

ECONOMY

ITEM NUMBER	5.2
SUBJECT	Planning Proposal for land at 12 Hassall Street, Parramatta
REFERENCE	RZ/15/2016 - D04681549
REPORT OF	Project Officer
APPLICANT	Toplace (Planning Consultant: LJB Planning)
LAND OWNER	Toplace

PURPOSE:

The purpose of this report is to seek the Independent Hearing and Assessment Panel's (IHAP) recommendation on a Planning Proposal for land at 12 Hassall Street, Parramatta. Specifically, the report deals with whether Council should forward to the Department of Planning and Environment a request for Gateway Determination, the preparation of a site-specific Development Control Plan to support this Planning Proposal, and a request for Council Officers to give delegation to negotiate a Voluntary Planning Agreement between Council and the landowner in relation to this Planning Proposal.

RECOMMENDATION

That the IHAP recommend to Council:

- (a) **That** Council endorse the Planning Proposal to permit a maximum floor space ratio of a total of 15:1 and maximum height of 192 metres for land at 12 Hassall Street, Parramatta (**Attachment 1**) for submission to the Department of Planning and Environment requesting a Gateway Determination be issued.
- (b) **That** delegated authority be given to the CEO to negotiate a Voluntary Planning Agreement (VPA) with the landowner in relation to the Planning Proposal on behalf of Council, that this negotiation be undertaken in line with Council's resolution on value sharing rates of 10 April 2017 (Item 8.3), and that the outcome of negotiations be reported back to Council prior to its public exhibition.
- (c) **That** a site-specific Development Control Plan (DCP) be prepared and reported to Council prior to its public exhibition.
- (d) **That**, pending the outcomes of the Gateway Determination, the Planning Proposal, VPA and DCP be placed on public exhibition concurrently.
- (e) **That** Council advises the Department of Planning and Environment that the Interim General Manager will be exercising the plan-making delegations for this Planning Proposal as authorised by Council on 26 November 2012.
- (f) **Further, that** Council grant delegated authority to the Interim General Manager to correct any minor anomalies of a non-policy and administrative nature that may arise during the amendment process.

EXECUTIVE SUMMARY

1. The applicant has lodged a Planning Proposal for land at 12 Hassall Street, Parramatta, which seeks amendments to planning controls which are generally aligned with the broader Parramatta CBD Planning Proposal. This report introduces and assesses the Planning Proposal, addressing its relationship to both existing controls and to the endorsed controls contained with the Parramatta CBD Planning Proposal. It recommends endorsement of the 12 Hassall Street Planning Proposal for forwarding to the Department of Planning and Environment for Gateway Determination, negotiation of a Voluntary Planning Agreement (VPA), and preparation of a site-specific Development Control Plan (DCP).

THE SITE AND ITS SURROUNDS

2. The subject site is located at 12 Hassall Street, Parramatta. The legal description of the site is Lot 15 DP 128826 and Lot 16 DP 128826. The site area is 2055 square metres. The current built form at the site is low-rise, including a two-storey building, a single-storey bungalow, and at-grade car parking. The two-storey building is currently occupied by the Parramatta Police Citizens Youth Club, while the one-storey building is occupied by commercial uses. The site is highlighted below in Figure 1.



Figure 1: Site identification map

3. The site is located at the interface between the CBD's commercial centre (B3 Commercial Core zoning) and the surrounding B4 mixed use zones which are characterized by a mix of residential and commercial uses. The site is bordered by the NSW Police Headquarters building to the North, with the driveway to the underground parking associated with the Headquarters located adjoining the site to the West. The site adjacent to the east is occupied by an 18-storey tower with 4-storey podium and 14-storey residential tower above. On the opposite side of

Hassall Street are several predominantly residential developments, which are either complete or under construction.

CURRENT PLANNING CONTROLS

4. Under Parramatta Local Environmental Plan 2011 (PLEP 2011), the current zoning of this site is (B4 Mixed Use), and the key development standards are 72m maximum Height of Buildings (HOB) and 8:1 maximum Floor-Space Ratio (FSR).
5. The site is not identified as an item of local heritage significance in PLEP 2011, nor are there any such items immediately adjacent to the site. The most significant heritage items in the vicinity of this site are the Lancer Barracks and the Commercial Hotel. The relationship of the proposal to these items is discussed later in this report.
6. The site is not identified as being flood-prone, as it is located outside of the 20- and 100-year Average Recurrence Interval (ARI) events, and is also outside of the Probable Maximum Flood (PMF) event.

CBD PLANNING FRAMEWORK AND DRAFT CONTROLS FOR THIS SITE

7. Council adopted the Parramatta CBD Planning Strategy (the Strategy) on 27 April 2015. The Strategy is the outcome of a study which reviewed the current CBD planning framework and also a significant program of consultation with stakeholders and the community. The Strategy sets out the vision for the growth of the Parramatta CBD.
8. In line with the Strategy, Council subsequently prepared the Parramatta CBD Planning Proposal (CBD PP), which was informed by Councillor workshops held throughout 2015 as well as various Council resolutions. Council adopted the CBD PP on 11 April 2016. Generally speaking, the CBD PP seeks to increase heights and FSRs in the Parramatta CBD, subject to the provision of community infrastructure and other requirements. The CBD PP remains Council's most recently endorsed position on density increases in the Parramatta CBD. Council is currently awaiting a Gateway Determination on the CBD PP from the Department of Planning and Environment.
9. Under the CBD PP, the following core planning controls are envisioned for the site at 12 Hassall Street:
 - a. **Zoning:** The B4 Mixed Use zoning is retained, and the site remains at the interface between B3 and B4 zoning.
 - b. **Height of Buildings:** The "Base" HOB control for this site retains the current planning control of 72m, while there is no "Incentive" HOB control assigned to this site. This is consistent with the general policy direction of the CBD Planning Proposal, which is that – for most sites in the CBD – there are no Incentive height controls, with maximum HOBs instead being effectively controlled by sun access planes and aviation operational parameters.
 - c. **Floor Space Ratio:** The total maximum FSR achievable for this site under the CBD PP is 15:1, comprising the following:
 - i. The "Base" FSR control for this site is 6:1 in the draft CBD PP maps; **however, it is considered that the Base FSR control for**

this site should be effectively treated as 8:1. This is because this control has been identified as a drafting anomaly in the draft CBD Maps, in that the current FSR control for this site under PLEP 2011 is actually 8:1, and Base FSR controls are meant to correspond to current FSR controls. Please also note that the CBD PP requires the provision of 1:1 commercial floor space in this area of the B4 zone.

- ii. The Incentive FSR control for this site is 10:1. Under the CBD PP, Incentive FSR controls are achievable provided that an appropriate contribution to Community Infrastructure is made (discussed further in this report).
- iii. 15% bonus of the Incentive FSR (i.e. 1.5:1 in this case), provided that a Design Excellence process has been undertaken in accordance with the PLEP 2011.
- iv. An additional 0.5:1 FSR is achievable, provided that High Performing Building standards are met.
- v. This site is also identified as an Opportunity Site, meaning that an additional 3:1 FSR is potentially available, provided that a number of criteria are met (including that certain site area, Incentive, Design Excellence and High Performing Buildings requirements are met, and that a further contribution to Community Infrastructure is made).

BRIEF DESCRIPTION OF PLANNING PROPOSAL

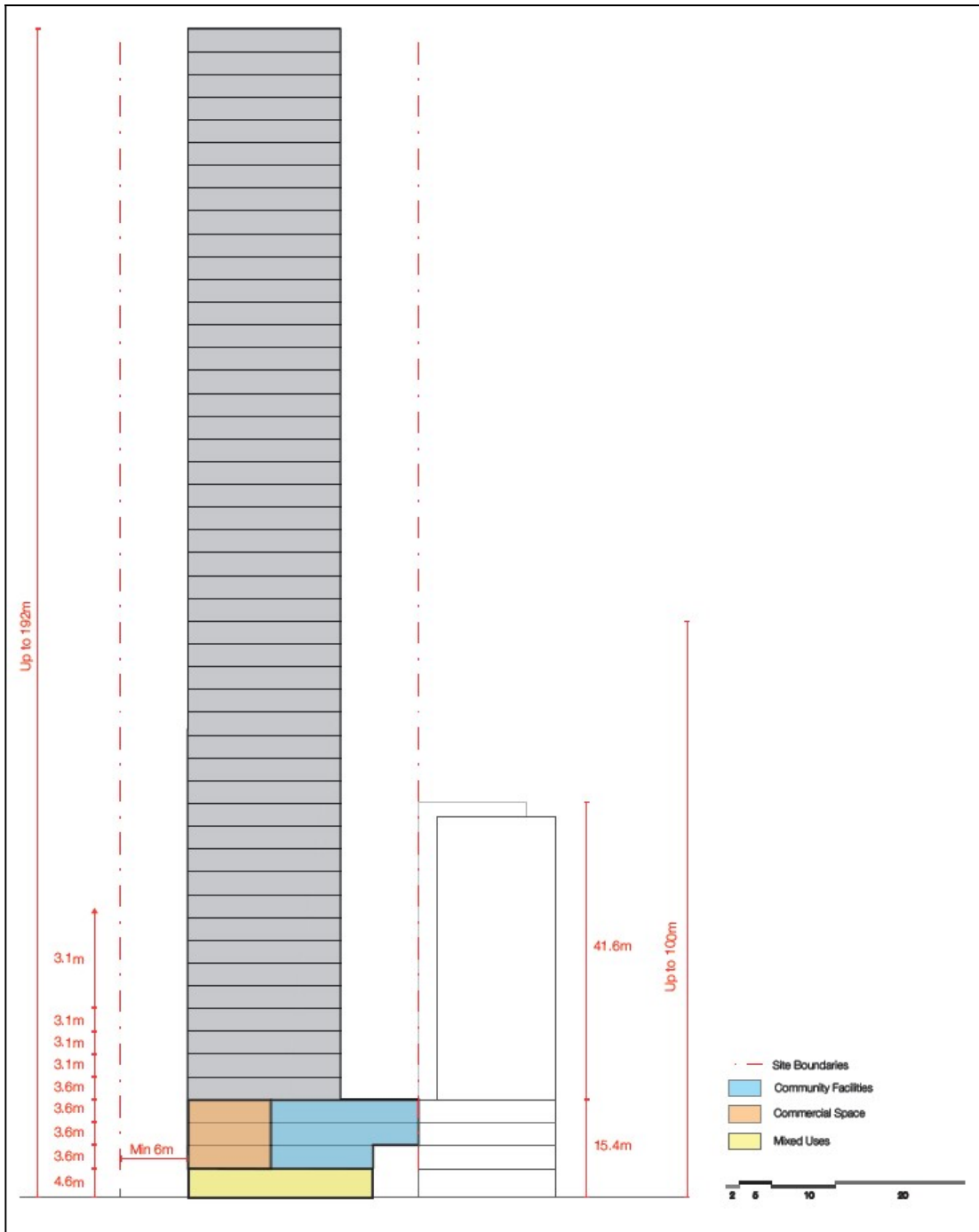
10. The Planning Proposal seeks to amend planning controls in line with the Parramatta CBD PP. Specifically, it seeks to amend the core planning controls of FSR and HOB as described in the following table.

Scenario	Land-Use	FSR	HOB
Current Controls (under PLEP 2011)	B4 mixed-use zoning	8:1	72m
CBD PP Controls	B4 mixed-use zoning	15:1 (as described in paragraph 9c, above)	No Incentive HOB control
Controls proposed under site-specific PP	B4 mixed-use zoning	15:1 (as described in paragraph 9c, above) + additional 1:1 community or commercial use	192 metres

11. The Planning Proposal is accompanied by an Urban Design Report and Reference Design drawings. These documents present a reference design for a 61-storey mixed-use building that includes the following features:

- a. 4-storey podium containing commercial and community uses;
- b. 57-storey residential tower containing an indicative total of 328 units;
- c. separate entrances & lobby spaces for commercial/community and residential uses; and
- d. basement car parking (detailed area schedules indicate 224 car parking spaces; this is discussed further in the report).

12. The drawing below demonstrates the reference design elevation, with indicative land uses, and shows the alignment with the podium of the building adjacent to the East.



ISSUES

15. An assessment of the Planning Proposal and supporting documentation is provided in this section.

Land Use Planning

16. The site is appropriate for mixed-use development, given its close proximity to Parramatta railway station and transport interchange, employment and educational opportunities in Parramatta CBD, and public open space within the CBD.
17. The proposed land uses are permissible with consent in the B4 zone. The requirement under the CBD PP for a mandatory 1:1 commercial floor space to ensure activated street frontages and employment opportunities in the CBD is satisfied by the reference design. The additional inclusion of additional non-residential uses in the podium – i.e. community use – is supported, and is discussed in further detail in following sections.

Floor Space Ratio

18. The total FSR sought under this Planning Proposal is 15:1. The Planning Proposal as originally submitted structured this FSR as 13:1 plus a 15% Design Excellence bonus (1.95:1). However, this was deemed to be inconsistent with the FSR policy framework established in the Parramatta CBD Planning Proposal (as discussed in more detail in this section), and this has been revised during assessment of the Planning Proposal.
19. The 15:1 FSR sought under this Planning Proposal is structured as summarized in the following table, and is discussed in further detail in the following paragraphs.

FSR Type	FSR	“Running Total” FSR
Base (including required 1:1 commercial)	8:1	8:1
Incentive (beyond base controls)	2:1	10:1
Design Excellence bonus	1.5:1 (15% of 10:1)	11.5:1
High Performing Buildings bonus	0.5:1	12:1
Opportunity Site	3:1	15:1
Community Use	1:1 (FSR control does not apply)	15:1

20. **Base Control:** The Planning Proposal responds to the current (PLEP 2011) control of 8:1. As noted previously, there is an anomaly wherein the Base FSR map of the CBD PP indicates a FSR control of 6:1 for this site; it is considered that the Base FSR for purposes of this assessment is 8:1, as Base controls are intended to reflect current controls, which is 8:1 in this case.
21. **Base Control – 1:1 commercial floor space requirement:** Under the CBD PP, a minimum requirement of 1:1 commercial floor space is required for

development in this area of the B4 zone. The reference design satisfies this requirement, with 1:1 commercial floor space located in the podium.

22. **Incentive FSR:** The Planning Proposal responds to the Incentive FSR for this site, which is 10:1. Under the CBD PP, a contribution must be made towards Community Infrastructure in order to achieve the incentive FSR. A site specific clause can ensure this requirement, and is recommended as part of the Planning Proposal at Attachment 1.
23. **Design Excellence bonus:** The Planning Proposal responds to Design Excellence provisions, which under the CBD PP, is 15% of the incentive FSR (10:1 in this case). This means an additional 1.5:1 FSR beyond the incentive FSR could be achieved through the Design Excellence bonus.
24. **High Performing Buildings:** The Planning Proposal responds to the High Performing Buildings (HPB) incentive, which under the CBD PP, is an additional 0.5:1 FSR provided that certain requirement relating to Ecologically Sustainable Development (ESD) are met.

The CBD PP outlines that a mixed use development with at least 24m frontage, minimum site area of 1,800 and maximum FSR of at least 10:1 can access this incentive, provided that the part of the building that is a dwelling meets the following requirements:

- The energy target is a minimum 10-point increase in the BASIX score compared to current requirements.
- The water target is a minimum 10-point increase in the BASIX score compared to current requirements.

The CBD PP also outlines that a mixed use development including at least 2000sqm of commercial premises must also meet the following requirements for its commercial premises:

- The energy target is a maximum 140 kg/m² per year.
- The water target is a maximum .65 kL/m² per year.

A site-specific clause can ensure that the HPB requirements are met, and is recommended as part of the draft site-specific clause included with the Planning Proposal.

25. **Opportunity Site FSR:** Under the CBD Planning Proposal, the criteria which “unlock” Opportunity Site FSR are summarized as follows:
- a. The development site must be at least 40 metres wide at the front building line and have an area of at least 1,800 square metres.
 - b. The development must demonstrate an appropriate transition to any heritage items.
 - c. The development must first include the additional FSR available under the “Incentive” controls, and therefore must include a Community Infrastructure contribution to the satisfaction of the consent authority.
 - d. The development must achieve the Design Excellence bonus (through completion of a competitive design process)
 - e. The development must achieve the High Performing Buildings bonus (through meeting High Performing Building requirements)

- f. A site-specific DCP is prepared
- g. An additional contribution to Community Infrastructure is made to the satisfaction of the consent authority.

It is considered that the site conditions, Planning Proposal and reference design indicate that a development proposed on this site would be capable of meeting each of these criteria. A site-specific clause can help to ensure these requirements are met, and a draft site-specific clause is included as part of the Planning Proposal at Attachment 1.

26. **Community Use FSR:** The Applicant has indicated they are in discussion with community service providers to continue the presence of a community use at site, and proposes to provide 1:1 floor space of “community uses” to support this (or a similar) outcome in the podium of the reference design. The Applicant submits that the total floor space sought for this site (15:1) should not include this 1:1 community use floor space. Council officers are of the view that this is an acceptable approach, as, in the event that the community use does not eventuate and ultimately reverts to an additional 1:1 commercial floor space, this additional floor space (i.e. any commercial floor space beyond the required 1:1 addressed in paragraph 20 above) would be exempted from FSR controls under the CBD PP. A site-specific clause can ensure that the requirement for the excluded 1:1 floor space to be either community or commercial uses is met; this is included in the draft site-specific clause as part of the Planning Proposal at Attachment 1.

Height of Buildings

27. The reference design features an indicative height of 61 storeys, or 192m. While the CBD PP removes maximum HOB for most sites in the CBD (including this site), a previous Gateway Determination received for another site-specific CBD planning proposal required insertion of a numeric HOB control. It is therefore proposed to be consistent with that approach. To date, all site-specific planning proposals where a Gateway has been issued included a numeric height control. Therefore, Council officers recommend a numeric HOB control that corresponds to the reference design for the site be included in this planning proposal.
28. It is noted that referral to appropriate aviation authorities would likely form part of the requirements of a Gateway Determination on this project, as the Parramatta CBD is affected by a number of protected airspace surfaces. For example, the submitted reference design would exceed the Bankstown Airport Obstacle Limitation Surface of 156m AHD. Appropriate consultation with aviation authorities will be undertaken in line with any relevant conditions of a resulting Gateway Determination.

Built Form and Urban Design

29. The applicant has amended the reference design since its initial lodgment, and the final amended reference design is deemed an acceptable response to the site conditions. It has been demonstrated that the proposed FSR and HOB can be accommodated on the site, and the reference design indicates that a resulting development would be capable of complying with the Apartment Design Guide. To ensure the final concept also responds to the context of the site and to meet criteria for Opportunity Site FSR, it is recommended that Council prepare a site-specific Development Control Plan to clearly address compliance with the Apartment Design Guide and the criteria that apply to Opportunity Sites, including

appropriate street frontage heights, setbacks, and solar and natural ventilation requirements.

30. The DCP will inform any future design competition brief for the site based on this planning proposal.

Traffic and Transport

31. Council's traffic and transport team initially reviewed the planning proposal and advised that due to the status of the CBD Planning Proposal and uncompleted detailed traffic modelling that the maximum total parking provision on any site subject to a Planning Proposal within the CBD should be the same as if the development for the site was at an FSR of 10:1
32. Since that referral was undertaken, Council has endorsed (on 10 April 2017) a Strategic Transport Study for the Parramatta CBD and resolved to include reduced parking rates in the CBD PP, pending results of the forthcoming mesoscopic study. This resolution was in part to allow site-specific Planning Proposals to proceed ahead of the mesoscopic modelling. Council's traffic and transport team have advised that they agree with the approach of applying the recently resolved rates to this Planning Proposal. The rates resolved on 10 April 2017 are summarised as follows:

- a. Residential parking rates

Type of Apartment	Spaces/unit
3-bedroom	1 space/unit
2-bedroom	.7 spaces/unit
1-bedroom	.3 spaces/unit
Studio	.1 spaces/unit

- b. Commercial parking rates

If the FSR > 3.5:1

$$M = (G * A) / (50 * T)$$

where:

M = maximum number of parking spaces;

G = GFA of all office/business premises in the building (m²);

A = Site Area (m²);

T = Total GFA of all buildings on the site (m²)

If the FSR <= 3.5:1

Office/Business:

1 space / 175 sqm GFA

Retail:

1 space / 90 sqm GFA

33. The current reference design includes approximately 328 apartments; the unit mix and resulting maximum residential parking spaces under the Council-resolved rates are described in the below table.

Type of Apartment	Spaces/unit	Units indicated in reference design	Total
3-bedroom	1 space/unit	28	28

2-bedroom	.7 spaces/unit	243	170.1
1-bedroom	.3 spaces/unit	57	17.1
		TOTAL	215

34. The current reference design indicates 4,110 m² of commercial and/or community floor space. Applying the above formula to the current reference design yields a maximum of 5 car parking spaces for the commercial/community uses, as follows:

$$M = (G * A) / (50 * T)$$

$$M = (4,110 * 2,055) / (50 * 32,880)$$

$$M = 8,446,050 / 1,644,000$$

$$M = 5.14 \text{ (round to 5)}$$

35. The total number of 220 car parking spaces indicated above (215 + 5 = 220) is very close to the 224 indicated on the detailed area schedule for the reference design. It is proposed that a site-specific clause be applied to the site that can ensure compliance with the above maximum parking rates, as previously resolved by Council, as shown in the draft clause included as part of the Planning Proposal.

36. **Please note:** the above estimated maximum car parking rates apply to the current reference design, and would likely be altered during subsequent design competition and development application processes. However, the numbers above can be taken as an indication of the scale of the quantum of car parking that would be expected to result at this site. Determining the final number of approved car parking spaces is a matter for the development application stage.

Heritage

37. Council's heritage officer has reviewed the proposal and advises as follows:

- a. The site has little archaeological potential (European or Aboriginal) and is not of heritage interest in its own right.
- b. It is favourable that there are no items immediately South of the site.
- c. The proposal will imply changes on the horizon in terms of views of items in the vicinity, including (but not limited to) the Lancer Barracks.
- d. A consistent height and FSR along the street block bound by Smith, Macquarie, Charles and Hassall should be applied, and a reasonable transition should be provided to the surrounding heritage items.
- e. The subject site should be zoned consistently with near-by and immediately surrounding areas; a landmark tower on this site is not deemed particularly desirable from a heritage perspective.

38. While the comment that a landmark tower on this site is not deemed particularly desirable from a heritage perspective is noted, this planning proposal has been considered in view of the CBD Planning Proposal framework, which establishes a 15:1 FSR (including an Opportunity Site bonus of 3:1 FSR) and no height control for this site. This is consistent with other B4 Mixed Use sites of sufficient size that are situated at the interface between B4 and B3 zoning. These controls have been developed through an extensive planning process, and included a heritage study by consultants Urbis which considered the impact of proposed FSR controls on Heritage items within the CBD context. In light of the Council-endorsed policy position on Opportunity Sites, and this site's position within a

dense urban context, it is considered that any impacts on nearby heritage items can be appropriately addressed during the Design Excellence and Development Application processes for this site.

Summary of Assessment

39. Based on the issues discussed in the preceding section, the conclusion of the assessment is that this Planning Proposal is supportable. The Planning Proposal and reference design demonstrate that the proposed controls would allow for a built form that appropriately responds to the context of the site, and is aligned with the CBD Planning Proposal.

VOLUNTARY PLANNING AGREEMENT

40. As this Planning Proposal is seeking an uplift aligned with the CBD planning framework review, and because a major feature of that framework is that incentive and opportunity site FSR controls are achievable provided that appropriate contributions to Community Infrastructure are made, it is expected that a VPA will be negotiated as part of this Planning Proposal process.

41. It is expected that the resulting VPA from this process would reflect a proportion of the value uplift associated with (a) Phase 1: the difference between current controls and Incentive controls (2:1 in this case) and (b) Phase 2: the 3:1 Opportunity Site FSR controls.

42. On 10 April 2017, Council endorsed rates of \$150/sqm for Phase 1 value sharing and \$375/sqm for Phase 2 value sharing. This is the basis upon which it is recommended that Council officers seek to negotiate a VPA.

43. The applicant has submitted a letter of offer, however, Council officers do not yet have delegation from Council to negotiate a VPA in association with this Planning Proposal. Therefore, it is recommended that delegated authority be given to the Interim General Manager to negotiate a Voluntary Planning Agreement (VPA) with the landowner in relation to the Planning Proposal on behalf of Council and that the outcome of negotiations be reported back to Council prior to its public exhibition, and that this negotiation be undertaken in line with Council's resolution on value sharing rates of 10 April 2017.

44. In early concepts, there was discussion around dedicating an area on the Western boundary of the site (adjacent to the Police Headquarters driveway) for public use. Council urban designers reviewed this early proposal, and concluded that this space had low utility as a public space and did not offer connectivity opportunities. Council officers consider that dedication of this space to public use would not form an acceptable part of a VPA as it offered negligible genuine public benefit, and have advised the applicant of this consideration.

NEXT STEPS

45. Council officers recommend that the IHAP recommend to Council that it progress the Planning Proposal described in this report, and included at Attachment 1, negotiation of a VPA associated with the Planning Proposal, preparation of a site-specific DCP, simultaneous exhibition of the Planning Proposal/VPA/DCP, and other administrative matters as outlined in the recommendation.

46. Pending the IHAP's endorsement, the expected next step for this Planning Proposal would be reporting to Council for endorsement to send to the Department of Planning and Environment for Gateway Determination.

Sarah Baker
Project Officer Land Use Planning

Robert Cologna
Service Manager Land Use Planning

Sue Weatherley
Director Strategic Outcomes and Development

ATTACHMENTS:

- 1 Planning Proposal - 12 Hassall Street, Parramatta 29 Pages
- 2 Urban Design Report - 12 Hassall Street, Parramatta 47 Pages