

ITEM 5. POST EXHIBITION - PLANNING PROPOSAL – 7-15 RANDLE STREET, SURRY HILLS – SYDNEY LOCAL ENVIRONMENTAL PLAN 2012 AND SYDNEY DEVELOPMENT CONTROL PLAN 2012 AMENDMENT

FILE NO: X005366

SUMMARY

This report details the outcomes of the recent public exhibition of the planning proposal to amend the development standards for 7-15 Randle Street, Surry Hills, by increasing the height and floor space ratio for the use of hotel or motel accommodation only. This seeks to incentivise redevelopment of 7-15 Randle Street for hotel or motel accommodation in a manner that ensures the retention and conservation of the heritage item at 11-13 Randle Street, the former RC Henderson Ltd factory.

The proposed development standards are based on retaining the existing listed 7-storey former Henderson factory at 11-13 Randle Street with a 2-storey rooftop addition, and redevelopment of adjoining buildings with floor levels to match the heritage item. While the design and hotel star rating will be resolved at later stages, it is estimated this redevelopment will deliver a 3-4 star hotel with approximately 126 rooms.

The planning proposal, shown at **Attachment B**, seeks to amend the site's floor space ratio (FSR) from 5:1 to 5.9:1. This results in a maximum FSR of 6.5:1 with design excellence award. It further seeks to amend the maximum height control for the site from 27 metres to RL 59.47 metres, equivalent to a maximum building height of 34.45 metres. These increased development standards will only apply to hotel or motel accommodation uses, with commercial uses at the lowest two levels.

The amendment to Sydney Development Control Plan 2012 (SDCP2012), shown at **Attachment C**, establishes site-specific provisions for the building envelope and setbacks, design excellence, sustainability, heritage, urban design, the public domain and transport to guide appropriate outcomes when the detailed design is resolved at subsequent stages.

A minor amendment to the listing of 11-13 Randle Street in the heritage schedule of SLEP2012 is also proposed. This will remove land parcels from the item description that do not form part of the listing.

The proposal was exhibited for public comments from 30 May 2017 to 27 June 2017. Six submissions were received in response, as shown in the summary of submissions at **Attachment A**. Two agency submissions from the Heritage Council and Roads and Maritime Services supported or raised no objections to the proposal. Transport for NSW raised some issues, as outlined in this report. Three submissions were received from neighbouring properties.

The main changes resulting from submissions include a new requirement for concurrence from Transport for NSW, and changes to the development control plan to provide for site servicing, lane activation and a transport management plan. These changes address transport, servicing and pedestrian safety issues. Further issues raised in submissions are outlined and responded to in this report and the submissions table at **Attachment A**. These have been addressed in the site specific provisions or can be resolved at the subsequent design excellence and development application stages.

This report seeks Council approval to make the proposed amendments to *Sydney Local Environmental Plan 2012* and *Sydney Development Control Plan 2012*.

RECOMMENDATION

It is resolved that:

- (A) Council note matters raised in response to the public exhibition of the Planning Proposal and draft Sydney Development Control Plan for 7-15 Randle Street, Surry Hills, as shown at **Attachment A** to the subject report;
- (B) Council approve the Planning Proposal: 7-15 Randle Street, Surry Hills, as shown at **Attachment B** to the subject report, to be made as a local environmental plan under section 3.36 of the *Environmental Planning and Assessment Act 1979*;
- (C) Council approve the draft Sydney Development Control Plan 2012: 7-15 Randle Street, Surry Hills, as shown at **Attachment C** to the subject report, specifying the date of publication of the subject local environmental plan as the date the approved development control plan comes into effect, in accordance with Clause 21 of the Environmental Planning and Assessment Regulation 2000; and
- (D) authority be delegated to the Chief Executive Officer to make any minor variations to Planning Proposal: 7-15 Randle Street, Surry Hills and Sydney Development Control Plan 2012: 7-15 Randle Street, Surry Hills, to correct drafting errors prior to finalisation of the local plans.

ATTACHMENTS

Attachment A: Summary of submissions

Attachment B: Planning Proposal: 7-15 Randle Street, Surry Hills, with supporting reports and information, as revised following exhibition

Attachment C: Draft Sydney Development Control Plan 2012: 7-15 Randle Street, Surry Hills

BACKGROUND

1. This report details the outcomes of the public exhibition and seeks Council approval to make the proposed amendments to *Sydney Local Environmental Plan 2012* (SLEP 2012) at **Attachment B** and *Sydney Development Control Plan 2012* (SDCP 2012) at **Attachment C**.
2. The planning proposal seeks to amend the maximum building height and floor space ratio controls in SLEP 2012 for the purpose of 'hotel or motel accommodation' on the site. It also seeks to correct the land parcel description of the heritage item at 11-13 Randle Street in schedule 5 of the plan.
3. The SDCP 2012 amendment includes specific provisions for the building envelope and setbacks, design excellence, sustainability, heritage, urban design, the public domain and transport.

Site details

4. The subject site at 7-15 Randle Street contains four adjoining land parcels located on a small wedge-shaped block in Surry Hills, east of Central Station. The site has dual frontages to Randle Street and Randle Lane. The site is shown bound in red in **Figure 1**.
5. The site occupies half the small block, including the corner formed by the junction of Randle Street and Randle Lane. Located in close proximity to Central Station and flanked by major roads, the site is visible from Central Station platforms and surrounding streets, including Chalmers, Elizabeth and Cooper Streets.
6. The combined site area of 7-15 Randle Street is 817.31 square metres. The largest of the three sites is 11-13 Randle Street at 423.65 square metres. The corner lot at 15 Randle Street is 102.80 square metres. The northern lots at 7-9 Randle Street measure 290.86 square metres.



Figure 1 – Location of 7-15 Randle Street, Surry Hills

7. The land slopes from east to west across the site, resulting in Randle Lane being nearly a storey below Randle Street. This results in the buildings on this block having street frontages at the lowest two levels and a taller building height on Randle Lane. Only part of the basement level fronting the lane projects above ground level on Randle Street. Both streetscapes are shown in **Figures 2, 3 and 4**.
8. Currently, the site is occupied by three brick former industrial buildings, with full site coverage. The heritage item is at the centre of the site at 11-13 Randle Street. This building is 7 storeys in height, including basement at the lane level. Tall parapet walls increase the street frontage height of the building. The two buildings flanking the heritage item are lower. At the corner of Randle Lane, 15 Randle Street contains a 6-storey building, including a 2-storey rooftop addition. At the north end of the site, 7 Randle Street contains a 4-storey building, including basement at the lane level.
9. As a result of two street frontages at different levels, the indicative plans use Randle Street as the reference point with a basement level, ground level and seven additional storeys.



Figure 2 – Randle Street streetscape viewed from Elizabeth Street end



Figure 3 – Randle Street streetscape and Randle Lane corner from Chalmers Street end



Figure 4 – Part of Randle Lane streetscape at rear of 11-13 Randle Street

Planning history

10. In early 2016, the central building at 11-13 Randle Street was listed as a heritage item, including building interiors, known as the former RC Henderson factory or Henderson's Hats, as part of the industrial and warehouse group listing in 2015.
11. In April 2016, Robinson Urban Planning, on behalf of the land owner, Hanave Pty Ltd, submitted their request for site-specific amendments to SLEP 2012 and Sydney Development Control Plan 2012 (SDCP 2012) to increase the height and floor space for the use of hotel or motel accommodation only.
12. Following the approval of the draft planning proposal at the meetings of the Central Sydney Planning Committee and Council in February 2017, the Department of Planning and Environment, as delegate for the Greater Sydney Commission, issued the Gateway Determination for the planning proposal on 5 April 2017. This required consultation with three State Government agencies. The Gateway Determination set the completion date for the planning proposal as 12 April 2018. The Department also granted delegation to Council to make the local plan.

Proposed amendments

13. The planning proposal, shown at **Attachment B**, seeks to amend the floor space ratio (FSR) for the site from 5:1 to 5.9:1. It further seeks to amend the maximum height control for the site from 27 metres to RL 59.47 metres, an approximate increase of 7.5 metres. These amendments to the development standards will only apply to buildings for the purposes of hotel or motel accommodation uses, with ancillary commercial uses at the lowest two levels.

14. The building height and floor space ratio maps will not change. Instead, a new site-specific clause under Part 6 of the SLEP 2012 is proposed. The planning proposal is drafted to allow additional building height and floor space only where development of the site provides for hotel or motel accommodation. The proposed amendment will facilitate redevelopment for a hotel, while ensuring that the FSR of 5:1 and height control of 27 metres will continue to apply for any other use.
15. The planning proposal also seeks to amend the SLEP 2012 to insert a provision for concurrence from Transport for NSW, as recommended by the State agency in its submission on the proposal.
16. To deliver an appropriate development within its context, it is also proposed to amend the SDCP2012 to include site-specific provisions. The amendment, shown at **Attachment C**, seeks to include a building envelope and other site-specific controls in the DCP for design excellence, sustainability, heritage, urban design, the public domain and transport.
17. The building envelope within the proposed site-specific DCP will set heights lower at the street frontage to match the existing heritage item and step-down either side of the existing parapet wall heights. One metre is allowed for roof services, potentially contained under a curved roof, above the maximum building height of RL 58.47 metres. The building envelope is illustrated in Figure 5.
18. The additional two levels will be set back 3 metres from Randle Street and 2 metres from Randle Lane, behind the line of the existing heritage item parapet wall. No setback is proposed from the side boundary with the adjoining building to the north.
19. The street frontage heights for the heritage item at 11-13 Randle Street will match the parapet wall heights of RL 55.46 metres on the lane and RL 55.48 metres on the street. The height steps down either side of the heritage item at the street frontage to RL 53.58 metres.

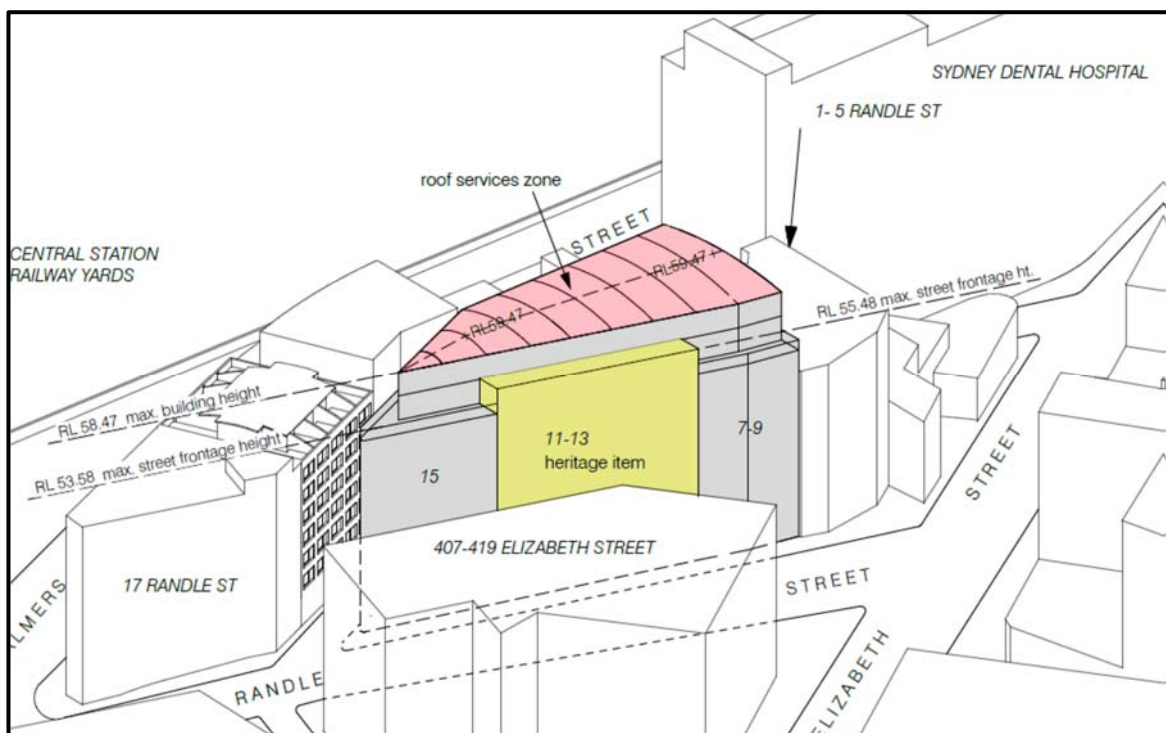


Figure 5 – Proposed building envelope, extract from site-specific DCP

20. A minor amendment to the listing of 11-13 Randle Street in the heritage schedule of the LEP also forms part of the planning proposal. This will remove land parcels from the heritage item description that do not form part of the listing, as mapped for the subject site.

KEY IMPLICATIONS

Outcomes of public exhibition and public authority consultation

21. The proposal was exhibited from 30 May 2017 to 27 June 2017. Public authority consultation was carried out in accordance with the Gateway Determination, which nominated the Office of Environment and Heritage, Transport for NSW and Roads and Maritime Services. Six submissions were received, including three from the consulted State Government agencies and three from neighbouring properties.
22. The Office of Environment and Heritage, as delegate for the Heritage Council of NSW, and Roads and Maritime Services supported or raised no objection to the proposal. Transport for NSW raised issues outlined and addressed below.
23. Three submissions were received from properties on corner sites, including the “Icon” apartment building at 8 Cooper Street, the office building with rooftop residence at 372-394 Elizabeth Street, and the office building at 407-419 Elizabeth Street. The location of these buildings is highlighted in the map at Figure 6 below. The submissions raise concerns relating to view loss and outlook from these properties, overshadowing, building height, heritage, traffic, privacy and noise impacts.



Figure 6 – Sites with submissions, with the star indicating the planning proposal site

24. Key issues raised in public consultation are discussed below. All matters raised in submissions are addressed in the table at **Attachment A**.

Transport, public domain and lane activation

25. Transport for NSW identified a number of changes within adjoining sites, or in close proximity, including the Central Walk eastern entrance, and modifications to Randle Street due to light rail on Chalmers Street. Transport for NSW advised of likely construction impacts from the eastern entrance and encouraged early engagement with the proponent.
26. Transport for NSW raised a number of traffic management issues, associated with surrounding road changes for the light rail construction and the new Central Station east entry across the lane at 28 Chalmers Street. Transport for NSW recommended that the vehicle drop-off-pick-up zone on Randle Street be removed, due to the conversion of previous street parking to a bus lane along this side of Randle Street. This diverts all hotel vehicular movements to Randle Lane, where greater activation is also proposed. Transport for NSW also recommended that servicing on the lane does not involve reversing vehicles. Together, these recommendations provide challenges for servicing the hotel development, as exhibited in the indicative drawings through a loading dock on Randle Lane, without impacting the heritage item.
27. Transport for NSW further advised it is safeguarding a future subterranean connection from the new Central Station east entry at 28 Chalmers Street to Randle Lane and/or Elizabeth Street. This may extend through the site below the level of the hotel's lowest floor, however, the location and specific plans for the future link are yet to be determined.
28. City staff met with Transport staff to discuss and seek to resolve these matters, noting changes will bring opportunities for the hotel development on the site. These matters were also discussed with the proponent and their planning and transport consultants. As a result, the site-specific development control plan (DCP) is amended to remove reference to a drop-off on Randle Street, to provide for site servicing and activation on the lane and to require a transport management plan at the development application stage. The changes to the DCP are marked up with deletions in strikethrough and additions in bold, in **Attachment C**.
29. The site specific DCP has been amended to include the comments back from Transport from NSW. The specific public domain upgrade for a path widening has been removed, though remains an option in the DCP. Consultation with Transport for NSW suggests this option may not address all servicing and transport issues.
30. The indicative drawings have also been amended to demonstrate that a turntable can be accommodated in the loading dock. This is to enable forward movement for entering and exiting service vehicles to satisfy the recommendation of Transport for NSW. Together with a widened path, this option has capacity to address the servicing and transport issues.
31. A shared zone is noted as an option for public domain upgrades in the DCP and can be considered in future development stages. It may be determined at later stages that a shared zone conversion is preferred to address all transport issues and support the proposed uses, once the details of the hotel design and adjoining transport plans are more certain. This conversion would require separate approval from Roads and Maritime Services. A shared zone conversion for Randle Lane is illustrated in the exhibited artist's impression at **Figure 7**.

32. The traffic report indicates that the lane can accommodate the necessary hotel vehicles. Vehicular movements for the hotel are calculated at fewer than 20 vehicles at peak morning and afternoon periods. Together with other traffic, this will result in traffic flows on Randle Lane of 25 to 35 vehicles per hour, which is less than the maximum flow for a shared access lane recommended by Roads and Maritime Services of 100 vehicles per hour.
33. The site is well located for staff and guests to access public transport, with the eastern entrance to Central Station, light rail on Chalmers Street, and buses on Randle Street.
34. Further, at the request of Transport for NSW, the City amended the planning proposal at **Attachment B** to establish a concurrence role for Transport for NSW. The recommended concurrence provisions as marked up in the planning proposal were prepared by the proponent's consultant and reviewed by the City.



Figure 7 - Artist's impression of the proposed activated lane, converted to a shared zone, from the indicative architectural drawings

Views and outlook

35. A submission from a local resident raised concern about view loss from the west-facing apartments at 8 Cooper Street, that is, the proposal will block all surrounding views to UTS Tower, 1 Central Park, Newtown and across Central Station. The resident also expressed concern that the proposal will affect the outlook from their unit, as well as all west facing units in the "Icon" apartment complex which currently have some outlook over the roofs of the three buildings in Randle Street. Another submission raised concern about loss of iconic views to the Central Station clock tower from a level 7 caretaker's residence at 372 Elizabeth Street.

36. The City's review of view and outlook impacts found that the planning proposal will alter the views and outlook of buildings on the opposite side of Elizabeth Street, including the west-facing "Icon" apartments at 8 Cooper Street and the caretaker's rooftop residence. These buildings currently have expansive views at the upper level/s across the rooftops of the subject site and to the surrounding skyline, due in part because two of the three existing buildings at 7-15 Randle Street are lower than the current maximum permissible height. The planning proposal will not affect other expansive views that will remain available from these buildings to the north and south-west.
37. While the outlook from these buildings will be changed as a result of the additional height and redevelopment, the urban design and heritage provisions in the site-specific development control plan and design excellence process will ensure that the new building makes a positive contribution to the surrounds.
38. The level of view loss and outlook change is considered acceptable on balance with the benefits of the overall planning proposal, including sensitive re-use and maintenance of the heritage item and delivery of hotel rooms.

Building heights, heritage and urban design

39. Two community submissions raised concerns regarding the heritage impact of the proposal on the two heritage items, that is, it will have a negative impact on the Henderson building's visual and structural integrity; and it is a poor heritage response to the Dental Hospital, diminishing its free-standing identity.
40. The Heritage Council has raised no objections.
41. While concerns about the Henderson building being dominated by the additions are acknowledged, the additional height of this proposal minimises negative internal impacts that may otherwise be proposed to achieve additional floor space. The setback of the top two levels will also maintain the visual prominence of the Henderson building which will remain the tallest element on the street frontage. The new building use will encourage the ongoing conservation and maintenance of this heritage item.
42. Maintaining the lower building height of 7 storeys for the corner property at 15 Randle Street was investigated prior to exhibition. This assessment concluded that a reduced envelope on the corner site did not realise the intent to improve the heritage item's legibility. Therefore, an alternative solution is proposed through the DCP provision for deep vertical recesses flanking the heritage item.
43. Regarding the Dental Hospital at 2-8 Chalmers Street, the additional height will still be at a lower level than this existing heritage item, thereby maintaining the prominence of this heritage item within the vicinity of the development.
44. The proposed site-specific provisions give greater direction on the intended design outcomes from the planning proposal, such as the retention of the prominence of the Dental Hospital, articulating the northern blank side wall and vertical recesses flanking the Dental Hospital, which can be resolved at subsequent stages through the design excellence and development application process.

45. For these reasons, and with the additional requirements to achieve a sensitive building design contained in the development control plan, this proposal will have an acceptable overall impact on the heritage items and presentation to the surrounding public and private domain. Figure 8 demonstrates the street view from Randle Street.



Figure 8 – Street view of proposed building envelope from intersection of Elizabeth and Randle Streets

Overshadowing

46. A submission raised concerns about resulting light loss to the commercial building at 407-419 Elizabeth Street. The shadow diagrams, however, show that the proposed building form will cast similar shadows on 407 Elizabeth to a compliant building constructed to existing height maximums. This is aided by setbacks for the upper levels on Randle Street.
47. The proposal will not unreasonably impact on the sunlight and daylight access available to 407 Elizabeth Street and its current commercial use
48. Shadow diagrams show that the proposed building envelope will cause minor additional overshadowing, compared to a compliant development under the existing controls. The additional shadow is to the roof of the Hills Tavern at 42-50 Chalmers Street and parts of the streets and pathways on Randle and Elizabeth Streets. There will be no reduction of sunlight access to the apartments at 38 Chalmers Street across the lane.

49. As the overshadowing is limited, compared to a development compliant with existing development standards, the impact on sunlight access is acceptable.

Privacy and noise

50. Privacy and noise impacts of the new use will be assessed and addressed in more detail at later development stages, with further opportunity at the development application stage for community input. A skilled design and management plan can address these issues to ensure a reasonable level of amenity in particular for surrounding residences.

Strategic Alignment - Sustainable Sydney 2030 Vision

51. *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 amendment to Sydney DCP 2012 are aligned with the following SS2030 strategic directions and objectives:
- (a) Direction 1 – A Globally Competitive and Innovative City. The proposed amendments will facilitate redevelopment of the site for a hotel. This will support Sydney's tourist industry, which is an important sector to Sydney's economy, and contributes 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, including Central Station and the planned light rail.
 - (c) Direction 5 – A Lively and Engaging City Centre. Redevelopment of the site will provide for more publicly accessible uses at the lower two floors to increase activation at the street levels.
 - (d) Direction 9 - Sustainable Development, Renewal and Design. The proposal is consistent with the principle of transit oriented development by co-locating accommodation and employment opportunities in a highly accessible location.

Strategic Alignment - Draft Eastern City District Plan

52. The *Revised Draft Eastern City District Plan* completed in October 2017 is a 20-year plan to manage growth in the context of economic, social and environmental matters to achieve the 40-year vision for Greater Sydney. It is a guide for implementing the draft Greater Sydney Region Plan at a district level and is a bridge between regional and local planning. Its aims see the Eastern City District become more innovative and globally competitive, carving out a greater portion of knowledge-intensive jobs from the Asia Pacific Region. As part of a Greater Sydney metropolis of three cities, the eastern district covers the council areas of Bayside, Burwood, City of Sydney, Canada Bay, Inner West, Randwick, Strathfield, Waverley and Woollahra.
53. The Eastern City District Plan identifies 25 planning priorities and associated actions that are important to achieving a liveable, productive and sustainable future for the district, including the alignment of infrastructure with growth. This planning proposal gives effect to these planning priorities and actions as follows:

- (a) Infrastructure Planning Priority E1 – Planning for a city supported by infrastructure. The location for the proposed hotel in close proximity to Central Station and the new light rail will be well serviced by public transport, reducing pressure on the road network.
- (b) Infrastructure Planning Priority E2 – Working through collaboration. This planning proposal has been developed to accommodate the transport changes for the new light rail and Central Station eastern entry, in collaboration with the proponent and Transport for NSW. A concurrence requirement is included at the suggestion of Transport for NSW to maintain this alignment between the proposed development and use on this site and surrounding transport needs.
- (c) Liveability Planning Priority E6 – Creating and renewing great places and local centres, and respecting the District’s heritage. By providing for activation of a services lane, conservation and adaptive reuse of a former factory and improved public access to this building through new uses for hospitality and visitor accommodation, this planning proposal will renew and add to the character of this locality.
- (d) Productivity Planning Priority E7 – Growing a stronger and more competitive Harbour CBD. The planning proposal will support the tourism industry by providing needed mid-range tourist accommodation, well linked by public transport.
- (e) Sustainability Planning Priority E19 – Reducing carbon emissions and managing energy, water and waste efficiently. The Draft DCP sets benchmarks for the sustainability of the building’s construction and operation.

Economic

- 54. Through facilitating the delivery of hotel accommodation, the planning proposal and DCP amendment will support Sydney’s visitor accommodation industry, with flow-on benefits to Sydney’s economy.

RELEVANT LEGISLATION

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

CRITICAL DATES / TIME FRAMES

- 56. The Gateway Determination set the completion date for the planning proposal as 12 April 2018.

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