

21st December 2023

The Regional Office
Department of Planning and Environment
4 Parramatta Square, 12 Darcy Street Locked Bag 5022
PARRAMATTA NSW 2124

(emailed to: matthew.rothwell@dpie.nsw.gov.au)

Dear Matthew

Request for Rezoning Review of Planning Proposal for 183-185 Military Road, Neutral Bay (PP-2023-699)

Polvere Planning and Development (**PPD**) act on behalf of Equitibuild Pty Ltd, the proponent of a Planning Proposal to rezone land at 183-185 Military Road, Neutral Bay (PP-2023-699).

The Planning Proposal (PP-2023-699) has been lodged with North Sydney Council and Council has notified the proponent in writing that it does not support the proposal.

PPD are requesting an independent planning panel evaluate if the proposal should progress to Gateway determination.

1. Rezoning Review

This request for a rezoning review has been prepared having due consideration to the relevant provisions of the *Local Environmental Plan Making Guideline* dated August 2023 and prepared by Department of Planning and Environment.

Table 1 provides a chronology of relevant events relating to the progress of the proposal.

Table 1 – Chronology of Events

Date	Action
11/04/23	Confirmation received the PP “ <i>has been reviewed by NORTH SYDNEY COUNCIL and has been accepted for Preliminary Assessment</i> ”.
18/04/23	Letter received from North Sydney Council identifying a number of issues that are required to be amended/reviewed before conducting a more comprehensive assessment of the PP.
30/05/23	Amended Urban Design Report and response to issues raised lodged with Council.
26/07/23	Council indicates (by email) their preference is to wait the outcomes of the PP for adjoining Woolworths site before proceeding any further with assessment of PP for the subject site.

11/9/23	Strategic Planning Panel of the Sydney North Planning Panel recommended the Woolworths Planning Proposal (RR-2023-14) “should be submitted for a Gateway determination because the proposal has demonstrated strategic merit and subject to changes site specific merit”.
25/10/23	North Sydney Local Planning Panel decides to not support the Planning Proposal and recommends to the Council that it not proceed to Gateway in the absence of the findings of the Neutral Bay Town Centre Planning Study.
04/12/23	Letter from North Sydney Council advising “ <i>that it has resolved not to proceed with this Planning Proposal to Gateway Determination under section 3.34 of the Environmental Planning and Assessment Act 1979</i> ”.

Table 2 addresses the requirements a rezoning review request must contain as prescribed in the *Local Environmental Plan Making Guideline (August 2023)*.

Table 2 – Requirements for a Rezoning Review Request

Rezoning Review Requirement	Response
A copy of the proponent’s latest version of the planning proposal, including all supporting material and information that was submitted to council.	The material that was submitted to Council with PP-2023-699 remains unchanged and relevant.
All correspondence that the proponent has received from the council in relation to the planning proposal request, including (if relevant) any copies of the council’s written advice to the proponent and/or the Council resolution not to proceed with the proposal.	<p>A copy of all relevant correspondence the proponent has received from North Sydney Council in relation to the Planning Proposal and any written advice is provided in the following appendices accompanying this application:-</p> <p>Appendix 1 - Email confirming the PP “<i>has been reviewed by NORTH SYDNEY COUNCIL and has been accepted for Preliminary Assessment</i>”.</p> <p>Appendix 2 - Letter requesting additional information</p> <p>Appendix 3 - Email confirming preference to wait the outcomes of the PP for adjoining Woolworths site before proceeding further with assessment of PP for the subject site.</p> <p>Appendix 4 – Recommendations of North Sydney Local Planning Panel</p> <p>Appendix 5 - Letter from North Sydney Council advising that it has resolved not to proceed with this Planning Proposal to Gateway Determination.</p>
All correspondence and written advice from other public authorities and government agencies, if available.	There is no correspondence or written advice from other public authorities or government agencies.

The proponent's written justification of the strategic and site-specific merit to confirm why a review is warranted.	The following sections provide a written justification summary of the strategic and site-specific merit to confirm why a review is warranted. This justification is supported by the more detailed written justification of the strategic and site-specific merit of the proposal provided in the Planning Proposal submitted to North Sydney Council. This justification was prepared having due regard to the matters outlined in Part 3 of Section 2 in the <i>Local Environmental Plan Making Guideline (August 2023)</i> .
Disclosure of reportable political donations under section 10.4 of the EP&A Act, if relevant.	No reportable political donations have been made by the proponent.
The rezoning review fee to the Department.	Will be provided when invoice for fee is issued by the Department.

2. Background

The proponent/owners of the subject site, Equitibuild Pty Ltd, has for many years been working with Woolworths Pty Ltd, owners of the adjoining site at 1-7 Rangers Road, to progress the development of an amalgamated site to deliver increased development potential with increased community benefit to support the revitalisation of the Neutral Bay Town Centre and meet the growing needs of the community.

Along with Woolworths, the proponent has been actively involved with North Sydney Council as a key landowner/stakeholder in the preparation of the Military Road Corridor Planning Study (MRCPS) also known as the Future Directions Report for the Neutral Bay town centre. The MRCPS eventually identified the subject site and the adjoining Woolworths site as an "Opportunity Site 3" where:

- A landowner initiated planning proposal (PP) and voluntary planning agreement (VPA) may be considered, and
- taller mixed-use buildings (up to 12 storeys on the subject site) can be supported whilst providing much needed new open space or community facilities.

The figure on the following page is an extract from the MRCPS and illustrates building envelopes envisaged for 'Opportunity Site 3' along with showing the new public plaza and pedestrian through-site-link from Military Road to Yeo Street.

The Woolworths site is shown with 4-storey podium to Rangers Road and building heights ranging from 6 -8 storeys. Subsequently the Woolworths site has been expanded to include the site at 50 Yeo Street, Neutral Bay.

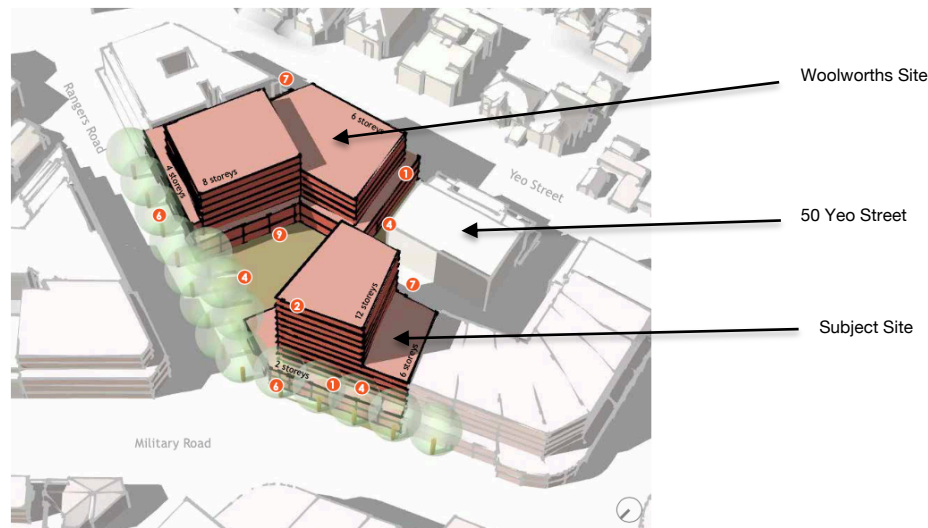
The subject site is shown with 2-storey podium fronting Military Road and Rangers Road and building heights ranging from 6-12 storeys fronting Military Road.

Following extensive public consultation that included a community survey, public exhibition of two (2) discussion papers and public exhibition of the draft Future Directions Planning Study, the MRCPS was adopted by Council in February 2021.

Having being prepared, exhibited and amended by Council planning staff, and adopted by the then current Councillors, the MRCPS represented what was at the time Council's well balanced view of supportable development in the Neutral Bay Town Centre.

The Military Road Corridor Planning Study was subsequently rescinded by a newly elected Council in January 2022.

The proponent and Woolworths also agreed they were unable to reach a suitable commercial outcome on a development pathway for their combined sites and both parties began preparations to progress individual planning proposals.



Source: MRCPS

3. Woolworths Planning Proposal

Subject to a Rezoning Review following North Sydney Council's recent decision to not support a Planning Proposal for the adjoining Woolworths site at 1-7 Rangers Road and 50 Yeo Street, Neutral Bay, the Strategic Planning Panel of the Sydney North Planning Panel has recommended the Woolworths Planning Proposal "should be submitted for a Gateway determination because the proposal has demonstrated strategic merit and subject to changes site specific merit".

In essence, the changes proposed by the Panel brought the proposal more in line with the provisions of the rescinded Military Road Corridor Planning Study, particularly in relation to maximum building heights being no more than part 26m (6 storeys) and part 31m (8 storeys).

In the Record of Decision dated 11th September 2023,

The Panel unanimously decided the proposal had Strategic Merit given that:

- *The planning proposal is consistent with applicable strategic planning documents, particularly as they relate to the general objectives for housing. These include the Greater Sydney Region Plan, 2018; Sydney North District Plan, 2018; and the North Sydney Local Strategic Planning Statement, 2020 (LSPS).*
- *Delivering housing supply is a priority issue for Sydney for all levels of Government.*
- *The previously endorsed though rescinded Military Road Corridor Planning Study (also known as the Neutral Bay Town Centre - Future Directions Report) and current work to revise the*

Neutral Bay Town Centre Strategic Plan & Study, provide a clear indication of the Council's and community's desire to revitalise and renew Neutral Bay Town Centre.

The majority of the Panel agreed the proposal demonstrated Site Specific Merit in that the issues of number of storeys, human-scale frontage to the proposed plaza, non-residential FSR, overshadowing, traffic and transition to low-scale residential areas south of the site had been improved from the previous planning proposal.

It is also noted that in their submission, North Sydney Council suggested amendments to the current Woolworths Planning Proposal – should the Panel be inclined to accept the planning proposal.

4. Planning Proposal (Subject Site)

As detailed in Table 1, a Planning Proposal for the subject site was accepted for preliminary assessment by North Sydney Council in April 2023.

In summary, the concept plan submitted with this PP and detailed in the accompanying Urban Design Report provides for:

- A mixed-use 6 and 12-storey tower on Military Road with basement parking for 57 car parking spaces.
- 1.5m building setbacks to increase public space on Military Road and widening the new plaza.
- Upper-level setbacks to maintain the existing street wall, reduce building bulk and allow for sunlight to the plaza and adjacent buildings.
- A community facility.
- A public bike parking facility integrated with the ground level.
- Combined vehicular access for parking and loading provided off Military Lane.
- Tower footprint that allows for natural sunlight and ventilation.
- Provision of retail uses on the ground level to activate frontages and increase safety.
- Basement level retail to increase total retail offering.
- Two floors of office use to replace existing commercial floor space with a minimum non-residential FSR of 2:1.

The Planning Proposal was considered by the North Sydney Local Planning Panel (NSLPP) on 25th October 2023 and a copy of the minutes of their meeting is provided at **Appendix 4**.

In summary, the NSLPP made the following key recommendations:

- Given the imminence of the Neutral Bay Town Centre Planning Study, any PPs/spot re-zonings before its completion would not have strategic merit in terms of the future context of the centre, and would undermine community confidence in the planning process.
- Council not proceed to Gateway in the absence of the findings of the Neutral Bay Town Centre Planning Study.
- The Planning Proposal in its current form to increase the maximum building height from 16m to 43m, 12 storeys, is not supported.
- Given the Panel does not recommend the PP proceed at this time, it is not necessary to consider in detail the site-specific merits of the proposal.

In support of the proposal, the NSLPP made the following comments:

- “....If the adjoining site is developed to a height of 8 storeys, consideration for an increase in height on this corner site may be appropriate”.
- “The Panel notes that the Applicant proposes a draft DCP and this is supported given the significance of the site in the centre and its potential interface and connectivity to a future plaza and community space to be delivered for the centre”.
- “The site clearly presents as a key opportunity and focus within the Neutral Bay Town Centre and as such any uplift in the zoning must demonstrate positive urban design and public domain outcomes”.

The NSLPP, in its recommendations to North Sydney Council, has not indicated or suggested the proposal does not meet the requirements of strategic and site-specific merit as described in the *Local Environmental Plan Making Guideline 2022*

In relation to strategic merit, the NSLPP has relied on the ‘imminent’ release of a further study for the Neutral Bay town centre as the key reason for not supporting the proposal. The NSLPP advised “In terms of timing, it is expected the Neutral Bay Town Centre Planning Study will be submitted by the end of this year to Council for approval to proceed to public exhibition.” As of 19 December 2023, that Study has not been submitted to Council or otherwise publicly progressed.

The NSLPP does not address whether the proposal has demonstrated alignment with the NSW strategic planning framework or current government policy, particularly in relation to housing supply in Sydney that is a priority issue for all levels of Government. Instead, the NSLPP suggests the Proposal “would not have strategic merit in terms of the future context of the centre, and would undermine community confidence in the planning process”.

In relation to site-specific merit, this issue was not considered by the NSLPP.

By letter dated 4 December 2023 (refer **Appendix 5**) North Sydney Council advised they had considered a report addressing the Planning Proposal, including the recommendations of the NSLPP, and resolved not to proceed with this Planning Proposal to Gateway Determination.

5. Strategic and site-specific merit assessment of the planning proposal

As described in the *Local Environmental Plan Making Guideline 2022* for a planning proposal to proceed through to Gateway determination, the planning panel must be satisfied that the proposal has strategic and site-specific merit.

Section 5.3 of the Planning Proposal provides a detailed assessment of the proposal’s strategic and site-specific merit having due regard to the provisions of the *Local Environmental Plan Making Guideline (August 2023)*.

The proposal is considered to demonstrate strategic merit, particularly as it relates to general objectives for the provision of housing, because:

- It gives effect to the relevant district plan within the Greater Sydney Region, and/or corridor/precinct plans applying to the site. This includes
 - North District Plan; and
 - Military Road Corridor Planning Study that was released by North Sydney Council for public comment.
- It demonstrates consistency with Council’s Local Strategic Planning Statement that has been endorsed by the Department.

- It will contribute to the 377,000 new dwellings by 2029 the NSW Government has committed to providing under the National Housing Accord.

A top priority of the NSW Government is delivering more high-quality dwellings that are well located near transport, services and open spaces. To do this, the NSW Government has openly stated that “We need to build up, not out.”

This proposal will increase the capacity for new homes to leverage being on the doorstep of the B-line bus service and within the Neutral Bay town centre so people can quickly and easily get to where they want to go. More people will live within walking distance of supermarkets, restaurants and public spaces. Less people will need use of a car.

Having met the Strategic Merit Test the proposal is considered to reasonably meet the assessment criteria for site-specific merit. The Urban Design Report that accompanies the Planning Proposal provides:

- a summary of existing statutory and strategic planning framework,
- an overview of the site’s immediate and larger context,
- an analysis of the adjoining planning proposal submitted by Woolworths, and
- outlines the design proposal for 183-185 Military Road that forms the basis of this Planning Proposal.

As detailed in the Urban Design Report, this Proposal offers an outcome more closely aligned to the MRCPS as originally adopted: a 12-storey mixed-use residential tower on the corner of Military Road and Rangers Road, with heights limited to 6-storeys along Yeo Street.

The design has been driven by a number of project-specific urban design principles including:

- Connectivity
- Diversity
- Sustainability
- Safety

The design aims to create legible and safe connections for pedestrians in and around the study area. Additional considerations for accessibility to public transport and connection with public amenities will address community needs.

6. Conclusion

The information provided in the Planning Proposal demonstrates the Planning Proposal for 183-185 Military Road, Neutral Bay meets the rezoning review requirements above, and in particular, reasonably meets the strategic merit test and site-specific merit test assessment criteria as detailed in planning circular PS 22-003.

This Planning Proposal will:

- contribute to the provision of more high-quality dwellings that are well located near public transport, services and open spaces,
- contribute to the desired future character of the corridor/precinct, and
- make a tangible contribution to the public domain, community infrastructure or other identified public benefits.

Given the outcomes of the Planning Proposal for the adjoining Woolworths site, it would be in the best interests of the community if the development of this identified key site in the Neutral Bay Town Centre is progressed in the form identified in the Military Road Corridor Planning Study.

Consequently, it is respectfully requested the Planning Proposal for 183-185 Military Road, Neutral Bay be recommended for a Gateway determination under s3.34 of the Environmental Planning and Assessment Act 1979.

Yours sincerely

Tony Polvere

A handwritten signature in black ink, appearing to read 'Tony Polvere', with a stylized loop at the end.

Director