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2 December 2013

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Department of Planning and Infrastructure
GPO Box 39
SYDNEY NSW 2001

Attention: Tim Archer

Dear Dan and Tim

**PRE-GATEWAY REVIEW APPLICATION
AUSTRALIA POST SITE - 45 VICTOR STREET, CHATSWOOD**

Thank you for meeting with us on 15 November 2013 to discuss the Pre-Gateway Review application for the Australia Post Chatswood Planning Proposal. As discussed at the meeting, the Planning Proposal seeks to amend the *Willoughby Local Environmental Plan 2012* (Willoughby LEP 2012) to allow a high density mixed use development on the existing Australia Post site at 45 Victor Street, Chatswood.

The site is located within 100 metres of the Chatswood Rail Interchange and presents an opportunity to provide increased accommodation and upgraded retail and commercial space in close proximity to existing transport and services – an opportunity which appears to have been overlooked when Willoughby Council (Council) prepared its new LEP in 2012.

The Planning Proposal was submitted to Council in September 2013. At its meeting of 11 November 2012, Council resolved not to support the Planning Proposal. This letter seeks a Pre-Gateway Review of Council's decision and is accompanied by the following documents/report:

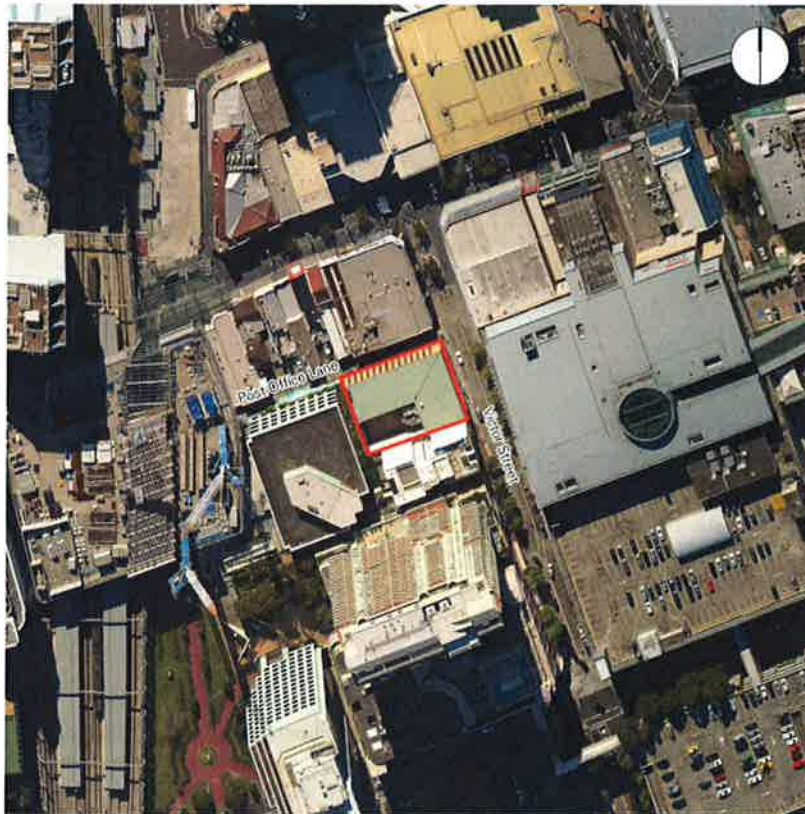
- Planning Proposal report prepared by JBA (dated November 2013) and supporting consultant reports including:
 - Urban Design Study;
 - Economic Impact Assessment prepared by Essential Economics and dated November 2013; and
 - Traffic Impact Assessment prepared by GTA Consultants and dated November 2013.
- Pre-Gateway Review application form; and
- Application fee of \$5,000.

This letter addresses Council's reasons for not supporting the Planning Proposal and demonstrates that Proposal's consistency with strategic planning policy.

1.0 THE SITE

The site is located at the corner of Victor Street and Post Office Lane in the Chatswood CBD and approximately 100 metres to the east of the Chatswood Transport Interchange (see aerial image at Figure 1 below). It has a site area of approximately 1,000m² and a frontage of approximately 30 metres to Victor Street to the east.

Existing on the site is a three storey, L-shaped brick building. At the ground level of the building is an Australia Post Office Shop. The upper two levels are also owned by Australia Post and have historically been used for commercial office purposes. However, these levels are now largely vacant.



■ The Site

Figure 1 – Aerial photo of the site

The site is currently zoned B3 Commercial Core under the Willoughby LEP 2012 in which a range of predominantly commercial uses are permitted with consent. However, as demonstrated in Figure 2 below, the area of the Chatswood CBD in which the site is located is characterised by residential land uses above lower floor commercial/retail space.

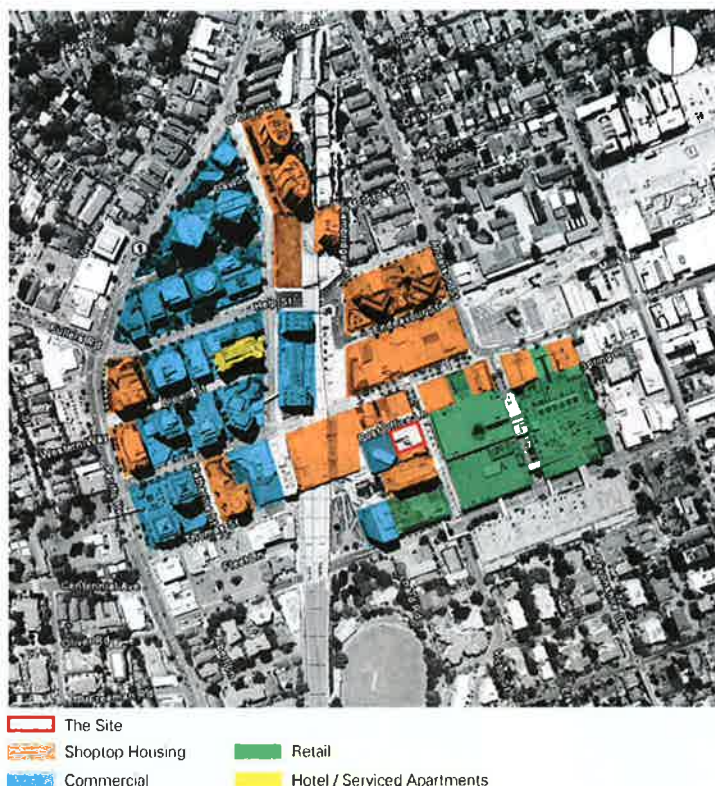


Figure 2 – Chatswood CBD land use map

A maximum height control of 12 metres and a maximum floor space ratio (FSR) control of 2.5:1 currently applies to the site under Willoughby LEP 2012. These development controls reflect the existing built form on the site, and do not acknowledge the site's strategic location within the Chatswood CBD and proximity to the Chatswood Transport Interchange. Nor does it take into account the heights and FSRs permitted and existing on surrounding sites including:

- The Westfield Shopping Centre to the east with an approximate height of 8 storeys equivalent to approximately 10 to 12 residential floors.
- An 8 storey shop top housing development immediately to the site and the 28 storey Sebel development further to the south which is made up of a mix of residential and serviced apartments.
- A 6 storey commercial building immediately to the west and three residential towers above the train station (under construction) which will accommodate approximately 500 apartments and have a maximum height of RL247. It can also be noted that the highest interchange tower has a total of 44 storeys.
- The approved mixed use development (currently under construction) at Thomas Street and Albert Avenue to the south-west with a maximum approved height of 29 storeys (a proposal to increase the maximum height on this site to 47 storeys is currently the subject of a Land and Environment Court appeal).

2.0 PLANNING PROPOSAL

In August 2012, Australia Post lodged a Planning Proposal to permit 'shop top housing' on the site, increase the maximum height to 70 metres (20 storeys), and permit a FSR 12:1. After further building envelope testing and feasibility analysis, Australia Post withdrew this Planning Proposal (which was due to be reported to the Council meeting of 17 June 2013) and submitted the current Planning Proposal which seeks to amend Willoughby LEP 2012 as follows:

- Retain the B3 Commercial Core zone but add 'shop top housing' as an additional permitted use on the site under Schedule 1 of the LEP; and
- Increase the maximum height limit from 12 metres (RL106.5) up to RL235 (approximately 42 storeys plus plant room space); and
- Remove the FSR control for the site and allow for the building form to be defined by a building envelope control as opposed to a FSR control.
- Require a minimum of 2,066m² of non-residential gross floor area (GFA) to be provided on the site.

The height sought under the Planning Proposal is intended to reflect the concentration of high density development around the Chatswood Interchange and will be some 12 metres below the maximum height to which the Chatswood Interchange residential towers will be built (see Figure 3 below).

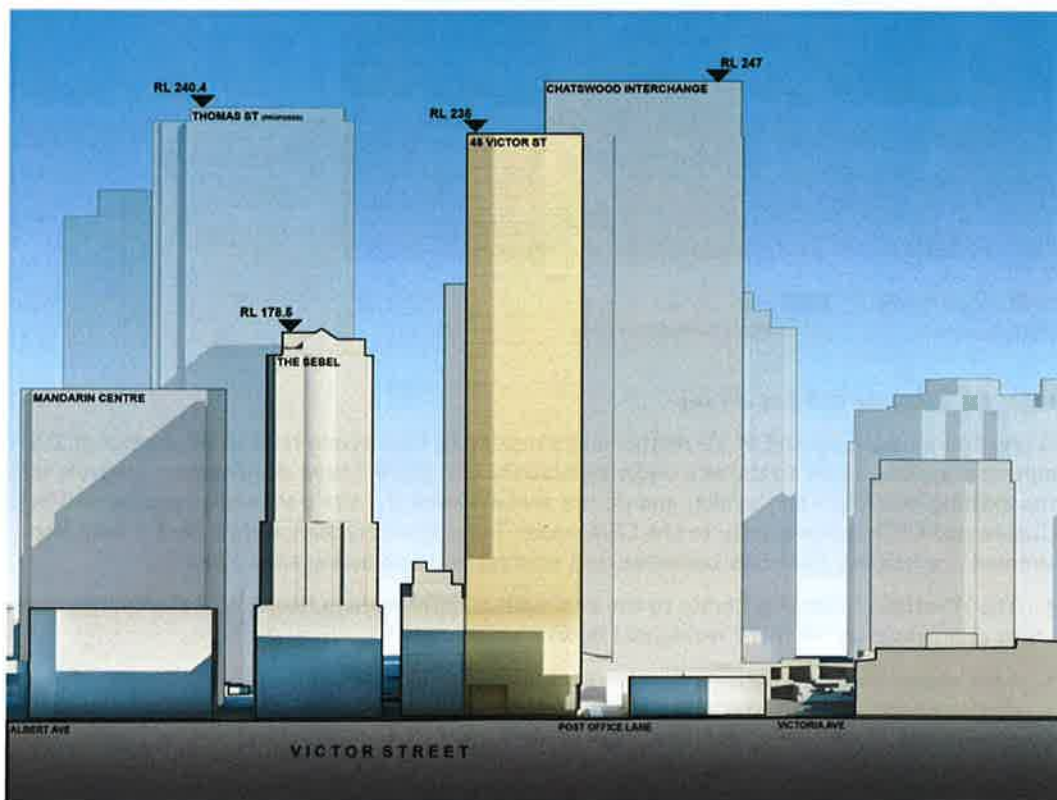


Figure 3 – Indicative Concept Scheme as viewed from Victor Street

The initial Planning Proposal to Council suggested that the Australia Post store was to remain at the ground floor of the proposed development on the site. However, the officer's report to Council of 11 November 2013 raised a number of concerns about the retention of the Australia Post store on the site including:

- The traffic implications of accommodating an Australia Post store on the site;
- The constrained nature of the site and the implications it will have in terms of loading arrangements for the Australia Post store.

After considering Council's comments, Australia Post has determined that it would be more appropriate to find an alternative and accessible site within the Chatswood CBD on which to locate its 'superstore'. Therefore, the development described in the Planning Proposal submitted for Pre-Gateway Review provides retail space only (ie. not an Australia Post store) at the ground floor of the planned development on the site. The redevelopment of the site in accordance with the

building envelope facilitated by the Planning Proposal will unlock funds for Australia Post to re-invest into the provisions of an Australia Post superstore within the Chatswood CBD.

3.0 COUNCIL'S REASONS FOR REFUSAL

In addressing Council's reasons for not supporting the Planning Proposal on the site we have referred to the Council report of 17 June 2013 addressing the original Planning Proposal (**Attachment A**) and the Council report of 11 November 2012 addressing the current (**Attachment B**).

In the report to Council of 17 June 2013, the Council officer noted that some **residential floor space on the site was considered appropriate**. However, the officer recommended that the height of the development not exceed RL140 (approximately 12 storeys) which, according to Council, is equivalent to the height above which the residential apartments (above the serviced apartments) in the Sebel development to the west commence. This argument was again referred to in the Council report of 11 November 2013.

There are a number of flaws with Council's argument in this regard including:

- The residential and serviced apartments in the Sebel development are interspersed throughout the building with apartment owners able to opt in or out of the pool of serviced apartments at any one time.
- The building envelope supported by the Planning Proposal has been specifically designed to ensure that at least 2 hours of solar access (between 9am and 3pm in mid winter) is retained to living rooms and private open space of all units at the eastern façade of the adjoining Sebel development regardless of whether they are utilised as serviced apartments or residential apartments.
- Views from the Sebel development over the site are limited to district views only and will not be substantially affected due to the narrow building envelope proposed on the site.

In its 17 June 2013, Council also suggested that the FSR on the site be reduced to 8:1 (consistent with the reduction in height) but that the quantum of commercial floor space be retained at approximately 4,000m² with the reduction in floor space allocated to the residential component of the project. Such a reduction would make the development unviable and would mean that the site would remain undeveloped and the potential benefits of its redevelopment (increased economic activity and employment, additional residential accommodation, a new Australia Post superstore in the Chatswood CBD, and improvements to the public domain) would not be realised.

Reasons for not supporting the Planning Proposal in Council's report of 17 June 2013, and those in its report of 11 November 2013, are largely the same and are address in **Table 1** below.

Table 1 – Reasons for refusal and response

Reason for Refusal	Response
Traffic Council has suggested that the proposal will result in significant adverse traffic implications on the local road network and that the SIDRA analysis undertaken in the Traffic Impact Assessment for the Planning Proposal fails to take into account the cumulative impacts form the following developments: 1. The mixed use development at Thomas Street and Albert Avenue (under construction); 2. The Chatswood Interchange residential towers (under construction); and 3. The Planning Proposal submitted for the Mandarin centre at 65 Albert Avenue.	The Traffic Impact Assessment submitted with the Planning Proposal undertook a detailed assessment of the traffic implications of the proposed development, and found that the intersection of Victor Street and Albert Avenue will continue to operate at a good level of service (consistent with the current level of service) with the additional vehicle trip generation resulting from the development supported by the Planning Proposal. Victor Street is a dead end street which means that vehicle traffic within the street is generally limited to traffic accessing sites on the street. Therefore, increase in traffic generation from surrounding development is unlikely to significantly affect the intersection performance of Victor Street/Albert Avenue. Furthermore, the following is noted in relation to the implications of surrounding development that is currently under construction and/or proposed to be developed: 1. Thomas Street and Albert Avenue – this approved development mixed use development provides for 506 parking

	spaces including 250 public parking spaces. Vehicle access to the public car park only will be provided from Albert Avenue which means that almost half of the vehicle traffic entering the site is unlikely to use Albert Avenue. Furthermore, a significant portion of the additional traffic accessing the public car park from Albert Avenue is expected to come from the Pacific Highway to the west which will not affect the Albert Avenue/Victor Street intersection. - The Chatswood Interchange residential towers do not have vehicle access on to Victor Street and are unlikely to have a significant impact on this development. - No information on the Planning Proposal for the Mandarin Centre at 65 Albert Avenue is currently available in the public domain. However, it is understood that the Planning Proposal forecasts the closure of the Victor Street vehicle entrance to the site (in favour of a vehicle access from Orchard Lane to the rear) which would result in a reduction in vehicle traffic in Victor Street. It is also noted that the updated Planning Proposal submitted for this Pre-Gateway Review removes the proposed Australia Post store and reduced the traffic impacts of the proposal.
Scale of Proposal Council suggests that the scale of the proposed development is inappropriate in the context, and would require a considerable amount of on-site parking which cannot be accommodated on the site.	The height and built form sought under the Planning Proposal has been developed within the context of the heights and locations of surrounding buildings in the Chatswood CBD which are concentrated around the Transport Interchange. It has been tested against the site's ability to accommodate an adequate amount of parking having regard to its location in close proximity to a major transport interchange.
Shadow Impacts Council has raised concern regarding the shadow impacts on the adjoining Sebel building and surrounding public open space.	As detailed above, the built form supported by the Planning Proposal will still allow for 2 hours of solar access (between 9am and 3pm in mid winter) to be retained to living rooms and private open space of east-facing apartments in the adjoining Sebel building. Details shadow diagrams have been submitted with the Planning Proposal which demonstrates that the built form facilitated by the Draft LEP Amendment will not result in adverse shadow impacts.
Strategic Planning Council has suggested that the Planning Proposal is inconsistent with relevant strategic planning policies and the strategic planning intent of the B3 Commercial Core zone.	A detailed assessment of the Planning Proposal's consistency with relevant strategic planning policies is included in the Planning Proposal report. Council itself has acknowledged the appropriateness of providing residential floor space on the site. This is further supported by the concentration of commercial uses on the western side of the railway line with land to the east, particularly along Victor Street, characterised by shop top housing uses as shown in Figure 2 above. Furthermore, Council has not carried out any strategic planning in relation to this site. When drafting its new LEP it simply applied development controls to the site that matched the height and scale of the existing built form on the site without considering the strategic location of the site in close proximity to transport and serviced.
Net Community Benefit and Impact on Community Facilities Council suggests that the proposal will result in unacceptable demand on community facilities and will not result in a net community benefit.	The Planning Proposal will result in a number of significant benefits including: – The redevelopment of an underutilised site and corresponding uplift in the urban fabric; – Increased activation at the ground floor; – Additional residential accommodation in close proximity to public transport and services; – Upgraded commercial and retail space; – Increase economic benefits from future employees and residents on the site; and – Provision of a new Australia Post superstore within the Chatswood CBD.

Should the Planning Proposal not proceed these benefits will not be realised.

The development facilitated by this Planning Proposal will be required to pay Section 94A Contributions of 3% of the development cost to facilitate improvements to public infrastructure in the area. Thus, the increased demand on public infrastructure resulting from the development will be offset by the increased investment in public infrastructure facilitated by the Section 94A payments.

The Planning Proposal for the Australia Post site in Chatswood will facilitate the site's redevelopment as a premier mixed use development consistent with the scale of surrounding development in the Chatswood CBD. It will provide additional accommodation and upgraded commercial/retail space in close proximity to the Chatswood Transport Interchange and existing services, and will result in a number of economic benefits in the locality. The built form facilitated by the Proposal will not result in unacceptable amenity impacts on surrounding development and the public domain and will not have adverse traffic implications. It is consistent with strategic planning policies to located high density mixed use development in established CBDs and in close proximity to transport and serviced. The Department of Planning and Infrastructure's support for the Planning Proposal to proceed to public exhibition is requested.

Should you have any queries about this matter, please do not hesitate to contact me on 9409 4943 or kshmuel@jbaplanning.com.au.

Yours faithfully



Kim Shmuel
Principal Planner

