

3 March 2022

2210697

David Fitzpatrick
Manager Planning Policy
456 Kent Street
Sydney NSW 2000

Dear Mr Fitzpatrick,

Amendment to Sydney Local Environmental Plan 2012 (LEP 2012) 90 and 100-104 Brougham Street, Potts Point NSW 2011

1.0 Introduction

This letter has been prepared on behalf of Harrphil Pty Ltd in response to correspondence received from City of Sydney Council on 27 January 2022 relating to a potential amendment to Sydney Local Environmental Plan 2012 (Sydney LEP 2012) to permit hotel and motel accommodation uses on the properties at 90 and 100-104 Brougham Street Potts Point. Harrphil has been in the process of acquiring the above properties with a view to incorporate the sites as part of the hotel that is currently awaiting determination at 92-98 Brougham Street.

This letter response to the requires for additional information of Council and sets out the strategic and site-specific merits of the proposal – as a short form Planning Proposal. The following information is provided

- Confirmation of current land ownership arrangement of No 90 and 100-104 Brougham Street, Potts Point, including the status and timing of current acquisitions (See **Attachment B**)
- Details of the intended future land use –hotel and motel as part of the existing site proposed as a hotel and how this could be incorporated on the site. Noting that there are not proposed amendments to the existing built form controls being considered.
- Assessment and consideration of how the proposed change to planning controls and subsequent development will impact the availability of low-cost housing in the area and any likely impacts on heritage and neighbourhood character (see also at **Attachment A**)
- strategic justification that demonstrates a hotel and motel accommodation use aligns with relevant State and Local strategic planning policy
- Site specific merit consideration of the proposal – including the potential for the existing built form of 100-104 Brougham Street to provide a more appropriate edge to the use.

Attached to this letter is an Economic and Social Impact Assessment Report prepared by Location IQ (**Attachment A**) and Landowners Details for the properties, including 90 and 100-104 Brougham Street (**Attachment B**).

As set out in this letter, we believe there are compelling strategic and site-specific merits for the proposed amendments. We would be happy to discuss any of the information with Council during your consideration. Should you require any further information, please let me know.

2.0 Background

Under the existing R1 General Residential zoning, hotel and motel accommodation is a prohibited use on the subject sites. It is noted that Schedule 1 Additional Permitted Uses in Sydney LEP 2012 was recently amended to include 'hotel or motel accommodation' as an additional permitted use for the four properties in-between the sites (92-98 Brougham Street). This change was the outcome of a planning proposal which included the strategic justification for the additional use, and a development concept for a hotel use on the adjoining Piccadilly Hotel at 169-173 Victoria Street.

On 1 December 2020 Gateway Determination PP-2020-1128 was determined and allowed an amendment to the Sydney Local Environmental Plan 2012 (Sydney LEP 2012) to introduce a site-specific provision for 92-98 Brougham Street, Potts Point, to insert 'hotel and motel accommodation' as an additional permitted use. The proposal was supported by a concept proposal which is intended for the basis of a future Development Application. The concept proposal included:

- Consolidating the subject site with the adjacent Piccadilly Hotel, a listed local heritage item at 171-173 Victoria Street, and neighbouring terrace house at 169 Victoria Street the property into a single 43 room boutique hotel;
- Restoring and adapting the row of terraces occupying the subject site for 12 hotel rooms and creating a central courtyard by amalgamating the rear yards of the terraces;
- Providing entry and exit for patrons and servicing via Victoria Street;
- Providing staff access including bicycle access via Hourigan Lane, off Brougham Street, and end of journey facilities; and
- Providing hotel lobby and food and beverage service activating the ground floor frontage to Victoria Street as well as the courtyard.

Harphill Pty Ltd has been in the process of acquiring the above properties with a view to incorporate the sites as part of the hotel that is currently awaiting determination at 92-98 Brougham Street.

This planning proposal will provide for an expanded hotel use in a highly accessible location, contributing to the City's accommodation supply and have net positive social and economic benefits to the community. The unique configuration of the existing building at 100-104 Brougham Street and its relationship to 92-98 Brougham Street and the Piccadilly Hotel also allow the existing built form to create an edge to the use and resulting a positive strategic and site-specific response.

The proposed inclusion of the site for hotel uses is consistent with the City's Sustainable Sydney 2030, Tourism Action Plan (2013) and Visitor Accommodation Action Plan (2015) aim to facilitate development of additional visitor accommodation. The Eastern City District Plan seeks to strengthen and grow a more competitive Harbour CBD through the growth of targeted industry sectors, including tourist and visitor accommodation. This planning proposal will provide for an expanded hotel use in a highly accessible location, contributing to the City's accommodation supply.

3.0 Site Location and Context

The site, for the purpose of this report, consists of two parcels of land identified as 90 Brougham Street, Potts Point and 100-104 Brougham Street, Potts Point.

90 Brougham Street, Potts Point is legally defined as Lot 15 Section 4 DP 28 and Lot 1 DP 456813. 100-104 Brougham Street, Potts Point is legally defined as SP 1560. An aerial photo of the sites is made available in **Figure 1**.



Figure 1 Aerial Photograph
Source: Nearmap, Ethos Urban

4.0 Land Ownership

A letter has been provided that detailed the current ownership of both 90 and 100-104 Brougham Street - **Attachment B**. A summary is provided below.

90 Brougham Street

Harrphil has entered into a Put and Call option over the property at 90 Brougham Street.

Under the terms of that Put and Call Option, the Owner of that Property has granted Harrphil the authority to make any applications to the Council in respect of the Property, and accordingly the Owner has consented, by the Agreement, to the amendment to the Sydney Local Environment Plan 2012 to permit hotel and motel accommodation uses at this property.

100-104 Brougham Street

Harrphil currently has accordingly control of 19 out of 24 Lots (or 79% of the Strata Scheme whether determined by lot numbers or be the 7675 out of 9705 unit entitlements).

Harrphil is in negotiation with the owners of the remaining 5 lots, and anticipates completing in the short term the acquisition of those remaining lots either by direct acquisition (and one of those lots has already agreed in principle to proceed) or by implementing a Strata Renewal Scheme to compulsorily acquire any lots it is not able to acquire by direct negotiation.

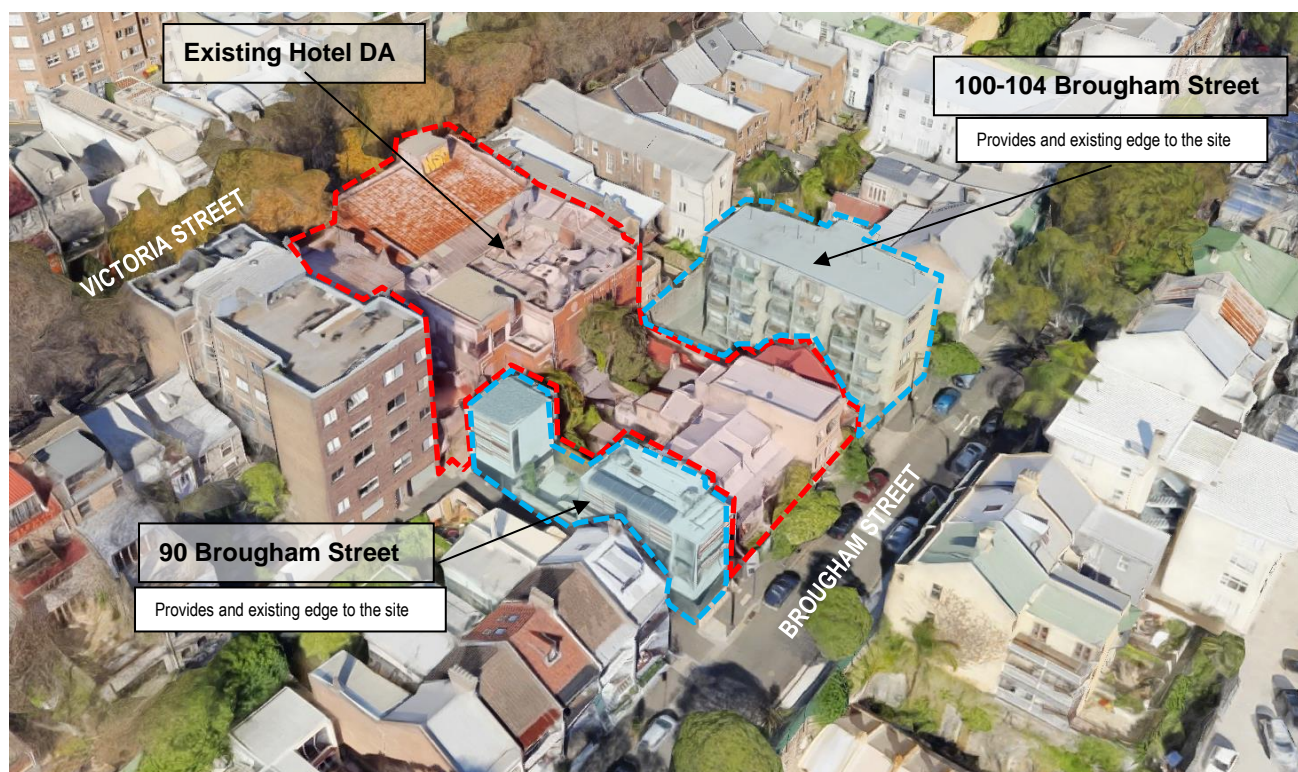


Figure 2 Perspective – looking generally south east

Source: Google, Ethos Urban



Figure 3 Perspective – looking generally north east

Source: Google, Ethos Urban

5.0 Planning Proposal Request

5.1 Summary

The planning proposal requests seeks to permit a hotel on the sites at 90 and 100-104 Brougham Street. It is proposed that this use be included as an “additional Permitted Use” under Schedule 1 of Sydney LEP 2012, in line with the adjoining properties at 92-98 Brougham Street.

A *hotel* is defined as a *tourist and visitor accommodation* which is prohibited under the R1 General Residential zone. Both sites are currently zoned R1 – General Residential under the Sydney LEP 2012. To address the prohibition of a hotel use on the properties, this Planning Proposal seeks for an additional permitted use to the site.

Importantly, the planning proposal request does not seek to change the site’s existing zoning or built form controls (including being height or floor space).

Future use of the sites for a hotel would be subject to a separate development application, public consultation process and detailed assessment under existing LEP and DCP controls. As discussed below the current intent if to convert the existing buildings (particularly 100-104) in the same built form envelope and general configuration, to hotel rooms facing north into the remainder of the site (92-98 Brougham Street current under a DA) and provides an edge to the use from adjoining uses.

5.2 Objectives and Intended Outcome

This planning proposal and additional permitted use will enable the adaptive reuse of the sites to facilitate for a high-quality hotel that contributes to and enhances Sydney’s diverse hotel accommodation market that caters to changing visitor demand, consistent with the City’s Visitor Accommodation Action Plan 2015 and the Eastern City District Plan’s tourism and industry objective.

The intended outcome is to unlock the potential of the larger combined development site for a hotel use that supports the City’s tourism economy, employment, activation, and efficient use of buildings (including standards of building performance).

The additional permitted use on the planning proposal site will facilitate the development of an integrated quality hotel outcome over the combined sites in a form that allow for the effective operation of the use, with a n existing built form (to be retained) that assists in managing potential impact to adjoining land.

5.3 Explanation of Proposed Provisions

To achieve the intended outcomes the proposed amendment, it is proposed that a minor amendment to Schedule 1 of LEP 2012 can be made to include ‘hotel or motel accommodation’ as an additional permitted use on No 90 and 100-104 Brougham Street.

A draft of the propsoed amendment to Schedule 1 of the Sydney LEP 2012 is shown in **bold** and underlined below:

9 Use of certain land at 92-98 Brougham Street, Potts Point

(1) This clause applies to the following land at 90, 92-98 and 100-104 Brougham Street. Potts Point

- (a) Lot 1, DP 724376,
- (b) Lot 1, DP 904094
- (c) SP 17345
- (d) Lot 100, DP 613011
- (e) **Lot 15 Section 4 DP 28**
- (f) **Lot 1 DP 456813**
- (g) **SP 1560**

(2) Development for the purpose of hotel or motel accommodation is permitted with development consent.

5.4 Mapping

No amendments to the current Sydney LEP 2012 maps are proposed.

6.0 Strategic Merit

6.1 Relationship with Strategic Planning Framework

6.1.1 A Metropolis for Three Cities – The Greater Sydney Regional Plan

A Metropolis for Three Cities – The Greater Sydney Regional Plan is the NSW State Government's overarching strategic plan the outlines a 40-year vision and sets out a 20-year plan to manage growth and change for Sydney. It identifies key challenges facing Sydney including a population increase of 1.7 million, and a requirement for 725,000 new homes by 2036. The Plan also refers to a whole-of-government agenda to create 1 million new jobs by 2036.

In responding to these challenges, the plan sets out four objectives and 10 directions that planning proposal should comply with:

1. Infrastructure and collaboration: a city supported by infrastructure and collaboration
2. Liveability: a city for people, with good housing and great places
3. Productivity: a well-connected city with jobs and a skilled workforce
4. Sustainability: a city in its landscape, that is efficient and resilient

Strategies of particular relevance to this Planning Proposal include:

- 22.1 – provide access to jobs, goods and services in centres, and
- 24.2 – consider encouraging the development of a range of well-designed and located tourism and visitation facilities and developing industry skills critical to growing the visitor economy.

The planning proposal for 90 and 100-104 Brougham Street is consistent with several objectives, directions and strategies of the plan. It promote urban renewal of a site which is well situated close to public transport, and on these two sites alone provide supply of new tourist and visitor accommodation which will create about 39 construction jobs and about 23 jobs post construction servicing the hotel, retail and food and beverage operations will be generate, as well as increasing Sydney's accommodation stock by 26 rooms. In addition to this direct employment, multiplier effects will flow through the local economy and indirectly generate additional employment opportunities through ancillary businesses/suppliers that support the development and services, as well as additional consumption expenditure by workers employed within the precinct (spending wages). See the Economic and Social Impact Assessment Report prepared by Location IQ (**Attachment A**).

6.2 Eastern City District Plan

The eastern City District Plan sets out the NSW Government's vision, priorities and actions for the Eastern District, including the City of Sydney. It establishes a 20-year vision for the Eastern District to be a global sustainability leader, managing growth while maintaining and enhancing liveability, productivity and attractiveness for residents and visitors. Priorities and associated actions for productivity, liveability and sustainability seek to deliver this vision.

This planning proposal is consistent with the following priorities from the Plan:

Planning Priority	Comment	Consistency
Planning Priority E1: Planning for a city supported by infrastructure	The proposed additional land use is consistent with this priority as it provides the potential for an anchor business supporting the cluster of Potts Point more broadly in an area well serviced by utilities and transport infrastructure.	Yes
Productivity Priority E7: Growing a stronger and more competitive Harbour CBD: and Productivity Priority E13: Supporting growth of targeted industry sectors	The District Plan recognises the importance of tourism in the Harbour CBD. This Planning Proposal will support and contribute to the visitor economy by facilitating the adaptive reuse of site for a hotel use in the undersupplied mid-high range market. Its walking distance of Kings Cross will support to the use of public transport, as discussed elsewhere.	Yes
Planning Priority E6: Creating and renewing great places and local centres and respecting the district's heritage	The proposed use supports the unique characteristics of Potts Point reactivating the streetscape and supporting night-time economy of Victoria Street – being linked to the Piccadilly hotel as the same operator. Accordingly, it is considered consistent with this priority. The reuse and adaptation of the existing built form retains the existing character of Brougham Street and allows for a revision of current design (in the DA) to improve the spatial relationship between Brougham Street terraces (92-98) Piccadilly Hotel.	Yes
Planning Priority E7: Growing a stronger and more competitive Harbour City	The proposal will strengthen the role of the Harbour CBD as a major tourism hub and accommodate growing demand for hotel accommodation. The proposed amendment will facilitate accommodation options to support tourism and also business travellers who contribute to knowledge industries in the CBD.	Yes
Planning Priority E10: Delivering integrated land use and transport planning and a 30-minute city	The proposed additional use is consistent with this priority as it is located in Potts Point on the fringe of the Harbour CBD. The use of the site for visitor accommodation will leverage proximity to existing public transport including the T4 Eastern Suburbs train line and a range of bus services.	Yes
Planning Priority E13: Supporting growth of targeted industry sectors	The proposal has no direct impact as the building are not heritage listed and no change to the form is proposed but it is consistent with this priority by protecting heritage items and streetscapes to encourage cultural tourism. The hotel scheme (across all sites) will also provide an accommodation option that builds on the diversity of experiences offered in the Harbour CBD to enable growth of the district's established visitor economy.	Yes
Planning Priority E19: Reducing carbon emissions and managing energy, water and waste efficiently	The proposal is consistent with this priority as the intended development will accommodate bicycle parking for staff and will not provide on-site parking. The lack of on-site parking will encourage the use of public and active transport.	Yes

6.3 City Plan 2036: Local Strategic Planning Statement

City of Sydney's Local Strategic Planning Statement sets out the land use planning context, 20- year vision and planning priorities to positively guide changes towards the City's vision for a green, global and connected city. The planning statement explains how the planning system will manage change to achieve the desired outcomes and guide future changes to controls, including those sought by proponents through planning proposals. This planning proposal gives effect to the following priorities of the Statement:

- **Infrastructure - I1** – Movement for walkable neighbourhoods and a connected city – the planning proposal promotes walking and cycling to and from the site. It is easily accessible via public transport and is well connected within the City of Sydney.
- **Priority - L1:** A creative and socially connected city - The proposal is consistent with this priority as it will facilitate the reestablishment of the Piccadilly Hotel – being part of the combined hotel use across all sites, providing a focal point of activity in Victoria Street and opportunities for social contact for the community.
- **Productivity - P2** – Developing innovative and diverse business clusters in the City Fringe – The planning proposal will contribute to a genuine mix of uses to support lively and thriving village economy and supports the City Fringe's contribution to the city's and the District's economic diversity.
- **Sustainability - S2** – Creating better buildings and places to reduce emissions and waste and use water efficiently – The adaptive reuse of the existing buildings on the site will likely result in them becoming more energy efficient and with reduced water consumption. The consolidation of sites also allows for significantly more efficient servicing and energy efficiency on the site.
- **Governance - G1** – Open, accountable and collaborative planning - The Planning Proposal has been informed by ongoing collaboration with City of Sydney. Further community and stakeholder consultation as part of the planning proposal process will continue the open and collaborative planning for the site.

6.4 Sustainable Sydney 2030

Sustainable Sydney 2030 is Council's vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic direction to guide the future of the City and 10 targets against which to measure progress. This planning proposal is aligned with the following relevant strategic directions and objectives:

- **Direction 1 – A globally competitive and innovative city** – the planning proposal will support Sydney's role as an important centre of business and investment by providing additional hotel options for visitors in a high amenity area.
- **Direction 3 – Integrated transport for a connected City** – the site is close to the Kings Cross Railway station and bus service routes providing connections to Central Sydney and other areas of the Sydney Metropolitan Area.
- **Direction 6: Vibrant local communities and economies** - The proposal is consistent with this direction as it facilitates the activation of the precinct, via the frontage on Victoria Street and hotel uses within the site, and will facilitate spaces and jobs within the community in line with the proposed vision for Kings Cross and Potts Point .
- **Direction 9 – Sustainable development, renewal and design** – The proposal will achieve a building form in-keeping with its surroundings while minimising its impact on adjacent residential buildings. The adaptive re-use of the existing building at 100-104 and 90 capitalises on their embodied energy that was used to originally construct them and will include a range of new sustainable building features and technologies, and the expanded site for a single operator has improvement on efficiency and services.

6.5 OPEN Sydney: Strategy and Action Plan 2013-2030

Open Sydney is Council's strategy and action plan for the long-term development of the city's night time economy to 2030. It provides 5 night time goals for the city. The proposal aligns with the goals as follows:

- **Diverse Sydney** – The proposal contributes to the night time choice of leisure and entertainment for a diversity of ages, lifestyle and cultures. The proposal diversifies options for hotel uses that provide dining and food options throughout the day and night.
- **Inviting and Safe Sydney** – The use of the hotel will provide excellent functional and aesthetic design, that will offer safe and attractive streets and passive surveillance. The proposal has the potential to improve lighting and wayfinding situations as well as improving pedestrian experiences and street frontages, with a focus of activation to the frontage remaining at Victoria Street and not Brougham Street.

6.6 Housing for All: City of Sydney Local Housing Strategy

The proposal seeks to allow hotel as an additional permitted use in the zoned, in a location that has been considered to be strategic appropriate for use as hotel. City of Sydney has identified that planning controls (primarily Sydney LEP 201) is to be used to deliver a diverse mix of dwelling types and sized in market house, and also makes provision for levies (up to 3%) on redevelopment an adaptive reuse of sites that goes toward the provision of affordable housing.

As set out in the Location IQ Economic and Social Impact Report (**Attachment A**), the small proportion of the housing stock throughout the Study Area (25 units), is 0.22% of total dwellings or 6% of existing, advertised rental properties in the study area. These residents would also have the opportunity to re-purchase or find rental properties in the area with ease, given the substantial advertised stock on the market currently. Only a limited range of housing supply would be required to sustain projected population growth throughout the Study Area, with average population growth projected at some 100 persons (63 new dwellings) per annum.

Therefore, when considered against the Housing Strategy and balanced against the range other economic, social, strategic and site-specific considerations, the proposal is considered to be appropriate.

6.7 City of Sydney Tourism Action Plan (2013)

The Tourism Action Plan sets out how Council will work with partners to maintain and further develop the vibrant sector in Sydney. The Tourism Action Plan sets out three areas in which the City will focus its activities, of which the proposal will contribute to.

- **Destination Development** – The proposal will provide for unique hotel or motel experiences outside of the city centre and will help diversify suburban experiences and expectation. The proposal will also provide adaptive reuse of existing buildings which demonstrates the sustainable initiatives in the tourism sector.
- **Destination Management** – The proposed hotel or motel uses are in suitable destinations to contribute to the surroundings by improving access to such facilities and employment generating activities. The proposal will also contribute towards the decline of congestion on certain road and public transport networks as it serves the local community. This will further lead to a decrease in pollution, noise and the time spent travelling from one part of the city to another.
- **Destination Making** – The proposal will contribute to the City's role in delivering and providing great experiences to domestic and international visitors. The proposal will also expand the variety of experiences on offer, especially in the surrounding locality.

6.8 City of Sydney Visitor Accommodation Action Plan (2015)

The Visitor Accommodation Action Plan sets out the City's actions to make sure the planning framework supports private sector investment in new and existing visitor accommodation. The actions will assist a sustainable, demand driven supply of accommodation that encourages long term investment in visitor accommodation for Sydney and helps grow the local, state and national visitor economy.

The proposed use contributes towards the city's aim to increase its share in tourism and the visitor economy as it continues to play a major role in the city's economy and its overall character. This proposal allows for jobs growth (sector specific) and visitor and industry contributions to support its global status.

7.0 The Minister's Planning Principles: A Plan for Sustainable Development in NSW

The *Planning Principles* promote sustainable development and shape ground-outcomes by informing strategic and land use policy decisions that will subsequently inform decision making. There are nine (9) different Planning Principles which are addressed below.

- **A strategic and Inclusive Planning System for the community and the environment** - The planning proposal is supportive of existing strategic plans and is expected to meet current and emerging local needs and expectations in the surrounding and wider area. The proposal also builds upon liveable communities and maximises community benefits through providing certain activities and employment in an accessible location in a way that can effectively manage impacts.
- **Delivering well-designed places that enhance quality of life, the environment and the economy** - The proposal seeks to utilise sustainable and health principles through the adaptive reuse of existing buildings and providing a new lifespan to them. In addition, the site is in a well-located area that can attract local residents and reduce pressure on the road and public transport network.
- **Preserving Conserving and managing NSW's Natural, Environment and Heritage** - The redevelopment of the site under a development application offers the opportunity to conserve the heritage values of the individual buildings on site and maintain the residential character of the local area. The inclusions of the additional sites in the hotel use allows for different design options to open up the spaces between building in the current development application for an improved heritage and character outcome. This also allow for increased provision of tree canopy and landscaping on the site by centralizing services and access.
- **Managing Risk and Building Resilience in the Face of Hazards** - The adaptive reuse of the properties will reduce emission generating activities and will reduce the risk of natural hazards. The proposed amendment will provide for a land use that is compatible with the existing area and natural hazards are unlikely to occur as a result of the proposal.
- **Providing Well Designed and Located Transport and Infrastructure Integrated with Land Use** - The planning proposal promotes walking and cycling to and from the site. The site is also easily accessible via public transport and is well connected within the City of Sydney.
- **Delivering a Sufficient Supply of Safe, Diverse and Affordable Housing** – The proposal will have no impact on affordable housing. The potential change of 25 residential dwellings would represent a small proportion of the housing stock throughout the Study Area, at 0.22% of total dwellings, 6% of existing, advertised rental properties. These residents would also have the opportunity to re-purchase or find rental properties in the area with ease, given the substantial advertised stock on the market currently. A limited range of housing supply would be required to sustain projected population growth throughout the Study Area, with average population growth projected at some 100 persons (63 new dwellings) per annum.
- **Growing a Competitive and Resilient Economy that is Adaptive, Innovative and Delivers Jobs** - The planning proposal contributes towards a rich concentration of mixed and diverse jobs. Furthermore, the planning proposal provided jobs in an accessible location that cut congestion and travel time.
- **Promoting the Sustainable Use of NSW's Resources and Transitioning to Renewable Energy** - The planning proposal is highly accessible via walking and cycling as well as public transport options and as such deters the use of private vehicles. The roofspace of the building, particularly 100-104 has the capacity to provide for PV and other on-site energy efficiency provisions, that have a broader benefit across the site and reduce reliance on off-site measure for performance.
- **Protecting and Supporting Agricultural Lands and Opportunities for Primary Production** - Whilst the planning proposal does not directly protect and support agricultural lands, it will demonstrate and set an example of adaptable reuse that restricts the need for urban growth and sprawl, and as such, reducing the pressure on existing agricultural lands.

7.1 Consistency with Ministerial Directions

The Proposal is consistency with the relevant ministerial directions

- **Direction 2.3: Heritage conservation** - The heritage significance of the place is conserved by the existing provisions in the LEP and no change is proposed. The sites are not listed heritage items.
- **Direction 2.6 – Remediation of Contaminated Land** – the site is currently zoned residential and seeks to permit hotel. Adjoining land (part of the hotel DA) have also identified that the site is suitable for the proposed use.
- **Direction 3.1 Residential Zones** - The planning proposal will not reduce the permissible residential density on the site.
- **Direction 3.4: Integrating Land Use and Transport** - The site is well located with easy access to transport services, including Kings Cross train station within approximately 200 metres of the site and access to multiple bus routes. The use proposed will facilitate the intensification of visitation to the local area utilising public transport.
- **Direction 4.3: Flood Prone Land** – The proposed use is consistent with the City of Sydney Interim Floodplain Management Policy, prepared in accordance with the principles and guidelines of the Floodplain Development Manual 2005.
- **Direction 5.10 – Implementation of regional plans** - Consistent
- **Direction 6.3 – Site Specific provisions** – The provision will relate to these sites only to permit the use of 'hotel and motel accommodation'.
- **Direction 7.1: Implementation of a Plan for Growing Sydney** – Consistent.

8.0 Site Specific Merit Items

8.1 Built Form

No change to built form controls in LEP 2012 are proposed. Instead, the future use is intended to adaptive reused the existing built form that will allow for a functional operation and configuration of hotel rooms, particularly in 100-104 Brougham Street, but responds to the existing context and mass to provides an edge to the use and orientate uses 'internally', mitigating and minimising impact to surrounding land uses, including residential. The adaptive reuse would have no impact on sola access, or views and would not increase the acoustic impacts

In this particular circumstance, the proposed built form (with no change to planning controls) provides for a considered site-specific response which, in our view, supports the delivery of a use that has strategic merits.

8.2 Heritage

The proposed additional use as hotel will not have any direct impact to heritage, with any built form or design consideration to be considered at the DA stage. However, as addressed above, the inclusion of the site would have an overall positive impact - allowing for a reconfiguration of spaces surrounding the existing heritage item of the Piccadilly Hotel and to the rear of the Brougham Street terraces (92-98 brougham Street) to 'open up spaces' between building. This comes from the ability to consolidate services and access and the removal of the need to 'respond' in the design to the current configuration of 100-104 Brougham Street as a residential flat building which relies on its amenity over a side boundary.

8.3 Environmental, Social and Economic Impact

8.3.1 Environmental Impact

The planning proposal will not adversely affect any threatened species, populations, or ecological communities. The site supports a small number of native and exotic shrubs in the front and rear gardens that are unlikely to provide critical habitat or habitat for threatened species, populations or ecological communities. The inclusion of the site will allow for improved efficiency of building design, centralisation of services, and additional opportunity for ESD measure on the site (due to scale and additional roof space).

8.3.2 Visual Impact

There is no change to the built form controls which apply to the site and no intent to alter the existing building forms.

8.3.3 Noise and Amenity Impact

The inclusion of the sites at no 90 and 100-104 Brougham Street will not have a direct impact on acoustic and amenity impact from the use itself and the built form, orientation and arrangement will be maintained. As for the proposed DA (at 92-98 brougham Street and the Piccadilly Hotel) the operation will fall under a combined management with enforceable operational conditions and operational consequences, when compared to the current scenario of short stay rentals, including under the recently gazette change to NSW legislation (effectively legalizing this use).

Additionally, by including both no 90 and 100-104 Brougham Street into the 'site' for the purpose of a future hotel use, the 'edged' of the site are able to be defined, and to help mitigate and manage any potential issues. Overall, this is seen as a significant positive to the use, along with the other compelling reasons to heritage, ESD, and operation.

8.3.4 Flood and Stormwater

The proposal would not have any change to the existing provisions. At the development application stage, the proposal will need to demonstrate compliance with the City's stormwater and flood planning requirements of the Sydney DCP 2012 and the Interim Floodplain Management Policy. As demonstrated in the current DA on the Piccadilly Hotel Site and Brougham Street terraces, there will be no impact to flood behaviour from the site, and the levels of existing floors are above the relevant flood planning levels.

8.3.5 Social and Economic Impact

This planning proposal provides an opportunity to redevelop the site for visitor accommodation to support Sydney's tourism industry, which makes a significant contribution to the local and state economy.

The social and economic impacts of the proposal, and the proposal in context with the combined hotel site awaiting a DA is considered in detail at **Attachment A**, Economic and Social Impact Assessment prepared by Location IQ. The report outlines the inclusion of the sites at 90 and 100-104 as hotel as well as the development in its entirety, are likely to have a large net positive economic impact for the area, by way of employment, economic activity, amenity and design – that will more than offset a minor reduction in dwellings across the Study Area.

During the 2017/18 financial year, 6.09 million international and domestic overnight visitors stayed in commercial accommodation located in the City of Sydney LGA. The Australian government's tourism strategy set ambitious national targets to double visitor spending by 2020 to \$140 billion. 2013 analysis by the City of Sydney found that a sustainable supply of visitor accommodation is needed to support projected tourism growth. It calculated a need for 5,759 additional rooms between 2013 and 2021, plus a further 5,499 rooms between 2022 and 2030, particularly in the 3star range.

City of Sydney's Sustainable Sydney 2030, Economic Development Strategy, Retail Action Plan and 2013 Tourism Action Plan established objectives to encourage and facilitate additional visitor accommodation development within the council area. Approaches such as this planning proposal deliver on these objectives.

Future adaptive reuse of the site also offers social benefits of greater public access and enjoyment of the local heritage. In terms of economic benefits, it will contribute to the diversification of Sydney's hotel stock and provide additional employment opportunities.

8.4 Car parking, Services and Bicycle Parking

Victoria Street will be the access point for the hotel complex and the traffic and transport generation is not considered to be significant. This is partly due to the hotel location which is well serviced by public transport. The introduction of the brougham Street sites, particularly 100-104, allows for the possibility of some on-site parking and loading. It is expected that any vehicle access to brougham Street will be for staff or guest parking only and all servicing such as hotel delivery, waste collection, guest drop off and set down will occur on Victoria Street.

These matters will be carefully assessed in accordance with the City's guidelines for service vehicles and bicycle parking as outlined in the Sydney DCP 2012 with a development application.

8.5 Sustainability

The inclusion of 90 + 100-104 Brougham Street will allow for improved ESD performance outcomes on the sites from present uses and opens up increased opportunities for the combined hotel operation as discussed above.

8.6 Infrastructure

The site is located in an area that is well serviced by public transport including trains and buses. And is well serviced by a range of public utilities including electricity, telecommunications, water, sewer and stormwater. It is expected that these services would be upgraded where required by the developer based on further assessment undertaken at the DA stage.

Yours sincerely,



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