

**3 Australian Arms Hotel Planning Proposal, 351 - 359 High Street, Penrith****Compiled by:** Breannan Dent, Planner**Authorised by:** Natasha Baker, City Planning Manager

<b>Outcome</b>	<i>We plan for our future growth</i>
<b>Strategy</b>	<i>Facilitate quality development in the City that considers the current and future needs of our community</i>
<b>Service Activity</b>	<i>Plan for and facilitate development in the City</i>

**Procedural note: Section 375A of the Local Government Act 1993 requires that a division be called in relation to this matter.**

**Consultant:** Andrew Darroch of Mersonn Pty Ltd**Applicant and Owner:** Australian Arms Pty Ltd**Executive Summary**

This report seeks Council's endorsement of a Planning Proposal to amend Penrith Local Environmental Plan 2010 (LEP) relating to height of building and floor space ratio (FSR) controls for land at 351 - 359 High Street, Penrith (Lot 2 DP 513015 and Lot 9 DP 28199). This includes the heritage-listed Australian Arms Hotel.

The Planning Proposal seeks to increase the height of buildings control from 12m to 24m over part of the land. The Planning Proposal also seeks to increase the Floor Space Ratio (FSR) control from 3:1 to 3.5:1 over all of the land. No increase in height controls is proposed over the Australian Arms Hotel building portion of land. Maps of the proposed height and FSR changes are provided in Attachment 1.

These proposed amendments will enable a 120 room four-star hotel with conference and function facilities at 351 - 359 High St, Penrith. It is intended to retain the heritage listed existing Australian Arms Hotel.

The submission of a Planning Proposal to the Minister for Planning / Department of Planning and Environment (DP&E) under the Gateway process will allow Council to undertake community and agency consultation on the Planning Proposal, consider submissions received in response to such an exhibition, and determine whether or not to proceed with the planning proposal and amend the current planning controls.

**Background**

Council is in receipt of a Planning Proposal for land at 351 and 359 High Street, Penrith.

The site accommodates a local heritage item, which is the Australian Arms Hotel, as well as a covered beer garden, car parking and a substation.

In 2016, pre-development application discussions were carried out between the proponent and Council's Development Assessment team. The architectural plans for the development of the site were referred to the Urban Design Review Panel (UDRP). The UDRP advised that the proponent should proceed through the Planning Proposal process as the height exceedance was excessive, and an exception to the development standards under clause

4.6 of LEP 2010 could not be considered. The Planning Proposal and designs reflect feedback from the UDRP.

#### Original Planning Proposal

Councillors were briefed on the original Planning Proposal on 6 August 2018. To offset the proposed height and FSR increases over the whole site, the original Planning Proposal included building height and FSR control reductions for the adjoining property at 18 Lawson Street, Penrith. 18 Lawson Street, Penrith is under the same ownership as 351-359 High Street, Penrith however is not part of the development proposal.

Council officers recommended that the proponent reconsider the need to amend the controls at 18 Lawson Street. The proposed reductions to FSR and Height of Building controls were inconsistent with the surrounding sites and may have restricted future development.

The proponent has no plans to develop above the Australian Arms Hotel, therefore no amendment to the Height of Building control over this portion of the land is considered necessary. This recommendation was made to protect important heritage features.

#### Revised Planning Proposal

In August, the proponent submitted a revised Planning Proposal following advice from Council's officers. The revised Planning Proposal no longer seeks amendments to controls at 18 Lawson Street, Penrith, and no longer seeks an increase in height over the heritage listed Australian Arms Hotel building portion of land.

### **The Planning Proposal**

The Planning Proposal seeks an increase in height and FSR controls to enable a new hotel and associated uses at 351 and 359 High Street, Penrith. The Planning Proposal is enclosed separately for the information of Councillors and available on Council's website.

The Proposal does not propose any change to the current B3 Commercial Core zone. The aims of the Planning Proposal are to:

- amend the height control as it relates to 351 and 359 High Street, Penrith from 12m to 24m on the covered beer garden, substation and parking.
- amend the FSR control as it relates to 351 and 359 High Street, Penrith from 3:1 to 3.5:1.

The proposed changes will facilitate a 120 room, four-star hotel with conference and function facilities to complement the existing Australian Arms Hotel, which will be retained.

### **Key Considerations**

Key considerations for the Planning Proposal include:

#### *Height and Floor Space controls*

The proposed height and FSR controls as part of this Planning Proposal are in response to an Urban Design Study submitted as part of the Planning Proposal which explored a variety of development options for the site. The preferred design, as reflected within the Planning Proposal, is able to facilitate a hotel within the overall development.

The proposed height of 24m is consistent with the existing heights along the remainder of Lawson Street. As the indicative designs do not propose development over the existing heritage listed hotel building, it is not necessary to increase building height over the whole

site. This means that the existing 12m height over the Australian Arms Hotel will be retained for all heritage items along the Lawson/High Street heritage precinct.

The proposed FSR of 3.5:1 is sought over the whole site. This will allow the bulk of the FSR to be taken up within the proposed new building. As such, the application of the FSR control across the site results in a lower FSR to be proposed if it were to only be applied to the portion of the site being developed.

In summary, the proposed controls are intended to complement the form and scale of the surrounding commercial core, without adversely affecting the amenity of future public spaces in Edward Place or the heritage items within the vicinity.

### *Heritage*

The site contains the Australian Arms Hotel, a heritage item listed under Schedule 5 of Penrith LEP 2010. Other heritage items under LEP 2010 are in the immediate vicinity of the site along High Street. These heritage sites have lower FSR's and heights permissible under LEP 2010 than surrounding development in order to maintain the integrity of heritage sites by ensuring new construction does not overwhelm heritage items with increased bulk and scale.

To ensure that the integrity of the Australian Arms Hotel heritage site is maintained through the proposed amendments, a Conservation Management Plan (CMP) has been prepared. The CMP is provided as Attachment 2 and provides guidelines for the conservation and management of the Australian Arms Hotel.

The CMP provides that new structures need to:

- not overwhelm the existing hotel building when viewed from the public domain,
- allow observers in the public domain to appreciate the character and detail of the Art Deco building,
- provide visual separation of the Hotel, ensuring independence of the original fabric,
- be assessed by a heritage specialist to ensure any negative heritage impacts are minimised.

A list of significant internal and external items has been provided in the CMP for elements that need to be conserved, such as the:

- face brick and glass brick tower and flagpole at the corner of the building,
- room layout and curved internal corners,
- roof form and tile finishes viewed from the public domain,
- awning including pressed metal soffit.

The Planning Proposal will be referred to the Heritage Advisory Committee subject to an approved Gateway Determination and as part of the public exhibition of the Planning Proposal.

### *Traffic*

An assessment of traffic generation indicates that existing streets have capacity to accommodate the growth that would be created by increasing the Height and FSR of the site.

Provision of approximately 62 basement car parking spaces is projected for the future development. Further detailed designs will be required during the Development Approval process to create appropriate parking and access.

**Next Steps**

The Planning Proposal is largely consistent with the Local Planning Directions issued by the Minister for Planning. Any inconsistencies are minor and can be justified.

Should Council endorse the proposed amendments, the Planning Proposal will be submitted to the Minister for Planning / DP&E with a request for Gateway Determination to proceed to Public Exhibition.

Should the Planning Proposal be granted approval to proceed under the Gateway Determination, the Planning Proposal will be placed on Public Exhibition for the specified period as required by the Gateway Determination. A further report to Council will be provided advising of the outcomes of the Public Exhibition.

Delegation is recommended to be sought for the General Manager to update and finalise the Planning Proposal for the making of the LEP amendment.

**Conclusion**

Council staff have held ongoing discussions with the proponents of the subject land to provide an appropriate development outcome, given the local heritage listing of the site. The Planning Proposal has the potential to facilitate improved employment and recreation opportunities, increase the night-time activation of the Eastern end of the Penrith CBD and provide short-term accommodation in the City Centre. Sympathetic development of the site also has the potential to complement the existing use and facilitate conservation of the Australian Arms Hotel.

The Planning Proposal also has the potential to provide improved economic and social benefit to the community, due to the increased employment and recreational opportunities in the City Centre, close to compatible uses and transport.

It is recommended a Planning Proposal to amend the Penrith LEP 2010 be forwarded to the Minister for Planning / DP&E to commence the Gateway Process.

**RECOMMENDATION**

That:

1. The information contained in the report on Australian Arms Hotel Planning Proposal, 351 - 359 High Street, Penrith be received.
2. Council endorse the Planning Proposal to amend the Height of Buildings and Floor Space Ratio controls for 351 - 359 High Street, Penrith (enclosed separately for the information of Councillors and available on Council's website) and amended in accordance with this report.
3. The Planning Proposal be submitted to the Department of Planning and Environment (DP&E) with a request to issue a Gateway Determination. The submission will include a request to issue Council with delegation for plan making authority.
4. The General Manager be granted delegation to make any necessary

changes to the Planning Proposal:

- a. prior to Council's submission of the Planning Proposal to the Minister for Planning, such as minor changes and formatting;
  - b. as a result of any negotiated changes sought by DP&E in the lead up to the Gateway Determination;
  - c. prior to public exhibition in response to the conditions of the Gateway Determination or negotiations with public authorities and other stakeholders.
5. Consultation with the community and public agencies be undertaken in accordance with any Gateway Determination.
  6. A further report be presented to Council on the submissions received from public agencies and the community.

#### **ATTACHMENTS/APPENDICES**

1. Australian Arms Hotel - Draft LEP Maps	1 Page	Attachments Included
2. Australian Arms Hotel - Conservation Management Plan	46 Pages	Attachments Included