

Purpose: To identify whether the information provided by a proponent with their request for a pre-Gateway review 45 Victor Street, Chatswood is sufficient for assessment purposes and whether the request should proceed to the Sydney East Joint Regional Planning Panel (JRPP) for consideration.

Dept. Ref. No:	PGR_2013_WILLO_003_00		
Address/ Location:	45 Victor Street, Chatswood		
LGA:	Willoughby		
LEP to be Amended:	Willoughby Local Environmental Plan 2012		
Reason for review:	☒ Council notified proponent it will not support proposed amendment	☐ Council failed to indicate support for proposal within 90 days	
Assessment Fee:	☒ Provided & correct ☐ Not provided / incorrect	Comment:	Confirmed 19 December 2013

Summary of proposal:

The proposal seeks to amend Willoughby Local Environmental Plan 2012 (WLEP 2012) for land located at 45 Victor Street, Chatswood (Chatswood Post Office site). The proposal seeks to:

- retain the B3 Commercial Core zone but permit 'shop top housing' as an additional permitted use on the site;
- increase the maximum height limit from 12 metres (RL106.5) to about 141 metres (RL235);
- remove the floor space ratio (FSR) control of 2.5:1 for the site to allow the building to be defined by a building envelope; and
- require a minimum of 2,066m² of non-residential gross floor area (GFA) to be provided on the site.

The indicative development proposes ground floor retail space (210m²), two levels of commercial floor space (1860m²) and 300 apartments above the commercial component. The subject site is located on the corner of Victor Street and Post Office Lane in the Chatswood CBD. The site has an approximate area of 1,000m² and comprises of a 3 storey building. At the ground level of the building is an Australian Post store and the upper 2 levels have historically been used for commercial office premises. The upper levels, also owned by Australia Post, are not in regular use. Australia Post is currently investigating an alternative site to relocate the post office store within Chatswood CBD, which will allow the option for a 'superstore.'

Refer to **Attachment 1** for the site location map.

Council does not support the proposal because it considers it to be inconsistent with section 117 Directions, WLEP 2012 and the NSW strategic planning framework. Concern was also raised in relation to design, traffic, car parking, view impacts and overshadowing impacts.

Copy of initial request to council to prepare planning proposal:	☒ Provided ☐ Not provided	Comment:	The initial planning proposal considered at a Council meeting on 11 November 2013, has been amended to remove the Australia Post superstore from the ground level of the development. The current proposal states the Australia Post superstore will be relocated to an alternative site within Chatswood CBD. This variation has arisen as a result of Council's report expressing traffic and loading implications that would arise from the Australia Post superstore located on the site. Retail space (210m ²) will be provided in lieu of the Australia Post superstore on site. Council's submission notes the amended proposal.
Is a disclosure statement relating to reportable political	☐ Provided ☒ N/A	Comment:	

donations under s147 of the Act required and provided?			
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Required for all proposals (under s55(a) – (e) of the EP&A Act)

Requirement	Yes	No	Comments
Objectives and intended outcome Is it clear what the proposal is trying to achieve?	☒	☐	
Explanation of provisions Does the proposal include details about the provisions in the LEP that may/will need to be amended to deliver desired outcome?	☒	☐	The following provisions are suggested: - Amend Schedule 1 of Willoughby LEP 2012 to include shop top housing as a permissible use on the site; - Amend height controls to permit a maximum height of approximately 42 storeys (RL235); - Remove the FSR control for the site and adopt an approach where built form on the site is controlled via building envelope controls; and - Set a minimum of 2,066m² of non-residential GFA for the site. An Amendment to Schedule 1 will adopt the same approach taken for existing shop top housing permitted in the B3 Commercial Core zone surrounding the site.
Justification and process for implementation (including initial compliance assessment against relevant section 117 direction/s) Does the proposal include information about consistency with strategic planning framework including regional/sub-regional strategies and s117 Directions etc?	☒	☐	
Mapping Does the proposal include sufficient (draft) mapping and other material such as aerial photographs to clearly identify the site, current and proposed zoning, etc to clearly explain the intent of the proposal?	☒	☐	
Community consultation (including agencies to be consulted) Does the proposal contain details relating to any agencies that will need to be consulted to progress the proposal? Does it include details about any consultation that has already occurred with agencies/stakeholders? Does the proponent discuss any potential future community consultation?	☒	☐	The proposal indicates consultation with the NSW Roads and Maritime Services would occur at the public exhibition period of the planning proposal. No agency consultation has occurred to date. The proponent suggests that the proposal would be publicly exhibited for a minimum of 28 days.

Summary:

Is there sufficient (preliminary) information provided to address relevant key issues associated with the proposal?

Yes ☒ No ☐

Additional Comments: N/A

Views of council

Date council/agency advised of request:	19 December 2013
Date of council/agency response:	22 January 2014
Council/agency response: List issues / points provided in response	Council submitted a detailed submission stating it does not support the proposal. A summary of Council's reasons is provided below: <u>Strategic</u> - the proposal is inconsistent with section 117 Direction 7.1 Implementation of the Metropolitan Plan for Sydney 2036 (including draft Metropolitan Strategy) because it proposes residential development within the commercial core; - the proposal is inconsistent with the objectives for Chatswood CBD in the draft Metropolitan Strategy 2031, where high density residential is to occur outside the Chatswood CBD commercial core; - residential development is not permitted in the B3 zone; - the dwelling target has been addressed and will be met elsewhere in Willoughby local government area (LGA), without the need to compromise the business role of the Chatswood CBD; - the proposal is inconsistent with shop top housing permitted along Victoria Road because there is a 14m height control and FSR of 2.5:1; and - the proposal fails to achieve the B3 zone intent for employment growth in that the existing FSR control of 2.5:1 would have potential to generate 125 jobs. <u>General</u> A summary of other key issues raised by Council is provided below: - all car parking and delivery access is off Post Office Lane. It is proposed that the Lane will operate as a share-way providing pedestrian access to Chatswood Station and Interchange; - justification of the building height is selective in the choice of buildings; - overshadowing impacts on the Garden of Remembrance; - view impacts from the Sebel building and Interchange towers; - car parking provision is well under the Willoughby Development Control Plan 2006 (WDCP) requirement of 355 spaces; and - the proposal presents numerous adverse traffic impacts, including conflicts with turning vehicles at the end of Victor Street, loss of on-street short-term parking, traffic generation from approved development in the vicinity of the site, and traffic conflict with pedestrians accessing Westfield shopping centre and Chatswood Mall via Victor Street.

Background supporting information

List information provided by the proponent:

The application was supported by the following material:

1. JBA cover letter to the Department of Planning and Infrastructure, dated 2 December 2013;
2. Planning Proposal prepared by JBA Urban Planning Consultants Pty Ltd, dated December 2013;
3. Urban Design Study by JBA, dated December 2013 (**Appendix A**);
4. Economic Impact Assessment by Essential Economics, dated September 2013 (**Appendix B**); and
5. Traffic Impact Assessment by GTA Consultants, dated 28 November 2013 (**Appendix C**).

The proponent has provided the following Council documents:

1. Council report, dated 17 June 2013;
2. Council report, dated 11 November 2013; and
3. Council letter not supporting the planning proposal, dated 18 November 2013.

Is the supporting information provided more than 2 years old?

Yes ☐ No ☒

If 'yes', explain/detail currency of information

Is there documented agreement between the proponent and the council regarding the scope/nature of supporting information to be provided?

Yes ☐ No ☒

Comment:

Is there evidence of agency involvement in the preparation of any supporting information or background studies?

Yes ☐ No ☒

Comment:

Proposal assessment

STRATEGIC MERIT ASSESSMENT

Relevant regional strategy

Metropolitan Plan for Sydney 2036 (Metro Strategy)

The proposal is consistent with several objectives of the Metro Strategy in that it will provide housing within a walking catchment of public transport, employment and services and provide additional jobs in Chatswood CBD.

Draft Metropolitan Strategy for Sydney to 2031 (draft Metro Strategy)

The proposal is consistent with the draft Metro Strategy in that it will provide approximately 300 new dwellings close to existing infrastructure and contribute an additional 57 jobs in Chatswood Major Centre. In addition, the proposal provides mixed use development in a centre that responds to market demand.

However, the proposal is inconsistent with the subregional planning for Chatswood major centre, where medium and high density housing is to occur outside the commercial core. It is noted that there are already several sites where residential use is permitted within the commercial core precinct at Chatswood.

Draft Inner North Subregional Strategy (draft Strategy)

The draft Strategy identifies Chatswood as a Major Centre and the employment target is an additional 16,000 jobs in the LGA by 2031. WLEP 2012 has capacity to deliver over 18,000 additional jobs in the LGA by 2031. The proposal will potentially provide 57 additional jobs in the LGA (77 ongoing jobs), but does not demonstrate significant employment growth.

The dwelling target for Willoughby LGA by 2031 is 6,800 new dwellings. The proposal provides an additional 300 dwellings on site. Dwelling targets in WLEP 2012 are planned to be met in the B4 Mixed Use Zone surrounding the Chatswood CBD, in shop top housing in neighbourhood and local centres, B5 Business Development zones, and increased densities in some residential areas. WLEP 2012 is estimated to support 7,200 additional dwellings, exceeding the 6,800 capacity target.

SEPP 55 – Remediation of Land

Considering the site is currently being used for retail purposes, contamination is not likely considered to be an issue.

Agency's view

The agency considers a phase 1 environmental assessment should be prepared by the proponent prior to exhibition of the planning proposal.

SEPP 65 – Design Quality of Residential Flat Development

The proponent indicates the proposed planning controls have been tested through the indicative concept scheme to ensure the resultant building envelope can achieve compliance with the relevant design principles contained within SEPP 65 and the Residential Flat Design Code (RFDC).

Agency's view

The agency considers compliance to SEPP 65 and the RFDC can be considered

	at a development application (DA) stage. SEPP (Infrastructure) 2007 The proposal refers to the findings of the traffic assessment which confirms that no unacceptable impact on surrounding road networks will result from the density of development facilitated by the proposal. <u>Agency's view</u> The site is located in an area with existing infrastructure and services. Should the proposal proceed to a Gateway determination, consultation with relevant service providers and agencies will be requested. In addition, the agency considers an amended traffic assessment be submitted prior to public exhibition of the proposal. The traffic assessment should consider nearby major developments, impact of truck movements and pedestrian access via Post Office Lane. SEPP (Building Sustainability Index: BASIX) 2004 The proposal states that detailed compliance will be demonstrated at DA stage. <u>Agency's view</u> The agency supports the proposal's conclusions.
Relevant local strategy	There is no specific local strategy endorsed by the Director General for the site. However, Council has prepared the Willoughby City Strategy 2013-2029 which sets a long-term planning vision for the LGA. The proposal states that it is consistent with the following principles of the Willoughby City Strategy by: • responding to the increased demand for housing within Chatswood CBD; • not reducing the existing commercial office floor space; and • offering housing in an area which permits shop top housing above ground floor retail and commercial floor space. Council argues the proposal is inconsistent with the local strategy for Willoughby because Chatswood CBD is the largest employment hub and has a multifunctional role as the chief retail, service and community centre for residents of Willoughby and the northern Sydney region. <u>Agency's view</u> The agency considers the proposal is partially consistent with the Willoughby City Strategy in that it will provide housing that is accessible to public transport and services. However, the local strategy identifies there is a need to implement strategy for the long term development of Chatswood CBD as a major employment, retail and entertainment destination. Notwithstanding, the proposal is considered to have merit because it is transport orientated which will provide greater convenience for future residents and workers.
Relevant s117 Directions	1.1 Business and Industrial Zones The proposal will maintain the existing quantum of floor space for employment purposes (2,066m²). The existing retail component on site provides 20 jobs. The proposed retail and commercial component will provide a potential for 57 additional jobs on an ongoing basis on site. <u>Agency's view</u> The agency considers the proposal is partially consistent with the objectives of this direction. The proposal will generate additional jobs in Chatswood Major Centre and protects the existing floor space for employment purposes. Notwithstanding, it is acknowledged that the proposal does not provide for significant employment growth. 3.4 Integrating Land Use and Transport The proposal is consistent with this direction because it provides additional housing located 120m from Chatswood train station, and is in close proximity to employment opportunities and services. The site is located in an area with good

	public transport choice. <u>Agency's view</u> The agency considers the proposal is consistent with this direction. 7.1 Implementation of the Metropolitan Planning for Sydney 2036 The proponent states the proposal will deliver new jobs and housing within the existing Chatswood Major Centre which is highly accessible to public transport and existing jobs. <u>Agency's view</u> The proposal is considered to be partially consistent with the overall aims and objectives of the Metro Strategy and draft Metro Strategy. The proposal represents a loss of future employment potential in the B3 Commercial Core. The draft Metro Strategy indicates high density housing is to be located outside the commercial core in Chatswood. Notwithstanding, the proposal generates additional employment (from current levels) and responds to market demand for housing in Chatswood Major Centre, acknowledging residential uses currently prevail in the commercial core area.
Additional supporting information provided	

SITE-SPECIFIC MERIT ASSESSMENT														
Natural environment	The site is unconstrained in terms of environmental issues such as protected species, significant vegetation, flooding or topography. <u>Agency's view</u> The proposal's conclusion is supported.													
Existing, approved, likely future use of land	Existing land use The site is zoned B3 Commercial Core. A maximum building height of 12m and maximum FSR control of 2.5:1 apply to the site. The site has an area of approximately 1000m², and has a frontage of 26.5m to Victor Street and 36.6m to Post Office Lane. Constructed on the site is an existing 3 storey, L-shaped building where an Australia Post store is currently operating at ground level. The upper 2 levels are also owned by Australia Post and have historically been used for commercial office purposes. The existing retail space on the ground floor is approximately 410m² and the upper levels of office space approximately 1380m². The building has frontage to both street alignments with the exception of the ground level which is setback to Post Office Lane to provide an area of 35.8m². This area has been dedicated to Council for road widening purposes. A loading dock and open onsite staff parking are provided in the south-western corner of the site. Vehicular egress from the site is via a second crossover on Victor Street. The site is surrounded by B3 Commercial Core zoning. Surrounding land uses include retail, commercial, and shop top housing is permitted under Schedule 1 of the WLEP 2012. Future land use A maximum height control of RL235 (approximately 42 storeys) is proposed. The proponent seeks to remove the FSR control on site and adopt an approach where the built form is controlled via building envelope controls. A minimum of 2,066m² non-residential floor space is proposed. In addition, the proposal seeks to add shop top housing as a permissible use on site. The table below reveals the indicative development outlined in the proposal: <table><tr><th>Use</th><th>Type</th><th>No./Size</th><th>Mix</th></tr><tr><td rowspan="2">Residential</td><td>Studio</td><td>90</td><td>30%</td></tr><tr><td>1 bedroom</td><td>45</td><td>15%</td></tr></table>			Use	Type	No./Size	Mix	Residential	Studio	90	30%	1 bedroom	45	15%
Use	Type	No./Size	Mix											
Residential	Studio	90	30%											
	1 bedroom	45	15%											

	1 bedroom plus study	45	15%
	2 bedroom	72	24%
	3 bedroom	48	16%
	Subtotal	300	100%
Commercial	Retail	210m ²	-
	Commercial (lower floors)	1,856m ²	-
	Subtotal	2,066m²	-

The urban design study provided at **Appendix A** of the proposal illustrates a height study, elevation and perspective drawings of the proposal and surrounding context. Chatswood CBD is currently undergoing a transformation with the introduction of a number of high-rise mixed use towers. The proponent states the indicative design responds to the changing scale of development in Chatswood CBD.

The proponent has justified the proposed height of RL235 (approximately 42 storeys) based on overshadowing studies on open space and the Sebel building (28 storeys or RL178.5) located 14m south of the site. The Sebel building contains Council's offices, and a mix of serviced and residential apartments. The proposed height is consistent with approved Part 3A developments in Chatswood CBD, including:

- residential towers at Chatswood Interchange (approximately 45m west of the site),
 - Tower 1 at RL247;
 - Tower 2 at RL201;
 - Tower 3 at RL234; and
- Thomas Street mixed use development (approximately 250m south-west of the site) with a proposed height increase to approximately RL240 or 42 storeys for Building 1.

Attachment 1 reveals the location of the above developments in relation to the site.

Clarification in documentation

A recent NSW Land and Environment Court decision in December 2013 reduced the Thomas Street proposed Building 1 height by 9 storeys, from RL240.4 (47 storeys) to RL225.55 (38 storeys).

Agency's view

The proposal seeks a maximum height control of RL235 plus plant room. For consistency with the definition of building height contained in WLEP 2012, the agency recommends the proposal be amended to reflect references to a maximum building height, which is inclusive of plant.

The proposed height control represents a departure from the existing controls for shop top housing in the B3 zone. The maximum height limits surrounding the site range between 14m and 80m. Should the proposal proceed to Gateway, it is recommended that the urban design study be reviewed prior to public exhibition. The revised urban design study should:

- consider the immediate height context including the impact on lower scale development surrounding the site;
- address nearby approved development heights; and
- address potential view and overshadowing impacts on the Garden of Remembrance and other buildings.

Services and Infrastructure

The site is located within Chatswood CBD well serviced by all necessary urban services and infrastructure.

Public Transport

The subject site is located within an area that has high levels of access to public transport. Chatswood transport interchange is located approximately 120m west of the site, offering high frequency rail and bus services to various centres in

	Sydney. Traffic The proposal is accompanied by a traffic assessment prepared by GTA Consultants, dated 28 November 2013 (Appendix C). The study concludes the indicative scheme: • could be delivered without generating any adverse impacts on the surrounding road network; • demonstrates that a sufficient level of on-site parking can be delivered; and • proposes the existing post office be relocated to another site in Chatswood CBD, therefore traffic volumes and parking demand would likely be reduced. GTA undertook traffic movement counts during peak periods at the intersection of Victor Street and Albert Avenue, Chatswood. The GTA study identified that the existing intersection operates satisfactorily and concludes the proposal would have a negligible impact on the operation of the intersection, remaining at a 'good' level of service. <u>Agency's views</u> Should the proposal proceed to Gateway, the traffic study should be updated to clarify the cumulative traffic impacts by nearby major developments, including 14-18 Thomas Street mixed use development currently under construction and the Chatswood Interchange Towers. Parking The proponent proposes 195 car parking spaces (1 motorcycle parking space, 185 residential, 10 commercial/retail and no visitor car parking spaces on site). Council's DCP requirements include 255 residential, 25 commercial/retail, and 75 visitor car parking spaces. The total DCP car parking requirement is 355 spaces. The proposal has a shortfall of 160 car spaces when compared to Council's DCP. The proposal indicates a reduced parking provision rate is warranted given the close proximity of the site to public transport and other nearby services. The traffic study states the proposal requires a car parking rate of 180 residential spaces according to the RMS 'Guide to Traffic Generating Developments 2002.' This rate has been calculated based on Chatswood CBD being a 'Metropolitan Regional CBD Centre,' where there are high levels of local employment and access to rail and bus services. In addition, the study refers to the increase in zero car ownership in Chatswood from the 2006 and 2011 Census undertaken by the Australian Bureau of Statistics. Council's submission states Chatswood CBD is a 'Metropolitan Sub-Regional centre,' and therefore the RMS applicable rate is 232 residential car parking spaces. <u>Agency's views</u> Further consideration on car parking provisions can be negotiated at DA stage, however in principle reduced car parking in close proximity to public transport is supported.
Other relevant matters	Economic Impact The proposal is accompanied by an economic impact statement (EIS) prepared by Essential Economics dated September 2013 (Appendix B). The EIS reveals that the office vacancy rate in Chatswood has been consistently above 5% for the last 20 years, which highlights underperformance by standard industry benchmarks. Furthermore, over 90% of the net absorption on the office space located in the past 12 months has been in Prime A-grade office space located in the primary commercial core to the west of the railway. The EIS states there is less demand for office development in secondary locations such the subject site, which does not have the floor plate capacity to attract corporate tenants. The EIS concludes that it is appropriate that the indicative scheme for the site include only a modest component of office space, being 1,860m².

	Currently 20 jobs arise from the existing retail component on the ground floor (410m²). Only this component of the building is fully utilised for employment purposes. The proposal would generate 815 indirect and direct jobs from construction and 77 ongoing jobs from the retail and commercial component. This represents a net employment gain of 57 ongoing jobs. The EIS states the residential market in Chatswood remains strong, with 46% of new dwelling approvals in the LGA were located in Chatswood between 2006 and 2011. The report concludes only a residential or mixed-used development would be commercially viable at the subject site. In addition, a mixed-used development would respond to market demand for residential without reducing the existing floor space for employment purposes. <u>Agency's views</u> The findings of the EIS are supported. Given the current market demand, the agency agrees a purely commercial development would not be a viable option for the subject site and may delay redevelopment for some time.
Agency's assessment - Summary	The proposal demonstrates strategic merit in the following ways: • it provides additional housing and employment in a major centre; • it does not reduce the amount of existing floor space for employment; • the site is located approximately 120m east of Chatswood Interchange and would help support the use of public transport; • it has the ability to reduce reliance on private car use as the site is in close proximity to employment, retail facilities and services; and • it responds to market demand and offers mixed use development in a centre. In addition, the proposal demonstrates site-specific merit in the following ways: • the site is located within an area that is characterised by shop top housing above ground floor retail and commercial floor space; • the site is unconstrained in terms of the natural environment; • the site offers two street frontages allowing for vehicular access and the ability to achieve a high level of street activation at the ground level; • the orientation of the site lends itself to a design that will maximise north and east facing units which will achieve good solar access; and • it will increase and improve the quality of commercial floor space. Notwithstanding the above, the proposal is only partially consistent with the intent of the B3 zone, which is to achieve employment growth, and represents a loss of future employment potential in Chatswood's commercial core. This is considered a reasonable departure in this instance, given the precedent of residential uses in the centre that has already been set. The proposal has merit to proceed to the JRPP for review. It is recommended the JRPP consider requiring the following issues to be addressed prior to public exhibition of the planning proposal: • an amended urban design study to include consideration of the approved building heights for 14-18 Thomas Street mixed use development and potential overshadowing of the Garden of Remembrance; and • an updated traffic assessment that considers major developments including the Chatswood Interchange towers and Thomas Street mixed use development, impact of truck movements via Post Office Lane and Victor Street, and pedestrian access via Post Office Lane to Chatswood Interchange.

Information assessment

Criteria	Yes	No	Comments
Has all information referred to by proponent in their application been provided?	☒	☐	
Is information appropriate to support review?	☒	☐	
Is further information required?	☒	☐	List additional information required: Amended traffic assessment and urban design study prior to public exhibition of the planning proposal.
Any additional requirements:			

RECOMMENDATION

☒ The request is eligible for review and sufficient information has been provided. The request may proceed to review by JRPP.	Any additional comments:
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1.4.14



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