INNOVATIVE

ITEM NUMBER	13.2
SUBJECT	Parramatta CBD Planning Proposal – Resolution of Certain Policy Issues
REFERENCE	F2013/02004 - D06359276
REPORT OF	Service Manager Land Use Planning

PURPOSE:

The purpose of this report is to supplement the report *Parramatta CBD Planning Proposal – Resolution of Certain Policy Issues*, which was originally considered at the Council meetings of 12 June 2018 and 23 July 2018 (copy provided at Attachment 1). This supplementary report has been prepared resulting from a further workshop held with Councillors on 22 August 2018, which considered matters pertaining to the Parramatta CBD Planning Proposal raised by Councillors and were discussed in the original report at Attachment 1. **N.B. This supplementary report should be read in conjunction with the original report at Attachment 1.**

RECOMMENDATION

(a) **That** Council resolve in accordance with Options **B1**, **B2** or **B3** in relation to Issue B – Setback of towers to Church Street to protect heritage streetscape.

(b) **That** Council resolve in accordance with Options **C1**, **C2** or **C3** in relation to Issue C – Performance provisions relating to Opportunity Site bonus FSR.

(c) **That** Council resolve in accordance with Options **D1**, **D2**, **D3** or **D4** in relation to Issue D – Appropriate Incentive FSRs for the West Auto Alley Precinct.

(d) **That** Council resolve in accordance with Options **E1**, **E2** or **E3** in relation to Issue E – Application of the proposed High Performing Buildings Bonus to sites with an FSR less than 10:1.

(e) **That** Council resolve in accordance with Options **F1** or **F2** in relation to Issue F – Value Sharing Mechanism.

(f) **Further, that** the Department of Planning and Environment be advised of this resolution to assist with its processing of the Gateway Determination of the draft Parramatta CBD Planning Proposal.

BACKGROUND

1. The report *Parramatta CBD Planning Proposal – Resolution of Certain Policy Issues* (the Policy Issues Report) was prepared to address policy matters raised by Councillors from an earlier workshop on 7 May 2018 where decisions for certain site-specific planning proposals vary from the policy position adopted in the endorsed CBD Planning Proposal. A copy of this report is provided at Attachment 1.

2. At the meeting of 12 June 2018, the report at Attachment 1 was tabled and a separate Resolution was adopted. At the meeting of 9 July 2018, the Resolution of 12 June 2018 was subsequently rescinded and a further resolution to defer the matter to a workshop to be held before 23 July 2018 was resolved (refer to Attachment 2). At the meeting of 23 July 2018, the report was deferred as the workshop had to yet to be held. The workshop was held on 22 August 2018.

3. Five policy issues were considered at the workshop on 22 August 2018, being:
   A. Proposed Floor Space Ratio (FSR) Sliding Scale clause for small sites and the 'out-clause';
   B. Setback of towers to Church Street to protect heritage streetscape;
   C. Performance provisions relating to Opportunity Site bonus FSR;
   D. Appropriate Incentive FSRs for the West Auto Alley Precinct; and
   E. Application of the proposed High Performing Buildings Bonus to sites with an FSR less than 10:1.

   Two additional issues were also discussed in the original Policy Issues Report, but not in the most recent workshop of 22 August 2018, as follows:
   F. Value Sharing Mechanism
   G. Appropriate Incentive FSRs adjacent to a State-Listed Heritage Item

   Each of these issues are discussed sequentially below, with potential options then provided for Council to consider resolving in relation to progressing the Parramatta CBD Planning Proposal at the current time.

ISSUES/OPTIONS

<u>Issue A</u>: Proposed Floor Space Ratio (FSR) Sliding Scale Clause for small sites and the 'out-clause'

4. An FSR Sliding Scale uses site area thresholds to calculate the FSR for a potential development. It reduces the FSR allowable on smaller sites by taking into account the constraints that small sites pose to appropriate development – such as good built design, building separation and amenity; and incentivises site amalgamations by enabling more FSR on larger sites. The associated 'out-clause' may allow exceptions to this based on special circumstances. This matter arose from the site-specific planning proposal at 55 Aird Street, Parramatta (a small 658sqm site) and was discussed at the workshops of 7 May 2018 and 22 August 2018. The rescinded resolution of 12 June 2018 did not address this issue, thereby maintaining the currently endorsed position within the CBD Planning Proposal.

5. Given that the site-specific PP for 55 Aird Street is subject to a Post-Gateway Review by the Independent Planning Commission, and the original rescinded resolution of 12 June 2018 did not change the adopted position in the CBD Planning Proposal, it is suggested that no changes be made to the FSR sliding scale at the current time until after the outcomes of both the review by the Independent Planning Commission and also the Gateway Determination for the CBD Planning Proposal are known.

6. Given the above, there are no options associated with this issue as no further resolution would be required on the matter at the current time.

<u>Issue B</u>: Setback of towers to Church Street to protect heritage streetscape

7. This matter arose from consideration of a site-specific planning proposal at 286-300 Church Street, Parramatta and was discussed at the workshops of 7 May 2018 and 22 August 2018. The key concern identified with this issue is ensuring an appropriate tower setback and podium height along Church Street between Macquarie Street and Parramatta River so as to ensure suitable protection of the important heritage streetscape.

8. **Three** options are proposed for Councillors to consider on this issue. The first option **B1** is the original officer recommendation from the Policy Issues Report. This option proposes a 12m setback with a 12m height limit along this section of Church Street, however given the short lot depths (due to rear lanes) for those two street blocks on the western side of Church Street between George Street and the river, it is proposed that the 12m height limit apply to the whole site in this area, as per Figure 2 in the Policy Issues Report. Further, this option also recommends reducing the Incentive FSR from 10:1 to 3:1 for the affected setback area. The second option **B2** is as per the rescinded resolution. This option also proposes a 12m setback with a 12m height limit, but does not extend this to the entire site in the case of those two street blocks with short lot depths on the western side of Church Street between George Street and the river, nor does it reduce the FSRs in the setback area. The third option **B3**, arose out of the workshop discussions on 22 August 2018, and proposes a setback area consistent with Option B1, but no associated reduction in FSR.

   Option B1: Adopt the Officer Recommendations (d), (e) and (f) from the Policy Issues Report, as reproduced below:

   (d) That, in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to amend the Base and Incentive Height of Building maps for Church Street between Macquarie Street and the Parramatta River to show a 12m tower setback control consistent with Figure 2 of this report [ie. the Policy Issues Report] with a maximum 12m height control in this setback area.

   (e) That, in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to apply a maximum 3:1 FSR for the same 12m tower setback area for Church Street between Macquarie Street and the Parramatta River (as specified in (d) above and as per Figure 2 of this report [ie. the Policy Issues Report]) on both the Base Floor Space Ratio and Incentive Floor Space Ratio Maps; so as to protect the heritage streetscape of Church Street and ensure general consistency with the Urbis Heritage Study.

   (f) That, in relation to the Site Specific Planning Proposals for 286-300 Church Street, 197-207 Church Street and 89 Marsden Street, and 295 Church Street, Parramatta, Council consider aligning these Planning Proposals with the above policy approach when these matters are reported back to Council following public exhibition.

Option B2: Adopt the 12 June 2018 Rescinded Resolution items (c) and (e), as reproduced below:

(c) That in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to amend the Base and Incentive Height of Buildings maps for Church Street between Macquarie Street and the Parramatta River to show a 12m tower setback control, and a podium height of 12m.

(e) That no resolved Planning Proposal be amended retrospectively with the expectation of Site Specific Planning Proposals for 286-300 Church Street, 197-207 Church Street and 89 Marsden Street, and 295 Church Street, Parramatta, Council consider aligning these planning proposals with the above policy approach when these matters are reported back to Council following public exhibition.

Option B3: Adopt the following recommendation arising out of workshop outcomes:

(a) That, relation to the Draft Parramatta CBD Planning Proposal, Council resolve to amend the Base and Incentive Height of Building maps for Church Street between Macquarie Street and the Parramatta River to show a 12m tower setback control consistent with Figure 2 of this report [ie. the Policy Issues Report, with the exception of the references to the FSR reduction changes] with a maximum 12m height control in this setback area.

(b) That, in relation to the Site Specific Planning Proposals for 286-300 Church Street, 197-207 Church Street and 89 Marsden Street, and 295 Church Street, Parramatta, Council consider aligning these Planning Proposals with the above policy approach when these matters are reported back to Council following public exhibition.

Issue C: Performance provisions relating to Opportunity Site bonus FSR

9. This matter arose from consideration of a site-specific planning proposal at 286-300 Church Street, Parramatta and was discussed at the workshops of 7 May 2018 and 22 August 2018. The Officer Recommendation proposes additional depth requirements for sites – 35m for corner sites with at least two street frontages and 40m for all other situations; as well as further considerations for site isolation and impacts on historic streetscapes. This approach would require a site to have sufficient depth to accommodate a tower built form of up to 15:1 FSR and prevent corner sites from applying the longest street frontage as the basis of meeting the current standard when the site's depth is insufficient to accommodate a built form of up to 15:1 FSR while complying with SEPP 65 Apartment Design Guidelines. The rescinded resolution of 12 June 2018 did not address this issue, thereby maintaining the currently endorsed position within the CBD Planning Proposal.

10. **Three** options are proposed for Councillors to consider on this issue. Option **C1** is the original officer recommendation from the Policy Issues Report, which proposes to introduce the new requirements for Opportunity Sites, including site

depth, site isolation and heritage streetscape requirements. Option **C2** is to retain the current Opportunity Site controls as they exist within the current CBD Planning Proposal (i.e. no change). Option **C3** is identical to option C1, with the exception to not apply any new Opportunity Site provisions retrospectively to the site-specific planning proposal for 286-300 Church Street, Parramatta, which was discussed at the workshop held on 22 August 2018.

Option C1: Adopt the Officer Recommendations (g) and (h) from the Policy Issues Report, as reproduced below:

(g) That, in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to amend Clause 7.16 Opportunity Sites to include additional provisions to address site isolation, impacts on historic streetscapes, and adding minimum site depth requirements as follows:
- 35m, where the site is a corner site with at least two street frontages; or
- 40m, in all other situations.

(h) That, in relation to the Site Specific Planning Proposal for 286-300 Church Street, Parramatta, Council resolve to require site isolation and impacts on historic streetscapes are matters for consideration when this matter is reported back to Council following public exhibition.

Option C2: That Council retain the current Opportunity Site controls within the Parramatta CBD Planning Proposal as endorsed by Council on 11 April 2016 (i.e. with no change).

Option C3: Adopt the following recommendation arising out of workshop outcomes:

(a) That, in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to amend Clause 7.16 Opportunity Sites to include additional provisions to address site isolation, impacts on historic streetscapes, and adding minimum site depth requirements as follows:
- 35m, where the site is a corner site with at least two street frontages; or
- 40m, in all other situations.

(b) That, in relation to the resolved site-specific planning proposal for 286-300 Church Street, Parramatta, Council resolve to not retrospectively apply the above new provisions to this site-specific planning proposal.

<u>Issue D</u>: Appropriate Incentive FSRs for the West Auto Alley Precinct

11. This matter arose from discussions with Councillors following the 7 May 2018 workshop, where the matter of revised Incentive FSRs for the Auto Alley precinct were discussed. It was then further discussed in detail at the workshop of 22 August 2018.

12. **Four** options are proposed for Councillors to consider on this issue. The first option **D1** is the original officer recommendation from the Policy Issues Report, which is to retain the existing 3:1 FSR controls for this precinct as per the current

CBD Planning Proposal, and also reducing 12-20 Dixon Street to 2:1 given site constraints, including the application of a 26m height limit due to adjoining heritage items and also flood risk on the site. The second option **D2** is as per the rescinded resolution, which increases FSRs to 6:1 and remove height limits. The third option **D3** arises out of the workshop outcomes of 22 August 2018. This third option also proposes an FSR of 6:1 with no height limits (like option D2), but adds the preparation of a detailed Precinct Plan to identify additional opportunities for public open space, through-site links and road widenings in the precinct, and also a precinct-based heritage study as a supporting document to the CBD Planning Proposal (so as to meet our statutory obligations under the relevant section 9.1 direction for heritage under the Environmental Planning & Assessment Act 1979). The fourth option **D4** is to retain the current position in the CBD Planning Proposal that being a FSR of 3:1 and height limits of 80m, 40m and 26m.

Option D1: Adopt the Officer Recommendations (j) and (k) from the Policy Issues Report, as reproduced below:

(j) That, in relation to the planning controls for 12-20 Dixon Street, Council resolve to amend the Draft Parramatta CBD Planning Proposal such that the FSR for the site is reduced from 3:1 to 2:1 and the 26 metre height limit remains unchanged.

(k) That, in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to retain the previously adopted Incentive FSRs for the Auto Alley Precinct, consistent with the detailed Auto Alley Planning Framework.

Option D2: Adopt the 12 June 2018 rescinded resolution item (b), as reproduced below:

(b) That in line with the removal of the HCA as per a), the original intent of item 7.7 from 14/12/15, and consistent with other areas of the CBD, establish incentive floor space controls, and amend the maps (incentive floor space and height) to the following
   i. In the area west of the 10:1 area along auto alley in the CBD transitional area, apply a 6:1 FSR. For the avoidance of doubt this area is north of Lennox St, as well as Dixon St, Rosehill St, and Boundary St
   ii. That appropriate heights be established (or removed) to achieve the FSR controls.

Option D3: Adopt the following recommendation arising out of workshop outcomes:

(a) That Council resolve to amend the Incentive Height and FSR maps for the West Auto Alley Precinct as follows:
   - 2:1 and 3:1 FSRs on Lennox, Lansdowne, Dixon, Rosehill and Boundary Streets increased to 6:1
   - 20m, 26m,40m and 80m height limits on Lennox, Lansdowne, Dixon, Rosehill and Boundary Streets increased to “no height limit” consistent with the 6:1 FSR area in the East Auto Alley Precinct.

(b) That the justification for the above changes be noted as follows:
- Consistency with the approach taken in the 6:1 FSR areas in the East Auto Alley Precinct and also the northern section of the Parramatta CBD Planning Proposal area;
- Recent endorsed changes to the boundary for the South Parramatta Heritage Conservation Area;
- Proximity of this area to the new commercial heart of the Parramatta CBD at Parramatta Square (approximately 820m walk) warrants higher densities to support the growth of the Central City.

(c) That Council undertake a further precinct-based Heritage Study as a supporting document to the CBD Planning Proposal in light of the changes to the FSR, Heights and South Parramatta Heritage Conservation Area boundary (so as to meet our statutory obligations under the relevant section 9.1 direction for heritage under the Environmental Planning & Assessment Act 1979).

(d) That, given the increase in height and FSR, Council prepare a detailed Precinct Plan to identify additional opportunities for public open space, through-site links and road widenings to support this density in the precinct, where, based on land ownership and lot configuration patterns, these spaces can be provided as part of future developments without any loss of FSR to affected landowners (i.e. FSR is shifted elsewhere on site) and the land identified for these spaces is shown as having a 0m height limit, consistent with the approach taken in the East Auto Alley Precinct.

(e) That the precinct-based Heritage Study and Precinct Plan be completed and the CBD Planning Proposal be amended accordingly prior to exhibition of the CBD Planning Proposal and further, that Council request the Department of Planning and Environment to include the preparation of this study and plan as conditions of the Gateway Determination so as to not delay its release.

Option D4: That Council maintain the current position for the West Auto Alley Precinct as per the adopted Parramatta CBD Planning Proposal being height limits of 80m, 40m and 26m and FSR of 3:1.

<u>Issue E</u>: Application of the proposed High Performing Buildings Bonus to sites with an FSR less than 10:1

13. This matter arose from consideration of a site-specific planning proposal at 33-43 Marion Street, Parramatta and was discussed at the workshops of 7 May 2018 and 22 August 2018. Council previously resolved to allow the High Performing Buildings (HPB) incentive of 0.5:1 to a proposal where the maximum endorsed FSR was 6:1, which was inconsistent with the adopted position in the CBD Planning Proposal to only apply the 0.5:1 bonus to sites with an FSR of 10:1. The rescinded resolution of 12 June 2018 sought to amend the CBD Planning Proposal to allow the 0.5:1 HPB bonus for sites with a FSR of 6:1.

14. **Three** options are proposed for Councillors to consider on this issue. The first option **E1** is the original officer recommendation (b) from the Policy Issues Report, which is to retain the current position of the adopted CBD Planning Proposal, which is to apply the HPB bonus only to sites with an FSR of 10:1. It is not proposed to include the original recommendation (c) in this report as, since the drafting of the original Policy Issues Report, a Gateway Determination has been issued for this site-specific planning proposal which removes the HPB bonus, consistent with the current CBD Planning Proposal position. Given this it is considered that the matter be addressed in that separate site-specific planning proposal process. The second option **E2** is to apply the rescinded resolution position, which was to also apply the HPB bonus of 0.5:1 FSR to sites with an FSR of 6:1. The third option **E3** has been developed based on the workshop outcomes of 22 August 2018. This option proposes the HPB bonus for 6:1 sites be 5% and that further environmental analysis be undertaken so as to ensure the above BASIX performance measures are commensurate with development feasibility.

    Option E1: Adopt the Officer Recommendation (b) from the Policy Issues Report, as reproduced below:

    (b) That, in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to retain the previously adopted high performing building clause, and specifically, the application of the clause to sites with an FSR equal or greater than 10:1.

    Option E2: Adopt the 12 June 2018 rescinded resolution item, as reproduced below:

    (g) That the High Performing Buildings bonus will apply to mixed use development sites with an FSR of 6:1 not 10:1.

    Option E3: Adopt the following recommendation arising out of workshop outcomes:

    (a) That Council apply a high performing buildings bonus of 5% to mixed use developments with an FSR of 6:1.

    (b) That Council undertake further environmental analysis of the extent of performance measures above BASIX that are feasible for 6:1 mixed use developments with the 5% bonus and amend the clause within the Parramatta CBD Planning Proposal accordingly prior to public exhibition.

    (c) That Council request the Department of Planning and Environment to include the preparation of the further environmental analysis as a condition of the Gateway Determination so as to not delay its release.

Issue F: Value Sharing Mechanism

15. The adopted Parramatta CBD Planning Proposal currently contains a proposed value sharing mechanism (subject to State Government approval through the pending Gateway Determination). The Parramatta CBD Planning Proposal seeks to introduce "Base", "Incentive" and "Opportunity Site" FSR controls, into which the value sharing mechanism is embedded. The mechanism operates when applicants seek FSRs higher than the Base, up to the Incentive FSR (Phase 1 Value Sharing) and also Opportunity Site FSR (Phase 2 Value Sharing) where applicable. The mechanism requires the provision of community infrastructure when these higher FSRs are being sought. Further details on the mechanism and the rates are provided in the Policy Issues Report.

16. **Two** options are provided below for consideration by Council. The first option **F1** is the original officer recommendation from the Policy Issues Report, which is to retain the current position of the adopted Parramatta CBD Planning Proposal and associated rates. The second option **F2** is to apply the rescinded resolution position, which is identical to the original officer recommendation, with the exception of reducing the review period from 5 years to 3 years.

    Note. The independent peer review and exhibited Discussion Paper in relation to the value sharing proposal recommended that the review of the value sharing rates occur after 5 years of implementation.

17. **Option F1**: Adopt the Officer Recommendation (l) from the Policy Issues Report, as reproduced below:

    (l) That, in relation to the proposed Draft Parramatta CBD Planning Proposal, Council resolve to not change the adopted value sharing mechanism and the rates and to reaffirm the requirement to re-evaluate the mechanism after FIVE years and to review the mechanism against a residential market index and adjust if necessary.

    Option F2: Adopt the 12 June 2018 rescinded resolution item (d), as reproduced below:

    (d) That in relation to the proposed Draft Parramatta CBD Planning Proposal, Council resolve to not change the adopted value sharing mechanism and the rates and to reaffirm the requirement to re-evaluate the mechanism after THREE years and to review the mechanism against a residential market index and adjust if necessary.

Issue G: Appropriate Incentive FSRs adjacent to a State-Listed Heritage Item

18. This issue arose following consideration of a site-specific planning proposal for 184-188 George Street, Parramatta, which is adjacent to the State-Listed Heritage Item of Harrisford House. On 14 May 2018, Council resolved to support a maximum FSR of 6:1 on the site. This was inconsistent with the endorsed CBD Planning Proposal, which applies an Incentive FSR of 10:1 to both the site and Harrisford House (to allow for FSR transfer). However, on 12 June 2018 Council

resolved to rescind their previous decision and support an FSR of 10:1 on 184-188 George Street, consistent with the endorsed CBD Planning Proposal. Given that the site-specific PP is now consistent with the CBD Planning Proposal, there is no further action required on this matter at the current time.

19. In addition to the above site-specific PP matter, an additional matter was raised in the Policy Issues Report with respect to potentially amending controls in the Parramatta CBD Planning Proposal for the Roxy Theatre site to ensure consistency with the current DA process and Heritage Council assessment. The current status of the DA is that it has now been appealed to the Land and Environment Court. Given that the matter is now before the Court, it is recommended that no change be made to the Parramatta CBD Planning Proposal for the Roxy Theatre site at the current time until the outcomes of the court case are known.

20. Given the above, there are no options associated with this issue as no further resolution would be required on the matter at the current time.

CONSULTATION & TIMING

21. This matter has been to two Councillor workshops held on 7 May 2018 and 22 August 2018.

22. Once a Gateway Determination is issued by the Department of Planning and Environment for the Parramatta CBD Planning Proposal, Council will be able to place this planning proposal on public exhibition (subject to compliance with Gateway conditions, which potentially may take some time to resolve).

FINANCIAL IMPLICATION FOR COUNCIL

23. Estimated costs to commission and undertake urban design (Precinct Plan) and heritage analysis for the West Auto Alley precinct (consistent with Option D3) is approximately $60,000; and environmental analysis for the High Performing Building bonus amendment (consistent with Option E3) is approximately $10,000. There are funds available in the CBD Planning Framework Review budget to undertake these studies if Council resolves in accordance with the relevant options.

CONCLUSION

24. This supplementary report has been prepared to seek direction from Council in relation to certain policy issues for the Parramatta CBD Planning Proposal arising from Councillor workshops held on 7 May 2018 and 22 August 2018, as well as taking into account the rescinded Resolution from 12 June 2018.

25. This report supplements the original Council report titled, “Parramatta CBD Planning Proposal – Resolution of Certain Policy Issues” (copy at Attachment 1), following its deferral from the meeting of 23 July 2018 to allow a further Councillor workshop, which was held on 22 August 2018.

David Hewetson
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Roy Laria
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Mark Leotta
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ATTACHMENTS:

1⇩	Previous Council Report - Parramatta CBD Planninng Proposal - Resolution of Certain Policy Issues	20 Pages
2⇩	Extract - Minutes to Council Meeting of 9 July 2018 - Adopted Recission Motion	3 Pages

REFERENCE MATERIAL

Council 10 September 2018 Item

INNOVATIVE

ITEM NUMBER

SUBJECT Parramatta CBD Planning Proposal - Resolution of Certain Policy Issues

REFERENCE F2013/02004 - D06300762

REPORT OF Project Officer

This Report was deferred form the Council Meeting on 23 July 2018.

PURPOSE:

The purpose of this report is to seek direction from Council in relation to certain policy issues for the Parramatta CBD Planning Proposal arising from a Councillor workshop held on 7 May 2018, Council decisions made on site-specific planning proposals in the CBD which vary from the endorsed position in the larger Parramatta CBD Planning Proposal, and other matters raised by Councillors.

RECOMMENDATION

(a) **That**, in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to amend draft Clause 7.2 Floor Space Ratio in the proposed Draft Parramatta CBD Planning Proposal to show the Incentive FSR Sliding Scale and Alternate Incentive FSR Clause as follows:

TABLE: Draft Parramatta CBD Planning Proposal 2016			
Incentive FSR Shown on Map	**Site is less than or equal to 1,000m²**	**Site is greater than 1,000m² but less than 1,800m²**	**Site is equal to or greater than 1,800m²**
4:1	3:1	(3+1X):1	4:1
6:1	4:1	(4+2X):1	6:1
10:1	6:1	(6+4X):1	10:1

Where X = (the site area in square metres – 1000)/800

Current out-clause (PLEP 2011, Cl. 7.10 Design excellence, section (5) with minor terminology modification:

(5) Development consent must not be granted to the following development to which this clause applies unless a competitive design process has been held in relation to the proposed development:

(b) development on a site greater than 1,000 square metres and up to 1,800 square metres seeking to achieve the maximum floor space ratio identified on the Incentive Floor Space Ratio Map, where amalgamation with adjoining sites is not physically possible.

(b) **That,** in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to retain the previously adopted high performing building clause, and specifically, the

application of the clause to sites with an FSR equal or greater than 10:1.

(c) **That,** in relation to the Site Specific Planning Proposal for 33-43 Marion Street, Parramatta, Council resolve to not apply a High Performing Building Bonus FSR of 0.5:1 when this matter is reported back to Council following public exhibition.

(d) **That,** in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to amend the Base and Incentive Height of Building maps for Church Street between Macquarie Street and the Parramatta River to show a 12m tower setback control consistent with Figure 2 of this report with a maximum 12m height control in this setback area.

(e) **That,** in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to apply a maximum 3:1 FSR for the same 12m tower setback area for Church Street between Macquarie Street and the Parramatta River (as specified in (d) above and as per Figure 2 of this report) on both the Base Floor Space Ratio and Incentive Floor Space Ratio Maps; so as to protect the heritage streetscape of Church Street and ensure general consistency with the Urbis Heritage Study.

(f) **That**, in relation to the Site Specific Planning Proposals for 286-300 Church Street, 197-207 Church Street and 89 Marsden Street, and 295 Church Street, Parramatta, Council consider aligning these Planning Proposals with the above policy approach when these matters are reported back to Council following public exhibition.

(g) **That**, in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to amend Clause 7.16 Opportunity Sites to include additional provisions to address site isolation, impacts on historic streetscapes, and adding minimum site depth requirements as follows:

- 35m, where the site is a corner site with at least two street frontages; or
- 40m, in all other situations.

(h) **That**, in relation to the Site Specific Planning Proposal for 286-300 Church Street, Parramatta, Council resolve to require site isolation and impacts on historic streetscapes are matters for consideration when this matter is reported back to Council following public exhibition.

(i) **That**, in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to retain the 10:1 Incentive FSR for heritage items of state significance (so as to encourage amalgamation and facilitate retention and revitalisation of these items) and the sites adjacent to them (consistent with the recommendations of the Urbis Heritage Study), with the exception of the Roxy Theatre site, where the adopted base and incentive heights and FSRs should be adjusted in accordance with the outcomes of the detailed assessment of the current DA by the NSW Heritage Office (once that assessment is publicly released).

(j) **That,** in relation to the planning controls for 12-20 Dixon Street, Council resolve to amend the Draft Parramatta CBD Planning Proposal such that the FSR for the site is 2:1 with a 26 metre height limit.

(k) **That,** in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to retain the previously adopted Incentive FSRs for the Auto Alley Precinct, consistent with the detailed Auto Alley Planning Framework.

(l) **That,** in relation to the proposed Draft Parramatta CBD Planning Proposal, Council resolve to not change the adopted value sharing mechanism and the rates and to reaffirm the requirement to re-evaluate the mechanism after five years and to review

the mechanism against a residential market index and adjust if necessary.

(m) **Further, that** the Department of Planning and Environment be advised of this resolution to assist with its processing of the Gateway Determination of the draft Parramatta CBD Planning Proposal.

BACKGROUND

1. Since 2013, Council has been undertaking a major initiative to amend planning controls in the Parramatta CBD to build Australia's Next Great City within Sydney's Central City. In 2014, a study was prepared by urban design consultants, Architectus, which was informed by economic analysis prepared by SGS Planning and Economics. These studies, together with separate studies for the Auto Alley precinct, set the framework for a CBD of focused development for employment, housing, recreational and cultural opportunities.
2. Following community consultation, the two studies were integrated into the *Parramatta CBD Planning Strategy* and adopted by Council in April 2015. This Strategy set a framework for significant growth supported by a value sharing system that aims to equitably share the benefits of growth in the CBD.
3. The Parramatta CBD Planning Proposal (CBD PP) was endorsed by the former Parramatta City Council and forwarded to the Department of Planning and Environment (DPE) in April 2016. A Gateway determination on the CBD PP is still pending; however, Council officers were recently advised that the DPE hopes to issue the Gateway Determination by 30 June 2018.
4. At the Councillor workshop on 7 May 2018, Council officers discussed with Councillors a number of issues arising as a result of a number of recent policy issues arising from recent decisions on site-specific planning proposals that vary from the current policy position adopted by Council in relation to the draft Parramatta Planning Proposal. These issues are set out below. Where an issue results in a revised officer recommendation for a site-specific Planning Proposal and/or the Parramatta CBD Planning Proposal, these are documented in italics at the end of each section. These recommendations are then replicated on the first two pages of this report for consideration by the Council.

ISSUE 1 – PROPOSED FLOOR SPACE RATIO (FSR) SLIDING SCALE CLAUSE FOR SMALL SITES AND THE 'OUT-CLAUSE'

5. At the Councillor workshop on 7 May 2018, Councillors discussed the option of reconsidering the currently endorsed FSR sliding scale controls in the CBD PP to ensure future development on small sites is appropriately scaled and designed. This issue arose when Council was considering a site-specific planning proposal for 55 Aird Street, Parramatta. This application has a long history with various FSRs being sought, recommended and resolved. These are summarised in Table 1, below:

Table 1: 55 Aird Street site-specific planning proposal stage	**FSR**
Current LEP 2011	*4.2:1*
Sought by the site-specific Planning	15:1 (17.25:1 inc. 15% Design

Proposal	Excellence)
Parramatta CBD Planning Proposal (endorsed April 2016)	*4.2:1 "Base" FSR; and* *10:1 "Incentive FSR" subject to applying a sliding scale for small sites.* *6:1 "Incentive FSR" after application of the sliding scale for small sites (6.9:1 Incentive FSR including 15% Design Excellence).*
Council Officer Recommendation (9 May 2016)	6:1 (6.9:1 inc. 15% Design Excellence)
Council Resolution (9 May 2016)	10:1 (11.5:1 inc. 15% Design Excellence). *Note: Excludes any additional FSR for High Performing Buildings, and any FSR for commercial floor space above the first 1:1 provided.*
Gateway Determination (November 2017)	10:1 FSR, subject to the sliding scale for small sites; resulting in: 6:1 (6.9:1 inc. 15% Design Excellence) after application of the sliding scale for small sites.
Gateway Review Request sought by the applicant	10:1 (11.5:1 inc. 15% Design Excellence) and subject to the "out-clause" for small sites.
Council Resolution 9 April 2018	4.2:1

6. The purpose of a sliding scale for FSR is to control density on small sites, encourage amalgamation, and protect amenity for both residents and occupants of adjoining sites. Council officers recommended the current sliding scale provision in Parramatta LEP 2011 (Table 2) be amended having regard to the proposed Incentive FSR Map (Table 3). Councillors resolved on 14 December 2015 in relation to the CBD PP that the sliding scale control in Parramatta LEP 2011 be further amended (as shown in Table 4), and that a new 'out-clause' control be included permitting the maximum mapped FSR to be achieved regardless of the site area provided specific conditions are met.
7. The differences between the changes recommended by officers (Table 3) and the Council-resolved position (Table 4) pertain to the minimum site area thresholds proposed by officers of 1000sqm and 1800sqm, compared with 500sqm and 1300sqm (where the FSR is 4:1 or 6:1) or 800sqm and 1600 sqm (where the FSR is 10:1); and the current 'out-clause' would still apply with a minor terminology modification to refer to the Incentive Floor Space Ratio Map to which the sliding scale would apply.

Table 2: EXISTING – Parramatta Local Environmental Plan 2011			
FSR Shown on Map	**Site is less than or equal to 1,000m²**	**Site is greater than 1,000m² but less than**	**Site is equal to or greater than**

		1,800m²	**1,800m²**
6:1	4:1	(4+2X):1	6:1
8:1	5:1	(5+3X):1	8:1
10:1	6:1	(6+4X):1	10:1

Where X = (the site area in square metres – 500)/1500

Current out-clause (PLEP 2011, Cl. 7.10 Design excellence, section (5)

(5) Development consent must not be granted to the following development to which this clause applies unless a competitive design process has been held in relation to the proposed development:

(b) development on a site greater than 1,000 square metres and up to 1,800 square metres seeking to achieve the maximum floor space ratio identified on the Floor Space Ratio Map, where amalgamation with adjoining sites is not physically possible.

Table 3: RECOMMENDED by officers December 2015 - Draft Parramatta CBD Planning Proposal

Incentive FSR Shown on Map	**Site is less than or equal to 1,000m²**	**Site is greater than 1,000m² but less than 1,800m²**	**Site is equal to or greater than 1,800m²**
4:1	3:1	(3+1X):1	4:1
6:1	4:1	(4+2X):1	6:1
10:1	6:1	(6+4X):1	10:1

Where X = (the site area in square metres – 1000)/800

Current out-clause (PLEP 2011, Cl. 7.10 Design excellence, section (5)) with minor terminology modification:

(5) Development consent must not be granted to the following development to which this clause applies unless a competitive design process has been held in relation to the proposed development:

(b) development on a site greater than 1,000 square metres and up to 1,800 square metres seeking to achieve the maximum floor space ratio identified on the Incentive Floor Space Ratio Map, where amalgamation with adjoining sites is not physically possible.

Table 4: ADOPTED by Council December 2015 – Draft Parramatta CBD Planning Proposal

FSR Shown on Map	**Site is less than or equal to 500m²**	**Site is greater than 500m² but less than**	**Site is equal to or greater than**

		1,300m²	**1,300m²**
4:1	3:1*	(3+1X):1*	4:1
6:1	4:1*	(4+2X):1*	6:1
FSR Shown on Map	**Site is less than or equal to 800m²**	**Site is greater than 800m² but less than 1,600m²**	**Site is equal to or greater than 1,600m²**
10:1	6:1*	(6+4Y):1*	10:1

Where X = (the site area in square metres – 500)/800
Y = (the site area in square metres – 800)/800

New adopted out-clause –

* Despite the area of the site, the maximum FSR shown on the map may be achieved if the development has been subject to a competitive design process and achieves design excellence; and if the development includes residential, that it includes community infrastructure and complies with State Environmental Planning Policy No. 65 – Design Quality of Residential Apartment Development and the Apartment Design Guide; and the ground floor of all sides of the building facing the street and any other publicly accessible areas will be used for the purposes of business premises or retail premises.

8. The policy issue for the CBD PP that the most recent Council decision on the site-specific planning proposal for 55 Aird Street raises is that Councillors may now wish to consider amending is the minimum site area thresholds for the FSR sliding scale to encourage amalgamation and ensure appropriate built form outcomes that also protect amenity for both residents and occupants of adjoining sites together with the corresponding FSR, and amendment of the adopted out-clause back to the current out-clause from LEP 2011 (subject to a minor terminology amendment to refer to the Incentive FSR Map), as shown below.

Officer Recommendation:

(a) ***That**, in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to amend draft Clause 7.2 Floor Space Ratio in the proposed Draft Parramatta CBD Planning Proposal to show the Incentive FSR Sliding Scale and Alternate Incentive FSR Clause as follows:*

TABLE: Draft Parramatta CBD Planning Proposal 2016			
Incentive FSR Shown on Map	***Site is less than or equal to 1,000m²***	***Site is greater than 1,000m² but less than 1,800m²***	***Site is equal to or greater than 1,800m²***
4:1	*3:1*	*(3+1X):1*	*4:1*
6:1	*4:1*	*(4+2X):1*	*6:1*
10:1	*6:1*	*(6+4X):1*	*10:1*
Where X = (the site area in square metres – 1000)/800			

Current out-clause (PLEP 2011, Cl. 7.10 Design excellence, section (5) with minor terminology modification:

(5) Development consent must not be granted to the following development to which this clause applies unless a competitive design process has been held in relation to the proposed development:

(b) development on a site greater than 1,000 square metres and up to 1,800 square metres seeking to achieve the maximum floor space ratio identified on the Incentive Floor Space Ratio Map, where amalgamation with adjoining sites is not physically possible.

ISSUE 2 – APPLICATION OF THE PROPOSED HIGH PERFORMING BUILDING BONUS TO SITES WITH AN FSR LESS THAN 10:1

9. At the workshop on 7 May 2018, Councillors discussed the application of the High Performing Building (HPB) bonus of 0.5:1 FSR for sites with an Incentive FSR of less than 10:1. This issue arose when Councillors were considering a report on a site-specific planning proposal for 33-43 Marion Street, Parramatta, with the Council resolving on 12 February 2018 that the HPB bonus would be applied where the maximum endorsed site FSR was 6:1.

10. The objective of the HPB bonus is to foster environmental wellbeing and efficient and sustainable use of energy and resources by requiring higher BASIX targets for energy and water but only for sites where it is both cost effective and provides a genuine environmental outcome for the Parramatta CBD. Under the CBD PP, a site may achieve a HPB bonus FSR of 0.5:1 for delivering a high performing building on a site where the mapped Incentive FSR is 10:1. The reason for applying the HPB bonus to sites with an FSR of 10:1 is to ensure that the bonus gross floor area (GFA) is compatible with adjoining buildings in terms of bulk, height and amenity; and also because additional BASIX requirements are not economically feasible for sites less than 10:1 based on advice to Council from environmental consultants, Kinesis.

11. The policy issue for the CBD PP that the decision on the site-specific planning proposal for 33-43 Marion Street raises, that Councillors now may wish to consider is the application of the HPB bonus to sites with a mapped incentive FSR of less than 10:1, which is not supported by officers for the reasons highlighted above.

Officer Recommendations:

(b) ***That,*** *in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to retain the previously adopted high performing building clause, and specifically, the application of the clause to sites with an FSR equal or greater than 10:1.*

(c) ***That,*** *in relation to the Site Specific Planning Proposal for 33-43 Marion Street, Parramatta, Council resolve to not apply a High Performing Building Bonus FSR of 0.5:1 when this matter is reported back to Council following public exhibition.*

ISSUE 3 – SETBACK OF TOWERS TO CHURCH STREET

12. At the workshop on 7 May 2018, Councillors discussed the setback requirements for towers from Church Street and whether the existing 18m control should be reduced to 12m or 10m (see Figure 1 below). This issue arose for Councillors when they were considering a report on the site-specific planning proposal for 286-300 Church Street, Parramatta, with the Council resolving on 23 April 2018 that the proposed tower be set back 10m from Church Street. In the council report, officers recommended that the existing 18m setback for tower development be reduced to 12m given the assessment confirmed it was not possible to achieve an acceptable built form outcome with a permissible FSR of 10:1 with towers being set back 18m from Church Street. A 12m setback for tower development was preferred for heritage and development feasibility reasons. It is noted that the Council report discussed three other sites along Church Street where the 18m setback for tower development had been reduced. Table 5 lists the sites and the approved setbacks and Figure 2 identifies the sites on a map.

Site	Approved tower setback from Church Street
295 Church Street	10m via a Gateway Determination
197 – 207 Church Street and 89 Marsden Street	12m via Design Competition Brief
330 Church Street (Meriton site)	Variable via NSW Government Part 3A consent
286-300 Church Street	10m via a Council endorsed Planning Proposal

Table 5: Sites with approved tower setbacks from Church Street that are less than 18m

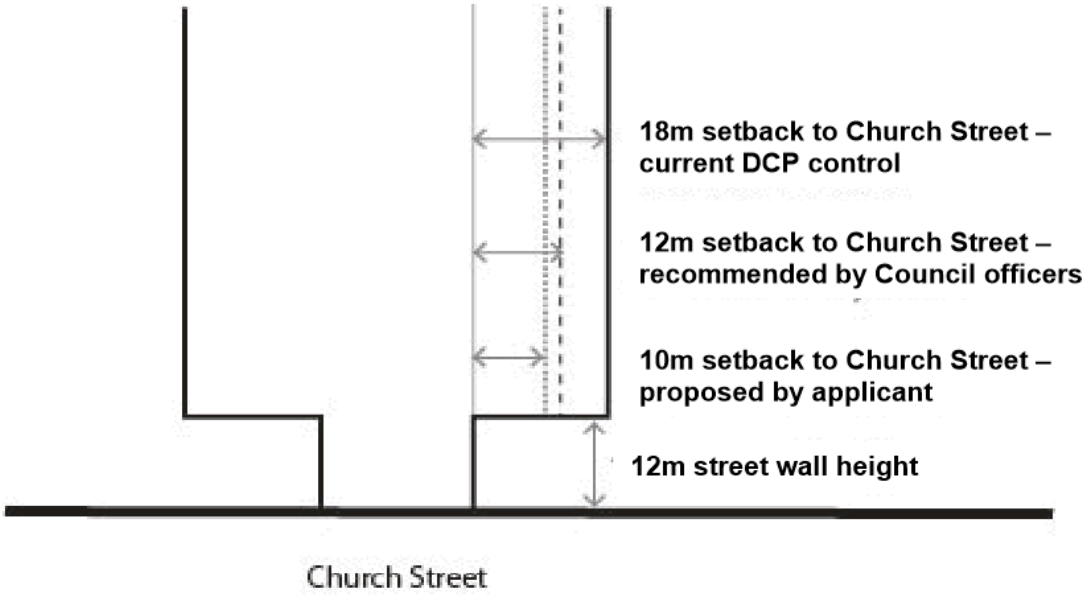

Figure 1: Setbacks for tower development from Church Street, as presented in the Council report on 23 April 2018 for the site-specific planning proposal at 286-300 Church Street.

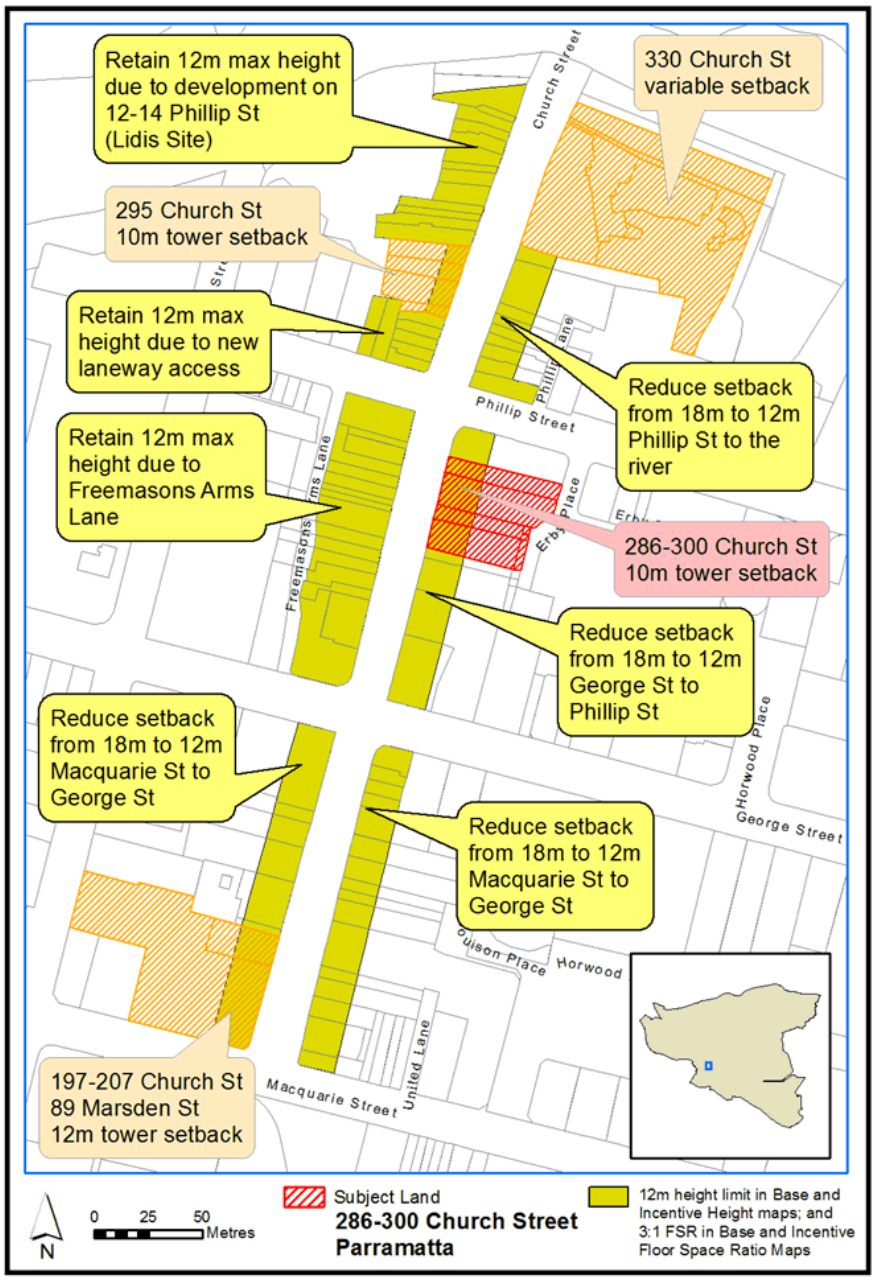

Figure 2: Sites with approved tower setbacks from Church Street that are less than 18m and recommended changes to the Parramatta CBD PP.

13. The intent of the setback to Church Street for tower development is to retain the historic 2-3 storey streetscape character, enable continued sunlight access to the north-south aligned Church Street and views to the sky from the street level. Despite this, three sites have received approval for tower developments with a setback less than 18m from Church Street, and the site-specific planning proposal application for 286-300 Church Street, is now the fourth site.
14. The policy issue for the CBD PP that the decision on the site-specific planning proposal for 286-300 Church Street raises, that Councillors now may wish to consider is the tower setback requirements for all sites on Church Street between the river and Macquarie Street.
15. For those properties on both sides of Church Street between Macquarie Street and George Street a consistent street setback of 18 metres currently applies with a height limit of 12m. For those properties only on the eastern side of Church Street between George Street and the Parramatta River the consistent street setback of 18m continues to apply. The exception being the heritage-listed property on the corner of Church Street and Phillip Street (306 Church Street) with the dome, where the height limit of 12m applies to the entire property.
16. For those properties on the western side of Church Street between George Street and the river, the height limit applies to the entire property due to Freemasons Arms Lane and a proposed laneway access to the new development on 12-14 Phillip St being situated to the rear of the properties (the Lidis Site). Applying an 18m setback with a height control of 12m to these properties will result in a perverse outcome where increased heights may only be applied to a very small proportion of the property. This approach maintains the adopted policy position in the Parramatta CBD Planning Proposal in this section of Church Street. This arrangement is illustrated in Figure 2.
17. Furthermore, a Floor Space Ratio control of 3:1 applies to the same extent of the properties subject to the 12m height limit. In the event of Council resolving any adjustment to the setback for the 12m Height of Buildings and Incentive Height of Buildings controls, similar adjustments will be needed to the Floor Space Ratio Map to ensure both controls are applied consistently. Likewise, this change should also be made to the Incentive FSR Map with a 3:1 FSR corresponding to the setback area rather than the 10:1 currently adopted in the Parramatta CBD PP. This would ensure the Parramatta CBD PP is consistent with the original Urbis Heritage Study and help to minimise impact on the heritage streetscape of Church Street.

Officer Recommendations:

(d) ***That,*** *in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to amend the Base and Incentive Height of Building maps for Church Street between Macquarie Street and the Parramatta River to show a 12m tower setback control consistent with Figure 2 of this report with a maximum 12m height control in this setback area.*

(e) ***That,*** *in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to apply a maximum 3:1 FSR for the same 12m tower setback area for Church Street between Macquarie Street and the Parramatta River (as specified in (d) above and as per Figure 2 of this report) on both the Base Floor Space Ratio and Incentive Floor Space Ratio Maps; so as to protect the*

heritage streetscape of Church Street and ensure general consistency with the Urbis Heritage Study.

(f) ***That**, in relation to the Site Specific Planning Proposals for 286-300 Church Street, 197-207 Church Street and 89 Marsden Street, and 295 Church Street, Parramatta, Council consider aligning these Planning Proposals with the above policy approach when these matters are reported back to Council following public exhibition.*

ISSUE 4 – PERFORMANCE PROVISIONS RELATING TO OPPORUTNITY SITE BONUS FSR

18. At the workshop on 7 May 2018, Council officers raised the issue the draft Opportunity Site provisions in the CBD PP may need revision to address additional matters, notably heritage streetscapes and site isolation. This issue arose during the assessment of the site-specific planning proposal for 286-300 Church Street, with Council officers arguing in the report to Council on 23 April 2018 that, while the proposal complies with the minimum numeric Opportunity Site provisions, the other performance provisions cannot be met. This is because it is considered that the site-specific planning proposal isolates 302 Church Street (the adjoining site on the corner) and eliminates the ability of this site to benefit from any potential uplift enabled by the Opportunity Sites provisions in the CBD PP (up to 3:1 bonus FSR). Secondly, the additional FSR puts further pressure on the tower setback from Church Street (as discussed in Issue 3, above) increasing the bulk and scale of buildings fronting Church Street, which will have a further negative impact in the way Church Street can be interpreted from a heritage viewpoint.

19. The intent of the Opportunity Sites provisions is to allow additional residential development (up to 3:1 bonus FSR) within the B4 Mixed Use zone provided the site has a land area greater than 1800sqm and a minimum street frontage of 40m. The applicant must also demonstrate via a site-specific DCP (or a Stage 1 DA) that the site can accommodate the additional FSR, achieve design excellence, ensure the building is a high performing building, and provide additional community infrastructure.

20. A further unanticipated issue for the proposed Opportunity Sites control relates to sites with more than one street frontage. Preliminary discussions between Council staff and a proponent seeking a site-specific planning proposal at 60 and 60A Great Western Highway intends to take advantage of the Opportunity Sites provision. Again, the proposed site meets the basic numeric standards of 1800sqm minimum site size and 40m street frontage width (when measured along O'Connell Street). However, the depth of the site (when measured along Great Western Highway or Campbell Street) is only 20m, which can create problems for designing an appropriate development with required setbacks to comply with SEPP 65 due to the site's long and thin shape.

21. The shape of a development site is very important to ensure the capability of the site to accommodate development. This is particularly so for high density residential or mixed-use development where inter-building separation needs to be provided for amenity and to mitigate adverse impacts such as noise and wind funnelling between buildings. Insufficient or poorly designed separation can make the use of outdoor private spaces on balconies undesirable even in mildly windy conditions due to funnelling and downdrafts. It can also make

street level conditions unpleasant due to wind funnelling especially if weather protection such as verandas are not provided on the building to mitigate downdraft vortices.

22. In order to address this issue, it is recommended that in addition to the minimum site area requirement of 1800sqm and minimum street frontage requirement of 40m, a minimum site depth requirement be added as follows:

- 35m, where the site is a corner site with at least two street frontages; or
- 40m, in all other situations.

23. This is based on further urban design testing and also an analysis of site-specific planning proposals where the site dimensions for Opportunity Site provisions have been considered appropriate, as set out in Table 6, below.

Site	Site Area	Street Frontage	Site Depth	Appropriate for Opportunity Site provisions
286 Church Street (single street frontage, rear laneway)	2,096sqm	43m	var. 44-53m	Yes
2 O'Connell Street (5 Aird St) (corner site, three frontages)	3,219sqm	83m	var. 31-35m	Yes
12 Hassall Street (former PCYC) (single street frontage)	2,050sqm	50m	40m	Yes
60-60A Great Western Highway (corner site, three frontages)	1,960sqm	97m	20m	No

Table 6: Site dimension analysis of requests for Opportunity Site bonuses

24. The policy issue for the CBD PP that the decision on the site-specific planning proposal for 286-300 Church Street raises, that Councillors now may wish to consider is whether additional provisions are required within the current Opportunity Site clause to ensure site isolation and impacts on historic streetscapes are matters for consideration as well as adding minimum site depth requirements as specified above.

Officer Recommendations:

(g) ***That**, in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to amend Clause 7.16 Opportunity Sites to include additional provisions to address site isolation, impacts on historic streetscapes, and adding minimum site depth requirements as follows:*

- *35m, where the site is a corner site with at least two street frontages; or*
- *40m, in all other situations.*

(h) ***That**, in relation to the Site Specific Planning Proposal for 286-300 Church Street, Parramatta, Council resolve to require site isolation and impacts on historic streetscapes are matters for consideration when this matter is reported back to Council following public exhibition.*

ISSUE 5 – APPROPRIATE INCENTIVE FSRs ADJACENT TO A STATE-LISTED HERITAGE ITEM

25. At the workshop on 7 May 2018, the appropriate Incentive FSR was discussed for a site adjacent to a state listed heritage item being Harrisford House (182 George Street). This issue arose for Councillors when they were considering a report on the site-specific planning proposal for 184-188 George Street, Parramatta with the Council resolving on 23 April 2018 that the maximum FSR for the site be 6:1 and include specific podium setbacks and heights to address Harrisford House. This was inconsistent with the officer recommendation of 10:1 and also the CBD PP draft Incentive FSR control of 10:1. A recision motion in relation to this resolution was considered by Councillors at the Council meeting on 14 May 2018 with the resolved position being an FSR of 6:1. It is noted that a further recision motion in relation to this 14 May 2018 resolution remains outstanding at the time of writing this report.

26. The heritage study to inform the CBD PP prepared by the consultant, Urbis, recommended (*inter alia*) that heritage items have the same FSR as adjoining sites to encourage site amalgamations, with some exceptions being: Lancer Barracks, St Johns Cathedral, St Johns Cemetery and Harrisford House. The Urbis report recommended an Incentive FSR for Harrisford House of 4:1.

27. Council resolved on 14 December 2015 to support this part of the Urbis recommendation, except for the Incentive FSR for Harrisford House, considering that an FSR of 10:1 was appropriate in this case to enable the transfer of FSR to either 180 George Street (Meriton Westport apartments) or 184-188 George Street. Applying a maximum height control of 8 metres ensured a practical limitation on achieving the higher FSR on the Harrisford House site on its own, thus incentivising amalgamation with adjoining sites.

28. Table 7 identifies four other heritage items of state significance in the CBD PP boundary where the heritage item and adjacent sites have FSRs consistent with the adjoining properties. The FSRs for these sites and adjoining sites are consistent with those recommended in the Urbis heritage study.

29. It should be noted that in relation to the Roxy Theatre site (as identified in Table 7 below) that there is an active DA which has been referred to the NSW Heritage Office for approval under the Heritage Act. It is recommended that Council adjust the heights and FSRs in the CBD Planning Proposal for the Roxy Theatre site consistent with the outcomes of that detailed NSW Heritage Office assessment process (once those outcomes are publicly released).

Item Name	Address	Site FSR under the CBD PP	Adjacent site FSR under the CBD PP
Perth House and Stables	85 George Street, Parramatta	10:1	10:1
Redcoats Mess House	Horwood Place, Parramatta	10:1	10:1
Roxy Theatre	65-69 George Street, Parramatta	10:1*	10:1
Shop and office	88-92 George Street, Parramatta	10:1	10:1

***Note:** Subject to potential change in accordance with Paragraph 29.

Table 7: Heritage Items of State Significance in the CBD PP

30. The policy issue for the CBD PP that the decision on the site-specific planning proposal for 184-188 George Street raises, that Councillors now may wish to consider is whether to retain the 10:1 Incentive FSRs for heritage items of state significance and also the sites adjacent to them.

Officer Recommendation:

(i) ***That**, in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to retain the 10:1 Incentive FSR for heritage items of state significance (so as to encourage amalgamation and facilitate retention and revitalisation of these items) and the sites adjacent to them (consistent with the recommendations of the Urbis Heritage Study), with the exception of the Roxy Theatre site, where the adopted base and incentive heights and FSRs should be adjusted in accordance with the outcomes of the detailed assessment of the current DA by the NSW Heritage Office (once that assessment is publicly released).*

ISSUE 6 – APPROPRIATE INCENTIVE FSRs FOR THE AUTO ALLEY PRECINCT

31. Further discussions with Councillors following the workshop on 7 May 2018 raised the issue of the most appropriate Incentive FSRs for the Auto Alley precinct, with discussions suggesting adopting the original Architectus Study recommendations the for Auto Alley precinct, as opposed to the Auto Alley Planning Framework recommendations.

32. The original Architectus Study for the Parramatta CBD generally recommended FSRs of 10:1 for the "core" of the CBD and 6:1 for the transition areas north of the Parramatta River and south of the Great Western Highway/Parkes Street (the south including Auto Alley) (Figure 3). The Study noted the separate and evolving urban design work being undertaken for the Auto Alley precinct which commenced in 2012. The "core" of the CBD is generally bounded by the Great Western Highway and Parkes Street, Harris Street, Pitt Street and O'Connell Street, and the Parramatta River.

33. As noted previously, the Architectus Study and the Auto Alley Planning Framework were integrated into the Parramatta CBD Planning Strategy and adopted by Council in April 2015 with endorsed FSRs for the Auto Alley Precinct consistent with the Auto Alley Planning Framework as shown in Figure 4. The endorsed FSRs from the Parramatta CBD Planning Strategy were then applied accordingly to the Incentive Floor Space Ratio map in the Parramatta CBD PP for the Auto Alley Precinct, as shown in Figure 5.

34. The proposed Architectus Study FSR controls for the Auto Alley Precinct were generalised. This contrasted with the detailed fine-grained FSR controls in the Auto Alley Planning Framework, which came out of a detailed urban design study of that precinct and responds to precinct-specific issues including the achievement of particular built form outcomes, along with the protection or heritage and delivery of infrastructure (lanes, roads and parks).

35. The policy issue for the CBP PP that the decision on the Incentive FSRs for the Auto Alley Precinct raises, that Councillors now may wish to consider is whether to retain the variable FSRs previously endorsed by Council or amend the Incentive FSRs as per the Architectus Study recommendation of 6:1 and 3:1 for the Auto Alley precinct. If Council is of the view to go with the Architectus Study FSRs, it is recommended that Council retain the 0m maximum height limits to deliver identified laneways and parks in the precinct. It is further recommended that the previously gazetted changes to Parramatta

LEP 2011 pertaining to the Heartland Holden site (of 7.2:1 and 6.4:1 FSRs) and the 5-7 Parkes Street site (of 6.5:1 FSR) are retained, as adopting the Architectus recommendations will result in a downgrading of FSRs on these sites.

2. Proposed Floor Space Ratios

Figure 3: Extract from the Architectus Parramatta City Centre Planning Framework Study (2014) showing recommended FSRs of 6:1 and 3:1 for the Auto Alley Precinct

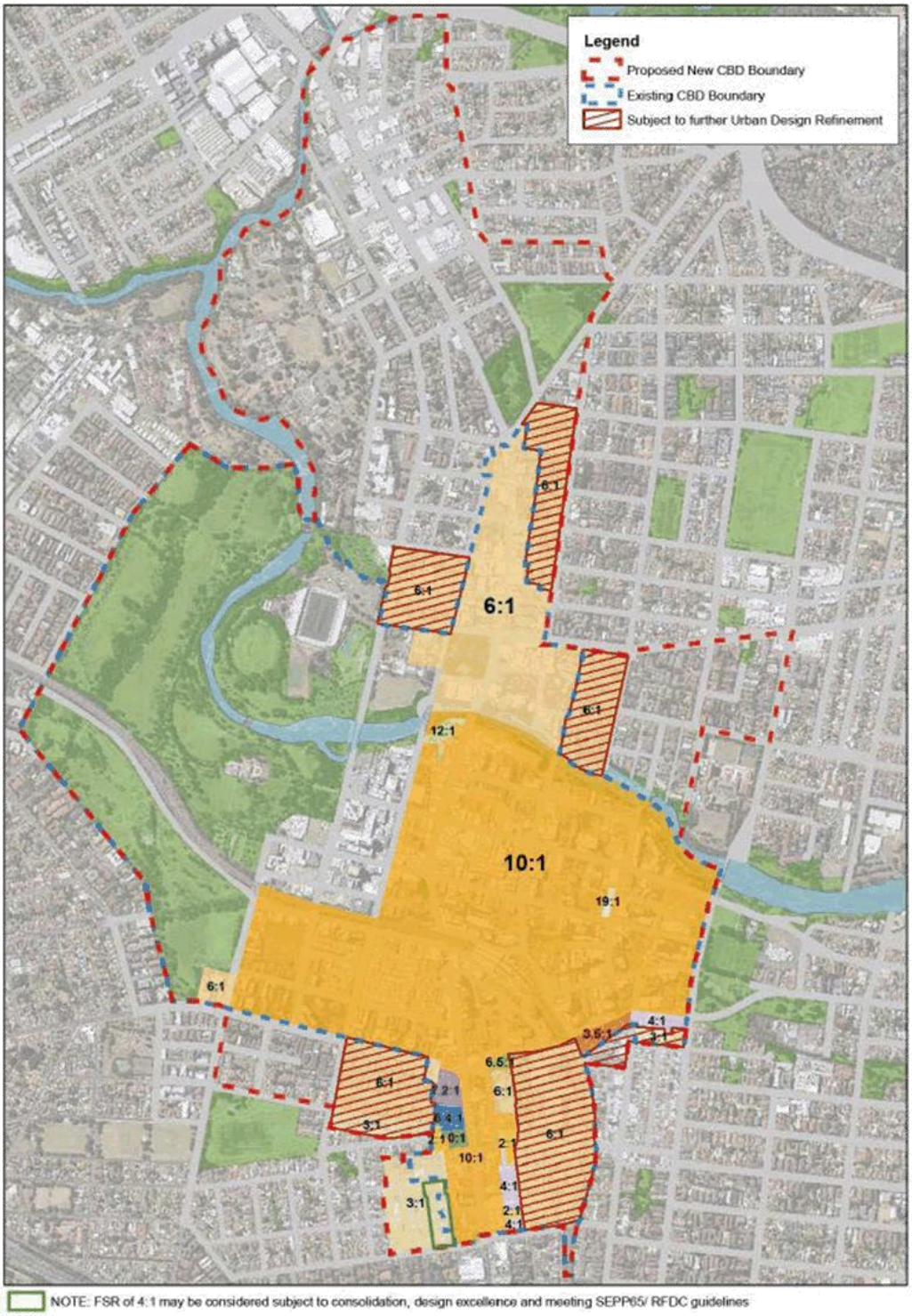

Figure 4: Extract from the Parramatta CBD Planning Strategy (2015) showing endorsed FSRs including fine-grained FSRs for the Auto Alley Precinct

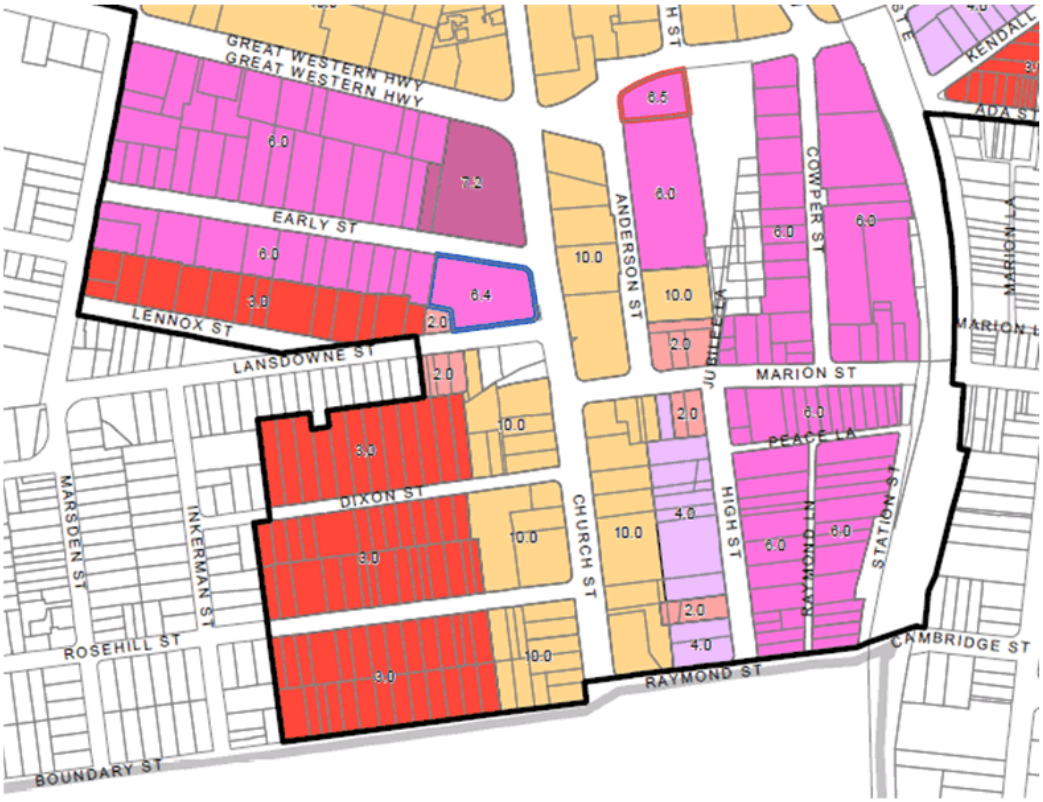

Figure 5: Extract from the endorsed Incentive Floor Space Ratio Map (April 2016) showing Incentive FSRs for the Auto Alley Precinct

12-20 Dixon Street, Parramatta

36. The research for this report has identified an issue for a group of sites within the Auto Alley Precinct being 12-20 Dixon Street, Parramatta (shown edged in blue on Figure 6). A Site Specific Planning Proposal was lodged in 2012 for these amalgamated sites but was later withdrawn by the applicant.

37. The issue now identified for these sites relates to the CBD PP endorsed Incentive FSR of 3:1 and height limit of 26 metres (8 storeys). Testing by Council's Urban Design Unit indicates that a building on this site with a 26 metre height limit could only achieve an FSR of 2:1. This is because of the flood constraints to the rear of the site and the need to accommodate an increased setback to Dixon Street for a wider road reserve.

38. The Incentive FSR and height limit for these sites initially endorsed by Council in April 2016 as part of the CBD PP was 3:1 and 60m (18 storeys). The heritage study of interface areas commissioned by Council and prepared by Hector Abraham Architects recommended the height limit be reduced to 26m to provide a buffer to the adjacent heritage conservation area. The 26m height limit was endorsed by Council (via the Administrator) and forwarded to DPE as part of Council's Gateway Application.

39. The policy issue for the CBP PP that the decision on the planning controls for the site at 12-20 Dixon Street raises, that Councillors now may wish to consider is whether to reduce the Incentive FSR on the site to 2:1 and retain the 26m height limit to reflect the site capabilities (flooding) and heritage issues.

Officer Recommendations:

(j) ***That,*** *in relation to the planning controls for 12-20 Dixon Street, Council resolve to amend the Draft Parramatta CBD Planning Proposal such that the FSR for the site is 2:1 with a 26 metre height limit.*

(k) ***That,*** *in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to retain the previously adopted Incentive FSRs for the Auto Alley Precinct, consistent with the detailed Auto Alley Planning Framework.*

NOTE: Should Council resolve to instead adopt the Architectus Study controls for the Auto Alley Precinct, the following alternative wording is recommended to replace recommendation (k), above:

(k) ***That****, in relation to the Draft Parramatta CBD Planning Proposal, Council resolve to adopt the Architectus Study controls for the Auto Alley Precinct except for the following:*

(i) 0m maximum heights to deliver identified lanes and parks (as per the Auto Alley Planning Framework);
(ii) Heartland Holden site (as per the gazetted PP for that site); and
(iii) 5-7 Parkes Street (as per the gazetted PP for that site).

ISSUE 7 – VALUE SHARING MECHANISM

40. Councillors requested information during the workshop on 7 May 2018 in relation to Council's proposed Value Sharing system and, specifically, a comparison with other Councils' value sharing rates.

41. Council's work on value sharing in the Parramatta CBD has culminated in integration of a value sharing mechanism into the proposed new planning control regime contained in the CBD PP. The CBD PP seeks to introduce "Base", "Incentive" and "Opportunity Site" Floor Space Ratio (FSR) controls, into which the value sharing mechanism is embedded. Council's proposed value sharing mechanism will apply to 'Incentive FSR' and 'Opportunity Site FSR' where residential development is proposed and a contribution to community infrastructure is made. For Incentive FSR, this contribution is made based on the uplift between the Base and Incentive FSR controls, and is referred to as "Phase 1 Value Sharing". For Opportunity Site FSR, this contribution is made based on the uplift between the Incentive and Opportunity Site FSR controls (up to a bonus 3:1 FSR), and is referred to as "Phase 2 Value Sharing". Value Sharing would not apply to FSR bonuses for Design Excellence and High Performing Buildings.

42. Council's proposed monetary contribution rates are:

- Phase 1 Valuing Sharing - $150/sqm
- Phase 2 Value Sharing - $375/sqm

43. Council arrived at these rates by examining real land sales from 2014 and 2015 in the Parramatta CBD in order to understand market behaviour in relation to the proposed planning controls. The average land sale was found to be $805/sqm for GFA which was then tested in a variety of scenarios to explore its impacts on development feasibility. This work determined that a "middle of the cycle" land value uplift assumption between $700/sqm - $750/sqm - coupled with application of 20% Phase 1 and 50% Phase 2 value sharing rates (as set out above) based on this assumption - would not impact development

feasibility in the overwhelming majority of cases and also allow for market fluctuations.

44. Council engaged consultants Aurecon to undertake an independent peer review of the Council's proposed CBD value sharing mechanism. The review identified two minor modelling issues that did not have a material impact on outcomes of analysis, and otherwise found: *"Other than these minor issues, our opinion is that the study was comprehensive, well researched, thoughtfully modelled, provided some words of caution, and accomplished its primary objective of comparing the likely revenue generation potential of different value sharing mechanisms"* (page 8)

45. The review also made several recommendations for refining the proposed value sharing, as follows:

- Introduce value sharing mechanism as promptly as possible;
- No change recommended to Phase 1 20% ($150/sqm) and Phase 2 50% ($375/sqm) proposed value sharing rates;
- No change recommended to current policy direction of applying only to residential development;
- Re-evaluate the mechanism after five years;
- Review the mechanism against a residential market index and adjust if necessary;

46. These recommendations are proposed to be implemented in a Development Guideline, pending a Gateway determination on the CBD PP.

Comparison with other value sharing systems

47. Three incentive-based infrastructure funding mechanisms are codified in NSW and are currently operating. These schemes and their adopted monetary contribution rates are:

- City of Sydney: Green Square Community Infrastructure contributions –
  - Residential — $475/sqm (inc. GST)
  - Retail — $275/sqm (inc GST)
  - Commercial — $200/sqm (inc GST)
- City of Ryde: Ryde LEP 2014 (Amendment 1) Macquarie Park Corridor
  - Commercial and Residential — $259/sqm
- City of Penrith: Penrith LEP 2010 — Penrith City Centre
  - Residential — $150/sqm

48. In summary, based on recent advice from the DPE that Council's Gateway Determination for the CBD PP is intended to be issued by 30 June 2018, and that Council's proposed value sharing system includes recommendations to re-evaluate the mechanism after five years and to review the mechanism against a residential market index and adjust if necessary, it is recommended that no change is proposed at this time to Council's adopted value sharing mechanism and the rates.

Officer Recommendation:

(I) ***That,*** *in relation to the proposed Draft Parramatta CBD Planning Proposal, Council resolve to not change the adopted value sharing mechanism and the rates and to reaffirm the requirement to re-evaluate the mechanism after five*

years and to review the mechanism against a residential market index and adjust if necessary.

CONCLUSION

49. This report has been prepared to seek direction from Council in relation to certain policy issues for the Parramatta CBD Planning Proposal arising from a Councillor workshop held on 7 May 2018, Council decisions made on site-specific planning proposals which vary from the endorsed position in the larger Parramatta CBD Planning Proposal and other matters raised by Councillors.

50. This report supplements the report titled, "Parramatta CBD Planning Proposal Update", which is also on the agenda for this Council meeting on 12 June 2018, following four deferrals of that report from the 12 March 2018, 9 April 2018, 23 April 2018 and 28 May 2018 Council meetings. In light of the time that has passed since drafting that original report, and also the outcomes of the Councillor workshop held on 7 May 2018, this report provides an updated alternate recommendation for consideration by Council.

David Hewetson
Project Officer – Land Use Planning

Roy Laria
Service Manager – Land Use Planning

Mark Leotta
Acting Director Strategic Outcomes and Development

ATTACHMENTS:

REFERENCE MATERIAL

Street environs be based on good planning principles and informed assessment rather than as an expediency to try and rectify the unfortunate effects imposed by the previous responsible Council.

As provided

MEETING ADJOURNMENT

1439 RESOLVED (Wilson/Zaiter)

That the meeting be adjourned for 15 minutes.

The Meeting was adjourned at 8.09pm for 29 minutes.

RESUMPTION OF MEETING

The Meeting resumed in the Council Chamber at 8.38pm, there being in attendance The Lord Mayor, Councillor Andrew Wilson and Councillors Phil Bradley, Robert Dwyer, Paul Han, Steven Issa, Andrew Jefferies, Patricia Prociv and Bill Tyrrell.

RESCISSION MOTIONS

10.1 SUBJECT Parramatta CBD Planning Proposal - Resolution of Certain Policy Issues

REFERENCE F2013/02004 - D06203991

REPORT OF Councillor Davis/ Prociv

1440 RESOLVED (Davis/Prociv)

That the resolution of the Council Meeting held on 12 June 2018 in relation to Item 14.4 of Leading regarding Parramatta CBD Planning Proposal – Resolution of Certain Policy Issues, namely

(a) ***That*** *items removed from the Heritage Conservation Area (HCA) in accordance with resolved item 13.6 from 28 May 2018, will not be included in any maps sent to the Department of Planning as part of the CBD Planning Proposal.*

(b) ***That*** *in line with removal of the HCA as per a), the original intent of item 7.7 from 14/12/15, and consistent with other areas of the CBD, establish incentive floor space controls, and amend the maps (incentive floor space and height) to the following*

i. *In the area West of the 10:1 area along auto alley in the CBD transitional area, apply a 6:1 FSR. For the avoidance of doubt this area is north of Lennox St, as well as Dixon St, Rosehill St, and Boundary St*

ii. *That appropriate heights be established (or removed) to achieve the FSR controls*

(c) ***That*** *in relation to the Draft Parramatta CBD Planning*

Proposal, Council resolve to amend the Base and Incentive Height of Building maps for Church Street between Macquarie Street and the Parramatta River to show a 12m tower setback control, and a podium height of 12m

(d) ***That*** *in relation to the proposed Draft Parramatta CBD Planning Proposal, Council resolve to not change the adopted value sharing mechanism and the rates and to reaffirm the requirement to re-evaluate the mechanism after THREE years and to review the mechanism against a residential market index and adjust if necessary.*

(e) *That no resolved Planning Proposal be amended retrospectively with the exception of Site Specific Planning Proposals for 286-300 Church Street, 197-207 Church Street and 89 Marsden Street, and 295 Church Street, Parramatta, Council consider aligning these Planning Proposals with the above policy approach when these matters are reported back to Council following public exhibition.*

(f) ***That*** *the Department of Planning and Environment be advised of this resolution to assist with its processing of the Gateway Determination of the draft Parramatta CBD Planning Proposal.*

(g) ***That*** *a Policy be developed regarding consultation and communication with stakeholders for Planning Proposals, especially regarding the notification of when Planning Proposals will be considered at Council.*
Further, that *the High Performing Building bonus will apply to mixed use development sites with an FSR of 6:1 not 10:1.*

be and is hereby rescinded.

DIVISION The result being:-

AYES: Councillors P Bradley, D Davis, M Garrard, P Han, S Pandey, P Prociv and L Wearne

NOES: Councillors B Dwyer, S Issa, A Jefferies, W Tyrrell and A Wilson

NOTE:

Councillors Davis, Garrard, Pandey and Wearne returned to the Meeting at 8.40pm during consideration of this matter.

Amended as per Minute No 1454

The Note being amended to read returned to the Meeting at the beginning of consideration of this matter.

1441 MOTION (Davis/Prociv)

(a) **That** the matter be deferred to a workshop to be held before the next Council Meeting, being 23 July 2018.

(b) **Further, that** the recommendations of the Council Officers in relation to item 14.4 of the Leading of Council meeting held on 12 June 2018 & the motion passed on that date be the subject of the Councillor workshop.

AMENDMENT (Garrard/Wearne)

(a) **That** Council accept the previous motion in regard to the CBD Planning Proposal with the exception of the 6:1 FSR in item (b)(i)

(b) **Further, that** the matter be deferred to a workshop on a date to be determined as soon as possible regarding the 6:1 FSR for avoidance of doubt

The Amendment was put and lost.

The Motion was put and carried.

DIVISION The result being:-

AYES: Councillors P Bradley, D Davis, M Garrard, P Han, S Pandey, P Prociv and L Wearne

NOES: Councillors B Dwyer, S Issa, A Jefferies, W Tyrrell and A Wilson

NOTE:

1. **Councillor Benjamin Barrak declared a Pecuniary Interest in this item as he owns property in the subject area. He retired from the meeting during debate and voting on these matter.**
2. **Councillor Pierre Esber declared a Pecuniary Interest in this item as he owns property in the subject area. He retired from the meeting during debate and voting on these matter.**
3. **Councillor Martin Zaiter declared a Non Pecuniary but Significant Interest in this item as a Client owns property within the subject area. He retired from the meeting during debate and voting on this matter.**

LIVEABLE

11.1 SUBJECT Creation and Release of Easement to Drain Water Over Part of 5-7 Wattle Street, Rydalmere

REFERENCE F2015/00834 - D06158015

REPORT OF Property Services Officer

1442 RESOLVED (Esber/Garrard)

(a) **That** Council resolve to create a new Easement to Drain Water