

Planning Services

IRF18/6654

Gateway determination report

LGA	Penrith LGA
PPA	Penrith City Council
NAME	Australian Arms Hotel (0 homes, 57 jobs)
NUMBER	PP_2018_PENRI_009_00
LEP TO BE AMENDED	Penrith LEP 2010
ADDRESS	351 and 359 High Street, Penrith
DESCRIPTION	Lot 9 DP 28199 and Lot 2 DP 513015
RECEIVED	11 April 2019
FILE NO.	IRF18/6654
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 (**Attachment A1-A12**) seeks to alter the development controls for land at 351 and 359 High Street, Penrith (the site) by amending the Penrith Local Environmental Plan (LEP) 2010 as follows:

- amend the maximum building height from 12m to a split height control of 12m over the Australian Arms Hotel heritage item and 24m over the remainder of the site; and
- increase the maximum floor space ratio from 3:1 to 3.5:1.

The site is currently zoned B3 Commercial Core and the proposal does not seek to alter the existing zone or any other development controls.

The proposal would facilitate a new hotel development next to the existing Australian Arms Hotel (i.e. a local heritage item). The proposed hotel would consist of 120 rooms, conference and function facilities, and basement parking for approximately 62 cars to serve the consolidated hotel functions. In addition, approximately 57 additional jobs would be provided on the site.

Site description

The planning proposal applies to land at 351 and 359 High Street, Penrith (the site) which is legally described as Lot 9 DP 28199 and Lot 2 DP 513015. The site has an area of approximately 1,688sqm and is bounded by Lawson Avenue to the north, Lawson Street to the west, High Street to the south, and commercial properties to the east. Refer to Figure 1 (overleaf) for an aerial photo of the site.

The site contains the Australian Arms Hotel, a two-storey pub, which has a frontage to both High Street and Lawson Street and is a local heritage item under the Penrith LEP 2010. To the north of the existing hotel is a beer garden and a carpark. There is also a substation located on the site. In addition, the site is within 850m walking distance from Penrith Railway Station and Bus Interchange.

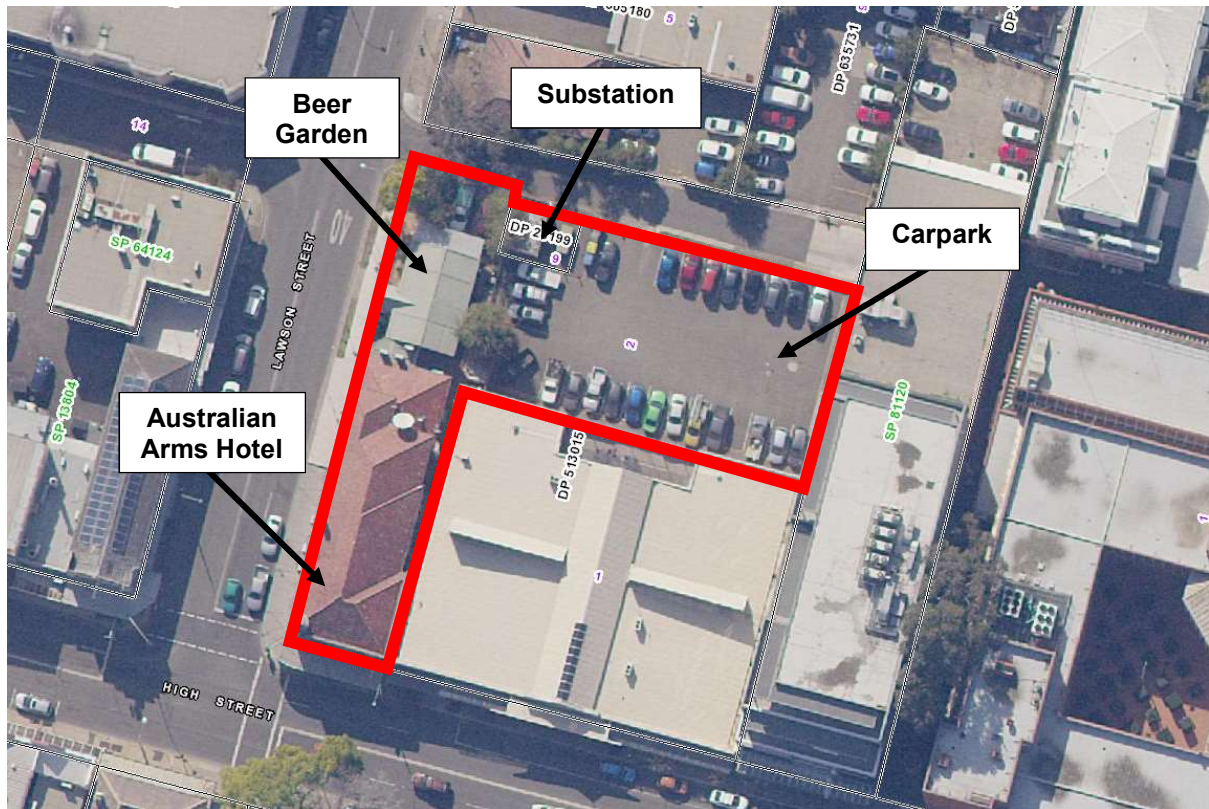


Figure 1 – Aerial photo of the Site

Existing planning controls

Under the Penrith Local Environmental Plan (LEP) 2010, the following zone and development controls apply to the site:

- zoned B3 Commercial Core (refer to Figure 2 overleaf);
- a maximum building height of 12m; and
- a maximum floor space ratio (FSR) of 3:1.

The site, excluding the land upon which the substation is located, is also listed as a local heritage item (1196 – Australian Arms Hotel). In addition, the site is required to have active street frontages along Lawson Street and High Street.

The B3 Commercial Core zone permits the following land uses: Amusement centres; **Car parks**; Centre-based child care facilities; **Commercial premises**; Community facilities; Educational establishments; Entertainment facilities; Environmental facilities; Environmental protection works; Flood mitigation works; Function centres; Helipads; **Hotel or motel accommodation**; Information and education facilities; Medical centres; Mortuaries; Passenger transport facilities; Places of public worship; Recreation areas; Recreation facilities (indoor); Registered clubs; Respite day care centres; Restricted premises; Roads; Sex services premises; Signage; Tourist and visitor accommodation; and Veterinary hospitals.

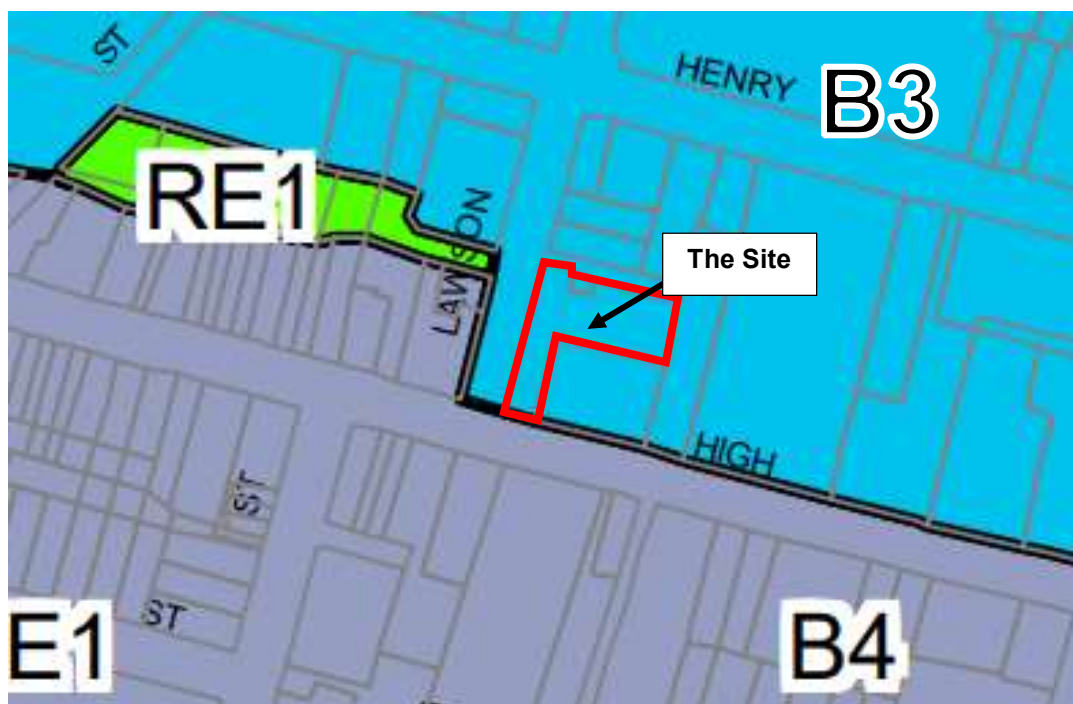


Figure 2 – Current Land Zoning Map

Surrounding area

The site (outlined in red in Figure 2 above) is located within the Penrith City Centre on the southern periphery of the B3 Commercial Core zoned land. The B3 zoned land contains mainly one and two storey commercial and retail premises, such as shops and restaurants, and associated outdoor carparks. In addition, there are also pockets of three storey buildings including the Penrith Police Station and Penrith Court House. The properties surrounding the site have a maximum building height of 12m and 24m.

To the south of the site is B4 Mixed Use and R4 High Density Residential zoned land. The B4 zoned land contains up to two storey commercial premises fronting High Street and one and two storey dwellings further south in the R4 zoned land. The B4 and R4 zoned land has a maximum building height of 18m.

Summary of recommendation

It is recommended that the planning proposal proceed with conditions as it would enable the redevelopment of the site and provide additional jobs in the Penrith City Centre. In addition, the proposed hotel development would complement the surrounding commercial land uses.

PROPOSAL

Objectives or intended outcomes

The objective of this planning proposal is to amend the building height and FSR control for the site.

The intended outcome for the site is a built form consistent with the intention of providing a more appropriate edge development, which retains and improves amenity while providing access through the site for occupants of surrounding buildings and broader locality.

The objective of this planning proposal is clear and adequate.

Explanation of provisions

The planning proposal seeks to amend the Penrith LEP 2010 by:

- increasing the maximum building height from 12m to a split height control of 12m over the Australian Arms Hotel heritage item and 24m over the remainder of the site; and
- increasing the maximum floor space ratio from 3:1 to 3.5:1.

It is also noted that the proposal would not amend the current B3 Commercial Core zone for the site or the other development controls including the heritage listing.

The proposal would facilitate a new six storey hotel development adjoining the rear of the existing Australian Arms Hotel building as illustrated by the Urban Design Report (**Attachment A4**). The new hotel development (refer to Figure 3 below and Figure 4 overleaf) would consist of the following:

- a ground floor hotel lobby;
- a conference and function facilities on the first floor;
- four levels of hotel rooms with approximately 120 rooms; and
- a two-storey basement carpark providing 62 parking spaces.

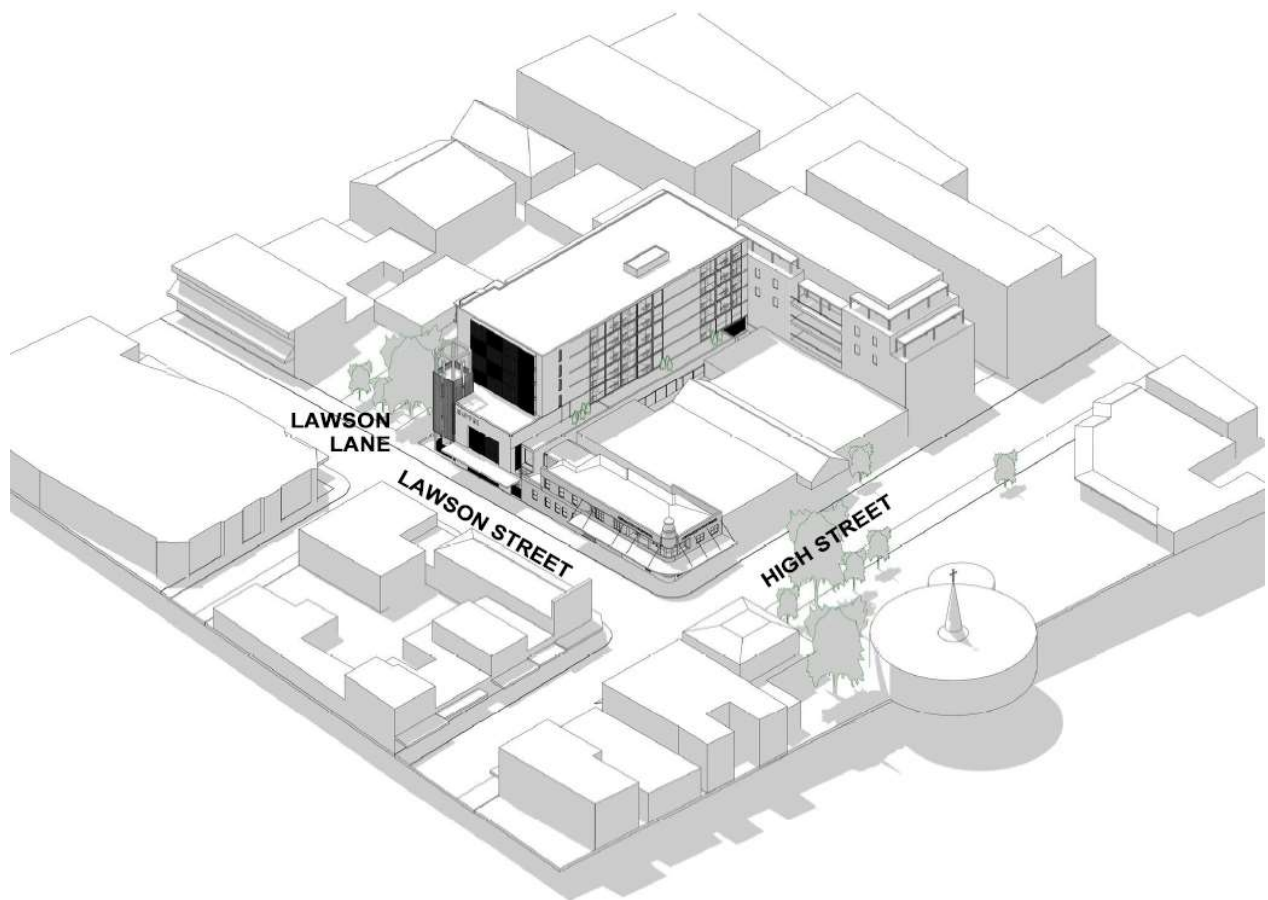


Figure 3 – Proposed Concept Plan

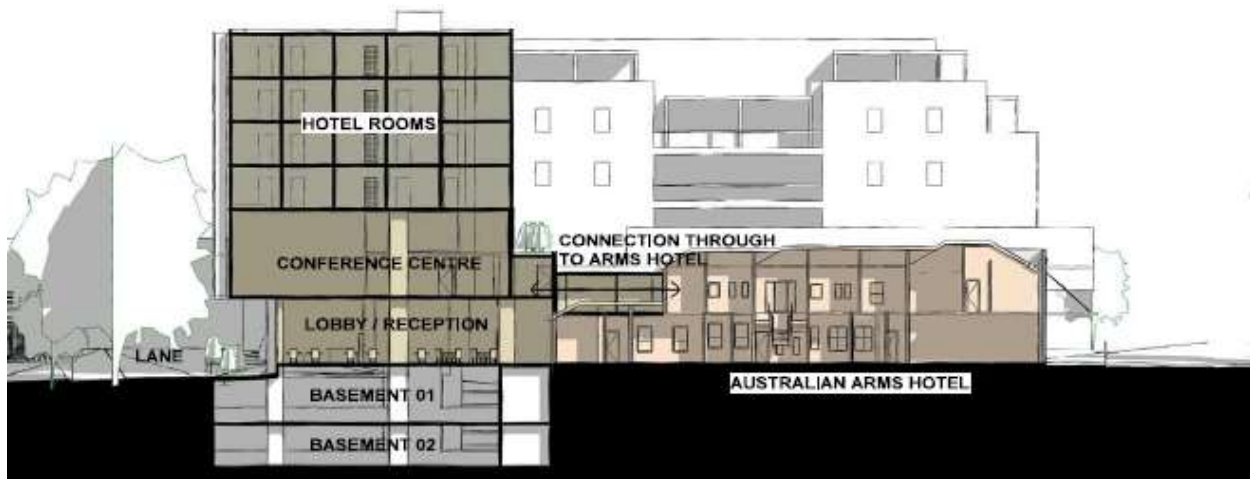


Figure 4 – Cross Section of the Proposed Concept Plan

The proposed concept plan would redistribute the Gross Floor Area (GFA) across the site to be more consistent with the density anticipated by the Penrith LEP 2010. There would also be a slight increase in the overall yield by 844sqm as shown in Table 1 (below) to facilitate the proposed hotel development, which Council has advised is consistent with the B3 zone.

Table 1 – Development Yield Analysis

Controls	Height	FSR	Total GFA
Existing Controls	12m	3:1	5,064sqm
Proposed Controls	12m over 420sqm (i.e. Australian Arms Hotel) 24m over 1,268sqm (i.e. remainder of Site)	3.5:1	5,908sqm
Total GFA Increase			844sqm

The Conservation Management Plan (CMP) (**Attachment A3**) for the site advises that although the whole site is identified as a heritage item (except for the substation), the beer garden and carpark area have no heritage significance and provide opportunities for further development without detracting from the hotel's significance. However, these areas may contain potential archaeological materials as noted in the CMP (page 45 of **Attachment A3**) therefore the current local heritage item listing is not proposed to be altered to ensure that these potential findings are considered as part of any future development application.

In addition, the existing heritage controls under clause 5.10 of the Penrith LEP 2010 include conservation incentives for developers which benefit the proponent and produce positive conservation outcomes for heritage items.

Department Comment

The Department concludes that the proposed amendments to the development controls across the site would assist with the protection of the heritage significance of the Australian Arms Hotel and, at the same time, enable the appropriate construction of a new hotel development across the rest of the site.

Mapping

The current and proposed maps are provided in Part 2, Part 4 and Appendix 5 of the planning proposal. The planning proposal will amend the following maps:

- Height of Building Map (HOB_013); and
- Floor Space Ratio Map (FSR_013).

Refer to Figure 5-8 (below) for the current and proposed maps.

Department Comment

Prior to public exhibition, it is recommended that Council amends the planning proposal to include a legend for the current and proposed maps in Part 2 of the proposal.



Figure 5 – Current Height of Building Map

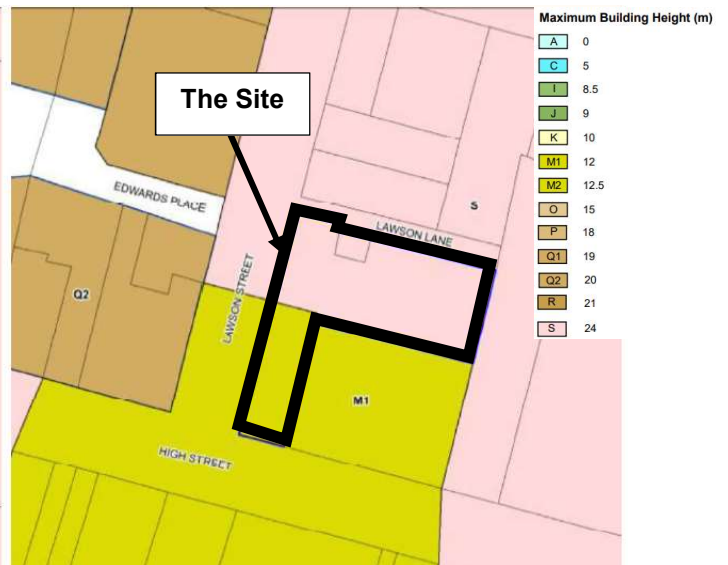


Figure 6 – Proposed Height of Building Map



Figure 7 – Current Floor Space Ratio Map



Figure 8 – Proposed Floor Space Ratio Map

NEED FOR THE PLANNING PROPOSAL

The planning proposal has appropriately taken into consideration a Conservation Management Plan (**Attachment A3**) and an Urban Design Study (**Attachment A4**), prepared by the proponent. It is also advised that the proposed new hotel development would assist with reinvigorating the night time economy and increase employment and economic opportunities in the Penrith City Centre.

Council note that the proposed amendments would result in a building that is compatible with the bulk and scale of the existing and desired future character of the locality. Amending these controls would provide sufficient height and floor space for an appropriate, high quality development. In addition, the introduction of a split height control will protect the heritage item and allow the development of a complimentary building across the remainder of the site.

The planning proposal advises that the proposed amendment is the best and most appropriate means of achieving the Council's intended outcome i.e. construction of a new hotel development to the rear of the existing Australian Arms Hotel. A planning proposal is the only means available to achieve amendments to relevant provisions under the Penrith LEP 2010.

STRATEGIC ASSESSMENT

Regional / District

Greater Sydney Region Plan

The Greater Sydney Region Plan was released by the Greater Sydney Commission on 18 March 2018. It provides a 40-year vision for Greater Sydney and is designed to inform district and local plans and the assessment of planning proposals.

The planning proposal is consistent with the objectives of the plan as it would enable the redevelopment of the site with needed hotel facilities that are complementary to the surrounding commercial land uses (Objective 12), whilst conserving the existing Australian Arms Hotel which is a local heritage item (Objective 13).

In addition, the proposal would support the development of the commercial core of the Penrith City Centre through the provision of additional business activity and employment (Objective 22).

Western City District Plan

The site is located within the Western City District and the Greater Sydney Commission released the Western City District Plan on 18 March 2018. The plan contains planning priorities and actions to guide the growth of the Western City District while improving the district's social, economic and environmental assets. The site is also located within the greater Penrith Metropolitan Cluster in the plan.

The planning proposal is consistent with the priorities for infrastructure and collaboration, liveability, productivity and sustainability in the plan, as it would:

- facilitate the construction of a proposed hotel development that is located in the Penrith City Centre and in close proximity to existing public transport (Planning Priority W4);
- respect the adjacent local heritage listed Australian Arms Hotel through a sensitive concept plan (Planning Priority W6);

- improve night time economy for the area through tourism uses, which will complement the existing Australian Arms Hotel and support the growth of the greater Penrith Metropolitan Cluster by providing an opportunity to capitalise on the tourism opportunities created by the Western Sydney Airport (Planning Priority W9); and
- provide additional jobs in hospitality that are close to housing and use existing infrastructure more efficiently (Planning Priority W11).

The Department is satisfied that the planning proposal gives effect to the district plan in accordance with section 3.8 of the *Environmental Planning and Assessment Act 1979*.

Local Community Plan

The Community Plan identifies the community's long-term aspirations for Penrith City, with outcomes and strategies. The proposal is consistent with the Plan as it seeks to facilitate the provision of improved employment and services in an area with a high degree of amenity, recreational opportunities and good access to public transport (Strategy 2.1) and does not result in an adverse impact on the heritage items in the Penrith City Centre (Strategy 2.2).

Penrith City Strategy

The Penrith City Strategy seeks to help build a sustainable future for the Penrith community and aims to guide future planning directions and to establish a set of strategies for the development of revised planning controls for Centre.

Council has advised that the planning proposal holds strategic merit and is consistent with the strategic planning framework of the Strategy, as follows:

- provides a business that adapts to the emerging needs and opportunities created by the Western Sydney Airport;
- provides the opportunity to adapt the Penrith LEP 2010 to the changing needs and context of the Penrith City Centre;
- supports the revitalisation of the Penrith City Centre by improving the night time economy and providing short term accommodation;
- assists in achieving an ecologically sustainable City Centre, as it would increase employment opportunities within proximity to Penrith Railway Station;
- demonstrates that a height increase can assist in creating an appropriate built form whilst protecting environmental amenity at the immediate ground plane and in the surrounding public domain; and
- enables more diverse options for the future development of the site, thus increasing the potential of the site to supply employment.

Local Planning Panel

The planning proposal was considered by the Penrith Local Planning Panel on 10 April 2019. The Panel reviewed the proposal and generally supported the proposal for the reasons outlined by Council (**Attachment A11 & A12**). There was unanimous support for the proposed height limit, and majority support for increasing the FSR for the site based on conceptual modelling and the street wall heights and setbacks applicable under the development control plan (DCP).

A minority of the Panel, however, took the view that the FSR should not be increased. This view was taken on the basis that development of the site would be improved with further modulation and reduction in the building envelope to improve setbacks to the lane and the adjoining building to the east, with further flexibility to achieve an appropriate relationship with the retained hotel.

Section 9.1 Ministerial Directions

Consistent: The planning proposal is consistent with the following Section 9.1 directions identified below.

Direction 1.1 Business and Industrial Zones

The objectives of this direction are to encourage employment growth in suitable locations, protect employment land in business and industrial zones, and support the viability of identified centres. This direction applies to the planning proposal as the site is zoned B3 Commercial Core.

The planning proposal is consistent with this direction as it would retain the current B3 zone and facilitate the provision of additional employment opportunities through the construction of a new hotel development.

Direction 2.3 Heritage Conservation

This direction aims to conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance. The site contains a local heritage item, being the Australian Arms Hotel, therefore this direction applies to the proposal.

The planning proposal seeks to retain and enhance the existing local heritage item on the site. The Conservation Management Plan (**Attachment A3**) outlines conservation considerations for the proposed new hotel development on the site and the relationship with the existing Australian Arms Hotel building. Therefore, it is concluded that the proposal is consistent with this direction.

Direction 3.4 Integrating Land Use and Transport

The objective of this direction is to increase the choice of available transport and reduce the dependence on cars and support the efficient and viable operation of public transport services.

The proposal is consistent with this direction as the site is located within 850m walking distance of Penrith Railway Station and Bus Interchange. Therefore, it would support and encourage the use of existing public transport infrastructure for the new employees of the new hotel development.

State environmental planning policies (SEPPs)

The planning proposal is consistent with all relevant State Environmental Planning Policies.

SITE-SPECIFIC ASSESSMENT

Social and Economic

The proposal notes that the proposed new hotel development has the potential to have a positive social and economic benefit for the community, as it would provide additional employment opportunities and services in the Penrith City Centre. It would also contribute to the business activities in the commercial core and improve the prospect of reducing commute times, as it is close to public transport infrastructure.

The new hotel development would also positively contribute to the night time economy by increasing tourist accommodation in the city centre and contribute to the night time activity centred around the existing Australia Arms Hotel.

Environmental

The site does not contain any known critical habitat or threatened species, populations or ecological communities, or any other habitat. Therefore, the planning proposal would not have an adverse impact on any ecological communities.

Heritage

The planning proposal affects land that is identified as a local heritage item i.e. I196 – Australian Arms Hotel (refer to Figure 9 below). The proposal seeks to retain the existing Australian Arms Hotel building and demolish the beer garden and carpark to enable the construction of a new hotel development across this portion of the site.

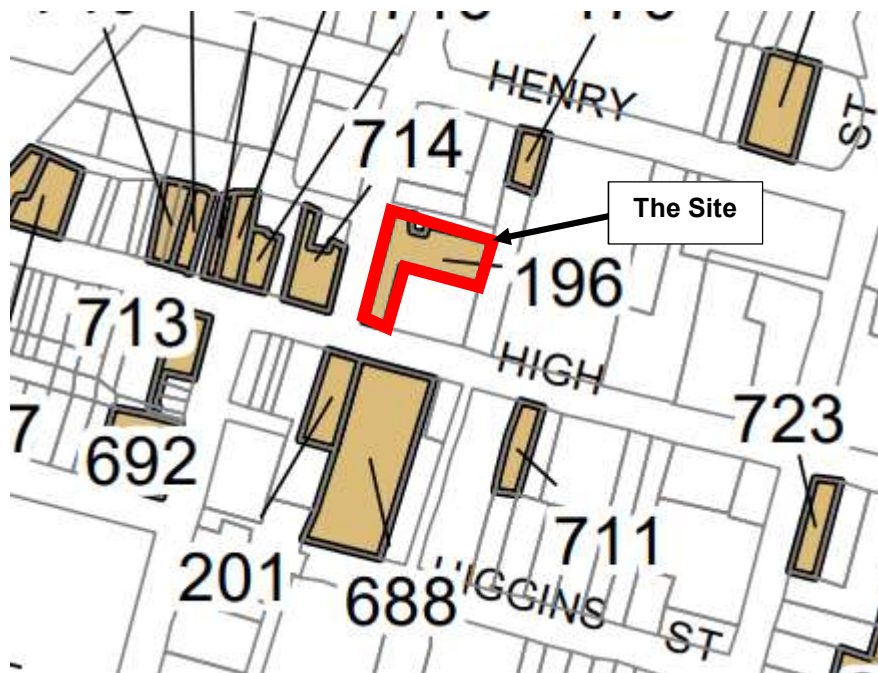


Figure 9 – Heritage Map

The Conservation Management Plan (page 39 of **Attachment A3**) advised that the beer garden and carpark area have no heritage significance and provides an opportunity for further development. The Plan also includes a set of policies to guide the preservation of the existing hotel building and the design of the new hotel development.

The Urban Design Study (page 32 of the **Attachment A4**) also states that the new hotel development will respect the existing hotel building through the use of natural materials and pay attention to the proportions of the existing brick parapets and architectural details.

Council also advise that the proposal would provide a transitional buffer between the Australian Arms Hotel local heritage item and the adjoining commercial land uses (page 6 of **Attachment A2**).

It is recommended that Council consults with the Office of Environment and Heritage on this planning proposal in relation to heritage matters.

Flooding

The site is not identified as flood prone land (refer to Figure 10 overleaf) and the planning proposal advises that the site is considered to be of lower flood risk, given that there is no direct affectation by the 1 in 100 chance per year flood level or the Probable Maximum Flood level, as outlined by the Flood Risk Management Report (**Attachment A5**). It is also noted that the effects of nearby flooding can be adequately managed in any future development application for the site.

Council also note that the proposed GFA increase is also considered by Council to be minimal and would not represent significant numbers of additional occupants beyond the number the site is currently capable of accommodating.

The Department is satisfied that any flooding issues can be resolved at the development application stage.

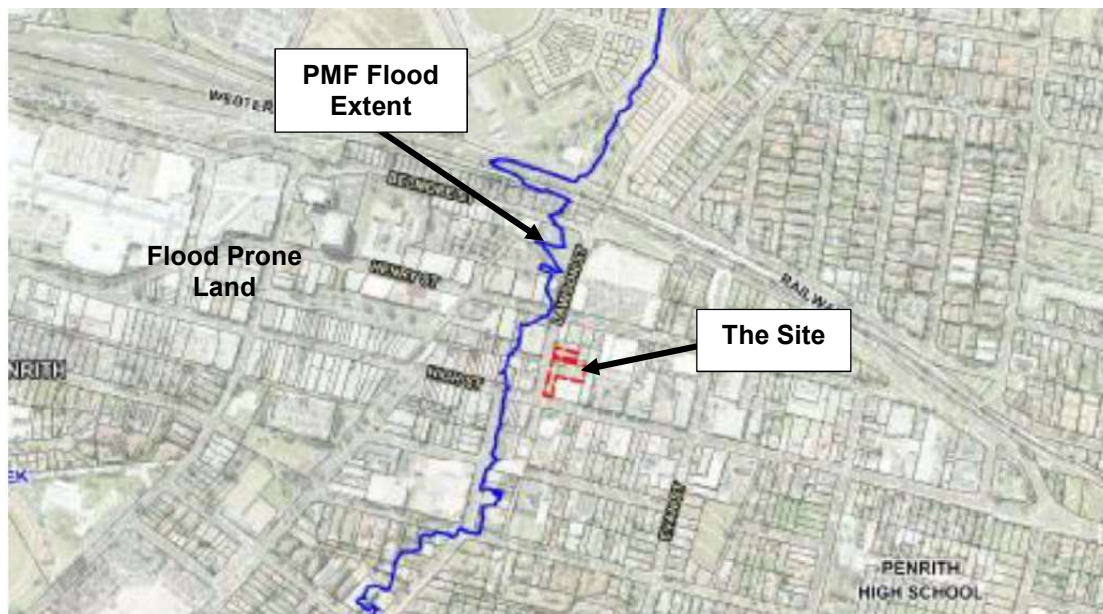


Figure 10 – PMF Flood Extent Map

Overshadowing

It is noted that the additional overshadowing created by the proposed new hotel development is considered to be acceptable as it solely falls over commercial properties on the northern side of High Street (refer to Figure 12 below).



Figure 12 – Shadow Diagram

Traffic

The Traffic and Parking Assessment (**Attachment A6**) notes that the proposed hotel development would generate the need for 203 parking spaces. It is noted that 62 spaces would be provided within the proposed basement carpark of the new hotel and the remainder of the parking demand (i.e. 141 spaces) could be accommodated in the surrounding carparking structures available in the vicinity.

The proposal is expected to generate 130 two-way vehicle trips in the peak hour. Council recommends that site access is provided from the north of the site via Lawson Lane. Lawson Lane is a low traffic volume, local street with a cul-de-sac at its eastern end and a carriageway width of approximately 6 metres.

The report concludes that the proposed hotel development associated with the planning proposal is not expected to have an adverse traffic and parking implications on the surrounding transport network, including the intersection of High Street/Lawson Street, which provides the main connection to the surrounding arterial network. In addition, it is also advised that the site is well serviced by public transport infrastructure including rail and several bus services. Pedestrian and cyclist infrastructure also provide a good level of connectivity to the surrounding area.

Councils traffic engineers have assessed the report and indicate it provides sufficient detail to analyse the effect of the proposed density increase, though further detailed work will be required at the development application stage (page 31 of **Attachment A2**).

During the public exhibition period, it is recommended that Council consults with the Roads and Maritime Services and Transport for NSW to confirm that the proposed traffic impacts are considered to be acceptable.

Infrastructure

The Penrith City Centre has access to existing infrastructure and utilities. It is noted that the planning proposal would not generate any additional demands on local infrastructure, public or community services.

It is recommended that Council consults the relevant utility providers: Sydney Water, Telstra, and Endeavour Energy, during the public exhibition stage of the planning proposal.

CONSULTATION

Community

A public exhibition period of 28 days is considered an appropriate amount of time to gauge the response by the community.

Agencies

The Department recommends that Council consult the following State agencies:

- Roads and Maritime Services;
- Transport for NSW;
- Office of Environment and Heritage;
- Sydney Water;
- Telstra; and
- Endeavour Energy.

Should these agencies require any additional information, or specify any additional matters to be addressed, the proposal is to be updated to respond to the submission, a copy of which is to be included with the updated planning proposal.

TIME FRAME

Council proposes a timeframe of 12 months to finalise this planning proposal. Given the nature of the planning proposal, a 12-month timeframe is considered appropriate.

LOCAL PLAN-MAKING AUTHORITY

Council has requested delegation of the plan making function be issued to it in relation to this planning proposal. Given that the planning proposal is routine in nature, it is recommended that authorisation to exercise delegation should be issued to Council.

CONCLUSION

The Department recommends that the planning proposal proceeds with conditions, given that it has strategic and site-specific merit as it would enable the redevelopment of the site and provide additional jobs in the Penrith City Centre. In addition, the proposed hotel development would be complementary to the surrounding commercial land uses.

RECOMMENDATION

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

1. The planning proposal should be made available for community consultation for a minimum of 28 days.
2. Consultation is required with the following public authorities:
 - Roads and Maritime Services;
 - Transport for NSW;
 - Office of Environment and Heritage;
 - Sydney Water;
 - Telstra; and
 - Endeavour Energy.
3. The time frame for completing the LEP is to be 12 months from the date of the Gateway determination.
4. Given the nature of the planning proposal, Council should be the local plan-making authority.
5. Prior to public exhibition, Council is to amend the planning proposal as follows:
 - a) identify the number of additional jobs facilitated by this planning proposal; and
 - b) include a legend for the current and proposed maps in Part 2 of the proposal.



30/4/19

Terry Doran
Team Leader, Sydney Region West



10/05/2019

Ann-Maree Carruthers
Director, Sydney Region West
Planning Services

Assessment officer: Chantelle Chow
Senior Planner, Sydney Region West
Phone: 9860 1548