

Agenda

Special Meeting (Planning Scheme Amendments)

Monday, 27 April 2015

commencing at 9.00 am

Council Chambers, Corner Currie and Bury Streets, Nambour

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	DECLARATION OF OPENING	5
2	RECORD OF ATTENDANCE AND LEAVE OF ABSENCE	5
3	OBLIGATIONS OF COUNCILLORS	5
3.1	DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS	5
3.2	DECLARATION OF CONFLICT OF INTEREST ON ANY ITEM OF BUSINESS	5
4	REPORTS DIRECT TO COUNCIL	7
4.1	REGIONAL STRATEGY AND PLANNING	7
4.1.1	CONSIDERATION OF PROPOSED PLANNING SCHEME AMENDMENTS	7
5	CONFIDENTIAL SESSION	373
6	NEXT MEETING	373
7	MEETING CLOSURE	373

1 DECLARATION OF OPENING

On establishing there is a quorum, the Chair will declare the meeting open.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE**3 OBLIGATIONS OF COUNCILLORS****3.1 DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS**

Pursuant to Section 172 of the *Local Government Act 2009*, a councillor who has a material personal interest in an issue to be considered at a meeting of the local government, or any of its committees must –

- (a) inform the meeting of the councillor's material personal interest in the matter; and
- (b) leave the meeting room (including any area set aside for the public), and stay out of the meeting room while the matter is being discussed and voted on.

3.2 DECLARATION OF CONFLICT OF INTEREST ON ANY ITEM OF BUSINESS

Pursuant to Section 173 of the *Local Government Act 2009*, a councillor who has a real or perceived conflict of interest in a matter to be considered at a meeting of the local government, or any of its committees must inform the meeting about the councillor's personal interest the matter and if the councillor participates in the meeting in relation to the matter, how the councillor intends to deal with the real or perceived conflict of interest.

4 REPORTS DIRECT TO COUNCIL**4.1 REGIONAL STRATEGY AND PLANNING****4.1.1 CONSIDERATION OF PROPOSED PLANNING SCHEME AMENDMENTS**

File No:	Statutory Meetings	
Author:	Strategic Planning Regional Strategy & Planning Department	
Attachments:	Att 1 - Map of Subject Site	33
	Att 2 - Map of Land Ownership in Area of Subject Site.....	35
	Att 3 - Option 1 Draft Amendment to Sunshine Coast Planning Scheme	37
	Att 4 - Option 2 Draft Amendment to Sunshine Coast Planning Scheme	85
	Att 5 - Map of Land Subject to Potential Draft Amendments to Sunshine Coast Planning Scheme 2014	131
	Att 6 - Information submitted by Sekisui House (<i>Under Separate Cover</i>)	
	Att 7 - GHD Visual Impact Assessment Report - April 2015	133
	Att 8 - Image Series - Sekisui House Development Concept and Moderated Development Concept - April 2015.....	275
	Att 9 - Urban Design Advisory Panel Advice - April 2015	321
	Att 10 - Independent Expert Advice from Roy Morgan Research on Sekisui House Public Consultation Activites - April 2015...	325
	Att 11 - MacroPlan Pty Ltd Economic Advice - 11 October 2014	341
	Att 12 - Norling Consulting Pty Ltd Economic Advice - 9 September 2014	369

PURPOSE

The purpose of this report is to consider a possible amendment to the *Sunshine Coast Planning Scheme 2014* in respect of the Yaroomba Beachside site.

EXECUTIVE SUMMARYBackground and context

The Yaroomba Beachside site is an undeveloped beachside site of approximately 18.84 hectares located on the David Low Way at Yaroomba. The site adjoins the Yaroomba Parabolic Dune to the north, the Marcoola Yaroomba Conservation Reserve to the east, the Palmer Coolum Resort to the west of the David Low Way and low density community title residential development to the south. Because of its unique location and characteristics, this site is recognised as a valuable tourism focus area and is of considerable strategic significance to the region.

During the exhibition of the draft Sunshine Coast Planning Scheme in 2012, the landowner Sekisui House made a submission seeking an amendment to the planning scheme to permit an international hotel and high density residential development on the subject site. This proposal was significantly different to the provisions contained in the draft planning scheme for the subject site. Therefore, council determined that further investigations were required

before it could consider commencing a planning scheme amendment process. This was conveyed to Sekisui House in December 2013 at the conclusion of the Sunshine Coast Planning Scheme drafting and consultation process.

Initial investigations and strategic review of the subject site commenced in early 2014. In July 2014, Sekisui House submitted revised concept plans. Between July and September 2014, Council considered the revised concept plans and the findings of the initial investigations including input from independent specialists on key issues such as economics and visual amenity. Council resolved to defer consideration of any planning scheme amendment to a meeting in December 2014 as further information was required on a range of emerging issues (which have since been substantially resolved or clarified).

Sekisui House undertook its own consultation on a further revised concept plan between October and mid-November 2014, including community information sessions, information stands at shopping centres and a telephone survey. The results of the consultation and the Sekisui House response were not available for a December 2014 council meeting, and the meeting was deferred. In February 2015, Council requested all final information from Sekisui House to be submitted by 31 March 2015 to inform Council's determination on the matter.

On 31 March 2015, council received further information from Sekisui House including another revised concept plan (the current concept plan), various supporting technical studies and a report on the consultation carried out by Sekisui House. While significant revisions to the initial concept plan have been made by Sekisui House since the draft planning scheme submission, the changes between the concept plan of October 2014 and the current concept plan are less extensive.

Key strategic issues

The *Sunshine Coast Planning Scheme 2014* Strategic framework specifically identifies the subject site as a Coastal Tourism Focus Area which is intended to accommodate a concentration of visitor accommodation and related tourism services.

The Strategic framework also recognises the need to protect the Sunshine Coast as a community of communities where the character of each community is protected in accordance with a local plan. The Coolool local plan identifies Coolool local area as "a low key coastal urban community, with a strong focus on tourism". The Coolool local plan code also states that "development is configured in a series of beachside villages and other precincts which sit lightly in the landscape". The site has a maximum height limit of 8.5 metres.

The Sekisui House proposal is significantly different to these provisions. The current concepts propose a five-star international hotel of 250 rooms and 1,350 dwellings comprising serviced apartments, residential apartments, retirement facility apartments and residential care facilities. A retail component of 3,000m² gross floor area is also proposed in addition to a wellness centre of 3,000m². The concept provides for a hotel building of 10 storeys (38.5 metres) in height with a further 16 buildings ranging in heights between 4 storeys (14 metres) and 10 storeys (32.05 metres).

A strategic review of the economic, social and environmental matters was carried out to consider the Sekisui House proposal in the context of the broader strategic needs of the region and the specific site related matters.

The review confirmed that the subject site is one of only two greenfield beachside sites on the Sunshine Coast, therefore offering significant opportunities for a tourism focus area. In addition, the Sunshine Coast is seen to need to attract new tourism markets to remain competitive.

A five-star international hotel of the scale proposed by Sekisui House could only provide modest ongoing economic benefit on its own, but is of particular interest as it could introduce greater tourism diversity and new markets for the Sunshine Coast and potentially lead to significant flow-on opportunities. Further, the estimated \$765 million construction budget, if realised, would be significant by national standards.

Consideration also needs to be given to the relationship of a potential tourist development of this site with other key centres including Maroochydore Principal Regional Activity Centre and Coolum District Activity Centre, and the Sunshine Coast Airport.

A significant issue for the site and any development is the potential for visual impacts resulting from the placement of buildings including their height, bulk and scale. The site is likely to be highly visible from key public view points at Point Arkwright and Mount Coolum. The development is also likely to be visible from surrounding residential areas. A key issue therefore is the visual impact of the proposed built form and the resultant changes to character and identity in Yaroomba.

Given the location of the subject site, impacts on the environment would need to be managed sensitively. In particular, development has the potential to impact on the known turtle nesting areas within the adjacent coastal dune reserve and beach.

These matters need further consideration to determine the suitability of the subject site for the proposed development.

Identification and assessment of options

This report considers a number of potential development options as a basis for further assessment. The three options considered were:

- **Option 1 - Sekisui House Development Concept** (10 storey hotel (38.5 metres) and 4-10 storeys (14 metres - 32.05 metres respectively) elsewhere)
- **Option 2 - Moderated Development Concept** (generally 6 storeys (21 metres) maximum with potential for up to 8 storeys (27 metres) maximum in the centre of the site with 4 storeys (14 metres) adjacent to David Low Way and adjacent to residential areas to the south) and
- **Option 3 - Existing Approval / Status Quo** (generally 1-2 storeys (8.5 metres) with some 3-4 storey (12 metres – 16 metres) apartment buildings).

These options were tested and evaluated on the basis of input from independent specialists on key issues including economics, visual assessment and consultation as well as internal advice on traffic, social and environmental issues.

This assessment determined that Option 1 (Sekisui proposal) is the most capable of delivering a five-star international hotel which would make a significant direct contribution of \$25 million per annum to Gross Regional Product and provide at least 400 permanent full-time equivalent direct and indirect jobs. However, it was noted that substantial residential development is expected to be required to support the overall viability of Option 1, resulting in the hotel component only being a small part of the overall mix of land uses being proposed.

The visual assessment determined that Option 1 is likely to have unacceptable impacts on regionally significant public views and a built form that is of a scale and intensity (in terms of height and width) which is incompatible with the character of the surrounding area. This

option is at a scale and intensity that would be more appropriately located in an established Activity centre within the Enterprise Corridor, or other Major development areas as identified in the *Sunshine Coast Planning Scheme 2014*.

Option 1 is also likely to have the greatest potential for impact on the adjoining turtle nesting areas as sources of light would most likely be visible from the beach and adjoining coastal waters. Generally speaking, the greater the height and intensity of resulting development, the greater the potential for light impacts on turtle nesting. Techniques are available to ameliorate the impacts, but current practices are understood to have significant limitations.

Option 2 (moderated development concept) was developed to test the impacts on views of a proposal with reduced building heights. It presents a theoretical compromise between maximising development yield while retaining regionally significant views through appropriate building height controls. Preliminary testing of this option determined that a development with a maximum height of generally 4-6 storeys (14 metres – 21 metres) but with potential for up to 8 storeys (27 metres) in the centre of the site (subject to careful building positioning and design) would protect significant views from Mount Coolum and Point Arkwright.

However, it is noted that Option 2 provides for a scale of buildings that are still significantly different to their surrounds. It is also noted that this option may not be attractive to hotel operators as Sekisui House has consistently indicated that the height and width of the buildings in Option 1 are required to provide for a viable five-star international hotel.

Option 2 also has the potential for significant impacts on the adjoining turtle nesting areas as it may result in filtered or reflected light generated being visible from the beach and direct light being visible from adjoining coastal waters.

Option 3 (existing approval) would not necessitate any amendments to the planning scheme as it relates to an existing approval, but is an option that is unlikely to deliver a five-star international hotel. Option 3 would result in the least impacts on significant views and the adjoining turtle nesting areas.

Conclusion

In summary, this assessment has determined that:

- Option 1 is likely to provide economic benefits, however it is also likely to have significant impacts on regionally important views
- Option 2 would protect regionally important views, however this option may not be attractive to hotel operators who may seek additional height
- Option 3 has the least potential impacts on views and sensitive environmental areas but is unlikely to provide for an international five-star hotel and
- Each option potentially impacts on nearby known turtle nesting areas to varying degrees depending on the height and intensity of the proposals.

On balance, it is considered that the potential economic benefits of Option 1 do not outweigh the potential social and environmental impacts related to this proposal. Similarly, Option 2 may provide improved social and environmental benefits compared to Option 1, but it is unknown whether this option would be suitable to hotel operators or whether there would be community support for such an option.

For these reasons, it is recommended that no amendment is made to the *Sunshine Coast Planning Scheme 2014*.

However, the review of this proposal has reconfirmed the importance of attracting new premium hotel investment to the Sunshine Coast if the region is to remain competitive to emerging tourism demand (particularly international tourism) and to ensure the region continues to evolve as a high quality tourism destination. It is considered appropriate to initiate an investigation of the opportunities that currently exist to accommodate premium hotel infrastructure and facilities. Such a review would include demand analysis for premium, short stay accommodation on a regional basis; appropriate site options; the requisite planning framework required; and whether development attraction initiatives should be contemplated.

There is also likely to be a case to further consider the development parameters applicable to the subject site at a future date but any such proposal would need to carefully consider the key strategic issues and local area dimensions that have been identified in this report.

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled "Consideration of Proposed Planning Scheme Amendments"**
- (b) not propose to amend the *Sunshine Coast Planning Scheme 2014* in respect to the Yaroomba Beachside site**
- (c) identify the following reasons for Council's decision not to propose a planning scheme amendment:**
 - (i) the Sekisui House development concept is of a scale and intensity that is incompatible with the existing character of the local area as it would introduce built form elements of a significant scale (height and width) that are at odds with the prevailing built form of Yaroomba and would be more appropriate to establish in an Activity centre within the Enterprise Corridor, or other Major development areas as identified in the *Sunshine Coast Planning Scheme 2014***
 - (ii) independent consultants acting on Council's behalf have identified that the Sekisui House development concept would have an unacceptable visual impact, and in particular, an adverse impact on regionally significant public views including views from Mount Coolum, Point Arkwright and Yaroomba Beach**
 - (iii) a review of the Sekisui House development concept by the Urban Design Advisory Panel has identified a number of significant concerns about the configuration and design of the proposal which indicate that the concept does not achieve an optimal urban design outcome for the site in terms of community inclusiveness and, due to the scale and height of buildings, also results in adverse impacts on character and identity, and regionally significant views**

- (iv) amending the planning scheme in the manner requested would compromise important strategic planning principles currently established by the Strategic Framework of the *Sunshine Coast Planning Scheme 2014* relating to appropriate building heights and intensity of development (in particular s.3.3.2.1(a)(iii), s.3.3.9.1(a), s.3.8(4), s.3.8.1(f) and s.3.8.2.1(g))
 - (v) whilst the need for more premium hotels to be established on the Sunshine Coast is acknowledged, this need does not in itself justify setting aside the significant concerns about the impacts of the proposal and the planning policy conflicts as described above and
 - (vi) on balance, it is not considered to be appropriate to propose an amendment to the planning scheme at this time on the basis of the material submitted and the range of other considerations that Council has appropriately taken into account and
- (d) request the Chief Executive Officer to write to Sekisui House to advise of Council's reasons for not proposing to amend the *Sunshine Coast Planning Scheme 2014*.

FINANCE AND RESOURCING

Should council decide to undertake a planning scheme amendment, there would be sufficient funds allocated in the Regional Strategy and Planning 2014/2015 budget to commence the initial planning scheme amendment process, however, a separate budget review for 2015/2016 would be required to allocate up to an estimated \$350,000 to progress the amendments and associated matters.

CORPORATE PLAN

Corporate Plan Goal: *A new economy*
Outcome: 1.1 - Strong economic leadership, collaboration and identity
Operational Activity: 1.1.1.3 - Implement the Sunshine Coast Planning Scheme including progression of council nominated investigations and priority amendments to the planning scheme

CONSULTATION

Internal Consultation

The following areas of Council have been consulted as part of the research to support this report:

- Regional Strategy and Planning – Development Services, Transport and Infrastructure Policy, Environment and Sustainability Policy
- Legal Services
- Sunshine Coast Airport
- Environmental Operations

The advice has been incorporated where relevant into this report.

Advisory Panels

Council's independent Urban Design Advisory Panel (UDAP) reviewed the Sekisui House development concept and provided detailed comments (refer **Attachment 9**). The Panel has concerns about the concept and generally considers that the design does not achieve an optimal urban design outcome for the site.

The Panel also notes that the concept would be seen from sections of the beach and clearly evident from Point Arkwright and the iconic view from Mount Coolum which would result in adverse impacts on the existing natural character of the region.

It would appear that the Panel believes that the proposal cannot be supported.

External Consultation

There has been preliminary consultation with relevant state agencies on the proposal coordinated through the local office of the (then) Department of State Development Infrastructure and Planning. In particular, discussions have been held with the Department of Transport and Main Roads relating to access issues. Broad advice has been sought from utility providers.

Council has received presentations and submissions from Sekisui House on its proposed concept.

Community Engagement

Sekisui House has undertaken its own community consultation on its proposal, running between early October 2014 and mid-November 2014. This process included community information sessions, a telephone survey, and information stands at a number of shopping centres across the local government area (refer BBS Communications Group report in **Attachment 6**).

The process and outcomes of this consultation have been independently reviewed by Roy Morgan Research (refer **Attachment 10**), and this indicates some shortcomings and questions about aspects of the consultation methodology, and subsequently, the interpretation of its results.

The independent review of the consultation expressed concerns with the grouping up of results from quite different consultation methodologies and suggested that each consultation method should be separately considered. For instance, community information displays cannot be seen as indicative of the broader community opinion since it is largely self-selecting. Furthermore, registering 'no response' at an information display as a 'neutral' position on the proposal and then grouping it with positive responses can exaggerate levels of support.

In terms of the telephone survey, it potentially provides a more accurate indication of broader community opinion on the proposal but was limited by the methodology that was used. The telephone survey indicates that community support for the proposal can be influenced by the nature and extent of information that it is provided with and, further, that there may be a low overall level of awareness of the proposal more broadly across the Sunshine Coast local government area.

Following the consultation, Sekisui House made further revisions to their October 2014 concept plan and submitted these to Council on 31 March 2015. The changes included reductions and minor increases to some of the residential building heights and a minor increase in the building heights for the proposed serviced apartments, but no change to the height of the hotel building. Adjustments to yield and a new (single) site access from a

roundabout on David Low Way also feature in the revised plans as well as identification of proposed (public) open space areas and a retail boardwalk leading to the beach.

It is understood that community groups have also commissioned a telephone survey in relation to this matter.

The proposal has attracted significant media attention and community-organised rallies and meetings.

PROPOSAL

Subject Site

The subject site is located at Yaroomba with frontage to the David Low Way, esplanade dune and beach. It is approximately 18.84 hectares in area (refer to **Attachment 1**).

The subject site is located adjacent to the Yaroomba Parabolic Dune to the north (a site of ecological significance protected by conservation covenant), the dune esplanade to the east, (the Marcoola Yaroomba Conservation Reserve, which has very high ecological significance), the golf course of Palmer Coolum Resort to the west of the David Low Way and low density community title residential development to the immediate south.

The subject site has previously been used as a golf course as part of the former Hyatt Coolum Resort. It is now a residential development site with a sales office and recently demolished private resort facilities located in the south-eastern corner.

The subject site has generally flat topography, with the lower points around 4m AHD and the highest points at 9m AHD. Significant earthworks have taken place on the site to accommodate the golf course and subsequently for residential development. There are two water bodies on the site (with the eastern water body already approved for removal as part of existing approvals). There are approximately 6 hectares of remnant and non-remnant vegetation on the site, protected by covenant in the case of the David Low Way landscape buffers, with the remaining vegetation not deemed to be of high value, having been identified for vegetation offsetting in the existing approval.

Sekisui House (SH Coolum P/L) is the owner of the subject site. The parcel providing access to the David Low Way roundabout and southern access road on the subject site is in community title ownership (refer to **Attachment 2** for a map of land ownership). Access for the subject site to the existing David Low Way roundabout is currently gained via an easement with a minor northern access to the David Low Way near the sales centre site. There are access easements on the site in favour of Palmer Coolum Resort and associated community title residential communities to the south.

The only other comparable greenfield beachfront site of this kind on the Sunshine Coast is at Bokarina Beach (which is 29.76 hectares in area and approximately 20 kilometres south of the subject site).

Planning Scheme provisions

Strategic framework

The Strategic framework sets the policy direction for the planning scheme and forms the basis for ensuring appropriate development occurs within the life of the planning scheme.

The Yaroomba Sekisui House Beachside site is identified as a Tourism focus area (alongside Palmer Coolum Resort) in the Strategic framework of the *Sunshine Coast*

Planning Scheme 2014 and is intended to accommodate a concentration of visitor accommodation and related tourism services.

The Strategic framework contains several policy directions that are of direct relevance to the consideration of this matter, as follows:-

- Theme 1 – Settlement pattern, Element 1 – Character, lifestyle and environment attributes (Specific outcomes) s. 3.3.2.1(a)(iii)

“The character, lifestyle and environment attributes of the Sunshine Coast are recognised as essential contributors to the region’s natural (competitive) advantage by:-

(iii) maintaining distinct, identifiable towns and neighbourhoods that sensitively respond to their setting and support strong, diverse communities with a sense of belonging;”

- Theme 1 – Settlement pattern, Element 8 – Local settings and local planning responses (Specific outcomes) s. 3.3.9.1(a)

“The Sunshine Coast is maintained as a community of communities where the character and identity of each community is recognised and protected in accordance with a local plan.”

- Theme 6 – Community identity, character and social inclusion (Key concepts) s. 3.8(4)

“Urban environments that are generally less intensive when compared with other metropolitan areas in South East Queensland with a further reduction in intensity evident in those areas outside of the Sunshine Coast Enterprise Corridor.

- Theme 6 – Community identity, character and social inclusion, (Strategic outcomes) s.3.8.1(f)

“Although parts of the coastal urban area within the Sunshine Coast Enterprise Corridor display the characteristics of a complex and reasonably intense urban environment, other parts of the region are generally characterised by a less intensive scale and form of development.”

- Theme 6 – Community identity, character and social inclusion, Element 1 – Landscape elements and features (Specific outcomes) s.3.8.2.1(g)

“Other views and vistas, including those identified in local plans or which are important in a local context are also protected, particularly from development which exceeds specified building heights.”

Zoning

The subject site is included partly in the Emerging community zone and partly in the Low density residential zone in the *Sunshine Coast Planning Scheme 2014*. It has a height limit in the scheme of 8.5 metres.

Local plan area code

The site is located within the Coolool local plan area and is subject to the Coolool local plan code which identifies Coolool as “a low key coastal urban community, with a strong focus on tourism” and includes standards to protect the overall landscape quality of the area. The site is within the Palmer Coolool Resort and Coolool Residences local plan precinct. The provisions of this local plan precinct seek to achieve an integrated resort and residential development that is subordinate in scale to the natural environment of the local area.

Summary of current policy position

The current policy position of the *Sunshine Coast Planning Scheme 2014* therefore recognises the importance of development that sensitively responds to its settings and in this general location, development that is less intensive in scale and subordinate to the natural environment and its landscaped setting. Indeed, the site sits within the coastal plain north of Maroochy River where buildings are generally subservient to the landscape, which has been a long held planning policy and is particularly evident from key vantage points in the area.

Existing Approvals

The subject site has a history of development approvals dating back to the 1980's, including a 300 room, 4 storey hotel.

On 28 February 2007, Council issued the current preliminary approval for a Material Change of Use (MCU05/0245) to override the planning scheme to establish the Coolum Hyatt Integrated Resort and Residential Community, which includes the subject site as part of the 'Beachside' precinct. Development within the preliminary approval area is controlled by a Master Plan. A range of approvals have been enacted under the Master Plan. The entitlement to develop approximately 174 multiple dwelling units and 112 detached house lots (286 dwellings in total) under the existing subdivision-level approvals in a low to medium density form on the subject site remains. The preliminary approval Master Plan effectively enables up to a maximum of 329 dwellings across the site in a range of configurations including multiple dwelling units, dual occupancies and detached houses.

During the consultation process for the 2007 approval, 3,837 public submissions were received by Council of which 3,738 were deemed to be properly made. There were 3,657 submissions that objected to the proposal and 80 that supported the development. Of the submissions received, 3,452 were proforma objections to the proposal. Points of objection related to height, density, increased traffic and non-compliance with the planning scheme.

Visual impact was a key issue in the assessment of the Master Plan application. The Master Plan application initially proposed a maximum building height of 6 storeys (approximately 21 metre building height elevation) for the central beach club precinct. This proposal was inconsistent with the intent of the (then) Maroochy Plan 2000. Following consideration and peer review of the applicant's scenic quality and visual impact assessment report, it was recommended to Council and determined that the upper building height on the site remain at four (4) storeys plus roof top terrace (maximum 16 metre building height elevation).

Under the existing approval, public access is available to the site, primarily via a 20 space carpark adjacent to a private beach club facility (discussed further below) and public access to the beach.

Existing Infrastructure Agreement

The existing 2007 approval is supported by an Infrastructure Agreement and a Resort Refurbishment Agreement that continues to be legally associated with the land.

The Infrastructure Agreement supports the existing approval conditions and contains a range of obligations for the owner of the site, including the upgrade of infrastructure external to the site, provision of vegetation buffers, monetary contributions, the dedication of the existing sales centre site as a future community centre and the provision of public pedestrian beach access, amongst other requirements. Many of these obligations in the Infrastructure Agreement have already been fulfilled.

A separate Resort Refurbishment Agreement and the development approval secured the future construction of a \$3 million beach club facility east of the David Low Way (on Lot 12 SP238214), which includes public access to the beach and a 20 space car park. The beach club facility is to incorporate a lagoon pool, shop and restaurant/café facilities up to 500m² gross floor area for the use of Palmer Coolum Resort guests and residents of the community title estates associated with the Master Plan approval.

Sekisui House Development Concept

Sekisui House originally lodged a submission in response to the Draft Sunshine Coast Planning Scheme during the public notification period in 2012. The submission detailed a mixed five-star hotel / high density residential development concept proposal for the site which was not compatible with the development entitlements set out for the site in the draft planning scheme. In considering this submission, which outlined an earlier version of the development concept currently under consideration, Council provided the following direction:

“Revisions to the intent and development parameters for Sekisui House, The Coolum Residence (Beachside) site be further investigated in consultation with the relevant land owner with a view to preparing amendments to the planning scheme to give effect to the outcomes of these investigations.”

Since the time of this response, several revised versions of the development concept have been produced by Sekisui House for the Yaroomba Beachside site. The most recent concept includes a five-star international standard hotel development (250 rooms), as well as approximately 1,350 dwellings comprising 200 serviced apartments and 1,150 residential (including retirement and aged care) apartments. The retail component of the proposal has a gross floor area of 3,000m². The maximum building height proposed on the site is for a hotel building of 10 storeys (38.5 metres) with a further 16 residential accommodation buildings ranging in height between 4 storeys (14 metres) and 10 storeys (32.05 metres).

The current concept provides for a new, single road access via a roundabout off David Low Way (a key difference between previous concepts which relied on access to the existing roundabout on David Low Way and a second access further north). A retail boardwalk is proposed which would lead down to the beach access from a centrally located roundabout within the site. Proposed public open space is identified mainly around the lake, as well as a ‘public green area’ adjacent to the beach access.

Key Strategic Issues

The consideration of the Sekisui House proposal raises a number of key strategic issues, notably, the potential for the proposal to address specific tourism needs for the Sunshine Coast, the ability to create a new beach node, the relationship of the proposal to other centres and the Sunshine Coast Airport and potential impacts on character and identity. The site also adjoins areas of significant ecological and habitat corridor value.

As part of the work being undertaken for the South East Queensland Regional Plan review, consideration has been given to strategic planning for tourism activities on the Sunshine Coast to 2041. This work has indicated that the Sunshine Coast needs to attract new tourism markets to remain competitive. In particular, new high end hotel developments together with limited conference facilities are needed especially in key coastal locations.

On the Sunshine Coast there are few opportunities available to create new beach nodes that would assist with accommodating the growing population and tourism needs. The most significant greenfield beachside opportunities in the Sunshine Coast local government area are the subject 18.84 hectare Yaroomba Beachside site and the 29.76 hectare Bokarina Beach site which is approximately 20 kilometres south of the subject site.

While there are many strata-titled accommodation establishments managed by small businesses with modest marketing budgets on the Sunshine Coast, there is a shortage of international hotel operators capable of marketing the Sunshine Coast as an international tourist destination. Currently, the nearest active five-star international hotel to the subject site is the Noosa Sheraton.

A proposal to develop a five-star international hotel therefore has the potential to result in benefits to the region by diversifying the tourism mix of the Sunshine Coast.

Consistent with requirements at Bokarina Beach, it is important to balance the opportunities for tourism and other accommodation, with a desire to create a new beach node and resultant facilities for the broader Sunshine Coast community.

At the same time, consideration also needs to be given to the relationship of a potential tourist development of this site with other key centres including Maroochydoore Principal Regional Activity Centre and Coolum District Activity Centre.

The subject site is proximate to the Sunshine Coast Airport which provides some obvious synergies with international and domestic visitors. It is noted that the north-south runway obstacle limitation surface also provides an absolute limit to the building height available at the site, being 48.5 metres AHD (the site is mostly around 5-6 metres AHD ground level). The proposed upgrade of the airport does not change this situation.

A key component to the attractiveness of the Sunshine Coast as a tourism destination is its 'natural advantage' which is its point of difference to other regions in South East Queensland and elsewhere. Any proposal to develop large scale international tourist hotels and facilities should also have regard to this branding and image aspect. Indeed, the predominant form of coastal development north of the Maroochy River is characterised by development that is subservient to the natural landscape in which it is located. This has been based on a long held and consistently applied planning policy.

The Yaroomba site has a high degree of visibility from a broad array of public viewing points, most significantly, from Point Arkwright and Mount Coolum. Any development of the site would ideally manage these impacts through the height, location and massing of buildings, to ensure that the landscape is the dominant form when viewed from key public view points. A key issue therefore is the visual impact of any proposed built form and resultant changes to character and identity in the locality.

While there are biodiversity values present within the site, these can potentially be offset. The key issue of consideration relates more to edge effects and impacts given the significance of adjoining environmental values be they in the Yaroomba Parabolic Dune to the north or the esplanade and dunes to the east of the site both of which contain significant environmental values and provide regional connectivity for habitat. These values will need to be managed sensitively as they in turn contribute to the broader natural advantage of the Sunshine Coast.

Visual Impact Assessment

Given the significance of potential visual impacts, a specialist consultant was commissioned to prepare a visual assessment of Sekisui House proposal and to consider other built form alternatives that may result in lower impacts (refer **Attachment 7**).

A three-dimensional digital model of the development concept has been prepared to indicate the potential visibility of the proposal from key public viewing points within the local viewshed (refer **Attachment 8**).

The images from the model indicate a high degree of visibility for the development concept as viewed from key local viewing points, including:-

- Point Arkwright - where the proposal would be visible from over the Yaroomba Parabolic Dune and would impede part of the view to the vegetation/skyline interface; and
- Mount Coolum lookout points - where all buildings on site would be in full view and taller buildings in particular (i.e. the 10 storey hotel at 38.5 metre height and serviced apartments at 32.05 metres) would impede part of the view to the ocean/vegetation interface;

The proposal would also be highly visible from the following points on the David Low Way:-

- Immediately north of Neurum Road (where the proposal would be visible from over the Yaroomba Parabolic Dune and would impede part of the view to the vegetation/skyline interface); and
- West of the subject site (where the proposed buildings would be readily visible from the existing David Low Way roundabout and the proposed new roundabout).

The following public viewing points in neighbouring residential areas could also be affected:-

- Eurungunder Lane (where most buildings on site would be in full view and taller buildings would impede part of the view to the ocean/vegetation interface);
- Junction of Warrack Street and Valerie Avenue (where many buildings would be visible and would impede the existing interface between vegetation, ocean/horizon and skyline);
- Wunninga Crescent, (where the proposed development is likely to be visible from the residential area above the existing crest of vegetation to the south-east);
- Yinneburra Street, (where the proposed development is likely to be visible from the residential area above the existing crest of vegetation to the south); and
- Toolga Street, following eastwards from South Coolum Road (where some buildings from the proposal would be visible and would impede the existing view to the ocean).

The independent advice concluded that the Sekisui House development concept would have an unacceptable impact on many views, as it would present an overwhelming amount of built form which is not sufficiently integrated into the natural landscape.

The independent advice has advised that from a visual impact assessment perspective, the site could accommodate building heights generally limited to six (6) storeys (20-21 metres) acceptably, with the possibility that parts of buildings or buildings with small footprints could achieve a height of eight (8) storeys (26-27 metres) through the centre of the site subject to the visual impact testing of specific building designs.

In relation to sites within 100m of the David Low Way, the advice recommends a lower building height limit of four (4) storeys (14 metres), noting that it is possible that parts of buildings, or buildings with small footprints could achieve a height to 6 storeys (21 metres) in this location, except where they would be externally visible through site access points. A building height limit of four (4) storeys (14 metres) was also recommended for land within 50 metres of existing residential lots, the resort facilities site to the north-east and the current sales centre (future community centre site) to the north-west.

The independent advice also made a range of recommendations in relation to building form, dimensions, site cover and landscaping. The recommendations have assisted with the formation of a 'Moderated Development Concept' development option for the site (described below).

Potential Development Options

While there are potentially a multitude of development options that could be considered for the site, three options have been chosen to analyse a possible range of development responses to the site:-

- **Option 1. Sekisui House Development Concept** - A single, 10 storey five-star international hotel building (38.5 metres), with 16 other residential accommodation and serviced apartment buildings ranging from 4 storeys (14 metres) to 10 storeys (32.05 metres);
- **Option 2. Moderated Development Concept** – Assumes one or more hotel complexes and high density residential development with building height generally limited to six (6) storeys (21 metres), with the potential for eight (8) storey (27 metre) development (subject to further sensitivity testing) in the centre area of the site, with 4 storey (14 metre) buildings adjacent to the David Low Way and neighbouring residential development; and
- **Option 3. Existing Approval / Status Quo** - Low to medium density residential/apartment development as per existing approvals, building height limited to four (4) storeys with a rooftop terrace (16 metres) in a defined precinct adjacent to the dune esplanade, with all other buildings limited to 3 storeys (12 metres) or 2 storeys (8.5 metres) in height. This option is unlikely to include a five-star accommodation hotel and associated facilities as this use is not anticipated in the Master Plan approval or existing planning scheme provisions.

Summary of Development Options

The table below provides an indicative comparison of the three development options described above:-

Aspect	Option 1. Sekisui House Development Concept	Option 2. Moderated Development Concept	Option 3. Existing Approval / Status Quo
Key Land Uses and Indicative Potential Yield	<ul style="list-style-type: none"> • 250 room five-star hotel (in a single building) • 200 serviced apartments (in a single building) • 1,150 dwellings (including retirement and aged care dwellings) • 3,000m² retail floor space • Conference facilities • 3,000m² 'wellness centre' • Park provision – <ul style="list-style-type: none"> ○ 1,875m² public green area (adjacent to dune) ○ Approx. 1.6ha public open space (located around lake area) 	<ul style="list-style-type: none"> • 250 room five-star hotel (located across several buildings) • 200 serviced apartments (located across several buildings) • Approximately 475 dwellings • 3,000m² retail floor space • Conference facilities • 3,000m² Health care services/Wellness centre • Park provision – 1.5ha+ park 	<ul style="list-style-type: none"> • No defined scope for a five-star hotel and supporting facilities • 286 dwellings* in total comprising: <ul style="list-style-type: none"> • 112 detached house lots; and • 174 multiple dwelling units • Beach club facilities

Aspect	Option 1. Sekisui House Development Concept	Option 2. Moderated Development Concept	Option 3. Existing Approval / Status Quo
		provision, at northern and southern beach access points <ul style="list-style-type: none"> Beach club facilities (as per existing approval) 	
Approximate Number of Equivalent Dwellings	<ul style="list-style-type: none"> Approximately 1,440 equivalent dwellings 	<ul style="list-style-type: none"> Approximately 765 equivalent dwellings 	<ul style="list-style-type: none"> Approximately 325 equivalent dwellings
Building Height	<ul style="list-style-type: none"> 1 x 10 storey hotel building (38.5m - equivalent to 12 storey building height for a 10 storey building) 1 x 10 storey (32m) serviced apartment building 6 x 8 storey (26m) apartment buildings 2 x 7 storey (23m) apartment buildings 1 x 7 storey/4 storey (23m/14m) apartment building 2 x 5 storey (17m) apartment buildings 2 x 5 storey/4 storey (17m/14m) buildings 2 x 4 storey (14m) apartment buildings 3,000m² retail (no height specified) 	<ul style="list-style-type: none"> 8 storeys (27m, in centre area of site subject to testing of specific building designs) 4 storeys (14m) in areas within 100m of the David Low Way 4 storeys (14m) within 50m of adjacent residential development 6 storeys (21m) elsewhere 	<ul style="list-style-type: none"> 4 storeys plus rooftop terrace (16 m) for multiple dwelling units in central beach club residential precinct 2-3 storeys (8.5m-12m) for other multiple dwelling units 1-2 storeys elsewhere (8.5m)
Approximate Site Cover	16% site cover	15% site cover	35% site cover

**Note: Option 3 reflects existing subdivision approvals in place, however, the overarching approved master plan enables up to 329 dwellings across the site in a variety of configurations.*

Draft planning scheme amendments have been prepared that would facilitate the development concepts/scenarios outlined in Option 1 and Option 2, should either of these be supported by Council (refer to **Attachments 3 and 4**).

Analysis of Potential Development Options

Option 1 – Sekisui House Development Concept

Economic Aspects

The economic benefits of the proposal, as put forward by the proponent (Sekisui House), include:-

- \$1 billion dollar value of construction;
- Estimated 4,500 jobs during construction (over 12 years);
- 623 permanent jobs;
- Indirect creation of a further 1,500 jobs with local suppliers and businesses;
- \$25m per annum direct contribution to Gross Regional Product;
- \$73m per annum tourist expenditure;
- \$23.5m per annum resident expenditure;
- Approximately 125,000 new visitor nights to the region (international and domestic);
- A local industry participation plan;
- Ability to host conferences.

Independent economic advice from MacroPlan Dimasi on some of these estimates indicates that there could be significantly less permanent employment (145 equivalent full time (EFT) direct employment and 264 EFT indirect employment compared with 623 EFT direct employment). As well as this, less tourism expenditure is forecast (\$29.2M per annum compared with \$73M per annum) than estimated by the proponent. Take up of the project is seen to be likely to occur over a 24 year period rather than 12 years, resulting in less annual construction jobs (242 EFT per annum compared with 376 EFT per annum). Estimates of 125,000 new visitor nights per annum associated with the hotel were considered low and more likely to be in the order of 146,000 new visitor nights per annum.

The advice from MacroPlan Dimasi considers that the proposal would result in a relatively modest economic impact from a purely economic benefit perspective. The advice also acknowledges the difficulty of attracting a five-star international hotel (in particular in a regional location such as the Sunshine Coast). Subsequent advice from MacroPlan Dimasi also indicates that while the proposal on its own may not be regionally significant in an economic sense, the international focus of the hotel component could support a range of wider indirect benefits to the Sunshine Coast tourism industry, including the diversification of the existing tourism offering (which also concurs with separate advice obtained from Norling Consulting).

This option would see the delivery of this hotel complex within a single 10 storey tower building. This delivery method is understood to have the support of international standard hotel operators as it meets their requirements for operational viability. Tourism industry consultancy advice supplied by the proponent has advised of the need for the maximisation of ocean views and efficient hotel operation which is seen to be best delivered through a higher density rather than a lower density layout. The independent economic advice (Jon Norling and MacroPlan Dimasi) does not entirely concur with that assertion and indicates that ocean views are an advantage but not an absolute necessity to the viability of a five-star international hotel. Further, Norling Consulting believes that the running costs associated with a lower density layout are not that significant in relation to total viability matters.

Even with a certain degree of self-containment in the site, the proposal could be expected to significantly increase demand for uses in the Coolum District Centre, which provides the closest full-line supermarkets, major sportsground facilities, restaurant/entertainment district and community facilities cluster amongst other facilities. The relationship between Maroochydore Principal Regional Activity Centre and this site would need to be carefully considered.

In relation to costs of infrastructure, these would be required to be offset to some degree by the proponent, through a voluntary infrastructure agreement. The applicant has consulted with Unitywater and believes water supply and sewerage are able to be feasibly supplied to the site.

Information provided by the proponent suggests that the proposal will bring forward upgrades of various intersections along the David Low Way, in particular Suncoast Beach Road and Beach Road in the initial stages of development and Tanah Street East and Warran Road in the later stages. The Department of Transport and Main Roads have provided in-principle support for the new access to David Low Way but have raised concerns that the upgrade of the Beach Road / David Low Way intersection may not be practical to implement.

Social Aspects

The Sekisui House development concept is an intensive use of the subject site which would have a development form very different to the prevailing low density character of the surrounding area. In particular, the development of comparatively taller and wider buildings in this area would represent a significant departure from the general development form.

If development were to occur at the scale and height indicated in the Sekisui House concept, the modelling indicates potential for significant impacts on local visual amenity, which is unlikely to be ameliorated with architectural treatments alone. The visibility of the site from a broad array of public viewing points in the viewshed, as well as from private residences, could potentially result in the local area becoming characterised in part by the development on the site. As well as this, the proposal may have broader impacts on the visual character of the Sunshine Coast north of the Maroochy River.

In the longer term, the proposed development, on account of its land use intensity, building height, building bulk and location, may set a new expectation for building heights in the coastal area between the Maroochy River and Coolumb (if it were to be realised) and greater pressure for land use change in the area, in favour of more intensive development.

As the proposal could theoretically add around 1,200 permanent additional residents on the site over and above what has been previously approved, there could be pressure on existing parks, trails and other sports grounds as well as a range of other social infrastructure to provide adequate service. Major contributions towards the upgrade of community facilities infrastructure would be anticipated.

While the proposal suggests that building footprints will be limited and “over 80% open space maintained” this is not to be confused with dedicated public open space. The concept does identify some 1.6 hectares of proposed public open space (land area) primarily around the lake edge. Council’s desired standards of service would suggest that a district level park or similar would need to be flood free and free of other constraints. Public open space including and adjacent to a water body would require a management plan and a sinking fund.

Public access to the site under the Sekisui House development concept includes a pedestrian boardwalk of some 150 metres in length fronted by 3,000 square metres of retail floorspace and linking the central roundabout in the site with the beach access and a ‘public green area’ of approximately 1,800 square metres in area. It is understood that publicly available carparking would be provided on-street. The Urban Design Advisory Panel has noted that the design proposal in its current form is not representative of an inclusive beachside community.

The proponent suggests that the provision of apartments or units in the proposal is consistent with the intent of *Sunshine Coast Affordable Living Strategy* to increase the diversity of housing in the region. To some extent this may be the case, however, this cannot be considered to address the main aim of the strategy which is that affordable living

occurs when seven integrated outcomes are achieved – housing diversity, housing affordability, self-contained neighbourhoods, transport options, supportive environment, resource efficiency and economic development. The proposal does not fulfil all of these criteria. Furthermore, due to its size the proposal has the potential to divert apartment and unit developments away from established or emerging activity centres, given that there is only a limited market for unit and apartment developments on the Sunshine Coast.

A shortfall of aged care (low and high care) is anticipated for the northern parts of the Sunshine Coast in the longer term. The inclusion of an aged care component in the concept is therefore seen as beneficial.

Environmental Aspects

Although the site has been previously approved for development and is not seen to contain high quality ecological assets, there are concerns about impacts on the surrounding land, particularly the dune areas adjacent to the site, which are of very high conservation significance.

As Option 1 provides for a highly intensive development form on the subject site, the potential for environmental impacts on adjacent areas, including potential direct or indirect impacts on the dune areas, would require extensive consideration.

There is ongoing turtle nesting on the nearby stretch of beach and eastern dune. Development of the subject site, particularly for the taller buildings proposed (potentially up to 38.5 metres in height), would need to specifically consider its light impact and how this may affect turtle nesting. The proponent has previously stated that they are conducting further environmental studies relating to turtle habitat and protection.

Generally speaking, the greater the height and intensity of development, the greater the potential for impacts on turtle nesting. On this basis, Option 1 would have the highest potential for impact on the adjoining turtle nesting areas as sources of light would most likely be visible from the beach and adjoining coastal waters. Techniques are available to ameliorate the impacts, but current practices are understood to have significant limitations.

There are approximately 6 hectares of remnant and non-remnant vegetation on site, protected by covenant in the case of the David Low Way landscape buffers, with the remaining vegetation not deemed to be of high value, having been identified for vegetation offsetting in the existing approval.

It is likely that extensive engineered foundation works will be required with this option, to support the height and scale of buildings proposed and underground carparking areas. This presents groundwater impact risks and subsequent possible impacts on vegetation of the dune system unless adequately addressed and managed. The protection of the eastern dune is imperative for a buffer against storm tide inundation for the site. Long term impacts of climate change on the dune areas would need to be understood to inform the design of buildings and infrastructure on-site.

Based on a preliminary desktop analysis, there is a need to respond to potential flooding hazards on the site, however, they would not serve to preclude the proposal.

The proponents put forward a range of sustainability measures that it would intend to incorporate into the development including centralised vacuum waste management systems, waste water treatment, stormwater re-use, power generation and electric vehicle charging stations as well as other initiatives that would be investigated from a feasibility level. Whilst these are commendable initiatives to propose, there are insufficient details of the nature or scale of these initiatives to definitively comment on at this stage.

Option 2 – Moderated Development Concept*Economic Aspects*

This option would seek to provide potential for a five-star hotel based on an alternative building layout and configuration. The overall indicative equivalent dwelling yield through this proposal is approximately half of that provided for in Option 1. Some of the economic benefits noted for Option 1 may also be realised depending on how attractive the option would be to hotel operators and the ultimate configuration of the proposal.

The location of taller buildings on the site (up to 8 storeys (27 metres) based on specific design testing) would be focused on the centre of the site rather than adjacent to the dune esplanade as in Option 1.

Based on preliminary estimates, it appears that 70-80% of the hotel rooms provided under this option could be provided at the fourth storey or above, which is the general minimum height to achieve ocean views, however, building orientation and other factors may mitigate against the practical achievement of ocean views for this number of rooms. This proportion is likely to be lower for the serviced apartment component (approximately 50-60% at fourth storey and above).

It is important to note that this option has been partly based on the recommendations of a visual impact assessment analysis and an attempt to provide for building forms that minimise visual impacts on regionally significant views and maintain the dominance of natural landscapes. It is unclear whether the concept would be attractive to hotel operators given that advice from the proponent to date has been that the height and width of the hotel and serviced apartment buildings are necessary to maximise ocean views and ensure operational efficiency to service such a building layout.

Similar to Option 1, there is a need for consultation with Unitywater and DTMR in relation to impacts on the water supply, sewerage and State-controlled road network, although it is understood that these networks can accommodate more intensive development of the site, subject to potential upgrades.

Social Aspects

The moderated development concept option is an intensive use of the subject site which, like Option 1, is very different to the general development form and character of the surrounding area.

This option would result in some impacts on local visual amenity, however, the visual impact of this option would be lower than that for Option 1 (Sekisui House Development Concept), on account of the following differences:-

- At a maximum building height of eight (8) storeys (27 metres), with correct building placement, it appears to be possible to preserve the following key sightlines:
 - Views from Point Arkwright over the Yaroomba Parabolic Dune to the skyline (i.e. development is not visible from Point Arkwright);
 - Views from Mount Coolum to the ocean;
 - Views from Eurungunder Lane to the ocean;
- Buildings are significantly lower in height and would have smaller horizontal dimensions;
- Taller buildings are located in the centre of the site, which lowers overall visual impact, as opposed to the edges of the site where buildings are more prominent; and
- In addition, impacts on other prominent public views are distinctly reduced.

Public access to the site under this option, in addition to allowing for the public access envisaged under Option 1 (Sekisui House Development Concept), could provide for higher value purpose designed amenities adjacent to the dune esplanade entrances with 5,000m²+ public parks or squares. This could be aided by the building layout facilitated by this option, with higher buildings intended to be oriented along the central north-south axis of the site, rather than adjacent to the dune esplanade (as per Option 1).

Similar to Option 1, this option would have an impact on the need for public open space and social infrastructure in the local area. The impact of this option on these facilities is seen to be in proportion to its potential yield, which is approximately half that of Option 1.

Like Option 1, this development scenario could also set expectations for increased building heights in the locality. However, it is important to note that this option provides for a better integration of built form within the landscape and in this sense the benchmark that could be seen to be set would be one where development is responsive to and does not dominate the local landscape context.

Environmental Aspects

This option, like Option 1, would see the development of high density urban uses on the subject site. Extensive consideration of environmental impacts on adjacent areas would be required. These considerations would include light spill impact on turtle nesting (based on the ability to construct buildings up to 27 metres in height), as well as impacts on other fauna in adjacent areas. Offsets for vegetation clearing would be required (as is the case for all options).

While the development yield of this option is approximately half of that provided for in Option 1, there would still be some concerns over potential effects on the groundwater table. Like Option 1, there would still be a significant need for basement car parking to accommodate the development form. Issues and requirements relating to site flooding would be similar to those for Option 1.

Option 3 – Existing Approval/Status Quo

Economic Aspects

The existing approval does not offer the same potential for the development of a five-star accommodation hotel development, nor for significant employment generating uses, as it is generally limited to the development of residential uses. Commercial floor space is limited to the development of the beach club facility in the centre of the site (up to 500m² floor space for shop / restaurant / café facilities). The proposal does not respond to the site's potential as a key strategic tourism site.

The residential development yield under the existing approval is relatively limited (286 dwellings in total under the subdivision level approvals, 329 under the Master Plan).

Despite this, the development and operation of these land uses is still of local economic significance, with the development of the beach club providing benefits to the Palmer Coolum Resort and the residential community title developments associated with the resort.

The existing approvals and infrastructure agreement applying to the site have already addressed physical infrastructure service requirements.

Social Aspects

The development permitted under the existing approval is representative of the typical low to medium density residential development form seen in the broader locality, being comparable in form to the existing Beachside development, The Boardwalk and Seaside residential estates to the south.

Development permitted under the existing approval, if carried out, would result in the general preservation of local visual amenity. While it will be readily visible from elevated viewpoints such as Mount Coolum and Eurungunder Lane, it would not feature prominently in other existing public views, as it is consistent with the established conventions for development form in the area.

Public access to the site under the existing approval is limited to through pedestrian access easements from the David Low Way to the beach accesses in the dune esplanade and vehicular access to 20 car parking spaces in the central beach club area. No public roads are intended to be provided on site.

The impact of this option on the provision of public open space and community facilities, while not insignificant, is relatively low compared to that of Options 1 and 2. Key aspects of this impact have already been taken into account in the infrastructure agreement that exists over the subject site.

On the basis of the relatively low development intensity of this option, it is not seen to be a potential driver of land use change or development pressure in the local area.

Environmental Aspects

The environmental impacts of this proposal have already been formally taken into account by Council as part of the development assessment process which led to the approval of the existing Master Plan and subsequent subdivision approvals. As a result, this option represents the baseline in terms of environmental impact, with all environmental issues of significance (including flood immunity) already addressed.

The existing approvals establish an offsets regime for vegetation clearing.

Although the development density allowed for under this option is relatively low, there would remain a need for monitoring of potential environmental impacts (including on turtle nesting and groundwater impacts) if the development were to be realised.

Evaluation and conclusion of analysis

Option 1 (Sekisui proposal) is the most capable of delivering a five-star international hotel which would make a significant direct contribution of \$25 million per annum to Gross Regional Product and at least 400 permanent full-time equivalent direct and indirect jobs. However, it was noted that substantial residential development is expected to be required to support the overall viability of Option 1, resulting in the hotel component only being a small part of the overall mix of land uses being proposed.

The visual assessment determined that Option 1 is likely to have unacceptable impacts on regionally significant public views and a built form that is of a scale and intensity (in terms of height and width) which is incompatible with the surrounding area. This option is at a scale and intensity that would be more appropriately located in an established Activity centre within the Enterprise Corridor, or other Major development areas as identified in the *Sunshine Coast Planning Scheme 2014*.

Option 1 is also likely to have the greatest potential for impact on the adjoining turtle nesting areas as sources of light would most likely be visible from the beach and adjoining coastal waters. Generally speaking, the greater the height and intensity of resulting development, the greater the potential for light impacts on turtle nesting. Techniques are available to ameliorate the impacts, but current practices are understood to have significant limitations.

Option 2 (moderated development concept) was developed to test the impacts on views of a proposal with reduced building heights. It presents a theoretical compromise between maximising development yield while retaining regionally significant views through appropriate building height controls. Preliminary testing of this option determined that a development with a maximum height of 8 storeys (27 metres) in the centre of the site and generally 4 to 6 storeys (14 metres – 21 metres) would protect significant views from Mount Coolum and Point Arkwright provided that buildings were carefully positioned and designed.

However, it is noted that Option 2 provides for a scale of buildings that are at a scale different to its surrounds. It is also noted that this option may not be attractive to hotel operators as the proponent has consistently indicated that the height and width of the buildings in Option 1 are required for viability.

Option 2 also has the potential for significant impacts on the adjoining turtle nesting areas as it may result in filtered or reflected light generated being visible from the beach and direct light being visible from adjoining coastal waters.

Option 3 (existing approval) would not necessitate any amendments to the planning scheme as it relates to an existing approval, but is an option that is not realistically capable of delivering a five-star international hotel. Option 3 would result in the least impacts on significant views and the adjoining turtle nesting areas.

On balance, it is considered that the potential economic benefits of Option 1 do not outweigh the potential social and environmental impacts related to this proposal. Similarly, Option 2 may provide improved social and environmental benefits compared to Option 1, but it is unknown whether the option would be suitable to hotel operators or whether there would be community support for such an option.

For these reasons, it is recommended that no amendment is made to the *Sunshine Coast Planning Scheme 2014*.

Tourism needs assessment outcomes

In considering the broader matters associated with the strategic review of the Yaroomba Beachside site, it reconfirmed the needs identified through the *Regional Economic Development Strategy* and through tourism industry development planning that the Sunshine Coast requires new investment in one or more premium international hotels in order to be well positioned to respond to emerging tourism market demand and remain competitive with other coastal destinations. In this context it should be noted that there has not been significant new premium hotel infrastructure investment in the region for over 20 years. In particular, there is a demonstrated need for premium hotel developments offering an array of ancillary services (e.g. conference facilities) in key coastal locations.

The Yaroomba Beachside site is of key strategic importance in its ability to potentially deliver a five-star hotel and realise development of the Tourist focus area designation in the planning scheme. However, the investigations of the Yaroomba Beachside site highlight the importance of attracting development which is compatible with its local area.

There are several other locations on the Sunshine Coast where more intensive forms of development of a similar scale and intensity to that proposed by the Sekisui House development concept could potentially be accommodated. It is considered appropriate that Council investigate the opportunities that may currently exist in appropriate areas to accommodate premium hotel infrastructure. Such a review would include demand analysis for premium, short stay accommodation on a regional basis; appropriate site options; the requisite planning framework required; and whether development attraction initiatives should be contemplated.

Overview of Potential Draft Amendments to the *Sunshine Coast Planning Scheme 2014*

Draft amendments to the *Sunshine Coast Planning Scheme 2014* (for both Options 1 and 2 above) have been attached to this report should council decide to propose draft planning scheme amendments report (refer to **Attachments 3** and **4** respectively for each option).

It is important to note that Option 1 assumes some modifications to the actual Sekisui House development concept to seek to address (in part) some of the concerns relating to orientation, scale and bulk of the buildings (amongst other matters).

These amendments include the following key changes to planning scheme provisions as they are relevant to each option:-

- Introduction of specific local planning provisions on the subject site;
- Rezoning of the majority of the subject site to Tourism accommodation zone, to facilitate site development with the inclusion of the vegetation buffers in an Open space zone;
- Revision of the maximum height for buildings and structures on the subject site to facilitate site development.

In relation to Option 1 only, the following change would need to be made to the Strategic Framework:-

- Amendment of the Strategic Framework to include the new COL LPP-2 (Yaroomba Beachside Area) local plan precinct as an area where higher buildings are deemed to be an appropriate form of development (alongside regional activity centres and nominated areas within the Sunshine Coast Enterprise Corridor).

All land uses that are consistent with the intent of the relevant development option on the subject site would be subject to code assessment based on the draft amendment.

In relation to the existing Sales Centre site to the north-west to be dedicated to Council as a community centre under the current infrastructure agreement:-

- Removal of this site from the COL LPP-1 (Palmer Coolum Resort and The Coolum Residences) local plan precinct;
- Rezoning of this site from Emerging community zone to Community facilities zone with a designation of '4. Community Use'.

In relation to the Beachside residential estate area to the south of the subject site (where it has been subdivided for low density residential development):-

- Removal of the Beachside residential estate area from the COL LPP-1 (Palmer Coolum Resort and The Coolum Residences) local plan precinct, on this basis of the limited practical applicability of these specific provisions;
- Rezoning of the Beachside residential estate to the south of the subject site as follows:-
 - For residential lots identified as Emerging community zone – from Emerging community zone to Low density residential zone;
 - For community title access parcels – from Emerging community zone to Unzoned land;
 - For vegetation buffers to the David Low Way and Tanah Street East – from Emerging community zone to Open space zone.

Consequential amendments are also proposed to facilitate the amendments above.

These amendments are accompanied by a general statement of the nature and details of these amendments. A map of land that would be subject to the proposed amendments also is attached (refer to **Attachment 5**).

Legal

Potential legal implications are discussed under the Risk section of the report.

Policy

The following State planning designations have relevance to the subject site:-

- South East Queensland Regional Plan 2009 – Urban Footprint;
- Single State Planning Policy (Coastal Management) - Dune esplanade is within the Coastal Management District and Erosion Prone Area;
- South East Queensland Koala Conservation State Planning Regulatory Provisions (SPRP) – Koala Assessable Development Area; and
- Vegetation Management Act 1999 – extent of Category B regulated vegetation on site, Vegetation Management Status ‘Not of Concern’ for following regional ecosystems identified on site 12.2.5, 12.2.12, 12.2.14 (Version 8 Remnant Vegetation Mapping).

The establishment of a five-star international hotel on the Sunshine Coast would be consistent with the *Sunshine Coast: The Natural Advantage Regional Economic Development Strategy 2013-2033* which recognises tourism as a high value industry which is supported by Council.

No features of historic cultural heritage significance are understood to exist on the site. A cultural heritage management plan exists over the subject site to provide a framework for the management of Indigenous cultural heritage. Any further development of the site would call for reconsideration of potential impacts on Indigenous cultural heritage, including on potential cultural heritage values of adjacent sites including the Yaroomba Parabolic Dune and dune esplanade.

Risk

Should Council not proceed with the amendment of the planning scheme, there is a risk of potentially losing the benefits of the Sekisui House development concept (or a less intensive form of the proposal) since this cannot be accommodated on the subject site under the *Sunshine Coast Planning Scheme 2014*. Conversely, proceeding with the planning scheme amendment could raise significant concerns within the community. As the sponsor for any amendment and as the local planning authority, Council would be responsible for the planning parameters incorporated in any planning scheme amendment and will be required to conduct and respond to community consultation.

The recent acquisition of Lot 12 (SP 238214) within the site by Sekisui House has resolved some issues of concern relating to ownership, however, the issue of access to the site presents a potential risk should there be more intensive forms of development than existing approvals. This is because existing access to the site is under private ownership and should there be issues with implementing a new roundabout access on David Low Way (Department of Transport and Main Roads have provided in-principle support), access to the development would be uncertain.

The existing resort refurbishment agreement obligations require the construction of a beach club facility on the site, for the benefit of Palmer Coolum Resort guests and residents of the community title estates associated with the resort. On this basis, should there be any planning scheme amendment, regard would have to be given to these obligations and their relevance to subsequent development.

There is a further question in respect of the role a preliminary approval has once it has been substantially acted upon and how this potentially relates to a planning scheme amendment and a new approval. In particular, the question is the extent to which a scheme amendment would prevail over a current preliminary approval should that approval be found to still be

current and not at an end. Although no directly useful precedent exists, it is generally understood that regard is required to be given to a preliminary approval but this would not prevent an amendment to the planning scheme being made by council.

Previous Council Resolution

(SM14/31)

That Council:

- (a) *Council defer consideration of Item 5.1.1 (Proposed Planning Scheme Amendments) since further information is required on a range of issues, including land tenure and associated legal matters; and further that*
- (b) *the Chief Executive Officer be requested to provide a report to Council in December 2014 on the above and any other relevant matters.*

Related Documentation

The following documents are related to the content of this report:-

- *Sunshine Coast Planning Scheme 2014;*
- *Sunshine Coast Regional Economic Development Strategy 2013 - 2033;*
- Existing Master Plan and subdivision approvals applying to the subject site (MCU05/0245, CCC09/0021 and subsequent approvals); and
- *Statutory guideline 04/14: Making and amending local planning instruments*

Attachment 6 of this report includes material prepared by Sekisui House, and **Attachments 7 - 12** contain Council assessment information.

Critical Dates

There are no critical dates relevant to this report, apart from the timeframes relating to the preparation of a planning scheme amendment should Council formally decide to propose an amendment to the *Sunshine Coast Planning Scheme 2014*. These timeframes are set out in *Statutory guideline 04/14: Making and amending local planning instruments*. As outlined in those guidelines, for a major planning scheme amendment the Minister confirms state interests within 20 business days of receiving notification of council's intent after which council considers any ministerial requirements before submitting an amendment for formal state interest review within 6 months of receiving the Minister's response. Public consultation on any draft planning scheme amendment must be for a minimum of 30 business days.

Implementation

While no planning scheme amendment is recommended, investigations undertaken as part of this report have confirmed the importance of attracting one or more premium hotels to the Sunshine Coast and the need to give further consideration to the measures necessary to attract these types of facilities.

The following steps would need to be undertaken should council formally decide to proceed with a proposed planning scheme amendment:-

- Advise the Minister for Planning of Council's decision to make an amendment to the planning scheme;
- Prepare and progress the proposed planning scheme amendment towards State interest review and public consultation.

The plan preparation process also requires the submission to the Minister of a communication strategy for the consultation phase. Prior to the final adoption of any proposed scheme amendment, Council would need to consider the requirement for an infrastructure agreement to support the amendment.