



DELEGATED REPORT

REPORT TO THE GENERAL MANAGER

Attachments:

1. Council Report of 19 May 2014 for Planning Proposal – 200-220 Pacific Highway, Crows Nest
2. Crows Nest South Planning Study

SUBJECT: Planning Proposal – 200-220 Pacific Highway, Crows Nest

AUTHOR: Joseph Hill, Director City Strategy

EXECUTIVE SUMMARY:

On 28 April 2014, North Sydney Council considered a Planning Proposal for the site known as 200-220 Pacific Highway, Crows Nest. The Planning Proposal sought to amend the minimum non-residential floor space ratio (FSR) requirement under North Sydney Local Environment Plan 2013 (NSLEP 2013) from 0.5:1 to 0.2:1. This proposed amendment was intended to replace the 6 approved service apartments located at the first floor level with residential accommodation. The report recommended that Council resolve to forward the attached Planning Proposal to the Minister for Planning in order to receive a Gateway Determination in accordance with Section 56 of the Environmental Planning and Assessment Act, 1979, subject to amending the non-residential FSR range for the subject site to 0.24:1 – 2:1.

As Council did not resolve to make a determination in relation to this Planning Proposal at that time, it was reported back to Council on 19 May 2014 (refer to Attachment 1) where it resolved in part:

1. *THAT a precinct based Planning Study, similar to that undertaken for Cliff Street, Milsons Point, be undertaken and funded by the applicant.*
2. *THAT if the Planning Study as required by Resolution No.1 meets with the approval of Council's Director Planning and Development Services in supporting the Planning Proposal's objectives, delegated authority be granted to the General Manager to forward the attached Planning Proposal to the Minister for Planning and Environment in order to receive a Gateway Determination in accordance with Section 56 of the Environmental Planning and Assessment Act, 1979, subject to the following amendment:*
 - i. *The non-residential floor space ratio range for the subject site be amended to 0.24:1 - 2:1.*

In accordance with Resolution No.1, Council engaged SGS Economics and Planning on 7 August 2014 to prepare a planning study (Crows Nest South Planning Study) of land zoned *B4-Mixed Use* under NSLEP 2013, covering both the subject site and southern portion of the Crows Nest Town Centre.

Council received the completed Crows Nest South Planning Study (refer to Attachment 2) on 12 November 2014. In summary, the planning study concluded that:



- Based on the feasibility assessment, it was found that the minimum non-residential FSR (of 0.5:1) applying to the study area is generally feasible, particularly on the western side of the Pacific Highway. However, development on the eastern side of the Highway is found to be less feasible, due to the lower building height limit.
- With consideration to other development impediments, including lot amalgamation requirements and weak demand for retail and commercial floor space (hence higher holding costs), it is recommended that the minimum non-residential FSR on the western side of the Pacific Highway be kept at 0.5:1. On the eastern side of the Pacific Highway, it is recommended that Council consider lowering the minimum non-residential FSR or relaxing the building height to make mixed use redevelopment more viable.
- Due to the limited redevelopment opportunities within the study area, the policy decision concerning the non-residential FSR requirements are unlikely to have a significant impact on the overall supply of non-residential floor space in the study area.
- In response to development at 200-220 Pacific Highway it was considered that:
 - The provision of serviced apartments within this development is considered unfeasible;
 - The small building footprints has resulted in non-residential floor space being provided at the first floor level, where there is little demand for commercial floor space at this level in the study area;
 - The requirement could have easily been met if the site had been developed as a wholesale redevelopment;
 - The site should be considered in isolation and would not establish a precedent for relaxing non-residential floor space ratios in the Study Area as a whole.
- That consideration be given to a number of actions to assist in maximising street activation.

It is considered that the Crows Nest South Planning Study supports the objectives and intent of the Planning Proposal for 200-220 Pacific Highway Crows Nest. As such, the Planning Proposal is considered to be satisfactory and should be forwarded to the Department of Planning and Environment for Gateway Determination.

RECOMMENDATION:

1. **THAT** under delegated authority, the General Manager resolves to forward the attached Planning Proposal to the Minister for Planning in order to receive a Gateway Determination in accordance with Section 56 of the Environmental Planning and Assessment Act, 1979, subject to the following amendments:
 - i. The non-residential floor space ratio range for the subject site be amended to 0.24:1 - 2:1.
 - ii. It incorporates discussion with respect to the outcomes of the Crows Nest South Planning Study.



Signed:

Director City Strategy

Date

Endorsed by:

General Manager

Date

LINK TO DELIVERY PROGRAM

The relationship with the Delivery Program is as follows:

Direction: **2. Our Built Environment**

Outcome: 2.2 Improved mix of land use and quality development through design excellence.

Direction: **5: Our Civic Leadership**

Outcome: 5.1 Council leads the strategic direction of North Sydney

SUSTAINABILITY STATEMENT

The sustainability implications were considered and reported on during the initiation phase of this project.

BACKGROUND

On 28 April 2014, North Sydney Council considered a Planning Proposal for the site known as 200-220 Pacific Highway, Crows Nest. The Planning Proposal sought to amend the minimum non-residential floor space ratio (FSR) requirement under North Sydney Local Environment Plan 2013 (NSLEP 2013) from 0.5:1 to 0.2:1. This proposed amendment was intended to replace the 6 approved service apartments located at the first floor level with residential accommodation. The report recommended that Council resolve to forward the attached Planning Proposal to the Minister for Planning in order to receive a Gateway Determination in accordance with Section 56 of the Environmental Planning and Assessment Act, 1979, subject to amending the non-residential FSR range for the subject site to 0.24:1 – 2:1.

As Council did not resolve to make a determination in relation to this Planning Proposal at that time, it was reported back to Council on 19 May 2014 (refer to Attachment 2) where it resolved in part:

1. *THAT a precinct based Planning Study, similar to that undertaken for Cliff Street, Milsons Point, be undertaken and funded by the applicant.*
2. *THAT if the Planning Study as required by Resolution No.1 meets with the approval of Council's Director Planning and Development Services in supporting the Planning Proposal's objectives, delegated authority be granted to the General Manager to forward the attached Planning Proposal to the Minister for Planning and Environment in order to receive a Gateway Determination in accordance with Section 56 of the Environmental Planning and Assessment Act, 1979, subject to the following amendment:*
 - i. *The non-residential floor space ratio range for the subject site be amended to 0.24:1 - 2:1.*

DETAIL

1. Crows Nest South Planning Study

In accordance with Resolution No.1 to the assessment report of the Planning Proposal considered by Council on 19 May 2014, SGS Economics and Planning were engaged on 7 August 2014 to prepare a planning study (Crows Nest South Planning Study) of land zoned *B4 - Mixed Use* under NSLEP 2013, covering both the subject site and southern portion of the Crows Nest Town Centre.

The principle aim of the Planning Study was to provide recommendations on the appropriate non-residential FSRs, ground level uses and street level amenity of land zoned *B4 - Mixed Use* located in the southern portion of the Crows Nest Town Centre. The study was also to have regard to the current characteristics of the locality and the underlying development trends.

Council received the completed Crows Nest South Planning Study (refer to Attachment 2) on 12 November 2014. In summary, the planning study concluded that:

- Based on the feasibility assessment, it was found that the minimum non-residential FSR (of 0.5:1) applying to the study area is generally feasible, particularly on the western side of the Pacific Highway, as the building height limit is higher (16m). However, development on the eastern side of the Highway is found to be less feasible, due to the lower building height limit (10m).
- With consideration given to other development impediments, including lot amalgamation requirements and weak demand for retail and commercial floor space (hence higher holding costs), it is recommended that the minimum non-residential FSR on the western side of the Pacific Highway to be kept at 0.5:1. On the eastern side of the Pacific Highway, it is recommended that Council consider lowering the minimum non-residential FSR or relaxing the building height to make mixed use redevelopment more viable.
- Due to the limited redevelopment opportunities within the study area, the policy decision concerning the non-residential FSR requirements are unlikely to have a significant impact on the overall supply of non-residential floor space in the study area.
- In response to development at 200-220 Pacific Highway it was considered that:
 - The provision of serviced apartments within this development is considered unfeasible;
 - The small building footprints has resulted in non-residential floor space being provided at the first floor level, where there is little demand for commercial floor space at this level in the study area;
 - The requirement could have easily been met if the site had been developed as a wholesale redevelopment;
 - The site should be considered in isolation and would not establish a precedent for relaxing non-residential floor space ratios in the Study Area as a whole.
- That consideration be given to a number of actions to assist in maximising street activation.

2. Does the Planning Study support the intent of the Planning Proposal?

The Planning Study clearly indicates that the minimum non-residential FSR requirement of 0.5:1 on the western side of the Pacific Highway is clearly achievable and feasible, especially where a site is completely redeveloped (i.e. all existing buildings and structures are demolished and a new development constructed in its place).

Despite this, Planning Study also acknowledges that the subject site is unique. In particular, the site contains a recently completed adaptive reuse of a former hotel which has a relatively small building footprint at the ground level. Such a development was not originally envisaged by the planning controls.

The small building footprint has resulted in the required level of non-residential floor space under NSLEP 2013 to be forced up to the first floor level. However, the Planning Study indicates that there is no demand for non-residential floor space located at the first floor level in this locality.

Furthermore, the Planning Study indicates that if the non-residential FSR is relaxed on the subject site such that the non-residential floor space is only provided at the ground floor level of the building, it will not result in the setting of a precedent. This is due to the site's unique characteristics and negligible impact upon the overall supply of non-residential floor space in the locality.

3. Conclusion

In accordance with the Council resolution of 19 May 2014 to the assessment of the Planning Proposal for 200-220 Pacific Highway, Crows Nest, a Planning Study has been prepared for land zoned *B4-Mixed Use* under NSLEP 2013 covering both the subject site and southern portion of the Crows Nest Town Centre.

It is considered that the Crows Nest South Planning Study supports the intent of the Planning Proposal and it is unlikely to result in the setting of a precedent nor adversely impact upon the level of non-residential floor space provided in this locality.

It is therefore recommended that the Planning Proposal be supported and forwarded to the Department of Planning and Environment, seeking a Gateway Determination under s56 of the EP&A Act 1979.