

## Item 7.

### **Public Exhibition - Planning Framework for Ultimo Pyrmont - Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012 Amendments, Draft Ultimo Pyrmont Local Infrastructure Contributions Plan 2023 and Central Sydney Development Contributions Plan 2020 Amendments**

**File No: X101016**

#### **Summary**

The proposed Ultimo Pyrmont planning framework is the City's response to the NSW Government's Pyrmont Peninsula Place Strategy (the Place Strategy) and the direction to find capacity within the planning controls to accommodate an additional 4,000 homes for over 8,000 future residents and capacity for 23,000 jobs as the population grows.

The Place Strategy was prepared in expectation of the proposed Metro West station. A new Metro station at Pyrmont will drive demand for additional people to live, work, visit and move businesses to the area, which is already one of Australia's most successful urban communities. Today, Ultimo and Pyrmont are home to 18,000 residents, 34,000 workers, one of Australia's largest creative media employment clusters and some of Sydney's most beautiful parks, streets and foreshores. The City's response ensures the Ministerial Direction is achieved while ensuring good design, community input and alignment with infrastructure.

The City has worked with the community since May 2022 to develop this response. We have held four community workshops, hosted two online activities and written to and met with residents, landowners and community groups.

The City's proposed response includes:

- new planning controls with the capacity to assist in accommodating 4,100 homes in residential flat buildings, mixed use developments and small lot housing which will have excellent access to sunlight and natural ventilation;
- new planning controls with the capacity to assist in accommodating up to 20,000 to 27,000 jobs in a range of building typologies in highly accessible locations and align with the types of commercial buildings industry have told us are in high demand;
- new planning controls that facilitate opportunities to increase publicly accessible open space, widen footpaths, accommodate over 250 new trees, 2,000 square metres of new green roofs, and minimise overshadowing to existing residents and important public parks and places; and
- a new local infrastructure contributions plan for Ultimo Pyrmont that will align growth with the delivery of new and improved local infrastructure.

This report recommends the Central Sydney Planning Committee and Council approve the public exhibition of Planning Proposal - Ultimo Pyrmont (the planning proposal), that the CSPC note draft Sydney Development Control Plan 2012 - Ultimo Pyrmont (the draft DCP) and the draft Ultimo Pyrmont Local Infrastructure Contributions Plan 2023.

This report also asks Council to approve the public exhibition of draft amendments to the Central Sydney Development Contributions Plan 2020. The draft amendments include updates to legislative references and policy changes for exclusions and refunds. The amendments are consistent with the draft Ultimo Pymont Local Infrastructure Contributions Plan 2023. No changes are proposed to the levy rates or schedule of works in the Central Sydney Development Contributions Plan 2020.

If Council and the Central Sydney Planning Committee approve the public exhibition of the proposed planning framework for Ultimo Pymont, a Gateway Determination will be sought from the Department of Planning and Environment for the planning proposal. After receiving a Gateway Determination, the proposed planning framework will be publicly exhibited, along with the proposed amendments to the Central Sydney Development Contributions Plan 2020. This will give the community and other stakeholders an opportunity to provide feedback.

Because the Place Strategy and the City's proposed response to it are predicated on the delivery and opening of a new metro station in Pymont as part of the Sydney Metro West project, a deferred commencement recommendation is included to defer the finalisation of the proposed planning control changes until such time as the NSW Government recommits to the timely delivery and opening of the new metro station.

## Recommendation

It is resolved that:

- (A) the Central Sydney Planning Committee approve Planning Proposal – Ultimo Pyrmont, shown at Attachment A to the subject report, for submission to the Department of Planning and Environment with a request for a Gateway Determination, subject to the NSW Government recommitment to the timely delivery and opening of a new metro station in Pyrmont as part of the Sydney Metro West project;
- (B) the Central Sydney Planning Committee approve Planning Proposal – Ultimo Pyrmont, shown at Attachment A to the subject report 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 Transport, Heritage and Planning Committee on 4 December 2023, that Council seek authority from the Department of Planning and Environment to exercise the delegation of all functions under the relevant local plan making authority under Section 3.36 of the Environmental Planning and Assessment Act 1979 to make the local environmental plan and put into effect the Planning Proposal – Ultimo Pyrmont;
- (D) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage and Planning Committee on 4 December 2023, that Council approve draft Sydney Development Control Plan – Ultimo Pyrmont, shown at Attachment B to the subject report, for public authority consultation and public exhibition together with the planning proposal;
- (E) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage and Planning Committee on 4 December 2023, that Council approve the draft Ultimo Pyrmont Local Infrastructure Contributions Plan 2023, shown at Attachment C to the subject report for public authority consultation and public exhibition together with the Planning Proposal;
- (F) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage and Planning Committee on 4 December 2023, that Council approve the draft amendments to the Central Sydney Development Contributions Plan 2020 show in Attachment D to the subject report for public authority consultation and public exhibition for a period of at least 28 days;
- (G) authority be delegated to the Chief Executive Officer to make any minor variations to Planning Proposal – Ultimo Pyrmont, draft Development Control Plan – Ultimo Pyrmont and to update the urban design study to ensure maximum clarity for the purposes of public consultation, correct any drafting errors or to ensure consistency with the Gateway Determination; and
- (H) authority be delegated to the Chief Executive Officer to make minor amendments to the draft Ultimo Pyrmont Local Infrastructure Contributions Plan 2023 and the proposed amendments to the Central Sydney Development Contributions Plan 2020 before their exhibition, including to correct any drafting errors; and

- (l) the Central Sydney Planning Committee note that commencement of Planning Proposal – Ultimo Pyrmont, shown at Attachment A to the subject report and draft Sydney Development Control Plan – Ultimo Pyrmont, shown at Attachment B to the subject report, will be deferred until the NSW Government commits to the timely delivery and opening of a new metro station in Pyrmont as part of the Sydney Metro West project.

### **Attachments**

- Attachment A.** Planning Proposal – Ultimo Pyrmont  
Attachment A1 - Early Engagement Report  
Attachment A2 - Urban Design Study  
Attachment A3 - Sites Reviewed but Not Changing
- Attachment B.** Draft Sydney Development Control Plan 2012 – Ultimo Pyrmont
- Attachment C.** Draft Ultimo Pyrmont Local Infrastructure Contributions Plan 2023
- Attachment D.** Draft Amendments to Central Sydney Development Contributions Plan 2020

## Background

### Changes are proposed to the planning controls that apply to Ultimo Pyrmont

1. This report recommends the Central Sydney Planning Committee (CSPC) and Council approve 'Planning Proposal - Ultimo Pyrmont' (the planning proposal), that the CSPC note draft Sydney Development Control Plan: Ultimo Pyrmont (the draft DCPs) and the draft Ultimo Pyrmont Local Infrastructure Contributions Plan 2023 for public exhibition. These are shown at Attachments A, B and C respectively. Council approval is also sought to exhibit proposed amendments to the Central Sydney Development Contributions Plan 2020, to achieve consistency and alignment with the Draft Ultimo Pyrmont Local Infrastructure Contributions Plan 2023.
2. The proposed controls seek to amend Sydney Local Environmental Plan 2012 (Sydney LEP) and Sydney Development Control Plan 2012 (Sydney DCP) as they apply to Ultimo and Pyrmont.
3. These changes have their basis in the Pyrmont Peninsula Place Strategy, a planning strategy prepared by the NSW Government which seeks to increase development opportunities in Ultimo and Pyrmont arising from the construction of the Pyrmont Metro Station.

### The proposed changes are in response to the NSW Government's Pyrmont Peninsula Place Strategy

4. On the 29 July 2022, a Local Planning Direction was made by the Minister for Planning under Section 9.1 of the Environmental Planning and Assessment Act 1979.
5. The Ministerial Direction states that any future planning in Ultimo and Pyrmont must:
  - facilitate development consistent with the Place Strategy and the NSW Government's Pyrmont Peninsula Economic Development Strategy;
  - align the planning controls with the NSW Government's District Plan priority of growing a stronger and more competitive Harbour CBD;
  - give effect to the Place Strategy vision and deliver the envisaged future character of the identified sub-precincts;
  - be consistent with the Place Strategy's 10 directions and Structure Plan; and
  - support the delivery of the Place Strategy 'Big Moves'.
6. The Direction applies to anyone contemplating future growth and change in Ultimo and Pyrmont, whether it is the NSW Government, the City of Sydney or individual landowners/developers.
7. The Place Strategy requires the City to ensure that there is sufficient capacity in the planning controls to accommodate an additional 4,000 homes for over 8,000 future residents in Ultimo and Pyrmont as well as capacity for around 23,000 jobs.

**The NSW Government undertook the first stage implementation of the Place Strategy**

8. In July 2022, the NSW Department of Planning and Environment (the Department) changed the planning controls for four sites:
  - 20-80 Pyrmont Street, Pyrmont to permit development at The Star Entertainment Group Hotel;
  - 622-644 Harris Street, Ultimo to permit the construction of an Indigenous Residential College; and
  - 37-69 Union Street and 26-32 Pyrmont Bridge Road, Pyrmont to permit two over-station developments associated with the new Pyrmont Metro station.
9. The first stage of implementation of the Place Strategy also included publication of Sub-Precinct Masterplans, an Infrastructure Delivery Plan and an Affordable Housing Study.
10. Under the second stage of implementation, the NSW Government changed the planning controls for the existing fish market at Blackwattle Bay and adjoining sites to the west of the Western Distributor motorway.
11. The NSW Government also approved the redevelopment of Mirvac's Harbourside Shopping Centre site in Darling Harbour.
12. Collectively, these sites are referred to as NSW Government "Key Sites" and they do not form part of the City's review.
13. There is also land in Ultimo and Pyrmont where the City is not the planning authority. These lands are the responsibility of the NSW Government. These lands do not form part of the City's review, but their future planning will contribute to the growth and change envisaged by the Place Strategy.

**The City has reviewed the planning controls for Ultimo Pyrmont**

14. The strategic review looked at all sites in Ultimo and Pyrmont where the City is the planning authority and seeks to update the planning framework in response to the Direction.
15. The City's approach is place-led and people-focused. It seeks to advance known community priorities contained in our community strategic plan, Sustainable Sydney 2030-2050 Continuing the Vision, our local strategic planning statement City Plan 2036, and priorities directly identified to us through engagement with residents, landowners and community groups.

**The City's response is informed by early community engagement**

16. In May 2022 the City started consultation with community and stakeholder groups about the strategic review. We held conversations with residents and landowners to understand their concerns, interests and perspectives on how to best accommodate growth and change in Ultimo and Pyrmont. This early engagement influenced our urban design analysis, draft planning controls and the preparation of a local infrastructure contributions plan.

17. Feedback was gathered from May 2022 to November 2023 through a combination of online and face-to-face activities. We held an online information session and promoted a webpage and a register of interest to raise awareness of the project. We held a series of face-to-face workshops at Ultimo community centre. We published an online interactive map to collect broader feedback.
18. We asked community members for their ideas for the future planning of Ultimo and Pyrmont, and how these areas could improve as change across the peninsula occurred. We asked the community what they thought about sites identified by the NSW Government as being capable of change. We asked if there were any sites not identified that could change to help us deliver additional jobs and homes.
19. City staff attended strata, landowner and resident action group meetings to collect feedback and provide updates on progress of the strategic review.
20. We hosted a community event at Town Hall House, using the city model to show our work-in-progress. We published a second online interactive map to gather feedback on those work-in-progress concepts.
21. When presenting our work-in-progress, we asked for feedback on whether our proposed changes are appropriate, and if there are any other sites that we should still consider for change.
22. Table 1 below provides a summary overview of the early engagement undertaken. A full summary of the early engagement is provided at Attachment A1.

Engagement activity	Participants (or as specified)
Introduction and information session	45
Community workshop one: update, related work/projects, what we have heard, workshop “sites capable of change”	13
Online interactive map: sites capable of change	994 unique page users 258 comments from 60 stakeholders
Community workshop two: update and recap, design considerations, case study, area likes and dislikes	27
Community workshop three: update and recap, draft response, area expert Q&A (contributions, State agencies, Wentworth Park)	58
Online interactive map: the City’s draft response	1,099 unique page users 240 comments from 84 stakeholders

Engagement activity	Participants (or as specified)
Lord Mayor letter	25,400 letters sent
Registrations for project updates	250 registrations
Landowner contact	39 letters/emails sent
Written submissions	33 submissions
Resident / Strata / landowner meetings	32 meetings

Table 1: Summary overview of early community engagement program

### **The City's response is informed by urban design analysis and expert advice**

23. The City has undertaken detailed urban design analysis throughout its review. This analysis has been informed by advice from a City Design Advisory Panel Subcommittee and internal expert advice including heritage, tree, public domain, transport, access, urban analytics, economic and planning assessments.
24. The City's urban design analysis has also been informed by our early engagement. The early engagement was used to establish our design considerations for our urban design analysis. These design considerations were tested in workshops with the community and are based in existing best practice urban design and planning considerations as well as existing known community aspirations detailed in our community strategic plan, Sustainable Sydney 2030-2050 Continuing the Vision and our local strategic planning statement, City Plan 2036.
25. The design considerations are:
  - more deep soil for more trees and cool green spaces;
  - more public space for more people – streets and open spaces;
  - minimise overshadowing of existing residential properties;
  - reinforce 'street wall' form of most buildings;
  - conserve heritage values;
  - good design for wind and noise;
  - match land use to place;
  - consider public views to and from public places; and
  - maximise development within constraints.
26. A fuller description of the design considerations and the detailed Urban Design Study which informed the preparation of the proposed planning controls can be found at Attachment A2.



**Some sites have been reviewed but their planning controls are not changing**

27. The City looked at nearly every site in Ultimo and Pyrmont to try and determine the most sensitive way to accommodate the growth envisaged by the NSW Government.
28. Our starting point for reviewing sites were the sites identified in the Place Strategy as being potentially capable of change and therefore candidates for delivering additional jobs and homes.
29. We then extended our consideration to additional sites identified through our review process.
30. Sites have undergone initial consideration and discussion with landowners and the community. In instances where planning control changes were deemed appropriate, urban design testing was undertaken.
31. Some sites were reviewed, but no planning control changes progressed as part of the proposed planning framework. The report at Attachment A3 provides a summary of these sites and the City's consideration.

**Planning controls and development outcomes****Proximity to the future metro station has guided the City's land use approach**

32. The City's proposal reflects a land use approach that seeks to:
  - (a) incentivise a critical mass of business floor space close to Pyrmont Metro Station to promote public transport use by workers and customers, support a self-sustaining workplace precinct in a diversity of building typologies while also continuing to support the growth and clustering of creative media businesses;
  - (b) plan for a middle ring of mixed-use developments with strong public transport accessibility to provide homes for people and good access to local shops and services for existing and future residents; and
  - (c) provide an outer ring of residential development, comprised of housing options ranging from higher density to small lot dwellings, located slightly further from public transport but still within walking distance of light rail, bus routes or the Pyrmont metro station.

**The proposal provides for new height and FSR controls to incentivise outcomes**

33. New height controls are proposed for certain sites across the Precinct. These are site specific. They have been designed taking into account specific site constraints. Appropriate building envelopes are contained in the accompanying DCP.
34. New FSR controls have been prepared to match the proposed building envelopes whilst maintaining sufficient space for architectural expression and design excellence.
35. For certain mixed-use developments, bonus height and floor space can be awarded if a certain percentage of commercial floor space is incorporated into the development. This is to enable the delivery of the required quantum of commercial floor space in appropriate locations. This will help achieve the vision of Ultimo and Pyrmont as a vibrant mixed-use area.

36. The proposed building heights and floor space ratios (FSRs) encourages the uptake of specific development types. These incentive heights and FSRs are dependent on the site being developed for non-residential purposes. This does not preclude residential development. However, development for residential purposes will only be able to use the existing controls.
37. Proposed heights and FSR controls can be viewed in the planning proposal at Attachment A. The Urban Design Study which informed the development of the proposed heights and FSRs can be viewed at Attachment A2. The proposed building envelope controls are contained in the draft Sydney DCP at Attachment B.
38. Accommodating Ultimo Pyrmont Small Lot Housing on some sites will mean existing FSR controls could be exceeded. This is particularly the case when sites are subdivided, and the permitted floor space of a site is reduced by virtue of the site getting smaller. To ensure that FSR is not a barrier to either achieving Ultimo Pyrmont Small Lot Housing or unreasonably restricting the development potential of the primary dwelling, a control is proposed that excludes the floor area of the Ultimo Pyrmont Small Lot Housing being counted as FSR. This will act as a vital incentive to the achievement of Ultimo Pyrmont Small Lot Housing.

#### **Some minor changes are being made to land use**

39. Generally, zoning changes have been minimised, with the focus instead being on incentivising desirable uses through height and FSR control changes.
40. The following two sites are proposed to be rezoned:
  - (a) 1-33 Saunders Street, Pyrmont - a change from E2 Commercial Centre to MU1 Mixed Use - to permit residential development on the site; and
  - (b) 20-28 Bulwara Road Pyrmont - a change from R1 General Residential to MU1 Mixed Use to facilitate commercial development on the site.
41. For the sites listed below, the R1 General Residential zoning is retained, but business premises will be permitted as an additional permitted use. This is the result of landowner requests and is an appropriate opportunity for more ground floor businesses to provide local services. The sites with additional permitted uses are:
  - (a) 231-241 Harris Street, Pyrmont (requested)
  - (b) 261 Harris Street, Pyrmont (requested)
  - (c) 313-369 Harris Street, Pyrmont (requested)
42. Under the current R1 General Residential zoning, food and drink premises and neighbourhood shops are permissible with consent. However, business premises such as hairdressers and travel agencies are prohibited. Permitting business premises on these sites will support more vibrant and active streets and providing better access to local services.

#### **Active frontages are required to contribute to create interest at the street level**

43. Some frontages on Harris Street are proposed to be added to the Sydney LEP Active Frontage Map. This will mean that existing planning controls within the LEP encouraging uses which engage with and activate the street will apply.

**Open space is protected by new sun access planes**

44. The planning proposal seeks to amend Clause 6.17 of Sydney LEP 2012 to introduce new sun access planes to protect solar access to Wentworth Park. This will ensure that the existing areas of public open space are not overshadowed by new development during the hours of primary use. This is in addition to building envelopes and setbacks contained within the DCP being designed to ensure solar access is maintained to other parks and publicly accessible spaces in the area.

**Affordable housing is supported**

45. Sites which have been identified for residential uplift are proposed to be included in Schedule 6C of the Sydney LEP 2012 to capture nine per cent of the residential uplift floor space as affordable rental housing. This will be either through the provision of dwellings or an equivalent monetary contribution. This is in addition to the new general controls in Ultimo and Pyrmont which will require a contribution rate of one per cent of the total floor area for non-residential uses and three per cent of the total floor area of the development for residential uses as affordable rental housing.
46. This approach is consistent with that recommended and assessed as feasible by the NSW Government's Pyrmont Peninsula Place Strategy Affordable Housing Study 2022, prepared by Atlas Urban Economics.

**The draft DCP will assist in achieving strategic outcomes**

47. The draft DCP proposes a framework for changes to the public domain. Public domain upgrades, including footpath widenings, new street plantings and connectivity to public transport will contribute to making the Ultimo and Pyrmont more attractive and more accessible for residents and businesses. The City proposal creates the opportunity for approximately 250 new trees across Ultimo and Pyrmont.
48. The height and floor space ratio controls proposed for the Sydney LEP 2012 are supported by height in storeys, upper level setback and ground floor setback provisions in the draft Sydney DCP 2012. Informed by the City's Urban Design Study, the proposed DCP provisions have been tested to ensure that new development can comply with the minimum sun access requirements for existing dwellings. The DCP provisions will assist in facilitating smooth transitions in heights, bulk and scale. In addition, the draft Sydney DCP street cross sections guide how upper and lower level setbacks should interface with the street.
49. The draft DCP encourages a diverse range of commercial and business land uses. The draft DCP also protects new residential development from noise and air quality impacts of major motorways and roads.
50. A draft DCP chapter has been prepared for an Ultimo Pyrmont Small Lot Housing development type. This identifies the land on which this development type can be carried out, along with setback requirements, height controls, open space requirements and sun access provisions. This development type can only be carried out on the specific lots identified within the draft DCP.
51. Small lot housing developments have historic precedence in the area. Examples are located at 1-21 Paternoster Row, Pyrmont. This development type differs from rear lane buildings or secondary dwellings in that they do not require a gable roof and are designed to form independent, standalone dwellings fronting on to a public street rather than a laneway. They will be required to be subdivided from the original lot to form their own Torrens Title lot, differentiating them from secondary dwellings.

52. The proposed open space requirements for small lot housing seeks to protect the private open space of the existing dwelling by setting a minimum size (16sqm) and requiring appropriate sun access. For the proposed new lot, open space requirements vary depending on orientation and siting constraints.
53. A minimum dwelling size of 35m<sup>2</sup> is proposed for the dwelling on a small lot. This allows for a space similar to that contained within the Apartment Design Guide for studio apartments, including for open space, to ensure a minimum standard is achieved.
54. The proposed small lot housing controls seek to ensure that impacts on both the existing lot and adjoining lot are acceptable.

**To ensure growth is supported by local infrastructure, a new development contributions plan has been prepared for Ultimo Pymont**

55. The Pymont Peninsula Place Strategy and the proposed planning controls envisage strong growth for Ultimo and Pymont, particularly with the delivery of the Pymont Metro station as part of the Sydney Metro West project. The growing resident, worker and visitor populations will require new or improved infrastructure to maintain the quality and amenity of public places and facilities and respond to the changing needs of these populations.
56. The Place Strategy identifies key infrastructure opportunities. While infrastructure such as public transport, hospitals and schools are the responsibility of the State government, the City has the authority to fund local infrastructure such as parks, the public domain, cycleways, local roads and community facilities. The Place Strategy notes that the City of Sydney will play a key role in delivering local infrastructure.
57. The City of Sydney Development Contributions Plan 2015 currently applies to land in Ultimo and Pymont. This s7.11 contributions plan did not contemplate the scale of development now planned for Ultimo and Pymont, and therefore its works schedule does not include many infrastructure items to support the population growth envisaged by the Place Strategy.
58. The Department's Pymont Peninsula Infrastructure Delivery Plan examined options for securing local infrastructure in Ultimo and Pymont. This analysis suggested that a s7.12 contributions plan with a levy of three per cent of the development cost may be the optimum approach for funding and delivering local infrastructure.

59. A draft contributions plan has been prepared under s7.12 of the Environmental Planning and Assessment Act 1979 and is at Attachment C to this report. This new plan will replace the City of Sydney Development Contributions Plan 2015 in so far as it relates to land in Ultimo and Pyrmont. The Draft Ultimo Pyrmont Local Infrastructure Contributions Plan 2023 will enable the City to impose a levy of up to three percent on new development to generate approximately \$148 million in contributions towards infrastructure over the life of the plan to 2041. It is proposed to introduce a sliding scale levy, which will increase relative to a development's worth as follows:

Development cost	Levy
Up to and including \$250,000	NIL
More than \$250,000, up to and including \$500,000	1%
More than \$500,000, up to and including \$1,000,000	2%
More than \$1,000,000	3%

60. The proposed sliding scale levy is the same as the existing higher rate contribution already in place for Central Sydney, through Section 209(1) of the Environmental Planning and Assessment Regulation 2021 and the Central Sydney Development Contributions Plan 2020. It is similar to existing higher rate contributions levies in place in other major city centres in NSW. For example, Willoughby and Newcastle centres apply a three per cent contribution levy for developments with a cost of more than \$250,000. In Parramatta City Centre, the contribution rate varies between three per cent and five per cent for developments with a cost of more than \$250,000, depending on development type and location.
61. A critical component of any local contributions plan is a robust schedule of works which responds to the infrastructure demands arising from expected population growth. The schedule of works lists the infrastructure items that money collected through a contributions plan will be used to fund. The City has prepared a schedule of works for Ultimo and Pyrmont which seeks to:
- make capacity improvements to both the northern and southern sections of Wentworth Park, to enable this open space to continue to meet demand for active and passive recreation;
  - make capacity improvements and upgrades to three existing community facilities so that they can continue to provide the community with spaces for indoor activities and meetings;
  - enable public domain improvements and tree planting to improve public amenity;
  - improve connectivity through dedicated cycleways; and
  - implement drainage upgrades and stormwater quality improvements.

62. The schedule of works is at Appendix B of the Draft Ultimo Pymont Local Infrastructure Contributions Plan 2023 at Attachment C.
63. To enable the Draft Ultimo Pymont Local Infrastructure Contributions Plan 2023 to impose a levy of up to three per cent, the Environmental Planning and Assessment Regulation 2021 requires amendment. If Council resolves to adopt the draft contributions plan following any amendments that may arise as a result of public exhibition, the draft plan will be referred to the Minister for Planning and Public Spaces along with a request to amend Section 209(1) of the Regulation to allow for a contributions levy of up to three per cent to be applied to new development on land in Ultimo and Pymont.

**Amendments are proposed to the Central Sydney Development Contributions Plan 2020 for consistency and alignment**

64. The Draft Ultimo Pymont Local Infrastructure Contributions Plan 2023 has largely been modelled on the Central Sydney Development Contributions Plan 2020 which also levies a contribution as a percentage of development cost. The drafting process has provided the opportunity to update the Central Sydney Development Contributions Plan 2020 so that it is more consistent and better aligned with the proposed draft contributions plan for Ultimo and Pymont.
65. The proposed amendments to the Central Sydney Development Contributions Plan 2020 relate to legislative references and policy. There are no changes proposed to the levy rates in the Plan, nor to the Schedule of Works which lists the infrastructure items that the Plan seeks to collect contributions funding for.
66. The proposed amendments include:
  - changes to legislative references to bring them up to date;
  - a new exclusion from the need to pay contributions for temporary development of no more than 90 days, given that temporary development is transitory in nature and does not result in lasting impact on infrastructure demand;
  - changes that set out more clearly the information required to be submitted by an applicant to assist the City in determining the development cost, to increase clarity and fairness in the process; and
  - changes to the refund policy, to allow refunds to be sought within 12 months of payment of the contribution, rather than linking refunds to the financial year the contribution was paid in.
67. The proposed amendments to the Central Sydney Development Contributions Plan 2020 require public exhibition. As no changes are proposed to the levy rates in the Plan, Ministerial approval is not required to progress the proposed amendments. Therefore, following public exhibition and any changes arising from the exhibition process, the proposed amendments will be reported back to Council.

## **The community's feedback has been considered and shaped the proposals**

68. Feedback in response to our early engagement has been diverse. The Ultimo and Pyrmont community has been invested in working with the City to accommodate growth in the most sensitive way possible. There are sites where some in the community have stated could more uplift could be accommodated, particularly more residential. There are some sites that the community have asked us to reduce the size or scope of changes or exclude completely from planning control changes. The key community areas of concern to date are summarised below, these being both general concerns and site-specific concerns.
69. The City has made some changes to the proposals in response to community feedback. For other sites, where noted, no changes to the proposals has been made, so as to enable consideration of the sites at the formal public exhibition stage, in the full context of the overall changes proposed.

### **Demand for office floor space**

70. A number of comments were made regarding the viability of commercial floor space, given changes in how businesses operate and greater flexible working post-Covid. The City was set a target for commercial floor space within the Place Strategy and the associated Ministerial Direction, which was underpinned by an Economic Development Strategy produced by NSW Treasury. The Economic Development Strategy states that it factors in the impacts of Covid in its employment forecasts.
71. The Ministerial Direction requires all planning proposals in Ultimo Pyrmont demonstrate how they meet the objectives of the Place Strategy, including job and dwelling targets. As such, the focus for the City has been on meeting the required job targets in the most appropriate way.
72. Demand for office floor space will be determined by the market. The proposed changes to planning controls creates capacity for office floor space to be provided. Consultation with commercial landowners has indicated demand, particularly for the building typologies being planned, in such highly accessible locations.

### **Residential supply**

73. A number of comments stated that there was too much focus on the supply of commercial floor space and that more residential floor space should be planned for in response to the housing supply shortage.
74. The City was set a target regarding the overall number of dwellings to be created across Ultimo Pyrmont. The City has undertaken considerable work to identify sites that can accommodate residential uplift. A diverse range of residential development types is proposed, from multi storey mixed use developments and residential flat buildings to small lot housing options, to offer the market variety and choice.
75. The City's proposed planning control changes will facilitate the delivery of more dwellings than envisaged by the Place Strategy, therefore exceeding the dwelling target.

76. The City has in place an updated affordable housing program for Ultimo and Pyrmont. This will ensure that the City achieves a higher rate of contribution from both residential and non-residential developments towards the provision of affordable rental housing. On top of the standard affordable rental housing contribution rate, residential developments that receive additional residential uplift through this planning proposal will need to contribute an additional 9 per cent of their uplift floor space (or provide an equivalent monetary contribution) to affordable rental housing.

#### **Why rezone perfectly good buildings?**

77. Some feedback raised the question of why planning controls should be changed for buildings that were still in good condition.
78. The intent of the proposed planning framework is to enable the long-term strategic outcome envisaged by the Place Strategy. The proposed changes will not preclude the retention of buildings in good condition or force owners to develop. Rather, the proposed planning controls will provide opportunity for change and redevelopment at a time suited to the property owner(s). In instances of site redevelopment, the City encourages the appropriate reuse and recycle of building materials.

#### **Equity**

79. Comments were received regarding a perceived inequity in changing planning controls that may reduce views, privacy and/or sunlight, particularly by residents in Kirk Street, Bulwara Road and Hackett Street where they adjoin sites identified for change on Harris Street in Ultimo.
80. Accommodating the growth required by the Place Strategy will mean that Ultimo and Pyrmont will experience built form change, and this will result in impacts. The City has undertaken extensive work modelling the potential impacts associated with development uplift. The proposed planning controls seek to protect public views from public places, protect solar access to important parks and places and minimise overshadowing of existing dwellings.
81. The City's approach is place-led and people-focused. It seeks to deliver on community priorities contained in our community strategic plan Sustainable Sydney 2030-2050 Continuing the Vision, our local strategic planning statement City Plan 2036, and priorities directly identified through early engagement. The extensive work and modelling undertaken by the City to inform changes to planning controls and guide the future built form of Ultimo and Pyrmont is considered preferable to ad hoc planning proposals for individual sites.

#### **"The Gateway", 1-27 Murray Street, Pyrmont**

82. The Gateway Building at 1-27 Murray Street, Pyrmont is a mixed-use residential development containing approximately 90 residential strata units and six commercial/retail units. The building is around 25 years old.
83. Some unit owners in this building raised concern that there are changes proposed to the planning controls for this site. There was also concern from some owners that the City's proposal was commercial focused, not residential.
84. This site and the surrounding block was identified as capable of change under the NSW Government's Place Strategy.



85. The City's proposed changes to planning controls seek to facilitate the following outcomes for the site and block:
- better pedestrian access to the existing light rail station;
  - better pedestrian access north-south across the block, over the existing light rail line;
  - a larger area of publicly accessible open space, with more trees and better solar access;
  - the creation of a public view corridor through the block to the water, looking north from Harwood Street; and
  - a critical mass of commercial office floor space in close proximity to the new Pyrmont Metro station.
86. These outcomes are not possible if 1-27 Murray Street is excluded from the proposal.
87. The Strata committee of this building have been advised of the strategic planning process, and importantly that any redevelopment of the site will need to be initiated by the building's owners.
88. The City's proposal for the site complies with the Place Strategy which set a height limit of RL90m for the block. The City's proposal minimises overshadowing to existing residential apartments and dwellings and is set back appropriately from the heritage group of buildings on the corner of Union and Murray streets. Full urban design analysis for the site and block is detailed in Attachment A2.

**“The Accenture Building” 48 Pirrama Road, Pyrmont**

89. Submissions were received regarding 48 Pirrama Road. This is a commercial office building of approximately 15 years of age.
90. The key concerns raised by the community related to the impacts of a potential height increase, given the site's harbour frontage.
91. The City's proposal seeks to facilitate the following outcomes for the site:
- an extension to Metcalfe Park, with more trees;
  - the creation of a public view corridor through the block to the water, looking north-east from John Street;
  - better street activation along Pirrama Road; and
  - a critical mass of commercial office floor space in close to the new Pyrmont Metro station.
92. These outcomes are not possible if 48 Pirrama Road is excluded from the planning proposal.

93. The City's proposal complies with the height objectives of the Place Strategy. The site is not in proximity to or visible against the sandstone escarpment along Pirrama Road and the proposed podium height matches heights established by the Star and the REVY building at 8 Darling Island Road. Full urban design analysis for the site is detailed in Attachment A2.
94. No change has been made to the City's proposal for this site in advance of the formal public exhibition. This will allow for comment on the proposal as part of the formal public exhibition in the context of the overall planning framework proposed.

#### **"The Slades Building and Terraces", 12-18 Pyrmont Street, Pyrmont**

95. Following comments from the community, the proposal to change the existing planning controls for the terrace houses at 14, 16 and 18 Pyrmont Street have no longer been pursued. While the planning envelope for 12 Pyrmont Street has been amended to reduce impacts on 14-18 Pyrmont Street. These changes are creating a new deep soil area fronting Jones Bay Road to protect an established tree and maintain the existing amenity enjoyed at the rear of the terraces at 14-18 Pyrmont Street. The change results in a taller planning envelope at 12 Pyrmont Street, which was recommended by the community.

#### **"City West Office Park", 1-33 Saunders Street, Pyrmont**

96. The comments received on this property related to use, with the request that residential uses be permitted on this site rather than commercial uses only.
97. The zoning of 1-33 Saunders Street is proposed to be amended from E2 Commercial Centre to MU1 Mixed Use to permit residential development. Revised height and FSR controls have been developed to reflect this change of permitted use. The overall maximum height has been reduced from 21 storeys to 15 storeys and FSR reduced from 7.18:1 to 4.2:1.
98. Given the proximity this site to the Western Distributor motorway, the planning controls ensure noise impacts are addressed for residential uses and the DCP's building addresses noise attenuation, building separation and solar access.

#### **Harris Street sites, Ultimo**

99. The comments for sites along Harris Street were generally supportive of the proposed intensification of residential development. Despite this, the total number of dwellings that can be delivered on Harris Street sites by the planning proposal has been reduced given the uncertainty about how the section of Harris Street south of the Western Distributor motorway will be addressed by the NSW Government.
100. The NSW Government's Place Strategy identified that Harris Street should become more pedestrian focussed, with traffic reductions and decreased numbers of lanes. However, the subsequent Transport for NSW Western Distributor Network Improvement Project and the NSW Government's draft Pyrmont Ultimo Transport Plan indicate that there will be an overall increase in traffic movements along this corridor and only minor improvements for pedestrians. Given this, any new residential development will need to be designed to minimise noise impacts. This significantly reduces the overall number of dwellings that can be delivered on this section of Harris Street.
101. For Harris Street sites, maximum FSR has generally been reduced by 0.5:1 across a number of sites.

## Key Implications

### Strategic Alignment - Planning

102. The NSW Government's Greater Sydney Region Plan and Eastern City District Plan are used to shape strategic planning and infrastructure in metropolitan Sydney and align planning from the broadest regional area down to the local area. The City's Local Strategic Planning Statement sets the land use planning strategy for the city which is required to align with the Region and District Plan. The City's planning controls are then required to give effect to the strategic plans.
103. The Region Plan, District Plan and Local Strategic Planning Statement adopt planning priorities of similar themes, being infrastructure, liveability, productivity, sustainability and governance. How this proposal gives effect to these priorities is discussed in detail in the planning proposal and summarised below:
- (a) Infrastructure - The planning proposal aligns growth with new infrastructure investment, the Sydney Metro West. Responding to the city-shaping project by providing for 26,000 new jobs within walking distance of the new Pyrmont Metro Station contributes to infrastructure strategic planning objectives particularly:
    - (i) 'Planning Priority E1: Planning for a city supported by infrastructure' in the District Plan; and
    - (ii) Local Strategic Planning Statement Priority 'I1 Movement for walkable neighbourhoods and a connected city' and Action I1.5 'Where a Sydney Metro West station is committed in Pyrmont, work with NSW Government agencies and others to develop a land use framework that:
      - a. promotes employment growth, visitor accommodation, affordable enterprise space, high technology industry, retail, community and cultural uses;
      - b. facilitates improved environments for walking and cycling; and
      - c. maximises public and active transport interchange.'
  - (b) Liveability - Ultimo and Pyrmont will be a more connected and walkable place with open space, places for people to gather and a vibrant high street. This planning proposal will incentivise affordable housing within the Precinct, takes a balanced approach to conserving and celebrating places of heritage significance and contributes to liveability strategic planning objectives particularly:
    - (i) 'L2 Creating great places' and 'L3 New homes for a diverse community' in the Local Strategic Planning Statement; and
    - (ii) 'Planning Priority E5: Providing housing supply, choice and affordability, with access to jobs, services and public transport' and 'Planning Priority E6 Creating and renewing great places and local centres and respecting the District's heritage' in the District Plan.
  - (c) Productivity - The planning proposal will strengthen the economic and productive role of the Innovation Corridor by incentivising non-residential development in the City Fringe. This planning proposal gives effect to productivity strategic planning objectives, particularly:
    - (i) 'P2- Developing innovative and diverse business clusters in City Fringe' in the Local Strategic Planning Statement; and

- (ii) 'Planning Priority E7: Growing a stronger and more competitive Harbour CBD' and 'Planning Priority E11: Growing investment, business opportunities and jobs in strategic centres' in the District Plan.
- (d) Sustainability - The planning proposal gives effect to sustainability strategic planning objectives, particularly:
  - (i) (i) 'S1 – Protecting and enhancing the natural environment for a resilient city' in the Local Strategic Planning Statement; and
  - (ii) (ii) 'Planning Priority E17: Increasing urban tree canopy cover and delivering Green Grid connections' in the District Plan.

### **Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision**

104. 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. The City's proposed planning framework is aligned with the following strategic directions and objectives:

- (a) Direction 1 - Responsible governance and stewardship - the City's proposal is in response to a direction from the NSW Minister for Planning. It seeks to deliver on community priorities contained in Sustainable Sydney 2030-2050 Continuing the Vision, our local strategic planning statement City Plan 2036, and priorities directly identified through early engagement. The extensive work and modelling undertaken by the City to inform the planning controls is preferable to ad hoc planning proposals for individual sites.
- (b) Direction 3 - Public places for all and Direction 5 - A city for walking, cycling and public transport - the City's proposal facilitates opportunities to increase publicly accessible open space, accommodate more trees, widen footpaths and minimise overshadowing to important public parks and places. The City's proposal concentrates employment floor space around the new Pyrmont Metro Station to promote public transport use by workers and visitors.
- (c) Direction 9 - A transformed and innovative economy - Ultimo and Pyrmont is part of the "Innovation Corridor", an economic and employment precinct identified in the NSW Government's Eastern City District Plan and adopted in the City's Local Strategic Planning Statement. It captures existing clusters of knowledge intensive industries and institutions with a focus on health, education, creative industries, media and technology.

Strong clusters are a critical economic driver and lead to higher business and start-up growth and rely on exchange of information, access to workers and economies of scale. Promoting clusters and supporting them with infrastructure, amenity and connectivity can create a competitive advantage for Sydney.

The City's proposal provides the capacity for 20,000 to 27,000 jobs in highly accessible locations and in the types of commercial buildings sought by industry and business. The controls will support the retention and growth of the Ultimo Pyrmont's established creative media employment cluster.

- (d) Direction 10 - Housing for all - Sites which have been identified for residential uplift will have nine per cent of their uplift dedicated for the purposes of affordable rental housing. This will be either through the provision of dwellings or an equivalent monetary contribution. This is in addition to the new general controls in Ultimo and Pyrmont which will require a contribution rate of one per cent of the total floor area for non-residential uses and three per cent of the total floor area of the development for residential uses as affordable rental housing.

The City's proposal also facilitates the delivery of diverse housing typologies in the form of residential flat buildings, mixed use developments and small lot housing which will have excellent access to sunlight and natural ventilation.

### **Relevant Legislation**

105. Environmental Planning and Assessment Act 1979.
106. Environmental Planning and Assessment Regulation 2021.

### **Public Consultation**

107. The minimum public exhibition process for this planning proposal will be determined by the Department of Planning and Environment. It is proposed that the public exhibition of the planning proposal, draft DCP and contribution plans will run concurrently. The consultation will be in accordance with the requirements of:
- (a) the Gateway Determination issued by the Department of Planning, Industry and Environment under section 3.34 of the Act;
  - (b) the Environmental Planning and Assessment Regulation 2021; and
  - (c) the City of Sydney Community Participation Plan 2019.
108. Public exhibition would be a minimum of 28 days, with notification on the City's Sydney Your Say website.
109. The planning proposal, draft DCPs and contributions plans will be publicly exhibited online on the City of Sydney website in accordance with the Environmental Planning and Assessment Regulation 2021.

### **GRAHAM JAHN AM**

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