

Our Ref 82014006-01/Letter 002
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14 October 2014

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Attention: David Farmer

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RE: DA-2013/1419 – REGENCY TOWER DEVELOPMENT
Response to Additional Information Request, 10 April 2014 and Design Review
Panel Comments, 24 April 2014

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Dear David,

This letter has been prepared in response to Council's Officer Report prepared to inform the JRPP (Southern Region) Business Paper – 21 October 2014 – JRPP2014STH032. The Report identified the application for refusal with seven reasons identified in Attachment 4 of the Report.

DA-2013/1419 was lodged with Council in November 2013, informed by a prelodgement meeting and meeting with the Lord Mayor in August 2013. Since DA lodgement we have actively engaged with Council to address any issues raised both by Council and the Design Review Panel (DRP), as illustrated by attendance at two DRP sessions and the provision of modified plans and supporting information in response to DRP comments and two requests for information from Council. Consequently, we were shocked and disappointed to learn late last week that Council were looking to recommend refusal of the DA when previously we had been of the understanding that the DA was progressing well through Council, with a positive determination likely.

We believe that there are a number of deficiencies associated both with the process and rationale behind the recommendation. The items below provide a brief summary of some of the key concerns associated with the Council Officer Report.

Correspondence

We were not made aware of the recommendation for refusal until we pushed Council for a response last week. Nor were we provided with an opportunity to review and respond to the DRP comments dated 11 September 2014, when previously we have been willing to address the items raised by the DRP.

To date the DRP process has comprised a meeting and formal comments from the DRP dated 31 January 2014, with a response provided in February 2014. A subsequent

DRP meeting and formal comments dated 1 April 2014 was provided with a response in May and early June 2014.

A third round of formal DRP comments was provided to Council on 11 September 2014. However, this was not passed onto us until after the refusal was issued, with no potential for discussion and/or modification. Given the subjective nature of architectural merit/design excellence it is essential that this discussion takes place to inform potential changes, which to date we have been willing to make as a part of the iterative design process. However, we were not able to participate in this process prior to the refusal as we were not aware of the comments received.

Building Separation

Inconsistency with Clause 8.6 of the *Wollongong Local Environmental Plan 2009* (WLEP) in relation to building setbacks and the lack of concurrence from the Department of Planning and Environment (DP&E) is identified as a reason for refusal. It is acknowledged that a variation statement was not provided justifying the non-compliant setback. Although we did not consider this to be an issue as it was not raised in the two information requests issued by Council or at any of our meetings throughout the process.

We believe that the lack of concurrence could be resolved via a deferred commencement condition, as the setback non-compliance is not deemed a significant impediment to the development, which is likely to impact on the viability of the scheme. This view is supported by the Officer Report, which states that the non-compliance is "*not considered significant*" given the extent of the current building on site.

Furthermore, DP&E have reviewed the application on two occasions to date and provided concurrence. At no point did they raise concerns in relation to non-compliant setbacks. The lack of concurrence is considered a minor oversight that can easily be resolved.

Inadequate parking provision

A number of iterations to the parking provision have been made over the course of the application to respond to the comments received from Council and RMS. These iterative changes have resulted in RMS and Council traffic engineers being satisfied that the proposed traffic and transport provision is satisfactory, as illustrated by the responses included in Sections 1.5.1 and 1.5.2 of the Officer Report.

The Report states that Council's Traffic Engineer has reviewed the application and that while "*they had concerns with several aspects of the proposal, including the number of on-site parking spaces. These matters can be addressed via conditions of consent*". The Report states that "*the RMS advised they have no objection*" in relation to the revised scheme, with no conditions recommended. Consequently, it is considered that the parking issues as stated by State Government and Council's own specialists are of a minor nature that can be resolved via conditions of determination, rather than requiring the application to be refused as they are unresolvable.

Furthermore, it is noted that the parking rate identified in the Officer Report's review of Chapter E3 quotes a rate of 1 space per unit. It is considered that a more appropriate rate is 0.5 spaces per hotel / apartment unit as identified by Schedule 1 of Chapter E3. The revised parking rate would substantially reduce the parking required ensuring that the proposed parking provision satisfies the Chapter E3 requirements.

Design Excellence

The development not achieving high quality design is identified as a reason for refusal. The project architect has worked extensively with the DRP to provide a design that addresses the matters identified by the DRP during both the DRP sessions and subsequently to respond to written comments. As stated in the DRP response dated 11 September 2014 "*Some significant improvements have been made during the design review process, it can be said that the proposal now has the potential to meet the design excellence criteria*", subject to addressing four issues being:

- Provision of a Contextual Study
- Connection to the public domain
- Built form – bulk and massing
- Breaking up the massing of the eastern elevation

Contextual Analysis

The *Urban Design – Contextual Analysis* (May 2014) was updated to respond to DRP comments from the DRP sessions on 31 January 2013 and on the 11 April 2014. The Contextual Analysis provided on 26 May 2014 provided strong additional justification for the revised scheme to address the matters raised by the DRP. However, it does not appear that this key component justifying the proposal was provided to the DRP during their consideration of the updated design, as the 11 September 2014 DRP comments still requested a Contextual Analysis.

Public Domain

Connection to the public domain and particularly the development's presentation to the western end of Crown Lane is raised as an issue within the Report and associated reasons for refusal. The streetscape interaction, particularly with Crown Lane was raised by the DRP initially as an issue. However, the relationship has been addressed through the lowering of the landscaped border on the Regent/Rawson Street corner of the proposal.

Additionally, this area of the façade has been opened up to the informal dining space, with a clearly legible entry provided on the south east corner fronting Crown Lane. The ground floor recreational use, extensive fenestration and landscaped surrounds provide an inviting vista when looking westwards from Crown Lane.

The grades in the vicinity of this corner do not allow a direct path of travel from Crown Lane to this corner of the façade, unless the street is substantially regraded or steps added, which would result in streetscape issues further to the north on Regent Street. Furthermore, the development on the north western side of Crown Lane comprise extensive retaining walls fronting onto the Lane, which reduce amenity and limit views from the Lane to the development. The proposal has been designed to provide the optimum outcome for both the Regent/Rawson Street environment, while responding to the Crown Lane vista.

Built Form and Massing

The built form character of Regent Street & Rawson Street is undergoing change with the street currently accommodating a number of low scale residential styled buildings, which range from 1 level to 4 and commercial buildings which range from 2 levels to 8 in height. Future developments in proximity to the site vary in style and are generally high quality landmark developments, which are awaiting consideration, rationalization and approval.

Street Edge

The dynamic character of the street edge design and its repetition is achieved in several formats.

The modulated fin sun hoods offer texture and podium based to the building as a whole. Shaping the podium and the tower offers a sleek scalloped solution to the bulky rectilinear alternative. The fins are designed to format in continuous colours and grouping and to conceal the service ledges behind.

Tower

The building façade to the east is a simple unified solution with variation of the sweeping plane achieved by stepping the façade and changing the glazing colour on the sleeves. The glazing on the outer perimeters overshoots the façade with a vertical tapering to enhance the building height and architectural appearance.

The entire façade has been designed so that the glazing modules are formatted between the floor slabs, therefore every aspect of the building can be ventilated and the façade cleaned.

Roof Feature

The building tower is capped by a sweeping balustrade, which is part of the continuous façade system, with the columns are terminated at the balustrade height. A secondary column system is inset from the building perimeter which offers a simple progression for the roof feature. Roof awnings are designed to sit as secondary elements between the columns which will provide both weather protection for the roof and sculptural capital for the tower.

Design Excellence Summary

The latest design iterations prepared are based on comments from the DRP and the contextual analysis, which was prepared to illustrate that the improvements contribute to improved street scape amenity and legibility with the overall development providing a high quality urban form that is enhanced by the increased building height.

As identified by the DRP the matters above are required to be addressed. However, the proposal does have design excellence potential. It is not suggested by the DRP that the application is unworkable and should be refused.

It is also noted that the SEPP 65 review in the Officer Report considers both the residential and commercial components of the development, when this should only be applicable to the residential components. Comments are made in relation to density and amenity associated with the commercial components, which have informed the final determination and therefore should be retracted.

Economic Analysis

The Report does not include or make reference to the *Wollongong Regency Tower Economic Impact Assessment* (November 2013) and simply states that there would not be an adverse economic impact. The proposal would result in substantial direct job creation both during construction and operation, as well as acting as a significant employment multiplier. Furthermore, the proposal would generate tourism and increase capital brought into the area through both recreational and commercial activities.

Summary

The reoccurring theme throughout the Officer Report is that there are issues with the proposal, as you would anticipate with an application of this scale and ambition. However, the Report does not identify these matters as significant and definitely not as unresolvable.

Conversely, the internal and external specialists including State Government and the DRP have formed the opinion that the application is generally appropriate subject to insubstantial rework, which can be undertaken as a condition of consent. Consequently, we do not understand the basis and we contest the recommendation for refusal.

We believe that it is essential that the Report recommendation be revisited as it appears to be based on inconsistent assessment and decision making. We are happy to engage further with Council to help resolve the limited outstanding matters to allow a positive recommendation to the JRPP.

Please contact me if you wish to discuss this matter further.

Yours faithfully,



David Laing
Senior Principal

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Enc: Urban Design – Contextual Analysis (Cardno 2014)

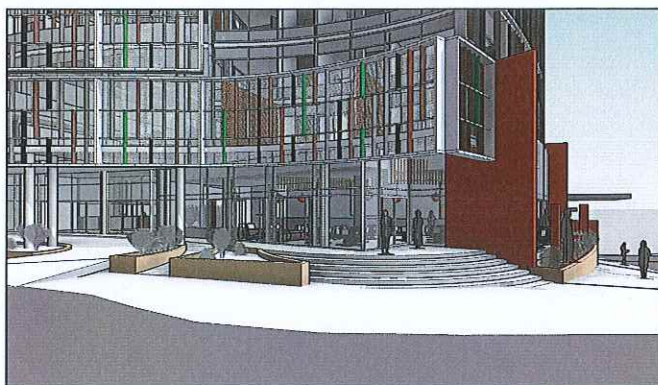


FIG. A



FIG. B

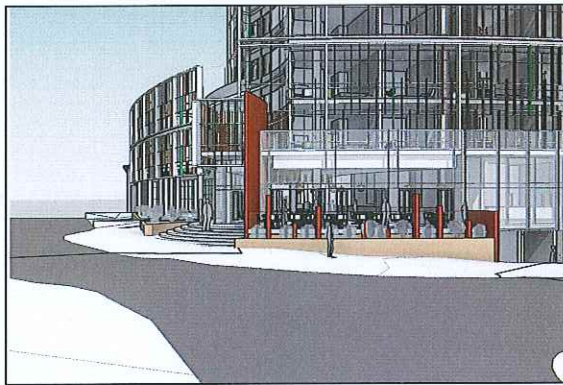


FIG. C

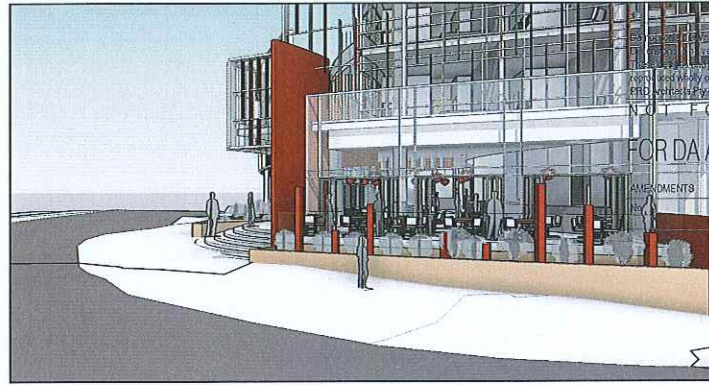
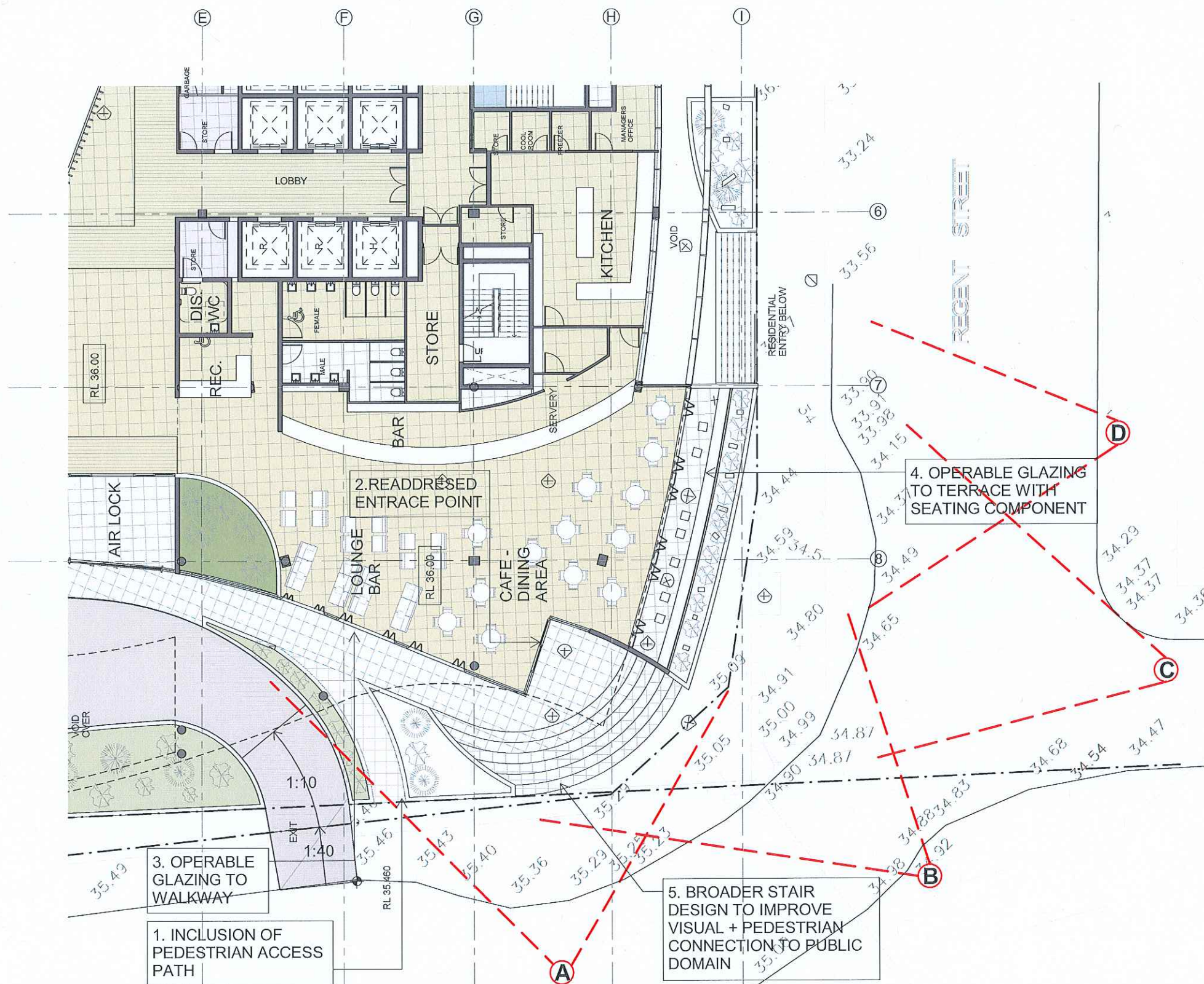


FIG. D

NOT FOR CONSTRUCTION
FOR DA APPROVAL
REVISIONS
Revision Description Date BY:



MIXED USE PROJECT- REGENCY TOWER

REGENCY ST, WOLLONGONG

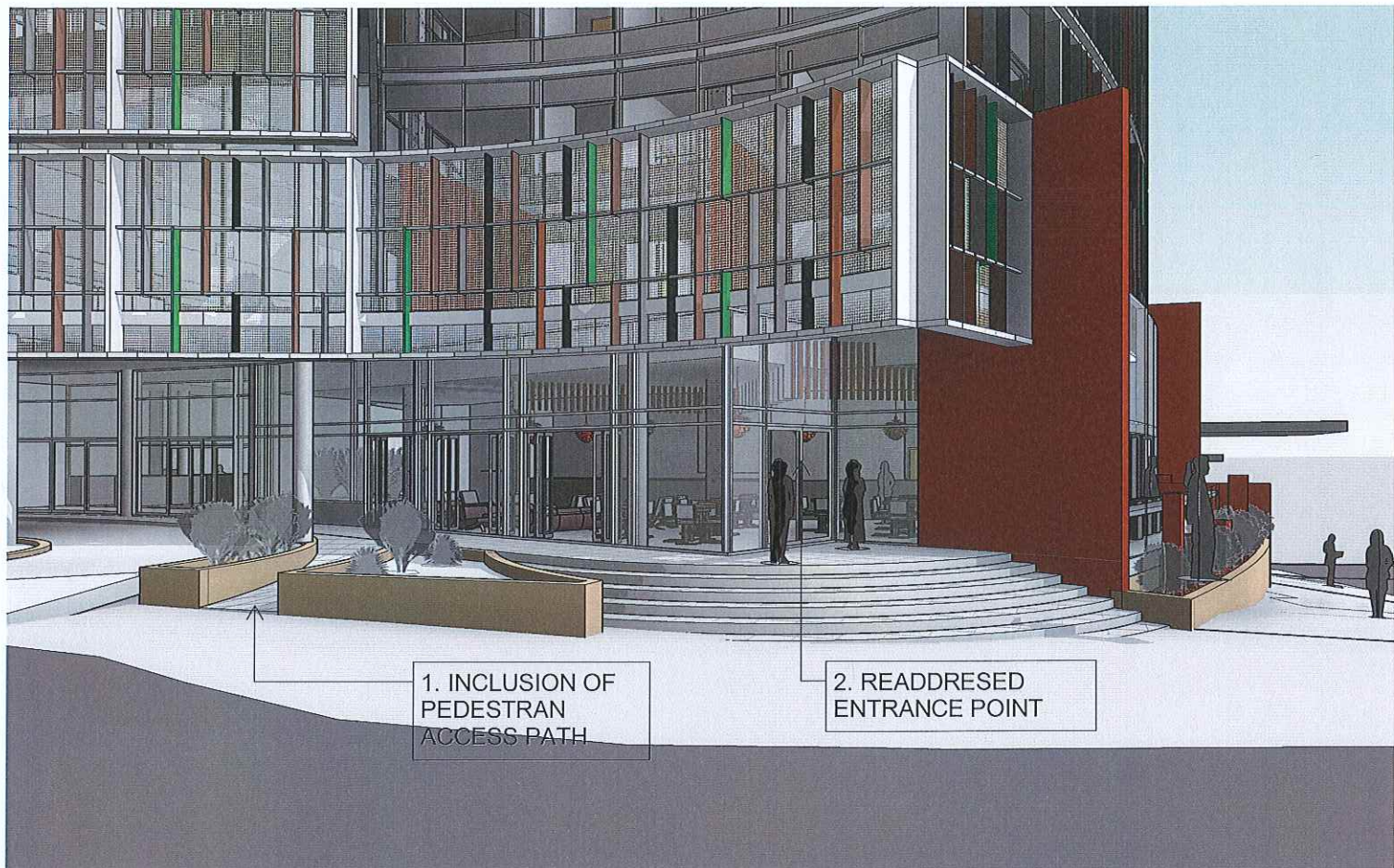
REGENCY/ RAWSON ST CORNER

REGENCY STREET DEVELOPMENTS P/L 013-014

U01-



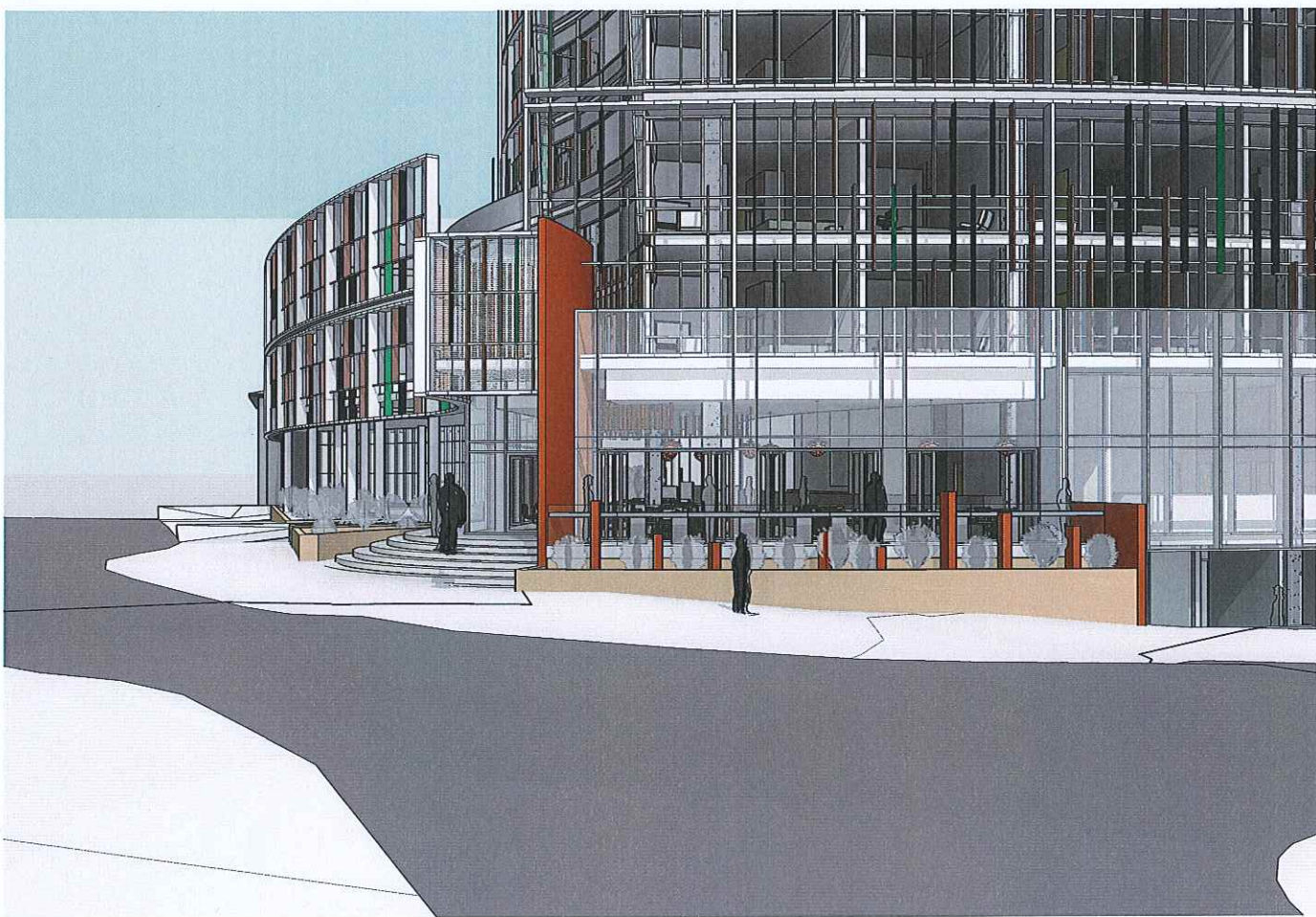
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IG. A



FIG. B



IG. C

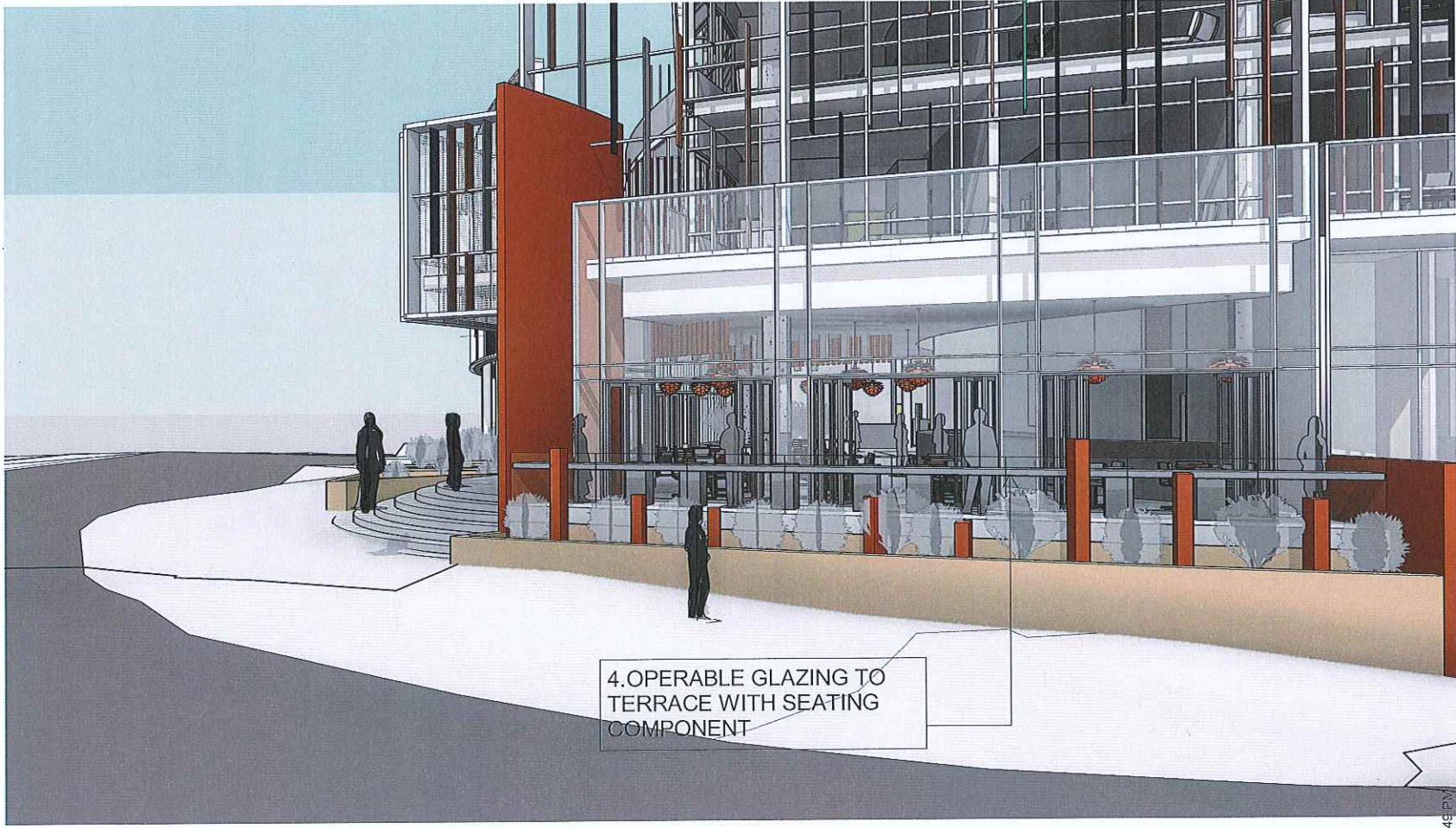


FIG. D





A SIMPLE ADJUSTMENT OF GLAZING TONES EMPHASISES THE DIFFERENTIATION BETWEEN FACADE PLANES AND BREAKS THE HORIZONTAL MASS OF THE TOWER

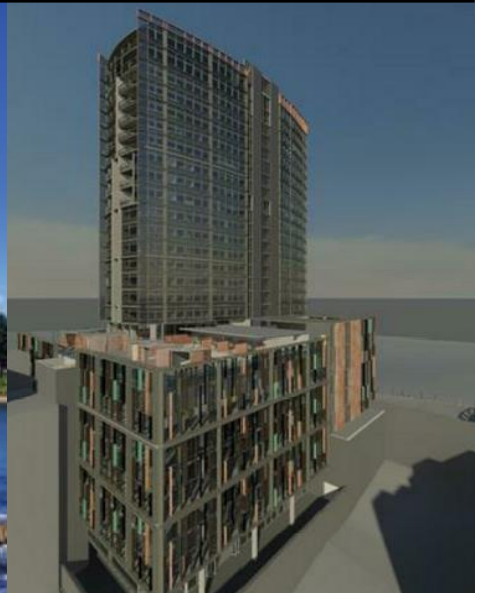
PLEASE SEE U01-U04 FOR UPDATES ON ACTIVATION OF THE STREET FRONT

Wollongong Regency Tower Economic Impact Assessment

PREPARED FOR

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November 2013





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QUALITY CONTROL

This document is for discussion purposes only unless signed and dated by a Principal of Hill PDA.

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EXECUTIVE SUMMARY

This report examines the likely economic impacts of the proposed development of the Regency Tower located in Regent Street, Wollongong NSW.

The proposed development comprise:

- Retail and commercial floorspace;
- A 144 room 4.5 Star hotel;
- 27 hotel suites; and
- 23 luxury apartments.

This Study reports on the economic benefits of the proposed development in the local area and the Illawarra Region, with particular focus on the commercial and hotel components.

Figure 1 - Proposed Development



Source: PRD Architects

State policies aim at strengthening NSW economy by providing investment and support for jobs both during the construction process and post-development in the local and wider area. Policies that relate to the Illawarra Region and Wollongong area contain objectives and targets that focus on strengthening the region's economy through job creation and increased retail and commercial investment. This includes the provision of an additional +30,000 new jobs between 2006 and 2031 as targeted in the Illawarra Regional Strategy and the aim of the Economic Development Strategy to grow the economy and the +10,000 additional jobs targeted in the City Centre Vision between 2001 and 2031.

Construction Economic Benefits

Economic Investment



- Estimated construction cost of **\$70m**.
- Construction would generate a further **\$92.4m of activity in production induced effects**;
- A further **\$69.2m in consumption induced effects**; and
- Total economic activity of **\$232m**.

Jobs During Construction



- **200 job years** generated directly in construction; and
- Due to multiplier impacts the proposal is estimated to generate a total of **734 job years** directly and indirectly.

Worker Expenditure



- Construction workers are likely to spend **\$700,000 in retail goods and services in Wollongong CBD** during the construction phase.

Tourism Economic Benefits

Tourism Expenditure Multipliers



Employment Benefits of Tourism



- With 171 hotel rooms we expect **72,500 visitor nights per annum**;
- Each tourist will spend on average around **\$90 per day** on goods and services other than on accommodation. This makes around **\$6.5m every year** for all tourists.
- **For every 10 rooms occupied** in accommodation there was an **additional 13.4 jobs created** in the local economy;
- The proposed development has the potential **to create an additional 229 jobs** in the wider Illawarra Region.

Post Construction Economic Benefits

Job Creation



Salary Contribution



Retail Expenditure



Industry Value Add



- The hotel, retail and commercial land uses will provide **436 full time and part time jobs** in the building;
- Workers on site will have total annual salaries of approximately **\$17.8 million** every year;
- These salaries will stimulate further consumption in the Illawarra region resulting in **further demand for employment**;
- Workers, residents and tourists on site would generate **eight million (\$8m) of additional retail spend** every year in the Wollongong CBD.
- The proposed mixed uses in the building will contribute \$27.6m every year to the Wollongong economy.

Investment Stimulus



- Significant property investment decisions are generally viewed as a strong positive commitment for the local area;
- The direct investment proposed by the development would, through a wide range of economic multipliers as outlined above, support investment in associated industries; and
- The proposed development would create additional business opportunities in this locality.

Planning Policy Impacts

The proposed development accords with the planning policies reviewed within this Study. This is achieved through;



- Providing investment and support for jobs both during the construction process and post-development in the local and wider area (**NSW 2021 A Plan to Make NSW Number 1**);
- Assisting the Illawarra Region to provide an additional +30,000 new jobs between 2006 and 2031 (**Illawarra Regional Strategy**);
- Assisting in achieving to grow the economy and the +10,000 additional jobs targeted in the **City Centre Vision**; and
- Achieving the objectives that have been identified for developments within land zoned B3 Commercial Core under the **Wollongong LEP 2009**.

The proposed development would create additional business opportunities in this locality associated with future residents and the commercial and retail uses on site. It would increase the profile of the locality – the Western precinct of Wollongong CBD, improve the financial feasibility and provide a needed catalyst for further redevelopment in the area.

1. INTRODUCTION

1.1 Study Purpose

Hill PDA was commissioned by GIS Property Development to undertake an Economic Impact Assessment (hereafter referred to as 'the Study') examining the potential economic impact of the proposed development of the Regency Tower located in Regent Street, Wollongong NSW (the Subject Site).

The purpose of the Study is to consider the economic benefits of the proposed development in the local area and the Illawarra Region, with particular focus on the commercial and hotel components.

1.2 The Proposed Development

The proposed development comprises the following components:

- A 144 room 4.5 Star hotel;
- 27 hotel suites;
- 23 luxury apartments;
- 6,000sqm of A-Grade commercial floorspace;
- 500sqm of retail floorspace;
- A recreational level including a gym and spa; and
- A 600sqm conference facility with functional bar.

1.3 Structure of the Study

To meet the requirements of the project brief, the Study is set out in the following manner:

- Chapter 2: Undertakes an assessment of the planning and legislative background to the proposed development in relation to issues of economic impact;
- Chapter 3: Examines the economic benefits of the proposed development during the construction phase; and
- Chapter 4: Examines the economic benefits of the proposal such as employment generation, tourism expenditure, increased workers and local resident's expenditure, other economic multipliers and the contribution of the proposal to meeting local planning objectives.

2. PLANNING FRAMEWORK

This Chapter undertakes an appraisal of the planning and legislative context relevant to considering issues of economic impact associated with the proposed development. Note that it considers matters relating to the proposed development from an economic perspective only.

2.1 State Policies

Draft State Significant Planning Policy (Competition) (2010)

Following a review undertaken by the DoPI and the Better Regulation Office into how economic growth and competition were impacted by the planning system, a Draft State Environmental Planning Policy (SEPP) was prepared and placed on public exhibition in July 2010.

The proposed state-wide planning policy removes artificial barriers on competition between retail businesses. The Draft SEPP proposes:

- The commercial viability of a proposed development may not be taken into consideration by a consent authority, usually the local council, when determining development applications;
- The likely impact of a proposed development on the commercial viability of other individual businesses may also not be considered unless the proposed development is likely to have an overall adverse impact on the extent and adequacy of local community services and facilities, taking into account those to be provided by the proposed development itself; and
- Any restrictions in local planning instruments on the number of a particular type of retail store in an area, or the distance between stores of the same type, will have no effect.

Plan to make NSW Number 1 (2012)

The NSW 2021 Plan aims to rebuild the NSW economy, provide quality services, renovate infrastructure, restore government accountability and strengthen NSW's local environment and communities. The Plan comprises five key strategies. The main strategy of relevance to this Study is "*Rebuild the Economy*" which seeks to secure new jobs and ensure that more land is made available for housing in order to support economic growth.

A key goal of the NSW 2021 Plan is to drive economic growth by Plan targeting an additional +100,000 new jobs by 2021 in addition to population growth. It aims to increase the supply of land for housing to achieve this. Housing is thus recognised as a major contributor towards economic development.

2.2 Regional Policies

Illawarra Regional Strategy 2006-31 (2007)

The Illawarra Region comprises Wollongong, Kiama and Shellharbour LGAs. It plans for growth of +47,600 new residents, +38,000 new dwellings and +30,000 new jobs over the 2006 to 2031 period. The majority of this growth will be concentrated on existing centres.

The Illawarra Regional Strategy places importance on economic growth in the Region. A number of economic, population and housing related challenges for the Illawarra are recognised which include the following:

- *“Provide opportunities and investor confidence to support job creation that addresses the need for increased local jobs...”.*
- *Establish a commercial hierarchy that clearly identifies the roles of centre and relationships between centre...”.*
- *Achieve higher densities within Wollongong City Centre to provide housing choice and support the development of the centre as a regional city through the Cities Taskforce project.*
- *Provide a framework for the planning of new and upgraded infrastructure and services for the growing population”¹.*

The Illawarra Regional Strategy identifies Wollongong City Centre as the Regional City serving the Illawarra and a role which should be strengthened in the future. This will be achieved by focusing major employment and economic opportunities and residential growth upon it.

In terms of housing and settlement the Illawarra Regional Strategy states that the redevelopment of sites is expected to yield +11,200 new dwellings or 34% of the total requirement between 2006 and 2031. Of the dwellings expected to be accommodated on redevelopment sites, 3,900 units or 35% of the total will be provided as high density residential development.

Actions emerging out of the housing and settlement approach are as follows:

“Strengthen Wollongong as a regional city by increasing opportunities for medium and high density residential and commercial development, which will, in turn, support vitality and economic growth of the centre”².

The Strategy aims to deliver 50% of new dwellings in Wollongong LGA as detached dwellings, 35% as medium density and 15% as high density dwellings.

2.3 Local Policies

The local planning policies and documents considered as part of this EIA comprised the following:

- Wollongong City Centre Vision and Analysis;
- Wollongong LEP 2009;
- Wollongong City Centre Economic Development Strategy; and
- Wollongong LGA Economic Development Strategy.

¹ Source: Illawarra Regional Strategy 2006-31, NSW Department of Planning and Infrastructure (2007)

² ibid

Wollongong City Centre Vision and Analysis, CIVITAS (2011)

CIVITAS has prepared a Vision and Analysis masterplan document for Wollongong City Centre. The CIVITAS report was commissioned by the GPT Group, who own and operate the largest shopping centre in the City Centre, Wollongong Central. It has not been endorsed by Council and has not been subjected to public consultation. Notwithstanding this, in accordance with our brief we have reviewed the CIVITAS report as part of the EIA. The

In providing a critique of existing plans for the City Centre, the CIVITAS report argues that:

- *“Current plans create a broad vision – not detailed. More guidance is necessary for private investment to be effective. CBD Action Plan focus on public realm;*
- *Existing regulations create too much commercial capacity for the future, diluting the impact of new investment, marginalizing the desire to build in the Centre, and diminishing the ability to channel catalysts to key locations;*
- *Similarly scaled cities harness the power of higher education catalysts for regeneration. Wollongong needs to bring a satellite campus to the Centre;*
- *Sustainable city centres balance jobs with housing. A moderate to higher density residential core will allow economic viability of entertainment, goods and service offerings and create a vibrant core”³.*

The CIVITAS report proposes seven new character precincts in the City Centre area as follows: Rail Station, North Keira, Crossroads, MacCabe Park, Lower Crown, Civic and University Seaside Village. The CIVITAS report proposes a range of commercial / residential densities across these precincts with the greatest component of commercial uses (90%) concentrated on the ‘Crossroads’ precinct which encompasses GPT’s Wollongong Central development and expansion.

Wollongong LEP 2009

Under the Wollongong LEP 2009 the Subject Site is zoned B3 Commercial Core. Commercial premises, hotel accommodation and tourist or visitor accommodation are all permitted with consent within this zone. Objectives of this zoning relevant to this study are as follows:

- (1) *To provide a wide range of retail, business, office, entertainment, community and other suitable land uses that serve the needs of the local and wider community.*
- (2) *To encourage appropriate employment opportunities in accessible locations.*
- (3) *To strengthen the role of the Wollongong city centre as the regional business, retail and cultural centre of the Illawarra region.*
- (4) *To provide for high density residential development within a mixed use development if it:*

³ Source: Wollongong City Centre Vision and Analysis: Summary of Major Conclusions and Recommendations, CIVITAS (2011)

- *Is in a location that is accessible to public transport, employment, retail, commercial and service facilities; and*
- *Contributes to the vitality of the Wollongong city centre*⁴.

Wollongong City Centre Economic Development Strategy (2005)

The Economic Development Strategy seeks to support the continued development of Wollongong City Centre as a Regional Centre by focusing new investment on it. It cautions against taking its Regional status for granted and thus advocates the redevelopment and improvement of the City Centre through growth. This should be underpinned by a strong and growing regional and city based economy premised on its attraction as a place to live, work and invest.

The Economic Development Strategy comprises two strands: ‘*Growing the City*’ and ‘*Improving the Place*’. In terms of Growing the City it seeks to achieve the following:

*“creating an Innovative City through business expansion in key activities in the city including – including business services, retail, health and cultural industries”*⁵.

Improving the Place requires, amongst other measures, increased investment in retail and commercial development.

City Centre Vision (2006)

At the heart of the City Centre Vision is the need to revitalise the City Centre. This will be achieved by growing jobs and dwellings and by encouraging diverse precincts around a core City Centre area. Employment growth in the City Centre of an additional +10,000 jobs between 2001 and 2031 is targeted.

⁴ Source: Wollongong LEP 2009

⁵ Source: Page 3, Wollongong City Centre Economic Development Strategy, Buchan Consulting (2005)

3. CONSTRUCTION ECONOMIC BENEFITS

This Chapter considers and where possible quantifies economic impacts which would be associated with the proposed development related to the construction stage. An estimated construction cost of \$70m⁶ has been assumed.

3.1 Construction Multiplier Effects

The construction industry is a significant component of the economy accounting for 7.3% of Gross Domestic Product (GDP) and employing almost one million workers across Australia⁷. The industry has strong linkages with other sectors, so its impacts on the economy go further than the direct contribution of construction. Multipliers refer to the level of additional economic activity generated by a source industry.

There are two types of multipliers:

- **production induced:** which is made up of:
 - first round effect: which is all outputs and employment required to produce the inputs for construction; and
 - an industrial support effect: which is the induced extra output and employment from all industries to support the production of the first round effect; and
- **consumption induced:** which relates to the demand for additional goods and services due to increased spending by the wage and salary earners across all industries arising from employment.

The source of the multipliers adopted in this report is ABS Australian National Accounts: Input-Output Tables 2008-09 (ABS Pub: 5209.0). These tables identify first round effects, industrial support effects and consumption induced multiplier effects at rates of \$0.6463, \$0.6734 and \$0.9891 respectively to every dollar of construction.

The table below quantifies associated economic multipliers resulting from the construction process.

Table 1 - Construction Multipliers (\$m)

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Output multipliers	1	0.6463	0.6734	0.9891	3.3088
Output (\$million)	\$70	\$45.2	\$47.1	\$69.2	\$231.6

Source: Hill PDA Estimate using data from ABS Australian National Accounts: Input-Output Tables 2008-09 (ABS Pub: 5209.0)

The estimated direct construction costs will generate a further \$92.4m of activity in production induced effects and \$69.2m in consumption induced effects. Total economic activity generated by construction is therefore estimated at \$231.6m.

⁶ GIG Property Development Estimate provided in correspondence email

⁷ Source: IBIS World Construction Industry Report 2011

Note that the multiplier effects are national, and not necessarily local. The ABS states that:

“Care is needed in interpreting multiplier effects; their theoretical basis produces estimates which somewhat overstate the actual impacts in terms of output and employment. Nevertheless, the estimates illustrate the high flow-on effects of construction activity to the rest of the economy. Clearly, through its multipliers, construction activity has a high impact on the economy.”

In particular the multiplier impacts can leave the impression that resources would not have been used elsewhere in the economy had the development not proceeding. In reality many of these resources would have been employed elsewhere. It should also be noted, as stated in the NSW Treasury guidelines, that:

“Direct or flow on jobs will not necessarily occur in the immediate vicinity of the project – they may be located in head office of the supplier or in a factory in another region or State that supplies the project”⁸.

Nevertheless, economic multiplier impacts represent considerable added value to the Australian economy.

3.2 Construction Related Employment

It is estimated that the equivalent of 2.85 construction positions over 12 months are created for every one million dollars of construction work undertaken⁹. Based on \$70m construction cost 200 job years¹⁰ would be directly generated by the proposed development as shown in the table below.

Table 2 - Construction Employment

	Direct Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Multipliers	1	0.64	0.70	1.34	3.68
Employment No. per \$million	2.85	1.83	1.98	3.81	10.48
Total job years created	200	128	139	267	734

Source: Hill PDA Estimate using data from ABS Australian National Accounts: Input-Output Tables 2008-09 (ABS Pub: 5209.0) adjusted by CPI to 2012.

The ABS Australian National Accounts: Input-Output Tables 2008-09 identified employment multipliers for first round, industrial support and consumption induced effects of 0.64, 0.70 and 1.34 respectively for every job year in direct construction. Including the multiplier impacts the proposal is estimated to generate a total of 734 job years directly and indirectly.

3.3 Retail Expenditure from Construction Workers

Construction workers on site would generate additional sources of retail expenditure. This would be spent predominately on convenience-related items such as lunches, coffees, snacks and so on. There have been no recent studies into the amount that workers spend on retail items during the working week. Although a recent

⁸ Source: Office of Financial Management Policy & Guidelines Paper: Policy & Guidelines: Guidelines for estimating employment supported by the actions, programs and policies of the NSW Government (TPP 09-7) NSW Treasury

⁹ Source: ABS Australian National Accounts: Input-Output Tables 2008-09 (ABS Pub: 5209.0)

¹⁰ Note: One job year equals one full-time job for one full year

survey conducted by URBIS found that workers in Sydney CBD on average spent \$200 per week on retail items. This average spend encompasses clothing and supermarket purchases. For Wollongong, Hill PDA has applied a more conservative spend of \$15 a day or \$75 a week for 46 working weeks generated by each worker during the construction period.

We have estimated that:

- 200 construction job years would be directly supported on the Subject Site over the course of the development; and
- The workers on site will spend an average of \$3,500 per annum in the Wollongong CBD.

On this basis construction workers will generate approximately \$700,000 in retail expenditure during the construction period. This would be captured by existing and future retail facilities in the Wollongong City Centre.

3.4 Other Construction Impacts

The construction process may lead to short-term negative impacts in the locality such as increased traffic, noise, dust and so on. We have assumed that the development process would take necessary steps to mitigate the extent of these impacts.

4. POST CONSTRUCTION ECONOMIC BENEFITS

This Chapter examines the economic benefits of the proposal such as employment generation, tourism expenditure, increased workers and local resident's expenditure, other economic multipliers and the contribution of the proposal to meeting local planning objectives.

4.1 Hotel Trends

The hotel industry is a major contributor to the national and local economy. Collectively there were 6,000 hotels within Australia in 2012 employing around 300,000 persons and generating between \$11 billion and \$14 billion per year in domestic economic activity¹¹.

Recent economic uncertainties coupled with the high Australian dollar have led to changes in travel patterns of both domestic and overseas tourists. The high Australian dollar has witnessed increased Australians choosing to head overseas at the detriment of domestic travel. This is evident in overseas trips by Australians being 60% higher than five years ago¹². In the medium term demand for accommodation by business travellers should support the growth and maintenance of the Hotel CBD market although regional hotel and resort market is likely to experience more of a challenge with decreased domestic and international visitors. This decline in inbound tourism has seen the industry hesitant to invest in new establishments and the upgrading of existing stock especially within regional areas.

The reserve Bank of Australia (RBA) forecasts that one third of Australia's tourism export earnings will be derived from Chinese's visitors until 2020. Tourism from China and other Asian countries is expected to drive and increase Australia's total tourism expenditure over the next decade although this expenditure is expected to be diverted more to capital and CBD markets rather than regional markets¹³.

4.2 Employment Generation

The proposed development would support permanent employment post-construction through the operation of commercial, hotel and retail uses within the development. The table below applies worker ratios¹⁴ to the assumed floorspace mix to calculate the number of permanent jobs which would be supported.

Table 3 - Employment Generation

Retail Store Type	Employment Rate*	Rooms	GLA (sqm)	Workers
Hotel	1 / room*	171		171
Retail	1:25sqm**		500	20
Commercial	1:22sqm**		5,400***	245
TOTAL		171	5,900	436

* Source: GIG Property Development

** Sources include ABS Retail Survey 1998-99 and Hill PDA

*** Assumes 10% vacancy rate

¹¹ Australian Hotels: Contributing to economic growth and national prosperity, TAA 2013

¹² Colliers Australian Hotel Investment Research and Forecast Report 2012

¹³ Colliers Australian Hotel Investment Research and Forecast Report 2012

¹⁴ Sourced from ABS Retail Census and Hill PDA

Based on the table above, the proposed development is estimated to house 436 jobs across the commercial, retail and hotel components. These would be both full and part-time jobs.

4.3 Salaries

Hotel Employees

As stated above the hotel component of the development is estimated to provide 171 full and part time jobs, once operational in 2016. A large proportion of these employees are expected to be part time in line with general trends in the retail and hospitalities industries. This is occurring to give hotel operators greater flexibility to cover peak demand periods and special events while minimising wage costs¹⁵.

As a consequence of this high proportion of casual and part time employees, forecast average employee wages per staff in 2015-16 is expected to be approximately \$22,000 per annum¹⁶. Based on this annual wage per staff the combined worker salary is estimated to be approximately \$3.8 million.

Retail Employees

Retail has witnessed a similar trend as the hotel and accommodation industry with modest rises in wages over the last five years which has been as a result of a higher proportion of persons employed as casual and part-time. This is because of increased operation hours and the perception that retailers should be open on Sundays.

As a result forecast average employee wages per staff in 2015-16 is expected to be approximately \$17,523 per annum¹⁷. Based on this annual wage per staff the combined worker salary is estimated to be approximately \$350,460.

Commercial Employees

Hill PDA has not been provided with indicative tenants for the commercial component of the proposed development and has assumed that it would be comprised of Business Services¹⁸. IBIS World Industry Report 2011 forecast average employee wages per staff in 2015-16 is expected to be approximately \$56,211 per annum. Based on this annual wage per staff the combined worker salary is estimated to be approximately \$13.7 million.

The combined total of potential employee salaries of the proposed development is approximately \$17.8 million. Hill PDA would expect that a high proportion of the employees would live within a 30 minute radii of the hotel and thus a significant proportion of this salary would be reinvested into the local community.

¹⁵ IBIS Hotel and Accommodation Report October 2010

¹⁶ IBIS Hotel and Accommodation Report October 2010

¹⁷ BIS Consumer Goods Retail in Australia July 2011

¹⁸ This category consists of engineering and design services, scientific services, information technology services, marketing services, legal and accounting services, employment services and a range of administrative support services.

Table 4 - Estimated Salary Contribution

Salary	No. Employees	Average Annual Wage 2015/16	Combined Total Wage
Accommodation	171	\$22,000	\$3,762,000
Retail	20	\$17,523	\$350,460
Commercial	244	\$56,211	\$13,715,594
Total	435		\$17,828,054

Source: IBIS World Industry Reports and Hill PDA

4.4 Tourism Benefits

Tourism is an important component of the NSW economy between the period of June 2012 to June 2013 76.5 million international and domestic tourists visited NSW contributing \$26.7 billion into the economy. Of this \$14.5 billion or 54% was attributed to domestic overnight tourists spending an average of \$171 per night¹⁹.

The Illawarra sub-region, which includes Wollongong, received 943,000 domestic overnight tourists over the same time period spending 2.3 million. These domestic tourists spent \$293 million which is an average of \$128 per night²⁰.

The sub-region received a further 56,500 international overnight visitors spending 1.1 million nights. These tourists contributed \$89 million to the local economy – an average of \$78 per night.

Tourism Expenditure

Short term accommodation is an important component that allows tourism to occur. Above we can see that tourism is an essential component of the local economy this is because not all of the expenditure is captured by the accommodation establishment. In fact only 30% of visitor expenditure is captured by accommodation with the balance “spilling over” into transport, retail, entertainment and food related services²¹. Tourism Research Australia in 2009 found that for every dollar spent on accommodation \$2.50 to \$3.50 was spend in other sectors, benefiting the local and wider economy.

Table 5 - Tourism Expenditure Multiplier (\$ per trip)

Overnight Visitors	Domestic Visitors	International Visitors	Total
Expenditure on Accommodation	\$214	\$555	\$239
Other Expenditure	\$557	\$1,912	\$650
Total Expenditure	\$772	\$2,647	\$891
% Spend Outside Accommodation	72.2%	77.5%	73.2%

Source: National Tourism Planning Guide, A Best Practice, Australian Government 2011

¹⁹ Tourism NSW, NSW Snapshot June 2013²⁰ Tourism NSW, to Illawarra sub-region Snapshot June 2013²¹ National Tourism Planning Guide, A Best Practice, Australian Government 2011

According to the Illawarra Regional Tourism Profile 2010 (Tourism Research Australia) 48% of total overnight tourist expenditure was on food, shopping and entertainment. With an average spend of \$113 per day this means that the average overnight tourist (staying in all forms of accommodation) will spend \$54 per day on retail goods and services (including meals and liquor consumed on premises).

Given that the subject proposal is 4.5 star standard we would expect the average overnight tourist to be spending around \$65 to \$70 per day. With around 72,500 visitor nights on the subject site (assuming 1.5 persons per hotel room and 2.5 per hotel suite and allowing 30% vacancy) we expect these tourists to spend around \$5m per annum on retail goods and services in the Wollongong CBD.

Employment Benefits of Tourism

This expenditure flows through to additional jobs in the locality. A report prepared for the Australian government found that for every 10 rooms occupied in accommodation there was an additional 13.4 jobs created in the local general economy²². With this economic multiplier applied the proposed development has the potential to create an additional 229 jobs in the wider community of Wollongong and the wider Illawarra Region.

Table 6 - Tourism Employment Multiplier

	Number of Rooms	Job Creation per 10 rooms	Number of Additional Jobs
Hotel	144	13.4	193
Hotel Suite	27	13.4	36
Total	171	-	229

Source: National Tourism Planning Guide, A Best Practice, Australian Government 2011

4.5 Total Retail Spend

Expenditure from Workers

As stated above a recent survey conducted by URBIS found that in Sydney CBD workers spend an average of \$200 a week or \$9,200 per annum (based on 46 working weeks) on retail goods and services in the CBD.

Being in the centre of the Wollongong CBD the employees on site are expected to spend a high proportion of their total weekly spend in the CBD including clothing and other comparative goods items. However it is unlikely to be as high as in Sydney CBD. For the purpose of the assessment Hill PDA has applied a more conservative weekly expenditure of \$150 per employee for the commercial workers which equates to an annual spend of \$6,900.

Due to the high proportion of casual and part time workers within the hotel and retail industries, Hill PDA has been more conservative and applied a weekly spend of \$75 per employee in these industries which equates to an average annual spend of \$3,450 per worker.

²² Ibid

Expenditure from Residents

For the residential spend component an average of 2 persons²³ for each apartment (23 apartments) and an average spend per capita of \$13,500 forecast in 2016 (the expected completion date) has been applied²⁴. We have applied a 75% capture rate as some retail expenditure would be redirected to other areas.

Expenditure from All Sources

As estimated above expenditure from tourists is expected to be around \$5m per annum. Total expenditure captured from residents, workers and tourists on the subject property is summarised below

Table 7 - Retail Expenditure Generation by Proposed Development

Source of Expenditure	No. of	Avg Spend	Total/ann
Hotel and Retail Workers	191	\$3,450	\$658,950
Office Workers	245	\$6,900	\$1,690,500
Residents	46	\$10,125	\$465,750
Tourist Nights	72,500	\$70	\$5,075,000
TOTAL			\$7,890,200

On this basis the Wollongong CBD is likely to enjoy the capture of a further \$8m every year (measured in constant 2013 dollars). Increased expenditure is not only limited to the retail sector but will also have flow on effects into other areas such as transport / infrastructure, commercial and property sectors.

As can be seen above, there would be a significant injection of expenditure on retail goods and other services in the immediate area providing a strong contribution to the revitalization of the western end of Wollongong. The proposed development would generate considerable demand for additional floor space in the retail and hospitalities industries.

4.6 Value Add to GDP

Value add of an industry refers to the value of outputs less the costs of inputs. It also measures the contribution that the industry makes to the country's wealth or gross domestic product (GDP).

We estimate the value add to be \$27.6m every year calculated as follows:

Table 8 - Industry Value Add from Land Uses on Site

Industry	No. of	Value Add/ Employee (\$)	Value Add
Hotel Accommodation	171	40,911	7.00
Retail	20	54,307	1.09
Commercial	245	79,538	19.49
TOTAL	436		27.57

Sources: IBIS World Industry Report Business Services in Australia June 2011, Hotel Accommodation in Australia October 2010 and Retail Consumer Goods, July 2011

²³ 2011 ABS Quick Statistics for Wollongong Suburb

²⁴ Market Info 2009 and Hill PDA (measured in 2012 dollars)

4.7 Investment Stimulus

Where a significant property investment decision has been made it is generally viewed as a strong positive commitment for the local area. Such an investment can in turn stimulate and attract further investment. The direct investment in the Subject Site would support a wide range of economic multipliers as outlined above which would in turn support investment in associated industries. It would also raise the profile of Wollongong to potential investors.

The provision of high residential development on the Subject Site would increase the economic benefits of the scheme to surrounding businesses, services and the financial feasibility of public transport. The benefits of residential uses in Wollongong CBD are recognised in planning policy. Additional short term residents within the hotel proportion would create further demand for retail, commercial and transport services increasing these services viability.

The proposed development would create additional business opportunities in this locality associated with future residents and the commercial and retail uses on site. It would increase the profile of this area and in so doing increase the financial feasibility of mixed use development, potentially acting as a catalyst on surrounding sites. From an economic perspective this is a good outcome given that it maximises the potential of this edge-of-centre site and creates a greater economic benefit from it.

4.8 Planning and Policy Impacts

As a result of supporting jobs and investment during and post the construction process combined potential tourism benefits of the hotel, the proposal would achieve the following positive economic impacts on the policies reviewed previously:

- Support rebuilding of the economy encouraged by the NSW 2021- A Plan to Make NSW Number 1 by providing investment and support for jobs both during the construction process and post-development in the local and wider area;
- Assisting the Illawarra Region to provide an additional +30,000 new jobs between 2006 and 2031 as targeted in the Illawarra Regional Strategy, the aims of the Economic Development Strategy to grow the economy and the +10,000 additional jobs targeted in the City Centre Vision between 2001 and 2031 by:
 - Supporting employment during the construction process;
 - Increasing the pool of retail expenditure generated in this location to support centres;
 - Facilitating additional value-add to the economy associated with the wages earned by commercial, retail, hotel and construction workers on site;
 - The multiplier effect of tourism in creating additional jobs in Wollongong and the wider Illawarra Region;
 - The “spill over effect” of tourism expenditure into the local and wider economy; and

- Stimulating further investment in the surrounding area.
- As land zoned B3 Commercial Core under the Wollongong LEP 2009 the proposal is following the objectives of the zoning by:
 - Providing a wide range of retail, business and office land uses that serve the needs of the local and wider community;
 - It encourages appropriate employment opportunities in an accessible location;
 - It strengthens the role of the Wollongong city centre as the regional business, retail and cultural centre of the Illawarra region; and
 - The development provides higher density residential and mixed use development that contributes to the viability of Wollongong CBD.

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5. Due care has been taken to prepare the attached financial models from available information at the time of writing, however no responsibility can be or is accepted for errors or inaccuracies that may have occurred either with the programming or the resultant financial projections and their assumptions.
6. This report does not constitute a valuation of any property or interest in property. In preparing this report Hill PDA has relied upon information concerning the subject property and/or proposed development provided by the Client and Hill PDA has not independently verified this information except where noted in this report.
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This valuation is prepared on the assumption that the lender or addressee as referred to in this valuation report (and no other) may rely on the valuation for mortgage finance purposes and the lender has complied with its own lending guidelines as well as prudent finance industry lending practices, and has considered all prudent aspects of credit risk for any potential borrower, including the borrower's ability to service and repay any mortgage loan. Further, the valuation is prepared on the assumption that the lender is providing mortgage financing at a conservative and prudent loan to value ratio.

Our Ref 82014006-01/Letter 003
Contact Daniel Thompson

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16 October 2014

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RE: DA-2013/1419 – REGENCY TOWER DEVELOPMENT
Response to Council Officer Report Prepared to inform the JRPP (Southern
Region) Business Paper – 21 October 2014 – JRPP2014STH032

Dear Panel Member,

This letter has been prepared in response to Council's Officer Report prepared to inform the JRPP (Southern Region) Business Paper – 21 October 2014 – JRPP2014STH032. The Report recommended the application for refusal with seven reasons identified in Attachment 4 of the Report.

DA-2013/1419 was lodged with Council in November 2013, informed by a prelodgement meeting and meeting with the Lord Mayor in August 2013. Since DA lodgement we have actively engaged with Council to address any issues raised both by Council and the Design Review Panel (DRP), as illustrated by attendance at two DRP sessions and the provision of modified plans and supporting information in response to DRP comments and two requests for information from Council. Consequently, we were shocked and disappointed to learn late last week that Council were looking to recommend refusal of the DA when previously we had been of the understanding that the DA was progressing well through Council, with a positive determination likely.

We believe that there are a number of deficiencies associated both with the process and rationale behind the recommendation. The items below provide a brief summary of our key concerns associated with the Officer Report reasons for refusal as identified in Attachment 4 of the Report. We subsequently provide a proposed way forward for discussion that we hope both Council and the JRPP would be amenable to discussing at the hearing on 21 October 2014 in order to resolve the outstanding matters and achieve a positive determination.

We believe that our comments, justification and suggestions below are reasonable. We reiterate once again our willingness to work with all parties to achieve what we believe will be a truly positive outcome for the City of Wollongong.

Refusal Points 1 and 2 – Inconsistency with Clause 8.6 of WLEP and lack of associated concurrence

Inconsistency with Clause 8.6 of the *Wollongong Local Environmental Plan 2009* (WLEP) in relation to building setbacks and the associated lack of concurrence from the Department of Planning and Environment (DP&E) for the variation to the WLEP control is identified as a reason for refusal. It is acknowledged that a variation statement was not provided justifying the non-compliant setback. Although we did not consider this to be an issue as it was not raised in the two information requests issued by Council or at any of our meetings throughout the process. Furthermore, it is a Council responsibility to request concurrence from DP&E rather than the applicant. We do not therefore believe that the applicant should be penalised for this oversight.

We believe that the lack of concurrence could be resolved via a deferred commencement condition, as the setback non-compliance is not deemed a significant impediment to the development, which is likely to impact on the viability of the scheme. This view is supported by the Officer Report, which states that the non-compliance is “*not considered significant*” given the extent of the current building on site.

Furthermore, DP&E have reviewed the application on two occasions to date and provided concurrence. At no point did they raise concerns in relation to non-compliant setbacks. The lack of concurrence is considered a minor oversight that can easily be resolved.

Refusal Point 3 – Design Excellence not achieved

The development not achieving high quality design is identified as a reason for refusal. The project architect has worked extensively with the DRP to provide a design that addresses the matters identified by the DRP during both the DRP sessions and subsequently to respond to written comments. To date the DRP process has comprised a meeting and formal comments from the DRP dated 31 January 2014, with a response provided in February 2014. A subsequent DRP meeting and formal comments dated 1 April 2014 was provided with a response in May and early June 2014. We believe that this iterative process has resulted in positive change to the design scheme that has, as the DRP have stated “*potential to meet the design excellence criteria*” (DRP 11 September 2014).

A third round of formal DRP comments were provided to Council on 11 September 2014. However, this was not passed onto us until after the recommendation for refusal was issued, with no potential for discussion and/or modification. Given the subjective nature of architectural merit/design excellence it is essential that this discussion takes place to inform potential changes, which to date we have been willing to make as a part of the iterative design process. However, we were not able to participate in this process prior to the recommendation for refusal as we were not aware of the comments received.

The refusal point associated with design excellence appears to be based on the DRP response (11 September 2014). The DRP stated that “*Some significant improvements have been made during the design review process, it can be said that the proposal now has the potential to meet the design excellence criteria*”, subject to addressing four issues being:

- Provision of a Contextual Study
- Connection to the public domain
- Built form – bulk and massing
- Breaking up the massing of the eastern elevation

We have worked with the DRP to address these four points, which has resulted in a number of iterations of the proposal being provided to the DRP via Council for review and comment. Further justification associated with these four points is provided below, with a supporting *Design Statement* provided by PRD Architects and associated montages appended to this letter.

Contextual Analysis

The *Urban Design – Contextual Analysis* (May 2014) was initially provided to Council in January 2014, with an updated Contextual Analysis provided to Council in May 2014, which responded to comments from the DRP sessions on 31 January 2013 and on the 11 April 2014. The updated Contextual Analysis provided strong additional justification for the revised scheme to address the matters raised by the DRP. However, it

does not appear that this key component justifying the proposal was provided to the DRP during their consideration of the updated design, as the 11 September 2014 DRP comments still requested a Contextual Analysis.

The updated Contextual Analysis, which was specifically requested by the DRP would have provided a clearer rationale for the design to help build the case for the proposal. Furthermore, the lack of an updated Contextual Analysis has the potential to be considered by the DRP as a complete disregard for their comments and an unwillingness to work with them.

Built Form and Massing

The built form character of Regent Street & Rawson Street is undergoing change with the street currently accommodating a number of low scale residential styled buildings, which range from 1 level to 4 and commercial buildings which range from 2 levels to 8 in height. Future developments in proximity to the site vary in style and are generally high quality landmark developments, which are awaiting consideration, rationalization and approval. The comments below provide a summary of design features and changes made to reflect the DRP comments, with further detail provided in the appended *Design Statement*, which includes changes made since we received the 11 September 2014 DRP response late last week.

Street Edge

The dynamic character of the street edge design and its repetition is achieved in several formats. The modulated fin sun hoods offer texture to the building as a whole. The shaping of the podium and the tower offers a sleek scalloped solution to the bulky rectilinear alternative. The fins are designed to format in continuous colours and grouping and to conceal the service ledges behind.

Tower

The building façade to the east is a simple unified solution with variation of the sweeping plane achieved by stepping the façade and changing the glazing colour on the sleeves. The glazing on the outer perimeters overshoots the façade with a vertical tapering to enhance the building height and architectural appearance. The entire façade has been designed so that the glazing modules are formatted between the floor slabs, therefore every aspect of the building can be ventilated and the façade cleaned.

Roof Feature

The building tower is capped by a sweeping balustrade, which is part of the continuous façade system, with the columns terminated at the balustrade height. A secondary column system is inset from the building perimeter which offers a simple progression for the roof feature. Roof awnings are designed to sit as secondary elements between the columns which will provide both weather protection for the roof and sculptural capital for the tower.

Design Excellence Summary

The latest design iterations prepared are based on comments from the DRP and the contextual analysis, which was prepared to illustrate that the design iterations contribute to improved design excellence with the overall development providing a high quality urban form that is enhanced by the increased building height.

As identified by the DRP the matters above are required to be addressed. However, the proposal does have design excellence potential. It is not suggested by the DRP that the application is unworkable and should be refused.

It is also noted that the SEPP 65 review in the Officer Report considers both the residential and commercial components of the development, when this should only be applicable to the residential components. Comments are made in relation to density and amenity associated with the commercial components, which have informed the final determination and therefore should be retracted.

Refusal Point 4 – On site parking provision unacceptable

A number of iterations to the parking provision have been made over the course of the application to respond to the comments received from Council and RMS. These iterative changes have resulted in RMS and Council traffic engineers being satisfied that the proposed traffic and transport provision is satisfactory, as illustrated by the responses included in Sections 1.5.1 and 1.5.2 of the Officer Report.

The Report states that Council's Traffic Engineer has reviewed the application and that while "*they had concerns with several aspects of the proposal, including the number of on-site parking spaces. These matters can be addressed via conditions of consent*". The Report states that "*the RMS advised they have no objection*" in relation to the revised scheme, with no conditions recommended. Consequently, it is considered that the parking issues as stated by State Government and Council's own specialists are of a minor nature that can be resolved via conditions of determination, rather than requiring the application to be refused as they are unresolvable.

Furthermore, it is noted that the parking rate identified in the Officer Report's review of Chapter E3 quotes a rate of 1 space per hotel unit, with a total requirement of 401 spaces (plus staff spaces). The identified rate is incorrect, with the appropriate rate being 0.5 spaces per hotel / apartment unit as identified by Schedule 1 of Chapter E3. The revised parking rate would substantially reduce the parking required to well below the 329 proposed to be provided, ensuring that the proposed parking provision satisfies the Chapter E3 requirements.

Refusal Point 5 – Adverse impact on the public domain

Connection to the public domain and particularly the development's presentation to the western end of Crown Lane is raised as an issue within the Report and associated reasons for refusal. The streetscape interaction, particularly with Crown Lane was raised by the DRP initially as an issue. However, the relationship has been addressed through the lowering of the landscaped border on the Regent/Rawson Street corner of the proposal.

Additionally, this area of the façade has been opened up to the informal dining space, with a clearly legible entry provided on the south east corner fronting Crown Lane. The ground floor recreational use, extensive fenestration and landscaped surrounds provide an inviting vista when looking westwards from Crown Lane. Further details of changes to enhance streetscape interaction have been made by the project Architect since we reviewed the DRP comments late last week. These changes are identified in the appended *Design Statement* and associated montages.

The grades in the vicinity of this corner do not allow a direct path of travel from Crown Lane to this corner of the façade, unless the street is substantially regraded or steps added, which would result in streetscape issues further to the north on Regent Street. Furthermore, the development on the north western side of Crown Lane comprise extensive retaining walls fronting onto the Lane, which reduce amenity and limit views from the Lane to the development. Furthermore, the recently completed GPT development does not present an activated street frontage to Crown Lane. Consequently, there is no potential for streetscape activation along the length of the northern side of Crown Lane.

The proposal as identified above and illustrated by the enclosed montage provides activation to the western end of the Lane, with the design aiming to achieve the optimum outcome for both the Regent/Rawson Street environment, while responding to the Crown Lane vista. Consequently, we consider that the proposal improves the streetscape and does not adversely impact amenity as stated in the Officer Report.

Refusal Point 6 – Public Submission (parking and design quality deficiencies)

Refer to responses associated with refusal points 3, 4 and 5.

Refusal Point 7 – Undesirable Precedent not in the public interest

The proposal would provide a positive addition to the Rawson/Regent Street and Crown Lane streetscape and wider public domain as discussed in response 5. Furthermore the design excellence as discussed in response 3 would result in the provision of a high quality form that presents as a landmark building within the Wollongong skyline that the City can be proud of.

The proposal has a clear public benefit with the Economic Analysis undertaken in the *Wollongong Regency Tower Economic Impact Assessment* (November 2013) identifying that the proposal would result in substantial direct job creation both during construction and operation, as well as acting as a significant employment multiplier. Furthermore, the proposal would generate tourism and increase capital brought into the area through both recreational and commercial activities.

The Officer Report does not include or make reference to the *Wollongong Regency Tower Economic Impact Assessment* (November 2013) and simply states that there would not be an adverse economic impact. Consequently, it does not appear that the Economic Analysis has been considered in Council's recommendation.

Based on the above we believe that counter to the Report's recommendation the proposal provides a clear public benefit both socially, economically and environmentally and is worthy of support from the JRPP.

Summary

The reoccurring theme throughout the Officer Report is that there are issues with the proposal, as you would anticipate with an application of this scale and ambition. However, the Report does not identify these matters as significant and definitely not as unresolvable.

Conversely, the internal and external specialists including State Government and the DRP have formed the opinion that the application is generally appropriate subject to insubstantial rework, which can be undertaken as a condition of consent. Consequently, we do not understand the basis and we contest the recommendation for refusal. We were not made aware of the recommendation for refusal until we contacted Council late last week. Nor were we provided with an opportunity to review and respond to the DRP comments dated 11 September 2014, when previously we have been willing to address the items raised by the DRP.

We believe that it is essential that the Report recommendation be revisited as it appears to be based on inconsistent assessment and decision making. We believe that the additional modifications identified in this letter can be incorporated into a positive determination via conditions of determination. We are happy to engage further with Council and the JRPP to help resolve the limited outstanding matters to allow a positive determination by the JRPP.

Please contact me if you wish to discuss this matter further.

Yours faithfully,



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Senior Principal

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Enc:
Urban Design – Contextual Analysis (Cardno 2014)
Wollongong Regency Tower Economic Impact Assessment (November 2013)
Design Statement and Montages (PRD Architects 2014)

Urban Design – Contextual Analysis

Regency Tower

Prepared for Supomme Property
Development Pty Ltd
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1 Urban Design – Contextual Analysis

1.1 Introduction

Regency Tower, a twenty six storey mixed use building is proposed on the corner of Rawson and Regent Streets in the Wollongong CBD. The Design Review Panel (DRP) reviewed the proposed development, resulting in a number of comments addressing the building design. Amongst the comments made, the DRP requested this supplementary contextual analysis that considered views to and from the site from both a local pedestrian and regional context, as well as the existing and future land uses.

The analysis has found a strong strategic support base for the proposal, as discussed in **Section 1.2**. While the current development in the immediate vicinity of the site is not of a similar scale or size to the proposal, the site location within the CBD, which is close to a range of complimentary land uses, along with the future development context illustrates that the development would sit comfortably within the proposed location.

1.2 Urban and Policy Context

The subject site is located towards the western fringe of the Wollongong commercial core area, which is defined by the alignment of Crown Street Mall to the east of the site.

In 2007, the NSW Government prepared a Vision Strategy for Wollongong Regional Centre. The Strategy was supported by a set of implementation plans, including a new Local Environmental Plan (LEP), Development Control Plan (DCP) and a Civic Improvement Plan (CIP). The key vision statements relating to the City Centre are:

Creating a living city

The centre will increase the range of mixed use developments, including commercial, residential, cultural, community and retail uses. New housing will provide for a diversity of age and income groups.

Figure 1 Streetscape Illustration



Increasing Economic Diversity in the City

The centre will expand and diversify its range of employment, to increase opportunities for local residents, including the many that travel daily to Sydney for work. The Plan significantly increases floor space and building heights in the City Centre.

Figure 2 City Illustration



1.3 Surrounding Developments

The site is surrounded by significant, high density developments which are changing the landscape of this part of the CBD. Some of these developments include:

- > North, the seven storey Martin Morris and Jones (MMJ) commercial building (Regent House).
- > East, Regent Street and a residential flat development consisting of in excess of 70 units over four storeys, with the GPT shopping centre and Crown Central beyond
- > South, Rawson Street and a car park beyond. The site of the car park has approval for a 14 storey mixed use development subject to DA-2003/1777
- > West, a car park servicing the MMJ building and three storey Department of Housing commercial office building, a seven storey residential flat building and the approved integrated care project beyond, which has been approved with an FSR of almost 5:1 over 16 storeys.

The above developments are shown in the following locality analysis plan (**Figure 3**).

Figure 3 Locality Analysis Plan



1.4 Public Transport

The site is located within walking distance to public transport:

- > 380 m of Wollongong Railway Station
- > 165 m of the nearest bus stop and Gong Shuttle

It is also located within 250 m of the central retail district within the Wollongong Mall

This is shown in the following **Figure 4**.

Figure 4 Public Transport Connections



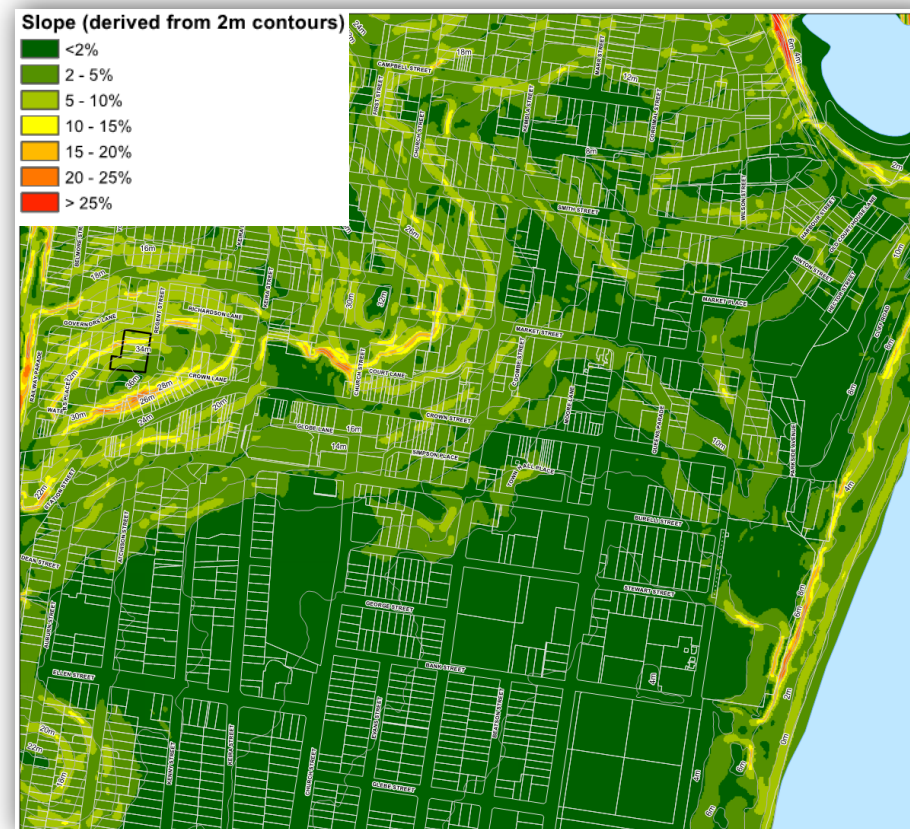
The site is centrally located between the train station and Crown Street Mall. Its proximity to public transport provides opportunities for the site to accommodate a large scale development.

1.5 Topographic

The site lies at an elevated location to the north of Crown Street, resulting in the proposed development being visible from the northern and western approaches to the City along the Princes Highway and parts of Crown Street, influencing visitor's first impressions of Wollongong (refer to **Section 1.8**).

The site is located on the top of Regent Hill, which is the highest point within the core of the CBD. The hill is at the forefront of a ridge that extends from the Escarpment eastwards, ending within the centre of the CBD, thus providing views across the City skyline. It is visually prominent along the coastal plain, and in conjunction with the City's other tall buildings, both existing and proposed would provide Wollongong CBD with a cluster of buildings demarcating the City visually from across the Region's coastal plain. The following **Figure 5** shows the applicable RLs and slopes.

Figure 5 Topographic Map



Due to its prominent location, the site has the ability to support an iconic building to represent Wollongong CBD and emphasise the landscape of Wollongong.

1.6 Streetscape and Public Domain

1.6.1 Existing Character

The existing character of Regent and Rawson Streets is dominated by a range of residential and commercial land uses. The built form is characterised by medium to high density developments that front the streets. Most buildings are approximately 4 - 8 storeys high and have relatively wide street frontages. Pedestrian activities are currently limited as there is a lack of pedestrian oriented developments along the street and minimal services to encourage local active trip generation. The views to the north and west along Regent and Rawson Streets respectively terminate at the Escarpment. Southerly and easterly views along Regent and Rawson Streets are limited by the upward gradient of the hill and development around the crown of the roads. Consequently, the Escarpment is the primary natural feature within the streetscape; however, the existing scale of development dominates pedestrian views.

The existing development along Regent Street limits views directly to the east, concealing the major commercial buildings within the CBD comprising Wollongong Central and the new GPT development.

Both streets have relatively narrow footpaths and limited street trees, which in conjunction with the lack of local services and street activation discourages pedestrian movements.

The images in **Figure 6** illustrate the existing streetscape character, with the extent of local view corridors discussed below in **Section 1.7**.

1.6.2 Future Character

The proposal would transform the existing streetscape character, providing an enhanced level of visual amenity and streetscape interaction. The lack of activation within the precinct is low due to the internal orientation of the active spaces within buildings, rather than towards the street.

The height of the proposed building in conjunction with the width of Rawson and Regent Streets would limit the casual views to the lower levels of the building only, with pedestrians required to look directly upwards to view the building in its entirety due to the proximity of the viewing location to the form.

Figure 6 Existing Streetscape Character



1. Crown Lane looking west towards the site
2. MMJ building adjoining the northern boundary of the subject site
3. Existing residential flat building opposite the site on Regent Street
4. Office building to the south of the site on Rawson Street
5. Department of Housing office to the west of the site
6. Regent Street looking south towards the site

1.6.2.1 Regent Street Character

The proposal would incorporate planter beds along the frontages to soften the buildings appearance. Planter beds have been designed to reflect the pedestrian scale of the development, with low wall heights to allow planting to be easily visible by pedestrians without dwarfing the footpath.

The drawing set and specifically, DA30 A illustrates that the façade fronting Regent Street is highly articulated with glazing along the frontage of the retail premises, cafes and hotel lobby. Additionally, the mix of finishes and articulation treatments wrapping around the corner of Regent / Rawson Streets break up the façade at the lower levels and adds visual interest.

The frontage has been designed to address the pedestrian scale with the floor levels stepped to reflect the footpath level. The building entries have been designed to be legible for pedestrians, clearly identifying the entry points, with the entry locations and associated internal uses strategically placed to be visible from Crown Lane and the Rawson / Regent Street footpaths.

1.6.2.2 Rawson Street Character

The Rawson Street frontage has been redesigned as illustrated by drawing DA31 A to provide activation across the frontage, with access to the hotel lobby provided and the vehicle entries rationalised. **Figure 6**, view point 2 and 6 represent the current views to the site from Rawson and Regent Street respectively from a pedestrian perspective. The revised views resulting from the proposal are illustrated in **Figure 7**.

1.6.2.3 Solar Access

Solar access to Regent Street would be reduced from midday as a result of the proposal, with Solar Access to Rawson Street reduced from late morning to late afternoon.

The location of the site immediately adjacent to the western side of Regent Street and the northern side of Rawson Street, along with the width of the street would place the street in shade for any mid-level building or higher. Consequently, the proposal would place no greater impact on streetscape amenity than a mid-level residential flat building or commercial development.





In order to provide an improved level of street amenity lightweight materials, primarily glazing have been used. Furthermore, solar access would still be possible during the morning and late afternoon.

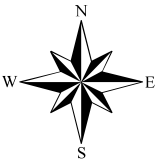


View Corridors

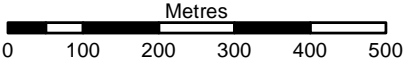
REGENT STREET

Legend

-  Viewpoints
-  Site Boundary
-  Railway (LPI)
-  Cadastre (LPI, 2011)



1:10,000 Scale at A3



Map Produced by Cardno NSW/ACT Pty Ltd (WOL)
Date: 2014-05-22
Coordinate System: GDA 1994 MGA Zone 56
Project: NA82014006-01
Map: G1014_ViewCorridor_Cardno.mxd 02
Aerial imagery supplied by nearmap (July 2013)
Rendered images supplied by Cardno

1.7 View Corridors

The proposed development would transform the character of both the surrounding streets and the wider western City Centre area. **Figure 7** identifies the view corridors both to and from the site and illustrates through the photomontages how the proposal would present from various view points in the surrounding area.

The proposal would afford views to:

- > The Escarpment to the north and west
- > The City Centre and ocean to the east
- > Views to Lake Illawarra and Shellharbour to the south

The extent of views from the proposed development would further enhance the opportunities created for tourism by this landmark project.

Council Policy encourages the activation of laneways throughout the CBD. Crown Lane is anticipated to be revitalised with the development of the GPT building, resulting in an increase in pedestrian movements and general on street activation including outdoor dining and retail. The primary vista when heading west up the rise on Crown Lane would be of the proposed development. Due to the additional distance from parts of Crown Lane to the development as opposed to the more constrained pedestrian views from Rawson and Regent Streets, the mid to upper building levels would also be visible via a narrow view corridor created by buildings on either side of Crown Lane.

The design has enhanced the view westwards from Crown Lane to the proposal through:

- > Further activating the corner of Regent and Rawson Streets by reducing the planter bed height to a more pedestrian scale and a mix of visually prominent finishes at levels 1 and 2 to break up the mass of the building and add visual interest

- > The reduced planter height in conjunction with the visually permeable façade to the internal retail and commercial space comprising tapas bar and lounge allows views through the façade increasing street activation.
- > An additional pedestrian entry has been incorporated into the corner of the building providing permeability and ease of access.

The Rawson/Regent Streets corner of the building is the first point seen when pedestrians walk west along Crown Lane. The above changes have reduced the perceived scale of the building, enhanced streetscape interaction and connectivity with the street through the additional transparency created by the revised materials, additional entry and more appropriate planting.

1.8 Regional Views

The proposal would provide a landmark development within the Wollongong CBD that would be visible from a range of locations within the Region. A number of these key views have been examined to gain an understanding of how the development would impact the regional context.

Key viewpoints selected are:

- > Flagstaff Hill
- > Wollongong Golf Club
- > Smiths Hill
- > Throsby Drive

Refer to **Figures 8 – 11**.

These viewpoints have been selected due to their strategic position within the Wollongong context, with Flagstaff Hill in particular providing an iconic view of Wollongong. The views have subsequently, been considered in the design development, with the building mass and bulk examined through iterative changes to the buildings orientation, scale and façade treatments. The building in the context of regional views is illustrated by the photomontages.

The analysis illustrates that the building is a prominent feature within the Wollongong area due to its height and elevated location, particularly when viewed from the mid-distance as illustrated by the photomontages from Smiths Hill and Throsby Drive. However, the design has incorporated measures, which in conjunction with the building orientation reduce the perceived scale.

1.8.1 Flagstaff Hill

The longer distance views of Wollongong, particularly from the north east, as illustrated by the photomontage from Flagstaff Hill show that while the building is distinctly higher than the surrounding Wollongong CBD development, the buildings dominance of the visual plane is reduced by the scale and dark shades of the Escarpment, which prevents the sky lining of a large portion of the building.

The east and west facing facades have been tapered to reduce the vertical lines of the building. The tapering adds interest and breaks up the linear nature of the façade to reduce the perceived height when viewed from distance.

1.8.2 Wollongong Golf Club

The building has been orientated to reduce the perception of mass created by a flat frontage; with a sweeping façade finishing on the narrower north and south elevations. To further reduce the mass a convex façade has been employed for the east and west elevations, reducing the visual mass, as illustrated by the Golf Club Photomontage.

The building orientation and Escarpment back drop reduce the dominance of the building when viewed from the south east. Furthermore, the intervening buildings assist in reducing the buildings perceive scale and break up the façade.



View Corridor from Flagstaff Hill

REGENT STREET



Map Produced by Cardno NSW/ACT Pty Ltd (WOL)
Date: 2014-05-20
Coordinate System:
Project: NA82014006-01
Map: G1018_View4_Flagstaff.mxd 01
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View Corridor from Wollongong Golf Course

REGENT STREET



Map Produced by Cardno NSW/ACT Pty Ltd (WOL)
Date: 2014-05-20
Coordinate System:
Project: NA82014006-01
Map: G1017_View3_GolfCourse.mxd 01

Rendered image supplied by Cardno

1.8.3 Keira Street / Smiths Hill

The mid distance view of the building from Keira Street at Smiths Hill demonstrates the building height and primacy within the streetscape. However, the convex form and orientation reduce the buildings mass.

The distance of the view from the site does not diminish the effect of the architectural treatments that seek to create an iconic landmark within the Wollongong skyline, adding to the Regional primacy of the City Centre.

The building has been designed to minimise impacts on adjoining occupants through the design of a visually appealing development that minimises overshadowing and perceived bulk. Furthermore, the revised roofing scheme, comprising a curved façade and sweeping balustrade break up the scale of the building further to address perceived visual mass and add visual interest.

1.8.4 Throsby Drive

The Throsby Drive montage illustrates the proposed development within the surrounding development context. The montage demonstrates that the proposal adds a new dimension to the character of the western portion of Wollongong City Centre's skyline. While the building is larger in scale than the surrounding development it is consistent with the State and Local Government's strategic intent for this area, which aims to reinforce the primacy of the City Centre through the development of higher density mixed use development.

The podium provides a consistent bulk and scale for the building with that of the lower levels of the existing buildings. Planned future developments within the surrounds generally cover a high proportion of the lots.

The greater height of the building is offset by the use of generous boundary setbacks above the podium, with a highly articulated façade. The articulation, suite of architectural treatments and varied palette of finishes reduces the building mass and provides a land mark feature within the CBD, as illustrated by the photomontage.



View Corridor from Keira Street / Smiths Hill

REGENT STREET



Map Produced by Cardno NSW/ACT Pty Ltd (WOL)
Date: 2014-05-20
Coordinate System:
Project: NA82014006-01
Map: G1016_View2_KeiraStreet.mxd 01
Rendered image supplied by Cardno



View Corridor from Throsby Drive

REGENT STREET



Map Produced by Cardno NSW/ACT Pty Ltd (WOL)
Date: 2014-05-20
Coordinate System:
Project: NA82014006-01
Map: G1015_View1_ThrosbyDrive.mxd 01

Rendered image supplied by Cardno

2 Summary

The site benefits from a number of built and natural environmental attributes. The design has been developed to address these attributes with the following key areas addressed:

- > The strategic hilltop location demands significant building heights, which is reflected in the topographic analysis and the draft Wollongong City Centre Plan.
- > The proximity to the City's major transport interchange encourages a concentration of mixed use activities including business and a diversity of inner-city housing opportunities.
- > The proximity to some of the City's key development sites (GPT/AHM, Piccadilly and Crown Street Mall) has the potential to create a precinct of high economic, social and cultural activity that will celebrate the unique attributes and success of the City as the Illawarra's Regional Centre.
- > The concentration of high profile developments will encourage and attract large scale business and provide economic and employment activity to help the City to prosper (refer to the Economic Impact Assessment at Appendix N of the SEE for further discussion).
- > The mix of uses and façade finishes at the lower levels have been selected to activate the streetscapes of Rawson and Regent Streets, while providing an appropriate scale of development to relate to the pedestrian environment.
- > Regional views have been addressed through the orientation and finishes selected for the tower. The smooth, curved lines reduce the building mass while adding visual interest.
- > The provision of high quality civic and public domain space will encourage social and economic interaction through the concentration of employment and residential populations close to primary services and facilities.
- > The development integrates with the streetscape to create a precinct that has the potential to enhance the "heart" of the City's commercial centre, linked to

the site via Crown Lane, thus supporting the key retail precinct within Crown Street Mall.

- > The iconic site location and views afforded would make the hotel an attractive venue for conferences and tourists, with economic multiplier effects realised across the City Centre due to the close proximity of the site.

The analysis and iterative architectural design process has produced a building that is supported by Council's strategic land use policy and reflects the future land use context. It is considered that the proposal is appropriate in its current form and addresses the comments made by the DRP.