

Attachment A

**Committee Report 12 August 2019:
Public Exhibition – Planning Proposal –
4-22 Wentworth Avenue, Surry Hills**

Item 4.

Public Exhibition – Planning Proposal – 4-22 Wentworth Avenue, Surry Hills - Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012 Amendment

File No: X018846

Summary

Sydney's tourism industry makes a significant contribution to the local and state economy. During the 2017/18 financial year, over six million international and domestic overnight visitors stayed in visitor accommodation located in the City of Sydney local government area. The availability of visitor accommodation in the City of Sydney is important to the success of the local, regional and national economies. Domestic and international overnight visitors stay in Sydney annually for a range of purposes including leisure, education and business travel.

Analysis by the City of Sydney in 2013 found that a sustainable supply of visitor accommodation is needed to support projected tourism growth. The City's Sustainable Sydney 2030 and Visitor Accommodation Action Plan (2015) aim to facilitate development of additional visitor accommodation. This planning proposal will provide for additional hotel accommodation supply in a highly central and accessible location.

When the Sydney Local Environmental Plan was adopted in 2012, Council and the Central Sydney Planning Committee noted consideration was being given to potential planning control changes for the subject site. In June 2018, the proponent requested site-specific amendments to Sydney Local Environmental Plan 2012 (Sydney LEP 2012) and Sydney Development Control Plan 2012 (Sydney DCP 2012) for five adjoining sites at 4-22 Wentworth Avenue, Surry Hills. The request sought to increase the height and floor space ratio for the primary use of hotel or motel accommodation only.

The site's location in close proximity to Central Sydney and public transport options, including Central Station, means it is well connected to employment hubs, many of Sydney's tourist attractions, and the City villages of Darlinghurst and Surry Hills. The site is well-suited to a variety of visitors, including those travelling for business, family and leisure.

The planning proposal, at Attachments A1-A4, encourages the delivery of new visitor accommodation by changing the height to enable the allowable floor space to be achieved plus a marginal floor space addition in a built form that retains and conserves the heritage listed group of commercial warehouses and meets appropriate overshadowing requirements.

The planning proposal seeks to amend the average existing floor space ratio (FSR) across the site from 5.22:1 to 5.6:1. This provides for a maximum FSR of 6.15:1 across the whole site if design excellence is awarded at development application stage. It further seeks to amend the maximum height control for the site from 22m at 4-6 Wentworth Avenue and 18m at 8-22 Wentworth Avenue, to 62.25m and 23.13m respectively. These increased development standards will only apply to hotel or motel accommodation uses, with ancillary uses at the ground floor. The proposed development standards are based on retaining the existing listed warehouse buildings, with an 8 to 10 storey tower above the previously modified taller building at the northern end of the site and a two storey rooftop podium addition across the lower-scale warehouse buildings to the south.

The amendments to the Sydney DCP 2012 at Attachment B guide urban design, heritage, and sustainability outcomes for the proposed development. The DCP includes a detailed building envelope for the site, as well as provisions for heritage conservation, sustainability targets, site servicing and a design excellence strategy. The controls will guide development on site, ensuring the detailed design can be appropriately resolved at subsequent stages.

The potential impacts of the development, the building envelope and other site-specific DCP provisions are discussed in the body of this report. These provisions respond to the recommendations of the Design Advisory Panel for the legibility of the heritage item, site constraints, overshadowing impacts and the ability for the envelope to accommodate appropriate architectural expression.

It is recommended Council approve the planning proposal for submission to the relevant planning authority with a request for a Gateway Determination and public exhibition, and approve the Draft Sydney Development Control Plan 2012 for public exhibition.

Recommendation

It is resolved that:

- (A) Council approve Planning Proposal – 4-22 Wentworth Avenue, Surry Hills, shown at Attachments A1-A4 to the subject report, for submission to the Department of Planning, Infrastructure and Environment with a request for a Gateway Determination;
- (B) Council approve the Planning Proposal – 4-22 Wentworth Avenue, Surry Hills, shown at Attachments A1-A4 for public authority consultation and public exhibition in accordance with any conditions imposed under the Gateway Determination;
- (C) Council seek authority from the Department of Planning, Infrastructure and Environment to exercise the delegation of all functions under the relevant local plan making authority of all the functions under Section 3.36 of the Environmental Planning and Assessment Act 1979 to make the local environmental plan to put into effect Planning Proposal – 4-22 Wentworth Avenue, Surry Hills;
- (D) Council approve Draft Sydney Development Control Plan 2012 – 4-22 Wentworth Avenue, Surry Hills shown at Attachment B to the subject report for public authority consultation and public exhibition together with the Planning Proposal;
- (E) authority be delegated to the Chief Executive Officer to make any minor variations to Planning Proposal – 4-22 Wentworth Avenue, Surry Hills, following receipt of the Gateway Determination, and
- (F) authority be delegated to the Chief Executive Officer to make any minor variations to Draft Sydney Development Control Plan 2012 – 4-22 Wentworth Avenue, Surry Hills, to correct any drafting errors or to ensure it is consistent with the Planning Proposal following the Gateway Determination.

Attachments

Attachment A1. Planning Proposal: 4-22 Wentworth Avenue, Surry Hills

Attachment A2. Planning Proposal: Proponent's Urban Design Report

Attachment A3. Planning Proposal: Proponent's Indicative Plans

Attachment A4. Planning Proposal: Proponent's Heritage Impact Statement

Attachment B. Draft Development Control Plan: 4-22 Wentworth Avenue, Surry Hills

Background

1. Sydney's tourism industry makes a significant contribution to the local and state economy. During the 2017/18 financial year, over six million international and domestic overnight visitors stayed in visitor accommodation located in the City of Sydney local government area. The availability of visitor accommodation in the City of Sydney is important to the success of the local, regional and national economies. Domestic and international overnight visitors stay in Sydney annually for a range of purposes including leisure, education and business travel.
2. This report seeks Council approval of Planning Proposal – 4-22 Wentworth Avenue, Surry Hills (the Planning Proposal), at Attachments A1-A4, for submission to the Department of Planning, Infrastructure and Environment (the Department) with a request for a Gateway Determination to allow public exhibition. The planning proposal seeks to amend the maximum building height control and floor space ratio control for the site in Sydney Local Environmental Plan 2012 (Sydney LEP 2012) for a hotel or motel accommodation use only.
3. This report also seeks Council approval of Draft Sydney Development Control Plan 2012 – 4-22 Wentworth Avenue, Surry Hills amendment (the draft DCP amendment), at Attachment B, to be publicly exhibited alongside the Planning Proposal. The draft DCP amends Sydney Development Control Plan 2012 (Sydney DCP 2012) to include detailed built form, overshadowing, heritage and sustainability provisions to guide redevelopment of the site.
4. Tourism and accommodation is recognised as one of the key sectors which will continue to play a major role in the city's economy and a premier destination on both the local and international scale. However, research carried out by the City of Sydney in 2013 indicates a considerable shortfall in the number of mid-range hotel rooms for the city.
5. This Planning Proposal was submitted to Council in June 2018 with a request to increase the maximum building height to around 70m, and to increase the maximum FSR to 6.3:1. The submission follows a resolution of Council and the Central Sydney Planning Committee to investigate planning control changes to the site when the Sydney LEP 2012 was adopted in 2012. Through an extensive review of the submitted documentation and subsequent amendments, the City has worked with the proponent to amend the proposal to ensure the proposed building is capable of complying with solar access design criteria contained in the NSW Department of Planning's 'Apartment Design Guide' (ADG). Hotel parking was also originally proposed, which has been revised and removed from the proposal. These issues are discussed in greater detail below in this report.
6. The proposed base floor space ratio has been reduced during the course of the City's assessment, from 6.3:1 to 5.6:1. This reflects changes to the proposed envelope based on overshadowing impacts, responds to recommendations made by the Design Advisory Panel, and allows for external shading and building articulation and architectural expression. This is particularly important given the subject site's highly visible, long west-facing facade. The reduced FSR will allow for more nuanced architectural expression through the design competition. The reduced FSR results in an envelope that is compliant with planning controls whilst providing for additional hotel room supply.

7. The proposed increase to the maximum building height and FSR have been reduced from about 70m to a maximum height of 62.25m with and a maximum FSR of 5.6:1 across the site. In accordance with Clause 6.21(7) of the LEP, the site may be awarded 10% additional FSR for achieving design excellence increasing the maximum FSR to 6.15:1.

Site details

8. The subject site at 4-22 Wentworth Avenue, comprises five adjoining land parcels located on a narrow street block in Surry Hills, just south of Oxford Street. The site has a primary street frontage to Wentworth Avenue to the west and secondary frontages to Wemyss Lane to the north and east. The combined site area of 4-22 Wentworth Avenue is 1,219sqm. The land slopes from north to south down the site, resulting in 16-22 being nearly a storey below 4-6 Wentworth Avenue. The site is shown in blue in Figure 1.
9. The site occupies the northern half of the street block. Museum station is about 200m west of the site, and Central Station is about 650m south-west of the site. Hyde Park is less than 100m to the north of the site with Harmony Park less than 100m south of the site. The site is located across the road from and just outside of the designated Central Sydney area. The site is located close to the intersection between Liverpool Street and Wentworth Avenue, with Oxford Street to the north-east.
10. The site is occupied by five 7 to 3 storey (29 to 13m) warehouse buildings constructed between 1915 and 1921. The buildings have full site coverage, and form part of larger group heritage listing of 4-34 Wentworth Avenue known as 'former warehouse group including interiors' (I2271). The site is not located in a Heritage Conservation Area.

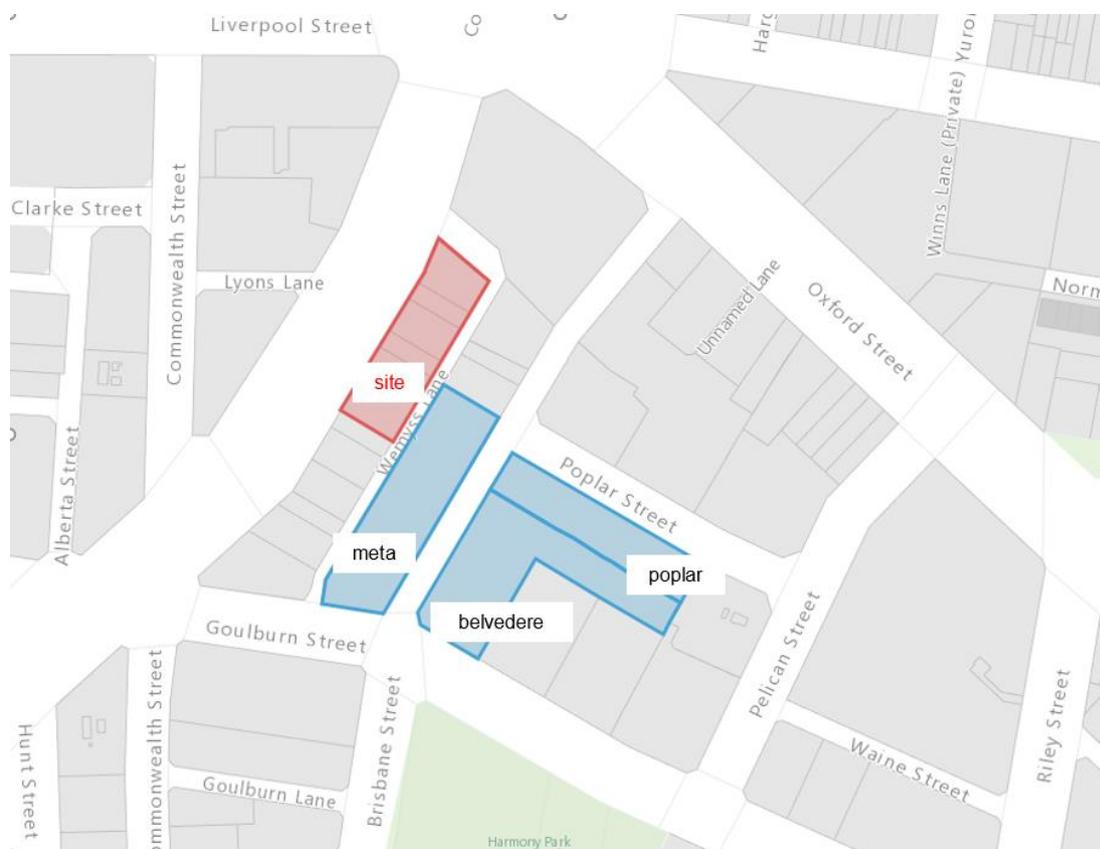


Figure 1: Plan of subject site (in red) and immediate surrounds, nearby affected residential apartment buildings indicated in blue

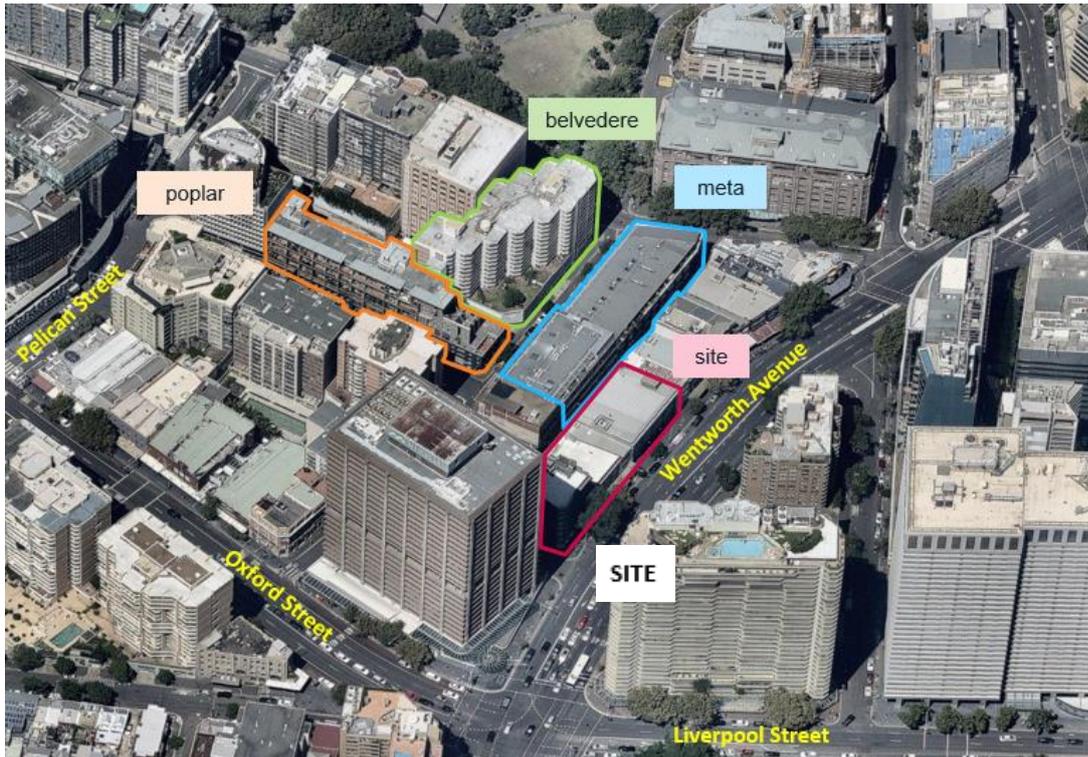


Figure 2: Site context

11. The site is surrounded by the following development:
- North: 1 Oxford Street, a 24 storey commercial office building owned by 'Memocorp' is located to the north of the site across Wemyss Lane.
 - East: to the east is a three storey warehouse building used as a liquor store/distribution centre, a two storey terrace used as a restaurant, a six storey building owned and used by the Philatelic Association of NSW, and a part four, part six storey residential flat building known as Meta apartments. The rear facades of these buildings face the subject site. Across Brisbane Street are the Belvedere and Poplar apartment buildings.
 - South: a four storey commercial warehouse building adjoins the site immediately to the south, followed by a three storey warehouse building and a five storey warehouse building. The warehouses are part of the same group local heritage listing as the subject site.
 - West: the western side of Wentworth Avenue features a mix of commercial and residential buildings varying from four storeys to 14 storeys. A 30 storey residential apartment building is located on the corner of Liverpool Street and Wentworth Avenue, opposite the Memocorp building.



Figure 3: View north-east along Wentworth Avenue showing 3-4 storey warehouse buildings and 7 storey hotel building on site, Memocorp building to north



Figure 4: View south-east from intersection of Wentworth Avenue and Liverpool Street showing existing 7 storey hotel building on corner of Wentworth Avenue and Wemyss Lane



Figure 5: View north along Wemyss Lane, rear of site shown left of image

Planning history

12. In March 2012, the Council and the Central Sydney Planning Committee noted that consideration was being given to preparing a planning proposal to amend the controls for the site. The site was considered to have possible merit following a submission to the preparation of Sydney LEP 2012.
13. In October 2013, the landowner met with City staff to discuss the concept proposal for 4-22 Wentworth Avenue. At the time the proposal also involved 9-13 Brisbane Street, located adjacent to the site on the other side of Wemyss Lane. The commercial warehouse buildings at 4-22 Wentworth Avenue were not heritage listed when Council first considered the concept proposal for the site, however a heritage study of the City of Sydney's industrial and warehouse buildings was underway. In early 2016, the buildings were listed in Schedule 5 of the Sydney LEP 2012 as a group heritage item, including building interiors.
14. Various iterations of the concept plan were provided to Council between 2014 and 2016. The City has worked with the landowner and their consultant team to explore potential built form outcomes for the site.
15. The concept plan was reviewed and considered by the City's Design Advisory Panel on two occasions. Advice provided to the proponent centred on resolving overshadowing issues, heritage conservation measures, street activation, building articulation and architectural expression and appropriate bulk and scale for the building massing.

Current planning controls

16. Sydney LEP 2012 contains zoning and principal development standards, as summarised below:
 - (a) 'B4 Mixed Use' which permits a broad range of suitable business, office, residential, retail and other development in accessible locations;
 - (b) a floor space ratio of 6:1 at 4-6 Wentworth Avenue, and 5:1 at 8-22 Wentworth Avenue; and
 - (c) a maximum building height of 22m at 4-6 Wentworth Avenue, and 18m at 8-22 Wentworth Avenue.
17. Sydney DCP 2012 contains built form controls which show a maximum building height of seven storeys at 4-6 Wentworth Avenue, three storeys at 8-14 Wentworth Avenue, and four storeys at 16-22 Wentworth Avenue.

Request to amend planning controls

18. In June 2018, Pongrass Properties Pty Ltd, the landowner of the site, submitted their request for site-specific amendments to the Sydney LEP 2012 and Sydney DCP 2012 to increase the height and floor space for the use of the site as hotel or motel accommodation only. The planning proposal request submitted by the landowner sought:
 - (a) an increase to the maximum height control for the site from 22m at 4-6 Wentworth Avenue and 18m at 8-22 Wentworth Avenue to RL 100.57, or 70.23m;
 - (b) an increase to the maximum floor space ratio control from 6:1 at 4-6 Wentworth Avenue and 5:1 at 8-22 Wentworth Avenue to 6.3:1 across the whole site;
 - (c) a building envelope comprising a tower to the northern end of the site and a rooftop podium addition to the southern end of the site to accommodate 200 hotel rooms;
 - (d) two basement levels including car parking via a mechanical car stacker, motorcycle parking, bicycle spaces and end of trip facilities and storage; and
 - (e) the adaptive reuse of the heritage listed commercial warehouse buildings for the proposed hotel use.
19. The proponent's request has been revised by the City. Urban design testing demonstrates that the previously proposed built form would not comply with solar access requirements. Following the City's review, new planning controls have been proposed to address:
 - (a) compliance with the solar access requirements of the ADG for neighbouring residential apartments;
 - (b) relationship to neighbouring residential development;
 - (c) relationship to and conservation of the heritage fabric; and

- (d) the ability for the proposed envelope to accommodate a building that accommodates appropriate architectural expression, articulation and external shading so as to be able to demonstrate design excellence.
20. The proposed planning controls in the Planning Proposal and DCP amendments are discussed below.

Proposed amendments

21. The proposed amendments encourage the development of new visitor accommodation within a built form that retains the heritage significance of the warehouse group and achieves appropriate solar access requirements for neighbouring buildings. The proposal will retain the existing warehouses, including significant internal fabric, and restore facades. A new eight to 10 storey addition will be permitted to the previously modified seven storey building at the northern end of the site with a two storey podium to the other buildings. The building envelope has been carefully set out with setbacks and sloping planes to protect sun access to neighbouring buildings. The building envelope with and without possible design excellence awards is shown in Figures 6 and 7.
22. The planning proposal, shown at Attachments A1-A4, seeks to amend the FSR for the site from 6:1 at 4-6 Wentworth Avenue and 5:1 at 8-22 Wentworth Avenue (averaging 5.22:1 across the whole site), to 5.6:1 across the whole site. It further seeks to amend the maximum height control for the site from 22m at 4-6 Wentworth Avenue and 18m at 8-22 Wentworth Avenue to 62.25m for the tower component, and 23.13m for the rooftop podium addition. These amendments to the development standards will only apply to a hotel or motel accommodation use with ancillary commercial uses at the ground floor.
23. The building height and floor space ratio maps will not change. Instead, a new site-specific clause under Part 6 of the Sydney LEP 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 of the site for a hotel, while ensuring that the existing height and FSR standards will continue to apply for any other use.
24. To deliver an appropriate development within its context it is also proposed to amend the Sydney DCP 2012 to include site-specific provisions. The amendment, shown at Attachment B, includes a detailed building envelope and other site-specific controls relating to design excellence, sustainability, heritage, urban design and the public domain.

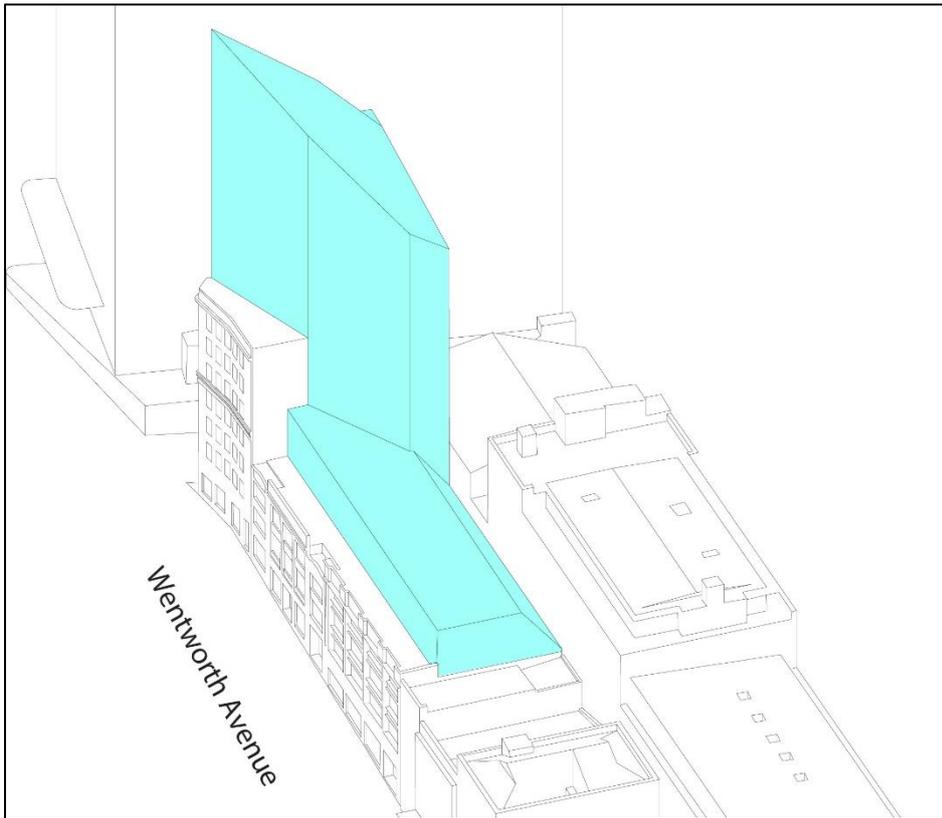


Figure 6: Proposed maximum planning envelope without design excellence, from Wentworth Avenue looking north-east

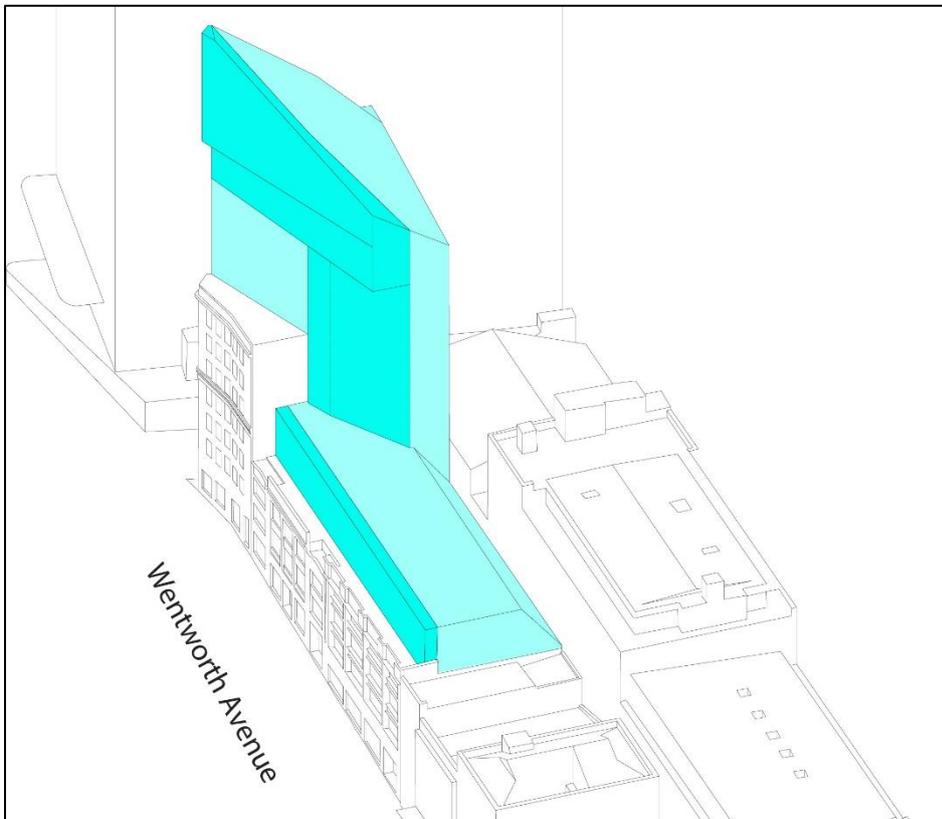


Figure 7: Proposed maximum envelope without design excellence, from Wentworth Avenue looking north-east

Design advisory panel

25. The proposal has been reviewed by the City's Design Advisory Panel (DAP), who have provided high-level guidance on the subject project a number of times. The DAP did not raise significant issues with the revised building envelope in terms of bulk or scale. The panel noted overshadowing issues had been resolved, as overshadowing on adjacent residential buildings has been reduced and is consistent with the requirements of the ADG.
26. The DAP noted the indicative scheme's limited design response to the existing heritage item and need to provide greater articulation, recommending these issues be addressed through site-specific controls that have been tailored to the site and envelope and at the competitive design stage. The site-specific DCP prepared with this Planning Proposal provides extensive heritage conservation provisions that will ensure any redevelopment enhances the heritage significance of the warehouse buildings and their interiors.

Key issues

Visitor accommodation

27. Sydney's tourism industry makes a significant contribution to the local and state economy. During the 2017/18 financial year, 6.09 million international and domestic overnight visitors stayed in commercial accommodation located in the City of Sydney LGA. Analysis by the City of Sydney in 2013 found that a sustainable supply of visitor accommodation is needed to support projected tourism growth.
28. The City's Sustainable Sydney 2030 and Visitor Accommodation Action Plan (2015) aim to facilitate development of additional visitor accommodation. This planning proposal will provide for a new mid-range hotel use in a highly accessible and central location, contributing to the LGA's accommodation supply.
29. Redevelopment of the site for a residential use at this location is not considered to be appropriate, as residential development requires a much higher standard of amenity. The density and compactness of existing development on site and in the surrounding area mean this location is generally unsuitable for residential apartments, particularly with regard to compliance with the design criteria of the ADG in terms of solar access, cross-ventilation, and visual and acoustic privacy.
30. It is also noted that the highly constrained nature of the built form at upper levels of the proposed building envelope results in a floor plate unsuitable for residential uses. The proposal to increase the maximum building height and FSR for a hotel or motel accommodation use only will facilitate a new hotel development for the city on an otherwise constrained and underutilised site.

Built form and height

31. The draft DCP building envelope has been designed and situated to minimise impact on the heritage item and reduce height impacts from overshadowing neighbouring residential buildings. Building envelopes in the DCP amendments facilitate:
 - (a) A tower with an upper built form set by a solar access plane, which represents a height increase of up to 62.25m above ground or eight to 10 storeys above the existing buildings at 4-12 Wentworth Avenue. The envelope features setbacks varying between 2m and 15m above the Wentworth Avenue frontage, ensuring solar access is maintained to buildings at 148 Goulburn Street and 156-160 Goulburn Street. The setbacks also allow the heritage item below to maintain its legibility and prominence.
 - (b) A two-storey rooftop podium addition which represents a maximum height of 23m or six storeys at 8-22 Wentworth Avenue. The podium addition will be appropriately set back from the Wentworth Avenue boundary and building parapets by a minimum of 4.5m. A clause has been inserted into the design excellence strategy to permit a variation to 3m, should the proposed design meet design excellence requirements. This has been recommended by Council's Design Advisory Panel and is discussed in greater detail further in this report. The rear portion of the rooftop podium envelope slopes down to Wemyss Lane to comply with overshadowing requirements.
 - (c) Street frontage heights set by the existing heights of the heritage listed warehouse buildings along the Wentworth Avenue frontage.
32. The site is in a prominent corner location, occupying half a street block. The buildings on site are visible from the intersection of Wentworth Avenue and Liverpool Street. The key urban design issue is the visual impact of the bulk and scale of the increased height, and the southern side wall presentation to surrounding streetscapes.
33. The majority of the additional bulk and scale envisioned as part of this planning proposal is located at the northern end of the site, above 4-12 Wentworth Avenue. This transitions from the existing 90m, 24-storey office building at 1 Oxford Street, immediately across Wemyss Lane to the north.
34. The proposed tower has a maximum height of around 62m. This has been generated through the creation of a solar access plane to ensure the proposal is capable of complying with overshadowing requirements for neighbouring residential apartments. Any building proposed will be required to be accommodated within the proposed building envelope.
35. The proposed building envelope steps down across the sloping site and provides an appropriate response to the existing surrounding mid-scale buildings of three to four storeys to the east and south of the site. The podium addition of two storeys, with its minimum 4.5m setback, maintains the legibility of the lower-scale heritage warehouses at 8-22 Wentworth Avenue and ensures the buildings adjacent to the south are not dominated or detracted from.

36. Visual impacts arising from the tower have been reduced during the course of assessment through a considerable reduction in height, paired with modifications to the shape of the tower form. These changes have also addressed the issue of maintaining adequate solar access to surrounding residential properties. The Draft DCP that accompanies this planning proposal includes site-specific provisions relating to the building envelope, setbacks, heritage conservation and the design excellence process which will guide the detailed design of the proposal at later stages.

Floor space

37. The existing average maximum FSR across the whole site is 5.22:1 without design excellence. The proposed base FSR increase to 5.6:1, or 6.15:1 with maximum design excellence award. This represents a 7% increase to the base FSR across 4-22 Wentworth Avenue, plus a potential 10% award if design excellence is achieved.
38. The documentation submitted with the planning proposal request indicates that the existing buildings have an existing FSR of approximately 4.2:1.
39. The proposed FSR has been calculated based on indicative plans and adjusted to ensure the relationship between the FSR and the envelope is less restrictive. The submitted indicative plans retain the listed heritage items, insert a void and mezzanine at ground level, and feature a 3m to 4.5m setback to the podium addition with varying setbacks at the upper tower levels. The development meets existing benchmarks which allow for a design excellence competition.
40. The proposed base floor space ratio has been reduced during the course of assessment, from 6.3:1 to 5.6:1. This reflects changes to the proposed envelope based on overshadowing impacts, responds to recommendations made by the Design Advisory Panel, and will allow for room for external shading and building articulation. This is particularly important given the subject site's long, highly visible, west-facing facade. The reduced FSR will allow for more nuanced architectural expression through the design competition. The reduced FSR results in an envelope that is compliant with planning controls whilst providing an appropriate amount of uplift.

Solar access and overshadowing

41. The Planning Proposal proposes to increase the height and FSR for a hotel or motel accommodation use. The subject site is located in a densely developed pocket of the city fringe, with several existing residential apartment buildings and mixed use developments in its vicinity.
42. The submitted shadow diagrams show that the proposed building envelope will cause minor additional overshadowing to two residential apartment buildings located to the east of the site. The proposal has been extensively reviewed and revised considerably to ensure the additional overshadowing is acceptable and complies with the design criteria of the ADG.

43. The revisions to the proposed maximum building envelope minimise overshadowing to neighbouring properties. Specifically, the envelope ensures that, in accordance with Objective 3B-2 of the ADG, neighbouring properties that do not currently receive the required hours of solar access do not have their solar access reduced by more than 20%. The impact of the proposed maximum building envelope on surrounding properties' solar access is therefore considered to be within acceptable limits and the Department's standards for residential development. To ensure the proposal does not result in adverse overshadowing impacts, a provision has been included in the site-specific DCP to ensure that the development achieves compliance with the solar access design criteria stipulated in the ADG.
44. The proposal does not result in overshadowing impacts to Harmony Park, which is located around 100m to the south-east of the subject site.

Heritage conservation

45. The subject site consists of five locally listed heritage items that form part of a group listing of former commercial warehouse buildings on Wentworth Avenue. Maintaining and extending the commercial warehouse buildings through adaptive reuse forms part of the justification for increasing the height limit and maximum permissible FSR for the site. This includes redistributing the floor space and enabling design excellence floor space through additional height at the northern end of the site where existing interior fabric is of low heritage significance, the building at 4-6 Wentworth has a history of vertical additions and a tower form in this location is consistent with that established by 1 Oxford Street (the Memocorp Building). Focusing density and height at the northern end of the site minimises structural interventions at the south of the site where significant internal heritage fabric is present. Ensuring the conservation of the buildings, including any significant internal heritage fabric, is a priority for this planning proposal and site-specific DCP.
46. Specific considerations for the planning proposal include maintaining the structural integrity of the buildings, as well as their historic building features. These include original and significant facade detailing, timber framed windows, timber joinery and internal timber structure. Further heritage requirements include retaining the individuality and distinction of each building within the group heritage item, as well as impacts on neighbouring heritage listed warehouses to the site, which belong to the same listing as 4-22 Wentworth Avenue.
47. Upper level setbacks immediately above the seven storey building at 4-6 Wentworth Avenue, rooftop podium setbacks at 8-22 Wentworth Avenue (to both the Wentworth Avenue frontage and the Wemyss Lane frontages), and a street wall height control consistent with the height of the existing building facades will allow the heritage listed buildings to maintain their legibility and prominence in the streetscape.
48. The site-specific DCP includes extensive provisions to maintain and conserve the structural and architectural integrity of the heritage item and guide compatible new works above the buildings, and to their interiors. The DCP provisions clarify the intended outcomes of this planning proposal, giving direction for the detailed design to be resolved at subsequent stages through the design and development process.
49. With these measures in place, it is considered that the changes to the development standards will facilitate a positive development outcome for the heritage item, including its interiors and setting.

Design excellence

50. A design excellence strategy has been included as part of the DCP amendments. It establishes the type of competitive design process and the maximum FSR that can be achieved through the design excellence bonus. Additional height cannot be sought due to solar access constraints.

Sustainability

51. Target benchmarks for sustainability of the hotel development are established in the DCP. These include achieving certification for a 5-star or higher Green Star Design & As Built certification, exceeding the minimum energy and water credits, and at least 4.5 NABERS energy and water. The DCP requires a Commitment Agreement at DA stage to be provided in order to secure these minimums.

Strategic Alignment - Eastern City District Plan

52. The Eastern City District Plan sets out the NSW Government's vision, priorities and actions for the Eastern District, including the City of Sydney. It establishes a 40 year vision for the Eastern District to be a global sustainability leader, managing growth while maintaining and enhancing liveability, productivity and attractiveness for residents and visitors. Priorities and associated actions for productivity, liveability and sustainability seek to deliver this vision.
53. This Planning Proposal is consistent with the following priorities from the Plan:
 - (a) Productivity Priority E7 Growing a stronger and more competitive Harbour CBD: and Productivity Priority E13: Supporting growth of targeted industry sectors – The site is within the Harbour CBD, one of the Sydney Region's three metropolitan centres and on the boundary of Central Sydney. The District Plan recognises the importance of tourism in the Harbour CBD. This Planning Proposal will support and contribute to the visitor economy by facilitating the redevelopment of the site for a hotel use in the under-supplied mid-range market. Its location on the CBD fringe and in walking distance of the City of Sydney villages of Darlinghurst and Surry Hills will support to the use of public transport. The retention and conservation of the heritage listed commercial warehouse buildings adds to the visitor experience of the hotel and Surry Hills.
 - (b) Sustainability Priority E19: Reducing carbon emissions and managing energy, water and waste efficiently – This Planning Proposal and site-specific draft DCP will ensure sustainability benchmarks for hotel or motel accommodation use are achieved.

Strategic Alignment - Sustainable Sydney 2030 Vision

54. 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. This report is aligned with the following strategic directions and objectives:
- (a) Direction 1 - A Globally Competitive and Innovative City - The planning proposal is consistent with the City's adopted Tourism Action Plan (2013) and Visitor Accommodation Action Plan (2015). This planning proposal will facilitate redevelopment of the site for a future hotel, delivering needed mid-range visitor accommodation and supporting Sydney's tourism economy. It will also offer employment opportunities. This investment in the site will contribute to making Sydney attractive to global visitors and investors.
 - (b) Direction 2 provides a road map for the City to become A Leading Environmental Performer - Redevelopment of the site, facilitated by this Planning Proposal and through the design excellence process, will deliver new building stock with significantly better environmental performance than the current development through extensive sustainability provisions detailed in the attached DCP.
 - (c) Direction 3 - Integrated Transport for a Connected City - The site is close to bus services providing connections to Central Sydney and other areas in the Sydney metropolitan area. It is also close to the future South East Light Rail Line, expected to be completed in 2019. A new light rail stop will be located about 500 metres to the north of the site. This new light rail line will connect Circular Quay to Randwick and Kingsford.

Relevant Legislation

- 55. Environmental Planning and Assessment Act 1979.
- 56. Environmental Planning and Assessment Regulation 2000.

Critical Dates / Time Frames

- 57. Should Council and the Central Sydney Planning Committee approve the Planning Proposal for exhibition and consultation, the proposal will be sent to the Department of Planning, Industry and Environment in accordance with s3.34 of the Environmental Planning and Assessment Act 1979 seeking a Gateway Determination. The Department will then provide a Gateway Determination to either proceed to consultation, with or without variation, or to resubmit the planning proposal.
- 58. Typical public exhibition timeframes, are 28 days for public authority consultation and public exhibition. The Gateway Determination will specify any conditions for consultation and public exhibition as well as a date by which the Local Environmental Plan amendment should be finalised.
- 59. Following public authority consultation and public exhibition, issues raised in submissions 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. This report recommends Council seeks authority to exercise this delegation.

Public Consultation

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

GRAHAM JAHN, AM

Director City Planning, Development and Transport

Anna Kaskanlian, Planner