the Darebin Open Space Strategy, if a requirement of 30m² per capita is adopted and divided across 50% and 39% of the developable area the following results are achieved:

- 50% of the total net developable urban area (50% of 3,743) = 1,871ha divided by 206ha (30m²/person) = 11% contribution.
- 39% of the total net developable urban area (39% of 3,743) = 1,459ha divided by 206ha (30m²/person) = 14% contribution.

Returning to the question of the relevance of $30m^2$ as the recommended per capita rate, analysis conducted as part of preparing this report is that the City of Darebin is currently achieving a per capita rate of $15m^2$ /person for local open space only and $25m^2$ /person if accessible, higher order open space is included.

Adoption of a target of 15m²/person or 103ha across 39% of the developable area would produce a contribution rate of 7.05%. Taking into account the density of development that is proposed on the PMP however and the likelihood that contributions will be gathered as a combination of land and cash a target of 20-25m²/person is recommended.

Adoption of a target of 20m²/person across 39% of the developable area produces a requirement for a contribution of 9.38% and adoption of 25m²/capita produces a requirement for a contribution of 11.78%.

In terms of the assumptions that have been made in the modified methodology, it is likely that there may be some criticism regarding adoption of a part of the developable area only rather than the entire developable area however there must be some nexus between the increase in population and the area of land that will be required. Equally there may be some criticism about not adopting the target of 30m²/person however it is important to keep the current per capita rates in perspective when applying a future target.

Taking into account the equity and financial implications of the range of contributions set out above it is recommended that a 10% contribution (comprising a combination of land and cash) be sought on the PMP.

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10.4. Form of Contribution

As set out in part 4 of this report, it is assumed that any open space requirement will not be able to be met on site entirely but that it is likely that some open space will be provided on site for amenity reasons.

Accordingly, it is assumed that an open space requirement will be met via a combination of land and cash.

In administering such an approach it is recommended that:

- The open space contribution requirement be expressed as a requirement under clause 53.01;
- Any on site open space land contribution be credited where it is accepted that the open space is useable and can be owned and managed by Council into the future;
- Any cash funds must be used for open space purposes but that Council have discretion about where to expend the funds within the municipality; and
- Cash may be used to acquire land and/or embellish existing open space.

10.5. Railway Land

An unusual land use condition within the precinct is the presence of an existing railway line. It is understood that the State Government is intending to elevate the railway line and reconstruct the existing railway station and to remove existing level crossings.

Based on experience in other locations there is some potential for land under the elevated railway line to be developed for open space purposes.

There may be a suggestion that any such land be recognised (in part or fully) as satisfying an open space contribution requirement from within the precinct. Recognising any such land that is made available for open space purposes as a result of investment in State infrastructure is not supported.

It is recommended that any open space that may be delivered as part of the rail project be recognised as a State contribution only that may partially offset the decline in overall per capita rates but that it not be recognised as a local contribution.



