

6 December 2017

Ms Carolyn McNally  
Secretary  
Department of Planning and Environment  
GPO Box 39  
Sydney NSW 2001

Architecture  
Urban Design  
Planning  
Interior Architecture

**RE: 41 McLaren Street, North Sydney  
Rezoning Review for Planning Proposal**

Dear Ms McNally,

I write on behalf of our client, Erolcene Pty Ltd and Claijade Pty Ltd, landowner of 41 McLaren Street, North Sydney (the site). Our client is seeking a Rezoning Review for a Planning Proposal submitted to North Sydney Council on 1 September 2017. This Planning Proposal relates to a proposed redevelopment of the commercial office building at 41 McLaren Street, North Sydney, known as Simsmetal House. The Rezoning Review is being sought as Council has failed to indicate its support within 90 days of submission. The Planning Proposal was lodged with North Sydney Council on 1 September 2017.

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This Planning Proposal has come about in response to an identified need for redevelopment of the site. There is additionally a unique opportunity for redevelopment to be undertaken in consideration of the redevelopment of the broader Ward Street Precinct (inclusive of the site), and the owners have within the last three years undertaken meetings with senior Council officers over the future of this Precinct and Council's Ward Street Carpark (adjoining south). Council has recognised that a number of significant and transformational changes, such as the return of the Ward Street carpark to Council control in 2020 and the announcement of the Victoria Cross Metro station, makes the area well suited to a masterplan which considers how potential development sites may develop in a complementary manner.

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This letter provides an overview of this Planning Proposal, including the site and its context, the strategic and site-specific merit, and the consultation undertaken to date with Council. Please find enclosed with this letter:

- A hard copy of the Planning Proposal and supporting documentation;
- A copy of the lodgement receipt for payment of the Planning Proposal fee with North Sydney Council
- A signed Rezoning Review Application Form;
- A bank cheque for the \$20,000 application fee for the Rezoning Review made out to NSW Department Planning and Environment; and
- A USB containing all relevant documentation.

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Nominated Architect  
Managing Director  
Ray Brown  
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## 1. The site

The site subject of this Planning Proposal is known as 41 McLaren Street, North Sydney. It is currently occupied by an existing seven to eight-storey commercial office building designed by Harry Seidler in 1971 and completed in 1972, known as Simsmetal House. The existing building is identified as an item of local environmental heritage under the North Sydney LEP 2013 and is proposed to be retained.

It is a rectangular shaped allotment having an area of 2,359 sqm and is legally described as Lot 1 in Deposited Plan 557103.

### 1.1 Local context and surrounds

The subject site is located at the northern extent of the North Sydney Centre, being a major commercial centre. The area is characterised by primarily mixed-use buildings of commercial, retail and residential uses, as well as a diversity of lower-scale residential developments, sporting fields and parklands. The site is located at the corner of McLaren Street (primary frontage) and Harnett Street, a laneway. The site lies on a street block that is bound also by Miller Street, a major street, and local roads Walker Street and Berry Street (south). Council's Ward Street Carpark adjoins south of the site. Refer **Figure 1** below.



**Figure 1 41 McLaren Street, North Sydney**

The site is outlined in red. The Ward Street Carpark, which extends south of the site, is outlined in blue. Basemap source: Nearmaps.

To the north of the site, on the opposite side of McLaren Street, 168 Walker Street (located at the corner of McLaren Street and Walker Street) is an existing 18-storey commercial office building which was approved for redevelopment by the Sydney East Joint Regional Planning Panel at its meeting of 12 July 2016 for a 29-storey predominantly residential building with a maximum height of RL 167.51 metres (maximum building height 99 metres), and a vacant site

at the corner of McLaren Street and Miller Street which will be developed as the northern access to the Victoria Cross Metro Station and a future over-station development.

The northern entrance to the future Victoria Cross Station will be located approximately 50 metres to the north-west of the site. The primary pedestrian access to the station is located approximately 200 metres to the south of the site, at the intersection of Berry Street and Miller Street. Architectus notes that a SEARs request was made on 1 November 2017 for the over-station development of that site, for a commercial building with a maximum height of RL 230 metres (approximately 40 storeys).

The site is also located 500 metres north of Greenwood Plaza Shopping Centre, which has been recently redeveloped and contains 101 retailers.

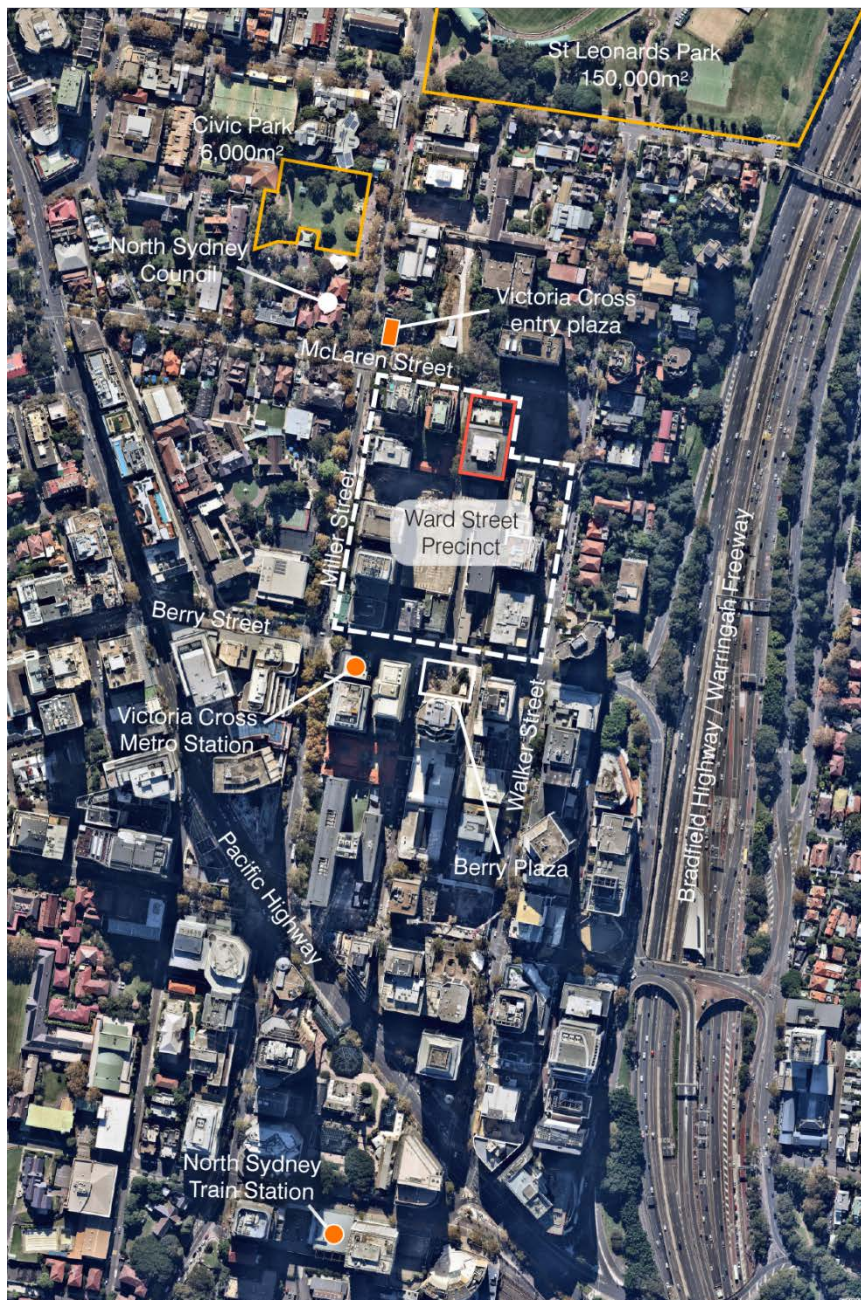
## 1.2 Regional context

The site is located within North Sydney Centre, approximately 3 kilometres to the north of the Sydney CBD. North Sydney is Sydney's third largest commercial floor space market with a growing mixed use/residential periphery. Accordingly, it is identified as a strategic centre within the metropolitan strategy, *A Plan for Growing Sydney*, and the *draft North District Plan*. The *draft Greater Sydney Region Plan* further includes North Sydney as the northern component of the Harbour CBD, a major asset within the Eastern Economic Corridor which is described as being of national significance and containing approximately 775,000 jobs.

North Sydney is well connected to its surrounding cluster of economic centres containing knowledge-intensive and professional jobs, such as St Leonards and Chatswood to the north, and Central Sydney to the south. This accessibility will be further improved with the arrival of its second train station, the Sydney Metro line at Victoria Cross, connecting to the Harbour CBD and other centres in the Eastern Economic Corridor and in the north west.

The site in its context is illustrated in **Figure 1** overleaf.





**Figure 2 Site context plan**

Site outlined in red.

Source: NearMaps

### Heritage context

The site contains the Simsmetal House, which is listed as a local heritage item (I0889) under the North Sydney LEP 2013.

Heritage buildings within the vicinity include four detached dwellings across Harnett Street, described as items I0987, I0986, I0985 and I0984. These are separated from the site by more recent apartment buildings, adjoining the rear of these dwellings. It is not considered that that the proposal will impact upon these items.

## 2. The Proposal

This Planning Proposal is intended to facilitate the redevelopment of 41 McLaren Street into a high quality mixed-use building, allowing for the refurbishment of the existing commercial building and the addition of a residential tower above. This redevelopment would also give rise to the unique opportunity to deliver significant public benefit for the wider community. This includes, but is not limited to, a fine grain of connected lanes and ground level uses, public open space, community facilities, and revitalised through-site connections providing easy access to the Metro Station.

The intended outcome of this Planning Proposal is to amend the North Sydney LEP 2013 to either:

- Height of buildings – to increase the maximum height of buildings to allow for the proposed development; or built form and public domain outcomes, and to facilitate a redevelopment and renewal of the site; or
- Clause amendment – inclusion of a site-specific clause applying to the site that allows for a building to have a maximum height greater than that provided by the Height of Buildings Map where heritage conservation and public domain requirements are satisfied.

The site is not subject to a maximum floor space ratio under the LEP. The above two options are otherwise appropriate to facilitate the optimal development capacity of the site given its location relative to the Victoria Cross Metro Station and within the North Sydney Centre.

## 3. Assessment Criteria (strategic and site-specific merit)

### ***Does the proposal have strategic merit?***

This Planning Proposal holds strategic merit and should be supported. A response to each of specific criteria for demonstrating whether a Proposal has strategic merit is provided below.

Demonstrating that a proposal has strategic merit is of particular relevance where it proposes to amend an LEP which is less than five (5) years old. The North Sydney LEP 2013 was gazetted on 2 August 2013 and is therefore approximately four (4) years old, however, the existing planning controls relating to the site and to the North Sydney Centre more broadly predate the North Sydney LEP 2013 and also the announcement of the Victoria Cross Metro Station, which has motivated Council's own revision of the existing planning controls for the North Sydney Centre, including the Ward Street Precinct.

- ***Is it consistent with the relevant regional plan outside of the Greater Sydney Region, the relevant district plan within the Greater Sydney Region, or corridor/precinct plans applying to the site, including any draft regional, district or corridor/precinct plans released for public comment.***

The proposal will allow for the delivery of a high quality mixed-use development consistent with *A Plan for Growing Sydney*, the *draft Greater Sydney Region Plan 2056*, and the *Draft North District Plan*, as detailed below.

### **A Plan for Growing Sydney, 2014**

The Sydney Metropolitan Strategy, *A Plan for Growing Sydney*, was released in December 2014 and is the NSW Government's 20-year plan for the Sydney metropolitan area. It's vision for Sydney is "a strong global city, a great place to live" to which it provides direction for Sydney's productivity, environmental management, and liveability; and for the location of housing, employment, infrastructure and open space. The Proposal is in line with the strategic vision for Sydney, which recommends the following:

- Direction 2.1: Improve housing supply across Sydney
- Direction 2.2: Ensure more homes closer to jobs
- Direction 2.3: Improve housing choice to suit different needs and lifestyles

North Sydney is identified as a key strategic centre within the Strategy. The Strategy states to ***'investigate potential future employment and housing opportunities associated with a Sydney Rapid Transit train station (now known as Sydney Metro) at Victoria Cross'*** as a priority for Global Sydney and the North Sydney CBD.

A priority for the North Subregion also is to ***'work with councils to identify suitable locations for housing and employment growth coordinated with infrastructure delivery (urban renewal) and train services'*** that include the Sydney Metro.

The Proposal supports the outcomes of the Strategy by responding to the new planned Metro station at Victoria Cross and enabling the increased supply of housing in the North Sydney Centre, close to jobs and transport.

#### **Draft Greater Sydney Region Plan: A metropolis of three cities, 2017**

The *draft Greater Sydney Region Plan*, released in October 2017, is the NSW Government's 40-year regional and land use plan for Greater Sydney and provides ten Directions to guide this growth.

*Objective 22 - Investment and business activity in centres* notes the benefits of well-connected centres, resulting in jobs closer to homes, more efficient public transport networks, and businesses connected to a large skilled workforce. The Plan states these benefits *"maximise opportunities to attract higher density and higher amenity residential developments"*, and that there will be a need to grow existing centres and develop new ones as Sydney grows.

Of particular relevance to this Planning Proposal is *Direction 4: Housing the city* and *Objective 10 Greater housing supply*. The Plan states that creating capacity for new housing should be in the right locations, where it is *"linked to local infrastructure - both to optimise existing infrastructure use and to maximise investment in new infrastructure."* To this effect, the Plan identifies the Sydney Metro as a 'city-shaping' transport project which will *"unlock significant opportunities for renewal and connectivity"*.

This Planning Proposal presents the opportunity to supply housing in a strategic location in the North Sydney Centre and adjacent the north entrance to the planned station at Victoria Cross, and responds to this objective. The Proposal also addresses the housing targets of the draft District Plans, as detailed below.

#### **Draft North District Plan, 2016**

The *Draft North District Plan* (Draft Plan) was released by the Greater Sydney Commission in November 2016 and supports *A Plan for Growing Sydney* by providing regional strategic planning across Sydney's six Districts. The Draft Plan identifies North Sydney as a Strategic Centre in which the identified job target is 15,600 – 21,100 additional jobs by 2036. It outlined the need to maximise land use opportunities presented by the Sydney Metro Station at Victoria Cross.

The Draft Plan further identified that single persons (43%) and couple only (26%) households comprise the largest number of household types in North Sydney. Apartments account for 71% of the existing housing stock in North Sydney, with housing accommodating smaller households – such as apartments or terrace/row housing – being the greatest demand in North Sydney. The Draft Plan stated that the creation of these *"should consider proximity to public transport, day-to-day needs, health, education, infrastructure and services"*.

The Draft Plan was rereleased in 2017 as the *Revised Draft North District Plan* (Revised Draft Plan). The Revised Draft Plan continues to set the planning priorities and actions for the growth of the North District, and includes the ten Directions from the *draft Greater Sydney Region Plan*. The Plan retains the desired outcomes to maximise land use opportunities provided by the new station.

The Proposal is in line with the Revised Draft Plan's priorities of growing economic activity in centres within the district by improving housing choice, diversity and affordability through the proposed mixed-use redevelopment of the existing commercial building. The provision of additional housing suited to smaller households and strategically located on the fringe of the North Sydney Centre near public transport, is consistent with its intended growth. In facilitating the redevelopment of the site, the Proposal will contribute to the achievement of North Sydney's five-year housing supply target, which the Revised Draft Plan sets at 3,000 new dwellings by 2021.

– ***Is it consistent with a relevant local council strategy that has been endorsed by the Department?***

The North Sydney Centre Capacity and Land Use Strategy (CLU Strategy) was adopted by Council in May 2017. While not formally endorsed by the Department, the CLU Strategy was produced in association with a Planning Proposal endorsed by North Sydney Council, which was subsequently given a Gateway determination on 20 July 2017 (North Sydney Council Planning Proposal). In summary, the CLU Strategy seeks for the North Sydney Centre to remain a resilient, vibrant and globally relevant commercial centre, intensify land use around planned infrastructure, offset commercial floor space losses in the mixed-use zone, and identify residential development opportunities in the mixed use periphery.

This Planning Proposal is consistent with the aims and intent of the CLU Strategy by promoting balanced growth within the Centre with protection of amenity and relevantly, the North Sydney Council Planning Proposal seeks to permit building heights **up to RL 289** within the North Sydney Centre.

The CLU Strategy additionally notes for Berry Square, a small privately-owned plaza 150 metres south of the site and identified a 'special area' under the North Sydney LEP 2013, to be reviewed as part of the Ward Street Precinct Masterplan (WSPM) process. The North Sydney LEP 2013 prohibits development in the North Sydney Centre which would result in a net increase in overshadowing of Berry Square between 12pm and 2pm and in this regard, the Architectus Alternative Masterplan, to which this Planning Proposal supports, does not cause any net increase in overshadowing to Berry Square between the protected times. Notwithstanding, Architectus considers it an unreasonable constraint to enforce protection of solar access to the Square, given it significantly restricts the development capacity of the wider Ward Street Precinct which could otherwise deliver substantial public benefits.

The CLU Strategy also proposes a control for no additional overshadowing of areas outside the North Sydney Centre between 10am and 2pm. As detailed in the Urban Design Study at **Attachment A** to this Planning Proposal, testing of the proposed tower development, in regard to overshadowing, showed that the proposed development and the Architectus Alternative Masterplan scheme do not cause any additional overshadowing of land east of the Warringah Freeway (Area 1) between these hours. In consideration of, and in this regard, these matters, this Planning Proposal is considered to be generally consistent with the CLU Strategy.

The Architectus Alternative Masterplan also supports the preservation of the significant heritage values of the Simsmetal House site, as well as retention of non-residential uses within the North Sydney Centre, being 7,285 sqm of commercial office space.

- ***Is it responding to a change in circumstances, such as the investment in new infrastructure or changing demographic trends that have not been recognised by existing planning controls?***

This Planning Proposal has been motivated by the announcement of the Victoria Cross Metro Station and Council's own investigations into allowing increased capacity in the North Sydney Centre. Accordingly, the fundamental strategic merit of this Planning Proposal is that it relates specifically to a change in circumstances not currently recognised by the existing controls.

#### ***Response to investment in new infrastructure***

The future Victoria Cross Metro Station will have an entry on the opposite side of McLaren Street, approximately 50 metres from the site. The Sydney Metro aims to address a strategic need to significantly increase transport capacity and frequency within the Global Economic Corridor and to drive productivity through integrated transport and land use planning. The Chatswood to Sydenham EIS provides that the opportunity for urban development around the proposed stations is a key benefit of the project and also that, through the application of transit oriented development principles, the project will support the Government's objectives to achieve more sustainable and efficient use of land to meet Sydney's growth.

The EIS also details the site-selection process which was undertaken for the North Sydney Centre, comparing the Victoria Cross site with alternate options within the locality. It goes on to state, in support of the chosen site, that:

***“Victoria Cross was considered superior as it has a greater catchment area and a greater potential for residential, commercial and transit oriented development.”***

Close proximity to the new station coupled with the site's location within the Ward Street Precinct presents a unique opportunity for the site to feasibly redevelop and provide wider significant benefits. The Precinct forms a vital part of the North Sydney Centre and is anticipated to undergo significant transformation. Roughly covering 0.9 square kilometres, it has been identified as being capable of accommodating a substantial uplift in residential and employment densities as a result of the Metro Station and its associated increased public transport capacity for the North Sydney Centre.

#### ***Response to planning for the Ward Street Precinct***

The WSPM is discussed in detail in the Urban Design Study prepared by Architectus at **Attachment A**, which considers that the Masterplan's goals for the Precinct as a vibrant mixed-use destination are unlikely to be realised under the current draft due to it failing to adequately consider the economic feasibility of delivering the Masterplan and under-delivering on additional commercial and residential floor space. Council has acknowledged these issues and has commenced a process of engaging consultants to review the WSPM. A process which is likely to take considerable time.

The Architectus Alternative Masterplan that can be facilitated through this Planning Proposal achieves the goals of the draft Masterplan as well as providing a superior development outcome for the Ward Street Precinct. These outcomes are detailed in this Planning Proposal and Urban Design Report.

#### ***Summary of strategic merit***

The proposed increase to height beyond the current development standards is consistent with, and responds to, North Sydney Council's investigations into planning for the Ward Street Precinct (comprising the site) and the broader North Sydney Centre. The Proposal is necessary to facilitate the delivery of the proposed mixed-use development and will not have any unreasonable impacts on the locality or the environment.

This Planning Proposal directly responds to changes in circumstances which had not been foreseen in preparing the current planning controls. The announcement of the Victoria Cross



Sydney Metro will significantly increase public transport capacity and frequency in the North Sydney Centre and facilitate significant uplift and density of surrounding land uses.

The Proposal accompanies the Architectus Masterplan, which addresses the identified shortfalls of the current draft WSPM and would, if adopted, achieve superior outcomes in comparison. As such, the Proposal is considered to have strategic merit.

***Does the proposal have site-specific merit, having regard to the following?***

This Planning Proposal holds site-specific merit for the reasons outlined below, and should therefore be supported.

- ***The natural environment (including known significant environmental values, resources or hazards).***

The site is located within the North Sydney CBD and does not hold any significant environmental values, resources or hazards. The site is not a critical habitat and does not hold any threatened species, populations or ecological communities.

There are no environmental constraints which would reasonably preclude the proposed development, nor the Architectus Alternative Masterplan. The environmental impacts of the proposal have been comprehensively addressed in the Urban Design Report, which provided as **Attachment A** to this Planning Proposal.

- ***The existing uses, approved uses, and likely future uses of land in the vicinity of the proposal.***

The proposal, as aforementioned, has been motivated by the announcement of the new Metro station at Victoria Cross, by which its northern access will be approximately 50 metres from the site. A key intent of this proposal therefore is to allow an uplift in density for the site commensurate with its location opposite the new station.

***Heritage considerations***

The proposed amendments to the North Sydney LEP 2013 seek to support and revitalise the existing commercial building, now listed as a local heritage item, as it responds to its changing surrounding context in the North Sydney Centre. The Heritage Assessment Report by GML Heritage prepared in April 2017 and provided at **Attachment K** to this Planning Proposal identifies that the site should be afforded uplift to ensure that the heritage building is appropriately maintained. Based on the nature and degree of the heritage significance of the existing building and the various physical, financial, technical, functional and contextual challenges it currently faces, the report identifies that the site has a need for sufficient additional development to achieve appropriate long-term conservation outcomes.

The report also states that future planning for the site must consider the scale of changes to the statutory planning environment of the site since its construction, for the original Simsmetal House now no longer relates to the scale and character of its setting, and that the 3-5 storey addition to the site suggested by the draft WSPM is an inappropriate response to its heritage significance.

Should it be considered that a site-specific provision be the preferred option to implement the Proposal, the intent of that provision is to ensure that the heritage value of the existing building is retained as part of any future development of the site. Irrespective, it is the intent of this Planning Proposal that the existing heritage-listed building be retained and integrated into the proposed mixed-use development.

### **Ward Street Precinct**

As set out in the Architectus Alternative Masterplan, these amendments will also enable the delivery of a key through-site link between McLaren Street in the north and Berry Street in the south, improving the accessibility of the future public space in the Ward Street Precinct. The creation of this link as detailed in the Proposal would unlock greater benefits than can be achieved under the current draft Masterplan. It will alleviate the need for agreements to be made with multiple landowners to achieve the mid-block public open space connection, and additionally, the amalgamation of the 20 Ward Street, 55 Berry Street & 66 Berry Street allows for almost double the amount of public open space to be provided within the precinct. Further, the owners of 41 McLaren have offered through a Voluntary Planning Agreement (VPA) to make a sizeable contribution toward delivery of the envisaged public domain works in the Ward Street Precinct (further discussion below).

- ***The services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for infrastructure provision.***

There is adequate infrastructure in place to support this Planning Proposal. The site is well placed within the North Sydney CBD, being close to both North Sydney train station and opposite the planned Metro station, as well as bus services and road connections. Revitalisation of the site at its strategic location promotes the efficient use of infrastructure services, reducing the need for consumption of land and housing. Existing service provisions also exist for electricity, water, sewer, gas, stormwater infrastructure and telecommunications infrastructure at the site.

It will be proposed through a separate VPA process to provide a contribution towards the cost of delivering proposed public open space and associated public domain works within the Ward Street Precinct, in addition to providing a double-height colonnade to establish a vital connection between McLaren Street in the north to Berry Street in the south. Urbis have prepared a comprehensive VPA Report which is intended to inform the appropriate approach to levying development within the Ward Street Precinct to fund delivery of public and community facilities and public domain works within the precinct. The report is provided under separate cover to this Planning Proposal.

## **5. Consultation with Council**

A breakdown of the key activities concerning this Planning Proposal is set out at **Attachment B**.

### **5.1 Prior to lodgement**

The owners of 41 McLaren Street and Architectus have engaged with North Sydney Council on a quarterly basis over a 3-year period in relation to a future development of 41 McLaren Street and the renewal of the Ward Street Precinct. Key aspects of this consultation are summarised as follows:

#### 2014

- Identified need to holistically plan for development of the Ward Street car park site and the development of surrounding sites, specifically future change in building heights.

#### 2015

- Discussion of options by Architectus for Council-owned land and 41 McLaren Street.

#### 2016

- Initial design concept by Harry Seidler & Associates for 41 McLaren Street prepared and discussed.

2017

- Architectus provided submission to the draft WSPM, commencing preparation of Planning Proposal and lodged with Council on 1 September 2017.

**5.2 Post-lodgement**

18 October 2017

Meeting with Joseph Hill, Director City Strategy Division.

- Applicant presented physical model and animation/video.
- Mr Hill advised that Council was targeting the final meeting of 2017 for consideration of this Planning proposal.

21 November 2017

Meeting with Marcelo Occhiuzzi, Manager Strategic Planning and Strategic Planning Team.

- Applicant presented physical model and animation/video.
- Mr Occhiuzzi advised that the announcement of McLaren Street access to the Metro Station had significantly changed the context of the site.
- Mr Occhiuzzi advised that Council was prioritising the tender process to appoint a consultant to undertake the review of the WSPM and that the subject Planning Proposal would not be considered until the Council meeting of February 2018 at the earliest (five months after lodgement).

**6. Conclusion and Recommendation**

As detailed within this letter and accompanying Planning Proposal (and supporting documentation) it is submitted that this Planning Proposal has strategic and site-specific merit and is recommended for support by the Sydney North Planning Panel to advance to a Gateway determination.

I trust the information provided is sufficient to enable consideration of this Planning Proposal for a Rezoning Review and your assistance with this matter is greatly appreciated. Should you have any queries or wish to discuss this matter further, please do not hesitate to contact me on (02) 8252 8400 or Michael.Harrison@architectus.com.au.

Yours sincerely,



Michael Harrison

Director, Urban Design and Planning  
Architectus Group Pty Ltd

Attachments:

Attachment A: Planning Proposal (and supporting documents) – Under separate cover

Attachment A – Under separate  
cover