

**ITEM 8. PUBLIC EXHIBITION – 45 MURRAY STREET PYRMONT –  
PLANNING PROPOSAL AND SYDNEY DEVELOPMENT CONTROL  
PLAN 2012 AMENDMENT****FILE NO: X001126****SUMMARY**

Tourism makes a significant contribution to the Sydney and New South Wales economies. Tourism Research Australia figures indicate that in the most recent 2014/15 financial year almost 7 million domestic overnight and international visitors stayed in commercial accommodation in the Sydney tourism region with almost 5 million of these staying in the Sydney Local Government Area (LGA). Crucial to the ongoing strength of Sydney's tourist industry is a sufficient supply of well-located and appropriately priced visitor accommodation.

There are approximately 25,000 visitor accommodation rooms in the City, with approximately three quarters rated 4 or 5 stars. Strong demand is expected in the 3 and 4 star range within the western corridor of central Sydney, driven by redevelopment of the Sydney International Convention and Exhibition Precinct and Barangaroo and growth in visitors from Asia.

In July 2015, Urbis on behalf of NX Holdings Pty Ltd, submitted a planning justification report to the City requesting site specific amendments to Sydney Local Environmental Plan 2012 (the LEP) and Sydney Development Control Plan 2012 (the DCP) to enable redevelopment of 45 Murray Street, Pyrmont for a 3-star hotel containing approximately 106 rooms.

The site has an area of 398 m<sup>2</sup> and currently contains a five to six storey commercial office building with a ground floor café and car park that is in the single ownership of NX Holdings Pty Ltd. It is a strategically significant site, located in a prominent position to the west of Central Sydney in close proximity to Darling Harbour, Barangaroo and a number of tourism attractions. It has good access to public transport, including light rail, walking and cycling facilities.

Redeveloping the site from a commercial office to a hotel is an opportunity to contribute to implementing Council's Sustainable Sydney 2030 vision by delivering much needed visitor accommodation in a location that is well suited to this land use. In 2015, the City adopted its Visitor Accommodation Action Plan which set out the City's actions to encourage hotel development through the planning system. This report relates to the action to consider site specific changes to planning controls to facilitate new hotel development.

The City has prepared a planning proposal and draft DCP to amend the planning controls to allow the redevelopment of 45 Murray Street for a hotel. The existing height control is 22 metres. The planning proposal is to allow development up to 30 metres provided the development is for 'hotel or motel accommodation'. The existing 22 metre height control will remain for all other types of development. The proposal will also waive the requirement for the design excellence competition and remove the potential floor space bonus, provided the development is an alteration and addition to the existing building for hotel accommodation.

To ensure an appropriate built form outcome and minimise overshadowing and view impacts on surrounding properties, it is proposed to amend Sydney DCP 2012. The proposed DCP amendment, at Attachment B, seeks to include site specific building envelope controls and provisions in Section 6.3 of Sydney DCP 2012.

Analysis indicates the proposed maximum building envelope's overshadowing, view and heritage impacts on surrounding properties will be maintained within acceptable levels. Impacts are discussed in detail in the body of this report and in the Planning Proposal shown at Attachment A.

## RECOMMENDATION

It is resolved that:

- (A) the Central Sydney Planning Committee approve *Planning Proposal: Sydney Local Environmental Plan – 45 Murray Street, Pyrmont*, shown at Attachment A to the subject report, for submission to the Greater Sydney Commission with a request for a Gateway Determination;
- (B) the Central Sydney Planning Committee approve *Planning Proposal: Sydney Local Environmental Plan – 45 Murray Street, Pyrmont*, for public authority consultation and public exhibition in accordance with any conditions imposed under the Gateway Determination;
- (C) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 23 February 2016 that Council approve *Draft Sydney Development Control Plan 2012 – 45 Murray Street, Pyrmont Amendment*, shown at Attachment B to the subject report, for public authority consultation and public exhibition with the Planning Proposal;
- (D) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 23 February 2016 that Council seek authority from the Greater Sydney Commission to exercise the delegation of the Greater Sydney Commission of all the functions under section 59 of the *Environmental Planning and Assessment Act 1979* to make the local environmental plan to put into effect *Planning Proposal: Sydney Local Environmental Plan – 45 Murray Street, Pyrmont*;
- (E) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 23 February 2016 that authority be delegated to the Chief Executive Officer to make any minor variations to *Planning Proposal: Sydney Local Environmental Plan – 45 Murray Street, Pyrmont* and *Draft Sydney Development Control Plan 2012: 45 Murray Street, Pyrmont Amendment* following receipt of the Gateway Determination; and
- (F) the Central Sydney Planning Committee note that, following consideration of any submissions, and modifications as necessary, *Planning Proposal: Sydney Local Environmental Plan 2012 – 45 Murray Street, Pyrmont* will be reported back to the Central Sydney Planning Committee for final approval and *Draft Sydney Development Control Plan 2012: 45 Murray Street, Pyrmont Amendment* will be reported back to the Central Sydney Planning Committee to note.

**ATTACHMENTS**

**Attachment A:** Planning Proposal: Sydney Local Environmental Plan 2012 – 45 Murray Street, Pyrmont

**Attachment B:** Draft Sydney Development Control Plan 2012 – 45 Murray Street, Pyrmont

## BACKGROUND

1. The purpose of this report is to seek the Central Sydney Planning Committee's approval of *Planning Proposal: 45 Murray Street, Pyrmont* ('the Planning Proposal'), at Attachment A, for submission to the Greater Sydney Commission with a request for a Gateway Determination to allow public exhibition.
2. The Planning Proposal seeks to amend the maximum building height control in *Sydney Local Environmental Plan 2012* ('Sydney LEP 2012') applying to the site where development for the primary purpose of 'hotel or motel accommodation' is proposed.
3. This report also recommends the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 23 February 2016 that Council approve *Draft Sydney Development Control Plan 2012: 45 Murray Street, Pyrmont Amendment* ('the draft DCP Amendment'), at Attachment B, for public exhibition.
4. The draft DCP Amendment seeks to amend *Sydney Development Control Plan 2012* ('Sydney DCP 2012') to include site specific building envelope provisions.

## Site description

5. The subject site is located at 45 Murray Street, Pyrmont, and is identified as Lot 1 in DP 507091. It has a total area of approximately 398 m<sup>2</sup> and is in the single ownership of the applicant, NX Holdings Pty Ltd. The site is shown outlined blue in Figures 1 and 2. A photo of the site is at Figure 3.

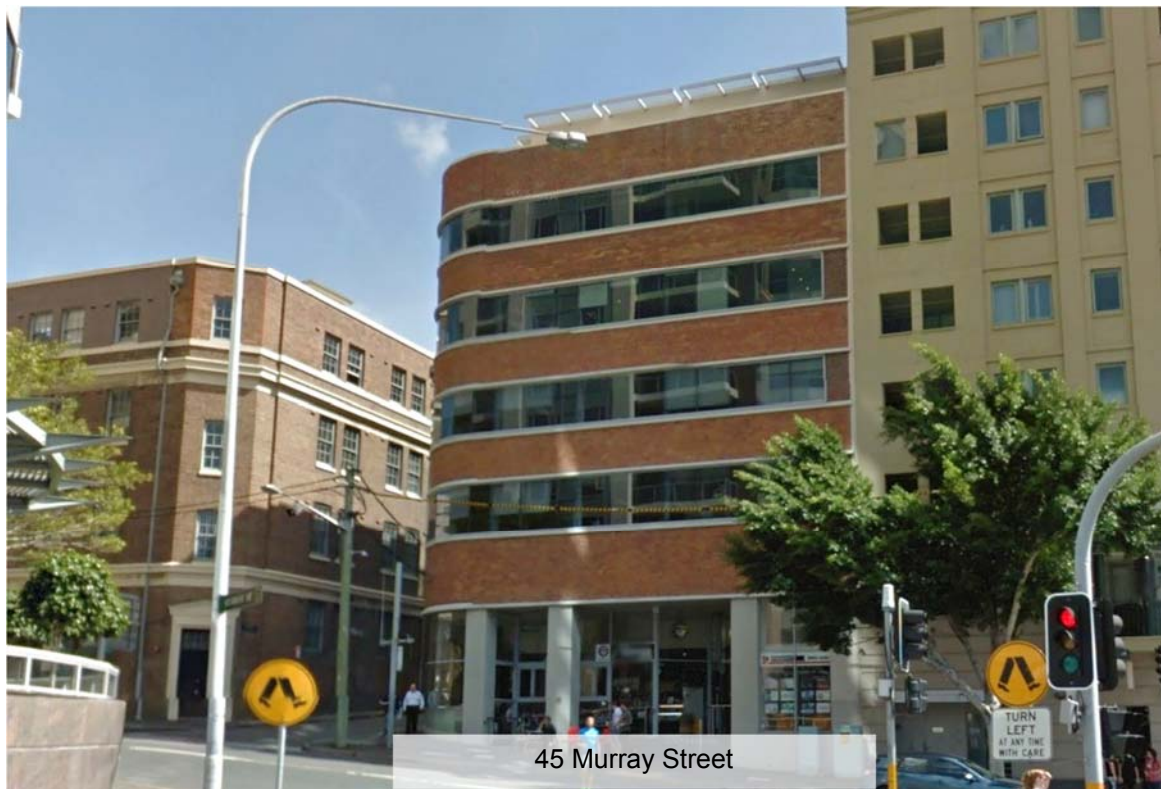
**Figure 1: Site location**



Figure 2: Aerial photo of 45 Murray Street



Figure 3: Photo of eastern elevation of 45 Murray Street



6. A five to six storey commercial office building with a seventh storey element currently occupies the site. The ground level contains a café fronting Murray Street to the east, and a car park accessed via Union Lane to the south.
7. The site presents as a five storey street wall to Murray Street and Union Lane that steps down to four storeys at the building's western end. A sixth storey is setback from the street wall. A seventh storey element, comprising a lift shaft and services area, is located towards the northern part of the building's rooftop.
8. The site is surrounded by the following development:
  - (a) North – An eight storey residential flat building with ground floor retail uses fronting on to the corner of Pyrmont Bridge Road and Murray Street. The building's street address is 43 Murray Street. It has a 30 metre height limit under Sydney LEP 2012;
  - (b) East – A 15 storey hotel building is located on the opposite side of Murray Street. It is used as a hotel by IBIS Hotel Darling Harbour and contains approximately 256 rooms. The building is relatively tall within the surrounding context. The building's street address is 50 Murray Street; and
  - (c) South – A four storey commercial office building is on the opposite side of Union Lane. The building is identified as a local heritage item in Sydney LEP 2012 and the site has a maximum building height of 30 metres. The building's street address is 47 Murray Street.

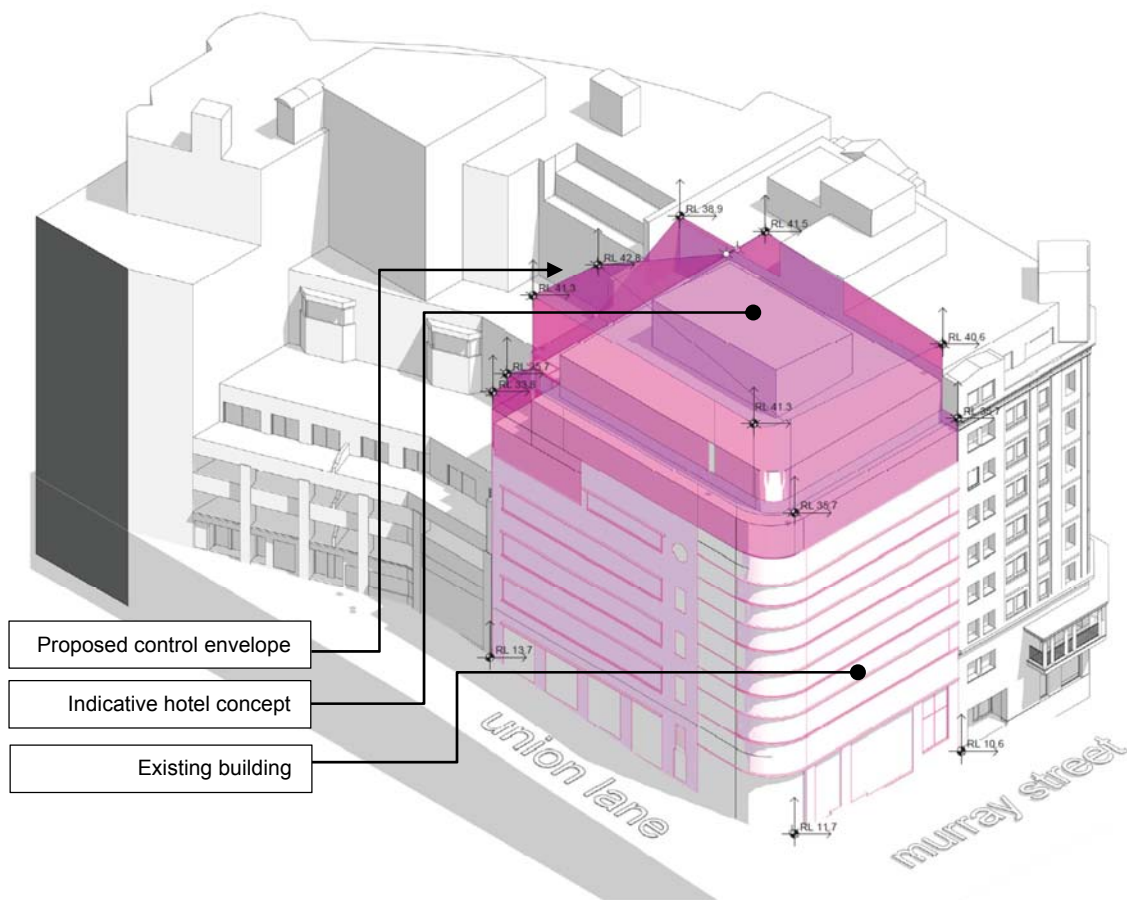
### **Current planning controls**

9. Key planning controls applying to the site are contained in Sydney LEP 2012. Under Sydney LEP 2012 the site is on land that is:
  - (a) zoned B4 Mixed Use;
  - (b) has a maximum building height of 22 metres; and
  - (c) has a maximum floor space ratio (FSR) of 5:1.
10. The permissible and existing building heights of surrounding buildings are greater than 45 Murray Street. The maximum building height control for surrounding sites is 30 metres.
11. Sydney DCP 2012 applies generally, but does not contain any site specific provisions applying to the site.

### **Request to amend planning controls**

12. In July 2015, the City received a request to prepare a planning proposal to amend the height control for 45 Murray Street to facilitate development of a 106 room 3 star hotel. The request was supported by a planning justification report prepared by Urbis and with an Urban Design Analysis prepared by Hassell Architects. These reports are at Appendix A to the Planning Proposal at Attachment A to this report. Figure 4 shows the proposed planning control envelope and a concept built form for the hotel.

**Figure 4: Proposed hotel showing existing building, proposed planning control envelope and indicative hotel concept addition within the proposed envelope**



### Proposed amendments to planning controls

13. The Planning Proposal, at Attachment A, proposes the following amendments to the LEP for 45 Murray Street, Pyrmont:
  - (a) increase the maximum building height from 22 metres up to 30 metres for 'hotel or motel accommodation' and ancillary uses. It does not seek to change the existing maximum building height of 22 metres for other types of development; and
  - (b) waive the requirement for a competitive design process and the opportunity to achieve a design excellence bonus for development that is an alternation and addition to the existing building for 'hotel or motel accommodation'.
14. The Planning Proposal does not seek to amend the maximum building height map applicable to the site. Instead, it proposes inserting a new site-specific clause into Part 6 of Sydney LEP 2012. The proposed clause will allow the additional building height only where development of the site is for hotel or motel accommodation and ancillary uses.

15. It is the proponent's intention to alter the existing building and add two storeys. The possibility of the building being converted to apartments is remote because the building is unable to comply with the NSW Apartment Design Guideline. This is due to the site's south east orientation, which limits solar access, depth of the block, and setbacks from surrounding buildings. These constraints provide an ideal opportunity for a viable 3 to 4 star hotel development.
16. The proposed amendments will facilitate redevelopment for a hotel while ensuring that the existing maximum building height of 22 metres continues to apply to other types of development. No changes are proposed to the FSR.
17. To ensure an appropriate built form outcome and minimise amenity impacts on surrounding properties, it is also proposed to amend Sydney DCP 2012. The DCP amendment, at Attachment B, seeks to include site specific building envelope controls and provisions in Section 6.3 of Sydney DCP 2012.

## KEY IMPLICATIONS

### Visitor accommodation in the City

18. Sydney is Australia's premier destination city and business centre and an international gateway. The Australian and NSW tourism industries rely heavily on Sydney's visitor economy. Tourism Research Australia figures indicate that in the most recent 2014/15 financial year almost 7 million domestic overnight and international visitors stayed in commercial accommodation in the Sydney tourism region with almost 5 million of these staying in commercial accommodation in the Sydney Local Government Area.
19. In 2015, the City adopted its Visitor Accommodation Action Plan which set out the City's actions to encourage hotel development through the planning system. This planning proposal relates to the action to consider site specific changes to planning controls to facilitate new hotel development.
20. Research for the Action Plan found that a more diverse supply of rooms with more lower rated, smaller hotels would support a stronger accommodation sector. Crucial to the ongoing strength of this economy is a sufficient supply of visitor accommodation. There are approximately 25,000 visitor accommodation rooms in the City of Sydney LGA. Of these, approximately 77% are hotel rooms and 19% are serviced apartments. Four and 5 star rooms dominate the hotel room market, with only approximately 15% of rooms rated 3.5 stars or below.
21. Future demand for hotel rooms is projected to be in the 3 and 4 star ranges, especially in the western part of the LGA, including Pyrmont. A substantial part of this demand will be driven by the staged completion of Barangaroo and the redevelopment of the Sydney International Convention and Exhibition Precinct. Demand for mid-scale hotels will also be driven by the increase in visitors from Asia.
22. Since 2012, approximately 800 new rooms have come on to the market. However, there is a current shortfall, with estimates of between 5,000 and 9,000 additional hotel rooms required to meet demand over the next decade. By facilitating hotel development through strategic land use planning, the City can address this shortage incrementally in response to appropriate market conditions and contribute to meeting demand.



23. This Planning Proposal will enable a 3 to 4 star type of hotel accommodation that is in demand, in a location that is well serviced by public transport and close to business and leisure attractors such as the International Convention Centre, Barangaroo and Darling Harbour.

### **Overshadowing**

24. The City has prepared the Draft DCP at Attachment B to set a building envelope that ensures potential overshadowing impacts can be managed. A detailed analysis of the proposed maximum building envelope's overshadowing impact on surrounding properties is included in Hassell's urban design report, shown as Appendix B to the Planning Proposal at Attachment A to this report.
25. Hassell's urban design analysis indicates six apartments at 32-34 Bunn Street will lose between 8 and 28 minutes of sunlight to habitable spaces during mid-winter as a result of the proposed maximum building envelope. The property at 32-34 Bunn Street is located to the south west of the site.
26. Two of the affected apartments currently receive less than 10 minutes of sunlight in mid-winter. This sunlight is only received in June and July and the apartments receive no sunlight at other times of the year due to the existing impacts of other buildings. Under Objective 4A-1 of the NSW Department of Planning and Environment's (2015) Apartment Design Guide, a minimum 15 minutes of sunlight is needed for it to be considered in assessing development against the solar access standards. The proposed loss of sunlight at the two apartments is therefore consistent with the Apartment Design Guide.
27. The analysis indicates a slither would need to be removed from the middle of the proposed building envelope to protect the approximately 10 minutes of sunlight received by each apartment for only two months each year. This would mean the proposed hotel could not be developed.
28. The remaining four affected apartments currently receive 2 hours and 8 minutes or 2 hours and 28 minutes of sunlight during midwinter and will lose between 8 and 28 minutes so they receive 2 hours. The percentage of sunlight proposed to be lost by each apartment ranges from 6.3% to 18.9%. This is within 20% and is consistent with Objective 3B-2 of the Apartment Design Guide. The proposed loss of sunlight at the four apartments is therefore considered acceptable.

### **Views**

29. A detailed analysis of the proposed maximum building envelope's impact on surrounding properties' views is included from page 15 of Hassell's urban design report, shown as Appendix B to the Planning Proposal at Attachment A to this report. The analysis compares the existing and proposed views at each of the 12 affected apartments.
30. The proposed maximum building envelope will affect views at 12 apartments in three neighbouring properties as follows:
  - (a) 2 apartments at 1-9 Pyrmont Bridge Road, adjoining the site to the west;
  - (b) 2 apartments at 32-34 Bunn Street, to the south west, on the opposite corner of Union Lane and Harwood Lane; and

- (c) 8 apartments at 1-5 Harwood Street, slightly further afield to the west, on the opposite side of Harwood Lane.
31. Views affected are narrow and between gaps in taller buildings. The views comprise glimpses and partial views of the mid and top points of buildings in the Central Sydney skyline. In some cases, Sydney Tower is visible. In all cases, the extent of the western Central Sydney skyline that can be seen is small and captures less than two street blocks between King Street and Hunter Street. The extent of the skyline view that would be lost ranges from a very small part of the view to most of the view, depending on the location of the apartment affected.
32. View impacts have been considered against the Land and Environment Court's Planning Principle for view sharing. The extent of view sharing and impact is acceptable at all 12 apartments because the skyline views affected are not complete views and only of a very small part of the skyline. Additionally, most views affected do not contain any iconic elements. The only iconic element is Sydney Tower, the mid and top point of which is visible from a small number of the affected apartments. In all cases where Sydney Tower is visible, the view of the more important top point of Sydney Tower is retained.
33. The two most substantial impacts on views are to two apartments in 1-5 Harwood Street south west of the site and identified as BB6.2 and BB7.2 in the Urban Design Analysis. The views are shown below in Figures 5 and 6. Figure 7 shows the direction and range of views available to these apartments. The views are north east over 45 Murray Street through a gap in higher buildings and towards Central Sydney. The view features a small portion of the Central Sydney skyline with the mid to top parts of buildings. The view contains less than two street blocks of the western skyline of Central Sydney.
34. The Planning Proposal will allow development that reduces the views to the Central Sydney skyline. The proposed impact and level of view sharing is acceptable, as the skyline views are a small part of the skyline that does not contain any iconic elements. The two apartments also have more expansive views in other directions that will not be affected as shown in Figure 7.

**Figure 5: View north east from balcony of BB6.2**

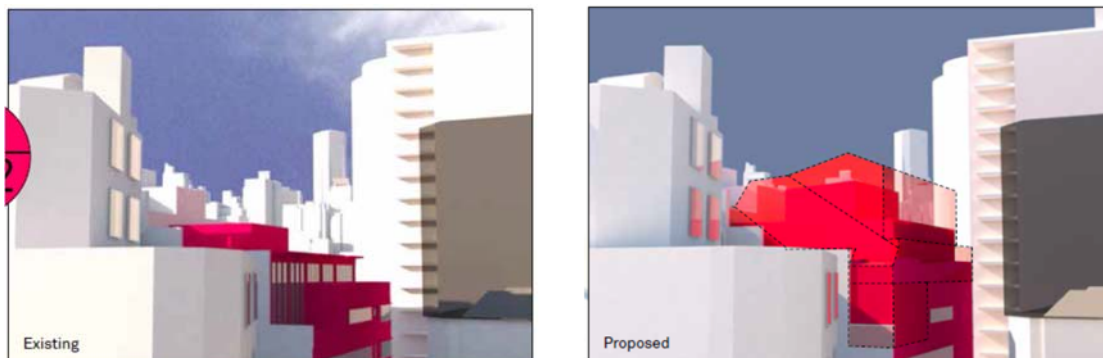


Figure 6: View north east from balcony of BB7.2

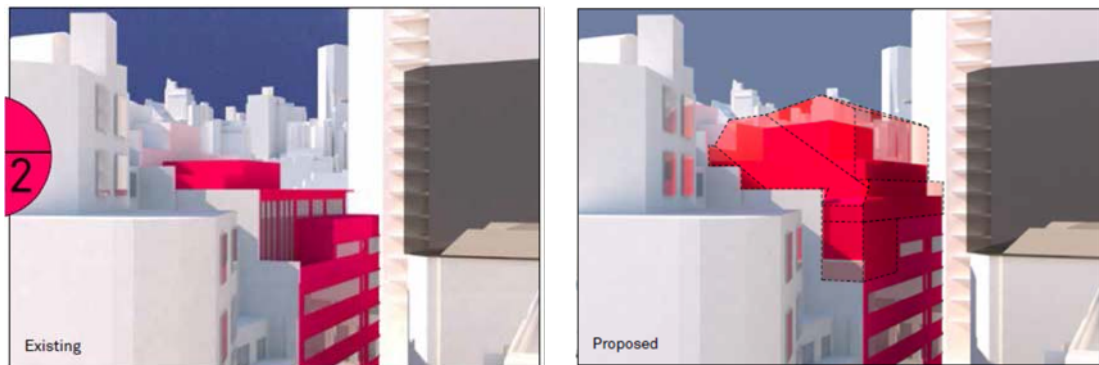
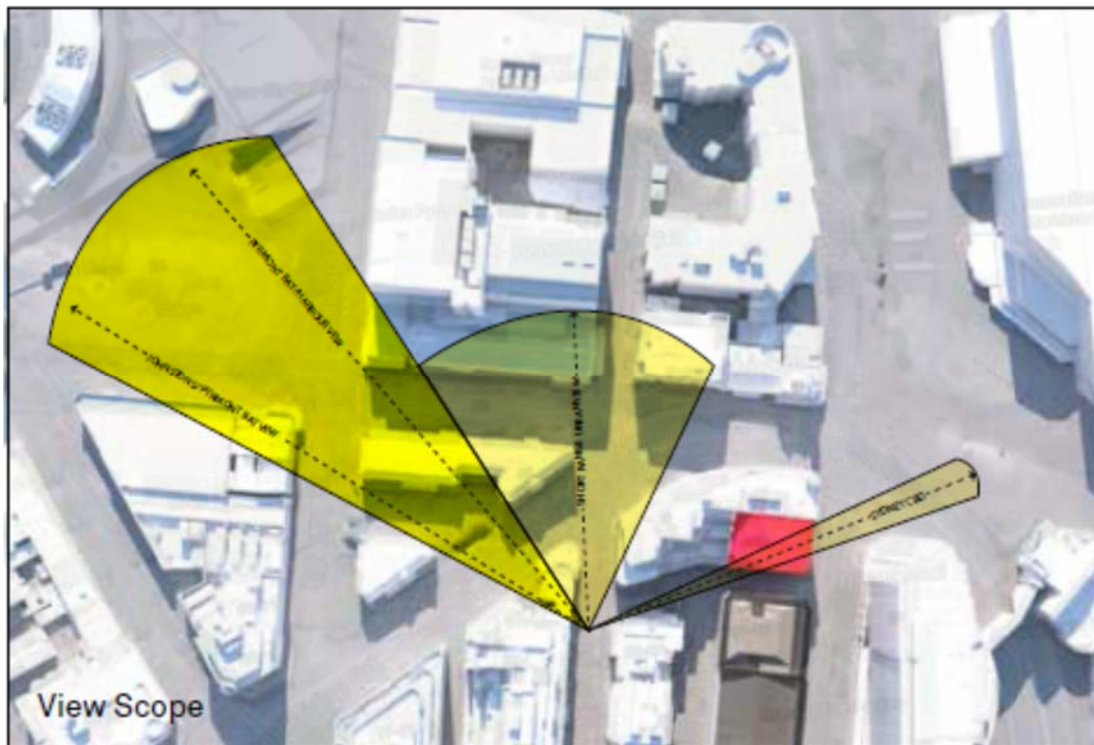


Figure 7: Scope and range of views from properties in 1-5 Harwood Street showing more expansive views available to the north west.



## Heritage

35. The site is not listed as a heritage item and is not located in a heritage conservation area, but is in the vicinity of two heritage items located to the south at 47-49 Murray Street and 51-53 Murray Street. The two heritage items are 1920s warehouses that are historically significant as a representative of that building type. The intactness of the warehouses and consistent scale contribute substantially to their significance. The Planning Proposal will enable development that is consistent with the scale of the nearby heritage items.

**Competitive design process waiver**

36. The Planning Proposal proposes to waive the requirement for a competitive design process where the development is an alteration and addition for a 'hotel or motel accommodation' development. The LEP requires buildings outside Central Sydney that are over 25 metres to undertake a competitive design process and enables up to an additional 10% floor space or height to be awarded if the development achieves design excellence. Design excellence is still required even if the competitive design process is waived.
37. The proposed amendment would enable a building up to 30 metres which would trigger a competitive design process. It is recommended the competitive design process is waived, because a detailed building envelope is proposed in the DCP, the existing building will be retained and the proposed addition will be only about two storeys. The proposed amendments to the LEP will also ensure that no impacts are generated from the design excellence height or floor space bonus.

**Strategic Alignment - Sustainable Sydney 2030 Vision**

38. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. The Planning Proposal and proposed amendment to Sydney DCP 2012 align with the following Sustainable Sydney 2030 strategic directions and objectives:
  - (a) Direction 1 – A Globally Competitive and Innovative City. The proposed amendments to planning controls for the site will facilitate redevelopment of the site for a hotel. This will support Sydney's tourist industry, which is a sector of critical importance to Sydney's economy, and contribute to making Sydney attractive to global investors.
  - (b) Direction 3 – Integrated Transport for a Connected City. The potential future use of the site as a hotel will take advantage of excellent proximity to public transport links and a broad range of services.

**Economic**

39. Through facilitating the delivery of hotel accommodation in close proximity to Central Sydney, the Planning Proposal and proposed amendment to Sydney DCP 2012 will support Sydney's visitor accommodation industry, with flow-on benefits to Sydney's economy.

**RELEVANT LEGISLATION**

40. *Environmental Planning and Assessment Act 1979* and *Environmental Planning and Assessment Regulation 2000*.

**CRITICAL DATES / TIME FRAMES**

41. If Council and the Central Sydney Planning Committee (CSPC) endorse the Planning Proposal for exhibition and consultation, staff will forward it to the Greater Sydney Commission in accordance with Section 56 of the *Environmental Planning and Assessment Act 1979*. The Greater Sydney Commission will then provide a Gateway Determination to either proceed to consultation, with or without variation, or to resubmit the Planning Proposal.

42. The typical timeframes, once a Gateway Determination has been made, are 21 days for public authority consultation and at least 14 days for public exhibition. The Gateway Determination will also specify a date by which the Local Environmental Plan amendment should be finalised.
43. Following public authority consultation and public exhibition, the outcomes will be reported back to Council and the CSPC.
44. In October 2012, the then Minister for Planning and Infrastructure delegated his plan-making functions to councils to improve the local plan-making process. In December 2012, Council resolved to accept the delegation. Existing delegations are preserved by amendments to the *Environmental Planning and Assessment Regulation 2000*, despite the creation of the Greater Sydney Commission.
45. Council needs to receive an authorisation on a case-by-case basis to exercise the delegation. The authorisation is given through the Gateway Process and means a faster plan-making process with less involvement of the Department of Planning. This report recommends the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee that Council seek authority to exercise this delegation.

#### **PUBLIC CONSULTATION**

46. The public exhibition process and requirements will be informed by the Gateway Determination. It is proposed to publicly exhibit the Planning Proposal and the DCP amendment concurrently for a minimum period of 28 days, with notification on the City of Sydney website, in newspapers that circulate widely in the area and in writing to landowners, relevant community groups and stakeholders in the vicinity of the site.
47. Exhibition documents will be made available for viewing on the City of Sydney website and at the One Stop Shop at Town Hall House.

#### **GRAHAM JAHN, AM**

Director City Planning, Development and Transport

(Jonathon Carle, Senior Specialist Planner)