

Planning Services

Gateway Determination Report

LGA	City of Parramatta
PPA	City of Parramatta
NAME	2-6 Hassall Street, Parramatta
NUMBER	PP_2018_COPAR_006_00
LEP TO BE AMENDED	Parramatta Local Environment Plan 2011
ADDRESS	2-6 Hassall Street, Parramatta
DESCRIPTION	Lot 22 in DP608861, Lot 62 in DP1006215 and Lot 7 in DP128820
RECEIVED	26 April 2018
FILE NO.	IRF18/2681
POLITICAL DONATIONS	There are no donations or gifts to disclose and a political donation disclosure is not required
LOBBYIST CODE OF CONDUCT	There have been no meetings or communications with registered lobbyists with respect to this proposal

INTRODUCTION

Description of planning proposal

The planning proposal seeks to amend the Parramatta Local Environment Plan 2011 (PLEP 2011) by altering the floor space ratio (FSR) and height of buildings (HOB) maps, and adding a site-specific control to provide maximum car parking rates, high-performing buildings and dual water systems as outlined in the planning proposal (**Attachment A**).

The reference design (**Attachment F**) indicates the planning proposal will enable a building of 22 storeys with floor plates of approximately 1300m² (variable) net lettable area (NLA). The total NLA envisaged in the reference design is 28,856m² and this will be subject to further design testing through the development of the proposed site-specific development control plan (DCP).

Site description

The site is on the north side of Hassall Street near the intersection of Station Street East and Hassall Street in the Parramatta CBD (Figure 1, next page). The site is occupied by two buildings separated by a vacant lot and has been amalgamated to create a site 2647m² in area. The western lot contains a two-storey commercial building and the eastern lot contains a three-storey residential flat building.



Figure 1: Aerial view of 2-6 Hassall Street, Parramatta (outlined in blue) and immediate surrounds (source: Nearmaps).

Existing planning controls

The following development standards apply to the site under the PLEP 2011:

- B3 Commercial Core zoning;
- maximum building height of 72m; and
- maximum FSR of 6:1.

The following map extracts from the PLEP 2011 illustrate the current controls applying to the site (Figures 2-4, pages 3-4):



Figure 2: Existing B3 Commercial Core zone over the site (source: PLEP 2011 land zoning maps).

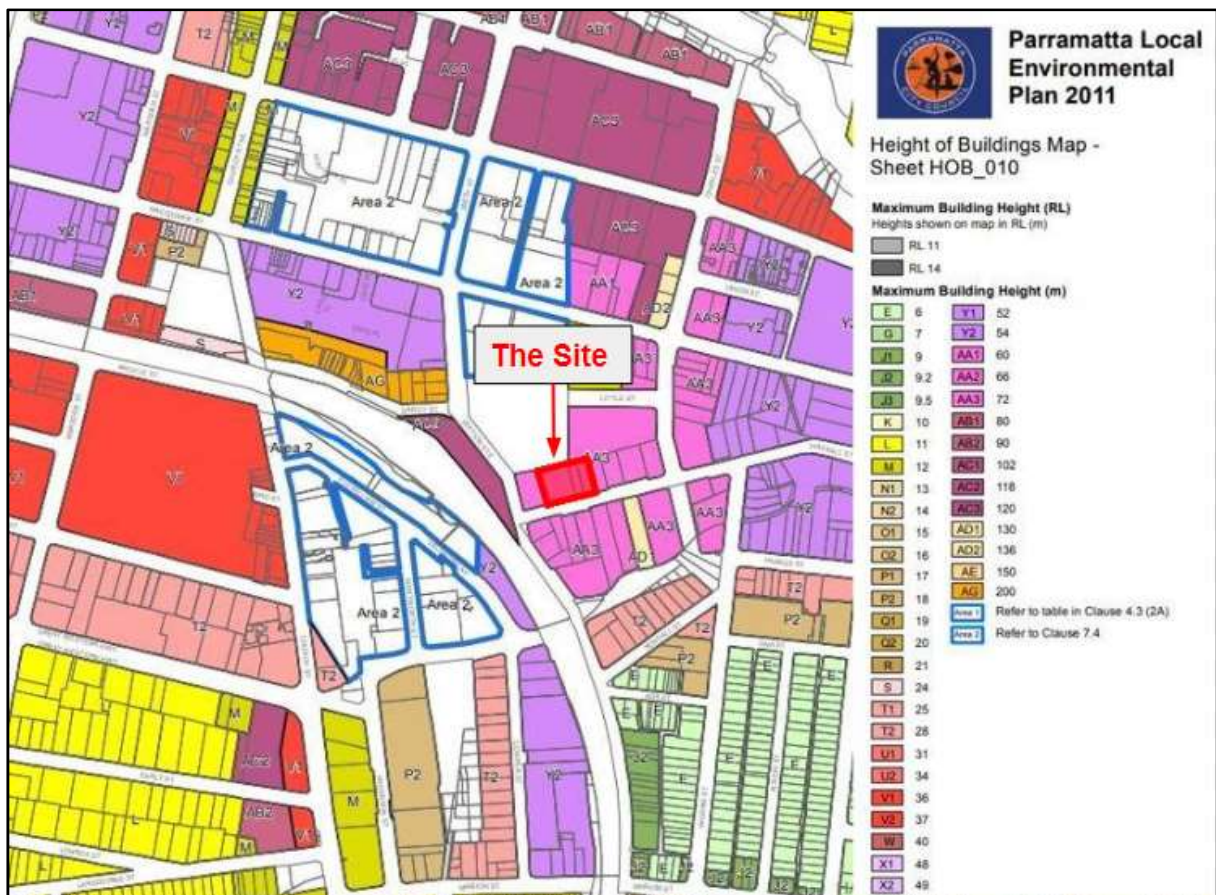


Figure 3: Existing maximum building height of 72m (source: PLEP 2011 HOB maps).

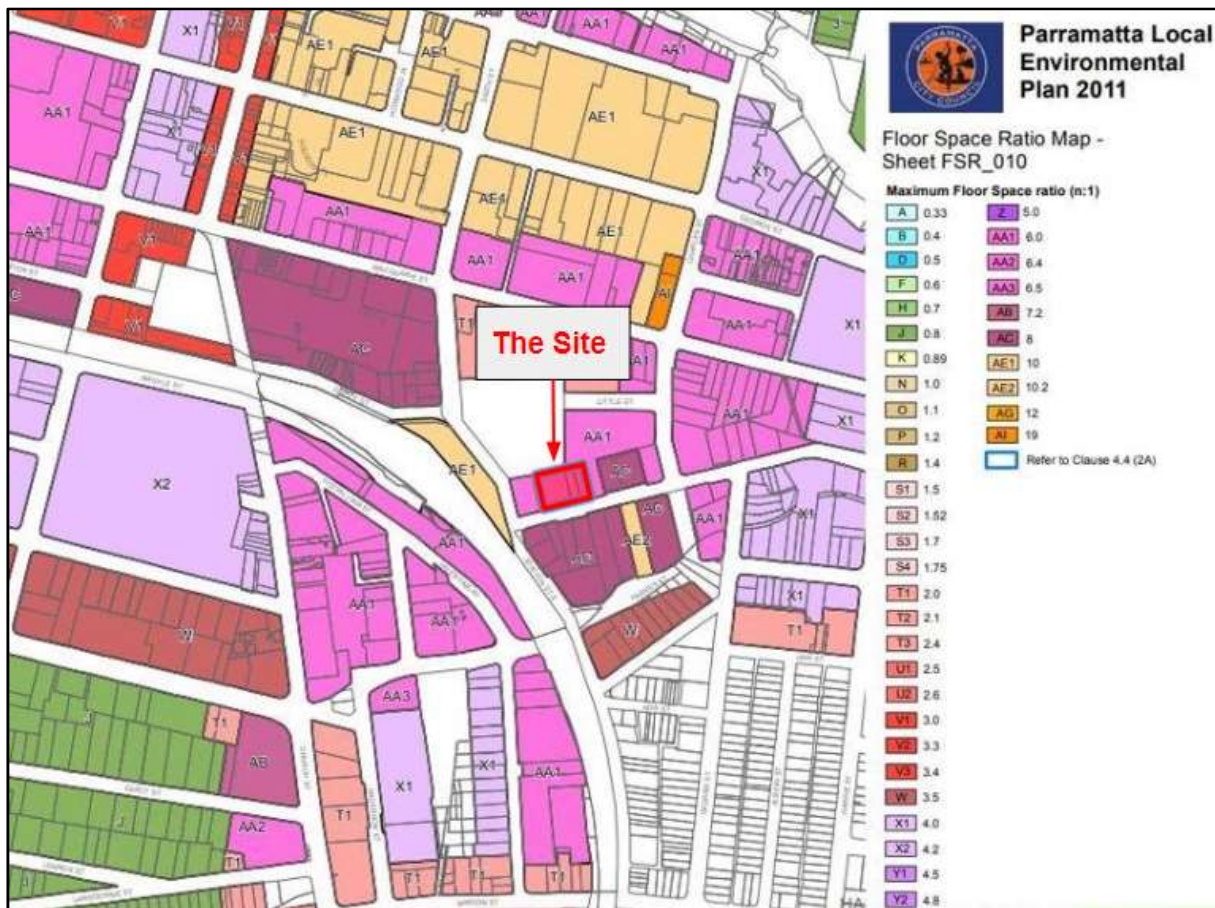


Figure 4: Existing FSR of 6:1 over the site (source: PLEP 2011 FSR map).

Surrounding area

The site is in the Parramatta CBD, approximately 100m east of the Parramatta transport interchange. The adjoining building to the west on the corner of Hassall Street and Station Street East is the two-storey heritage-listed Commercial Hotel. Adjoining the site to the east is a vehicular access handle to 1 Charles Street, which provides access to the 17-storey public administration building occupied by NSW Police (Curtis Cheng building). The adjoining site to the north is the state heritage-listed Lancer Barracks, consisting of multiple low-rise period buildings.

Further to the east at 12 Hassall Street, a Gateway determination (PP_2017_COPAR_006_00) for a 66-storey mixed-use development is being considered by the Department of Planning and Environment.

On the opposite side of Hassall Street there are several high-rise buildings including 60 Station Street (Deloitte (Eclipse) tower, 22 storeys commercial), 11 Hassall Street (40-storey mixed-use residential) and 13-15 Hassall Street (22-storey mixed-use residential). Development consent has also been issued for a residential mixed-use tower at 9 Hassall Street, at approximately 15 storeys.

The future commercial precinct of Parramatta Square is approximately 312m north-west of the site.

Figure 5 (next page) shows the site in the context of surrounding development and Figure 6 (next page) demonstrates the built form massing, extracted from the reference design.

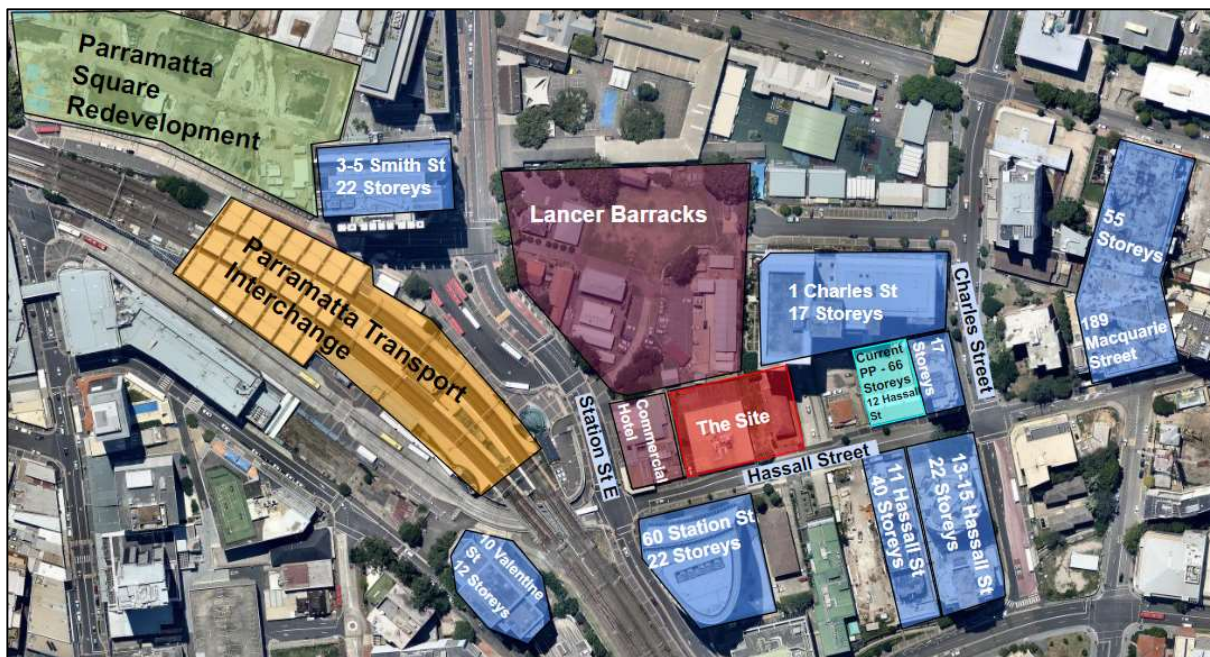


Figure 5: Aerial view of 2-6 Hassall Street (outlined in red) and the surrounding context (source: Nearmaps).

Reference Design : Proposed Scheme Massing

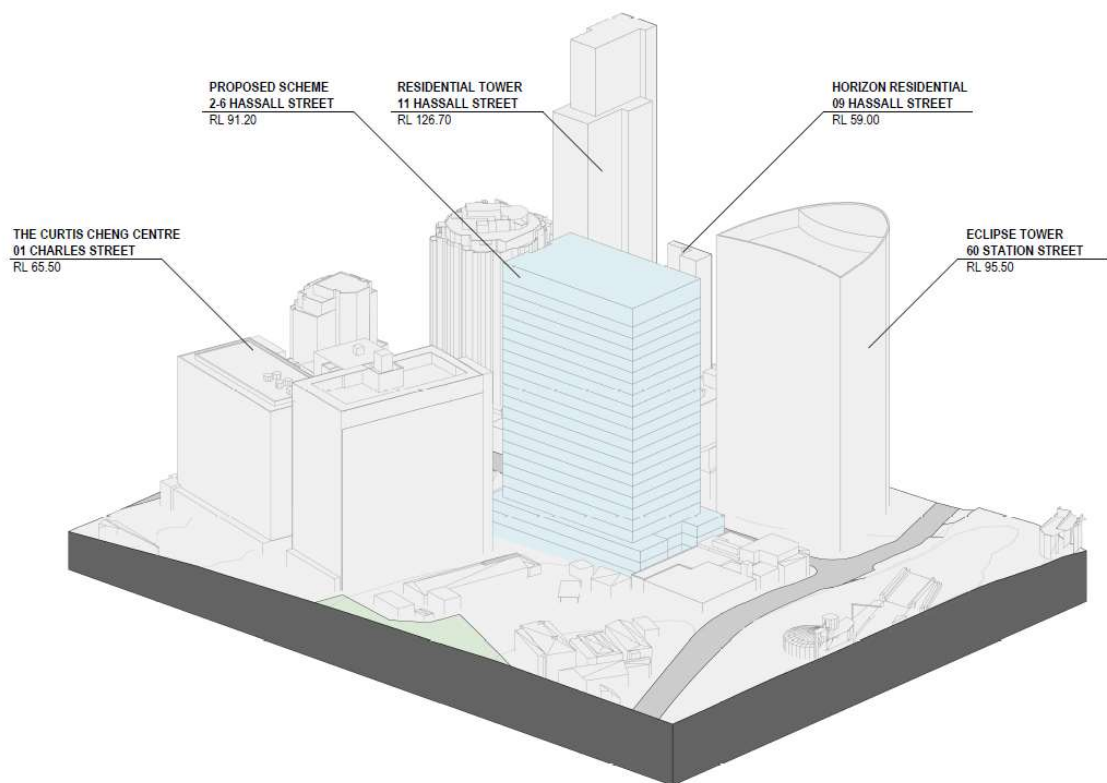


Figure 6: Indicative built form massing surrounding the subject site (source: Architectus, 2018).

Summary of recommendation

The planning proposal should proceed subject to conditions as it reflects the broader strategic aims for the Parramatta CBD and has strategic merit. It will enable a high-quality commercial development within the commercial core of Parramatta and includes economic benefit through the provision of commercial floor space.

PROPOSAL

Objectives or intended outcomes

The objective of the planning proposal is to increase the permissible density for the land at 2-6 Hassall Street, Parramatta to encourage the development of premium-quality commercial floor space on the site.

Explanation of provisions

The proposed amendments to the PLEP 2011 include:

- an increase in the FSR control from 6:1 to 10:1;
- an increase in the height of buildings control from 72m to 86m (approximately 22 storeys);
- a new clause to include a site-specific provision that would include maximum parking rates for the site;
- a new clause to include a site-specific provision that would require a high-performing building; and
- a new clause to include a site-specific provision that would include provision of dual piping systems.

Mapping

The planning proposal (**Attachment A**) includes FSR and HOB maps that show the current and proposed controls and is suitable for community consultation, subject to the recommendations in this report.

NEED FOR THE PLANNING PROPOSAL

The planning proposal is not a result of any site-specific study or report and is a landowner-initiated planning proposal.

The planning proposal notes the Parramatta CBD planning strategy and the Parramatta CBD planning proposal as catalysts for the preparation of the proposal.

The planning proposal states the need for the proposal to bring development forward to meet market demands for commercial development within the CBD, in line with the proposed heights and FSR for the CBD as set out in the Parramatta CBD planning strategy and the Parramatta CBD planning proposal.

The planning proposal is considered to have strategic merit and amending the PLEP 2011 through the planning proposal is the most effective mechanism to enable the development to occur.

The planning proposal will provide certainty to City of Parramatta Council, the community and the landowner, and will allow for the orderly and economic development of the land. The existing height and FSR standards would not permit development as envisaged in the planning proposal.

STRATEGIC ASSESSMENT

District

Greater Sydney Region Plan

The Greater Sydney Region Plan was prepared by the Greater Sydney Commission and provides a vision and plan for the delivery of 725,000 dwellings and an extra 817,000 jobs in the Greater Sydney region by 2036. The plan identifies the Central River City as one of the three cities to create a metropolis of three cities. Greater Parramatta and its CBD are identified as the core of the Central River City.

The plan provides four key concepts to drive and establish the three cities vision: infrastructure and collaboration; liveability; productivity; and sustainability. These key concepts are informed by 10 key directions, which are supported by 40 objectives to ensure the delivery of the vision for Sydney to 2056.

The planning proposal is broadly consistent with the plan as it will deliver high-quality commercial development within close proximity to existing and planned transport links and surrounding high-density residential development.

Of the 40 objectives, the planning proposal is consistent with the following productivity objectives:

- Objective 14: *A Metropolis of Three Cities* – integrated land use and transport creates walkable and 30-minute cities;
- Objective 15: The Eastern, GPOP and Western Economic Corridors are better connected and more competitive;
- Objective 19: Greater Parramatta is stronger and better connected; and
- Objective 22: Investment and business activity in centres.

Central City District Plan

The Central City District Plan provides a 20-year plan to manage growth in the context of economic, social and environmental matters to achieve the 40-year vision of Greater Sydney. It is a guide for implementing the Greater Sydney Region Plan at a district level and is a bridge between regional and local planning.

The planning proposal is consistent with the productivity focus of the plan, which outlines *Planning Priority N7 – Growing a stronger and more competitive Greater Parramatta*, noting the Parramatta CBD planning proposal seeks to allow for increased employment capacity for the CBD. The planning proposal seeks an uplift in height and FSR that will enable commercial development at a density that is consistent with the Parramatta CBD planning proposal.

Local

Parramatta 2038 Community Strategic Plan

The planning proposal is considered to meet the strategic objectives identified in Council's strategic plan by providing increased commercial space in the established commercial core close to public transport and services. The proposal will encourage economic growth in the CBD and help to build the CBD as a centre of high value-added employment.

Parramatta CBD planning strategy and planning proposal

The Parramatta CBD planning strategy was adopted by Council on 27 April 2015 and sets the vision for the growth of the Parramatta CBD as Australia's next great city. The strategy established the principles and actions to guide a new planning framework for the Parramatta CBD.

The planning proposal is considered to be generally consistent with the following objectives of the Council-endorsed CBD planning strategy:

- to set the vision for the growth of the Parramatta CBD as Australia's next great city;
- to establish principles and actions to guide a new planning framework for the Parramatta CBD; and
- to provide a clear implementation plan for delivery of the new planning framework for the Parramatta CBD.

The Parramatta CBD planning strategy incorporates preliminary built form controls that, subject to further testing, were intended to inform a planning proposal to review the planning controls for the entire Parramatta CBD. A key principle of the strategy is to "create an attractive and distinctive city skyline, defined by tall, slender towers".

The Parramatta CBD planning proposal was adopted by Council on 11 April 2016 and submitted to the Department for a Gateway determination on 24 April 2017. Currently still under assessment, the planning proposal was informed by the Parramatta CBD planning strategy. The CBD planning proposal seeks to increase height and FSR for sites within the CBD and to remove the maximum FSR control for some sites that are zoned to accommodate commercial office development. The CBD planning proposal proposes a 10:1 FSR for the site, which was informed by the CBD planning strategy.

The CBD planning proposal also intends to enable sites over 1800m² in the B3 Commercial Core zone to be exempt from the maximum FSR controls, which intends to enable increased high-quality commercial floor space to be developed in appropriate locations. In accordance with the Urbis report titled *Achieving A-Grade Office Space in the Parramatta CBD* (October 2015), which was submitted with the CBD planning proposal, the subject site appears to be capable of meeting the minimum requirements to provide A-grade office space as it is greater than 2500m² and capable of delivering a minimum commercial floor plate of 1300m².

The subject planning proposal is consistent with the proposed incentive FSR map in the CBD planning proposal of 10:1. The proponent has provided sufficient documentation to demonstrate suitable consistency with the CBD planning strategy and, therefore, the overall vision for the Parramatta CBD to enable the planning proposal to proceed to community consultation.

It is recommended that Council work with the proponent to further consider the proposed building height and ensure there is suitable flexibility in the planning controls to enable the building design to evolve. This work should be guided by the heritage considerations and the emerging built form of Hassall Street.

Section 9.1 Ministerial Directions

The proposal is considered to be consistent with relevant section 9.1 Directions except for the following:

Direction 2.3 Heritage Conservation

The site is not listed as a heritage item or located within a heritage conservation area under the PLEP 2011.

However, the site's western and northern boundaries adjoin a local heritage item, the Commercial Hotel, and a state heritage item, the Lancer Barracks. The PLEP 2011 contains provisions to ensure heritage is addressed at the development application stage, prior to consent. The development of a site-specific DCP will be critical to the development of the subject site as this will determine appropriate setbacks and built form outcomes within the FSR and height parameters established by the subject planning proposal. Further, the design excellence process will require a detailed assessment of the future building materiality and relationship with the heritage items.

The existing planning controls would already enable a significantly larger building on the site than what exists and would require careful consideration of heritage impacts. The planning proposal does include a heritage report that suggests potential interface outcomes and mitigation measures.

Consultation with the heritage branch of the Office of Environment and Heritage is recommended as part of the consultation process given the site adjoins two heritage items.

Direction 4.1 Acid Sulfate Soils

The site is identified as Class 5 acid sulfate soil. The proposal is inconsistent with this Direction as an acid sulfate soils study is required when intensification of the land is proposed, and a study has not been prepared by the proponent.

This inconsistency is justified based on being of minor significance as the issue can be addressed at the development application stage.

Direction 6.3 Site Specific Provisions

This Direction applies to the planning proposal as it includes three site-specific provisions to include:

- high-performing buildings for office development;
- dual piping systems; and
- maximum parking rates.

The CBD planning proposal is supported by a high-performing buildings study (2016), which recommends buildings over 10,000m² deliver water and energy savings equivalent to NABERS 5-star Energy and NABERS 4-star Water, and that future development is built with dual reticulation for recycled water for internal and external uses. The subject planning proposal seeks consistency with the CBD planning proposal in this regard.

The inclusion of a site-specific provision to restrict maximum car parking rates is consistent with the approach taken on several sites within the Parramatta CBD. Council resolved to adopt the maximum car parking rates for the CBD and apply them to specific planning proposals within the CBD as an interim measure to ensure a consistent approach to all new developments within the CBD.

It is recommended that the Secretary's delegate agree that the inconsistency with this Direction is of minor significance as it enables best practice for energy and water consumption and the application of maximum car parking rates in a CBD context.

State environmental planning policies

The planning proposal does not give rise to any matters relating to state environmental planning policies that require further information to be submitted at this point in the rezoning process.

SITE-SPECIFIC ASSESSMENT

Social and economic

This planning proposal will facilitate the redevelopment of an ageing commercial building, a vacant lot and an ageing low-rise residential flat building within the commercial core of the Parramatta CBD.

The proposal meets the floor plate requirements for A-grade office space, which generally requires a site area over 2500m² and floor plate sizes of at least 1300m². At podium level, the design reference indicates that commercial floor plates will exceed 2000m², with upper-level floor plates providing between approximately 1330m² and 1350m² of net lettable area.

A condition has been imposed to require consideration of increased height based on an assessment of heritage and overshadowing impacts, emerging built form outcomes and massing in the immediate locality. An increase in height may also enable flexibility in undertaking the detailed design of the building.

Given the proposed commercial floor plate sizes, it is expected that the rezoning will facilitate and attract high-quality A-grade commercial floor space and further contribute to the revitalisation and growth of the Parramatta CBD.

The development will also require the payment of section 94A contributions, which will contribute towards infrastructure to support the growth of the Parramatta CBD.

Environmental

The site is within a highly modified urban environment and it is unlikely to contain critical habitat or threatened species, populations or ecological communities, or their habitats.

Land use planning

The site's prime location in the centre of the Parramatta CBD and its proximity to the Parramatta transport interchange makes it a strategically desirable location to increase density and provide new modern commercial floor space. This aligns with the NSW Government's policy for higher-density development to be located close to public transport and provide for a mix of land uses within the Parramatta CBD.

As discussed previously, it is considered that the planning proposal is generally consistent with the desired future character of the Parramatta CBD.

Built form – FSR and height

The reference design submitted with the planning proposal (**Attachment F**) has adequately demonstrated that the site can accommodate the height and FSR proposed. However, further detailed design resolution is required regarding tower setbacks, the relationship of the future development to adjoining heritage items and the treatment of the built form in proximity to the Curtis Cheng building to the north-

east. A site-specific DCP is proposed to inform suitable building form in the context of the adjoining development.

The submitted reference design is considered to be an acceptable response to the site for this stage in the process and is suitable for community consultation. Careful attention will need to be paid to the interface with adjoining heritage items. However, it is anticipated that this can be resolved through appropriate consultation and preparation of a site-specific DCP.

The proposed height does not exceed the obstacle limitation surface (OLS) for Bankstown Airport and, therefore, no referrals are required in relation to the potential impact on airport operations.

The height of the proposed building is considered appropriate in the context of the Parramatta CBD and surrounding high-rise commercial and mixed-use development. The proposed increase in height is relatively modest in relation to the existing maximum building height and surrounding development. Shadow diagrams in plan and elevation (**Attachment F**) are included in the planning proposal and show shadows to be confined within the boundaries of the CBD. The shadow diagrams do not raise concerns regarding overshadowing of mixed-use and residential uses surrounding the site, although this will need to be tested through the community consultation process.

Given the suitability of the proposed height as discussed above, the proposed amendment to the HOB map is supported. However, as per the recommendations in this report, no objections are raised to the further investigation of increased height on this site.

Design excellence

As the proposed HOB is over 55m, a competitive design process would be required as part of the development application process. Demonstrating design excellence enables a 15% bonus on the mapped FSR or height provisions, but not both, bringing the total maximum FSR on the site to 11.5:1 or increasing the height of the building to 98.9m. This FSR and height is not out of keeping with the planning controls adopted by Council in the CBD planning strategy and the CBD planning proposal. Notwithstanding, the planning proposal seeks only to have the bonus FSR applied to future development on site.

Heritage

The Commercial Hotel adjoins the site to the west and is a two-storey building of local heritage significance. The Commercial Hotel is of significance for Parramatta for historical and aesthetic reasons, as a representative example of Victorian hotels in the area. Adjoining the site to the north is the Lancer Barracks, which is a state heritage-listed group of military buildings and former officers' quarters set in a grassed setting dating from early colonial times.

The site is visible from both adjoining heritage items and the proposed development will be readily visible from both adjoining items.

The planning proposal was accompanied by a heritage impact statement prepared by Weir Phillips Heritage, dated March 2018 (**Attachment E**). The assessment of heritage impact provided in this report provides sufficient justification for the planning proposal to proceed to community consultation. Consultation with the heritage branch of the Office of Environment and Heritage is recommended as part of the consultation process given the site adjoins two heritage items.

Council has indicated it will prepare a site-specific DCP to address potential heritage impacts. The DCP process will determine the appropriate setbacks and design guidelines for the site. The Department notes the desirability of maintaining large floor plates for commercial use, balanced with the need to ensure heritage matters are appropriately addressed.

Parking

On 10 April 2017, Council resolved to endorse the Parramatta CBD strategic transport study to reduce maximum car parking rates to levels currently used within the City of Sydney CBD. In accordance with this resolution, it is proposed to include maximum car parking rates, which is also consistent with other recent Gateway determinations issued within the Parramatta CBD. Applying the applicable formula to calculate maximum car parking rates for the proposed concept design, the resulting maximum car parking rate is 53 spaces. The concept design provides for 22 car parking spaces, which falls well below the maximum.

Given the site is strategically located in the Parramatta CBD, and in close proximity to public transport, services and infrastructure, it is considered this is an appropriate outcome for the site and, notwithstanding the lower parking numbers proposed (22), the proposed site-specific clause to introduce defined maximum car parking rates is supported.

Infrastructure

The site is approximately 200m from the Parramatta rail and bus interchange and is within walking distance (750m) of the Parramatta ferry quay. The site is within walking distance (600m) of major open space and active transport opportunities associated with the Parramatta river foreshore, and several other open space areas are easily accessible (i.e. Parramatta Park). The intensification of the site and likely increased demand on local infrastructure and services will be addressed through the future application of section 94A contributions.

CONSULTATION

Community

A community consultation period of 28 days is considered an appropriate amount of time to gauge the community's response to the proposal.

Public exhibition is likely to include:

- newspaper advertisement;
- display on the Council's website; and
- written notification to adjoining landowners.

Agencies

Council proposed that consultation with relevant authorities will form part of the consultation requirements.

It is recommended the following agencies are consulted:

- Roads and Maritime Services;
- Transport for NSW;
- Office of Environment and Heritage – Heritage Division; and
- Office of Environment and Heritage.

TIME FRAME

The proposed time frame to finalise this planning proposal is nine months, which is considered appropriate given the scale and complexity of the project. This is consistent with the time frame identified in the planning proposal. However, this is required to be updated prior to community consultation to adjust the dates.

LOCAL PLAN-MAKING AUTHORITY

Council has requested authorisation to be the local plan-making authority in relation to this planning proposal. However, it is recommended that authorisation is not issued in this instance due to the site's location within the Parramatta CBD, the strategic importance of the Parramatta CBD and the need to coordinate several site-specific planning proposals and the CBD planning proposal to ensure consistent application of policy outcomes.

CONCLUSION

The planning proposal should proceed subject to conditions as it reflects the strategic aims of the Parramatta CBD. It will enable a high-density commercial development with corresponding economic benefit. The proposed provisions are generally consistent with the intent of the Parramatta CBD planning strategy and subsequent CBD planning proposal currently under assessment for a Gateway determination.

RECOMMENDATION

It is recommended that the delegate of the Secretary:

1. agree that any inconsistency with section 9.1, Directions 4.1 Acid Sulfate Soils and 6.3 Site Specific Provisions are of minor significance; and
2. note the inconsistency with section 9.1 Direction 2.3 Heritage Conservation remains unresolved and will require further consideration following consultation with relevant public authorities.

It is recommended that the delegate of the Greater Sydney Commission determine that the planning proposal should proceed subject to the following conditions:

1. Prior to community consultation Council is to amend the planning proposal to:
 - (a) identify that the planning proposal is capable of complying with section 9.1 Direction 6.3 Site Specific Provisions;
 - (b) consider additional building height to enable a flexible approach to design outcomes and ensure the proposed maximum building height is consistent with the emerging character of Hassall Street and the broader Parramatta CBD; and
 - (c) update the project timeline consistent with condition 5.
2. Public exhibition is required under section 3.34(2)(c) and schedule 1 clause 4 of the *Environmental Planning and Assessment Act 1979* as follows:
 - (a) the planning proposal must be made publicly available for a minimum of 28 days; and
 - (b) the planning proposal authority must comply with the notice requirements for public exhibition of planning proposals and the specifications for material that must be made publicly available along with planning

proposals as identified in section 5.5.2 of *A guide to preparing local environmental* plans (Department of Planning and Environment 2013).

3. Consultation is required with the following public authorities:
 - Roads and Maritime Services;
 - Transport for NSW;
 - Office of Environment and Heritage – Heritage Division; and
 - Office of Environment and Heritage.
4. A public hearing is not required to be held into the matter by any person or body under section 3.34(2)(e) of the Act. This does not discharge Council from any obligation it may otherwise have to conduct a public hearing (for example, in response to a submission or if reclassifying land).
5. The time frame for completing the LEP is to be **9 months** following the date of the Gateway determination.
6. Given the nature of the planning proposal, Council should not be authorised to be the local plan-making authority to make this plan.



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