

INNOVATIVE

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| ITEM NUMBER | 18.5 |
| SUBJECT | Post Exhibition Outcomes - Planning Proposal, draft site-specific Development Control Plan (DCP) and draft Planning Agreement for 20 Macquarie Street, Parramatta |
| REFERENCE | RZ/21/2015 - D06967856 |
| REPORT OF | Project Officer-Land Use Planning |
| LANDOWNER | M20 Pty Ltd |
| APPLICANT | Schiavello Constructions (NSW) Pty. Ltd |

PURPOSE:

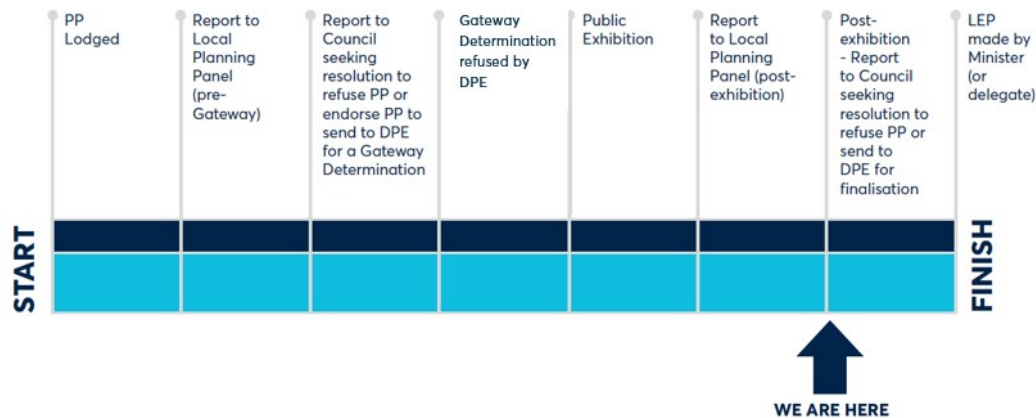
To report to Council the outcome of the public exhibition for the Planning Proposal, draft site-specific DCP and draft Planning Agreement for land at 20 Macquarie Street, Parramatta.

RECOMMENDATION

- (a) **That** Council receives and notes the submissions made during the public exhibition of the Planning Proposal, draft site-specific DCP and draft Planning Agreement.
- (b) **That** Council endorse the Planning Proposal provided at **Attachment 3** which seeks to:
 - Increase the maximum height of buildings from 36 metres (approximately 11 storeys) to 90 metres (approximately 29 storeys) and maximum floor space ratio from 4:1 to 10:1;
 - Include a site-specific clause requiring development on the subject site to comply with the FSR sliding-scale provisions except if the development is for a hotel or a motel;
 - Include maximum car parking rates consistent with Council's resolution of 10 April 2017;
 and forward the Planning Proposal to the Department of Planning, Industry and Environment for finalisation, but request that the final notification in the Government Gazette only be undertaken once Council confirms that the Planning Agreement has been executed by Council and the applicant.
- (c) **That** Council re-exhibit the draft site-specific DCP as amended at **Attachment 4** and that the results of the exhibition be reported to Council.
- (d) **That** Council authorise the Chief Executive Officer to re-enter negotiations with the applicant to seek to amend the draft Planning Agreement at **Attachment 5** to secure a right of way over the two metre setback on Marsden Street for the benefit of Council for the purpose of 24 hour pedestrian access.
- (e) **That** Council authorise the Chief Executive Officer to re-exhibit any such amendment to the draft Planning Agreement and that the results of re-exhibition be reported to Council.

- (f) **That** Council authorise the Chief Executive Officer to make any minor amendments and corrections of a non-policy and administrative nature that may arise during the plan amendment process, relating to the Planning Proposal, DCP and Planning Agreement.
- (g) **Further, that** Council note the advice of the Local Planning Panel (provided at **Attachment 2**) is consistent with the recommendation of Council Officers.

PLANNING PROPOSAL TIMELINE



SITE DESCRIPTION

- The subject site is located on the corner of Macquarie and Marsden Streets, Parramatta (refer Figure 1). The legal description of the site is Lot 1 in DP 503651 and Lot 1 in DP 501663. The total site area is approximately 1,286 square metres. Currently the site contains a seven storey commercial building fronting Macquarie Street that includes a single storey portion of the building fronting Marsden Street.



Figure 1: Location Map (Source: Council's GIS)

2. The Planning Proposal (refer to **Attachment 3**) seeks to amend the Parramatta Local Environmental Plan 2011 by:
 - a. Increasing the maximum floor space ratio control from 4:1 to 10:1;
 - b. Increasing the maximum building height control from 36 metres to 90 metres;
 - c. Applying a site-specific clause that requires development on the subject site to comply with the FSR sliding-scale provisions except if the development is for the purpose of hotel or motel accommodation;
 - d. Applying reduced car parking rates in line with the Parramatta CBD Strategic Transport Study.
3. The reference design accompanying the Planning Proposal (refer to **Attachment 6**) demonstrates a theoretical development of the site under the amended controls which indicates a 25-27 storey hotel development. The applicant has indicated that this is their intention for the site which would be a fully commercial development. However, as the site is zoned Mixed Use B4, a residential component would be permissible and could be pursued at any time in the future if the owner chose to do so. As such, Council required the applicant to include two reference designs. The reference designs reflect the two options of a purely commercial development or a mixed-use development.
4. These two options are reflected in the draft site-specific DCP which prescribes controls for a fully commercial development (Option A) and a mixed use development (Option B). The DCP is designed to be read in conjunction with the existing Parramatta DCP 2011 and specifically addresses the following issues:
 - a. Desired future character;
 - b. Podium heights;
 - c. Podium and tower setbacks;
 - d. Response to the future cycleway on Marsden Street; and
 - e. Vehicular access;
5. A draft Planning Agreement has been prepared and exhibited but the agreement only requires a contribution towards infrastructure if the site is developed for residential purposes. Council's framework for community infrastructure under the Parramatta CBD Planning Proposal only applies to residential development. The development for a hotel does not trigger any contribution under Council's current framework.
6. Based on the exhibited version, a monetary contribution of \$1,107,000 would be paid to Council if the site was developed for residential use. This is consistent with Council's draft Planning Agreements Policy applying a Phase 1 value sharing amount of \$150 per square metre of additional floor area. The draft agreement allows Council to make the decision to allocate these funds towards public domain improvement works in the Parramatta CBD, the provision of affordable housing and towards Council's implementation of the Cultural Plan.
7. The Planning Proposal, draft site-specific DCP and draft Planning Agreement were publicly exhibited from 12 December 2018 to 1 February 2019. Council received submissions from seven State Government Agencies and one

submission from an adjoining owner (197 Church Street, Parramatta). The main issues raised by the owner of 197 Church Street related to the proposed setbacks in the draft DCP and how these influence the development potential of the property at 197 Church Street. A summary of all the submissions received and the Council Officer's response is provided at **Attachment 7**.

8. Since the public exhibition period, several matters have arisen which have implications for Council's assessment of the Planning Proposal. These include the following:
 - a. The Department of Planning, Industry and Environment has issued the Gateway determination for the broader CBD Planning Proposal including a requirement that the FSR sliding scale be applied with the only exception being isolated sites not capable of consolidation and demonstrating design excellence. This means that the FSR sliding scale would apply to 20 Macquarie Street which would lower the applicable FSR to 7.475:1. However, it is noted that the Planning Proposal has been subject to extensive assessment at a time when the sliding scale did not apply and the applicant has negotiated with Hilton hotels on this basis. Council's Economic Development team has advised that they are supportive of the additional FSR on the basis that it be available to hotel or motel developments only. The wording of the site-specific clause in the Planning Proposal has been amended to override the FSR sliding scale but only for hotel or motel accommodation in recognition of the unique benefits to the City economy.
 - b. Council's Transport Planning Team has advised that the eastern side of Marsden Street between Harold Street and Lennox Street has been identified for a two metre wide road reservation for the purpose of a regional cycleway. This has implications for the building footprint and the setback controls within the draft DCP. Council's Urban Design team has identified an appropriate response to the potential road widening reservation with recommended changes to the setback controls within the draft DCP. This also has implications for the draft Planning Agreement which should be renegotiated with the applicant to secure a 2 metre wide right of carriageway over the Marsden Street frontage to provide the public with 24 hour pedestrian access over the land.
 - c. The neighbouring property at 197 Church Street (the author of the submission) is also subject to a site-specific Planning Proposal which is still under assessment. The applicant for 197 Church Street has recently submitted a preliminary revised reference design which changes the relationship with the site at 20 Macquarie Street. The setbacks within the draft DCP for 20 Macquarie Street have been reassessed to consider the changes to the proposal at 197 Church Street and also the 2 metre potential road widening reservation on Marsden Street.

LOCAL PLANNING PANEL ADVICE TO COUNCIL

9. The Local Planning Panel considered a detailed assessment report on 20 August 2019. The Panel's advice to Council is consistent with the staff

recommendation. A copy of the report considered by the Panel and its recommendation is provided in **Attachment 1**. A copy of an extract from the Minutes of the Panel is provided in **Attachment 2**.

NEXT STEPS

10. It is considered that the changes described above to the site-specific clause within the Planning Proposal can be accommodated without the need to re-exhibit as the Planning Proposal has already been exhibited with an FSR of 10:1. The Planning Proposal has been exhibited in accordance with the relevant provisions of the Environmental Planning and Assessment Act and the Gateway determination. The Planning Proposal is largely consistent with Council's endorsed vision for the Parramatta CBD and the proposed variation from the FSR sliding scale is considered to be acceptable as it will only apply to a specific land use that has been identified as a potential driver of positive economic change in the CBD.
11. The draft DCP is recommended to be changed in response to issues that have come to light since the public exhibition. The recommended changes will ensure that the Planning Proposal is supported by appropriate development guidelines that are relevant to current and future circumstances. Should Council endorse the proposed changes, the amended draft DCP should be re-exhibited with the results of public exhibition reported to Council prior to it being finalised.
12. It is also recommended that the draft Planning Agreement be re-negotiated to secure a 2 metre wide right of carriageway to benefit Council for the purpose of 24 hour public pedestrian access on the Marsden Street frontage. Any re-negotiated Planning Agreement will be re-exhibited concurrently with the draft DCP and the results of re-exhibition reported to Council.
13. It is considered that the re-exhibition of the draft DCP and draft Planning Agreement can proceed while the Planning Proposal is being finalised so as to avoid any unnecessary delays to the Planning Proposal. As such, following the outcome of this resolution, Council will forward the Planning Proposal to the Department of Planning, Industry and Environment for finalisation but request that the final notification in the Government Gazette only be undertaken once Council confirms that the Planning Agreement has been executed.

FINANCIAL IMPLICATION FOR COUNCIL

14. The draft Planning Agreement requires a monetary contribution to be paid if the site is developed for residential development in the future. However, this draft Planning Agreement should be renegotiated and reported back to Council before the draft Planning Agreement is finalised.

Felicity Roberts
Project Officer – Land Use Planning

Jonathon Carle
Land Use Planning Manager

Jennifer Concato

Executive Director City Strategy and Development

ATTACHMENTS:

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| 1 | Local Planning Panel Report and Advice - Re 20 Macquarie Street Panning Proposal | 16 Pages |
| 2 | Extract from Minutes of the Local Planning Panel - 20 August 2019 | 3 Pages |
| 3 | Planning Proposal | 33 Pages |
| 4 | Draft Development Control Plan as amended after exhibition | 13 Pages |
| 5 | Draft Planning Agreement as publicly exhibited | 24 Pages |
| 6 | Applicant's Urban Design Report (Reference Design) | 56 Pages |
| 7 | Summary table of submissions and Officer response | 9 Pages |
| 8 | Setback options to inform the DCP | 6 Pages |