

Attachment A1

**Proponent Planning Proposal
Justification Report**

**Planning Proposal for 232-240 Elizabeth Street, Sydney
Amendment to the Sydney Local Environmental Plan 2012 and Sydney
Development Control Plan 2012**



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Summary

This Planning Justification Report has been prepared by Planning Lab on behalf of Stasia Holdings Pty Ltd in support of a planning proposal to amend the Sydney Local Environmental Plan 2012 (Sydney LEP 2012) and Sydney Development Control Plan 2012 (Sydney DCP 2012) in relation to 232-240 Elizabeth Street, Surry Hills. The proposed amendments have been informed by an indicative concept design by Angelo Candalepas and Associates (Appendix A) for a 10-storey commercial building with three basement levels. The proposal would facilitate redevelopment of the site including the construction of a commercial infill development appropriate to the surrounding urban context. The development will provide additional commercial office space within Surry Hills in support of the local economy.

The existing planning controls prevent the development of the indicative concept design due to non-compliance with the floor space ratio (FSR) and height controls. In response, this planning proposal seeks Council's support to progress an amendment to the Sydney LEP 2012 to create a new site-specific clause that will allow non-residential development to achieve;

- a maximum building height of RL 50.33m which is 39.3m in height; and,
- a maximum FSR of 7.0:1

It is also proposed to create a new site-specific development control plan for the site with Chapter 6 of the Sydney DCP 2012 (Appendix B & C) to work in conjunction with the amended Sydney LEP 2012. The site specific DCP would enable development consistent with the indicative concept design.

The indicative concept design is the result of an Urban Design Study carried out by Angelo Candalepas and Associates. It has considered the recent approval history of the site which includes a current concept approval (formerly called Stage 1 approval) permitting a 35m mixed use building including a residential component. It has also assessed the permissible and actual height and density of surrounding sites, along with how the site could enhance the public domain. The concept envelope that is proposed seeks to improve upon previous approvals and to permit a design that will respond positively to neighbouring developments.

The proponent has incorporated the pre-lodgement feedback from the City of Sydney Council into the submitted Urban Design Study, most notably:

Floor-to-Floor Heights, FSR and Envelope

1. This proposal comprises 10 storeys with 4.5m and 3.6m floor-to-floor heights allowed for all levels, as per Section 4.2.1.2 (Sydney SCP 2012);
2. The solar analysis appended to this proposal demonstrates the retained solar access to Apartments 601 and 602 at 242-254 Elizabeth Street, and 33 Reservoir Street; and
3. Important urban outcomes:
 - a. The prevailing street wall is reinforced both along Elizabeth and Reservoir Streets by maintaining the parapet heights;
 - b. All massing above the street wall is set back so as to not be visible from the street;
 - c. The through-site link is retained.

Sustainability

A commitment to the NABERS Energy Rating of 5.5 stars + 25% for the proposal. The competitive design process will be the opportunity to investigate and provide innovative sustainability solutions to the site specific challenges of the site.

Through-site link

An offer to Council for the dedication of this link as a public road, based on another City of Sydney precedent.

Clause 6.21(D) of Sydney LEP 2012 requires development outside of Central Sydney that is over 25m in height to undergo a competitive design process. The site's existing maximum height limit is 35m, This Planning Proposal will increase the maximum building height by 4.3m to RL 50.33m.

Accordingly, the development of a new building up to the proposed LEP controls would require a design competition to be undertaken. A future detailed DA would be based on the competition winning design and not on the indicative concept design lodged in support of this planning proposal. Notwithstanding, the indicative concept design demonstrates that a building of high quality can be designed within the proposed building envelope.

The proposed amendments to the Sydney LEP 2012 and Sydney DCP 2012 could facilitate the development of the proposed indicative concept design for a 10-storey commercial office building with ground floor retail and three basement levels. It carefully considers the surrounding buildings by providing a suitable height transition along both Elizabeth and Reservoir streets. A stepped setback on the upper levels along Reservoir Street also lessens the shadow impact of the proposed building envelope relative to the site's current concept approval under D/2016/1451. The design will enhance the street level providing a new activated through site link between Reservoir Street and Foster Lane and providing active frontages to all streets with its driveway crossing being minimised. The proposed amendments to planning controls will facilitate a commercial development that responds positively to its environment, will enhance the walkability of the public domain in the immediate surrounds.

Surry Hills has developed a concentration of creative, technology and professional services companies which is driving agglomeration benefits. High rents in the Sydney CBD and high levels of amenities in the Surry Hills area of the City Fringe are also increasing demand for commercial office space in the area. The Economic and Social Impact Report by Planning Lab (Appendix D) estimates that the indicative concept design would be capable of hosting 301 employees. This is 86 more employees that could be supported under the existing controls, assuming that the site was developed for commercial use rather than residential. The proposal would incentivise commercial development on the site and would increase its capacity to contribute to the local and State economy. The primary commercial uses of the site are compatible with the existing MU1 – Mixed Use zone and will support the zone objectives.

The use of the site for commercial office space is well aligned with the strategic requirements of the Greater Sydney Region Plan, Eastern City District Plan and the local City of Sydney strategic plans. The project will provide new employment opportunities in the construction industry during the building phase and will provide floor space which is likely to be utilised by the creative, technology or professional services industries. The site's high level of access to public transport and location within an existing business centre that is near sizeable residential areas makes it well suited to

intensified employment being consistent with the 30-minute city. These aspects of the proposal support the combined visions of the various relevant strategic plans.

This planning proposal demonstrates the need for the proposed amendments to the Sydney LEP 2012 and Sydney DCP 2012, the effect that the proposed amendments will have, and that the amendments are consistent with the relevant planning strategies and instruments. The proposal is shown to be consistent with the relevant State Environmental Planning Policies and Ministerial Directions. It is recommended that the City of Sydney progress this planning proposal which will improve the site's relationship to the surrounding urban environment and will support necessary commercial development within Surry Hills and the City Fringe.

Introduction

Background

This planning proposal seeks the amendment of planning controls within the Sydney Local Environmental Plan 2012 (Sydney LEP 2012) and Sydney Development Control Plan 2012 (Sydney DCP 2012) that apply to 232-240 Elizabeth Street, Surry Hills ('the site'). This planning proposal has been prepared by Planning Lab, in conjunction with Angelo Candalepas and Associates on behalf of Stasia Holdings Pty Ltd. It has been prepared in accordance with Division 3.4 of the Environmental Planning and Assessment Act 1979 (EP&A) and with reference to the Department of Planning and Environment's document 'Planning Proposals: A Guide to Preparing Planning Proposals'.

A request to prepare a planning proposal was sent to the City of Sydney along with a preliminary design proposition. This proposal has been refined in accordance with the advice and requirements provided by Council in response.

An indicative concept design for a commercial office building with ground floor retail located within the proposed building envelope has been produced by Angelo Candalepas and Associates. The accompanying indicative concept design is provided to show that an appropriate building can be developed under the proposed site-specific controls.

To realise the concept design, it is proposed to amend the Sydney LEP 2012 to include a site-specific clause allowing the site to achieve an increased floor space ratio (FSR) and building height. It is also proposed to create a site-specific section of the Sydney DCP 2012 (Appendix B & C) to work in conjunction with the amended Sydney LEP 2012 to enable development on the site that corresponds with the indicative concept design.

Site Identification

This planning proposal relates to 232-240 Elizabeth Street, Surry Hills which is legally identified as SP1379 and Lots 1 & 2 in DP779385. The site is wholly owned by Stasia Holdings Pty Ltd.

Site Description

The site is an irregular 'square shaped' block with an area of 905.6m² located on the corner of Elizabeth Street and Reservoir Street (Figures 1-2). The site is comprised of three separate lots occupied by five buildings between one and three storeys. The buildings are currently used for a mixture of temporary accommodation and retail tenancies. Both buildings presenting to Elizabeth Street are used as a hostel with various retail spaces at the ground floor (Figures 3-4). Similarly, the buildings presenting to Reservoir Street have ground-floor retail tenancies, with the upper levels owned and used by the hostels as part of the roof terrace (Figure 5). The buildings were originally five separate terrace buildings, but all have been heavily altered since their construction.

The site is located on the outer edge of the Sydney CBD Fringe east of the elevated city circle railway corridor running between Elizabeth Street and Belmore Park. The buildings along this section of

Elizabeth Street begin a reduction in scale away from the CBD and a transition into lower scale mixed commercial and residential development in Surry Hills.

The site is exceptionally well serviced by public transport being about 350m walking distance from Central Station where there is regular access to all train lines, all light rail lines routing through the Sydney CBD and a multitude of metropolitan, regional, and interstate bus services. A large range of services and amenities exist in the area to support non-residential uses including restaurants, cafes and a supermarket located about 300m to the south. The site is also within Surry Hills where there is a concentration of creative, professional services and technology-based businesses creating a positive agglomeration effect.

To the north, the site adjoins 230 Elizabeth Street which is a 9-storey commercial building. It has a blank southern elevation that appears to have assumed the future development of the subject site. 230 Elizabeth Street is located on the western side of Foster Lane having fire doors opening into the Lane. North-east of the site is 62-64 Foster Street which is a 6-storey shop top residential apartment building that has driveway access from Foster Lane (Figure 6).

East of the subject site is 50 Reservoir Street which is a 7-storey commercial building. It has some secondary windows and openings along its western elevation. Further east is 52 Reservoir Street which is a 9 storey commercial development that has recently finished construction. It includes a newly created through site link on its western boundary connecting Reservoir Street and Foster Street (Figure 7).

South of the site are two apartment buildings fronting Reservoir Street at 242 Elizabeth Street and 33 Reservoir Street. 242 Elizabeth Street is a 15-storey shop top residential apartment building with apartments and balconies facing directly north towards the subject site. 33 Reservoir Street is a 9-storey shop top housing development which similarly has apartments and balconies facing north over Reservoir Street.

The eastern side of Elizabeth Street is dominated by retail tenancies, generally with a fine grain. The western side of Elizabeth Street is occupied by a sheer sandstone wall several metres high which supports an elevated rail line. There is a footpath, landscaping and bus stops along this edge but no active land uses. The western end of Reservoir Street where the site is located is dominated by fine grain retail tenancies typically occupied by specialty retailers, cafes and restaurants. While the level of activation along Reservoir Street is very high, Foster Street to the north and Albion Street to the south contain far less ground floor retail activity.

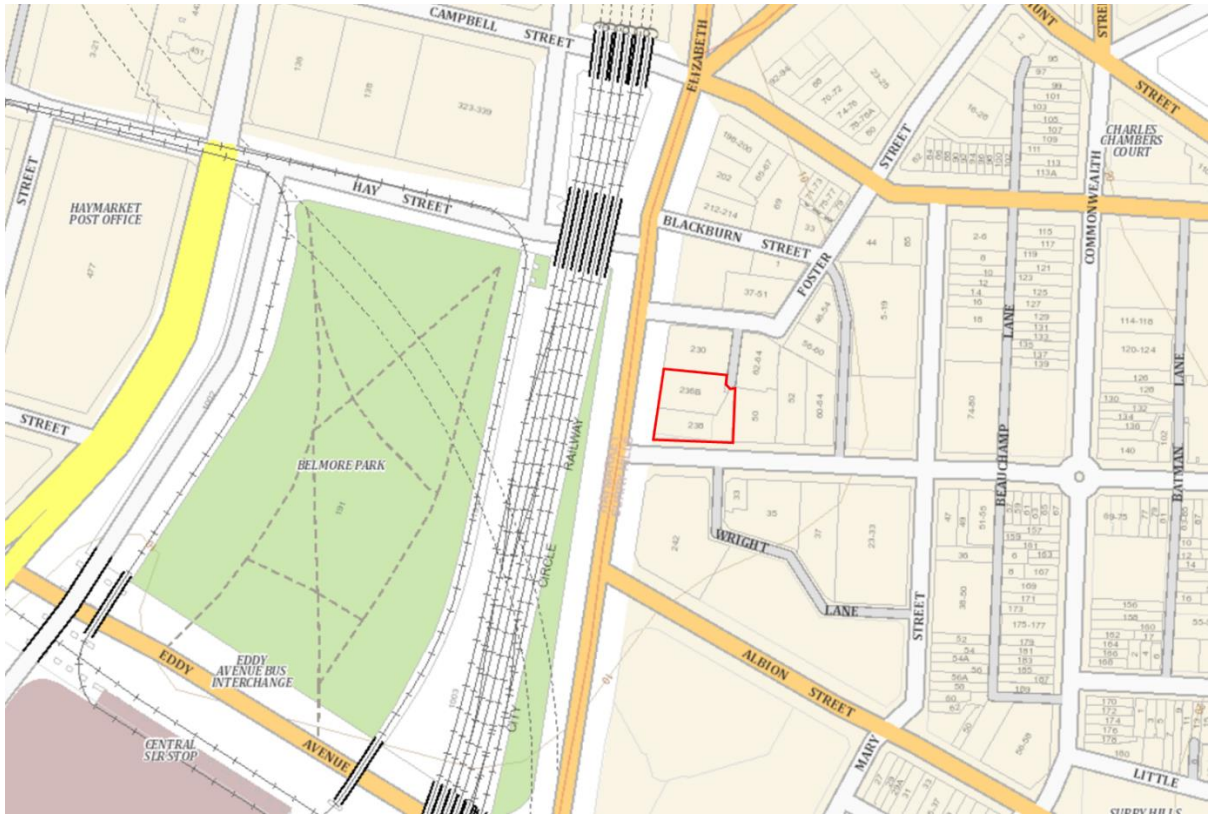


Figure 1 - The site in the neighbourhood context



Figure 2 - Aerial image of the site



Figure 3 - The site viewed looking south east along Elizabeth Street



Figure 4 - The Site viewed looking north east from Elizabeth Street



Figure 5 - The site viewed from Reservoir Street



Figure 6 - Foster Lane viewed looking south from Foster Street



Figure 7 - Through site link at 52 Reservoir Street

Site History

The subject site has a history of recent development consents including a current active consent under D/2016/1451. This provides an indication of an acceptable building envelope for the subject site. The proposal has been designed in consideration of previously approved designs and has sought to improve on them to minimise environmental impacts.

D/98/05362

In 1999, consent was granted under D/98/05362 for the development of a 7-storey serviced apartment building at 238-240 Elizabeth Street.



Figure 8 - D/98/05362 development proposal (Joshua Farkash & Associates)

D/01/00140

In 2001, consent was granted under D/01/00140 for the development of a 9-storey backpackers hotel building at 232-263 Elizabeth Street.

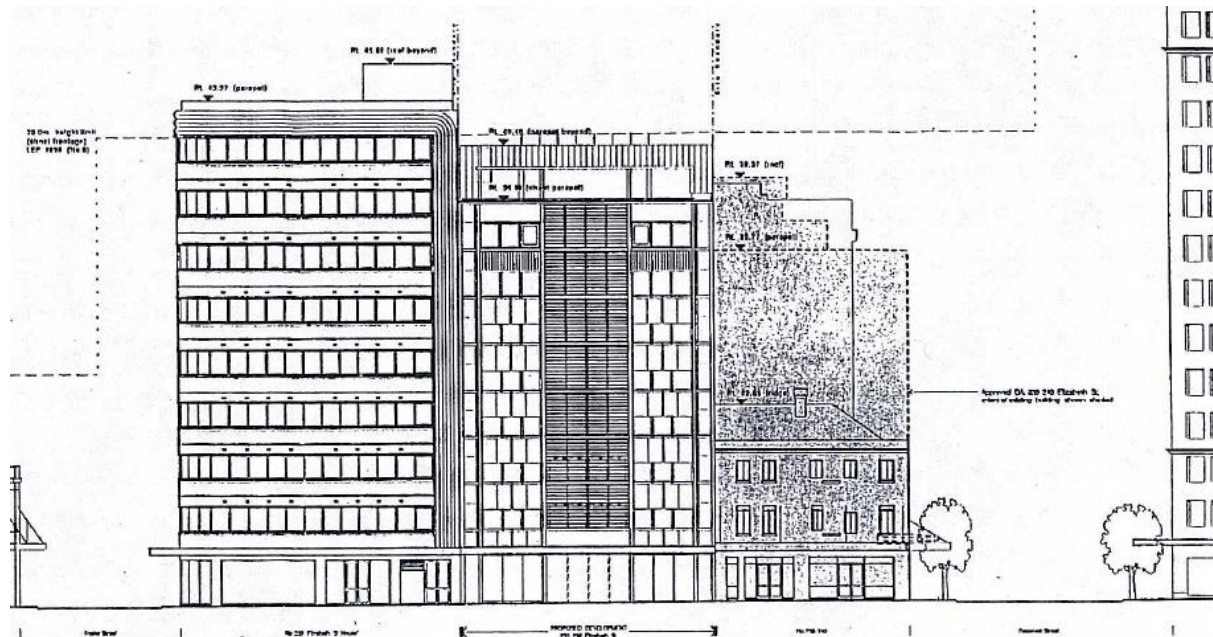


Figure 9 - D/01/00140 streetscape elevation (Jahn Associates Architects)

D/2016/1451

A Stage 1 Concept Development Application (DA) (D/2016/1451) was approved by the NSW Land and Environment Court on 21 July 2017 for the demolition of the existing buildings in the study area and the construction of a mixed-use building containing retail, residential and hotel uses with a 2-level basement carpark.

The application was subsequently modified removing 1 level of the basement carpark and adding ground level bike parking. This application (D/2016/1451/A) was approved on 25 November 2020.

Condition 3 of D/2016/1451/A requires that the approved building envelope must be modified to reduce overshadowing impacts on two residential apartments located in a building opposite the site at 242-254 Elizabeth Street. The condition requires that:

- a. the southern alignment of the upper level (Level 9) is to be moved to the north by such a dimension which will maintain a minimum of 2 hours solar access to Apartments 601 and 602 at 242- 254 Elizabeth Street on the mid-winter solstice.*

The envelope approved under D/2016/1451/A has a maximum height of 35m with nil setbacks to Elizabeth and Reservoir Street. At the two uppermost levels on the Reservoir Street frontage, a stepped setback was provided to minimise overshadowing on 242 Elizabeth Street. As noted above, consent condition 3(a) requires further amendments to reduce overshadowing.

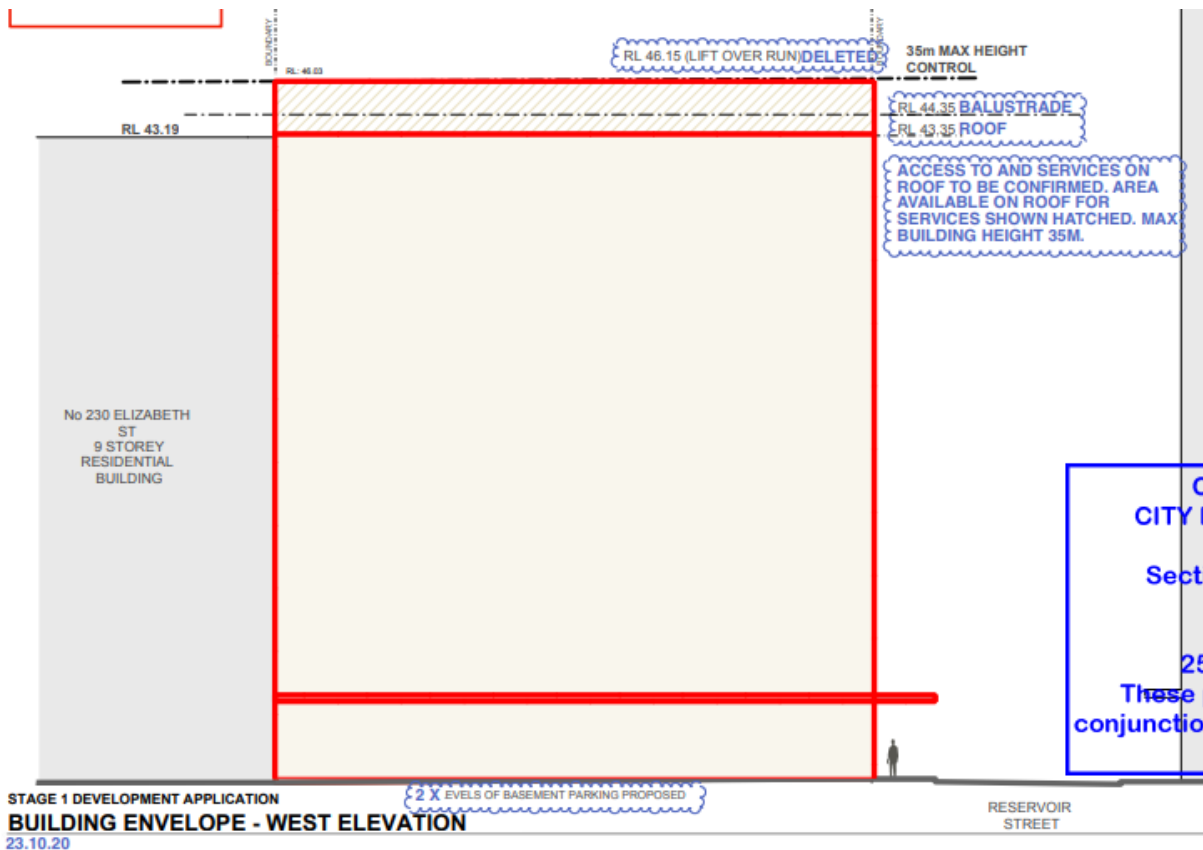
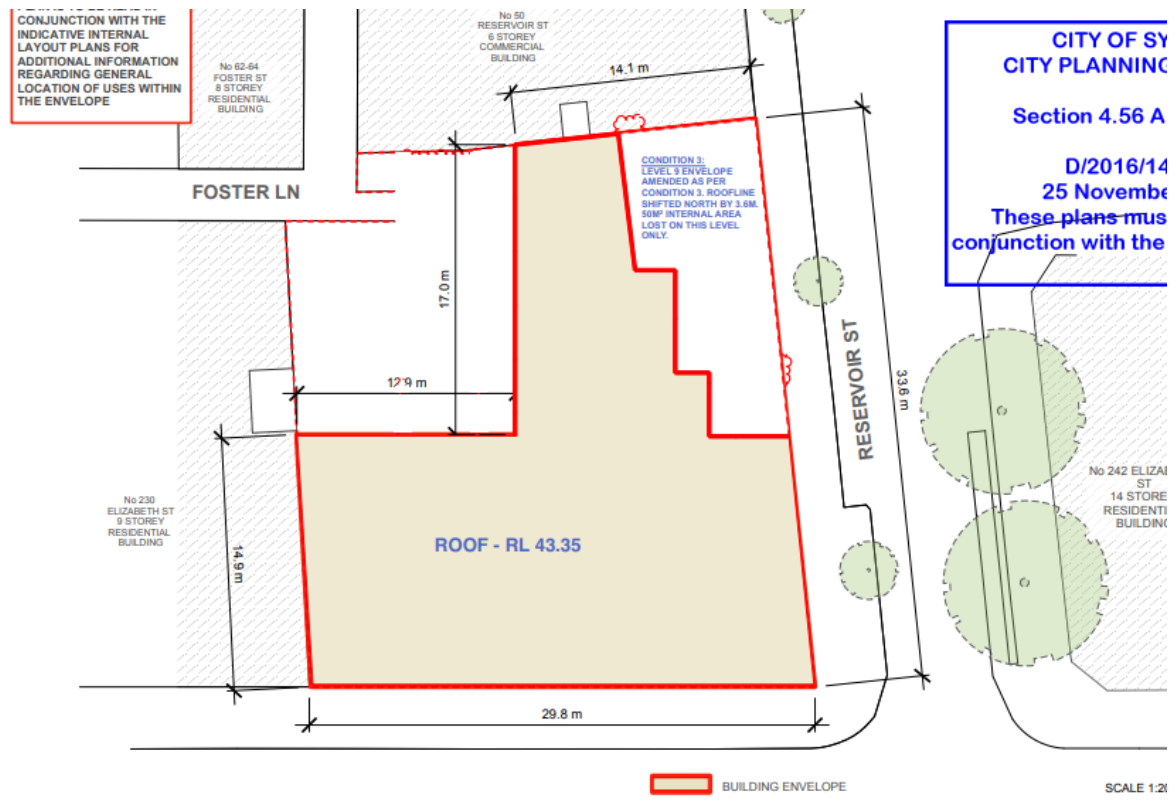


Figure 10 - Approved western elevation



STAGE 1 DEVELOPMENT APPLICATION
ROOF PLAN
 23.10.20

Figure 11 - Approved roof plan

Existing Planning Controls

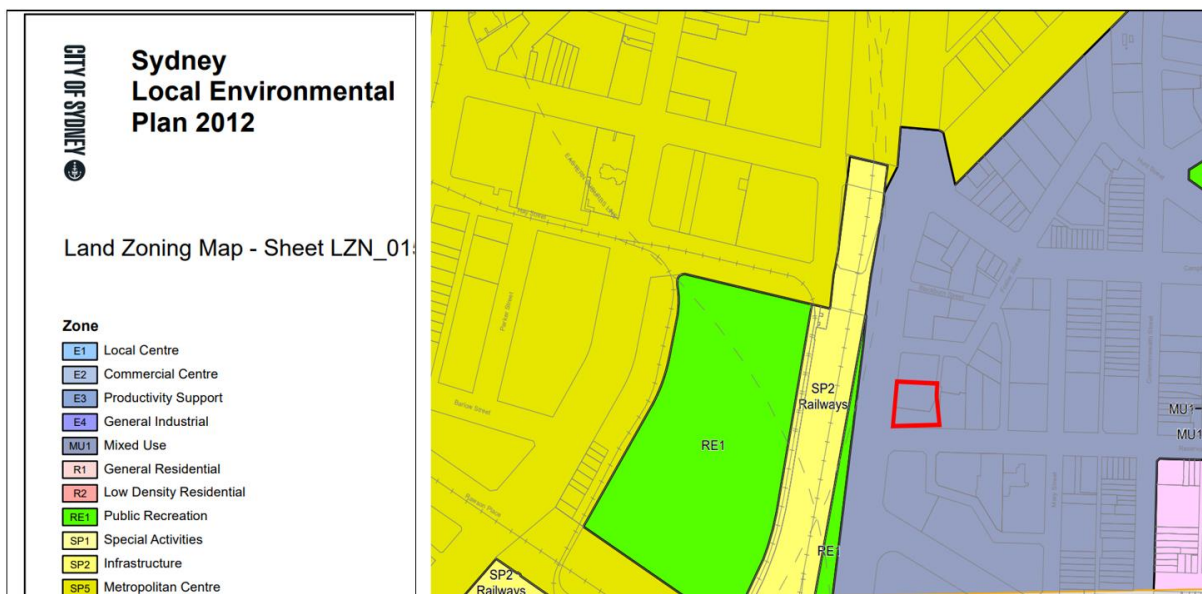
Table 1 and Map Extracts A-F below provide a summary of the key planning controls in the Sydney LEP 2012 that are relevant to the site.

Table 1 - Current Sydney LEP 2012 Controls

Aspect	Control	Comment
Land Use Table Zoning	MU1 – Mixed Use	<p>'Commercial premises' including business premises, office premises and retail premises are permitted with consent in the MU1 Mixed Use Zone.</p> <p>The future land use of the site envisioned under the indicative concept design is as an office premises with ground floor retail or business uses. These uses are permissible with consent and are consistent with the zone objectives to:</p> <ul style="list-style-type: none"> • <i>To encourage a diversity of business, retail, office and light industrial land uses that generate employment opportunities.</i> • <i>To ensure that new development provides diverse and active street frontages to attract pedestrian traffic and to contribute to vibrant, diverse and functional streets and public spaces.</i> • <i>To minimise conflict between land uses within this zone and land uses within adjoining zones.</i> • <i>To encourage business, retail, community and other non-residential land uses on the ground floor of buildings.</i> • <i>To ensure land uses support the viability of nearby centres.</i> • <i>To integrate suitable business, office, residential, retail and other land uses in accessible locations that maximise public transport patronage and encourage walking and cycling.</i>
4.3 Height of Buildings	35m	<p>The parapet height of the proposed massing is 35m.</p> <p>An amendment is proposed to the Sydney LEP 2012 to permit a maximum height of RL 50.33.</p>
4.4 Floor Space Ratio	5:1	<p>The proposed massing has an FSR of 7.0:1.</p> <p>This planning proposal recommends increasing the site's maximum FSR to 7:1 to accommodate a future development consistent with the indicative concept design.</p>
5.10	General	<p>The site is not identified as a heritage item or as being within a heritage conservation area.</p>

Heritage and Heritage Conservation	Brick oviform sewer	A brick oviform sewer runs below the site which has been dated to 1883. The sewer is not heritage listed but the indicative concept design locates the basement areas to the west of the sewer to avoid interference.
	Building age	While not heritage listed, the buildings on the subject site are more than 50 years old. A Heritage Impact Statement has been prepared by Urbis to consider the retention value of the existing buildings. The HIS finds that the buildings do not meet the criteria for heritage listing and supports demolition.
7.6 Public Transport Accessibility	Category D	<p>Clauses 7.6 and 7.7 provide maximum parking rates for development. The applicable formula permits a maximum parking provision of 18.114 spaces.</p> <p>The basement shown in the indicative concept design depicts 18 car parking spaces. The exact provision of parking would be subject to a future DA.</p>
7.14 Acid Sulfate Soils	Class 5	An Acid Sulfate Management Plan is required for works below 5m AHD by which the water table is likely to be lowered below AHD on adjacent land. A Desktop Geotechnical Assessment (Appendix J) indicates that the site of the concept design is not within, or close to an area of acid sulfate soil risk.

Map Extract A – Zoning Map Sheet 015



Map Extract B – Floor Space Map Sheet 015

Floor Space Ratio Map - Sheet FSR_015

Maximum Floor Space Ratio (n:1)

F	0.6	X	4
H	0.7	Y	4.5
J	0.8	Z	5
L	0.9	AA1	6
N	1	AA2	6.5
P	1.25	AB1	7
S1	1.5	AB2	7.5
S2	1.75	AC	8
T	2	AD	9
U1	2.5	AE	10
U2	2.75	AF	11
V1	3		Refer to clause 6.14
V2	3.25		Refer to clause 6.15A
W1	3.5		Refer to clause 6.4
W2	3.75		



Map Extract C – Height of Buildings Map Sheet 015

Height of Buildings Map - Sheet HOB_015

Maximum Building Height (m)



A	3	T3	28	AC	110
E	6	T4	29	AD	130
H	7.5	U1	30	AE	150
I	8	U2	33	AH	235
J	9	V	35	Area 1	
L	11	W1	40	Area 2	
M	12	W2	42	Area 3	
O	15	X	45	Area 4	
P	18	Y	50	Area 5	
Q	20	Z	55	Area 6	
R	22	AA1	60	Area 7	
S1	23	AA2	65	Area 8	
S2	24	AA3	70	Area 9	
T1	25	AB1	80	Area 10	
T2	27	AB2	85		



Map Extract D – Heritage Map Sheet 015

Heritage Map - Sheet HER_015

Heritage

-  Conservation Area - General
-  Item - General



Map Extract E – Public Transport Accessibility Map Sheet 015

Public Transport Accessibility Level
Map - Sheet TAL_015

Public Transport Accessibility Level

-  D Category D
-  E Category E
-  F Category F

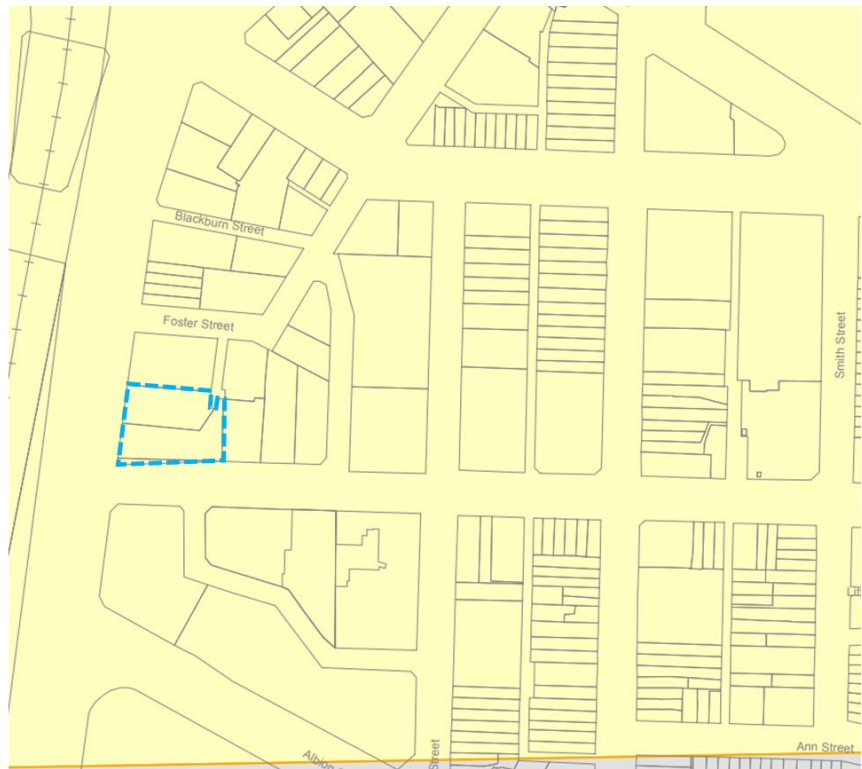


Map Extract G – Acid Sulfate Soils Map Sheet 015

Acid Sulfate Soils Map
- Sheet ASS_015

Acid Sulfate Soils

- Class 1
- Class 2
- Class 3
- Class 4
- Class 5



Project Description

This planning proposal seeks to amend the Sydney LEP 2012 and Sydney DCP 2012 to include site specific controls for 232-240 Elizabeth Street, Sydney.

The proposed amendments to the Sydney LEP 2012 would permit the following where no residential or serviced apartment uses are proposed:

- An increase in the maximum permissible FSR from 5:1 to 7:1.
- An increase in the maximum permissible building height from 35m to RL 50.33m (approximately 39.3m).

The proposed amendments to the Sydney DCP 2012 will require that development be contained within the building envelope depicted in the Building Envelope Plans provided by Angelo Candalepas and Associates. The building envelope includes the following attributes:

- A maximum street wall height of 35m above ground level (RL 46.03).
- Reduced and stepped street wall heights along the eastern portion of the Reservoir Street frontage.
- A maximum building height of RL 50.33 (approximately 39.3m).
- A pedestrian through site link equal to the width of Foster Lane along the site's eastern boundary to connect Foster Lane and Reservoir Street.
- The building envelope has nil setbacks to all street and side boundaries except where the through site link is provided.
- A single vehicular driveway crossover off Reservoir Street for access to basement parking and for loading.

Clause 6.21D(1)(a)(ii) of the Sydney LEP 2012 requires development greater than 25m in height and located outside of Central Sydney to undergo a competitive design process. Assuming the successful amendment of the Sydney LEP 2012 and DCP 2012 as proposed, the future detailed building design would be determined by the winner of a competitive design process and assessed as part of a detailed DA.

Notwithstanding the above, an indicative concept design has been prepared by Angelo Candalepas and Associates which is included within the Urban Design Study that accompanies this planning proposal. It demonstrates that a building of high quality could be achieved within the proposed building envelope. The indicative concept design envisions demolishing the existing buildings for the development of a 10-storey commercial building with ground floor retail tenancies and a through-site link connecting Foster Lane and Reservoir Street. It includes the excavation of three basement levels with access via a car lift and driveway off Reservoir Street.

Use

The intended use of the site is as a commercial development. The indicative design depicts ground floor retail tenancies and commercial offices on all upper levels. This strategic land use is compatible

with the objectives of the 'Sydney Region Plan, A Metropolis of Three Cities' and the 'Eastern City District Plan' and various City of Sydney strategic plans and documents which all encourage job creation in areas serviced by public transport and improvements in the urban environment.

Extracts from the indicative reference design are included below to demonstrate how the site might be developed under the proposed controls.

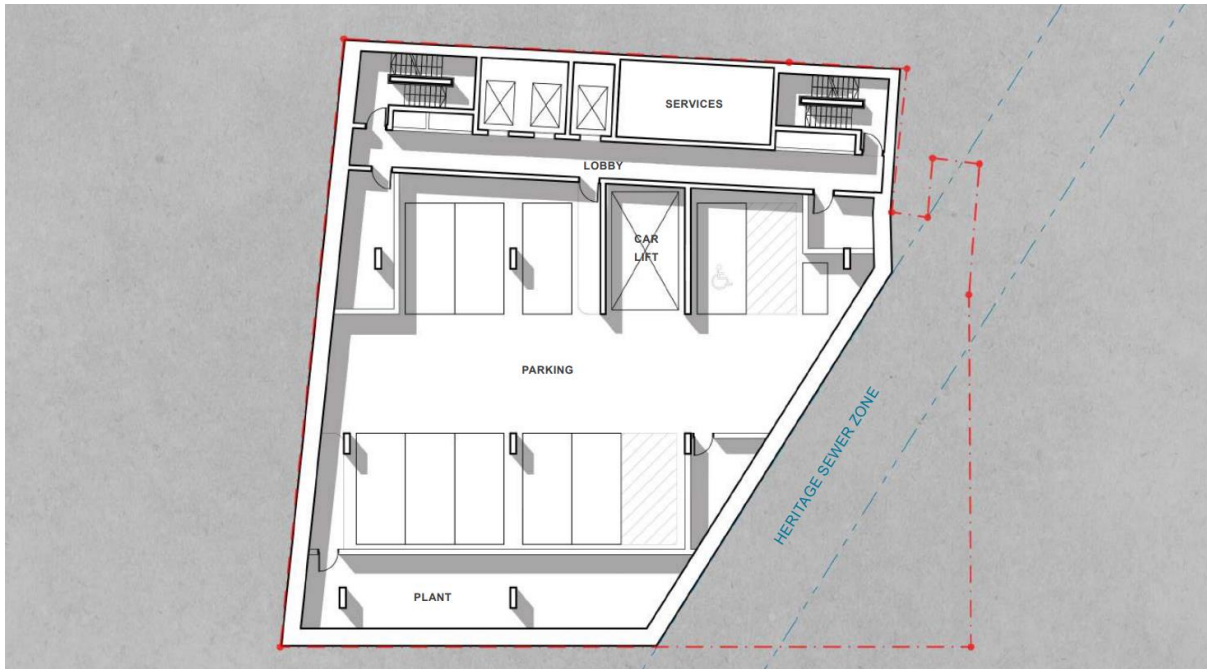


Figure 12 - Indicative Basement Levels 3-4

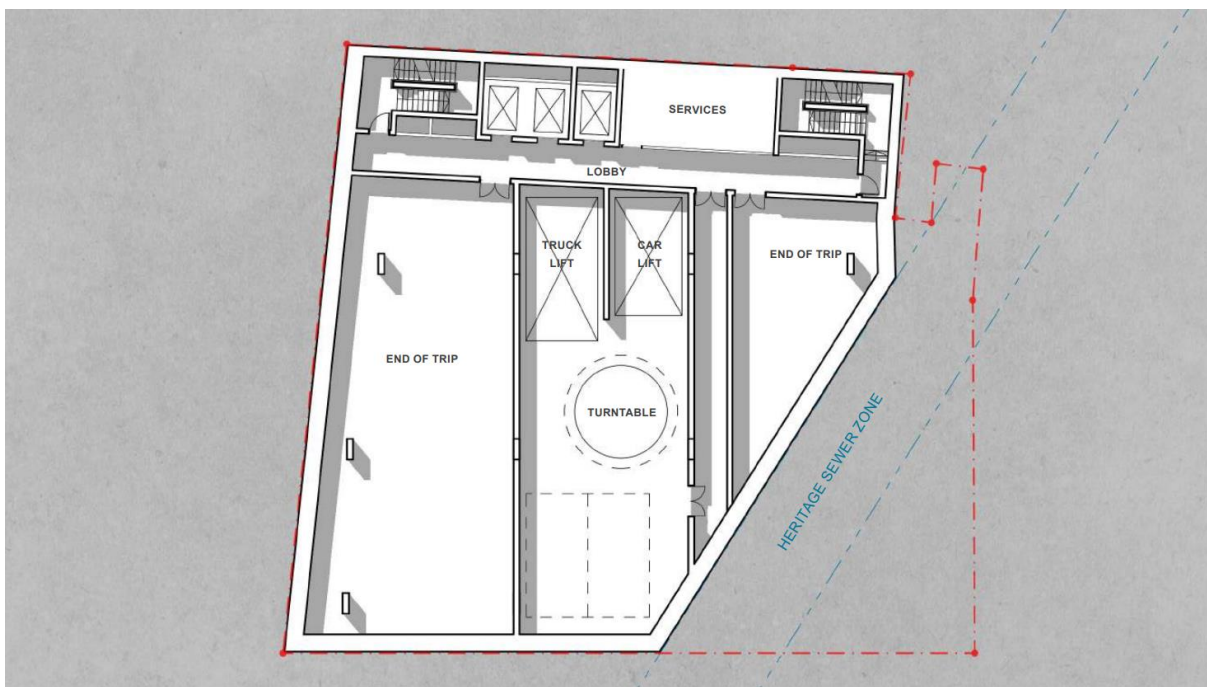


Figure 13 - Indicative Basement Level 2

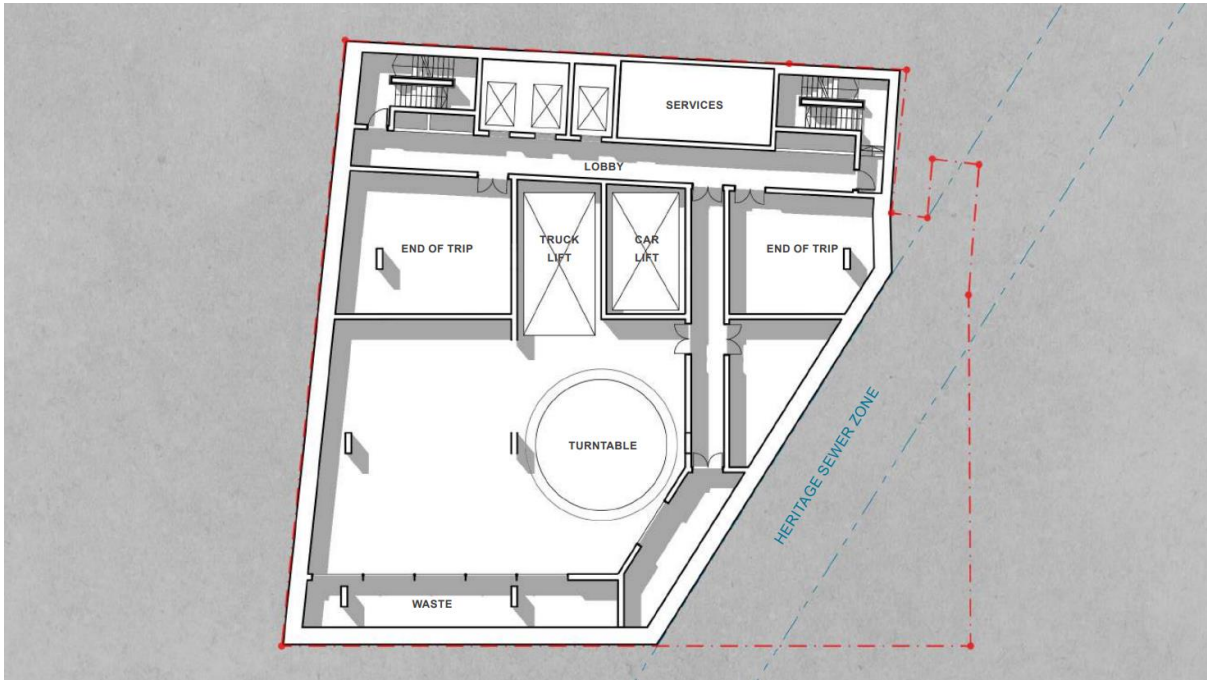


Figure 14 - Indicative Basement Level 1

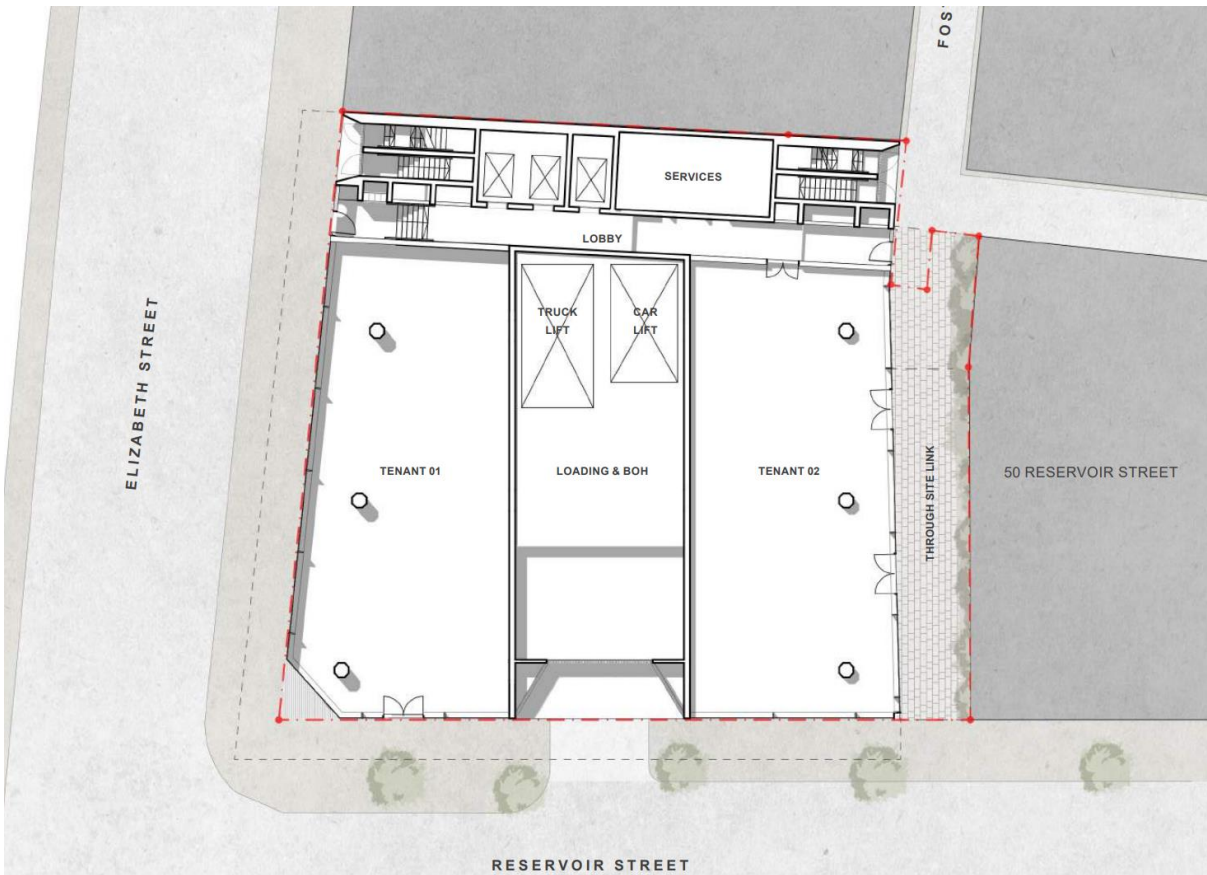


Figure 15 - Indicative Ground Floor



Figure 16 - Indicative Levels 1 to 7

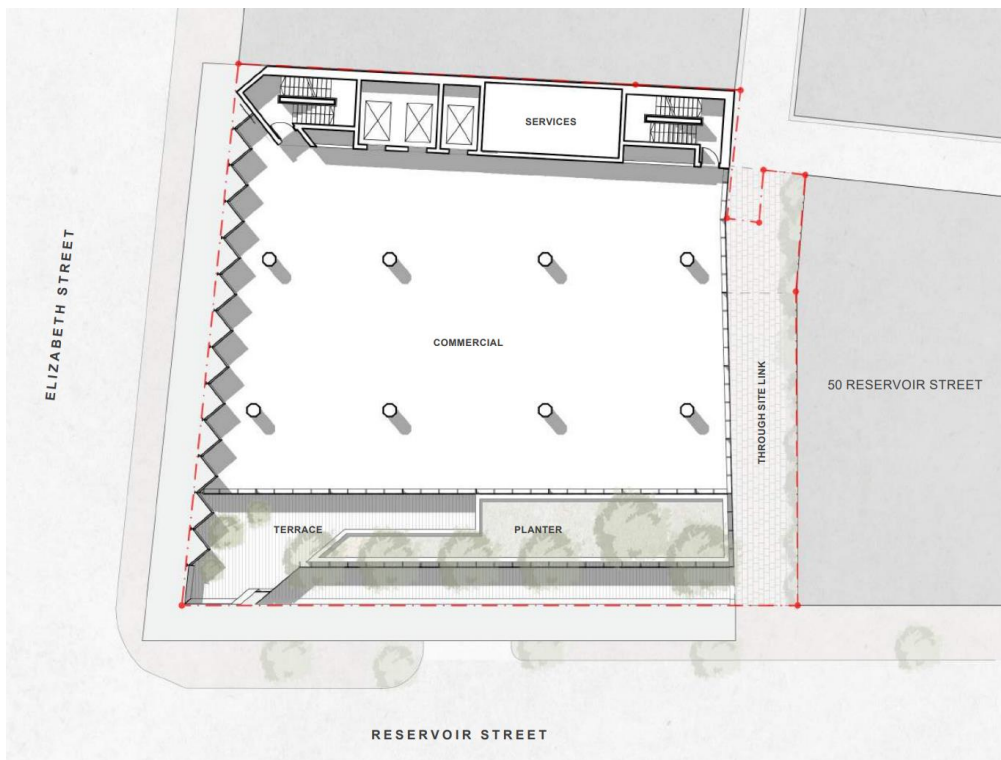


Figure 17 - Indicative Level 8

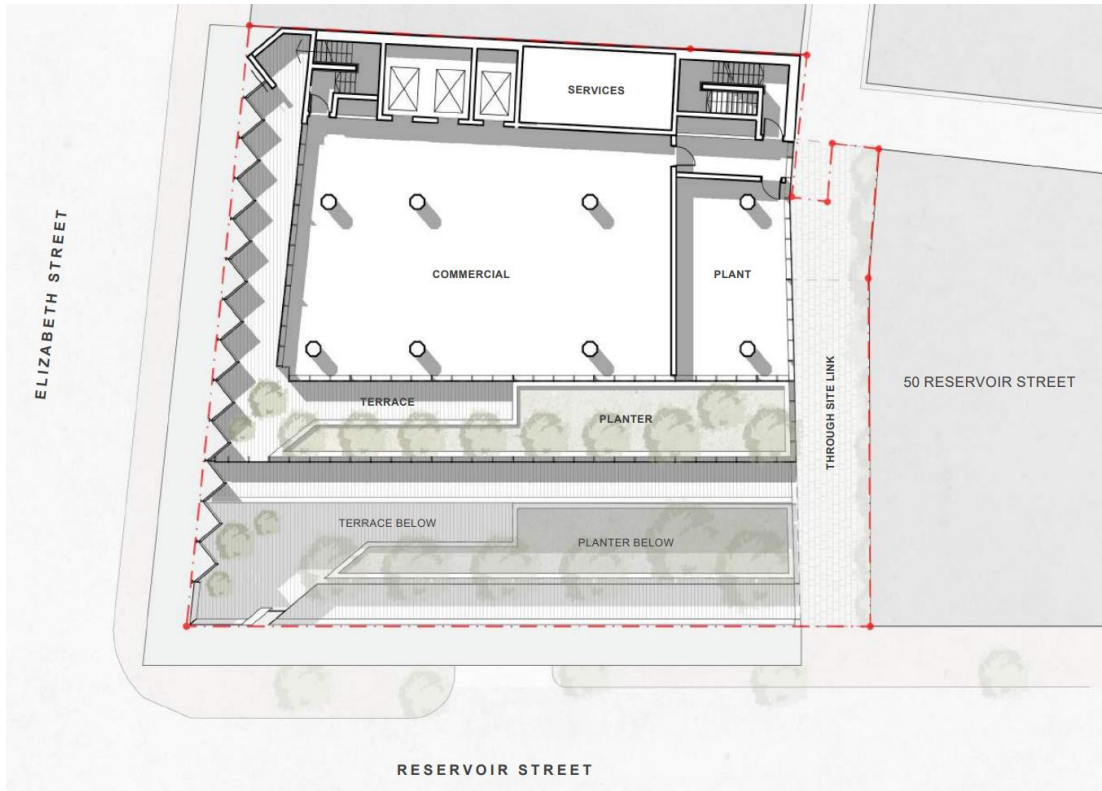


Figure 18 - Indicative Level 9

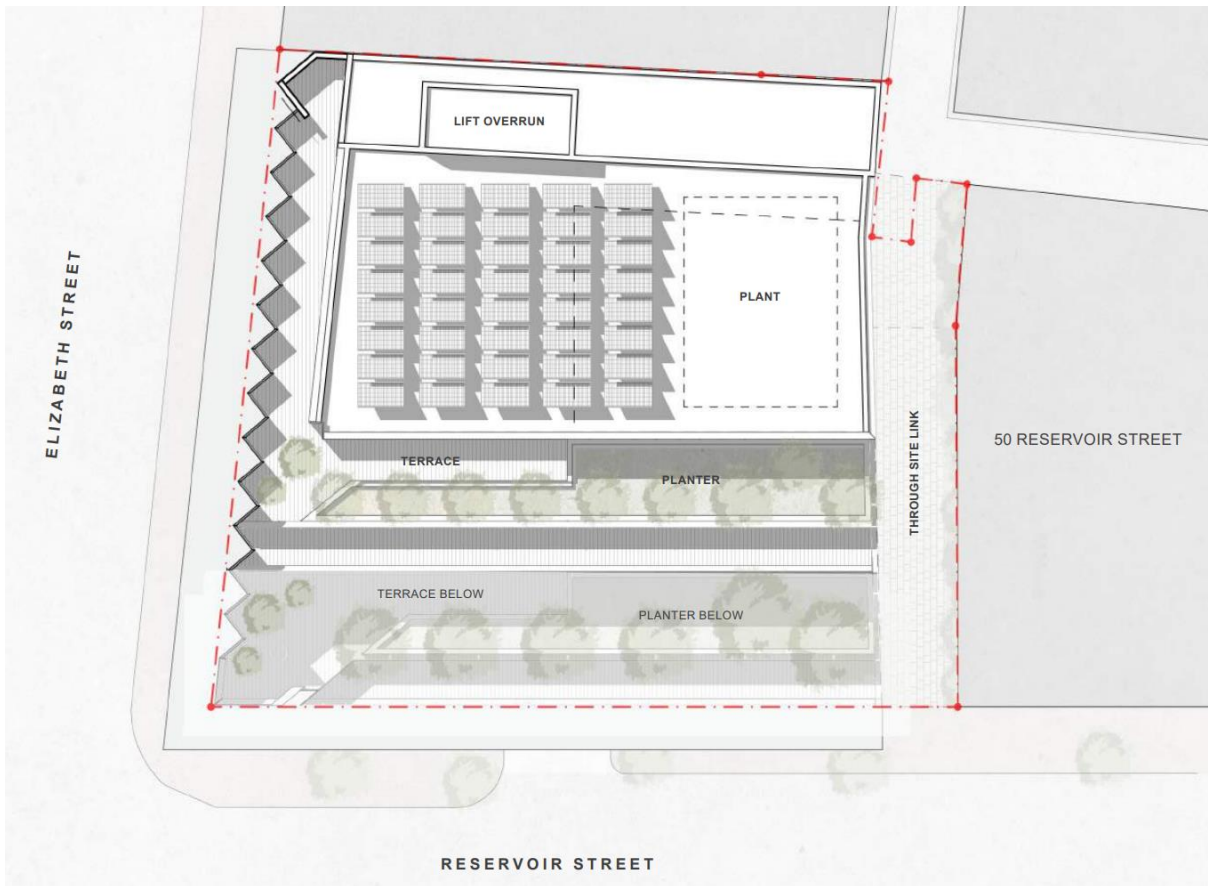


Figure 19 - Indicative Roof Level

Part 1 – Objectives and Intended Outcomes

The planning proposal will amend the Sydney LEP 2012 and Sydney DCP 2012 in relation to 232-240 Elizabeth Street, Surry Hills to:

- Enable the development of a non-residential building that is aligned with the MU1 Mixed Use zone objectives.
- Strategically incentivise land use change near Central Train Station to support the 30-minute city.
- Deliver increased commercial office floor space in the Sydney CBD Fringe area.
- Deliver an appropriate built form that responds to the scale of existing development around the site and will infill the existing gap in the upper-level street wall of Elizabeth Street.
- Provide a through site link connecting Foster Lane to Reservoir Street.
- Retain an acceptable level of solar access for 242 Elizabeth Street to the south of the subject site.

Part 2 – Explanation of the Provisions

This planning proposal seeks to amend the existing planning controls to allow for an increased floor space ratio and maximum building height on the site where it is used for non-residential purposes.

It is proposed to amend the Sydney LEP 2012 by:

- Inserting a new Clause under Part 6, Division 5 Site Specific Provisions, to create a site-specific provision that applies where the site is developed exclusively for non-residential purposes, and:
 - Permits a maximum building height of RL 50.33m.
 - Permits a maximum floor space ratio of 7:1.

Examples of proposed clauses

It is proposed to insert a new site specific Clause under Part 6, Division 5.

Part 6 Local provisions — height and floor space

Division 5 Site-specific provisions

6.## 232-240 Elizabeth Street, Surry Hills

(1) The objective of this clause is to provide for additional building height and floor space for development on certain land for the purposes of non-residential development.

(2) This clause applies to land at 232-240 Elizabeth Street, Surry Hills, being SP1379 and Lots 1 & 2 in DP 779385.

(3) Despite clauses 4.3 and 4.4, development consent may be granted to the erection of a new building, or alterations or additions to an existing building, on the subject land that will result in a building:

- (a) with a maximum height of RL 50.33 metres, and
- (b) with a maximum floor space ratio of 7:1.

(4) Development consent must not be granted under this clause unless the consent authority is satisfied that the development does not contain any residential land uses.

Part 3 – Justification of Strategic and Site-Specific Merit

The NSW Department of Planning and Environment Guide to Preparing Planning Proposals provides a two-part strategic merit test to justify changes to Local Environmental Plans. Part A of the test considers whether the proposal has strategic merit and is consistent with regional, district and local strategic plans and whether it responds to a change in circumstances. Part B considers whether the proposal has site-specific merit regarding the natural environment, existing and future land uses and current or future services and infrastructure.

The strategic merit is considered in sections A and B below while the site-specific merit is considered within sections C, D and E.

The proposal is considered to have site-specific merit as it would incentivise a commercial development in an appropriate location and would allow the site to respond appropriately to the scale of existing nearby development. The proposal will also create a through site link between Reservoir Street and Foster Lane which will contribute to the activation of the nearby lanes and will increase block permeability.

Section A – Need for the Planning Proposal

Is the planning proposal a result of an endorsed LSPS, strategic study or report?

The proposal is the result of contextual urban analysis of the site in conjunction with economic impact analysis and other supporting expert reports identified in this Planning Proposal Justification Report. This research has identified an increased floor space ratio for non-residential land uses will have a positive economic impact on the LGA and is compatible with the existing urban environment.

The professional reports which support the proposal are referenced throughout this report and accompany the report as appendices. These reports are supportive of the proposal and demonstrate that it is consistent with the relevant strategic plans, State Environmental Planning Policies and Ministerial Directions.

Economic Impact Analysis

Planning Lab has prepared an Economic and Social Impact Report to accompany this application. The Report demonstrates that there is a strategic need for additional commercial floor space within Surry Hills and on the City Fringe. Surry Hills has had historically lower vacancy rates than the Sydney CBD since 2011 indicating strong demand for the area. Surry Hills offers agglomeration benefits for technology, professional services and creative industries having an existing concentration of these industries.

The site is zoned MU1 which permits residential development. It also currently has a stage 1 approval for a mixed-use building containing residential floor space. The proposed site-specific controls would incentivise development of a commercial office building through the greater floor

space incentive. A commercial development could support up to 301 jobs in line with the indicative concept design.

The Report also shows that the population demographics of Surry Hills and the City of Sydney LGA are younger than Greater Sydney. They are also more highly educated and more likely to be engaged in the labour market. The demographics of the local area indicate that some of the provided jobs will likely be taken by residents of Surry Hills and the City of Sydney LGA.

Urban Design Study

The planning proposal has been initiated by the proponent to enable an architectural design competition to be undertaken in accordance with Clause 6.21D1(a)(ii) of the Sydney LEP 2012 which will allow the achievement of an FSR of up to 7:1. The Urban Design Study by Angelo Candalepas Associates (Appendix A) includes a building envelope that is proposed for inclusion as a site specific DCP along with an indicative concept design utilising the building envelope. These have been developed based on the findings of the study.

The building envelope and indicative concept design have been developed following an extensive analysis of the area surrounding the site. Notably, the subject site has an FSR of 5:1 while neighbouring and nearby sites along Elizabeth Street have permissible or constructed FSRs of between 6.5:1 – 11:1. This has resulted in an inconsistent street wall along Elizabeth Street where the subject site currently hosts 3-storey buildings. Development under the existing FSR control would result in a building substantially lower than its neighbours. The proposed building envelope would match the average street wall height created by existing development resolving the inconsistency. The proposed building envelope steps down towards the West along Reservoir Street ensuring that a suitable height transition is provided to that frontage.

The Urban Design Study has also taken into consideration shadow impacts on the apartment buildings to the south at 242-254 Elizabeth Street and 33-37 Reservoir Street. The proposed building envelope provides a reduction in the overall overshadowing of these apartments in comparison to recent development approval for the subject site under D/2016/1451. Notably, apartments 601 and 602 at 242-254 Elizabeth Street will receive greater than 2 hours of solar access in mid-winter. The comparative overshadowing impact on 33-37 Reservoir Street is also reduced by the proposed building envelope.

Consideration has also been given to the existing street and lane network. The Urban Design Study recommends the creation of a pedestrian through site link which will connect Reservoir Street with Foster Lane.

The proposed built-form controls have been derived from the Urban Design Study. They are compatible with the character of the surrounding area and relevant strategic plans.

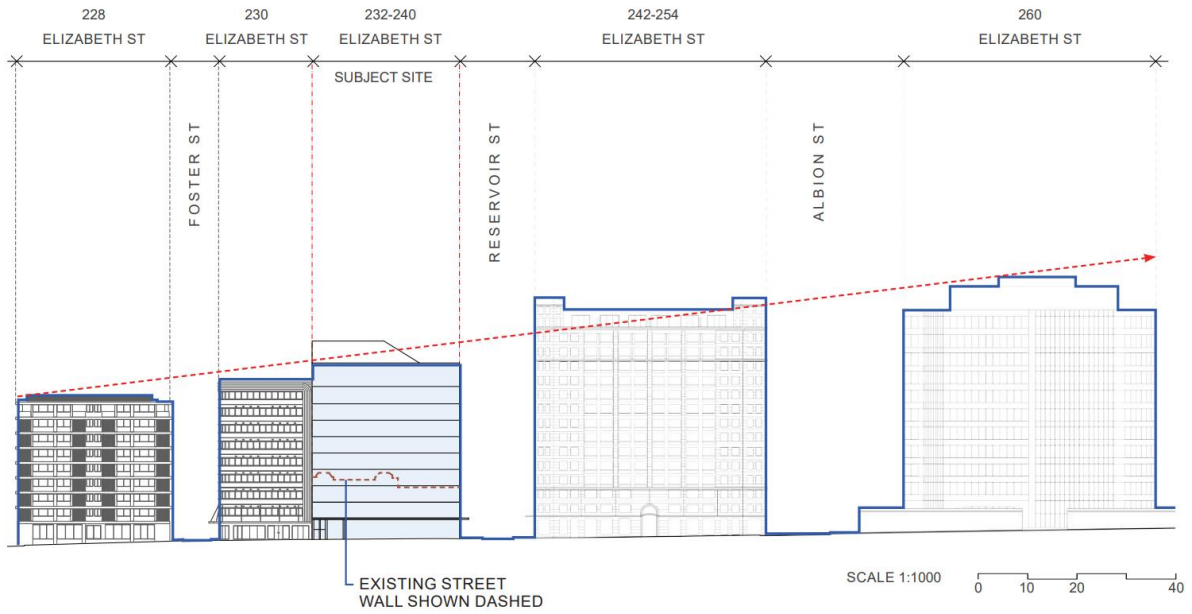


Figure 20 - Street wall of Elizabeth Street

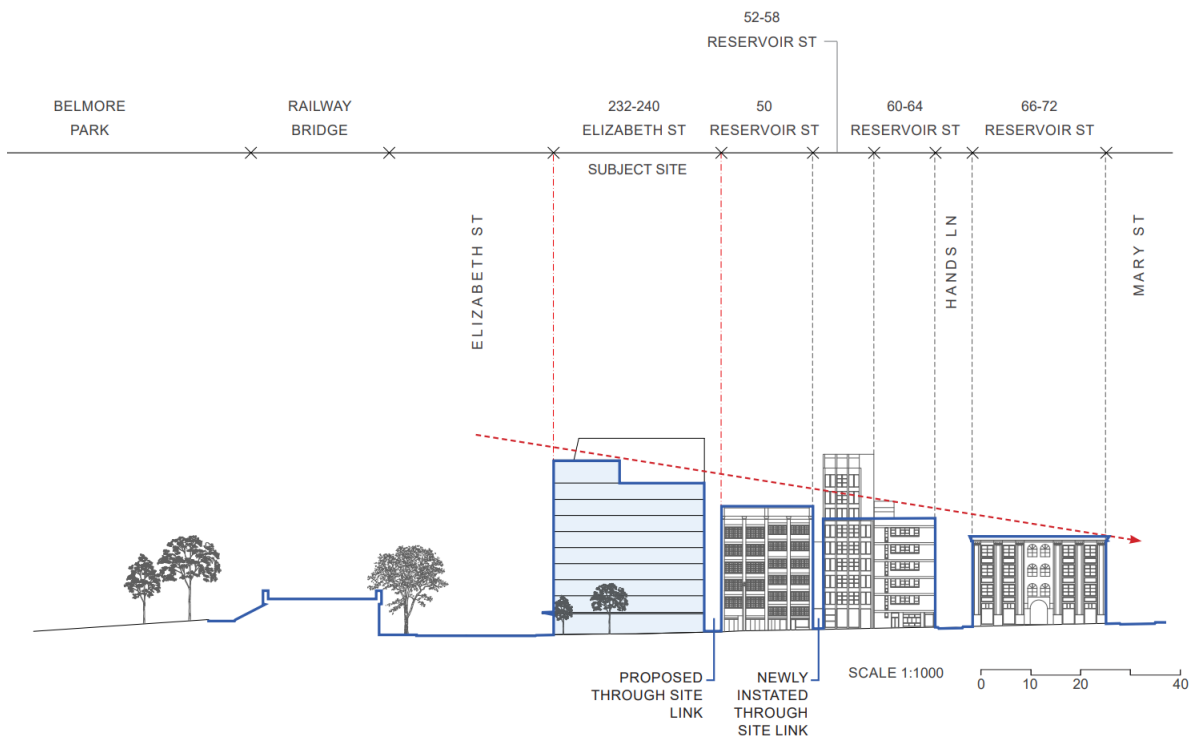
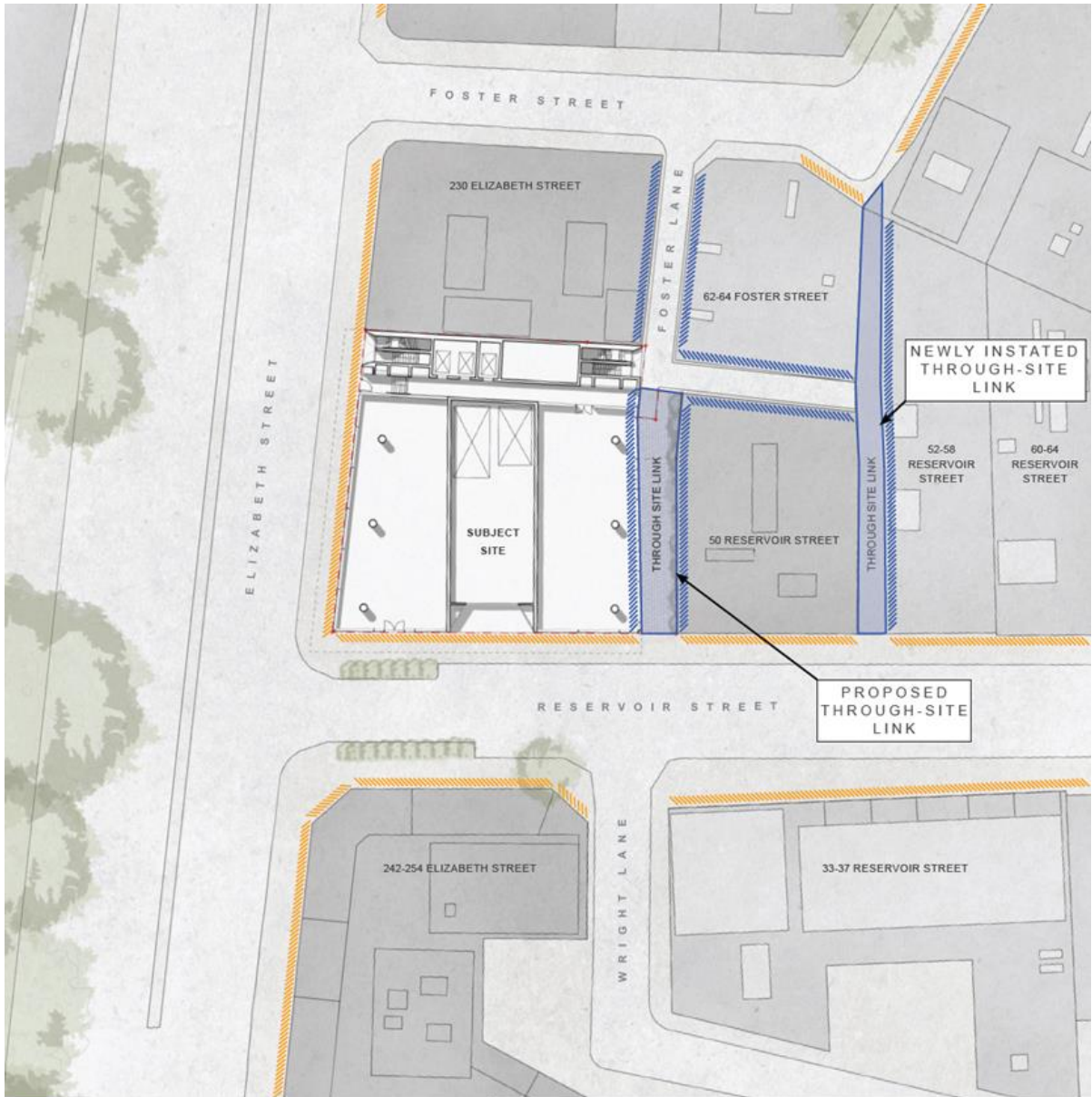


Figure 21 - Street wall of Reservoir Street



- THROUGH SITE LINK
- EXISTING STREET ACTIVATION
- POTENTIAL STREET ACTIVATION

Figure 202 - Existing Street network analysis

Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

The objectives of this proposal are to provide an improved urban form and public domain while delivering additional commercial floor space on the City's Fringe. The site is currently zoned to allow residential development and has an active consent for a part residential development under D/2016/1451/A. In the absence of an incentive towards commercial development, the site is likely to be developed, at least in part, for residential purposes under the existing controls.

The current building height controls permit buildings up to 35 metres and an FSR of 5:1. Under the existing controls, the site objectives cannot be achieved.

Under Clause 4.6 of the Sydney LEP 2012, development consent may be granted for development which exceeds the maximum height or FSR as set out on the relevant map. However, the FSR of the preferred scheme is substantially greater than the existing controls. Approval of a development application that substantially exceeds the height control would set an undesirable precedent, undermine the Sydney LEP 2012 height controls and prevent broader strategic considerations of allowing additional height at the site. Varying the existing maximum FSR control through a development application is not an appropriate way to achieve the objectives.

This planning proposal would increase the site's maximum height and FSR limits where no residential uses are proposed. It would also approve the proposed building envelope which has a lesser overshadowing impact on apartments to the south and which contains a through site link.

A planning proposal is the most suitable means of achieving the objectives and intended outcomes. By amending the Sydney LEP 2012 to allow for additional height and FSR, the indicative concept design will be enabled and the intended objectives can be met. By inserting a site-specific section into the Sydney DCP 2012 (Appendix B & C), Council can be assured of a positive built form outcome for the site that respects the amenity of surrounding development.

Following the planning proposal, an architectural design competition would be undertaken and a subsequent development application would then be submitted for Council's consideration.

Section B – Relationship to Strategic Planning Framework

Will the planning proposal give effect to the objectives and actions of the applicable regional or district plan or strategy (including any exhibited draft plans or strategies)?

Greater Sydney Region Plan, A Metropolis of Three Cities

The *Greater Sydney Region Plan, A Metropolis of Three Cities* was released by the NSW Department of Planning and Environment (DPE) in March 2018 and is the NSW Government's current strategic plan for metropolitan Sydney. The Plan provides a broad strategic vision for Sydney towards 2056 based on a polycentric strategy that divides Sydney into three cities, being the Eastern Harbour

City, the Central River City and the Western Sydney Aerotropolis. The site is centrally located within the Eastern Harbour City.

The Greater Sydney Region Plan identifies 40 objectives across categories of Infrastructure, Collaboration, Liveability, Productivity, Sustainability and Implementation. The objectives that are relevant to the proposal are discussed below in Table 2.

Table 2 - Compliance with the relevant objectives of the Greater Sydney Region Plan

Objective	Compliance	Comment
Objective 7 Communities are healthy, resilient and socially connected	Yes	<p>The Economic Impact Analysis (Appendix D) which accompanies this proposal has considered the demographic profile of the Surry Hills area and City of Sydney. The profile of the Surry Hills neighbourhood is one of young professionals, typically employed in “white collar” industries which operate from commercial offices. There will be a large catchment of potential employees within walking distance of the subject site.</p> <p>The subject site is located approximately 300m walk from Central Train Station which will encourage the use of active transport.</p> <p>The proposal includes the creation of through site link between Foster Lane and Reservoir Street which will increase neighbourhood walkability.</p> <p>The proposal supports a healthy, resilient and socially connected neighbourhood.</p>
Objective 12 Great places that bring people together	Yes	<p>The proposal will facilitate the renewal of the currently underutilised site with a built form that responds to existing nearby development and which can provide an activated through site link. The proposal contributes positively to walkability and matches the desired fine grain urban form that helps to create great places. The proposal also has the potential to co-locates retail and commercial office spaces near areas of existing residential development.</p> <p>The proposal supports the objective of developing great places that bring people together.</p>
Objective 13 Environmental heritage is identified, conserved and enhanced	Yes	<p>While the subject site is not itself a heritage item or located within a heritage conservation area, the existing buildings are over 50 years old. Accordingly, a HIS has been prepared to accompany this proposal which has considered the possible heritage value of the buildings. The HIS demonstrates that there</p>

		<p>is no heritage retention value for the existing structures and supports demolition.</p> <p>The proposal has taken into consideration the conservation and enhancement of environmental heritage and has demonstrated that retention or heritage listing of the existing buildings is not appropriate.</p>
<p>Objective 14 - Integrated land use and transport creates walkable and 30-minute cities</p>	Yes	<p>Objective 14 supports the creation of walkable, 30-minute cities. The 30-minute city refers to a city where most residents can access a metropolitan centre or cluster within 30-minutes by public transport.</p> <p>The site is within easy walking distance of Central Train Station (about 300m) where train, bus and light rail services can all be accessed. As an employment location, the site is accessible to a wide range of residential areas within 30 minutes travel time. The site's location within a mixed use zone and its close proximity to public transport promote walkability and the vision of a 30-minute city.</p>
<p>Objective 18 Harbour CBD is stronger and more competitive</p>	Yes	<p>The site is located within the Harbour CBD area. It will support the Harbour CBD's global role by increasing the supply of easily accessed commercial office space. Office space located on the City Fringe provides a less expensive alternative to the CBD which may appeal to smaller firms who are still able to benefit from the proximity to other companies.</p>
<p>Objective 22 Investment and business activity in centres</p>	Yes	<p>The site is located within the Harbour CBD area. Increasing commercial floor space is vital to maintaining access to high levels of employment opportunity and diversity combined with supporting services within the Sydney CBD.</p>

Eastern City District Plan

The Eastern City District Plan is informed by the Greater Sydney Region Plan, *A Metropolis of Three Cities* and was released by the DPE in March 2018. It is the NSW Government's current strategic plan for the Eastern City District. The vision articulated for the Eastern City District is to "become more innovative and globally competitive, carving out a greater portion of knowledge intensive jobs from the Asia Pacific Region".

The Eastern City District Plan identifies 21 Planning Priorities for the district to meet the strategic vision of the Greater Sydney Region Plan. The Planning Priorities that are relevant to the proposal are discussed below in Table 3.

Table 3 - Compliance with the Eastern City District Plan

Planning Priority	Compliance	Comment
Planning Priority E6 Creating and renewing great places and local centres, and respecting the District's heritage	Yes	<p>The proposal will facilitate the renewal of the currently underutilised site. Under the proposed massing, a new through site link would be created between Reservoir Street and Foster Lane. The proposal would also achieve a street wall height consistent with nearby development.</p> <p>The proposal will contribute positively to the urban design and walkability of the local area.</p>
Planning Priority E7 Growing a stronger and more competitive Harbour CBD	Yes	<p>The proposal would create additional commercial floor space which is well located in relation to both Central Train Station and existing businesses operating in both the CBD and Surry Hills.</p>
Planning Priority E10 Delivering integrated land use and transport planning and a 30-minute city	Yes	<p>Planning Priority E10 supports the creation of walkable, 30-minute city. The 30-minute city refers to a city where most residents can access a metropolitan centre or cluster within 30-minutes by public transport.</p> <p>The site is within easy walking distance of Central Train Station (about 300m) where train, bus and light rail services can all be accessed. As an employment location, the site is accessible to a wide range of residential areas within 30 minutes commute. The site's location within a mixed use zone and with close proximity to public transport promotes walkability and the vision of a 30-minute city.</p>
Planning Priority E11 Growing investment, business opportunities and jobs in strategic centres	Yes	<p>The site is located within the Harbour CBD area. Increasing commercial floor space is vital to maintaining access to a large number of jobs and services within the Sydney CBD.</p>

Is the planning proposal consistent with a council LSPS that has been endorsed by the Planning Secretary or GSC, or another endorsed local strategy or strategic plan?

The planning proposal is consistent with *Sustainable Sydney 2030*, *Sustainable Sydney 2030—2050: Continuing the Vision* and the *City Plan 2036: Local strategic planning statement*. Each strategy is discussed in detail below.

Sustainable Sydney 2030

The current City of Sydney strategic plan is Sustainable Sydney 2030 (SS2030). SS2030 provides a vision of the Council being green, global and connected. This vision is supported by 10 strategic directions alongside targets and objectives. The relevant strategic directions are considered in Table 4.

Table 4 - Compliance with Sustainable Sydney 2030

Direction	Compliance	Comment
Direction 1 A globally competitive City	Yes	This planning proposal supports the creation of additional commercial floor space within the Eastern Creative Precinct and along the City Fringe. The indicative concept design shows that a high-quality urban design outcome can be achieved which will enhance the urban environment and contribute to the City's economy.
Direction 3 Integrated transport for a connected city	Yes	The subject site is located within short walking distance of Central Station providing high levels of access to train, light rail and bus services encouraging the use of public transport. The site is also located within walking and bike riding distance of large residential catchments in Surry Hills, Redfern, Darlinghurst, Paddington and Chippendale. Bicycle parking will be provided on site along with end of journey facilities in compliance with the requirements of the Sydney DCP 2012.
Direction 4 A city for walking and cycling		
Direction 9 Sustainable Development, Renewal and Design	Yes	The proposal relates only to the creation of a maximum building envelope. The specific design will be subject to a future design competition where environmental performance will be considered. The indicative concept design is capable of meeting the requirements of NCC 2022 Section J.

Sustainable Sydney 2030—2050: Continuing the Vision

Sustainable Sydney 2030—2050: Continuing the Vision outlines the City's vision until 2050, guided by community consultation. It includes 10 directions and 10 targets for 2050. The relevant strategic directions and targets are considered in Table 5.

Table 5 - Compliance with Sustainable Sydney 2030—2050: Continuing the Vision

Direction	Compliance	Comment
Direction 4 Design excellence and sustainable development	Yes	The proposal includes the creation of a new through site link which will enhance walkability. The specific design will be subject to a future design competition and a development application. The design would be required to satisfy design excellence requirements.
Direction 5 A city for walking, cycling and public transport	Yes	The proposal would locate commercial floor space in a highly accessible area, encouraging the use of public transport.
Direction 9 A transformed and innovative economy	Yes	The proposal would provide additional commercial floor space within the Eastern Creative Precinct and along the City Fringe.
Target 5 By 2036 there will be approximately 700,000 jobs in the City of Sydney local area including 200,000 new jobs compared to 2017.	Yes	The proposal would provide additional commercial floor space within the Eastern Creative Precinct and along the City Fringe. The proposed envelope is estimated to host 301 jobs at occupation which is 86 jobs more than could be potentially accommodated by a commercial development with a maximum FSR of 5:1. This will assist the City to accommodate the additional 200,000 jobs required between 2017-2036.
Target 8 By 2050 people will use public transport, walk or cycle to travel to and from work.	Yes	<p>The subject site is located within short walking distance of Central Station providing high levels of access to train, light rail and bus services encouraging the use of public transport. The site is also located within walking and bike riding distance of large residential catchments in Surry Hills, Redfern, Darlinghurst, Paddington and Chippendale.</p> <p>Bicycle parking will be provided on site along with end of journey facilities in compliance with the requirements of the Sydney DCP 2012.</p>
9. By 2030 every resident will be around a 10-minute walk to what they need for daily life.	Yes	The indicative concept design envisions active retail frontages on the ground level. Retail tenancies contribute to the provision of services for nearby residents and people who work in the area.

The *City Plan 2036: Local strategic planning statement (LSPS)* provides a vision of the City being green, global and connected. This vision is supported by 10 strategic directions alongside targets and objectives. The relevant strategic directions are considered in Table 6.

Table 6 - Compliance with City Plan 2036: Local strategic planning statement

Priorities	Compliance	Comment
Priority I1 Movement for walkable neighbourhoods and a connected city	Yes	The proposal includes the creation of a new through site link which will enhance walkability. Bicycle parking will be provided on site along with end of journey facilities in compliance with the requirements of the Sydney DCP 2012.
Priority I2 Align development and growth with supporting infrastructure	Yes	The proposal would permit the site to host up to an additional 1,811m ² of GFA above its current capacity. This is equivalent to an additional 86 commercial office jobs being located within walking distance of Central Station. The subject site is well serviced by existing infrastructure.
Priority L2 Creating great places	Yes	The proposal will create a new through site link between Foster Lane and Reservoir Street. Enhancing block permeability supported by active frontages enhances walkability and supports the liveability of the neighbourhood.
Priority P2 Developing innovative and diverse business clusters in City Fringe	Yes	The subject site is located within the City Fringe and is part of the Eastern Creative Precinct. Figure 63 of the LSPS identifies job clusters around the site in “information media”, “creative industries”, “professional industries” and “Health Services”. The proposal to provide additional commercial office space is consistent with encouraging the continued development and location of these industries on the City Fringe and in the Eastern Creative Precinct. The LSPS notes that: <i>“without intervention, residential development may constrain City Fringe’s capacity to contribute up to 53,800 additional jobs by 2036 to meet the baseline District Plan jobs targets for the Harbour CBD.”</i> The subject site is located within a mixed use zone that permits residential development and has an existing approval for a part residential development. The proposed site specific LEP controls would increase density only for development that did not include a residential component. This will incentivise commercial

		<p>development of the site to assist in meeting the 2036 District Plan jobs target.</p> <p>The proposal supports Priority P2 by incentivising well located commercial development.</p>
<p>Priority S2</p> <p>Creating better buildings and places to reduce emissions and waste and use water efficiently</p>	Yes	<p>The proposal relates only to the creation of a maximum building envelope. The specific design will be subject to a future design competition where environmental performance will be considered.</p> <p>The indicative concept design is capable of meeting the requirements of NCC 2022 Section J.</p>

Is the planning proposal consistent with any other applicable State and regional studies or strategies?

No other State or regional studies or strategies require consideration.

Is the planning proposal consistent with applicable state environmental planning policies?

This planning proposal is not inconsistent with the conditions of any State Environmental Planning Policies (SEPPs). The SEPPs which apply to this development are considered in Tables 7 and 8.

Table 7 - Compliance with the relevant SEPPs

SEPP	Consistent	Comment
<p>Transport and Infrastructure SEPP</p>	Yes	<p>The streets surrounding the subject site are not classified roads. The indicative concept design and proposed site specific DCP amendments locate the site's driveway access off Reservoir Street. Traffic advice obtained from Traffix (Appendix F) finds that this location can meet all relevant safety standards and will not unduly impact the local road network.</p> <p>The proposal is consistent with the Transport and Infrastructure SEPP.</p>
<p>Biodiversity and Conservation SEPP</p>	Yes	<p>The site does not fall within the foreshore area of the Sydney Harbour Catchment. The planning proposal is unlikely to have any effect on Sydney Harbour or the foreshore area. The planning proposal is consistent with the Biodiversity and Conservation SEPP.</p>

Resilience and Hazards SEPP	Yes	There is no proposed change to the site’s zoning. Notwithstanding, a contamination Study by Douglas Partners (Appendix E) accompanies this application. It finds that the potential for widespread site contamination is low to moderate and that it is unlikely that contamination would render the site unsuitable for future development. This planning proposal is consistent with the Resilience and Hazards SEPP.
Industry and Employment SEPP	N/A	This planning proposal does not contradict or hinder the application of the Industry and Employment SEPP.
Planning Systems SEPP	N/A	The indicative concept plan provided alongside this planning proposal would not trigger any requirements under the Planning Systems SEPP.
Design and Place SEPP	N/A	The proposed site specific controls would only apply to a building with no residential uses. The proposal does not contradict or hinder the application of the Design and Place SEPP.
Housing SEPP	N/A	The proposed site specific controls would only apply to a building with no residential uses. The proposal does not contradict or hinder the application of the Housing SEPP.
SEPP (Exempt and Complying Development Codes) 2008	N/A	This planning proposal does not contradict or hinder the application of the Exempt and Complying Development SEPP.

Is the planning proposal consistent with applicable s9.1 Ministerial Directions (formerly s.117)?

This planning proposal is not inconsistent with the conditions of any Ministerial Directions under s9.1 of the EP&A Act. The Ministerial Directions which apply to this development are considered in Table 8.

Table 8 - Compliance with the relevant s9.1 Ministerial Directions

Ministerial Directions	Objectives	Consistency
1. Planning Systems		
1.3	<i>The objective of this direction is to ensure that LEP provisions encourage</i>	Consistent.

Approval and Referral Requirements	<i>the efficient and appropriate assessment of development.</i>	No provisions are being proposed which would require the concurrence, consultation or referral of development applications to a Minister or public authority nor identify the development as designated development.
1.4 Site Specific Provisions	<i>The objective of this direction is to discourage unnecessarily restrictive site specific planning controls.</i>	<p>Consistent.</p> <p>The site is zoned MU1 – Mixed Use which permits commercial developments. The proposal does not require the amendment of the Sydney LEP land use table.</p> <p>The planning proposal is accompanied by an indicative concept design which demonstrates that the proposed building envelope can accommodate a suitable development. The indicative concept design is not a proposed development.</p>
3. Biodiversity and Conservation		
3.2 Heritage Conservation	<i>The objective of this direction is to conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance.</i>	<p>Consistent.</p> <p>The subject site does not contain any heritage items. The existing buildings have been assessed for heritage significance and are shown to not meet the criteria for individual heritage listing.</p>
4. Resilience and Hazards		
4.1 Flooding	<p><i>The objectives of this direction are to:</i></p> <p><i>(a) ensure that development of flood prone land is consistent with the NSW Government’s Flood Prone Land Policy and the principles of the Floodplain Development Manual 2005, and</i></p> <p><i>(b) ensure that the provisions of an LEP that apply to flood prone land are commensurate with flood behaviour and includes consideration of the potential flood</i></p>	<p>Consistent.</p> <p>A Flood Report has been prepared by IGS to accompany this application (Appendix G). It demonstrates that the site’s flood affectation is minor and can be readily addressed at the development application stage.</p> <p>The site specific controls being proposed have no impact on the permissible uses of the site or its response to flooding.</p>

	<i>impacts both on and off the subject land.</i>	
4.4 Remediation of Contaminated Land	<i>The objective of this direction is to reduce the risk of harm to human health and the environment by ensuring that contamination and remediation are considered by planning proposal authorities.</i>	Consistent. The planning proposal does not seek to change the site's zoning under Sydney LEP 2012.
4.5 Acid Sulfate Soils	<i>The objective of this direction is to avoid significant adverse environmental impacts from the use of land that has a probability of containing acid sulfate soils.</i>	Consistent. The Desktop Contamination Study by Douglas Partners (Appendix E) found that the site is not located in a known acid sulfate soil area.
5. Transport and Infrastructure		
5.1 Integrating Land Use and Transport	<p><i>The objective of this direction is to ensure that urban structures, building forms, land use locations, development designs, subdivision and street layouts achieve the following planning objectives:</i></p> <p><i>(a) improving access to housing, jobs and services by walking, cycling and public transport, and</i></p> <p><i>(b) increasing the choice of available transport and reducing dependence on cars, and</i></p> <p><i>(c) reducing travel demand including the number of trips generated by development and the distances travelled, especially by car, and</i></p> <p><i>(d) supporting the efficient and viable operation of public transport services, and</i></p> <p><i>(e) providing for the efficient movement of freight.</i></p>	<p>Consistent.</p> <p>The planning proposal increases the permissible FSR of the site where no residential land uses are proposed. The subject site is proximate to a large catchment of residents within walking and cycling distance of the site. It is also located approximately 300m from Central Station providing the highest possible level of public transport access for the site.</p> <p>Development under the proposed controls would encourage the use of active and public transport modes to access the site.</p>
7. Industry and Employment		

<p>7.1</p> <p>Business and Industrial Zones</p>	<p><i>The objectives of this direction are to:</i></p> <p>(a) <i>Encourage employment growth in suitable locations,</i></p> <p>(b) <i>protect employment land in business and industrial zones, and</i></p> <p>(c) <i>support the viability of identified strategic centres.</i></p>	<p>Consistent.</p> <p>The planning proposal would increase the potential available floor space for commercial development of the subject site.</p>
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Section C – Environmental, Social and Economic Impact

Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected because of the proposal?

The site of the planning proposal is within the Sydney CBD and is currently occupied by 3 storey buildings. There is unlikely to be any adverse impact on a critical habitat or threatened species, populations or ecological communities, or their habitats because of the proposal.

Are there any other likely environmental effects as a result of the Planning Proposal and how are they proposed to be managed?

There are a range of environmental effects that will arise because of the planning proposal. They will all be managed effectively and are considered in detail in the following sections.

Urban Design

The proposed building envelope was designed to facilitate development that will enhance the site’s response to the surrounding urban environment. An Urban Design Study (Appendix A) was undertaken by Angelo Candalepas and Associates and considers the envelope’s response to surrounding buildings in detail. It also includes an indicative concept design which demonstrates how the proposed building envelope will promote good urban design.

The Study includes an assessment of the FSRs of surrounding buildings considering both the maximum permissible FSR and the FSR as built (figure 21). The Study identifies that the site is located between a constructed building to the north with an FSR of 6.5:1 and a constructed building to the south with an FSR of 11:1. Other nearby buildings on comparable sites typically have FSRs within this range of 6.5:1 – 11:1. This assessment demonstrates that an FSR of 7:1 on the subject site

would not be inconsistent with existing pattern of development or a substantial change from the prevailing controls.

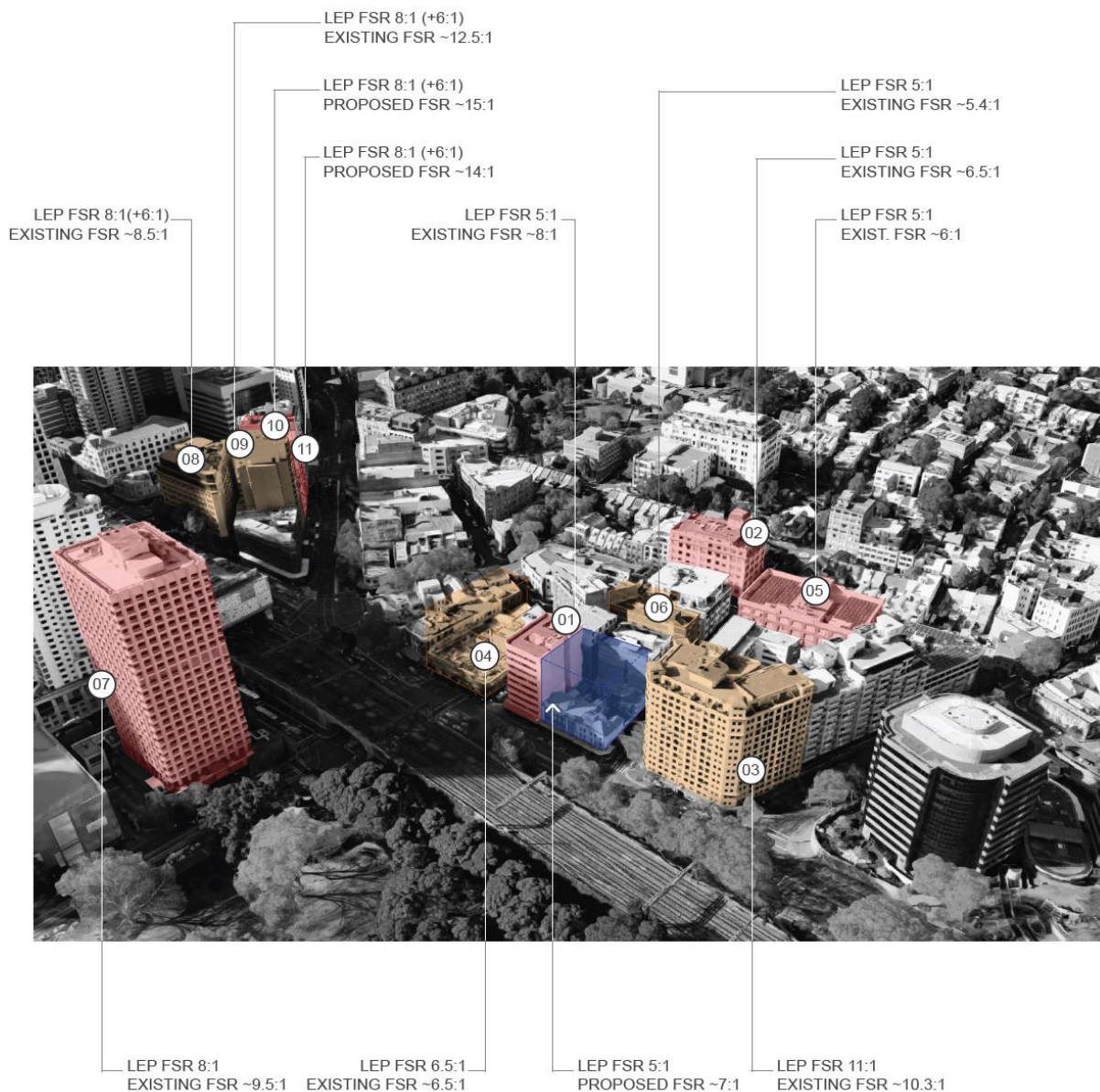


Figure 213 - Density of nearby development

The site is currently underdeveloped in comparison to its neighbours. This causes an inconsistent street wall height along Elizabeth Street. Maintaining the current FSR of 5:1 is likely to result in any future commercial development having a lower height than the northern neighbour at 230 Elizabeth Street. This would effectively mandate an inconsistent street wall height. The proposed building massing utilising an FSR of 7:1 would provide an appropriate height transition between the site's northern and southern neighbours creating a positive urban outcome (figures 24-25).

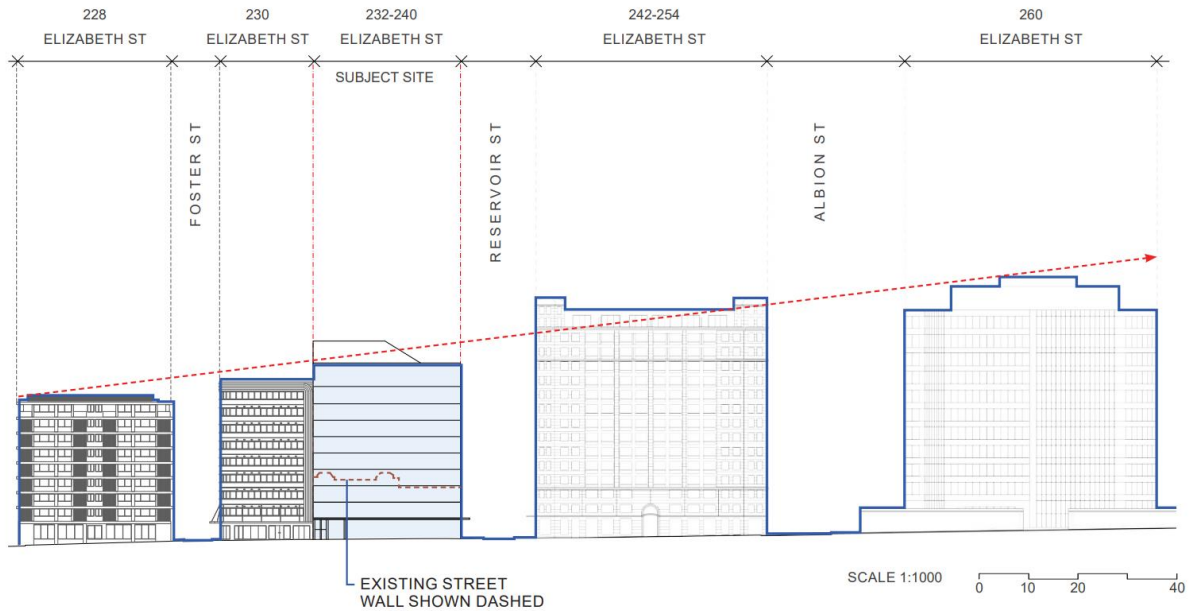


Figure 224 - Building envelope response to street wall along Elizabeth Street

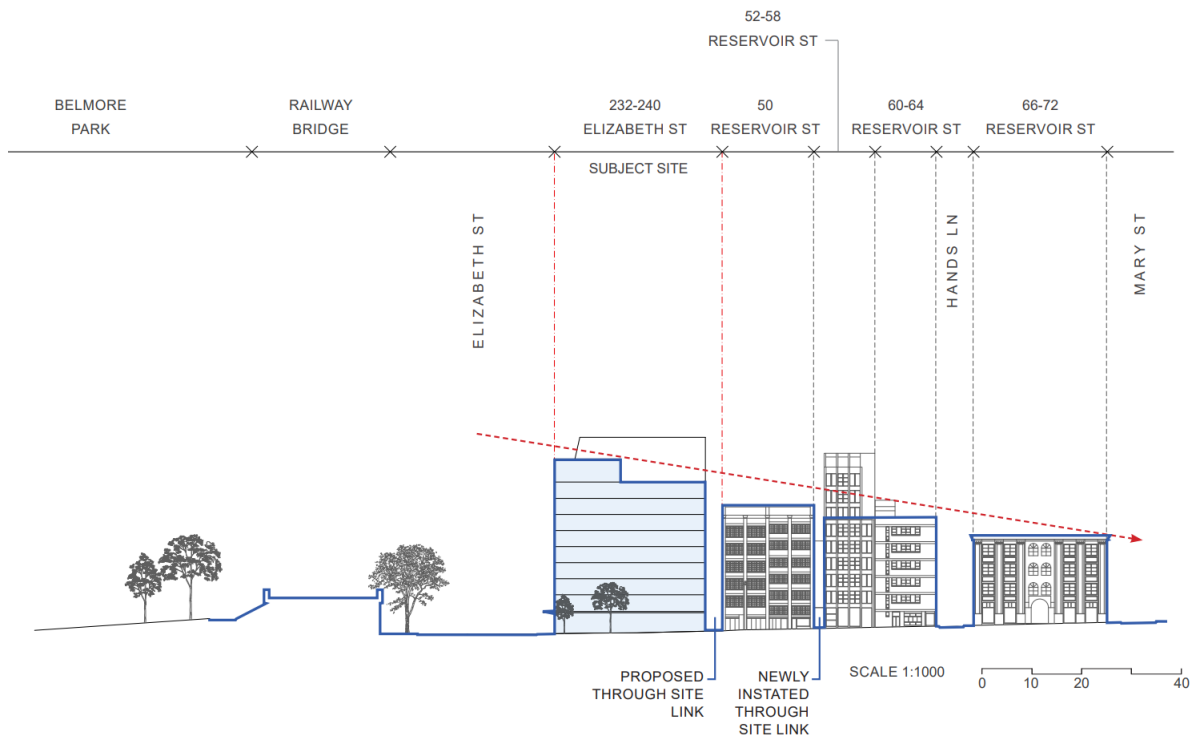


Figure 235 - Building envelope response to street wall along Reservoir Street

The proposed envelope steps down towards the east along Reservoir Street which has dual benefits. Firstly, it responds better to the scale of Reservoir Street providing a height transition towards 50 Reservoir Street, mediating between the prevailing heights of both Elizabeth and Reservoir streets. Secondly, the stepped façade also reduces shadow impacts on apartments to the south at 242-254 Elizabeth Street and 33-37 Reservoir Street which is considered in more detail below.

The proposed building envelope also includes the creation of a new pedestrian through-site link. This is proposed as a result of analysis of the surrounding street network. The proposed through site link is intended to work in concert with the newly instated link at 52 Reservoir Street to open greater opportunities for activation within the rear lanes. The indicative concept design demonstrates the potential for activation of the entire through site link with an active retail frontage and office lobby entrance.

The indicative concept design demonstrates that a commercial building with an FSR of 7:1 can be accommodated within the proposed building envelope. It shows that active frontages can be provided to all streets with a single vehicle crossover from Reservoir Street. It shows that the single vehicle crossover can be minimised and well-integrated into the design.

The proposed building envelope will enable a superior urban design outcome in comparison with the site's existing controls by allowing development to better match its surrounding. The proportions of the proposed building envelope have been developed to facilitate a development that achieves design excellence and responds positively to the urban environment.

Overshadowing and privacy of nearby residential apartments

The subject site is located north of two multi-storey residential apartment buildings at 242-254 Elizabeth Street and 33-37 Reservoir Street. The location of the sites in relation to each other necessitates that the proposed building envelope consider its shadow impact upon these existing buildings.

The subject site has an approved Concept Development Application under D/2016/1451 which has established a possible building envelope for the site. It includes a condition of consent requiring modification of the building envelope to ensure that a minimum of 2 hours solar access is maintained to apartments 601 and 602 at 242-254 Elizabeth Street at midwinter. The proposed building envelope has been designed to contain a greater amount of floor space but results in a lower amount of overshadowing of the southern residential apartment buildings in mid-winter than the approved concept scheme under D/2016/1451.

The reduced shadow impact is a result of two factors:

1. The inclusion of a 3.4m wide through site link on the eastern side boundary; and,
2. Increased average setback depth on the upper two levels.

The Urban Design Report includes a detailed shadow impact analysis demonstrating the shadow impacts of the proposed building envelope and comparing this against the shadow impact of the concept envelope approved under D/2016/1451 (Figures 24-25).

The analysis demonstrates that the total time of solar access in mid-winter for apartment 601 is increased from 3:45 to 4:15 hours and is increased for apartment 602 from 1:45 to 2:15 (Figure 26). Under the proposal, solar access to both apartments is increased and achieves compliance. While not mapped to specific apartments, the shadow diagrams also demonstrate a notable reduction in overshadowing of 33-37 Reservoir Street in comparison to the approved concept envelope.

The indicative concept design depicts the Level 8 and 9 terraces offering privacy protection for the adjacent apartments. This is in the form of dense planting and view shielding. During detailed design,

various design techniques can be incorporated to ensure that the use of upper level terraces does not diminish the privacy of apartments in the apartments to the south.

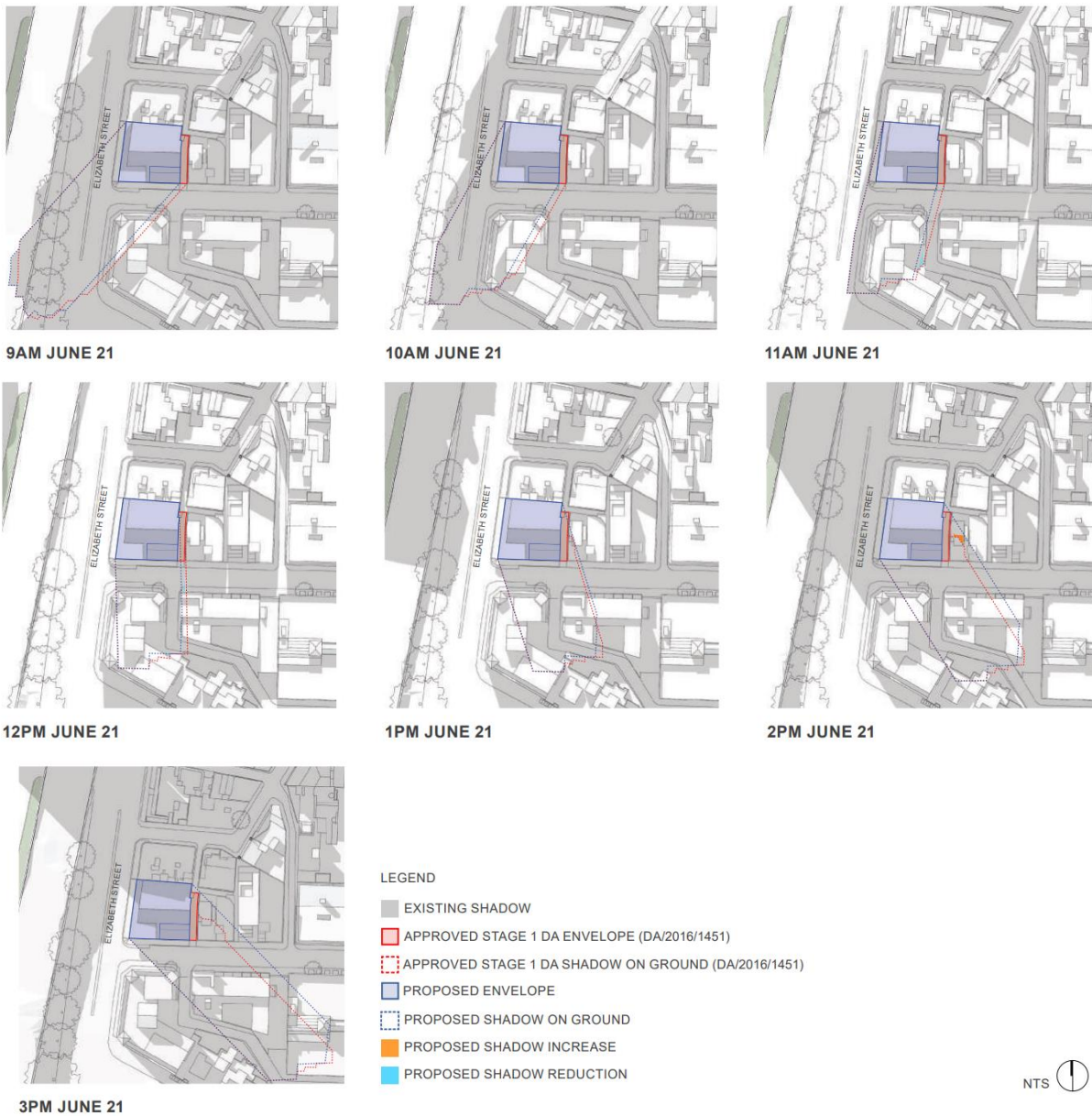


Figure 246 - Shadow diagrams

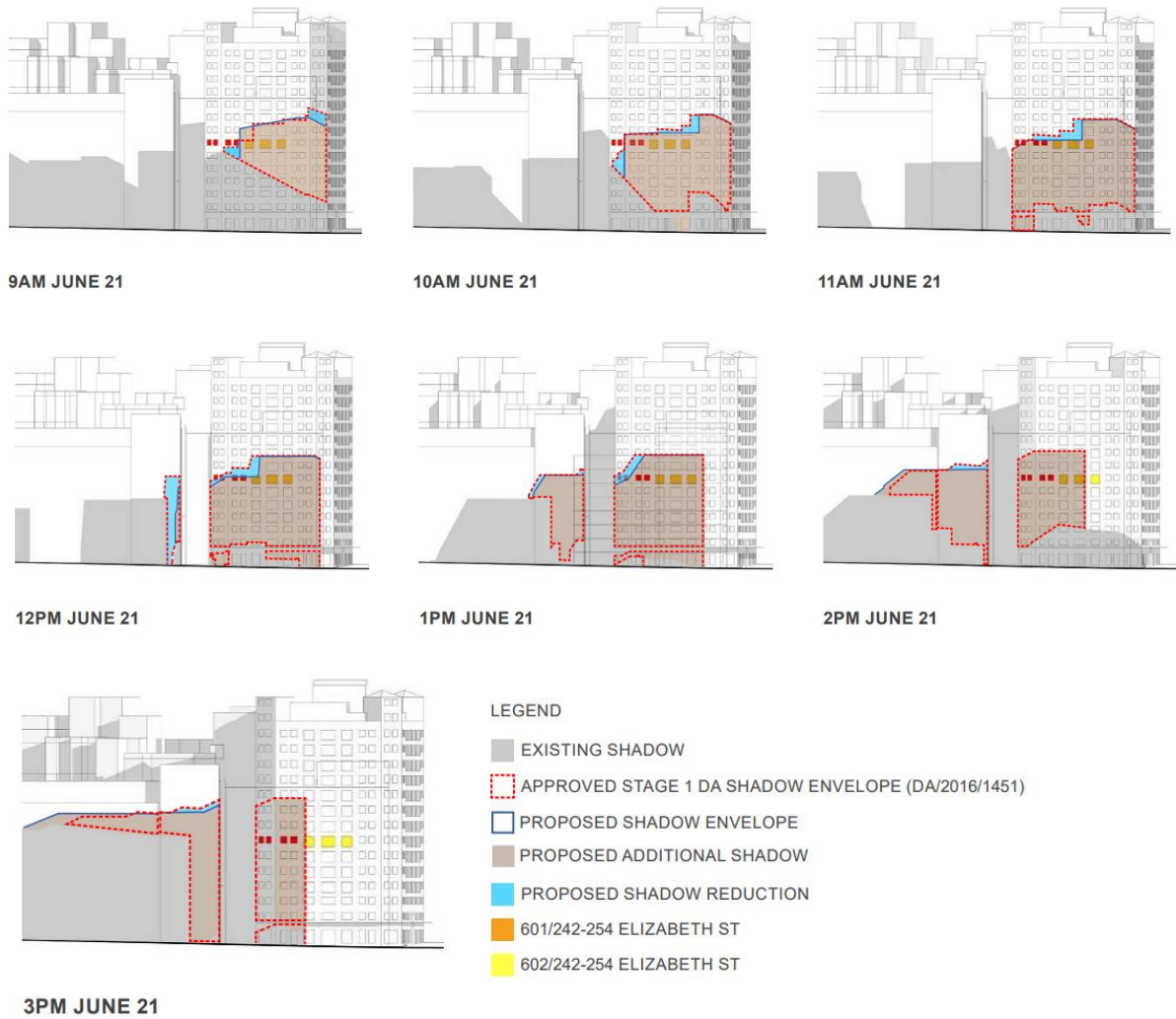


Figure 257 - Elevational shadow diagrams showing 242-254 Elizabeth Street and 33-37 Reservoir Street

APPROVED																	
UNIT NO.	9:00 AM	9:30 AM	10:00 AM	10:30 AM	11:00 AM	11:30 AM	12:00 PM	12:30 PM	1:00 PM	1:30 PM	2:00 PM	2:30 PM	3:00 PM	TOTAL HOURS	2 + HOURS	CHANGE	
601	[Red]														3HR 45MIN	COMPLIES	NA
602	[Red]									[Red]	[Red]	[Red]	[Red]	1HR 45MIN	NON-COMPLIANCE	NA	

PROPOSED																	
UNIT NO.	9:00 AM	9:30 AM	10:00 AM	10:30 AM	11:00 AM	11:30 AM	12:00 PM	12:30 PM	1:00 PM	1:30 PM	2:00 PM	2:30 PM	3:00 PM	TOTAL HOURS	2 + HOURS	CHANGE	
601	[Red]							[Red]							4HR 15MIN	COMPLIES	+13%
602					[Red]	[Red]				[Red]	[Red]	[Red]	[Red]	2HR 15MIN	COMPLIES	+28%	

[Red] INDICATES DIRECT SUN ACCESS TO GLAZING TO LIVING SPACE - OVER 1 SQM

Figure 268 - Outcome of comparative solar analysis

Heritage Significance

The site is not heritage listed and is not located within a Heritage Conservation Area. However, it is located within the vicinity of several heritage items which are listed on the Sydney Local Environmental Plan (Sydney LEP) 2012 and the State Heritage Register including Belmore Park (local item I825) and the Central Railway Station group (State heritage item (I824)). While none are individually listed as heritage items, the subject site contains several buildings which are over 50 years old.

A Heritage Impact Statement has been prepared by Urbis and is attached to this planning proposal Justification as Appendix H. The Statement was prepared to assess the potential heritage impacts of the indicative concept design on the surrounding heritage items and whether any of the existing buildings on site met the requirements for individual heritage listing.

The HIS identifies 232-236 Elizabeth Street to be occupied by a building with some components of a Federation Free style façade but with little noteworthy architectural detailing. The remaining existing 19th century buildings on the site are late Victorian residential structures which is a common typology within the area. Further, the buildings have been heavily modified both internally and externally. Further, the existing buildings are found to have no relationship with the character or scale of the street. The existing buildings are found to have no heritage retention value and their demolition is considered acceptable from a heritage perspective.

The heritage impacts of the indicative concept design have been assessed and were found to be acceptable from a heritage perspective. The 10-storey design is consistent with the existing pattern of development in the area and does not significantly impact on any heritage item in the vicinity. The proposed building envelope was found to not detrimentally impact any identified significant views or settings of the heritage items within the vicinity. The introduction of a new pedestrian through site link was found to permit a visual distinction between new works on the subject site and early 20th century building works to the rear of the site. The proposed building envelope will not negatively impact on the heritage values of any nearby buildings or heritage items.

Archaeological Assessment including Aboriginal Due Diligence

A Preliminary Archaeological Assessment Including Aboriginal Due Diligence Report has been prepared by Curio and is attached to this planning proposal Justification as Appendix I. The Report considers the potential for a future development to encounter objects of archaeological significance in relation to either Aboriginal or non-Aboriginal settlement.

The Report finds that there are no registered Aboriginal objects and/or sites located within or directly adjacent to the study area. However, the area around the site is known to have been used by past Aboriginal groups. The undisturbed soils below the existing structures have moderate Aboriginal archaeological potential.

The Report finds that there is a low to moderate likely potential for archaeological findings related to non-Aboriginal settlement.

The Report makes a range of recommendations for application at later stages of development to protect any archaeological findings that could be made during excavation and construction.

Contamination

A Desktop Contamination Study has been prepared by Douglas Partners to accompany this planning proposal as Appendix E. The Contamination Study was prepared concurrently with the Geotechnical Desktop Study described above.

The Desktop Contamination Study was not able to definitively identify all previous uses of the subject site and has identified some potential sources of contamination that might be present on the site. The Study's conclusion states in part (emphasis added):

“Based on a review of site history information and a limited site walkover inspection, the potential for widespread site contamination is considered to be low to moderate and it is unlikely that significant contamination is present at the site which would render the site unsuitable for the proposed development.”

The Study recommends that intrusive investigation be undertaken at a later stage of development. The findings of the report indicate that the site can be made suitable for commercial uses under a future redevelopment.

Geotechnical

A Report on Desktop Geotechnical Assessment has been prepared by Douglas Partners and is attached to this planning proposal as Appendix J. The Geotechnical Report relies on previous investigations undertaken by Douglas Partners on the site in 2015. The Report provides comments for consideration in future detailed design and recommends further investigation during the DA stage of development.

Flooding

The City of Sydney's Darling Harbour Catchment TUFLOW model identifies that the site is flood affected. Council's flood model shows that the site is affected by overland flows flowing from the eastern side along Foster Lane and Reservoir Street and towards Elizabeth Street before leaving through the railway corridor along the western side of Elizabeth Street. Elizabeth Street along the west side of the site is very flat and a maximum approximate flood depth of 350mm can be seen along Elizabeth Street during 1% AEP storm events.

A Flood Advice Report has been prepared by Integrated Group Services (Appendix G) to consider the flood impacts upon the indicative concept design. It finds that the predicted flooding depths around the site vary from 50 – 20mm during 1% AEP storm events, and there is no downstream trapped low point. It recommends therefore that expecting the finished floor levels to be set 500mm above the 1% AEP level is unreasonable. Adopting the FPL standard for commercial premises outside the floodplain, a flood planning level at or above the 1% AEP would protect the ground floor ingress points and allows more reasonable finished floor levels to be adopted.

The Review finds that the building envelope is capable of hosting a development that will comply with the flood planning levels per the City of Sydney's Interim Flood Planning Management Policy.

Landscape and Tree Removal

A Landscape Plan has been prepared by Black Beetle and is attached to this planning proposal Justification report as Appendix K. The indicative Landscape Plan envisions the removal and replacement of a single street tree on Reservoir Street to accommodate a driveway entrance. It also envisions the creation of a landscaped strip along the eastern side of the new through site link. The indicative concept design also provides the potential for planting on the terrace levels.

The indicative Landscape Plan envisions a possible landscaped area equivalent to 15.8% of the site area. These minor landscaping interventions would maintain the green aspect of Reservoir Street which already features multiple maturing street trees.

It should be noted that the landscape plan has been prepared in response to the indicative concept plans and would be subject to revision at the DA stage of development.

Transport and Traffic

A Traffic Impact Assessment has been prepared by Traffix and is attached to this planning proposal Justification as Appendix F. It considers the possible impacts of a commercial development with a maximum FSR of 7:1 using the indicative concept design for consideration.

The Assessment details the public transport connections near the site which are extensive. It also finds that the site is well connected to the footpath network servicing pedestrians and is near several separated bicycle lanes and bicycle friendly roads. The site is well suited for access by pedestrians, bicycles and public transport.

The Assessment finds that the indicative concept design would result in traffic generation of 11 vehicle trips per hour during the morning peak and 9 vehicle trips during the evening peak. This level of traffic generation is found to have a negligible impact on the surrounding road network and is found to be acceptable from a traffic planning perspective.

The Assessment also considered the use of a car lift to service parking on the subject site. It finds that, subject to the inclusion of a single waiting bay, queuing will be acceptable and comply with the relevant standards.

Traffix concludes that the planning proposal is acceptable from a transport perspective and makes minor recommendations that can be addressed in the detailed design phase or by Plan of Management.

Sustainability

An NCC 2022 Section J Assessment Report has been prepared by Integrated Group Services Traffix and is attached to this planning proposal as Appendix L. It considers the potential for compliance with the Deemed-to-Satisfy requirements for the National Construction Code 2022 provisions for energy efficiency under Section J (NCC 2022 Volume One). The Report has been prepared in consideration of the indicative concept design by Angelo Candalepas and Associates as an assessment cannot be undertaken on a building envelope alone. The indicative concept design is

found to be capable of compliance subject to the Report's recommendations indicating that a future DA design within the proposed building envelope can be capable of compliance.

Consistent with recently commenced State Environmental Planning Policy (Sustainable Buildings) 2022 and Council's updated sustainability controls, the proponent has also given a commitment through this proposal to the NABERS Energy Rating of 5.5 stars + 25%. The competitive design process will be the opportunity to investigate and provide innovative sustainability solutions to the site specific challenges of the site.

Acoustic Impacts

An Acoustic Impact Statement has been prepared by Acoustic Logic and is attached to this planning proposal as Appendix M.

The report found high levels of existing background noise near Elizabeth Street and low levels of background noise were identified at 52-58 Reservoir Street. The report identifies two possible sources of acoustic impacts associated with a commercial development being loading dock operation and mechanical plant noise.

The report notes that, if the loading dock is to be used between 10pm – 7am, consideration must be given to the potential for sleep disturbance in adjacent residential buildings. This can be addressed in a range of ways at the DA stage through physical interventions, management measures or time restrictions on use. These will be matters for consideration at the DA stage and are able to be adequately addressed.

Mechanical plant cannot be designed or selected at the planning proposal stage of development. A future DA will consider the selection and location of mechanical plant to ensure compliance with all acoustic standards.

Wind

The site is located on a corner position and is proposed to introduce a new pedestrian through site link. Accordingly, the possible impacts on wind conditions require consideration. CPP Wind Engineering Consultants have prepared a Qualitative Wind Assessment (Appendix N) which concludes in part:

The scale of the proposed development and its position in the existing built massing environment are not indicative of any significant impacts to pedestrian wind comfort in the surrounding public domain areas. Overall, conditions in and around the site are expected to remain similar to the existing environment. Wind conditions around the development are expected to be classified as acceptable for pedestrian standing or walking from a Lawson comfort perspective and pass the distress/safety criterion. Local amelioration would likely be necessary for areas intended for long-term stationary or outdoor dining activities, similar measures would be suggested for outdoor terraces.

The proposed building envelope is shown not to have significant impacts on the existing environment. Any necessary local amelioration would be considered in the detailed design stage of development.

Has the planning proposal adequately addressed any social and economic effects?

The planning proposal is accompanied by an Economic and Social Impact Report by Planning Lab (Appendix D) which considers the social and economic impacts of the planning proposal.

There has been a reduction in demand for commercial floor space in the Sydney CBD following the Covid-19 pandemic, however, rents have increased slightly despite a historically high vacancy rate. The vacancy rate appears to have peaked and is forecast to stabilise over the next 12 months. No significant new floor space is forecast to enter the Sydney CBD until 2024. This is expected to come predominantly from over train station developments which will appeal to predominantly large businesses. There is also expected to be demolition of some older office stock to accommodate the new developments.

The Report finds that there has been a strong demand for commercial floor space within Surry Hills from 2011-2019. This is attributed to demand from companies to provide more flexible working space that is located near good amenities to attract staff. The influx of companies into Surry Hills in the recent past generates agglomeration benefits increasing the relative value of Surry Hills for commercial tenants. Lower rent relative to the CBD is also identified as an ongoing driver of demand. Surry Hills is expected to remain popular with commercial tenants and demand for floor space is expected to increase.

The increased floor space proposed in this application will have a positive economic impact as it will increase the intensity of use of the site. This will result in the expenditure by additional employees on site supporting local businesses.

The proposal includes providing a new through site link which will encourage the activation of the nearby lanes. This increases the permeability of the block increasing the area's walkability and appearance. It will also support massing that is consistent with the existing neighbouring buildings providing a more suitable scale of development. The proposal is thereby anticipated to have a positive social impact through improvements to the urban environment.

Section D – Infrastructure (Local, State and Commonwealth)

Is there adequate public infrastructure for the planning proposal?

The site is located 300m from Central Train Station on the fringe of the Sydney CBD. The site is well serviced by a range of infrastructure including ready access to public transport and public open space. The site is already serviced by existing public utilities including reticulated water, sewer and stormwater, electricity and telecommunications. There is adequate public infrastructure to support the planning proposal.

Section E – State and Commonwealth Interest

What are the views of state and federal public authorities and government agencies consulted in order to inform the Gateway determination?

No consultation has been necessary with any State or Commonwealth agencies. Any necessary consultation will be conducted once a gateway determination is issued.

Part 4 – Maps

No changes are proposed to the maps within the Sydney LEP 2012.

Part 5 – Community Consultation

If this planning proposal is supported by the City of Sydney, the City will prepare a draft planning proposal and draft Development Control Plan for consideration by Council and the Central Sydney Planning Commission (CSPC). If the planning proposal is endorsed by Council and the CSPC for public exhibition, the proposal will be referred to the Minister for Planning for Gateway Determination. If Gateway is issued the draft planning proposal and DCP amendments will be placed on public exhibition, generally for a minimum period of 28 days.

Part 6 – Project Timeline

The anticipated project timeline for this planning proposal is as follows:

Table 9 - Anticipated project timeline

Stage	Timing
Endorsement by the City of Sydney and CSPC	December 2023
City prepared draft planning proposal and DCP	February 2024
Anticipated commencement date (date of Gateway determination)	March 2024
Anticipated timeframe for the completion of required technical information	May 2024
The timeframe for government agency consultation (pre and post exhibition as required by Gateway determination)	May 2024
Commencement and completion dates for the public exhibition period	July 2024
The timeframe for consideration of submissions	September 2024
The timeframe for the consideration of a proposal post exhibition	October 2024 (CSPC) October 2024 (Council)
Date of submission to the department to finalise the LEP	December 2024
Anticipated date RPA will make the plan (if delegated)	February 2025
Anticipated date RPA will forward to the department for notification.	February 2025

Appendices

Appendix A – Urban Design Study: Candalepas Associates

Appendix B – Proposed DCP Building Envelope: Candalepas Associates

Appendix C – Proposed Amendments to the Sydney DCP 2012: Planning Lab

Appendix D – Economic Impact Analysis: Planning Lab

Appendix E – Desktop Contamination Study: Douglas Partners

Appendix F – Traffic Impact Assessment: Traffix

Appendix G – Flood Advice Report: Integrated Group Services

Appendix H – Heritage Impact Statement: Urbis

Appendix I – Preliminary Archaeological Assessment including Aboriginal Due Diligence: Curio Projects

Appendix J – Geotechnical Desktop Investigation: Douglas Partners

Appendix K – Landscape Concept Plan: Black Beetle

Appendix L – Section J Assessment Report: Integrated Group Services

Appendix M – Acoustic Assessment: Acoustic Logic

Appendix N – Qualitative Wind Assessment: CPP

Appendix O – Survey Plans: Eric Scerri & Associates Pty Ltd

Appendix P – Waste Management Plan: Ratio Consultants