

Item 6.

Public Exhibition - Planning Proposals - 2, 2A-8 Arundel Street and 6-12 Parramatta Road, Forest Lodge; 90 and 100-104 Brougham Street, Potts Point; and 85-93 Commonwealth Street, Surry Hills - Sydney Local Environmental Plan 2012 Amendments

File No: X082392

Summary

The City reviews and updates its planning framework to ensure it continues to deliver on strategic priorities and is responsive to community needs. This report considers three separate requests from individual landowners for minor amendments to Sydney Local Environmental Plan 2012 (Sydney LEP) for their respective sites.

Planning Proposals: 2, 2A-8 Arundel Street and 6-12 Parramatta Road, Forest Lodge; 90 and 100-104 Brougham Street, Potts Point; and 85-93 Commonwealth Street, Surry Hills, have been prepared by the City following the requests from the respective landowners.

The planning proposals will amend Sydney LEP to:

- rezone land owned by Sydney University, that is surplus to university requirements. The request is to rezone 2, 2A-8 Arundel Street, and 6-12 Parramatta Road, Forest Lodge from SP2 Infrastructure to, in part, MU1 Mixed Use and R1 General Residential;
- permit 'hotel and motel accommodation' as an additional permitted use for properties at 90 and 100-104 Brougham Street, Potts Point; and
- introduce a site-specific provision for 85-93 Commonwealth Street, Surry Hills to allow a small increase in floor space ratio and maximum building height controls if the building is wholly for the specified uses.

The planning proposals are consistent with the City's Local Strategic Planning Statement priorities to deliver employment opportunities in the City Fringe area, and to grow the City's tourist and visitor accommodation sector.

This report recommends Central Sydney Planning Committee approve the three planning proposals to amend the Sydney LEP for submission to the Department of Planning and Environment seeking a Gateway Determination and for public exhibition.

Recommendation

It is resolved that:

- (A) the Central Sydney Planning Committee approve the Planning Proposal - 2, 2A-8 Arundel Street and 6-12 Parramatta Road, Forest Lodge as shown at Attachment A to the subject report:
 - (i) for submission to the Department of Planning and Environment with a request for Gateway Determination; and
 - (ii) for public authority consultation and public exhibition in accordance with any conditions imposed under the Gateway Determination;
- (B) the Central Sydney Planning Committee approve the Planning Proposal - 90 and 100-104 Brougham Street, Potts Point as shown at Attachment B to the subject report:
 - (i) for submission to the Department of Planning and Environment with a request for Gateway Determination; and
 - (ii) for public authority consultation and public exhibition in accordance with any conditions imposed under the Gateway Determination;
- (C) the Central Sydney Planning Committee approve the Planning Proposal - 85-93 Commonwealth Street, Surry Hills, as shown at Attachment C to the subject report:
 - (i) for submission to the Department of Planning and Environment with a request for Gateway Determination; and
 - (ii) for public authority consultation and public exhibition in accordance with any conditions imposed under the Gateway Determination;
- (D) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage, Environment and Planning Committee on 8 May 2023 that Council seek authority from the Department of Planning and Environment to exercise the delegation of all the functions under section 3.36 of the Environmental Planning and Assessment Act 1979 to make the local environmental plan and to put into effect Planning Proposals: 2, 2A-8 Arundel Street and 6-12 Parramatta Road, Forest Lodge; 90 and 100-104 Brougham Street, Potts Point; and 85-93 Commonwealth Street, Surry Hills; and
- (E) authority be delegated to the Chief Executive Officer to make any minor variations to Planning Proposals: 2, 2A-8 Arundel Street and 6-12 Parramatta Road, Forest Lodge; 90 and 100-104 Brougham Street, Potts Point; and 85-93 Commonwealth Street, Surry Hills, to correct any drafting errors or to ensure consistency with the Gateway Determination.

Attachments

Attachment A. Planning Proposal - 2, 2A-8 Arundel Street and 6-12 Parramatta Road, Forest Lodge

Attachment A1 - Proponent's Planning Proposal Request - 2, 2A-8 Arundel Street and 6-12 Parramatta Road, Forest Lodge

Attachment B. Planning Proposal - 90 and 100-104 Brougham Street, Potts Point

Attachment B1 - Proponent's Planning Proposal Request - 90 and 100-104 Brougham Street, Potts Point

Attachment B2 - Economic and Social Impact Assessment - 90 and 100-104 Brougham Street, Potts Point

Attachment B3 - Land Ownership Letter - 90 and 100-104 Brougham Street, Potts Point

Attachment C. Planning Proposal - 85-93 Commonwealth Street, Surry Hills

Attachment C1 - Proponent's Planning Proposal Request - 85-93 Commonwealth Street, Surry Hills

Attachment C2 - Urban Design Report - 85-93 Commonwealth Street, Surry Hills (Part 1 of 2)

Attachment C2 - Urban Design Report - 85-93 Commonwealth Street, Surry Hills (Part 2 of 2)

Attachment C3 - Sustainability Summary - 85-93 Commonwealth Street, Surry Hills

Attachment C4 - Structural Statement - 85-93 Commonwealth Street, Surry Hills

Background

1. This report considers three separate requests from individual landowners for minor amendments to Sydney Local Environmental Plan 2012 (Sydney LEP) for their respective sites. The City reviews and updates its planning framework to ensure it continues to deliver on strategic priorities and is responsive to community needs. Under the *Environmental Planning and Assessment Act 1979* the City has an obligation to consider and act upon requests by landowners to change planning controls for their site.
2. Planning Proposals: 2, 2A-8 Arundel Street and 6-12 Parramatta Road, Forest Lodge; 90 and 100-104 Brougham Street, Potts Point; and 85-93 Commonwealth Street, Surry Hills, have been prepared by the City following the requests from the respective landowners.
3. The planning proposals will contribute to strategic planning priorities in City Plan 2036, the City's local strategic planning statement. The Surry Hills and Potts Point sites are within the City Fringe area identified in City Plan 2036, and the Forest Lodge site is within the Camperdown-Ultimo Health and Education Precinct. The three proposals are well-placed to deliver employment spaces in key clusters of creative industry, hospitality, and the education and health sectors. The proposals are consistent with the objectives and actions of the Greater Sydney Region Plan and the Eastern City District Plan.
4. This report recommends the planning proposals be approved for public exhibition, subject to receiving a Gateway Determination.

2, 2A-8 Arundel Street and 6-12 Parramatta Road, Forest Lodge

5. The City has received a request from the University of Sydney to rezone the permitted uses of nine properties in Forest Lodge. The properties are geographically detached from the Camperdown campus and are no longer needed for university purposes. The University wishes to dispose of the properties.
6. The properties in question are bounded by Arundel Street to the north, Parramatta Road to the south and adjoining terrace houses to the west. Figure 1 shows their location.

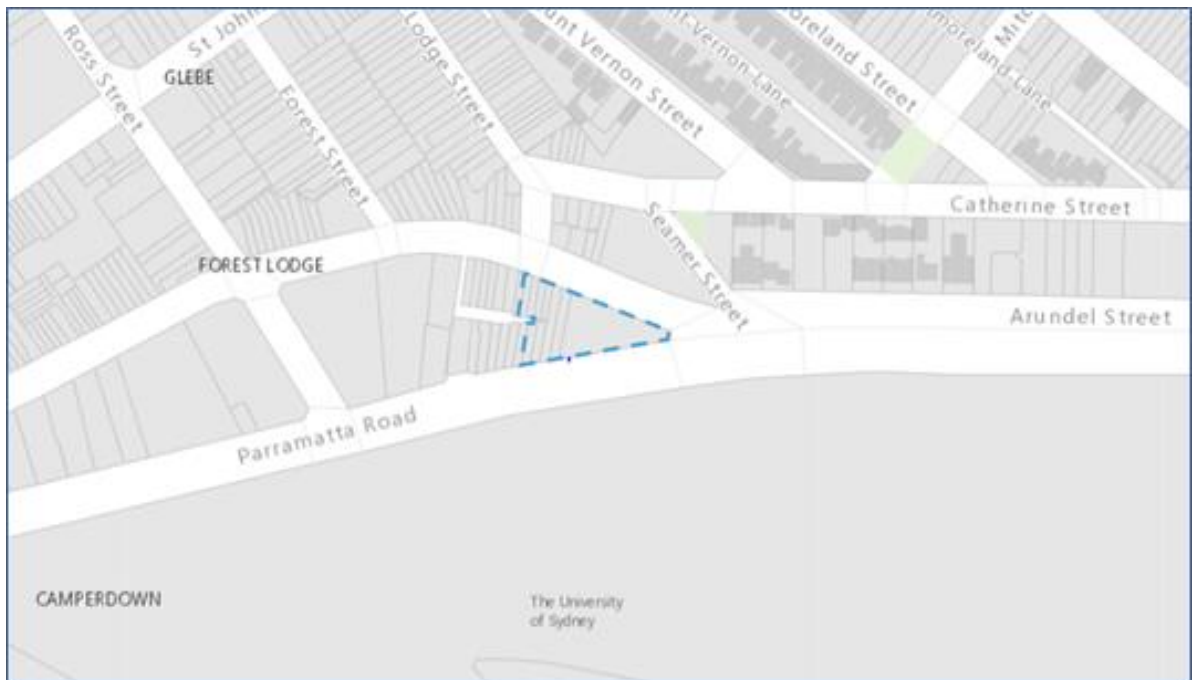


Figure 1: Location of the properties (in blue) and the immediate vicinity

7. The large triangular site at 2 Arundel Street currently contains the Mackay Building, a two-storey building used for administrative offices, storage and operations by the University. The remainder of the allotments at 2A-8 Arundel Street and 6-12 Parramatta Road are two-storey terrace houses previously used for student accommodation. The area surrounding the site is generally two storey terraces with a mix of three and four storey buildings on the larger and more prominent sites.
8. The properties are all currently zoned SP2 Infrastructure (Educational Establishment) which limits their potential future uses to education or supporting uses. None of the properties are heritage items, although they are all within the C33 Hereford and Forest Lodge Conservation Area.

Proposed planning controls

9. It is proposed to amend Sydney LEP 2012, as follows and as shown in Figure 2:
 - (a) rezone the land at 2 Arundel Street to a MU1 Mixed Use; and
 - (b) rezone the land at 2A-8 Arundel Street and 6-12 Parramatta Road to R1 General Residential.



Figure 2: Current zoning of the properties is shown on the left, with the proposed zoning on the right

10. No changes are proposed to the maximum building height or floor space ratio (FSR) controls, and the conservation area status will be retained. No additional development potential is created as a result of these changes.

Strategic and site-specific merit

11. The properties are all owned by University of Sydney, which has determined them to be no longer required for university purposes. They intend to sell the properties and have requested that the City amend the land use zone to allow future uses that are consistent with the surrounding area. The properties are within the area identified by the NSW Government as the Camperdown-Ultimo Health and Education Precinct.
12. The properties at 2A-8 Arundel Street and 6-12 Parramatta Road are two-storey Victorian terrace houses, consistent with adjacent properties to the west. Rezoning these properties from SP2 Infrastructure to R1 General Residential complements the existing land use zone along much of Arundel Street and through most of Forest Lodge. The properties were previously used for University student accommodation purposes.
13. The terrace houses are vacant and the University considers them no longer fit for student housing. This is due to a combination of small rooms, inefficient layouts and poor building fabric. The University's long-term strategy for supplying student accommodation is to focus on the supply of modern, well-serviced and lower-maintenance purpose-built student accommodation buildings. Part of this strategy is to raise funds through the sale of older, high-maintenance terrace houses to reinvest in new purpose-built student accommodation.
14. Over recent years the University has provided new purpose-built student housing at the Regiment Building on Darlington Road in Darlington (600 beds), the Abercrombie Building on Abercrombie Street in Darlington (200 beds) and the Queen Mary Building on Grose Street in Camperdown (802 beds). A recent state significant development application for Darlington Terraces on Darlington Road has also been approved with 336 beds.

15. Number 2 Arundel Street is a two-storey office and administration building. Rezoning this property to MU1 Mixed Use is consistent with the current employment use. The new zoning would allow for a commercial adaptive reuse or a residential conversion of the existing building. Both proposed uses would be consistent with the uses operating either on the site (commercial office) or within the street (residential).

90 and 100-104 Brougham Street, Potts Point

16. The City has received a landowner request to add a permitted use for the properties at 90 and 100-104 Brougham Street. Number 90 Brougham Street is two three-storey modern dwellings. Number 100-104 Brougham Street is a four-storey private market unit block containing 24 studio apartments. The request is to include 'hotel or motel accommodation' as additional permitted uses for the properties in Sydney LEP 2012. The properties are within the R1 General Residential zone, where 'hotel and motel accommodation' is a prohibited use. The properties are shown in blue in Figure 3.

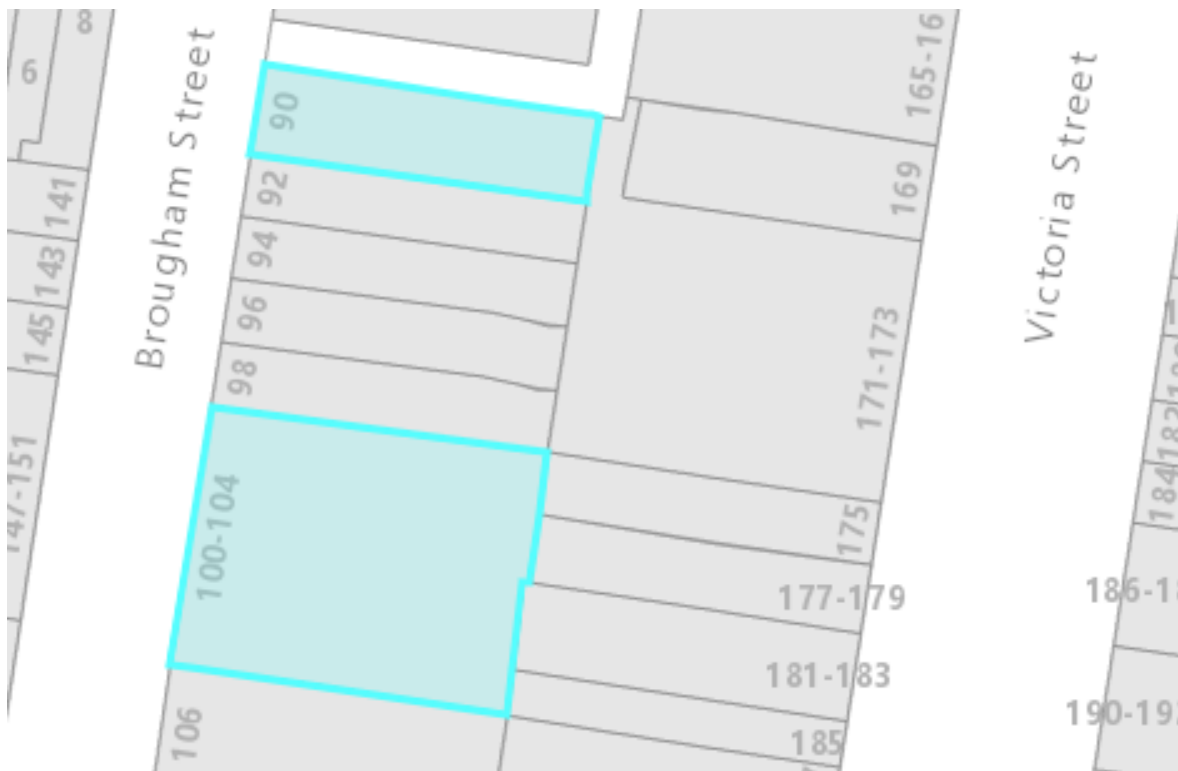


Figure 3: Image of subject site (in blue) and immediate vicinity

17. The properties are to the rear of the Piccadilly Hotel at 171 Victoria Street in Potts Point and are either side of 92-98 Brougham Street. Together these properties have development consent for a hotel comprising accommodation, with food and beverage components planned as part of a future application. The properties subject to this request are owned by the same landowner. The intention is to include them as hotel accommodation rooms as part of an expanded Piccadilly Hotel, subject to future development approval. Figure 4 shows the land subject to the current hotel development consent in orange, with the sites to be incorporated through a future development application in blue.



Figure 4: Current and future properties as part of the Piccadilly Hotel

Proposed planning controls

18. It is proposed to amend Sydney LEP to permit 'hotel or motel accommodation' as an additional permitted use on 90 and 100-104 Brougham Street under Schedule 1 of the LEP.
19. No changes are proposed to the zoning of the site, or maximum height of building or FSR controls, and no additional development potential is created as a result of this change. The properties are within the C71 Woollahooloo Conservation Area and this will not change.

Strategic and site-specific merit

20. The adjoining land at 92-98 Brougham Street is similarly zoned R1 General Residential and already has an additional permitted use for the purpose of 'hotel or motel accommodation' under Schedule 1 of the LEP. The land at 90 and 100-104 Brougham Street will form part a larger consolidated hotel offering that will include 92-98 Brougham Street, the adjoining Piccadilly Hotel at 171-173 Victoria Street, and neighbouring lot at 169 Victoria Street as shown in Figure 4.
21. The additional permitted use on the subject site allows for the existing Piccadilly Hotel at 171-173 Victoria Street to expand its operations across the larger site. Including 90 and 100-104 Brougham Street as part of the hotel will provide an effective buffer from the hotel use to the surrounding residences. This will allow better management of noise impacts from the hotel, particularly from the use of the courtyard space for outdoor dining.

22. The changes to the planning controls support the City's strategic planning objectives for a tourism economy, local employment, and the efficient and adaptive reuse of buildings. It will contribute to expanded employment opportunities within the City Fringe area identified as an important focus for jobs in City Plan 2036. The use of the larger consolidated site and its detailed design will be subject to a future development application and detailed assessment, including a public consultation process.

Planning Proposal - 85-93 Commonwealth Street, Surry Hills

23. The City has received a request from the owner of 85-93 Commonwealth Street to change the FSR and maximum height of building controls for the site in Sydney LEP. The site has an irregular shape, with the narrowest point on the southern part. It sits prominently on the intersection of Commonwealth, Hunt and Brisbane Streets. It is bound by Commonwealth Street to the east, Hunt Street to the west and south, and an adjoining seven storey property to the north. The location of the site is shown in Figure 5.

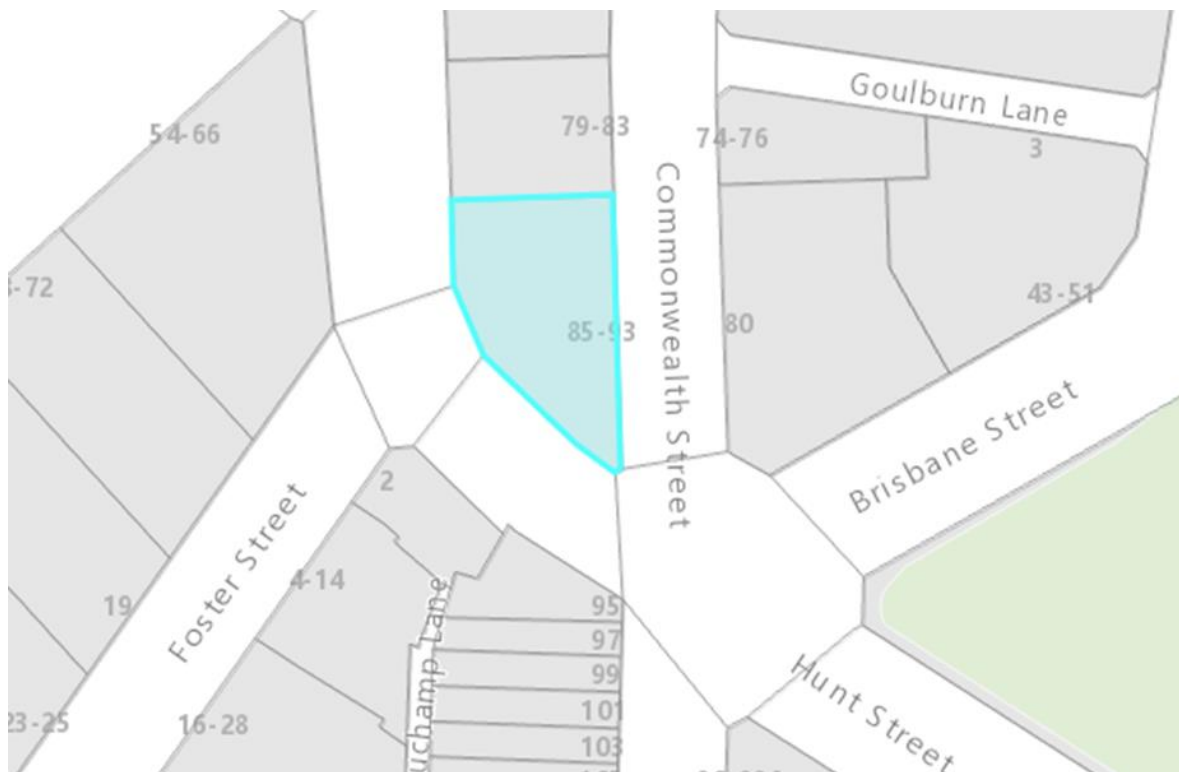


Figure 5: Image of subject site (in blue) and immediate vicinity

24. The building on the site presents as three stories to the intersection of Hunt Street and Commonwealth Street and four stories to Hunt Street, due to the significant slope from east to west across the site. Development around the site varies in scale, with generally higher buildings of five to seven stories to the north and west, and lower buildings of two to three stories to the south and east.
25. Development to the north is higher in scale, with seven stories at 79-83 Commonwealth Street immediately to the north of the site. Other buildings to the north and west are of a similar scale.



Figure 6: The subject site is in the centre of the image, with higher development to the north and west, and lower development to the east and south

26. The buildings at 2 Foster Street (the Hollywood Hotel) to the south and 80 Commonwealth Street (Paramount House) to the east are both heritage items, with a three-storey presentation to the intersection of Hunt Street and Commonwealth Street. Number 95 Commonwealth Street is part of a two-storey terrace row. Overall, buildings present to this intersection as between two and four stories. The existing building on the site is of a warehouse style with high ceilings. Although it presents as three stories to the intersection, it is notably taller than its neighbours.



Figure 7: The site is in the centre and is three stories. The Hollywood Hotel to the left and Paramount House is to the right

27. The site is not a heritage item and not within a conservation area. It is zoned MU1 Mixed Use. This planning proposal will not affect the zoning or heritage considerations.

Proposed planning controls

28. The landowner has requested the following change to the planning controls:
- (a) a change in maximum height of building to RL 51.66 metres - allowing for an extra three stories across the site; and
 - (b) an increase in the FSR from 3:1 to 5.46:1.
29. The request has been considered with reference to the existing character of the area and particularly the relationship to other buildings at the intersection of Hunt and Commonwealth Streets. These buildings are between two and four stories, and the building on the site is already the tallest of these elements. To maintain this relationship the City considers that the height on the southern corner of the site should not be increased.
30. The height on the northern part of the site can be matched to the height of the building immediately to the north. This would allow an overall seven-storey built form consistent with neighbours to the north and west. The City proposes a maximum building height of RL 51.5 metres for the northern portion consistent with the height of surrounding development; and RL 40 metres for the southern portion, consistent with the existing height of the building at that corner. The proposed maximum height controls are shown in Figure 8.
31. As a result, the City proposes an FSR of 4.5:1 for the site. This will allow for new development within the additional height proposed for the northern part of the site. This additional floor space would only be available if the building is wholly used for a wide range of business, hospitality, creative or cultural purposes, excluding residential accommodation or serviced apartments (uses which are not present in the existing building).

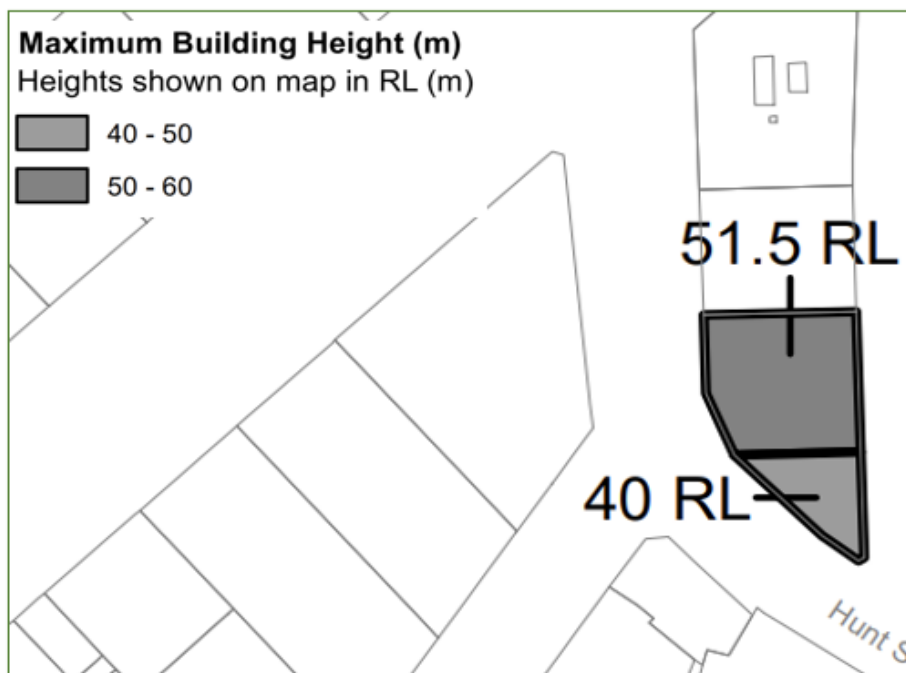


Figure 8: Proposed maximum building height controls

Strategic and site-specific merit

32. The proposed changes to the planning controls reflect the site's physical constraints and responds to the surrounding properties. The proposed changes to building height and FSR controls enable an additional three floors on the northern part of the site and maintain the existing building height on the southern part of the site.
33. The building height of RL 40 metres at the southern portion of the site corresponds to the existing building on the site. The building height of RL 51.5 metres on the northern portion of the site corresponds to the existing commercial building to the north. The increased FSR does not overshadow surrounding residences or Harmony Park and is compatible with the scale of development within the area. The building envelope also does not impact the heritage items within the site's immediate vicinity.
34. The proposal enables additional employment floor space in the City Fringe which can be used to support highly skilled jobs. Increasing employment opportunities in the City Fringe is strategically important because it includes some of the City's most diverse and mature knowledge-based and creative clusters, and is a leading place for investment and innovation, playing a highly specialised economic role.

Key Implications**Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision**

35. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. 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 4 - Design excellence and sustainable development - the planning proposals facilitate the sustainable renewal and reuse of existing buildings for residential and employment purposes.
 - (b) Direction 9 - A transformed and innovative economy - the planning proposals support the City's objectives to support innovative employment clusters located in the City Fringe area.

Relevant Legislation

36. Environmental Planning and Assessment Act 1979.
37. Environmental Planning and Assessment Regulation 2021.

Critical Dates / Time Frames

38. Should Council and the CSPC endorse the attached planning proposals, they will be forwarded to the Department of Planning and Environment in accordance with section 3.34 of the Act requesting a Gateway Determination.

39. If Gateway Determination is received, the typical timeframe is 30 working days for public authority consultation and 20 working days for public exhibition. The Gateway Determination will also provide the general date for the completion for the amendment to the LEP.
40. Following public authority consultation and public exhibition, the outcomes will be reported back to Council and the CSPC.

Public Consultation

41. The public exhibition and consultation for the planning proposal will be in accordance with the requirements of:
 - (a) the Gateway Determination issued by the Department of Planning, and Environment under section 3.34 of the Act;
 - (b) the Environmental Planning and Assessment Regulation 2021; and
 - (c) the City of Sydney Community Engagement Strategy and Community Participation Plan 2022.
42. The public exhibition will likely be a minimum of 20 working days, with notification in accordance with the Gateway Determination and the City's Community Participation Plan.
43. If supported, the planning proposals will be publicly exhibited online on the City of Sydney website and in accordance with the Environmental Planning and Assessment Regulation 2021.

GRAHAM JAHN AM

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