

## Eastern Harbour City

IRF20/3677

### Gateway determination report

<b>LGA</b>	North Sydney Council
<b>PPA</b>	Sydney North Planning Panel
<b>NAME</b>	Alfred Street Precinct (156 homes, 10,127m <sup>2</sup> commercial floor space)
<b>NUMBER</b>	PP_2020_NORTH_005_00
<b>LEP TO BE AMENDED</b>	North Sydney Local Environmental Plan 2013
<b>ADDRESS</b>	<ul style="list-style-type: none"> <li>• 283 Alfred Street, North Sydney;</li> <li>• 275 Alfred Street, North Sydney;</li> <li>• 271- 273 Alfred Street, North Sydney; and</li> <li>• 263-269 Alfred Street/4 Little Alfred Street, North Sydney</li> </ul>
<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Lot 14, DP 67882; Lot 15, DP 67882; Lot 16, DP 67882; Lot 3, DP 554750; Lot 1, DP 554749;</li> <li>• Lot 1, DP 54856;</li> <li>• SP 6830; and</li> <li>• SP 71563 and SP 71454</li> </ul>
<b>RECEIVED</b>	16 June 2020
<b>FILE NO.</b>	IRF20/3677
<b>POLITICAL DONATIONS</b>	There are no donations or gifts to disclose and a political donation disclosure is not required
<b>LOBBYIST CODE OF CONDUCT</b>	There have been no meetings or communications with registered lobbyists with respect to this proposal

## 1. INTRODUCTION

### 1.1 Description of planning proposal

The planning proposal seeks to amend the planning controls under the North Sydney Local Environmental Plan (LEP) 2013 for the subject site known as the Alfred Street Precinct by:

- rezoning the site from B3 Commercial Core to B4 Mixed Use;
- increasing the maximum building height from 13m to a range of heights being, 28m, 29m, 31m and 80m;
- increasing the floor space ratio (FSR) control for part of the site from 3.5:1 to 7.3:1; and
- introducing a design excellence provision to allow for an additional FSR of 2:1 for the portion of the site that seeks the base FSR increase.

The planning proposal if approved would facilitate a mixed-use development comprising 156 residential dwellings and 10,127m<sup>2</sup> of commercial floor space at the site.

## 1.2 Planning Background

### Previous Planning Proposal and Pre-Gateway Review (2015)

A previous planning proposal was lodged to North Sydney Council in September 2015 for the Bayer Building at 275 Alfred Street which sought to rezone the site from B3 Commercial Core to B4 Mixed Use, increase the maximum building height from 13m to 85m and increase the maximum floor space ratio from 3.5:1 to 10.2:1.

On 15 February 2016, Council resolved to not support the planning proposal. Following this decision, Mecone on behalf of Benmill Pty Ltd requested a pre-Gateway review. The pre-Gateway review was referred to the former Joint Regional Planning Panel (JRPP).

On 13 September 2016, the former JRPP considered the proposal and determined that the proposal should not be submitted for a Gateway determination. In its decision the former JRPP provided the following advice (**Attachment F**):

- *The Panel considers that this site and the street block zoned B3 in which it is located is isolated from the main commercial centre of North Sydney and closely related to the adjoining residential area. Therefore, a change in zoning that would allow residential use in the street block, would be appropriate;*
- *The main reason why the Panel does not recommend that this planning proposal proceed to Gateway Determination is that it deals with one site only rather than the area zoned B3 in which it is located. This piecemeal approach is contrary to the strategic intent of zoning decisions. In addition, the planning proposal leads to this site having three times the development potential of the other sites within the B3 zone. It fails to achieve the desirable separation distances between residential buildings and adversely affects the development potential of the adjoining sites; and*
- *The Panel considers that, in any future planning proposal for the block zoned B3, it would be appropriate to grant this site the density it now enjoys by virtue of the existing building on it, with some additional height so that a mixed use building with appropriate amenity may be developed on it. As concerns the other sites within the B3 zone, the existing density of 3.5:1 may be combined with some additional height, so that it becomes possible to develop them to their development potential for mixed use buildings with appropriate amenity.*

### Revised Planning Proposal and Rezoning Review (2019)

On 22 March 2019, Mecone submitted a revised planning proposal to Council. The revised proposal seeks to address the concerns raised by the former JRPP by incorporating the remaining sites in the precinct that were not subject to the original proposal.

On 27 June 2019, Mecone lodged a rezoning review request with the Department, as Council had failed to indicate its support for the proposal within 90 days (**Attachment A1**).

On 5 November 2019, the Sydney North Planning Panel considered the rezoning review request and determined that the proposal should be submitted for a Gateway determination (**Attachment G**).

In its determination the Panel recommended Gateway conditions that should be addressed prior to the commencement of public exhibition of the proposal:

- The proposal should be accompanied by a site specific DCP with special attention given to the amalgamation pattern, built form, width of footpath and public domain, and the provision of publicly accessible spaces on the site.
- The proposal should establish a methodology for the protection and embellishment of nearby public parks, which may be achieved as a public benefit offer.
- The proposal should provide a more detailed review of the shadow impact of the proposal on surrounding public open space and residential properties so as to minimise overshadowing.
- There needs to be clarification of the provision of affordable housing in the project which may be achieved as a public benefit.

While one panel member agreed with the decision to recommend that the proposal should proceed to Gateway, he considers that the height of the Bayer building site should be restricted to a maximum of 70m.

On 16 June 2020, following the Panel's determination, the planning proposal was lodged with the Department for a Gateway determination.

### 1.3 Site description

The site (**Figure 1**) is rectangular in shape and encompasses a total site area of approximately 5,217m<sup>2</sup>. The site is bound by a 120m western frontage to Alfred Street, 43m southern frontage to Whaling Road and a 120m eastern frontage to Little Alfred Street. The site comprises the following four distinct properties. A description of each of these properties and their existing developments is provided below.



**Figure 1:** Site identification map (Source: Nearmap)

#### 263-269 Alfred Street/4 Little Alfred Street, North Sydney

The property (**Figure 2**) comprises a split 3-5 storey strata building comprising a range of townhouses and residential units. The site also encompasses units that are utilised for commercial purposes.



**Figure 2:** View of 263-269 Alfred Street from west (Source: Mecone)

### 275 Alfred Street, North Sydney

This property comprises the 'Bayer Building' (**Figure 3**) which was constructed in 1971. The development is an 18-level commercial building that comprises a ground floor retail level and 17 levels of office space providing a net lettable area of approximately 7,920m<sup>2</sup>. The existing development at the site is approximately 61m in height including the Bayer signage panel above the building.

### 271-273 Alfred Street, North Sydney

The site comprises a 3-4 storey commercial building (**Figure 3**) with a total of approximately 1,490m<sup>2</sup> of lettable commercial floor space. The site has dual frontages, bounded by Alfred Street to the west and Little Alfred Street to the east.

### 283 Alfred Street, North Sydney

The site is located at the northern boundary of the precinct with dual frontages to Alfred Street to the west and the corner of Little Alfred Street to the east. The existing development at the site comprises a 3-4 storey commercial building (**Figure 3**) with approximately 1,740m<sup>2</sup> of lettable commercial floorspace.



**Figure 3:**View from the north west 283 Walker Street (left), 275 Walker Street (centre) and 271-273 Walker Street (right) (Source: Mecone)

#### **1.4 Existing planning controls**

All properties within the Alfred Street Precinct are subject to the same planning controls under the North Sydney LEP 2013. Of note are the following controls:

- The precinct is zoned B3 Commercial Core (**Figure 4**)
- The maximum height of buildings is 13m (**Figure 5**); and
- The maximum FSR control is 3.5:1 (**Figure 6**).

It should also be noted that under North Sydney LEP 2013 clause 25 of Schedule 1 Additional Permitted Uses, residential accommodation is already permissible with consent at part of the site, being 263 Alfred Street (Building D).

The site does not contain any heritage items, nor is it located within a heritage conservation area (HCA). However, the site adjoins the Whaling Road HCA to its north, east and south east. The Whaling Road HCA is characterised by low scale residential development and includes a range of heritage items as depicted in **Figure 7**.

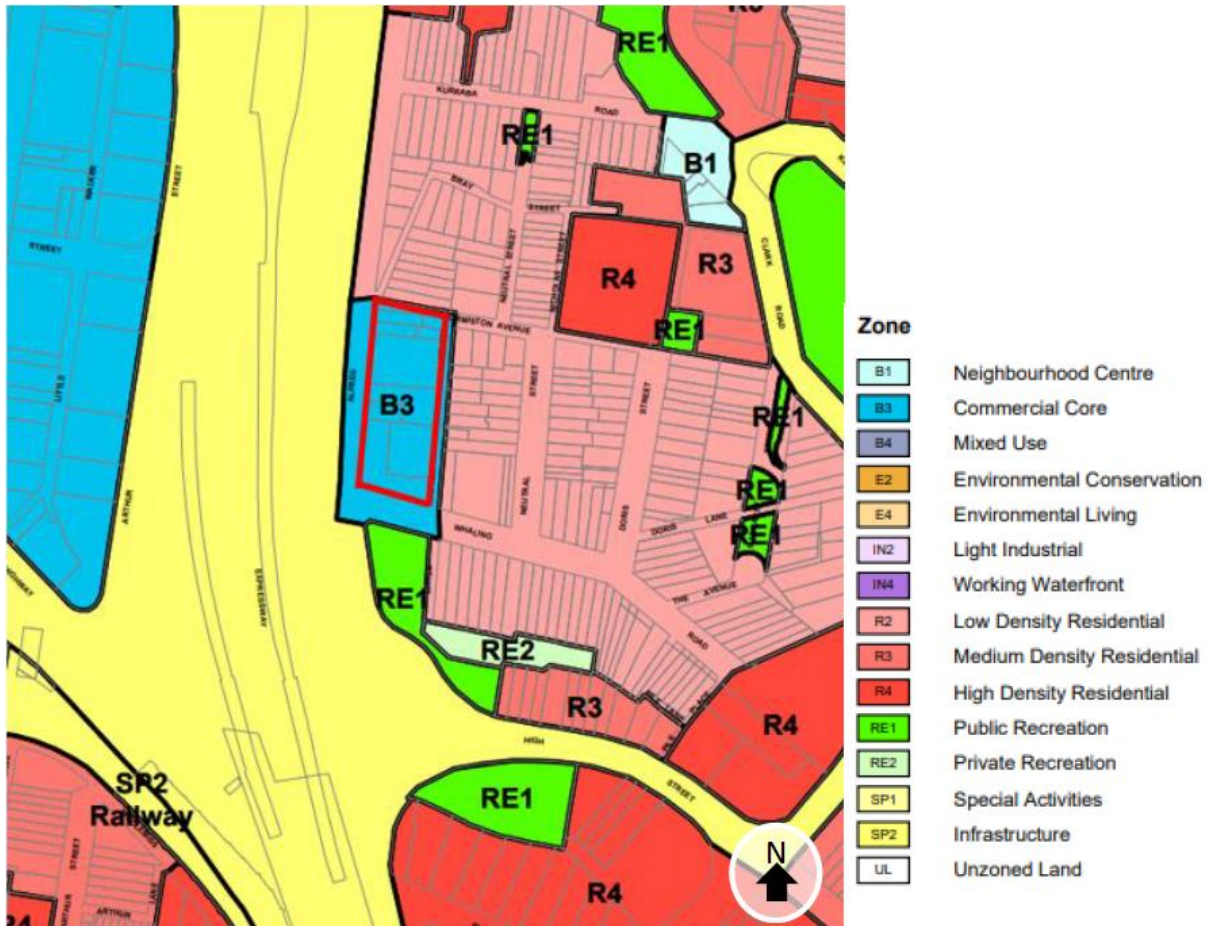


Figure 4: North Sydney Land Zoning Map (North Sydney LEP 2013)



Figure 5: North Sydney Height of Buildings Map (North Sydney LEP 2013)

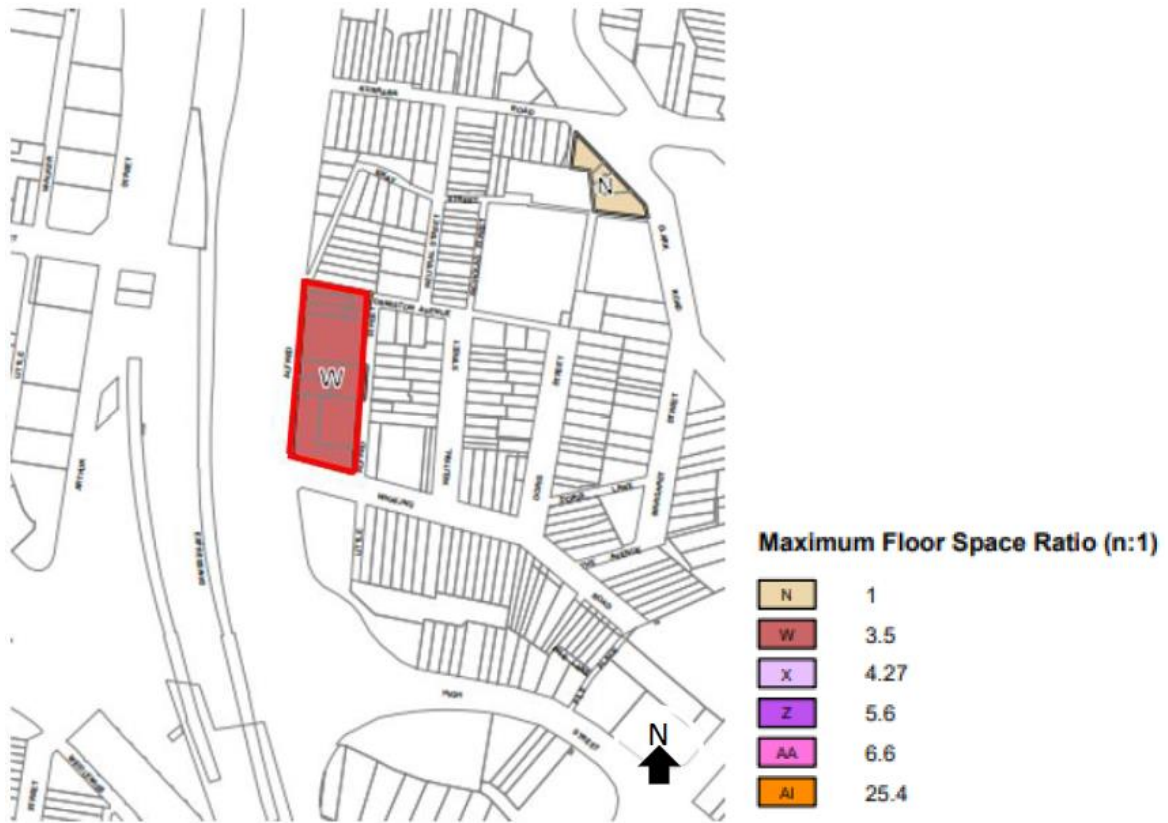


Figure 6: North Sydney FSR Map (North Sydney LEP 2013)

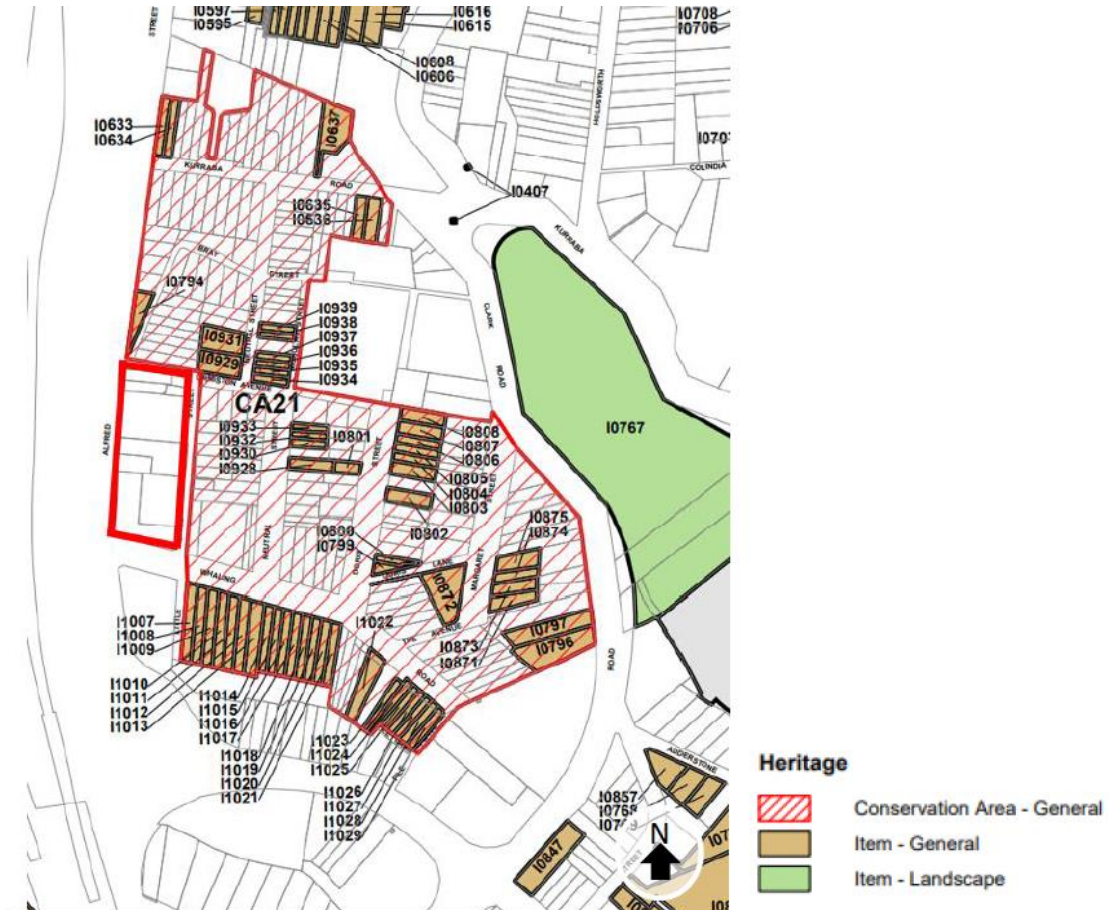


Figure 7: North Sydney Heritage Map (North Sydney LEP 2013)

## 1.5 Surrounding area

The site is situated between the North Sydney CBD and low-density residential buildings to the north and east which comprise the Whaling Road Conservation Area. The Victoria Cross Metro Station, which is due to open in 2024, is approximately 500m to the north west of the site and the existing North Sydney Station is approximately 400m to the west.

To the north and east of the site is the Whaling Road Heritage Conservation Area which is characterised by low scale residential dwellings, being primarily terrace houses and detached dwellings of 1-3 storeys in height. West of the site is the Warringah Expressway and beyond the Warringah Expressway is the North Sydney CBD comprising of predominantly commercial offices with some retail and residential uses. South of the site opposite Whaling Road is a public reserve owned by the Roads and Maritime Services branch of Transport for NSW, which acts as a buffer between the Warringah Freeway, Alfred Street and the low scale residential areas.

A site locality map is provided at **Figure 8** and an aerial photograph depicting the site's context in relation to the North Sydney CBD is provided at **Figure 9**.

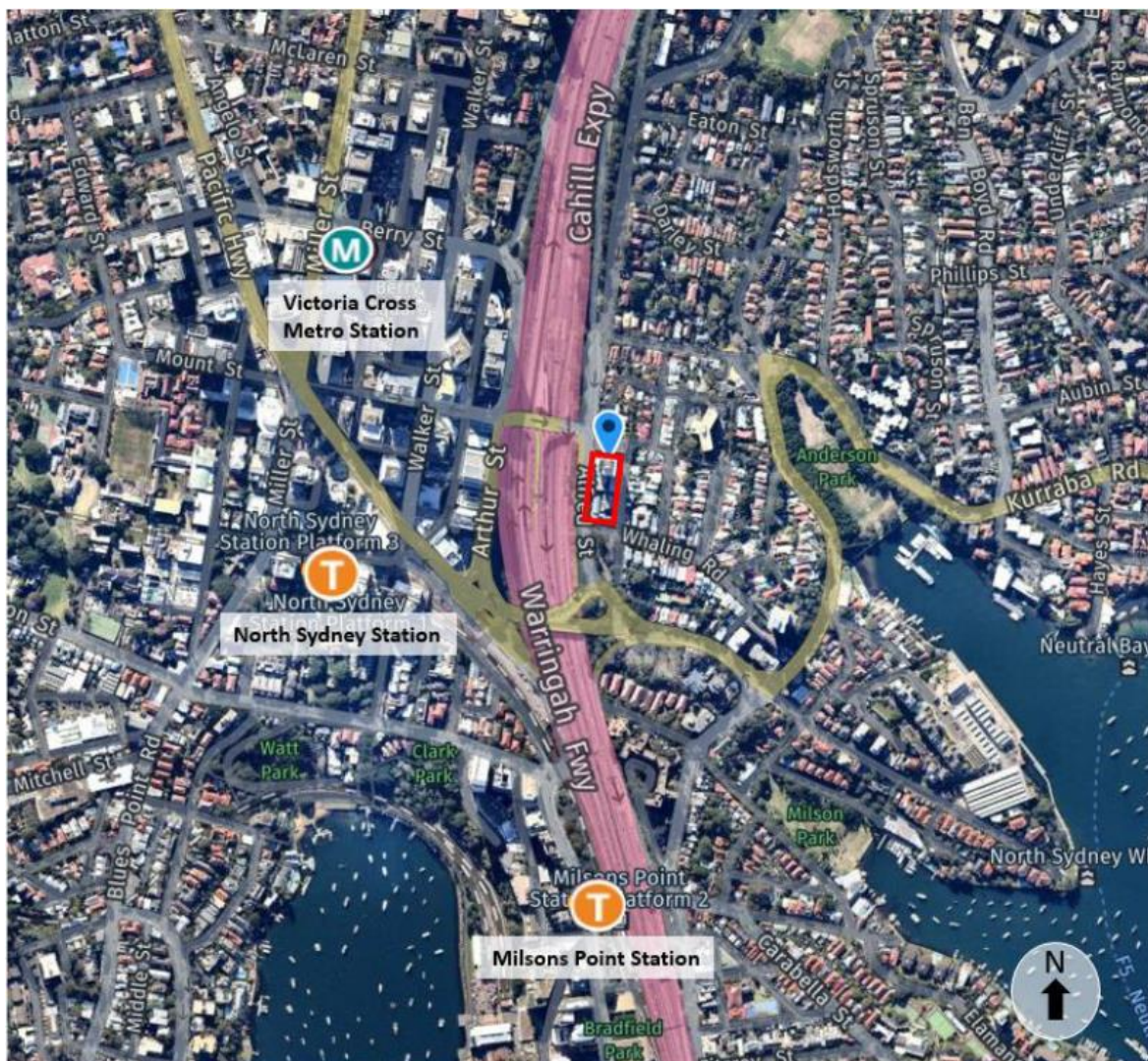


Figure 8: Site Locality Map (source: Nearmap)





Figure 9: Aerial Photo view from south east (Source: Grimshaw)

## 1.6 Summary of recommendation

The proposal is considered to demonstrate site specific and strategic merit and is recommended to proceed to Gateway as it:

- Seeks to facilitate the development of 156 new residential units, contributing to North Sydney's housing target under the North District Plan.
- Balances the need to support the growth of the North CBD whilst also providing an appropriate transition towards adjoining low scale residential areas.
- Seeks to revitalise the existing primarily commercial development at the site by creating an activated precinct that retains a suitable level of commercial offering.
- The provision of additional residential accommodation will place downward pressure on housing affordability.
- Includes the provision of affordable rental housing.
- Seeks to leverage off and support the NSW Government's investment in the Sydney Metro Project.
- Is located in a strategic location with excellent access to infrastructure and services associated with the North Sydney CBD and surrounds.

- Is anticipated to generate a range of economic benefits, through its provision of activated commercial floorspace and stimulation of the construction industry.
- Will provide public benefits including public domain improvements, a pedestrian arcade and through site links.

The proposal will be required to proceed with conditions as:

- The proposal does not address its consistency with the North Sydney LSPS or LHS.
- The proposal does not adequately demonstrate that the proposed development will not have unacceptable impacts on the adjacent Whaling Road Heritage Conservation Area.
- The planning proposal documentation is considered to be unclear due to it containing conflicting information.

## **2. PROPOSAL**

---

### **2.1 Objectives or intended outcomes**

The proposal outlines that its intended outcome is to facilitate the renewal of the Alfred Street Precinct in a manner which is consistent with the JRPP's recommendation and Council's draft Alfred Street Precinct Planning Study.

The proposed amendments are intended to allow for a mixed-use development at the site comprising residential and commercial uses which seek to create an appropriate transition between the North Sydney CBD and adjacent lower density residential zones.

The objectives and intended outcomes contained within the planning proposal are considered to be clear and are not required to be updated prior to public exhibition.

### **2.2 Explanation of provisions**

The proposal seeks to achieve its intended outcomes through the following amendments to the North Sydney LEP 2013:

- Rezone all properties within the Alfred Street Precinct from B3 Commercial Core to B4 Mixed Use;
- Increase the maximum height of building controls from 13m to:
  - 31m at 283 Alfred Street;
  - 80m at 275 Alfred Street;
  - 28m at 271-273 Alfred Street; and
  - 29m at 263-269 Alfred Street/4 Little Alfred Street;
- Increase the FSR control at 275 Alfred Street from 3.5:1 to a base FSR of 7.3:1, which is the FSR of the existing development at the site; and
- Insert a design excellence provision pertaining to 275 Alfred Street, allowing for an additional FSR provision of 2:1 subject to successfully undertaking a design competition. This provision is to be triggered if the height of the building exceeds 62m.

It should be noted that the proposal retains the existing FSR control of 3.5:1 for 271-273 Alfred Street, 283 Alfred Street and 263-269 Alfred Street/4 Little Alfred Street.

The explanation of provisions as detailed in the planning proposal is considered to be clear and is not required to be updated prior to the commencement of public exhibition.

### **2.3 Mapping**

The proposal will require mapping amendments to Sheets \_002A of the Land Zoning, Floor Space Ratio and Height of Building Maps contained in the North Sydney LEP 2013.

The planning proposal clearly depicts the existing and proposed controls and the maps contained within the planning proposal documentation are considered to be adequate for the purpose of public exhibition.

## **3. NEED FOR THE PLANNING PROPOSAL**

---

The proposal is required to facilitate the proposed development at the site which seeks to respond to the growth of the North Sydney CBD and the recent investment in the new Sydney Metro project. The proposed planning controls seek to respond to the former JRPP's recommendations and the Council's draft Alfred Street Precinct Study. The proposal has been determined to demonstrate both strategic and site-specific merit by the Sydney North Planning Panel.

The planning proposal is considered to be the best means of achieving its intended outcomes as the extent of the proposed provisions are considered too extensive for the use of a clause 4.6 based development application.

## **4. STRATEGIC ASSESSMENT**

---

### **4.1 North District Plan**

On 18 March 2018, the Greater Sydney Commission published the North District Plan. The District Plan establishes the planning priorities and actions to guide the growth of the district whilst seeking to improve its social, economic and environmental assets.

The planning proposal is considered to be consistent with and actively seeks to ensure the implementation and vision of the District Plan. The following planning priorities are considered to be of particular relevance to the proposal:

- ***N5: Providing housing supply, choice and affordability with access to jobs, services and public transport***

The planning proposal is considered to be consistent with the priority as it seeks to promote the delivery of housing supply in a strategic location. The proposal includes the delivery of 156 new residential apartments contributing to the District's and LGA's housing supply targets.

The site is located on the periphery of the North Sydney CBD with its range of services, allowing for increased housing supply in a location with excellent access to jobs and services.

The site is also located in proximity to transport infrastructure being 500m from the imminent Victoria Cross Metro Station and 400m from the existing North Sydney Railway Station. Additionally, the site is also serviced by bus services operating along the Pacific Highway. The proximity to transport infrastructure will provide new residents with access to the jobs and services available in the range of strategic and metropolitan centres throughout Greater Sydney.

- ***N7: Growing a stronger and more competitive Harbour CBD***
- ***N10: Growing investment, business opportunities and jobs in strategic centres***

The subject site is located on the periphery of the North Sydney CBD, which forms part of the Eastern Harbour CBD under the District Plan. It is noted that the proposed provision of commercial floorspace is less than the existing developments across the site. However, as outlined in the Economic Impact Assessment that accompanies the proposal (**Attachment A4**), the Bayer Building tower is coming to the end of its economically viable lifespan. The proposed development seeks to provide 10,127m<sup>2</sup> of revitalised commercial floorspace at the site, which is anticipated to create an active mixed-use precinct with a range of commercial offerings.

The mixed-use approach to the site which includes the provision of 156 new residential units is also anticipated to support the growth of the Harbour CBD through increased retail expenditure and increased demand for goods and services. The precinct is anticipated to play a supportive role which actively seeks to strengthen the competitiveness of the Harbour CBD.

- ***N12: Delivering integrated land use and transport planning and a 30-minute city***

The planning proposal is considered to be consistent with the planning priority and actively supports its implementation. The proposal is considered to respond to the NSW Government's recent investment in the new Sydney Metro project and the construction of Victoria Cross Metro Station. The site is located within 500m of the new Metro Station and 400m from the existing North Sydney Station and is considered to promote the vision for a 30-minute city.

In addition to this, the site's location on the periphery of the North Sydney CBD is also considered to provide an integrated approach to land use. North Sydney is the third largest employment centre in Greater Sydney and the provision of new residential dwellings and revitalised employment floorspace in proximity to the North Sydney CBD is considered to support its growth and is considered a suitable area for the provision of additional housing.

- ***N19: Increasing urban tree canopy and delivering Green Grid connections***

The proposal is considered consistent with the direction as it seeks to improve the site's tree canopy and establish green grid connections. The reference scheme and site-specific DCP demonstrate that the proposed development will incorporate mature landscaping throughout its setbacks and public arcade.

## **4.2 Local**

### **North Sydney Local Strategic Planning Statement Local Housing Strategy**

The planning proposal does not include a discussion of its consistency with either the North Sydney Local Strategic Planning Statement (LSPS) or North Sydney Local Housing Strategy (LHS). However, it is noted that during the preparation of the planning proposal both the LSPS and LHS were not endorsed strategic planning documents.

Despite this, prior to exhibition the proposal must be updated to demonstrate consistency with both the North Sydney LSPS and LHS. This is to be submitted to

the Department and approved prior to the proposal proceeding to public exhibition. This is reflected in the recommended conditions of the Gateway determination.

### North Sydney Council's Draft Alfred Street Precinct Study

The draft Alfred Street Precinct Study (ASPS) was prepared by Council in response to the original 2015 planning proposal pertaining to 275 Alfred Street, North Sydney (the Bayer Building). The draft ASPS sought a holistic approach to planning across the entire precinct and sets out a preferred urban design scheme for the site and a range of built form guidelines.

On 26 March 2018, the draft ASPS was adopted by Council and endorsed to be placed on exhibition. Following exhibition, the draft ASPS was referred to the Council meeting of 29 January 2019 where Council resolved not to adopt the draft ASPS despite Council officers recommending that it be supported.

The proposal has been prepared with consideration of the draft ASPS primarily in relation to its built form. The built form of the development and comparisons to the draft ASPS are considered in Section 5.2 of this report.

### **4.3 Section 9.1 Ministerial Directions**

The planning proposal is considered to be consistent with all section 9.1 Ministerial Directions, the following directions are considered to be of particular relevance to the proposal:

#### 1.1 Business and Industrial Zones

The direction applies as the planning proposal applies to land that is zoned B3 Commercial Core and seeks to rezone the site to B4 Mixed Use, both zones are considered to be business zones under the standard instrument LEP.

It is noted that the intended development outcome is likely to result in a net decrease in commercial floor space. As indicated in the planning proposal documentation if the proposed development at the site is to be carried out it will result in a reduction of commercial floor space from the existing provision of 11,671m<sup>2</sup> to 10,127m<sup>2</sup>.

The Economic Impact Assessment (EIA) prepared by AEC Group Pty Ltd that accompanies the proposal (**Attachment A4**) outlines that despite the proposal resulting in a net reduction of commercial floor space, it is anticipated that it will generate an additional 39 full time equivalent jobs when compared to the existing development scenario.

It should also be noted that the proposal seeks to improve the type and quality of commercial floor space provided at the site, encouraging the location of start-ups and creative industries. The proposed development also includes a greater provision of commercial floor space than is recommended by Council's draft Alfred Street Planning Study as discussed above in Section 4.2 of this report.

Despite the abovementioned reduction in commercial floor space, as the proposed amendments actually increase the potential commercial floor space across the site, the proposal is considered to be consistent with the requirements of the direction.

#### 2.3 Heritage Conservation

Although the site does not contain any items of heritage significance, the direction is relevant to the proposal as the subject site is adjoined by the Whaling Road HCA (**Figure 7**).

The planning proposal is not accompanied by a Heritage Impact Assessment. However, consideration of the adjacent HCA is evident in both the planning proposal and Urban Design Report. The proposed mitigation measures are discussed in detail throughout Section 5.2 of this assessment report.

The proposal is considered to be consistent with the direction as it contains provisions that facilitate the conservation of adjoining heritage. However, it is considered that the proposal should be supported by a HIA that is prepared by a suitably qualified professional to ascertain that the potential impacts are acceptable. This is reflected in the recommended conditions of the Gateway determination.

### 3.1 Residential Zones

The direction applies as the site seeks to rezone the site to B4 Mixed Use, which is a zone that allows for significant residential development. The planning proposal is considered consistent with the requirements of the direction as it seeks to facilitate the delivery of 156 new residential dwellings, ensuring that the locations and choices available in the housing market are broadened. This is anticipated to have a positive impact on the housing market as the sizeable increase in housing supply will assist by alleviating property prices in an inner city location. Additionally, the proposal also seeks to provide for affordable rental accommodation further alleviating stress on the housing market.

The proposal will ensure the more efficient use of existing and planned infrastructure and services due the location of the site. The proposal seeks to facilitate the intensification of residential uses in proximity to existing infrastructure and services in the North Sydney CBD, including transport and social infrastructure. Additionally, the proposal also seeks to leverage off and provide for the efficient use of planned transport infrastructure associated with the NSW Government's recent investment in the Sydney Metro project as it is located in proximity to the imminent Victoria Cross Metro Station.

The proposal is also considered to be consistent with the direction's requirement to reduce the consumption of land for housing and urban development as it seeks to intensify residential uses at a strategically located brownfield site. This will allow for a development that has minimal impact on the natural environment as the site is located in an existing urban area.

### 3.4 Integrating Land Use and Transport

As the planning proposal applies to land that is located within 500m of the imminent Victoria Cross Metro Station and 400m of the existing North Sydney Railway Station, the direction applies.

The proposed provision of revitalised commercial floor space and new residential accommodation in proximity to these high class public transport services will allow for a more efficient use of nearby existing services in the North Sydney CBD, whilst also providing excellent accessibility to other metropolitan and strategic centres located throughout the Greater Sydney Region.

The location of the site at the periphery of the North Sydney CBD and its associated infrastructure is also considered to promote the opportunity to live, work and play within a walkable neighbourhood.

The planning proposal is considered to be consistent with the direction as it seeks to undertake an integrated approach to land use and transport planning and incorporates the ideals of transit oriented development.

#### **4.4 State environmental planning policies (SEPPs)**

The planning proposal is considered to be consistent with and does not hinder the application of any SEPPs. The following two SEPPs are considered of particular relevance to the proposal:

##### SEPP 55 – Remediation of Land

As the planning proposal seeks to amend the site's zoning, the potential for contamination at the site must be considered. The planning proposal states that the site will be appropriately remediated to ensure it is suitable for residential development and that this will be further addressed at the development application stage.

It is considered that the existing commercial uses at the site are unlikely to have resulted in any major contamination. It is noted that the planning proposal seeks to rezone the site to permit residential uses. However, the land use mix at the site is unlikely to change as residential uses are already present at the site and permitted to part of the site under Schedule 1 of the North Sydney LEP 2013.

As such, it is considered appropriate to consider contamination in greater detail at the development application stage.

##### SEPP 65 – Apartment Design Guide

The Urban Design Report prepared by Grimshaw Pty Ltd (**Attachment A3**) that accompanies the planning proposal demonstrates that the concept building envelope is capable of achieving compliance with the requirements of the SEPP.

A SEPP 65 compliance table is included at Page 64 of the Urban Design Report and demonstrates that the concept envelope is capable of achieving compliance with all relevant ADG requirements, including building separation, overshadowing and solar access.

The proposal is therefore considered to be consistent with the SEPP, however it is noted that further assessment will be required at the development application stage.

## **5. SITE-SPECIFIC ASSESSMENT**

---

### **5.1 Social**

The planning proposal is anticipated to result in a range of public benefits, primarily through the proposed provision of public domain improvements, affordable housing, landscaping and site permeability. The proposal will create an activated precinct that revitalises the existing commercial core of the site, whilst also improving its pedestrian connection between the North Sydney CBD and adjoining residential area.

As part of its determination of the recent rezoning review, the Sydney North Planning Panel recommended the following for consideration in the assessment of the Gateway determination:

- *There needs to be clarification of the provision of affordable housing in the project which may be achieved as a public benefit.*
- *The proposal should establish a methodology for the protection and embellishment of nearby public parks, which may be achieved as a public benefit offer.*

In response to the Panel's recommendation, the proposal has been accompanied by a letter of offer (**Attachment A7**) which outlines the proponent's willingness to provide the following contributions via a Voluntary Planning Agreement (VPA):

- *Either monetary contributions towards affordable housing and/or provision of affordable housing within the North Sydney Local Government Area and the monetary value will need to be negotiated with the Planning Proposal Authority.*
- *Monetary contribution towards the upgrades of surrounding public open spaces (with the option of upgrading Alfred Street Park North). The monetary value will need to be negotiated with the Planning Proposal Authority and the public open spaces to be upgraded will also need to be discussed with the Planning Proposal Authority.*
- *Monetary contribution towards the upgrade of the Mount Street overpass with the monetary value to be negotiated with the Planning Proposal Authority.*
- *Upgrade works to the footpaths along all street frontages, with the value and scope of works to be negotiated with the Planning Proposal Authority.*
- *Works for ground floor pedestrian arcade, with the value and scope of works to be negotiated with the Planning Proposal Authority.*

It is noted that the draft site-specific DCP that accompanies the proposal includes a provision that seeks to ensure that a VPA for the site is made which includes the abovementioned contributions. However, it remains uncertain if these benefits will be delivered within a future development at the site as the VPA and draft site-specific DCP are not finalised.

The potential monetary values and final VPA will need to be negotiated through a separate process to the proposal with Council as the consent authority. As Council is not the PPA for this proposal, the letter of offer should be updated prior to the commencement of public exhibition to demonstrate the proponent's intent to negotiate the specifics of the VPA with Council as the consent authority.

#### Affordable Housing:

As discussed above, the planning proposal is accompanied by a letter of offer (**Attachment A7**), which outlines the proponent's willingness to contribute a monetary contribution and/or the provision of affordable housing in the delivery of the proposed development. The original planning proposal documentation outlined that the proposal seeks to deliver approximately 10% of housing within the scheme as affordable housing.

It is noted that the Panel's recommendation seeks clarification surrounding the provision of affordable housing as part of the project. However, as mentioned the specifics surrounding the negotiation of the VPA and monetary contributions will need to be settled with Council via a separate process to the planning proposal. Notwithstanding, the delivery of affordable housing as part of the anticipated future development at the site is considered to provide a significant public benefit.

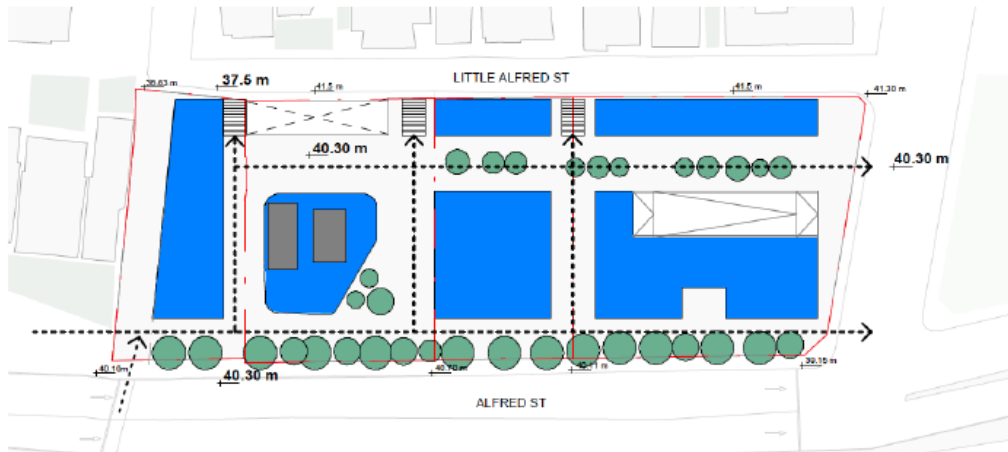
#### Open Space and Public Domain Improvements:

As part of its determination the Panel recommended that a site-specific DCP (**Attachment A8**) be prepared for the site which is to include consideration of the public domain and provision of publicly accessible spaces within the site.

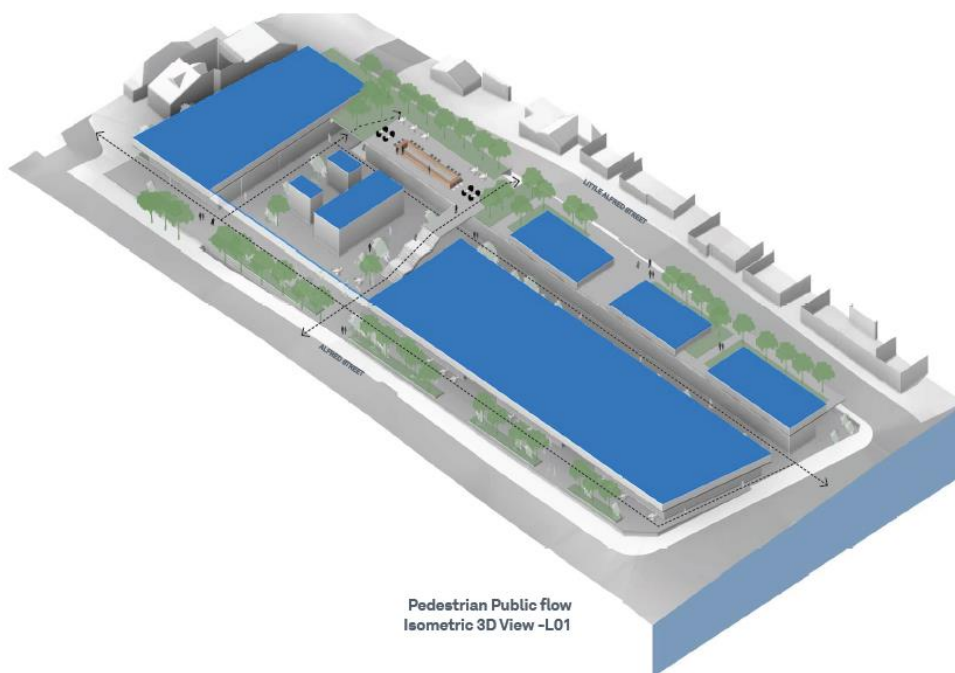
The proposed development includes the provision of a new pedestrian arcade at the site. The arcade would be linked through the precinct at ground level and centred



around the Bayer Building tower. The first level of the tower is to be adapted to enable a central entry space and a connection to the arcade. The proposal also includes the provision of an additional north-south pedestrian link between buildings C and D. The draft site-specific DCP includes provisions at sections 1.1.7 and 1.1.9 that seek to ensure the satisfactory provision of the pedestrian arcade and public domain improvements (**Figures 10-11**).



**Figure 10:** Proposed pedestrian arcade at ground level (Source: Proponent's draft site-specific DCP)



**Figure 11:** Proposed pedestrian arcade and pedestrian flows (Source: Proponent's draft site-specific DCP)

The provision of the pedestrian arcade is considered to provide a public benefit as it will increase the permeability of the site and improve the pedestrian experience, transitioning from the North Sydney CBD to the adjacent residential areas.

The pedestrian arcade centred around the Bayer tower will also provide a range of retail offerings, which will benefit adjoining residents who currently need to cross the Warringah Expressway to access retail and service offerings.

Additionally, the proponent has demonstrated a willingness to provide monetary contributions towards the upgrade of surrounding public open space, with the option to include works to upgrade the adjoining Alfred Street Park North. The range of

public domain improvements that are anticipated to derive from the proposal are considered to provide a suitable public benefit.

## 5.2 Environmental

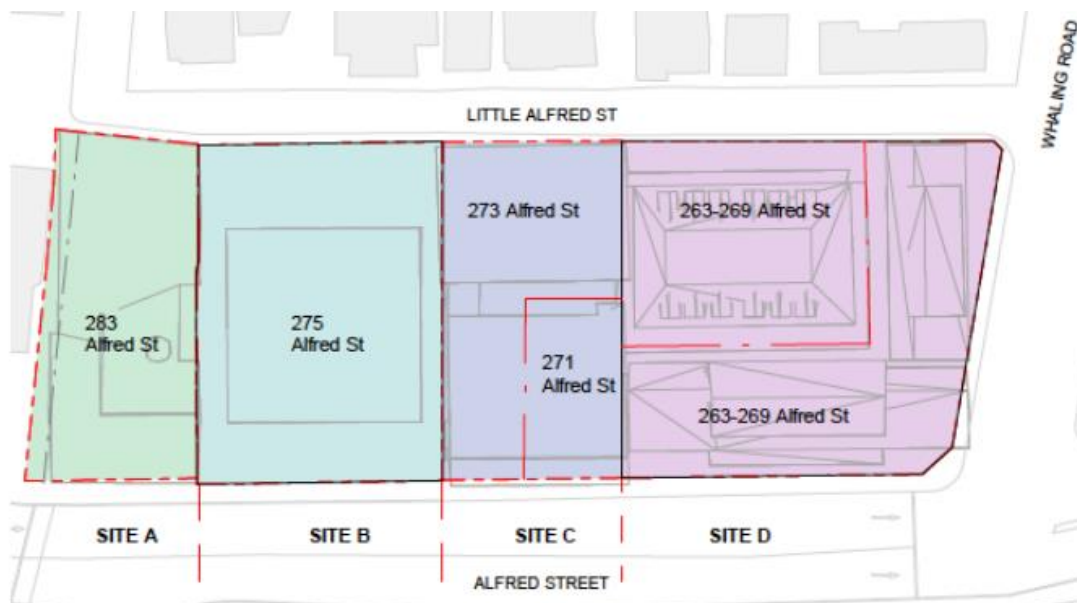
As the subject site is located in an established urban area and seeks to provide infill development, it is not anticipated to have any major natural environmental impacts. The assessment of the proposed development includes the consideration of a range of built environment elements and potential amenity impacts on surrounding development.

### Amalgamation Pattern:

The Sydney North Planning Panel recommended as part of its rezoning review determination that a site specific DCP be prepared for the site. One of the key elements identified by the Panel to form part of the site specific DCP was consideration of the site's amalgamation pattern.

The proposed amalgamation pattern is outlined in section 1.1.8 of the proposed site-specific DCP which accompanies the proposal (**Attachment A8**). The amalgamation of the precinct will include four unique sites (**Figure 12**):

- **Site A** - 283 Alfred Street;
- **Site B** - 275 Alfred Street;
- **Site C** - amalgamation of 271 and 273 Alfred Street; and
- **Site D** - amalgamation of 263-269 Alfred Street and 4 Little Alfred Street.



**Figure 12:** Proposed Site Amalgamation Pattern (Source: Proponent's site-specific DCP)

The proponent has outlined that difficulties have occurred in attempts to acquire 283 Alfred Street and amalgamate the site with 275 Alfred Street. The proponent has demonstrated that they have attempted to acquire the site at a fair market price, however, has been unsuccessful.

283 Alfred Street (Site A) is considered to be a site that can be redeveloped independently, as such the inability to amalgamate the site should not preclude the progression of the planning proposal. The proposal is also considered to satisfy the Panel's recommendation to consider the amalgamation pattern of the site in the preparation of the site specific DCP.

However, it should be noted that adoption of the site-specific DCP would still be dependent on negotiations between the proponent and Council, separately to this planning proposal process. These negotiations are able to continue for the subject site until the lodgement of a future development application.

### Built Form

As discussed, the proposal is supported by an Urban Design Report prepared by Grimshaw Pty Ltd, which outlines an indicative concept design for the site (**Attachment A3**). The proposed built form of the site has been designed with a range of mitigation measures in place and seeks to rejuvenate the site which its existing form is considered to form an unattractive element of the North Sydney skyline.

The proposed development incorporates a 3 storey podium at site's A, C and D which is consistent with the height of the existing developments at the site. The concept design also demonstrates that a fine grain residential built form will be provided at rear of site at the residential interface of the Whaling Road HCA.

The proposed development includes building heights of up to 30m on these sites allowing for a potential of 8 storeys. This height increase is considered to have minimal impact due to the prominence and existing impacts of the Bayer Building Tower and the podium based design incorporated with building setbacks that seek to mitigate the potential impacts on the adjoining low scale residential area.

As part of the Sydney North Planning Panel's determination of the recent rezoning review the following was noted as part of its recommendation:

- *While one panel member agreed with the decision to recommend that the proposal should proceed to Gateway, he considers that the height of the Bayer building site should be restricted to a maximum of 70m.*

With consideration of the above, the proponent has demonstrated that the additional height is required to ensure the economic viability of the project. The retention of the tower form at the existing Bayer Building site is considered to limit the potential for new amenity impacts on surrounding developments and the existing Bayer Building Tower is considered to form a prominent and unattractive element of the North Sydney skyline. The proposed built form will be subject to a design excellence process which will ensure the provision of a slender and more attractive tower at the site.

The proposed built form depicted in the Urban Design Report alongside the proposed controls contained in the draft site-specific DCP has demonstrated that the site is capable of achieving an attractive built form that achieves sufficient building separation, setbacks and solar access requirements whilst also providing an activated mixed-use precinct.



**Figure 13:** Concept scheme view from west (Source: Grimshaw)



**Figure 14:** Concept scheme view from west (Source: Grimshaw)

### Heritage:

**Figure 7** demonstrates that the site is bounded to the north, east and south east by the Whaling Road HCA. It is noted that the proposal is not supported by a Heritage Impact Assessment report, however the planning proposal and Urban Design Report (**Attachment A3**), outline the way in which the proposed development seeks to mitigate potential impacts on the adjoining HCA.

The northern component of the existing development at 283 Alfred Street (Site A) is built to the boundary interface of the adjoining Whaling Road HCA. The proposed development at the site seeks to improve the transition into the HCA by providing a

6m setback at the ground level which is to be filled with a mature landscaped buffer. This setback is intended to be increased from the original setback of 2.4m under the new site specific DCP. The proposed development also seeks to mitigate its impact on the adjacent heritage to the north by increasing the setbacks and reducing the floorplate at Site A from level 4 and above.

The proposed development will provide fine grain residential accommodation comprising 3 storeys across its Little Alfred Street frontage, which is consistent with Council's desired option as presented in the draft Alfred Street Precinct Study. This approach is considered to deliver an appropriate transition to the lower scale development to the east, which is sympathetic of its heritage value.

Development along the Little Alfred Street frontage will also include setbacks of 4.2m-4.85m which provides adequate space for mature landscaping. The proposal indicates that a landscape buffer will be provided along this frontage to create an appropriate buffer towards the adjoining HCA.

Although the proposal seeks to intensify development in proximity to the Whaling Road HCA, it is evident that the proposed development has been designed with consideration of adjacent heritage. Despite this, it is considered that the planning proposal should be supported by a Heritage Impact Assessment (HIA) prepared by a suitably qualified professional. It is recommended that a HIA be prepared for the proposal prior to the commencement of public exhibition, this is reflected in the recommended conditions of the Gateway determination.

#### Overshadowing:

As part of its determination of the recent rezoning review, the Sydney North Planning Panel made the following recommendation:

- *The proposal should provide a more detailed review of the shadow impact of the proposal on surrounding public open space and residential properties so as to minimise overshadowing.*

In response the proponent has commissioned CAD Draft Pty Ltd as an independent overshadowing specialist to prepare an overshadowing analysis which is provided at **Attachment A9**.

Extracts from the overshadowing analysis depicting the anticipated overshadowing generated by the proposed development are provided from **Figures 15-17**. The diagrams depict overshadowing on the 21<sup>st</sup> June between 12:00pm-2:00pm.

The overshadowing analysis provides a comparison between the following:

- Existing built form and overshadowing (Grey outline);
- The envelopes proposed under the planning proposal (Red shading); and
- The envelopes proposed under Council's former planning study for the area (Grey shading).

It is noted that the overshadowing diagrams have not considered the proposed chamfering to the top of 275 Alfred Street (Site B) and therefore demonstrate the worst case scenario.



Figure 15: Overshadowing diagram (21 June – 12:00pm) (Source: John Denton)



Figure 16: Overshadowing diagram (21 June – 1:00pm) (Source: John Denton)



Figure 17 – Overshadowing diagram (21 June – 2:00pm) (Source: John Denton)

The comparison shown in the above figures demonstrates that the planning proposal will result in lesser overshadowing impacts than was proposed under Council’s draft Alfred Street Planning Study.

The proposal states that it will retain sufficient solar access between 10am-2pm at the Alfred Street Park North. The impacts of overshadowing to the Alfred Street Park North are also considered to be partially offset by the proponent’s letter of offer to enter into a VPA. The offer as discussed above in section 5.1 of this assessment report, identifies the proponent’s intent to provide a monetary contribution towards the upgrade of surrounding public open space or the option of upgrading the Alfred Street Park North.

The proposal states that it will result in minimal additional overshadowing between 1pm-3pm on 21 June to the properties along Little Alfred Street and Whaling Road. The elevational shadow diagrams demonstrate that it will result in less overshadowing than was proposed by Council’s draft ASPs.

Although it is considered inevitable that some level of overshadowing to adjacent properties will occur, the impacts of overshadowing on the heritage significance of properties and the Whaling Road HCA has not been adequately considered. As mentioned above, the recommended conditions of the Gateway determination require the preparation of a HIA. It is considered that the impact of overshadowing on nearby heritage items and properties within the Whaling Road HCA should be considered in the preparation of the HIA, this is reflected in the recommended conditions of the Gateway determination.

#### Traffic and Parking:

The planning proposal is accompanied by a Traffic Impact Assessment (TIA) prepared by The Transport Planning Partnership Pty Ltd (**Attachment A6**). The TIA

demonstrates that the proposed development's mixed-use approach will result in a net reduction of traffic generation at the site when compared to the existing commercial development. The following table provides a summary of the trip generation rates presented in the TIA:

<b>Traffic Generation</b>	<b>AM Peak</b>	<b>PM peak</b>
<b>Existing development</b>	233	175
<b>Proposed development</b>	192	145
<b>Net generation:</b>	-41	-30

The reference scheme contained in the Urban Design Report (**Attachment A3**) also demonstrates that the site can adequately accommodate the required car parking within the proposed basement. It is also noted that the parking required for the site has the potential to be reduced due to the site's proximity to public transport services.

The proposal is not anticipated to have any adverse impacts when compared to the existing scenario. With consideration of the TIA and proposed parking provision it is envisioned that the proposed development will have a minorly beneficial impact on the road network.

### **5.3 Economic**

The proposed development is anticipated to generate a range of economic benefits for the surrounding North Sydney locality. The proposal is supported by an Economic Impact Assessment (EIA) prepared by AEC Group Pty Ltd (**Attachment A4**).

Although the proposal and associated EIA concede that the proposed development is likely to result in a net reduction of commercial floorspace, it is considered that the mixed-use approach to the site will revitalise the site's commercial components. As outlined in the EIA the Bayer Building tower is coming to the end of its economically viable lifespan. The proposal is anticipated to generate economic benefits through the renewal of the site as it seeks to deliver contemporary commercial floorspace creating an activated precinct that attracts retail businesses to the site.

The provision of 156 new residential dwellings is also anticipated to have a positive impact on housing affordability in the area, reducing pressure on rental and mortgage stress. New residents will not only support the viability of the commercial uses on site, but also promote the growth of the North Sydney CBD through increased retail expenditure.

If a development application is lodged and approved for the site, the proposal will also provide much needed stimulation for the construction industry. The EIA outlines that a total of 258 direct jobs will be generated during the construction phase of the development. During the current COVID-19 pandemic the NSW Government has been committed to ensuring continued investment in the development industry through its Planning System Acceleration Program. The program has a strong focus on the stimulation of the construction industry and the progression of this proposal is considered to actively support this initiative.

## **6. CONSULTATION**

---

### **6.1 Community**



The planning proposal simply states that community consultation will be undertaken in accordance with the conditions of the Gateway determination. Due to the nature of the proposal a 28 day public exhibition period is considered to be appropriate, this is reflected in the recommended conditions of the Gateway determination.

## **6.2 Agencies**

The planning proposal provides a description of nearby infrastructure. However, does not clearly define the agencies it deems appropriate to consult with as part of the Gateway process. Due to the nature of the planning proposal the following government agencies and corporations are to be consulted during the public exhibition period:

- Roads and Maritime Services branch of Transport for NSW;
- Transport for NSW;
- North Sydney Council;
- Sydney Water;
- Ausgrid;
- NSW Health; and
- NSW Department of Education.

## **7. TIME FRAME**

---

The timeline contained in the planning proposal predates the submission of the proposal for a rezoning review. The timeline anticipated a 9 month timeframe for completion following the receipt of a Gateway determination.

As the Sydney North Planning Panel are the PPA for the proposal, it is considered that a 12 month timeframe is more appropriate to allow for some flexibility.

## **8. LOCAL PLAN-MAKING AUTHORITY**

---

As the North Sydney Planning Panel are the PPA for the planning proposal, Council is not authorised to be the Local Plan-making Authority.

## **9. CONCLUSION**

---

The proposal is considered to demonstrate site specific and strategic merit and is recommended to proceed to Gateway as it:

- Seeks to facilitate the development of 156 new residential units, contributing to North Sydney's housing target under the North District Plan.
- Balances the need to support the growth of the North Sydney CBD whilst also providing an appropriate transition towards adjoining low scale residential areas.
- Seeks to revitalise the existing primarily commercial development at the site by creating an activated precinct that retains a suitable level of commercial offering.
- The provision of additional residential accommodation will place downward pressure on housing affordability.
- Includes the provision of affordable rental housing.

- Seeks to leverage off and support the NSW Government's investment in the Sydney Metro Project.
- Is located in a strategic location with excellent access to infrastructure and services associated with the North Sydney CBD and surrounds.
- Is anticipated to generate a range of economic benefits, through its provision of activated commercial floorspace and stimulation of the construction industry.
- Will provide public benefits including public domain improvements, a pedestrian arcade and through site links.

The proposal will be required to proceed with conditions as:

- The proposal does not address its consistency with the North Sydney LSPS or LHS;
- The proposal does not adequately demonstrate that the proposed development will not have unacceptable impacts on the adjacent Whaling Road Heritage Conservation Area.
- The planning proposal documentation is considered to be unclear due to it containing conflicting information.

## **10. 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 branch of Transport for NSW;
  - Transport for NSW;
  - North Sydney Council;
  - Sydney Water;
  - Ausgrid;
  - NSW Health; and
  - NSW Department of Education.
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 not be authorised to be the local plan-making authority to make this plan.
5. Prior to the commencement of public exhibition, a Heritage Impact Assessment (HIA) is to be prepared for the site that demonstrates the proposed development will not have unacceptable impacts on the adjacent Whaling Road Heritage Conservation Area. The HIA is to have consideration of the proposed building setbacks, landscaped buffers and overshadowing impacts.

6. The planning proposal is required to be updated to create a consolidated document combining the information contained in the original planning proposal, rezoning review and additional information provided following the rezoning review. This is to ensure that the information displayed for public exhibition is consistent and easily legible for the community.
7. The planning proposal is to be updated to outline its consistency with both the North Sydney Local Strategic Planning Statement and North Sydney Local Housing Strategy. This to be submitted to and approved by the Department prior to the commencement of public exhibition.
8. The draft letter of offer to enter into a voluntary planning agreement is to be updated, to demonstrate intent to negotiate with Council as the consent authority and not the PPA.



**Luke Downend**  
**A/Director, North District**



**Malcolm McDonald**  
**Executive Director**  
**Eastern Harbour City**

Assessment officer: Bailey Williams  
Para Planner, North District  
Phone: 8275 1306