

## Item 6.

### **Public Exhibition - Planning Proposal - 232-240 Elizabeth Street, Surry Hills - Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012 Amendments**

**File No: X094617**

#### **Summary**

Lower Surry Hills is part of the Eastern Creative District, City Fringe and 'Tech Central'. Its unique and authentic character of former warehouse buildings, and its high amenity, accessibility and transport connections, attract major creative firms and their workers at more affordable rents. This proposal will help to grow the City's creative industries and strengthen their competitiveness. Supporting development and investment in this area, through increasing the amount of employment floor space, is a key priority across City and State strategies.

A planning proposal has been prepared for 232-240 Elizabeth Street, Surry Hills, following a request by the applicant to amend the planning controls for the site. Located on the corner of Elizabeth and Reservoir Streets, 250 metres north of Central Railway Station, the site is well positioned to support the existing employment cluster in creative industries.

The proposal for a 10-storey commercial development with office and retail space is a good contextual fit with neighbouring buildings and land uses in Lower Surry Hills, providing contemporary workspace while reinforcing the area's unique character. The planning proposal seeks to amend the building height and floor space ratio controls for the site. In addition, the redevelopment of the site will facilitate the delivery of a new pedestrian through-site link connecting Foster Lane and Reservoir Street, increasing pedestrian permeability and opportunities for ground-floor activation.

The applicant has submitted a public benefit offer to enter into a planning agreement to dedicate an area of land in stratum to the City for the purposes of the pedestrian through-site link. This is in addition to any required contributions under the Central Sydney Contributions Plan 2020 and affordable housing contributions.

This report recommends approval of the planning proposal for submission to the Department of Planning, Housing and Infrastructure seeking a Gateway Determination, followed by public exhibition. It also recommends that a draft site-specific development control plan is endorsed for exhibition, and a draft planning agreement be prepared based on the public benefit offer. It is proposed that all documents are exhibited concurrently.

## Recommendation

It is resolved that:

- (A) the Central Sydney Planning Committee approve Planning Proposal - 232-240 Elizabeth Street, Surry Hills, as shown at Attachment A to the subject report, to be submitted to the Minister for Planning and Public Spaces with a request for Gateway Determination;
- (B) the Central Sydney Planning Committee approve Planning Proposal - 232-240 Elizabeth Street, Surry Hills, as 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 25 March 2024 that Council seek authority from the Minister for Planning and Public Spaces 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 Proposal - 232-240 Elizabeth Street, Surry Hills;
- (D) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage and Planning Committee on 25 March 2024 that Council approve the Draft Sydney Development Control Plan 2012 - 232-240 Elizabeth Street, Surry Hills, shown at Attachment B to the subject report for public authority consultation and public exhibition concurrent with the Planning Proposal;
- (E) authority be delegated to the Chief Executive Officer to make any variations to Planning Proposal - 232-240 Elizabeth Street, Surry Hills, to correct any drafting errors or to ensure consistency with the Gateway Determination;
- (F) authority be delegated to the Chief Executive Officer to make any variations to Draft Sydney Development Control Plan 2012 - 232-240 Elizabeth Street, Surry Hills, to correct any drafting errors or ensure it is consistent with the Planning Proposal following the Gateway Determination; and
- (G) the Central Sydney Planning Committee note the Chief Executive Officer will prepare a draft planning agreement in accordance with the letter of offer dated 13 March 2024 at Attachment C to the subject report, and the requirements of the Environmental Planning and Assessment Act 1979, to be exhibited in accordance with the Act.

## Attachments

- Attachment A.** Planning Proposal - 232-240 Elizabeth Street, Surry Hills and appendices
- Attachment B.** Draft Sydney Development Control Plan 2012 - 232-240 Elizabeth Street, Surry Hills
- Attachment C.** Public Benefit Offer - 232-240 Elizabeth Street, Surry Hills - dated 13 March 2024

## Background

1. A planning proposal request has been lodged for a site in Surry Hills, close to Central Sydney and within 'Tech Central'. The site is located at 232-240 Elizabeth Street, Surry Hills, and has street frontages to Elizabeth and Reservoir Streets, and Foster Lane, as shown in Figure 1.



**Figure 1:** Land affected by this planning proposal

2. The multiple lots comprising the site have a total area of 906 square metres. Existing development on the site consists of a series of two- and three-storey buildings featuring ground-floor retail tenancies and a hostel occupying the first and second floors, with an outdoor terrace and rear dock. The buildings were originally five separate terrace buildings but are now interconnected and have all been heavily altered since their construction.
3. Further details of the site and existing planning controls can be found in sections 1 and 2 of the Planning Proposal. An image of the site with the affected buildings outlined yellow is shown at Figure 2.



**Figure 2:** 232-240 Elizabeth Street, viewed from the south-west, outlined in yellow

4. Following comprehensive pre-lodgement advice, the applicant, Stasia Holdings Pty Ltd, represented by Planning Lab and Candalepas Associates, lodged a request to prepare a planning proposal in February 2024.

### Key Implications

#### **Proponent has requested changes to height and floor space controls to enable a commercial development and construct a through-site link**

5. The proponent has requested a planning proposal to facilitate the redevelopment of the site to include:
  - (a) a 10-storey commercial building up to a maximum height of RL 50.33 metres (39.3 metres);
  - (b) approximately 6,300 square metres of new commercial office space with ground floor retail activation; and
  - (c) a new pedestrian through-site link connecting Reservoir Street with Foster Lane, which is currently built upon and adjoins a dead-end laneway.
6. Images prepared by the proponent of the indicative development scheme can be found in Figures 3 and 4.



Figure 3: Artistic representation of indicative design - Elizabeth Street perspective



Figure 4: Artistic representation of indicative design - Reservoir Street perspective

**The City has prepared a planning proposal to increase the height and floor space controls for a commercial development**

7. The planning proposal details the proposed amendments to the Sydney Local Environmental Plan 2012 (Sydney LEP 2012) by inserting new site-specific provisions. The provisions are to:
  - (a) permit a maximum building height of RL 50.33 metres (39.3 metres), an increase from the current control of 35 metres;
  - (b) increase the maximum floor space ratio control from 5:1 to 7.3:1 inclusive of design excellence and below ground end of journey floor space;
  - (c) require the consent authority to be satisfied that the resulting building would not be used for the purpose of residential accommodation or serviced apartments.
8. Further explanation of the provisions can be found in section 4 of the Planning Proposal.

**Changes to the Development Control Plan will make sure the development fits within the area, protects amenity and improves access and activation**

9. A site-specific draft development control plan (draft DCP) is at Attachment B and provides further guidance for development facilitated by this planning proposal. The draft Development Control Plan provisions include:
  - (a) a maximum building envelope including setbacks, street wall heights and maximum height (as shown at Figure 5);
  - (b) a pedestrian through-site link with a minimum width of 3400 millimetres to be provided along the site's eastern boundary connecting Reservoir Street and Foster Lane;
  - (c) active frontages to be provided along Elizabeth Street, Reservoir Street and the through-site link; and
  - (d) requirements for servicing and access.

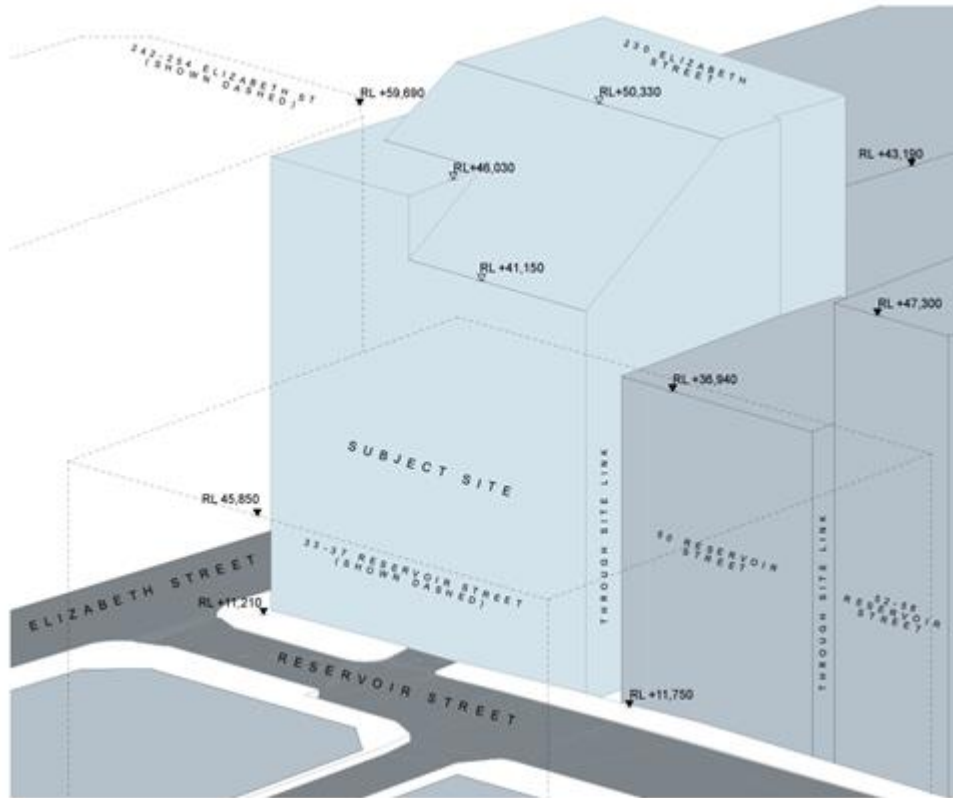
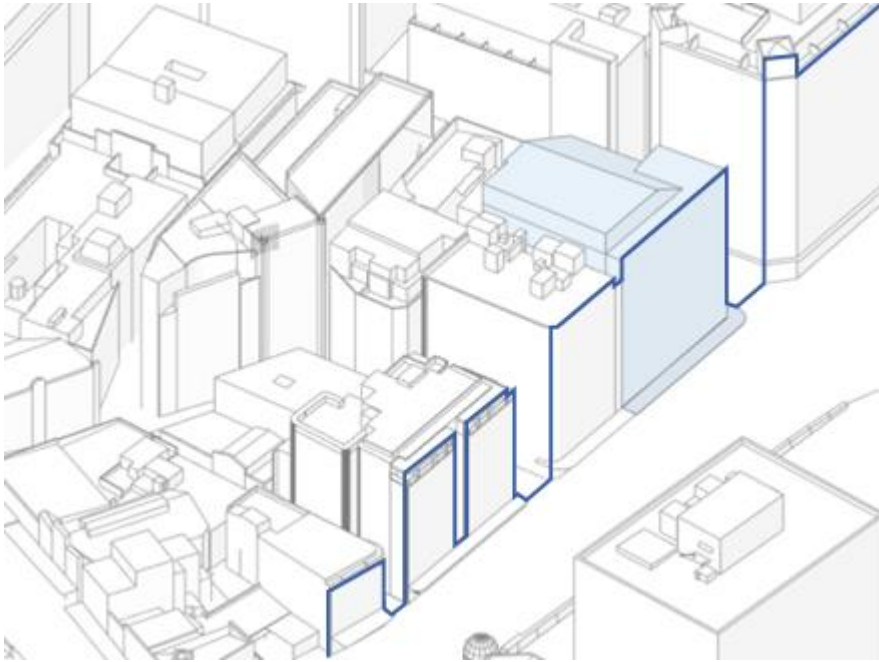


Figure 5: Proposed maximum building envelope - axonometric view

**The proposal is a good contextual fit and has site-specific merit**

10. The proposed building envelope has been designed to minimise overshadowing to nearby buildings. It also aligns with a previous Development Application approved in November 2020 regarding the preservation of sun access to neighbouring buildings.

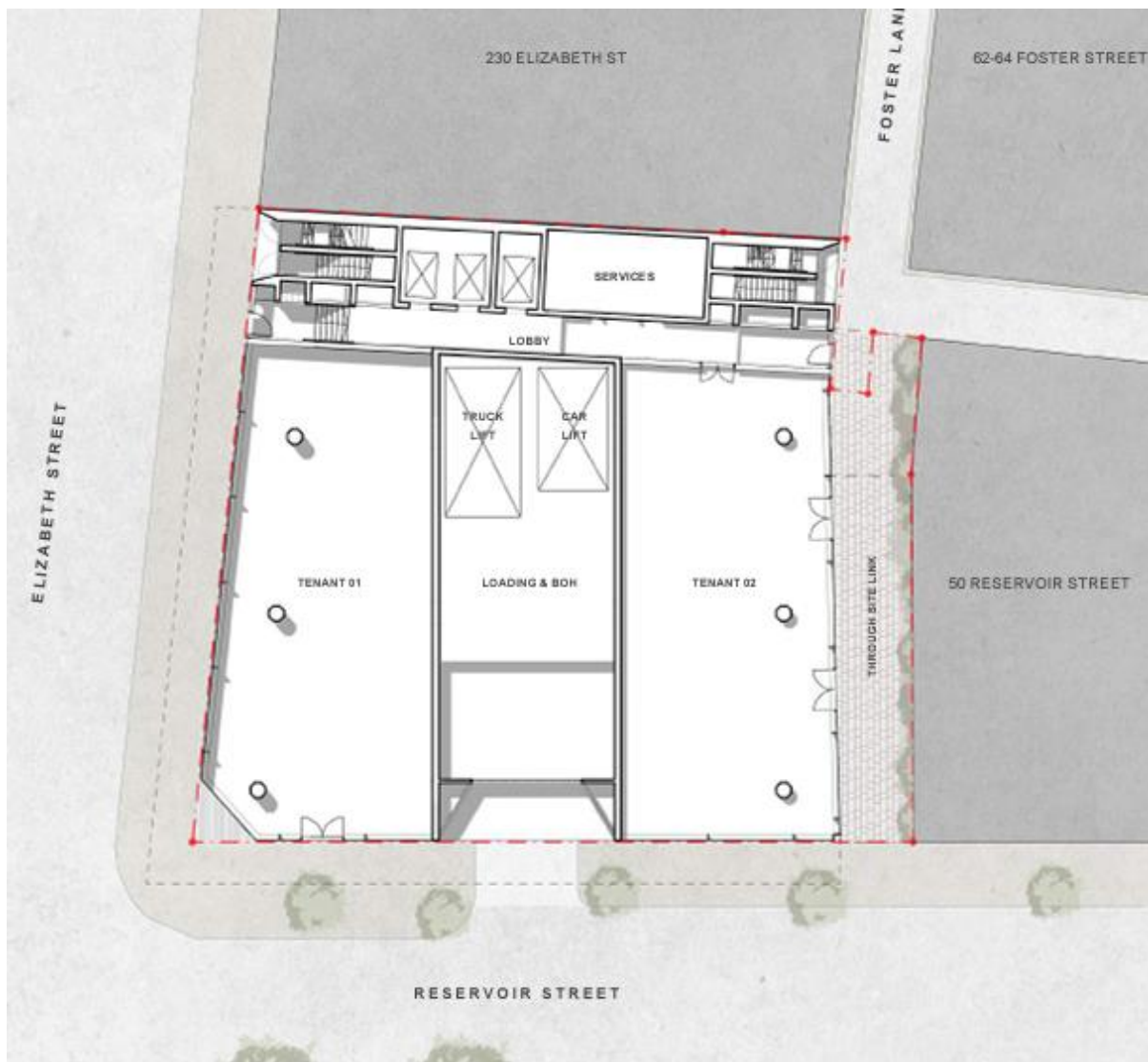
11. The proposal forms a good contextual fit and maintains a consistent street wall with neighbouring buildings on Elizabeth Street, with all massing above the street wall set back by 3 metres from the Elizabeth Street frontage.



**Figure 6:** Proposed building envelope - isometric view facing south-west

12. The planning proposal, draft Development Control Plan and Voluntary Planning Agreement will facilitate the redevelopment of the subject site to enable a new commercial development with the following key benefits:
  - (a) the delivery of more than 6,000 square metres of new commercial workspace in Surry Hills, helping to promote development, investment and business opportunities in a district already well supported by existing and proposed infrastructure.;
  - (b) supporting development and investment within the Innovation Corridor, City Fringe, Eastern Creative District and Camperdown-Ultimo Collaboration Area (Tech Central) - an area identified as existing employment cluster, particularly in knowledge-intensive sectors such as health, education, creative industries, professional services and information media; and
  - (c) providing a new pedestrian through-site link, which extends Foster Lane to the south to connect to Reservoir Street, increasing permeability and opportunities for ground floor activation.





**Figure 7:** Ground floor plan of indicative design featuring through-site link

13. Further information on the urban design, environmental, social and economic impacts of the planning proposal can be found in section 5.4 of the planning proposal. In addition, the proponent commissioned a number of technical reports in support of their proposal which have been attached as appendices to the planning proposal. These include an Urban Design Study, Traffic Impact Assessment and Heritage Impact Statement.

#### **A Voluntary Planning Agreement will deliver a dedicated through-site link**

14. The proponent has offered to enter into a Voluntary Planning Agreement (VPA) with Council to deliver public benefits as part of this planning proposal. The Environmental Planning and Assessment Act 1979 (the Act) allows the proponent to enter into a legally binding Voluntary Planning Agreement with Council. Voluntary Planning Agreements are voluntary and must be freely entered into by the public authority and a proponent. They are also publicly exhibited and held on a publicly accessible register.

15. The letter of offer from Stasia Holdings Pty Ltd at Attachment C to this report outlines the public benefits. The benefit will be the dedication of an area of land to the Council for the purpose of a road, specifically a pedestrian through-site link free of cost. The through-site link land will be dedicated in stratum both in height and depth, with the width of the through-site link land to be consistent with the width of Foster Lane.
16. This Voluntary Planning Agreement will not offset local infrastructure contributions required under a contributions plan (section 7.12 of the Act), and housing and productivity contributions (division 7.1, subdivision 4 of the Act).
17. The Voluntary Planning Agreement will be prepared and publicly exhibited with the planning proposal.

### **Planning Proposal is consistent with City's strategic vision**

18. The City's Local Strategic Planning Statement, City Plan 2036, sets out the 20-year vision for land use planning in the city and the planning priorities and actions needed to achieve the vision.
19. Two of the key moves are to build internationally competitive and knowledge-intensive business clusters in the Innovation Corridor and support creative and cultural industries in the Eastern Creative Precinct. These areas leverage the dense economic activity and global outlook of Central Sydney, its significant investment (including transport infrastructure) and urban amenities that attract talent, while remaining precincts with high amenity and character featuring diverse and well-designed workplaces. These areas, as part of the City Fringe, may contribute at least 53,800 additional jobs by 2036.
20. 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 for the future of the city, as well as 10 targets against which to measure progress. This planning proposal is aligned with the following strategic directions and objectives.
  - (a) Direction 5 - A city for walking, cycling and public transport - the site is well-positioned to take advantage of existing and planned transport infrastructure, most notably the train, light rail, and Metro connections of Central Railway Station, as well as bus routes along Elizabeth Street and cycleways in Surry Hills. The provision of a new pedestrian through-site link enhances the existing pedestrian permeability of Surry Hills.
  - (b) Direction 9 - A transformed and innovative economy - the site is located within the City Fringe, Camperdown-Ultimo Collaboration Area (Tech Central) and Eastern Creative Precinct. This planning proposal would facilitate the delivery of new office space in an existing employment cluster, supporting employment uses particularly in knowledge-intensive sectors such as health, education, creative industries, professional services and information media.
21. Further information regarding the alignment of the Planning Proposal with the strategic planning framework can be found in section 5.3 of the Planning Proposal.

### Relevant Legislation

22. Environmental Planning and Assessment Act 1979.
23. Environmental Planning and Assessment Regulation 2021.

### Critical Dates / Time Frames

24. Should Council and the Central Sydney Planning Committee endorse the attached planning proposal for public exhibition, it will be forwarded to the Department of Planning, Housing and Infrastructure in accordance with section 3.34 of the Act for Gateway Determination. The Gateway Determination will provide the required date for the completion of the Local Environmental Plan amendment. Following public exhibition, the outcomes will be reported back to Council and the Central Sydney Planning Committee.

### Public Consultation

25. The public exhibition process for this planning proposal will be determined by the Department of Planning, Housing and Infrastructure. It is planned for the public exhibition of the planning proposal, draft Development Control Plan and notification of the planning agreement will run concurrently. The consultation will be in accordance with:
  - (a) the Gateway Determination issued by the Department of Planning, Housing and Infrastructure under section 3.34 of the Act;
  - (b) the Environmental Planning and Assessment Regulation 2021;
  - (c) in relation to the Voluntary Planning Agreement, section 7.5(2) of the Act; and
  - (d) the City of Sydney's Community Engagement Strategy and Participation Plan.
26. It is likely that the public exhibition for the planning proposal would be a minimum of 28 days.
27. The planning proposal, draft Development Control Plan and draft Voluntary Planning Agreement will be publicly exhibited online on the City of Sydney website in accordance with the Environmental Planning and Assessment Regulation 2021.

### GRAHAM JAHN AM

Director City Planning, Development and Transport

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