

**20.2 PLANNING PROPOSAL 2012/2 - 45 VICTOR STREET, CHATSWOOD
(CHATSWOOD POST OFFICE SITE)**

ATTACHMENTS:	1. CONCEPT PLANS
RESPONSIBLE OFFICER:	GREG WOODHAMS - ENVIRONMENTAL SERVICES DIRECTOR
AUTHOR:	NONI DE CARVALHO
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Purpose of Report

To advise Council and seek direction on the planning proposal for rezoning of the Chatswood Post Office site at 45 Victor Street Chatswood. The application was lodged by JBA Urban Planning Consultants on behalf of Australia Post.

It is noted that consideration of this Planning Proposal although lodged in August 2012 had to wait on gazettal and commencement of WLEP 2012. The applicant was aware of the delay that would occur to Council's consideration of the planning proposal.

Description of the Site

Chatswood Post Office building is a three storey L-shaped building abutting Victor Street and Post Office Lane. It has driveway access from Victor Street and from Post Office Lane to an open air car parking located at the rear. The gross leasable floor space in the existing building is approximately 2,000m².

The site has the legal description of Lot 1 in DP 569727. It has an area of 978.4m² at ground level but at RL 98.45 the area of site increases to 1,014m². This arises from a ground level road widening dedication in 1970 in Post Office Lane that is limited in height along 29.325 metres of its frontage to Post Office Lane with the balance of the frontage to Post Office Lane, that is 7.315 metres, being unlimited in height and depth. Notwithstanding the road widening being in stratum the existing building but for a narrow awning sits currently with the site area of the ground level.

The site is regular in shape with its frontage to Victor Street measuring 26.795 metres (28.015 metres at RL 98.45) and its depth being 36.62 metres along both side boundaries.

A survey plan has not been provided with the application but from Council records it is noted the site slopes up from the Victor Street frontage by approximately 2 metres between its front and rear boundary. At the location of the stratum overhang of Post Office Lane the underside of the stratum is only approximately 2.4 metres above ground level. The stratum overhang is 1.22 metres in width.

The ground floor of the existing building on the site is used by Australia Post as Chatswood Post Office. The post boxes are located within the recessed ground floor set back. The previous office levels of the building were once used for mail sorting before the establishment of the bulk handling facility at Artarmon and are now are largely vacant. Occasional temporary use has occurred in the past as site offices for such projects as the Chatswood Interchange development. The upper levels of the post office building are unsuited to separate tenancy unless upgrade works are carried out to the building to provide a separate entry foyer and disabled access to the upper levels.

Existing Planning Controls for the Site:

In Willoughby Local Environmental Plan 2012 the site is zoned B3 Commercial Core consistent with surrounding land. The site is in the heart of Chatswood CBD in its retail core. The development standards for the site permit development to a height of 12 metres and a floor space ratio of 2.5:1. This is consistent with the development standards in the rest of the retail core of Chatswood including along the Victoria Avenue frontage. The exception is where a site has an area more than 3,000m² when the permissible floor space ratio may increase to 4:1.

The permissible uses in the B3 zone include all forms of commercial premises, community, educational and entertainment facilities as well as hotels and clubs. The objectives of the B3 zone relevant to the site are:

- *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.*
- *To encourage appropriate employment opportunities in accessible locations.*
- *To maximise public transport patronage and encourage walking and cycling.*
- *To strengthen the role of Chatswood as a major centre for the inner north sub-region and to improve its public domain and pedestrian links.*
- *To protect and encourage safe and accessible city blocks by providing active land uses on street and pedestrian frontages.*

The objectives of the development standards of height and floor space ratio add to the understanding for the development objectives for Chatswood CBD including but not limited to the following relevant objectives:

- *To ensure that new development is in harmony with the bulk and scale of surrounding buildings and the streetscape.*
- *To set upper limits for the height of buildings that are consistent with the redevelopment potential of the relevant land given other development restrictions, such as floor space and landscaping.*
- *To reinforce the primary character and land use of the city centre of Chatswood with the area west of the North Shore Rail Line, being the commercial office core of Chatswood, and the area east of the North Shore Rail Line, being the retail shopping core of Chatswood.*
- *To limit the intensity of development to which the controls apply so that it will be carried out in accordance with the environmental capacity of the land and the zone objectives for the land.*
- *To limit traffic generation as a result of new development.*
- *To permit higher density development at transport nodal points.*
- *To minimise the impacts of new development on adjoining or nearby properties from disruption of views, loss of privacy, overshadowing or visual intrusion.*
- *To manage bulk and scale of that development to suit the land use purpose and objectives of the zone;*
- *To allow growth for a mix of retail, business and commercial purposes consistent with Chatswood's subregional retail and business service, employment, entertainment and cultural roles while conserving the compactness of the city centre of Chatswood.*
- *To encourage the consolidation of land for redevelopment.*

Strategic Planning Context:

The strategic planning context of the site is established by various State planning documents commencing with the NSW State Plan. The Metro Strategy 2005 and Metropolitan Plan for Sydney 2036 released in December 2010 have recently been reviewed by the Draft Metropolitan Strategy for Sydney to 2031 released in March 2013. Chatswood CBD has consistently been identified as a Major Centre through all strategies and its location in Sydney's global economic arc has also been recognised. The 2005 strategy identified that Chatswood CBD was expected to provide an additional 7,300 jobs in the next 25 years. The Metropolitan Plan was less specific in targets for each centre but the targets were specified in the Draft Inner North Subregional Plan released in 2007. In terms of dwellings the targets are for the whole of Willoughby and propose 6,800 new dwellings.

The latest Draft Metropolitan Strategy 2031 is accompanied by the NSW Long Term Transport Plan and the State Infrastructure Strategy to ensure land use planning is fully integrated with transport and infrastructure planning which has been an omission with past strategies. The subregions of Sydney have been redefined as part of the new Strategy. Chatswood (and Willoughby) falls within the Central sub-region where jobs growth is proposed to be 230,000 and dwelling numbers are proposed to increase by 138,000 by the year 2031. It is unknown whether the subregions in the plan will be retained noting that they are inconsistent with other State Government sub-regional groupings including but not limited to the recent review of Local Government generally. Nevertheless the new strategy identifies specific Metropolitan Priorities for Chatswood that are:

- To support its role as the primary office-based hub for northern Sydney.
- To grow as a dominant service retail and recreational centre.
- To plan for medium and high density housing outside the commercial core.
- To provide capacity for at least 8,000 additional jobs to 2031 (currently 22,000).

It is noted that the future direction for Chatswood CBD has changed little through the various State strategic plans.

At the local level the Willoughby City Strategy and the Chatswood Centre Strategy 2008 are the relevant strategic planning documents. The Willoughby City Strategy 2010 was reviewed during 2012 and involved extensive community consultation. The new Willoughby City Strategy 2013 completed its exhibition phase at the beginning of May.

The Willoughby City Strategy 2010 provided a number of goals for Willoughby's central business districts relevant to the Planning Proposal including but not limited to the following goals:

- ❖ To be a place [City of Willoughby] with a diversity of housing options to suit different needs through our resident's life stages, our changing population, people with special needs and different lifestyle choices and to improve the sustainability of our City within a compact metropolis.
- ❖ To manage transport needs of the community in a sustainable manner by reducing car dependence and increasing public transport use, walking and cycling.
- ❖ To provide sustainable physical infrastructure that enhances the public domain, improves the amenity, safety and health of the City and meets the needs of the community.
- ❖ To promote the City's position as a preferred location for a range of business and industry that is responsible and responsive to the local community and the environment.
- ❖ To have accessible, prosperous, safe, convenient and attractive CBDs providing a range and quality of services.

- ❖ Willoughby City is a destination for retail, investment, corporate, visual and performing arts opportunities.

Specific to Chatswood the Strategy includes:

- Provide incentives for redevelopment that will upgrade building stock in Chatswood
- Promote Chatswood for corporate and retail investment
- Provide accessible and walkable CBDs
- Develop civic improvements for Chatswood

The Chatswood CBD Strategy 2008 identifies eight principle strategies within four themes (environmental quality, economic prosperity, social equity and evaluating performance) for guiding planning and land use decisions in Chatswood. The strategies include but are not limited to:

- o Encourage high quality innovative architectural design and durable finish.
- o Encourage a consistent streetscape with stimulating and activated streets.
- o Ensure Chatswood is readable and navigable and provides equity for all users.
- o Maintain Chatswood's commercial, retail and operational position in the region and its ongoing viability as a centre.
- o Provide for activities consistent with Chatswood's sub-regional role, reinforce its precinct structure and acknowledge the focal points of public transport and pedestrian linkages.
- o Provide for the social, entertainment and recreational demands of the Willoughby community.
- o Establish as safe and accessible City Centre for social interaction, learning, information exchange, entertainment, recreation, city living and fun
- o Establish targets and performance indicators to measure environmental, social and economic performance improvements for the sustainability of Chatswood.

Description of the Planning Proposal:

The Planning Proposal seeks to amend the planning controls for the site to retain the B3 Commercial Core zoning noting the site's location in the heart of Chatswood CBD but to allow shop-top housing on the site. The Planning Proposal seeks to allow shop-top housing by adding the site to Schedule 1 allowing shop top housing as an additional permitted use.

The Planning Proposal is accompanied by indicative Concept Development Plans prepared by Saturday Studio Architects (see Attachment 1). The Concept Development Plans are provided to support a development that has a height of about 70 metres (or 20 storeys) and a floor space ratio of 12:1.

The proposed development consists of a new ground level "super-store" retail Post Office located at the corner of Post Office Lane and Victor Street with its longer frontage to Post Office Lane. Above ground level is proposed four levels of office tenancy space and from Levels 5 to 19 are proposed 95 residential units (35 x 1-bed, 50 x 2-bed and 10 x 3-bed). The total non-residential floor space is indicated to be 4,079m² and the residential floor space to be 7,707m² although recreational spaces such as the gym do not appear to have been counted in the GFA. Below ground is proposed 5 basement car parking levels with parking for 125 cars.

The Planning Proposal is not seeking development consent for the Concept Development Plans. The concept would be the subject of a Development Application if the Planning Proposal is acceptable.

The Concept Development Plans allow for provision of a turning area for Victor Street. It is noted that in the future when the Chatswood Interchange shops open, the end of Post Office Lane is a pedestrian access point to the shops and Chatswood Station.

On the basis of the Concept Development Plans the Planning Proposal seeks to increase the height control on the land from 12 metres to 70 metres (RL 164 AHD) and the floor space ratio from 2.5:1 to 12:1. It is noted that the text of the submission quotes RL 160 which is about 66 metres whereas the shadow diagrams and the requested metre variation in height is 70 metres (RL 164).

The documentation with the Planning Proposal indicates that the 95 units should provide housing for 180 people and the commercial floor space should provide jobs for 140 people.

The Planning Proposal is also supported by an economic analysis of development potential prepared by Essential Economics and a Traffic Impact Assessment by GTA Consulting. The concept plans and the report are discussed in more detail later in this report.

At a meeting prior to lodgement of the Planning Proposal it was understood that the office space was to be used by Australia Post but that is not reflected in the Planning Proposal as lodged. Also the number of dwellings has increased from early discussions.

The Applicant's Justification for the Planning Proposal:

The applicant provides the following reasons in support of the Planning Proposal:

1. The site presents an opportunity for new employment and housing with public domain improvements including land dedication for road widening in Victor Street and provision of a shared pedestrian precinct in Chatswood CBD.
2. The site is intended to be one of Australia Post's retail superstores. The site has also been identified by Australia Post as not being used to its full potential.
3. Due to the physical constraints of the site the Planning Proposal is the only means of achieving the objectives and intended outcomes.
4. The "Net Community Benefit" test indicates there will be a net community benefit by facilitating mixed use development close to services and public transport. The land will be "unlocked" thereby facilitating public domain improvements. The new turning circle will allow the extension of the existing pedestrian mall in Victor Street and a shared zone in Post Office Lane.
5. Without providing an incentive for redevelopment, Australia Post will have no option but to refurbish the existing retail tenancy and the opportunity to reconfigure the road layout will be lost.

Statutory Framework for Consideration of the Planning Proposal

The Planning Proposal has been prepared having regard to objects of the *Environmental Planning and Assessment Act 1979* and the requirements of s55 of the Act. Section 55 requires that Council, as the relevant planning authority, prepare an explanation and justification of for the proposed planning instrument. The planning proposal for the new planning instrument is required to include the following:

- a) A statement of the objectives or intended outcomes,
- b) An explanation of the provisions of the proposed planning instrument,
- c) A justification for the objectives and outcome and the process for implementation,
- d) Whether the instrument will comply with the s117 Directions,
- e) Maps that indicate sufficient detail to establish the substantive effect of the proposed instrument, and

- f) Detail of the community consultation that is to be undertaken before consideration is given to the making of the proposed instrument.

Therefore, Council must be satisfied on the planning objectives, strategic context and justification of the outcomes intended to support the Planning Proposal.

The Section 117 Directions requires that a planning proposal does not conflict with the Directions. The Directions are listed in 7 categories and some of the Directions are not relevant to the proposal. The following is a summary of the Planning Proposal against the relevant Section 117 Directions:

EMPLOYMENT AND RESOURCES

Direction	Relevant?	Consistent?	Comment
1.1 Business and Industrial Zones	Yes	Yes	Maintains employment land but does not contribute to significant growth in employment

2. HOUSING INFRASTRUCTURE AND URBAN DEVELOPMENT

Direction	Relevant?	Consistent?	Comment
3.4 Integrating Land Use and transport	Yes	Yes	Accessibility optimised with co-location of retail, community and business services at transport nodes. Higher densities of housing and employment at transport nodes

3. LOCAL PLAN MAKING

Direction	Relevant?	Consistent?	Comment
6.1 Approval and Referral Requirements	Yes	Yes	No new referral or concurrence provisions are proposed
6.2 Reserving Land for Public Purposes	Yes	Yes	No new reservations proposed
6.3 Site Specific Provisions	Yes	Yes	The planning proposal is site specific in development standards and permissible uses

4. METROPOLITAN PLANNING

Direction	Relevant?	Consistent?	Comment
7.1 Implementation of the Metropolitan Plan for Sydney 2036	Yes	Yes/No	Targets development at transport node and supports business clustering but provides additional housing within business core rather than near to core.

The above summary indicates there is general consistency with the relevant s117 Directions but there are some critical principles where the proposal is not fully consistent. These relate to the ensuring employment growth targets are met and ensuring there is an adequate supply and clustering of business and knowledge based activities in Major and Specialised Centres. The Planning Proposal is consistent in proposing higher density housing in a mixed used development within the walking catchment of the centre but the site is not just within walking distance it is also located at the core of the centre. The proposal is inconsistent with providing higher density housing outside a core business area. This aim is to maintain sites in the core for employment generation. In addition the housing targets are based on a whole of Willoughby target and the recently completed WLEP 2012 provides for achievement of the housing targets across the City of Willoughby.

However, it is noted that there have been a number of Major Project approvals by the Minister for Planning in recent years in Chatswood CBD that are inconsistent with the State strategic planning policies for Chatswood. The result is that key development sites have gone to mixed use incorporating high density residential but with minimal retail or office job growth components. This means that the jobs targets for Chatswood will unlikely be reached given the limited available land remaining. It will rely on redevelopment of existing sites which is a more costly and a longer term prospect. Whether or not 8,000 jobs will be

achieved by 2031 will be difficult as it represents an additional floor space in the order of 190,000m². Financial funding of development currently favours the quick turnover of residential development at the expense of commercial development and jobs growth.

Notwithstanding the Major Project approvals the latest strategic planning framework in the new Draft Metropolitan Plan obliges Council to plan for an additional 8,000 jobs and to plan for medium to high density living outside the core of Chatswood. The Planning Proposal is not consistent with the intended Metropolitan strategic planning principles for Chatswood in providing for a development that is 65% residential and is within the retail core of Chatswood. The dwelling targets are planned for in WLEP 2012 in the B4 Mixed Use zone around the core of Chatswood CBD, in shop top housing in neighbourhood and local centres and in the Business Development zone as well as the increased densities in some residential areas.

Consideration of the Concept Development Plans

Design and Streetscape

The Concept Development Plans provide floor plans, basement car parking plans and angled views of the concept development. The plans illustrate a possible design outcome based on the changes to the planning controls. They do not represent a development application for detailed assessment.

The ground floor provides a recessed entry to the residential/office foyer and allows for the encroachment of a road carriageway into the site as a turning head at the end of Victor Street. A road widening encroachment is not provided in the basement but more particularly also not on the level above. The clearance over a road must be at least 4.6 metres. Furthermore the road widening should allow for a public footpath of a minimum width of 4 metres around the carriageway. In this location a 4 metre width is desirable given the volume of pedestrian traffic. While it is noted that old Council plans were provided to the applicant of a possible turning area for Victor Street, the solution represented in the plans is unlikely to work. Nevertheless a potential exists to provide a turning area possibly interfacing with Post Office Lane and perhaps achieving the road improvements in the form of a splay corner dedication rather than the solution indicated. Furthermore the indicative street improvements suggested in the concept plans, while maintaining the theme of the Mall design would not work as it would block the access to the driveway/delivery area of 398 Victoria Avenue on the south-eastern corner with Victor Street. Provision will also need to be made for several short stay on street parking spaces (5 minutes and a space for people with disabilities) for access to the Post Office mail boxes.

Due to the small size of the site the proposed concept development is constrained and results in an inefficient layout. Five basement levels are required to provide the proposed parking and allowing for ramps and manoeuvring only 22 spaces are possible on most levels and less on Basement 1. Less will be achieved once spaces for people with disabilities are provided. See the later discussion on car parking, access and loading provision.

Most of the frontage of the site in Victor Street is given over to driveway reducing the potential for active frontage in Victor Street. The change of slope in Post Office Lane limits active frontage of the "Post Shop" to Post Office Lane as well.

The four office levels and the "Post shop" are indicated to provide 140 full-time jobs on the site. Ideally the amount of floor space would have a higher yield in terms of jobs but the small site area means the floor plates are perhaps not as efficient.

The floor plans for the concept plans appear to extend outside the site area in Post Office Lane on its western end. The building blades that define the podium of the commercial and

the tower roof element also encroach outside the site in Victor Street and Post Office Lane. This suggests that the floor plates will be less than indicated if the encroachment is removed.

A further concern is that the ground floor retail which is indicated to be at grade on the Victor Street frontage will be approximately 2 metres below ground level at the rear up Post Office Lane such that the concept ground floor plan may also not be a workable solution to development of the site. The postal boxes which appear on the plans to be at the rear of the Post Office off Post Office Lane will not be accessible. Also the plans do not indicate where the bulk post boxes and possible parcel boxes which are likely to see greater use with on-line ordering will be located. It is known from past dealings with Chatswood Post Office that these must be outside the Postal shop to allow for 24 hour access and to avoid customers self-serving and then posting without paying. The proposal needs to be designed to address the location of postal boxes and bulk collection boxes. One option could be for these to be located on parking Basement Level 1 adjacent to the lifts.

The 15 residential levels have been designed to have regard to shadowing impacts and to provide for view sharing with surrounding development. This has resulted in staggered setbacks on the southern and western sides as the residential tower rises. The overshadowing and view analysis is considered in the following sections. The Design Quality Principles of SEPP 65 have been considered in the design of the residential tower and the submission advises that 79% of apartments will achieve 2 hours or more solar access in mid-winter. The submission advises it will comply with the SEPP 65 rules of thumb for natural ventilation and will meet building separation requirements with the nearest Interchange residential tower and the Sebel (measured above RL 140 which is the starting level of the residential apartments in the Sebel).

Even though the plans are conceptual and are subject to a separate development application the concept needs to be plausible to establish a basis for the changes to the planning controls.

Site Amalgamation

The Planning Proposal investigated the possibility of amalgamation with the "Sydney Water" building at the rear of the site and considered it was unfeasible because the tower element of a redevelopment on the Post Office site would require a setback (building separation) of 24 metres from the residential towers above Chatswood Station if the tower in the subject development was residential and 18 metres if it was commercial. Provision of those setbacks affecting the development of the "Sydney Water" building site would mean that most of the combined site could not be used for further development above the current height of the "Sydney Water" building.

This conclusion is not fully supported because there is the potential for integration of the two sites at the lower level and other options for development have not been explored in the scenario. One of the principal objectives of the *Environmental Planning and Assessment Act 1979* is to promote and co-ordinate the orderly and economic development of land. The Planning Proposal proposes a significant change and increased density to development on a very small site that will also leave an isolated site that would be constrained in the future for further development but that could provide potential development benefits to the subject site.

The options include integrating the office floor levels to achieve larger floor plates and sharing the vehicular access off Orchard Road through the "Sydney Water" car park to the parking levels of the Post Office site. The basement car parking level of the "Sydney Water" building is comparable to ground level in Victor Street. This option would allow removal of the Victor Street driveway entry that dominates the Victor Street frontage in the Concept Plans.

The "Sydney Water" building is on land owned by Council that is subject to a long-term lease to a private company. The level through the building that was previously used as the bus interchange was subject to the resumption proceedings for the Chatswood Transport Interchange and is now proposed for shops and loading area in conjunction with that development. The land of the "Sydney Water" building sits above and below the resumed stratum of the old bus interchange.

Mass, Bulk and Height

There is a consistent street façade and height of the podium of buildings in Victor Street. This is a height of approximately RL 122. The concept podium design is less such that the proposed design will not maintain the consistency of the streetscape. Above the podium of the building a tower mass above Victor Street lacks a reasonable setback to avoid an overbearing mass impact. While it is appropriate that the building provide a "gateway" element to the intersection of Post Office Lane the tower form in combination with the facade mass and height does not manage the additional height, mass and bulk in an acceptable manner in the street context.

The justification relies heavily on the Sebel and the Interchange towers to the west and south for its height and mass and does not adequately have regard to the site's location in the retail core of Chatswood where the height control in Victoria Avenue is 12 metres and on large sites such as Westfield opposite is 34 metres but set back above the consistent podium line of RL 121 or approximately 28 metres in Victor Street. The planning proposal is for a height control of approximately 70 metres that is largely driven by the demands of reduced floor plates to deal with impacts of the residential tower and building separation.

Overshadowing

The Planning Proposal submission has analysed the shadowing impacts on the Sebel residential and the Remembrance Gardens. The analysis is based on a maximum height of RL164 with provision of the setbacks to the western and southern facades of the residential tower as indicated in the concept design.

The shadowing analysis accompanying the Planning Proposal found that the residential apartments on the northern elevation of the Sebel will maintain in excess of five hours of sunlight in mid-winter. It also states that the serviced apartments will maintain a high level of amenity with the majority achieving 2 hours.

The proposed development will cause some increase in the existing extent of shadowing impact on the Remembrance Gardens to about 10 am in mid-winter. By 11 am there will be no additional impact from the proposed development on the Gardens.

View Analysis

The Planning Proposal acknowledges that there will be some view impacts on the Sebel and the southern residential towers in the Interchange development. The assessment of impact considers that the building envelope will allow for a degree of view sharing consistent with the Land and Environment Court Planning Principle established in *Tenacity Consulting v Warringah Council (2004) NSWLEC 140*. The relevant sections of the judgement are noted below and discussed in the context of the Planning Proposal:

The notion of view sharing is invoked when a property enjoys existing views and a proposed development would share that view by taking some of it away for its own enjoyment.

The first step is the assessment of views to be affected. Water views are valued more highly than land views. Iconic views (for example of the Opera House, the Harbour Bridge or North

Head) are valued more highly than views without icons. Whole views are valued more highly than partial views, for example, a water view in which the interface between land and water is visible is more valuable than one in which it is obscured.

The views from the north face of the Sebel Building are over the Chatswood CBD with distant views of the residential suburbs to the north and north-east. The views of the units towards the eastern section of the north façade would be blocked or impacted by the concept proposal.

The second step is to consider from what part of the property the views are obtained. For example the protection of views across side boundaries is more difficult than the protection of views from front and rear boundaries. In addition, whether the view is enjoyed from a standing or sitting position may also be relevant. Sitting views are more difficult to protect than standing views. The expectation to retain side views and sitting views is often unrealistic.

The views from the most likely affected Sebel units are obtained from the north-east facing balconies and windows. The east facing units may have views of Sydney City and St Leonards skyline and over East Chatswood. Units especially higher in the building may also have some distant water views.

The third step is to assess the extent of the impact. This should be done for the whole of the property, not just for the view that is affected. The impact on views from living areas is more significant than from bedrooms or service areas (though views from kitchens are highly valued because people spend so much time in them). The impact may be assessed quantitatively, but in many cases this can be meaningless. It is usually more useful to assess the view loss qualitatively as negligible, minor, moderate, severe or devastating.

The views from the northern façade of the Sebel on the Victor Street side of the building have balconies off living rooms and kitchen windows that would be affected. The east facing balconies would not be affected. The assessment is that the view loss would be moderate.

The fourth step is to assess the reasonableness of the proposal that is causing the impact. A development that complies with all planning controls would be considered more reasonable than one that breaches them. Where an impact on views arises as a result of non-compliance with one or more planning controls, even a moderate impact may be considered unreasonable. With a complying proposal, the question should be asked whether a more skilful design could provide the applicant with the same development potential and amenity and reduce the impact on the views of neighbours. If the answer to that question is no, then the view impact of a complying development would probably be considered acceptable and the view sharing reasonable.

The reasonableness of the view loss is an issue in that the Concept Plan is seeking a significant variation to the existing height controls. The location of the "tower" element in the concept is the most logical and the view impact to the serviced apartment levels up to RL 140 may be reasonable given that those suites are not occupied by permanent residents. However, the impact on the residential units above approximately RL 140 may be considered unreasonable given the existing planning controls. Lowering the tower element to less than RL 140 may address this issue.

The submission accompanying the Planning proposal concludes that the view impacts are reasonable considering 50% of the views will be retained, the location is within a centre where higher density development is to be expected and the views enjoyed by the surrounding buildings are private views not public domain views. The submission concludes that the new dwellings and employment opportunities within close proximity of public transport outweigh the impact of the partial view loss. The assessment noted above based

on *Tenacity* principle indicates otherwise based on the existing planning controls and history of use.

Construction Issues

Access to the site and manoeuvring is constrained and is only available from Victor Street and Post Office Lane. Victor Street already carries steady vehicular and pedestrian traffic. Construction of any development on the site will be problematic and on-street loading zones will not be possible for the major excavation requirements of 5 basement levels. This will need to be addressed in detail if the Concept Plan proceeds to DA stage.

Traffic Impacts of the Planning Proposal

A traffic report prepared by GTA Consultants was submitted with the Planning Proposal. The traffic report analysis of traffic generation is based on traffic counts taken on a Tuesday in June in the morning (7am to 9am) and afternoon peak hour (4pm to 6pm) and has regard to the 2002 RTA Guidelines for traffic generation.

The traffic generation analysis relies on the application of the RTA Guidelines for calculation of the additional traffic generation from the proposed development. It is considered that there are site specific requirements of Australia Post that should also have been considered given the regular collection and clearing of post boxes required by Australia Post trucks/vans and public mail collection in addition to the needs of the office floor space and the residential units. Regardless the analysis indicates an additional 100 to 105 additional vehicular movements in peak hour and an additional about 690 movements per day. The report advises that the intersection of Victor Street and Albert Avenue will still operate at Level B. Missing from this analysis is the weekend impacts when traffic is even more congested in Chatswood. Although the Post Shop and offices are not expected to operate at weekends, the clearing of post boxes and the residential traffic will still impact the road network. Furthermore the congestion in Victor Street and the intersection of Albert Avenue is not considered to have been adequately investigated in the Planning Proposal as the analysis has not considered the weekend, Thursday and Friday night impacts of the additional traffic as well as the broader congestion issues in the location.

The car parking provision proposed in the development is based on WDCP with the exception of the calculation for the Post Shop (retail, that is, 1 space per 25 m²) and the offices (office – railway precinct, that is, one space per 110m²). The actual car parking requirements based on WDCP are 95 residential spaces, 23 residential visitor spaces, 15 retail spaces and 33 office spaces giving a total of 166 car parking spaces. Only 125 spaces are proposed on the site. While it is reasonable to assume some shared use of the office spaces by residential visitors out of offices hours, an acceptable degree of that sharing and balance has not been adequately determined in the Planning Proposal. The lack of retail car parking and any other unacceptable level of shortfall on the site will have to be met by contributions to the planned alterations and additions of the Albert Avenue car park. The application seeks to argue that the car parks in Chatswood have the potential to accommodate the additional staff and visitor parking. This is an unacceptable argument. The Mandarin Centre car park is providing for its own needs as does the Chatswood Chase Car Park. The multi-deck Albert Avenue public car park has been built and provided by Council either by monetary contribution of development Chatswood or by land and works in kind. There is no spare capacity. This development would need to contribute to any shortfall of spaces not provided on site noting that the small size of the site makes the provision of more basement levels of car parking almost unworkable. Should Council consider supporting this Planning Proposal, it will have to be accompanied by VPA to deal with the car parking issues or reduce the development density to reflect the parking that can be provided on site.

The loading and delivery design provides a loading area for a medium rigid truck (8.8m) and a van on the ground floor. Although not marked in the concept plans it can be seen that a direct access could be achieved between the loading area and the Post Shop. However, it is unknown how deliveries would occur to the offices and the residential as there is no direct access to the lift lobby. An additional issue is that an 8.8 metre truck would obstruct the driveway to basement when parked and when entering/leaving and would require use of the circular ramp for manoeuvring to turn within the site. The gradient of the ramp at its maximum it is assumed (not specifically stated) on the inside of the curve is indicated in the submission to be 1 in 5 which is too steep to use for manoeuvring. This would need to be addressed in an alternative design.

The waste handling area adjacent to the loading dock is insufficient in size to accommodate general rubbish and recycling for the proposed uses on the site. 95 units will require the use of bulk bins and compaction (2 to 1) of rubbish at the base of a chute which has not been allowed for in the design. Residential rubbish and recycling must have a separate holding area from the office and retail holding area for general rubbish and recyclables. There is insufficient space in the design to provide for these essential infrastructure requirements in the development.

Bicycle parking appears to have been planned for as a store room on Basement 1. It is unknown whether the space set aside is adequate for the scale of the development without further design development. This would need to be addressed in any DA.

Economic Report

The Planning Proposal is accompanied by an economic assessment of the net economic impact of the proposed development prepared by Essential Economics Pty Ltd dated August 2012. The economic analysis does not seek to explore alternative design options but to support the proposed option.

The market assessment acknowledges the site is located in what it calls the community precinct of Chatswood, that is, the area east of the railway that provides high street shopping, Westfield and Chatswood Chase shopping centres and The Concourse. The economic analysis considers that the "excellent community amenities point to the greater suitability, and greater economic logic, of situating a mixed-use development at the subject site over a commercial-only development". The economic analysis does not consider the consequences of the core location and loss of commercial potential versus the alternative of a more fringe location that still gives access for a mixed use development to the amenities of Chatswood.

The economic assessment identifies a higher than average vacancy rate for office floor space. Since the writing of the report vacancy rates in Chatswood have dropped to around 8% and absorption rates have increased. An 8% vacancy rate is consistent with the metropolitan office market average and is better than some suburban locations. It reflects the renovation and re-tenanting of major buildings such as 465 Victoria Avenue. With only small additions to commercial floor space and no major new development in commercial floor space in Chatswood, except renovation, the amount of vacant floor space is not unusual. The economic predictions for vacancy and performance of commercial floor space advised in the economic report have not been borne out in the 9 months since the report was written. Chatswood has performed better than the report suggests.

Consequently the analysis in support of the Planning Proposal mixed use development rather than a commercial development consistent with the zone objectives is no longer fully substantiated by the economic report. However, it is acknowledged that the subject site is too small to provide the >1000m² floor plates to accommodate large scale tenancies such as major corporate headquarters or A-grade premises.

The residential market analysis in the report confirms the strong demand for residential dwellings in the Chatswood area reflecting the attractiveness of the area as a place to live. The report also notes that rents for one and two bedroom dwellings have been increasing at rates at or above the Sydney average with a one-bedroom apartment renting about 20% more than the median for metropolitan Sydney. The report comments are based on March 2012 figures.

The report considers that the outlook for apartment developments is strong in Chatswood CBD for the reasons of NSW Government policy support for mixed use as a balanced outcome with retail and commercial interests, investor interest, population growth, amenity of the area, and the demographics of the area that indicates a higher propensity to live at a higher residential density.

The potential economic benefits of the Planning Proposal were identified in the report to be:

- 1) Provision of 140 direct and 220 indirect jobs during the construction of the development.
- 2) Provision of a new format Australia Post super-store with automated terminals, post office boxes, travel and foreign exchanges services employing 15 to 20 full-time staff.
- 3) Provide usable office space catering for small business without “flooding” the market that a large scale office-only development would and full-time employment for an estimated 120 people.
- 4) Increasing current employment levels on the site from 20 to 140.
- 5) Higher levels of spending in local shops and businesses by additional employment and residents on the site. The contribution of residential spending in Chatswood is indicated in the report to be \$1.3 million per annum. Employee spending is estimated to be \$630,000 per annum.
- 6) Achievement of strategic policy objectives.
- 7) Increased efficiency in the use of the land that is currently under-utilised.
- 8) Providing for housing demand.
- 9) Capitalising on the benefits of transit-oriented development.
- 10) Use and activation by new residents and workers of The Concourse facilities.

Additional Assessment Comment

The strategic planning of Chatswood has, notwithstanding the inconsistency of past State Government Major Project approvals, sought to reinforce and expand the commercial services and employment role of Chatswood CBD to serve the northern subregion of Sydney and to provide mixed use development around its edges.

The site is small but well located in the retail core of Chatswood and its current and future use as Chatswood Post Office serves as a destination role in the operation of the CBD. The site is also located in an area that is and will be subject to considerable change in the near future. Adjacent to the site is the vacant “Sydney Water” building and the vacant shopping centre of the Chatswood Transport Interchange. There are both opportunities and constraints associated with the location with the biggest constraint being the small size of the site.

There are opportunities associated with potential connectivity with the Interchange or the old “Sydney Water” building or both. The level of the basement car park of the Sydney Water building is the similar to ground level in Victor Street. Potential exists to achieve an access to Orchard Road if a development was co-ordinated with the Sydney Water building. The retail stratum within the Sydney Water building connecting to the Interchange is at a similar floor level to the current Post Office.

Council staff met with an Australia Post representative on 4 October 2012 and discussed these opportunities. A letter followed on 14 November 2012 that confirmed Council's preparedness to bring the various stakeholders together in an attempt to achieve a better outcome for all. The letter also noted that Council had a number of concerns with the Planning Proposal.

The applicant made a further submission in early March 2013. The letter referred to the meeting of October 2012 and Council's request to investigate potential links with associated land. The letter advised that ownership of the surrounding land had been investigated and provided detail on the ownership and easements affecting surrounding land.

The letter advised that a yield analysis was undertaken and with this information discussions were held with the head lessee of the "Sydney Water" building (Council owns the land). The letter advises the discussions were unsuccessful. The letter advises the leaseholder appeared to over-estimate the value of its holding and that a viable development was not possible. There is no indication in the letter that any discussion was held with the owner of the stratum of the building connecting to the Interchange.

Summary and Conclusion

A Planning Proposal has been lodged to enable a mixed use development of the Chatswood Post Office site at 45 Victor Street in the retail core of Chatswood. Australia Post intends to retain a ground floor retail tenancy for the new form postal superstore.

The proposal is for a floor space ratio nearly 5 times the permitted level in WLEP 2012 and a height increase of nearly 6 times the permitted height on a site that is only approximately 1,000m². There are some major concerns with the Concept Development Plans including the fact that the indicative building envelope encroaches outside the site, the podium mass is inconsistent in the street scape and the mass and scale is unacceptable. There are also traffic, car parking and access issues. Aspects of the concept proposal do not appear to have adequate regard to the impact of ground level changes around the site or address the needs of a Post Office. The benefits of the small road widening are not sufficient to off-set other concerns with the proposal.

Furthermore the planning for a mixed use development with 65% of the floor space in residential is inconsistent with the city core location and strategic planning policy that seeks to reinforce the commercial role of the CBD core and encourage mixed use development outside but around that core.

The following recommendation proposes that Council not support the Planning Proposal in its current form but outlines parameters that might be supported for a revised proposal and Concept Development Plan. Elements of a possible voluntary planning agreement are also suggested. It is noted that the recommendations are mindful of the balance between the compromised circumstances in Chatswood following State government approvals nearby, the advice of the 2010 Hill PDA report concerning the role of Chatswood and the draft Metropolitan Strategy requirements for Chatswood.

Finally in accordance with Council's past determination, a planning proposal or rezoning that incorporates new residential development must provide for 4% of residential floor space for affordable housing units under Council's affordable housing program.

OFFICER'S RECOMMENDATION

1. That Council resolve not to support the Planning Proposal for 45 Victor Street Chatswood in its current proposed form.
2. That Council advise Australia Post that it is prepared to consider an alternative planning proposal and an alternative Concept Development Plan based on:
 - a) Lowering the height of the building to a maximum height of RL 140 (being the approximate height where the Sebel residential apartments commence). This can address view loss from the Sebel residential apartments and overshadowing of the Remembrance Gardens.
 - b) Reduction in the maximum FSR to a maximum of 8:1 including retaining the proposed 4,079m² of office floor space and the Post Office as a minimum. The floor space will be consequential from the reduction in height and will contribute to reduced traffic generation onto Victor Street. It will also enable greater compliance with the on-site car parking requirements and reduce the need for multiple basement parking levels.
 - c) Provision of 4% of GFA in residential for affordable housing units
3. That the Concept Development Plan be redesigned to:
 - a) Locate parcel boxes and private post collection boxes in Basement level 1 with 24/7 public access enabled and only mailing boxes at street level.
 - b) Minimise the number of south-facing units by having north-facing apartments with dual aspect and cross-flow ventilation.
 - c) Provision of an atrium or similar element through the south-west corner of the commercial suites to provide natural light and ventilation.
 - d) Reinforce the podium height established in Victor Street of RL 122 approximately.
 - e) Ensure sufficient clearance at the north-east corner above the road widening dedication.
 - f) Reduce the number of car parking spaces to reflect the reduced number of dwellings.
4. That Council is prepared to enter into a voluntary planning agreement providing for the applicant to:
 - i. Create a shared zone for the entire length of Post Office Lane and including road widening dedication.
 - ii. Creation of a turning area at the end of Victor Street with retention of at least 4 short-stay parking spaces including one space for people with disabilities and 4 motor cycle spaces.
 - iii. Widening of the footpath in Victor Street to a minimum width of 4 metres.
 - iv. Payment of a monetary contribution for any short-fall in on-site parking in accordance with Council's DCP at the time of consideration of a development application for the proposal.
 - v. Reduction in the driveway width entering from Victor Street to one-way with provision of an internal passing bay and traffic control to maximise the active frontage of the Post Office in Victor Street.
 - vi. Provision of a public right of way over the driveway to allow access to post/parcel boxes and to allow for a future vehicular connection to the basement of the "Sydney Water" building. The construction and structure

of the basement shall allow for connection between the two sites to be made in the future.