

**ITEM 6. PUBLIC EXHIBITION - 2-32 JUNCTION STREET, FOREST LODGE -
PLANNING PROPOSAL AND SYDNEY DEVELOPMENT CONTROL
PLAN 2012 AMENDMENT**

FILE NO: X000094

SUMMARY

This report seeks the Central Sydney Planning Committee's approval to exhibit draft planning controls for 2-32 Junction Street, Forest Lodge. The proposal responds to a Council and Central Sydney Planning Committee resolution to consider potential changes to the controls and a request to prepare a planning proposal from the proponent. The proposed controls incentivise new public open space, provide a built form that achieves amenity requirements, improves heritage outcomes and contributes to the City's urban renewal and housing objectives.

The site is a former industrial site, currently used for offices in a converted Federation warehouse and surface car parking. Surrounding development transitions from 5 to 8 storey residential development in the former Camperdown industrial lands to the west, which has undergone substantial urban renewal, to 1 to 2 storey terrace houses of Forest Lodge to the east.

Sydney LEP 2012 rezoned the site from Industrial to B4 Mixed Use when it commenced in 2012. Before this, the site was one of the few remaining industrial zoned sites in the area. Most other sites in the area were rezoned from industrial to residential uses by the former South Sydney City Council in the 1990s. This site was not rezoned because it was located in the former Leichhardt Council area, with the border running along the south western boundary of the site.

During the exhibition of Draft Sydney Local Environmental Plan 2011 in 2011, the landowner made a submission seeking to increase the floor space ratio from 1:1 to 2.5:1 and the maximum building height from 12 metres to up to 21 metres. In response to the landowner's submission, the City found that the controls for the Junction Street frontage were generally appropriate, but there was potential for additional height to the west. However, such a change could not be made without the proper exhibition process. In March 2012, the Council and the Central Sydney Planning Committee resolved to note that consideration be given to preparing a planning proposal for the site.

The City undertook initial urban design testing in 2013 and advised the landowner it would consider a planning proposal request with a maximum floor space ratio of 1.5:1. This additional development potential is generally consistent with the planning approach in the area given the urban renewal of other former industrial sites to the west. Retaining a terrace house density on the site is not the most efficient use of land.

The landowner submitted various schemes for the site between 2014 and 2016 to increase the floor space ratio to 1.75:1 or higher. The schemes proposed retaining or demolishing the existing warehouse building and erecting a new above ground car park and two to three new residential flat buildings of three to six storeys.

The City's approach is to work with proponents to achieve shared positive planning outcomes for the community and the landowner and that contribute to the City's objectives. The City requested various changes to the landowner's schemes to achieve an acceptable planning outcome. A key change involved addressing flooding issues, which led to a built form that was higher and had greater impact than originally submitted and no reduction in floor space to ameliorate the impacts. Positive changes include increased setbacks and revised building forms in some locations to reduce overshadowing impacts on Larkin Street Reserve and neighbouring apartments at 2A Short Street.

Outstanding issues relate to visual amenity impacts on Larkin Street Reserve, amenity impacts on the neighbouring terrace house at 34 Junction Street and solar access and ventilation issues for new apartments. These issues mean a floor space ratio of 1.75:1 sought by the landowner will lead to development and impacts that do not meet objectives and controls in Sydney Local Environmental Plan 2012, Sydney Development Control Plan 2012 and the Apartment Design Guide.

The City prepared an alternative set of controls that will meet relevant planning controls and objectives. This includes addressing existing infrastructure shortfalls for open space, and providing certainty that development can be approved and will achieve desirable amenity outcomes and address heritage. The City prepared the Planning Proposal, shown at Attachment A, and the Draft DCP, shown at Attachment B. The Planning Proposal retains the existing floor space ratio of 1:1 and allows a 0.56:1 bonus if the development provides publicly accessible open space to expand and integrate Larkin Street Reserve and a link through the site. It also seeks to increase the maximum building height from 12 metres to RL17.0 to 35.5 metres, equivalent to 19 to 25 metres above the ground level. The draft DCP amendment seeks to define the maximum building envelopes, identify where land needs to be dedicated for new publicly accessible open space and a link through the site, and address other issues, including flood risk management, landscaping and heritage conservation.

The proposed amendments will allow for three new residential flat buildings ranging in height from four to six storeys, and almost 500 square metres of open space added to Larkin Street Reserve. They will also require the front portion of the existing warehouse building to be retained. The City's proposal, with the potential 10 per cent design excellence bonus, will provide the same or a similar number of units as the maximum achievable under the proponent's scheme. The City's scheme includes greater ground and upper level setbacks between new buildings and Larkin Street Reserve and the existing terrace house at 34 Junction Street to reduce the new buildings' bulk and overshadowing.

The City's scheme also incentivises the provision of new open space to expand and integrate Larkin Street Reserve. The site is in an area identified by the City's Draft Open Space and Recreation Needs Study 2016 as needing new high quality open space. Larkin Street Reserve is too small to accommodate a diversity of uses and redevelopment of the site will increase demand for public open space. The landowner offered to enter into a planning agreement to dedicate land to expand Larkin Street Reserve as part of its November 2015 scheme, but did not offer to do this as part of its July 2016 scheme. The Planning Proposal's incentive to provide open space infrastructure is consistent with the City's approach in the Green Square Urban Renewal Area and at various individual sites, such as 87 Bay Street, Glebe.

At the time of drafting, the proponent advised the City that they would seek a Rezoning Review from the Planning Assessment Commission. A proponent may seek a review to progress a planning proposal where the relevant planning authority does not support a proposal or does not respond within 90 days. The outcome of a review may be that the planning proposal is given Gateway Determination to proceed, in which case the City would be offered the opportunity to continue or not being the relevant planning authority through public exhibition and making of a plan. This report and the attached Planning Proposal and Draft DCP will form the basis of any response to the Rezoning Review.

Overall, the City's proposed amendments will contribute to the City's strategic planning and infrastructure priorities, incentivise the provision of new high quality open space and accommodate a built form that satisfies objectives and controls in Sydney LEP 2012, Sydney DCP 2012 and the Apartment Design Guide. The report recommends the Central Sydney Planning Committee approve the Planning Proposal for public exhibition and seek a Gateway Determination from the Greater Sydney Commission.

RECOMMENDATION

It is resolved that:

- (A) the Central Sydney Planning Committee approve *Planning Proposal: Sydney Local Environmental Plan – 2-32 Junction Street, Forest Lodge*, 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 – 2-32 Junction Street, Forest Lodge*, 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 10 October 2016 that Council approve *Draft Sydney Development Control Plan 2012 – 2-32 Junction Street, Forest Lodge 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 10 October 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 – 2-32 Junction Street, Forest Lodge*; and
- (E) authority be delegated to the Chief Executive Officer to make any minor variations to *Planning Proposal: Sydney Local Environmental Plan – 2-32 Junction Street, Forest Lodge* following receipt of the Gateway Determination.

ATTACHMENTS

- Attachment A:** Planning Proposal: Sydney Local Environmental Plan – 2-32 Junction Street, Forest Lodge
(Note – This attachment will be circulated separately from the Agenda Paper in limited numbers. It will be available for inspection on Council’s website and at the One Stop Shop and Neighbourhood Service Centres)
- Attachment B:** Draft Sydney Development Control Plan 2012 – 2-32 Junction Street, Forest Lodge Amendment

BACKGROUND

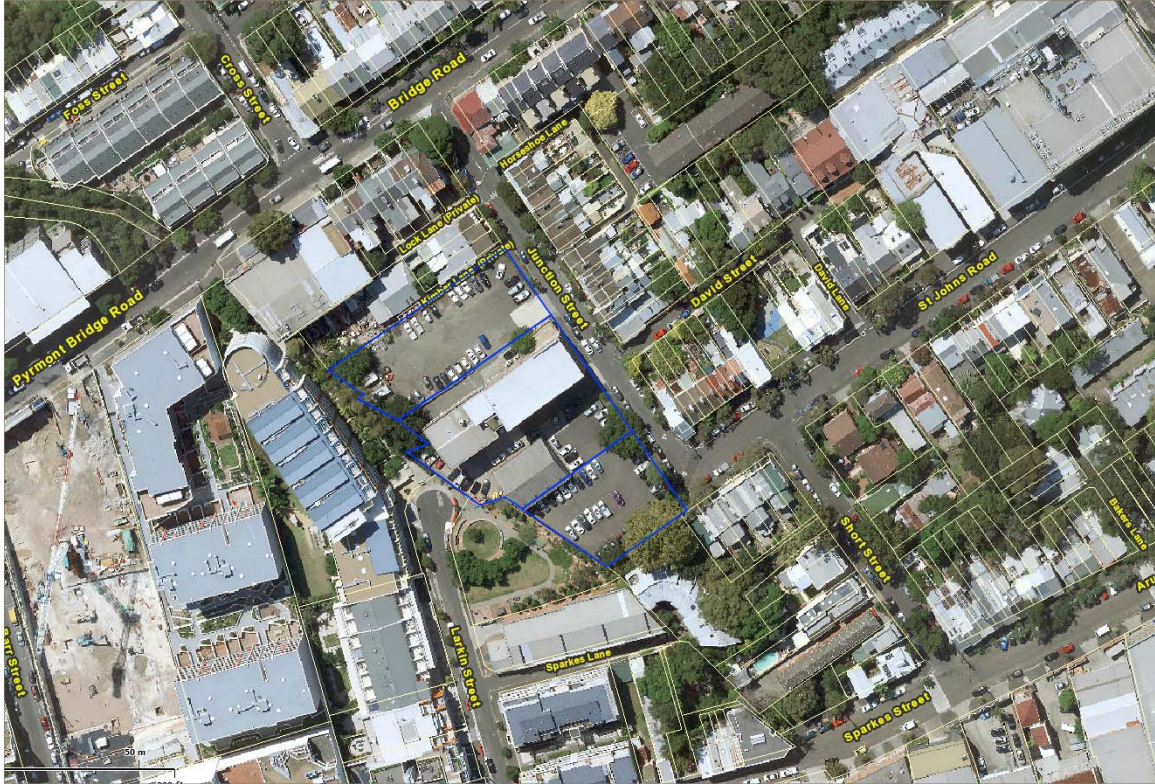
1. This report seeks the Central Sydney Planning Committee's approval of Planning Proposal: Sydney Local Environmental Plan 2012 – 2-32 Junction Street, Forest Lodge ('the Planning Proposal'), at Attachment A, for submission to the Greater Sydney Commission with a request for a Gateway Determination to allow public exhibition.
2. The Planning Proposal seeks to amend the maximum floor space ratio in *Sydney Local Environmental Plan 2012* ('Sydney LEP 2012') applying to the site where development provides public accessible open space and a link through the site. It also seeks to increase the maximum building height applying to the site, though this is not contingent on the development providing publicly accessible open space.
3. This report also recommends the Central Sydney Planning Committee note *Draft Sydney Development Control Plan 2012: 2-32 Junction Street, Forest Lodge Amendment* ('the draft DCP Amendment'), at Attachment B, for public exhibition. The draft DCP Amendment seeks to amend *Sydney Development Control Plan 2012* ('Sydney DCP 2012') to define the maximum building envelopes, identify where land needs to be dedicated for new publicly accessible open space and a link through the site, and address other issues, including flood risk management, landscaping and heritage conservation.

Site description

4. The subject site is located at 2-32 Junction Street, Forest Lodge, and has a total area of approximately 4,824 m². It is in the single ownership of Fitzpatrick Investments 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 the site**Figure 3: View from Junction Street looking south, across the site**

5. Existing development on the site comprises a three storey warehouse building used for office purposes located towards the middle of the site and a single level workshop located to the south of the warehouse building. The remainder of the site is open, covered in asphalt and concrete, and used for storage and car parking purposes.

6. The site is surrounded by the following development:
- (a) North – To the north is a battle axe shaped property with a private laneway known as Kimber Lane, a single level residential terrace house fronting Junction Street with a street address of 34 Junction Street and a single level workshop storage area to the rear of this with a street address of 1 Kimber Lane.
 - (b) East – To the east is Junction Street and approximately 12 residential terrace houses ranging in height from 1 to 2 storeys on the opposite side of Junction Street.
 - (c) South – To the south is a residential complex at 2A Short Street comprising a series of two storey terrace houses. The terrace houses are accessed via Short Street and Sparkes Lane. Further south, development is characterised by single level older style light industrial buildings.
 - (d) West – To the west is Larkin Street Reserve, Larkin Street, a seven storey residential flat building at 1-3 Larkin Street and a five to six storey residential flat building at 5-13 Larkin Street. To the south west is a single level older style light industrial building at 12-14 Larkin Street. Further west, development is characterised by high density residential flat buildings.

Existing planning controls

7. Key planning controls applying to the site are contained in Sydney LEP 2012. It is zoned B4 Mixed Use, has a maximum building height of 12 metres and a maximum floor space ratio (FSR) of 1:1. The site is in a heritage conservation area, but does not contain any listed heritage items. Sydney DCP 2012 applies generally, but does not contain any site specific provisions.
8. Sydney LEP 2012 rezoned the site from Industrial to B4 Mixed Use when it commenced in 2012. Before this, the site was one of the few remaining industrial zoned sites in the area. Most other sites in the area were rezoned from industrial to residential uses by the former South Sydney City Council in the 1990s. The site was not rezoned, because it is located in the former South Sydney City Council area.

Landowner request to amend planning controls

9. During the exhibition of Draft Sydney Local Environmental Plan 2011 in 2011, the landowner made a submission seeking to increase the floor space ratio from 1:1 to 2.5:1 and the maximum building height from 12 metres to 15 to 21 metres. In response to the landowner's submission, the City found that the controls for the Junction Street frontage were generally appropriate, but there was potential for additional height to the west. However, such a change could not be made without the proper exhibition process. In March 2012, Council and the Central Sydney Planning Committee resolved to note that consideration be given to preparing a planning proposal for the site.

10. The City undertook initial urban design testing in November 2013 and advised the landowner the maximum floor space ratio achievable, given the constraints, is 1.5:1. The landowner subsequently submitted a request for the City to prepare a planning proposal. Various schemes were submitted between 2014 and 2016, each seeking to increase the floor space ratio to 1.75:1 or higher. The schemes proposed retaining or demolishing the existing warehouse building and erecting a new above ground car park and two to three new residential flat buildings of three to six storeys. The landowner's most recent scheme, from July 2016, is shown in Figure 4. It seeks a floor space ratio of 1.75:1.
11. As part of its November 2016 scheme, the landowner offered to enter into a planning agreement and dedicate approximately 452 m² of land to expand Larkin Street Reserve. The landowner did not offer to enter into a planning agreement to dedicate land to expand Larkin Street Reserve as part of its July 2016 scheme. Instead, the landowner proposed to use the land as communal open space.
12. The City reviewed the landowner's schemes and considers they will enable development and impacts that will not comply with objectives and controls in Sydney LEP 2012, Sydney DCP 2012 and the Apartment Design Guide. Issues relate to amenity impacts on Larkin Street Reserve, existing apartments at 1-3 Larkin Street, the existing terrace at 34 Junction Street and proposed apartments. Consequently, the City does not support the landowner's request to increase the floor space ratio to 1.75:1. The Planning Proposal, shown at Attachment A, is to increase the floor space ratio to 1.56:1. This is discussed in the following subsection. The floor space ratio could be increased to a maximum of 1.72:1. This would be achieved by retaining the 1:1 on the floor space ratio map, the open space and access bonus of 0.56:1 and the 10% design excellence bonus. This is equivalent to the landowner's scheme that proposes retaining the existing warehouse building and adapting it for residential use.
13. At the time of drafting, the proponent advised the City that they would seek a Rezoning Review from the Planning Assessment Commission. A proponent may seek a review to progress a planning proposal where the relevant planning authority does not support a proposal or does not respond within 90 days. The outcome of a review may be that the planning proposal is given Gateway Determination to proceed, in which case the City would be offered the opportunity to continue or not being the relevant planning authority through public exhibition and making of a plan. This report and the attached Planning Proposal and Draft DCP will form the basis of any response to the Rezoning Review.

Figure 4: Landowner's July 2016 indicative scheme for the site



Proposed amendments to planning controls

14. Following consideration of the landowner's schemes, the City prepared the Planning Proposal, shown at Attachment A, and the Draft DCP amendment, shown at Attachment B. The Planning Proposal seeks to amend Sydney Local Environmental Plan 2012 to increase the maximum floor space ratio from 1:1 to 1.56:1 if development provides publicly accessible open space to expand and integrate Larkin Street Reserve and a link through the site. It also seeks to increase the maximum building height from 12 metres to RL29.5–35.5 metres, equivalent to 19 to 25 metres above the ground level or 4 to 6 building storeys.

15. The draft DCP amendment seeks to define the maximum building envelopes, identify where land needs to be dedicated for new publicly accessible open space and a link through the site, and address other issues, including flood risk management, landscaping and heritage conservation.
16. The City prepared an indicative scheme to demonstrate the development enabled by the Planning Proposal can be approved at the development application stage by satisfying objectives and controls in Sydney LEP 2012, Sydney DCP 2012 and the Apartment Design Guide. Perspectives of the indicative scheme are shown in Figures 5 and 6. Relevant diagrams from the draft DCP amendment are reproduced as Figures 7, 8, 9 and 10. The indicative scheme is shown in Figure 13 and has a floor space ratio of 1.58:1 and a maximum building height of 35.5 metres.
17. The changes to the planning controls will enable development that includes:
 - (a) Retention, conservation and enhancement of the existing warehouse building with the opportunity to add a fourth storey to the rear of the building subject to demonstrating design excellence.
 - (b) Erection of three new residential flat buildings, with about 80 new dwellings. The building's transition from 4 to 6 storeys on the Larkin Street side to 3 to 4 storeys on the Junction Street side.
 - (c) Erection of a new undercroft car park, with the floor level elevated to the 5% annual exceedance probability flood planning level, RL 13.1 metres, equivalent to approximately 2.6 metres above the existing ground level.
 - (d) Dedication of approximately 450 m² of land for new public open space to expand Larkin Street Reserve from 1,055 m² to about 1,500 m². Dedication of land for a new publicly accessible pedestrian and cycling link through the site, connecting Junction Street and Larkin Street.
18. Key issues from the proposed amendments relate to:
 - (a) building scale;
 - (b) overshadowing;
 - (c) flood risk management;
 - (d) visual impacts on Larkin Street Reserve;
 - (e) heritage;
 - (f) open space;
 - (g) design excellence; and
 - (h) consistency with strategic land use strategies.
19. These issues are discussed in the following subsections. The proposed amendments to Sydney LEP 2012 and Sydney DCP 2012 will enable development that satisfies objectives and controls in Sydney LEP 2012, Sydney DCP 2012 and the Apartment Design Guide and support Council's and the NSW Government's strategic land use priorities.

Figure 5: Northern perspective of indicative built form

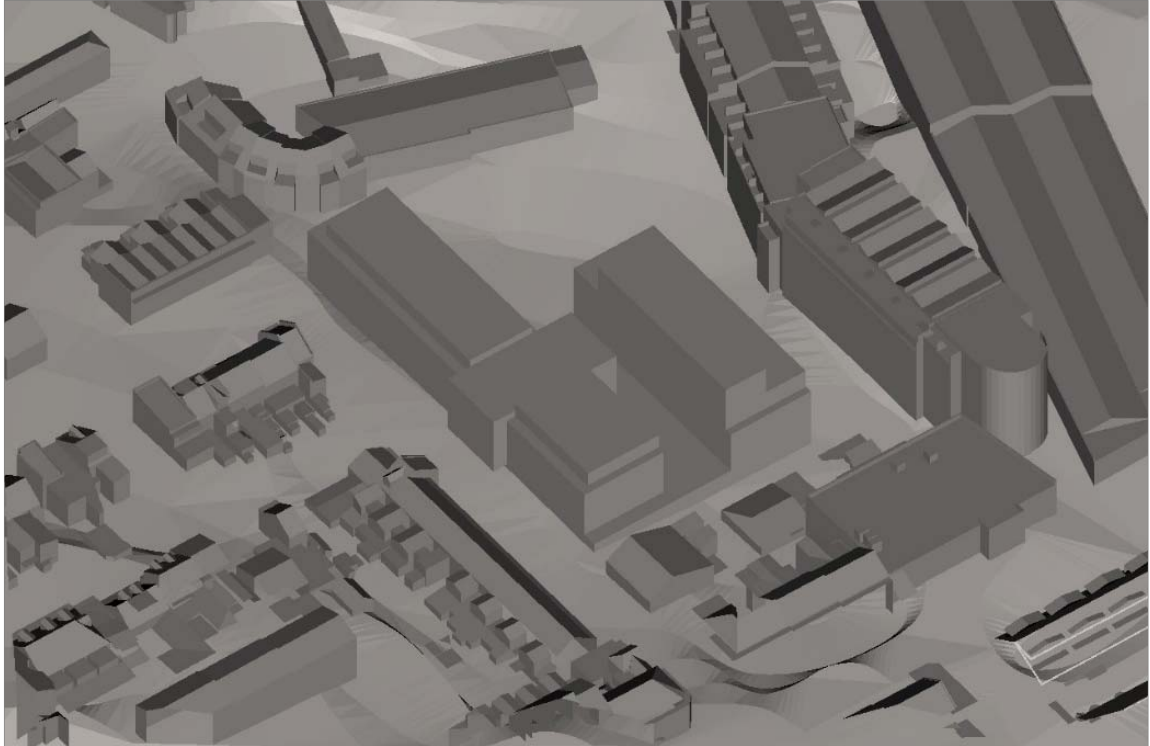


Figure 6: South eastern perspective of indicative built form

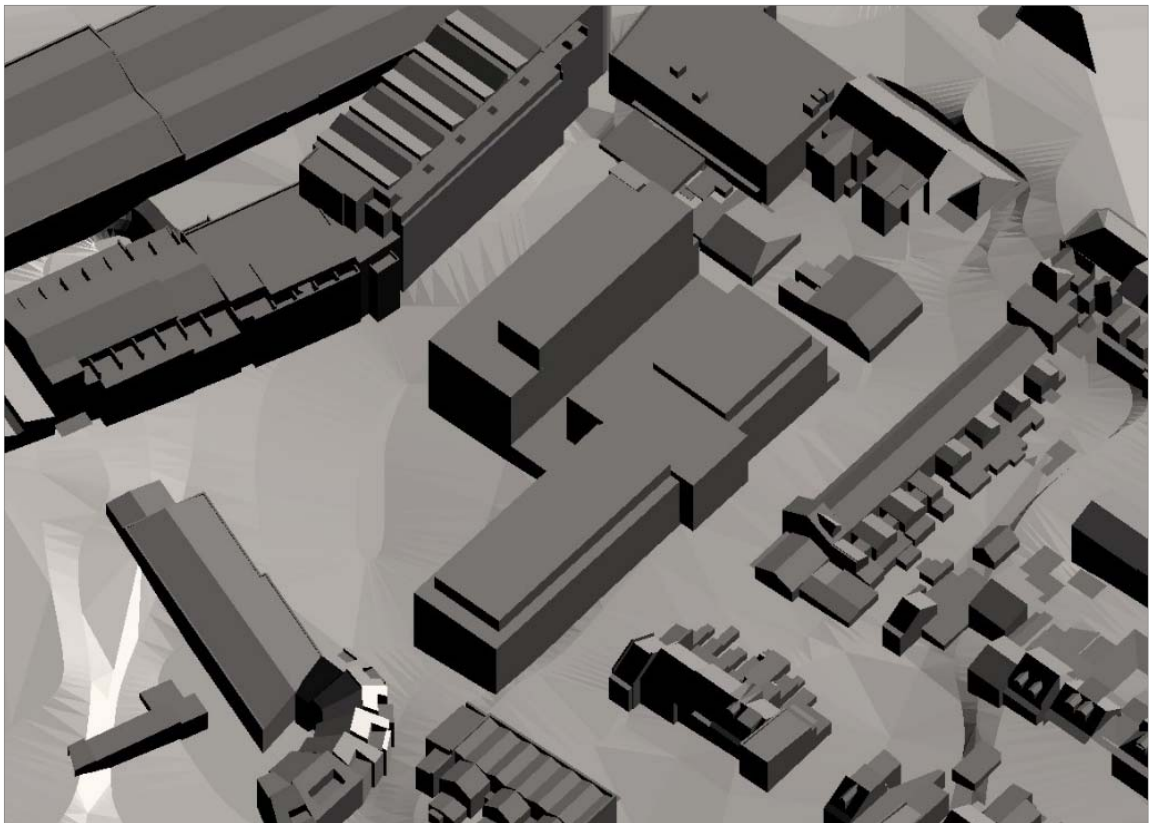


Figure 7: Maximum building envelope setbacks, from draft DCP Amendment



Figure 8: Required land dedication and screening, from draft DCP amendment

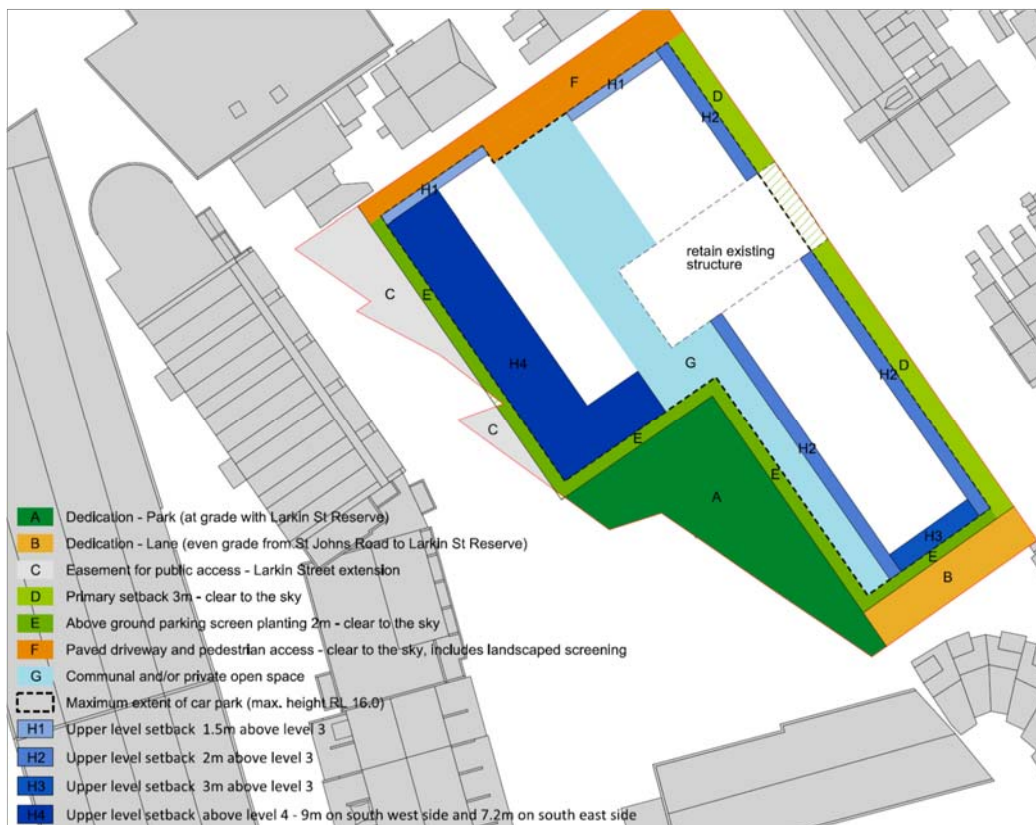


Figure 9: Northern section, from draft DCP amendment

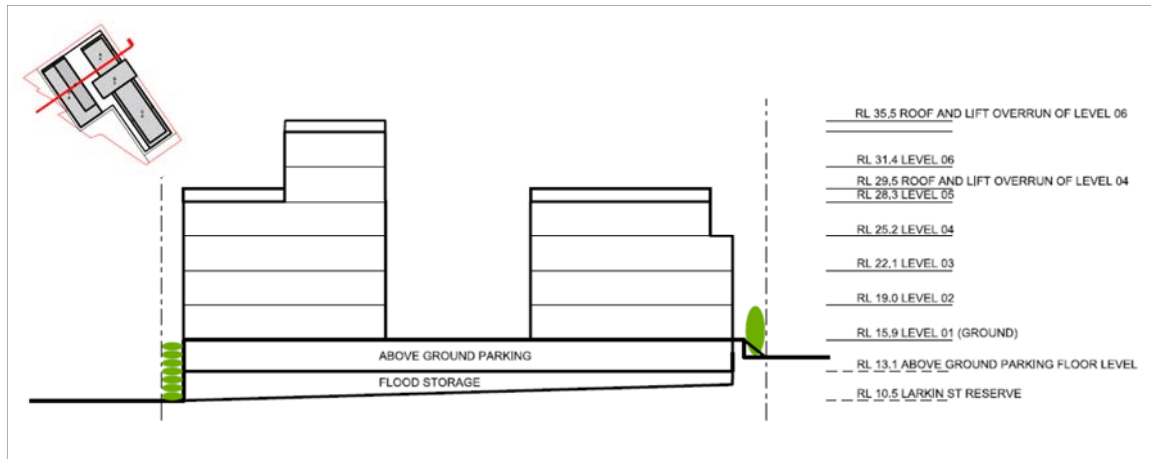
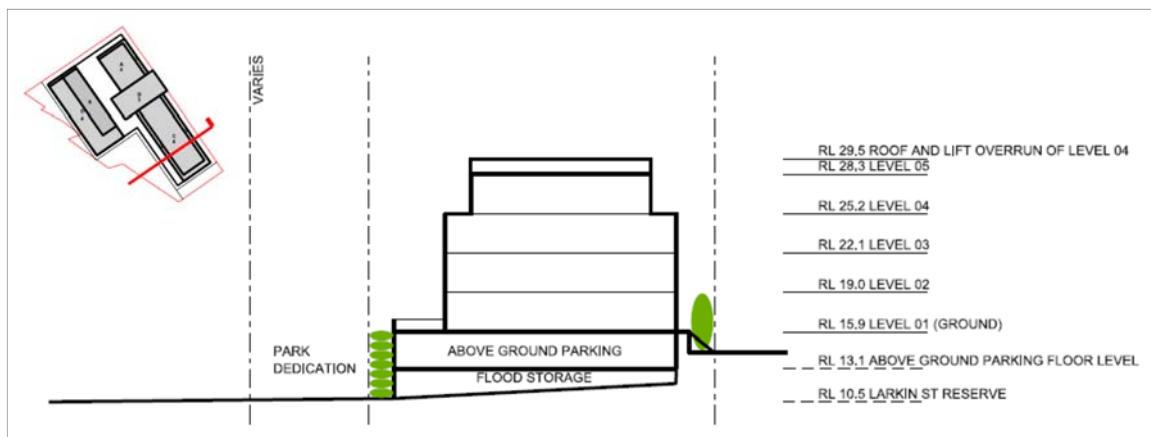


Figure 10: Southern section, from draft DCP amendment



KEY IMPLICATIONS

Building scale

20. The proposed amendments will require the existing three storey warehouse building to be retained and allow three new residential flat buildings to be erected that transition from 4 to 6 storeys opposite Larkin Street and the denser development to the south west to 3 to 4 storeys opposite Junction Street. The new buildings' upper levels are required to be setback from Larkin Street, Junction Street and the northern and southern side boundaries. The amendments will also allow a fourth storey to be added to the rear of the existing three storey warehouse building if the addition demonstrates design excellence.
21. The proposed heights and upper level setbacks will provide an appropriate response to the surrounding built form context. They respond to the broader transition in height from the 5 to 7 storey apartment buildings, along Larkin Street, to the west to the 1 to 2 storey residential terrace houses in the east, along Junction Street. The side setbacks to the north and south boundaries and the separation between existing and proposed buildings comply with setback requirements in the Apartment Design Guide.

Landowner's July 2016 scheme

22. In the landowner's July 2016 scheme, the proposed setback between Building B and the side boundary did not comply with the Apartment Design Guide. Additionally, part of the upper two levels of Building A were not setback. This results in an irregular building form, increases the bulk and scale of the new building and does not result in an acceptable transition in scale.

Overshadowing

23. Part 4A of the Apartment Design Guide has an objective that 70% of apartments receive at least 2 hours of sunlight and that no more than 15% of apartments receive no sunlight. If more than 15% of apartments receive no direct sunlight, this proportion cannot be increased. For any apartment's sunlight to be counted, the apartment must receive at least 1 m² on the vertical plane, 1 metre above the floor level for at least 15 minutes.
24. Clause 3.1.4 of Sydney DCP 2012 requires 50% of the total area of public open space to receive at least 4 hours of sunlight from 9 am until 3 pm on 21 June.
25. Urban design testing undertaken by the City and information provided by the landowner indicates that:
- (a) existing and new apartments will meet the Apartment Design Guide's requirements; and
 - (b) the existing area of Larkin Street Reserve will comply with clause 3.1.4 of Sydney DCP 2012 but the expanded open space area, comprising the existing Reserve and open space dedication area, may not.
26. The solar access diagrams indicate more than 50% of Larkin Street Reserve will receive 4 hours of sunlight on 21 June, as required by clause 3.1.4 of Sydney DCP 2012. When the park extension is included, the proportion of the combined expanded area receiving 4 hours may be less than 50%. If it is less than 50%, it is not likely to be significantly less than 50%. This is considered acceptable because:
- (a) there is strategic need for additional high quality open space in the area;
 - (b) the unique opportunity presented by the site for new open space is rare;
 - (c) more than 50% of the existing Larkin Street Reserve will continue to receive 4 hours of sunlight on 21 June; and
 - (d) the level of non-compliance, if any, is likely to be small.

Landowner's November 2015 and July 2016 scheme

27. The landowner's November 2015 scheme did not appear to comply with the Apartment Design Guide, because more than 15% of apartments at 1-3 Larkin Street do not currently receive any sunlight and the scheme appeared to increase this. In the July 2016 scheme, the landowner revised the upper levels of the proposed Building A fronting Junction Street to reduce its overshadowing impact on 1-3 Larkin Street.

Flood risk management

28. The landowner commissioned a Preliminary Flood Assessment in March 2015 and a follow up letter in August 2015. The studies indicate the site is in a major trapped low point and is subject to significant flooding. The 5% annual exceedance probability (AEP) peak flood level at the site is RL13.1 metres and the peak flood depth is 3.5 metres above the ground level. The level of Larkin Street is about RL10 metres and Junction Street is about RL14.3 metres. These are shown in Figures 9 and 10.
29. Key flood risk issues relate to ensuring risks to life and property from flooding are managed appropriately and ensuring development does not result in a loss of flood storage on the site and adversely affect flood behaviour off the site. Under the City's Interim Floodplain Management Policy, the flood planning level for residential development is the 1% annual exceedance probability (AEP) + 0.5 metres for habitable rooms and the 1% AEP for non-habitable rooms. The flood planning level for open above ground car parks is the 5% AEP.
30. The draft DCP amendment proposes requiring:
 - (a) the floor of a new undercroft car park to be elevated to the 5% annual exceedance probability level, RL13.1 metres;
 - (b) the car park floor to be suspended to allow flood waters to inundate beneath and ensure the site's flood storage is maintained or increased;
 - (c) the walls of the car park to be constructed of permeable screening so flood waters can flow through the car park;
 - (d) the vehicle access point to be located on high ground, in the north east corner of the site, off Junction Street;
 - (e) three pedestrian flood evacuation points to be provided in the car park that evacuate to higher ground; and
 - (f) permanent signs to be placed in all visible key locations of the car park advising it is subject to flooding.
31. Overall, these requirements will ensure flood risks are maintained within acceptable limits. While the roof and permeable screening will mean the car park will not be fully open, the 5% annual exceedance probability for open car parks is considered acceptable in this case, subject to the above requirements. This includes permeable screening, flood evacuation points and permanent signage.

Visual impact on Larkin Street Reserve

32. The proposed above ground car park, flood storage beneath and residential flat buildings will visually impact Larkin Street Reserve. The importance of public open space is increasing as densities increase, private open space in new homes decreases and residents increasingly use public open space for relaxation, exercise and recreation. Larkin Street Reserve is especially important, given the high density residential development nearby and the lack of other high quality public open space nearby. Given the Reserve's strategic importance, it is important development at the site does not overbear and dominate the Reserve or detract from its sense of openness and visual relief.

33. To ensure development does not overbear or dominate the Reserve, the draft DCP amendment requires:
- (a) the car park to be setback approximately 7 metres from Larkin Street Reserve at its nearest point;
 - (b) the permeable screening surrounding the car park to be architecturally designed and constructed of high quality materials and finishes;
 - (c) the car park and flood storage areas to be screened by mature landscaping at least 2 metres wide in plan;
 - (d) the new southern building above the car park to be setback approximately 11 metres from the Reserve boundary at its nearest point and its upper level setback, away from the Reserve; and
 - (e) land to be dedicated to expand Larkin Street Reserve.
34. Clause 3.2.2(6) of Sydney DCP 2012 requires that basement parking areas must not protrude more than 1 metre above the level of the adjacent street or public domain and that any visible ventilation grills must be screened by landscaping in garden beds with a minimum soil plan depth of 1 metre. Clause 3.2.2(5) requires car parking at ground level to be screened by active uses to a minimum depth of 6 metres from the façade visible to the street or public domain.
35. The draft DCP amendment does not comply with clauses 3.2.2(6) and 3.2.2(5) of Sydney DCP 2012, as it will allow a car park that protrudes more than 1 metre above the ground level and is not screened by active uses to a minimum depth of 6 metres. Nevertheless, the draft DCP amendment proposal to allow an above ground car park is acceptable, given the site's flooding constraints and the measures proposed in the draft DCP amendment to ensure visual impacts on the Reserve are maintained within acceptable limits.

Landowner's July 2016 scheme

36. The landowner's July 2016 scheme proposes locating the new car park and building overhead substantially closer to Larkin Street Reserve than would be possible under the City's proposed amendments.
37. The landowner proposes locating the car park approximately 2 metres from the Reserve at its nearest point, whereas the draft DCP amendment proposes 7 metres. The landowner's July 2016 scheme proposes locating the new building above the car park approximately 7 metres from the Reserve, whereas the draft DCP amendment proposes 11 metres. The upper level facing the Reserve is not setback in the landowner's July 2016 scheme, whereas the draft DCP amendment requires it to be setback.
38. Given the Reserve's relatively small size and strategic importance, the landowner's proposed setbacks and landscaping are not sufficient to mitigate impacts of the above ground car park and building form on the Reserve. Instead, it is considered the landowner's scheme will overbear and dominate the Reserve, provide a poor visual interface and undermine its sense of openness and broader strategic importance.

Heritage

39. The site is in the Hereford and Forest Lodge Conservation Area, but does not contain any listed heritage items. Sydney DCP 2012 identifies the site's contribution to the conservation area as being 'detracting'. Properties to the north and east are shown as being 'contributory'.
40. The site contains an existing three storey Federation warehouse building with a height of RL28.36 metres fronting Junction Street, with a contemporary addition to the rear. To the north and east of the site are predominantly one and two storey terraces.
41. The existing building dates from the early 20th century, one of the key development periods of significance of the Hereford and Forest Lodge Conservation Area. As an early warehouse, it contributes to the various periods of development and architectural styles and building types that make up the conservation area. While the building has been altered, the building retains its overall warehouse character and there is a high potential for its façade to be restored, particularly by reinstating original timber framed façade windows and conservation of the face brickwork.
42. The draft DCP amendment requires:
 - (a) the existing warehouse building to the extent of the stepped side parapet to be retained and conserved;
 - (b) the opportunity for a fourth storey to be added to the rear of the warehouse building if the addition demonstrates design excellence;
 - (c) changing the site's contribution to the conservation area from being 'detracting' to 'contributory';
 - (d) new buildings fronting Junction Street on either side of the existing warehouse building to respect the existing warehouse building and the character of the existing terrace houses along Junction Street; and
 - (e) a heritage assessment, heritage report and schedule of conservation works prepared by a suitably qualified consultant.
43. Overall, the draft DCP amendment's proposed requirements will ensure heritage impacts are mitigated and the significance of the conservation area is not eroded. In particular, it will provide an appropriate transition in height from the existing 5 to 7 storey apartment buildings along Larkin Street to the existing 1 to 2 storey terraces along Junction Street. It will also ensure the existing warehouse building remains as the dominant visual element when viewed from Junction Street and that new development fronting Junction Street will be designed to be more sympathetic and compatible with the existing heritage terraces along Junction Street than the existing surface car park.

Open space

44. The Planning Proposal is to provide increased floor space if the development provides publicly accessible open space to extend and integrate Larkin Street Reserve. The will help ensure the development contributes to public open space needs in the precinct.

45. A map in the site specific amendment to Sydney DCP 2012 shows the preferred location and extent of the extended open space. The map is reproduced as Figure 8. Larkin Street Reserve has an existing area of 1,055 m². The preferred open space extension is about 450 m². The combined open space will have an area of about 1,500 m².
46. Requiring new public open space is justified because:
- (a) the site is next to a priority dedication / acquisition investigation area identified in the City's recently exhibited Draft Open Space, Sports and Recreation Needs Study 2016. Direction 1.4 of the Study is to provide accessible local / neighbourhood parks within 400 metres walking distance of all residents;
 - (b) the development will generate demand for more than 900 m² of new public open space, whereas development contributions will only provide around 226 m² of open space, a shortfall of 674 m²; and
 - (c) using the land for open space will have limited, if any, impact on the maximum floor space ratio achievable at the site due to the Apartment Design Guide requirement to provide communal open space and minimum solar access requirements for public open space in Sydney DCP 2012.

Landowner's schemes

47. As part of its November 2016 scheme, the landowner offered to enter into a planning agreement and dedicate approximately 452 m² of land to expand Larkin Street Reserve. The land included part of a proposed central through site link and a portion of land along the irregular-shaped north west boundary. The City estimated the combined area of these two components to be approximately 100 m². Their function and shape means they are not usable as open space and the effective extended open space area would be approximately 1,350 m². This is less than the minimum 1,500 m² typically needed to accommodate a diversity of uses and provide an appropriate level of usability.
48. The landowner did not offer to enter into a planning agreement to dedicate land to extend Larkin Street Reserve as part of its July 2016 scheme. The increased public open space demand from the development would reduce the amount of public open space available to each existing resident further below the existing low rates. The landowner instead proposes to use the land as private communal open space. Sunlight received by the proposed communal open space will be less than required by the Apartment Design Guide.

Design excellence

49. Under clause 6.21 of Sydney LEP 2012, a consent authority may grant up to 10% additional height or floor space to development demonstrating design excellence.
50. In considering whether development exhibits design excellence, the consent authority must have regard to various matters. This includes architectural design, materials, form, impact on the public domain, how heritage issues are addressed, sustainable design, overshadowing and solar access, visual and acoustic privacy, pedestrian and cycle access and landscape design.

51. Development demonstrating design excellence also includes development where the design is the winner of a competitive design process. A competitive design process is required for development that will have a height of more than 25 metres above the ground level. The Planning Proposal is to increase the height to RL29.5 to 35.5 metres, equivalent to approximately 19 to 25 metres above the ground level or 4 to 6 building storeys. If it is more than 25 metres, a competitive design process will be required.
52. The site's current floor space ratio is 1:1. About 51 apartments can be built at an average of 95 m²/apartment. The landowner's most recent scheme, from July 2016, showed a floor space ratio of 1.72:1. This would enable about 87 apartments to be built. The landowner's proposed floor space ratio is 1.75:1, which the landowner has not shown can comply. With design excellence, the floor space ratio could increase up to 1.92:1 and have significant impacts on public and private amenity.
53. The Planning Proposal is to increase the floor space ratio to 1.56:1 including the bonus for the provision of open space. If the development demonstrates design excellence, the floor space could be increased up to 1.72:1. This would enable about 87 apartments to be built. This is the same as the landowner's July 2016 scheme.

Strategic alignment – A Plan for Growing Sydney

54. The proposed amendments to Sydney LEP 2012 and Sydney DCP 2012 are consistent with the NSW Government's 'A Plan for Growing Sydney'. In particular, the proposed amendments will enable residential redevelopment that accelerates urban renewal and housing supply, improves housing choice to suit different needs and lifestyles and revitalises existing suburbs. The proposed amendments will also incentivise the delivery of new infrastructure in the form of new public open space.

Strategic Alignment – Sustainable Sydney 2030 Vision

55. 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 2: A leading environmental performer – Redevelopment of the site, facilitated by the proposed amendments to Sydney LEP 2012 and Sydney DCP 2012, will deliver new building stock with better environmental performance than current buildings on the site. A site specific provision incentivises improved energy and water efficiency.
 - (b) Direction 3: Integrated transport for a connected city – The site is well serviced by buses connecting to central Sydney. The site is approximately 200 metres from Parramatta Road bus services.
 - (c) Direction 4: A city for walking and cycling – The site is located close to existing or planned walking and cycling routes and will provide improved walking and cycling connections across the site.

- (d) Direction 8: Housing for a diverse population – Sustainable Sydney 2030 sets a target for 138,000 dwellings in the City by 2030. The site has capacity to contribute to this and also the shortfall in open space provision in the local area. The proposed amendments will facilitate the provision of about 80 dwellings of different sizes to support a diverse population.
- (e) Direction 9: Sustainable development, renewal and design - The built form envisaged by the proposed controls includes a variety of heights, enhancing pedestrian amenity, visual interest and good solar access within the public domain.

RELEVANT LEGISLATION

- 56. *Environmental Planning and Assessment Act 1979 and Environmental Planning and Assessment Regulations 2000.*

CRITICAL DATES / TIME FRAMES

- 57. If Council and the Central Sydney Planning Committee 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.
- 58. The Gateway Determination typically requires 21 days for public authority consultation and at least 14 days for public exhibition. It also specifies a date by which the Local Environmental Plan amendment should be finalised.
- 59. Following public authority consultation and public exhibition, the outcomes will be reported back to Council and the Central Sydney Planning Committee.
- 60. 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.
- 61. 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.
- 62. Section 9 of the Planning Proposal, shown at Attachment A to this report, includes an estimated timeline. It estimates that the Local Environmental Plan amendment can be finalised by August 2017.

PUBLIC CONSULTATION

- 63. The Gateway Determination typically requires 21 days for public authority consultation and at least 14 days for public exhibition. It is proposed to publicly exhibit the Planning Proposal and draft DCP amendment concurrently for a minimum of 28 days.

64. The City will notify the public of the exhibition on the City's website, in newspapers that circulate widely in the area and in writing to landowners, relevant community groups and stakeholders near the site. 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)