

Item 3.

Post Exhibition - Planning Proposal - 8-24 Kippax Street, Surry Hills - Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012 Amendment

File No: X101286

Summary

The western edge of Surry Hills near Central Station continues to build on its reputation as an attractive location for creative and tech companies, strengthening its competitiveness and economic potential, which will help embed and grow these targeted industry sectors. Supporting development and new investment for innovative and diverse business clusters in City Fringe is a key action of City Plan 2036, the City's local strategic planning statement, and the Greater Sydney Region Plan.

This report recommends approving without amendment the planning proposal recently exhibited for 8-24 Kippax Street, Surry Hills. The planning proposal has been prepared following a request from the landowner to increase the building height and floor space ratio controls for the site to facilitate the adaptive reuse of the existing building with two new rooftop levels, improved high-end office space, improved sustainability outcomes and embodied carbon benefits through the retention of the building structure. The proposed controls were approved by Council and the Central Sydney Planning Committee (CSPC) in June 2024 and the NSW Government issued a gateway determination in October 2024.

This report details the outcomes of the public consultation of the planning proposal and draft development control plan (DCP) for the site, which were exhibited from 4 November to 2 December 2024. A total of 7 submissions were received: 3 were supportive, 3 raised concerns and one provided feedback without a position on the proposal. Four submissions from government agencies were also received, which did not object to the proposal. Key matters raised in submissions included concerns that the proposal is inconsistent with the building's existing character and that of the surrounding area, overshadowing of nearby buildings, adverse noise and amenity impacts and additional parking, traffic and public transport congestion.

The planning proposal facilitates the refurbishment and adaptive reuse of an ageing commercial building, bringing it in line with contemporary building standards. The proposed controls require the additions to be setback, visually recessive and responsive to the building's character and its context. These controls also limit additional overshadowing ensuring that surrounding buildings and public domain still maintain generous direct solar access. By removing all on-site car parking and conversion to an end of journey facility, the proposal will encourage sustainable travel, taking advantage of transport connections including recent capacity increases to the light rail and Sydney Metro and public domain upgrades.

A summary of submissions and the City's response is provided at Attachment C, and key issues are also discussed in this report. Following consideration of submissions, no amendment to the exhibited planning proposal or draft DCP is proposed.

This report recommends Council approve the planning proposal and draft development control plan.

Recommendation

It is resolved that:

- (A) Council note the matters raised in response to the public exhibition of Planning Proposal - 8-24 Kippax Street, Surry Hills and the draft Sydney Development Control Plan 2012 - 8-24 Kippax Street, Surry Hills, as shown in Attachment C to the subject report;
- (B) Council approve Planning Proposal - 8-24 Kippax Street, Surry Hills, as shown at Attachment A to the subject report, and request the relevant local plan making authority make as a Local Environmental Plan under section 3.36 of the Environmental Planning and Assessment Act 1979;
- (C) Council approve the draft Sydney Development Control Plan 2012 - 8-24 Kippax Street, as shown at Attachment B to the subject report, noting the approved Development Control Plan will come into effect on the date of publication of the subject Local Environmental Plan; and
- (D) authority be delegated to the Chief Executive Officer to make any minor amendments to the Planning Proposal - 8-24 Kippax Street, Surry Hills and the draft Sydney Development Control Plan 2012 - 8-24 Kippax Street, Surry Hills, to correct any minor errors or omissions prior to finalisation.

Attachments

- Attachment A.** Planning Proposal - 8-24 Kippax Street, Surry Hills
- Attachment B.** Draft Sydney Development Control Plan 2012 - 8-24 Kippax Street, Surry Hills
- Attachment C.** Summary of submissions
- Attachment D.** Resolutions of Council and Central Sydney Planning Committee
- Attachment E.** Gateway determination - dated 3 October 2024

Background

1. Following comprehensive pre-lodgement advice, the landowner, Canva, submitted a request to prepare a planning proposal for 8-24 Kippax Street, Surry Hills ('the site') in December 2023. The site is shown in Figure 1.



Figure 1: Land affected by this planning proposal

2. The subject site has an area of 1,032 square metres. It has street frontages to Kippax and Terry Street and shares a common boundary with an adjoining residential building. Existing development on the site consists of a ten-storey commercial building constructed in the late 1960s. It features ground floor retail and small office and commercial suites on the upper floors. A photo of the subject site and existing development is at Figure 2.
3. The building has an existing height of 30 metres (RL 53m) and an FSR of 9.1:1, exceeding the mapped development controls of 27m and 3.5:1 FSR.
4. A development application was lodged concurrently with the planning proposal request for preliminary structural works and refurbishment. It was approved by the Central Sydney Planning Committee in May 2024. The approved works include the internal reconfiguration of the building, including relocation of the lift core and stairs for an open plan office space. Work relating to this consent has recently commenced.



Figure 2: 8-24 Kippax Street, viewed from the south-east outlined in red

Proponent requested changes to height and floor space controls to enable the adaptive reuse of the existing building with a two-storey addition

5. The proponent has requested a planning proposal to facilitate the adaptive reuse of the existing building for:
 - (a) a 12-storey office building, comprising two new rooftop levels, to a maximum height of RL 67.06 metres (44 metres above street level)
 - (b) approximately 10,500 square metres of refreshed work space, comprising up to 1,130 square metres of new floor space, to a maximum floor space ratio of 10.2:1 and
 - (c) removal of all on-site car parking to be replaced with retail and meeting space, basement end-of-journey facilities and two loading spaces.
6. Photomontages of the indicative scheme are provided at Figures 3 and 4.



Figure 3: Photomontage of the planning proposal concept development viewed from the north



Figure 4: Photomontage of the planning proposal concept development viewed from the south

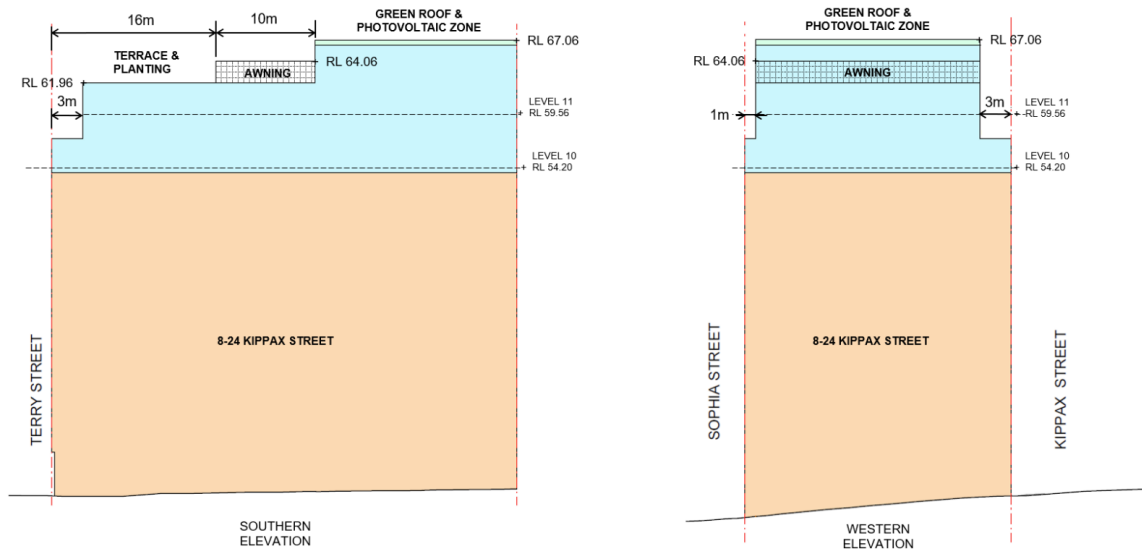


Figure 5: Elevations of the proposed building envelope, new additions facilitated by this planning proposal shown in blue

The City prepared a planning proposal to increase the height and floor space controls for a commercial development.

7. The planning proposal details the proposed amendments to the Sydney Local Environmental Plan 2012 (Sydney LEP 2012) by inserting new site-specific provisions to incentivise commercial floor space. The provisions are to:
 - (a) permit a maximum building height of RL 67.06 metres (44 metres), an increase from the current control of 22 metres (which is currently below the height of the existing building at 30m)
 - (b) increase the maximum floor space ratio control from 4:1 to 10.2:1 inclusive of end of journey floor space (existing building 9.1:1). Design excellence additional floor space or height is not applicable in this instance
 - (c) ensure development consent may only be provided subject to the following:
 - (i) the resultant building will not be used for residential or serviced apartments
 - (ii) the provision of end of journey facilities and
 - (iii) does not include any car parking spaces except for a minimum of two loading spaces for servicing of the building
 - (d) ensure the existing building is retained and
 - (e) waive the requirements for a competitive design process under clause 6.21D of the LEP.
8. Further explanation of the provisions can be found in Section 3 of the Planning Proposal at Attachment A to this report.

A site-specific Development Control Plan was prepared to ensure the additions fit the surrounding area

9. A draft site-specific development control plan (draft DCP) is at Attachment B and provides detailed guidance for development facilitated by this planning proposal to ensure future development supports a high-quality built form. The key provisions in the draft DCP include:
 - (a) maximum building envelope dimensions including upper-level setbacks, street wall heights and maximum height (as shown at Figure 5)
 - (b) controls relating to active street frontages along Kippax Street and Sophia Street at the rear
 - (c) controls relating to the layout and landscaping of the external terrace and green roof and
 - (d) off-street loading, servicing and access provisions.
10. The draft DCP amendment was exhibited with this planning proposal.

The planning proposal received gateway determination and was placed on public exhibition

11. The planning proposal was approved to be submitted to the Minister for Planning and Public Spaces for gateway determination by the Central Sydney Planning Committee on 20 June 2024 and by Council on 24 June 2024. The Council also approved the draft DCP for public exhibition with the planning proposal.
12. The Planning Proposal was sent to the Department of Planning, Housing and Infrastructure for a gateway determination on 1 July 2024. Gateway determination was received from the Department on 3 October 2024, and is at Attachment E. The gateway determination required consultation with relevant government agencies.
13. The planning proposal was on public exhibition from 4 November to 2 December 2024.

Key Implications**We received 7 responses to the public exhibition of the Planning Proposal**

14. The following activities were undertaken to support the public exhibition:
 - (a) a webpage and survey were created for people to review the planning proposal and supporting documentation, and provide their feedback
 - (b) 905 notification letters were sent to property owners and occupiers within a 75-metre radius of the site boundary
 - (c) the project was included in the November edition of the Sydney Your Say eNews and
 - (d) the planning proposal was referred to: Commonwealth Department of Infrastructure, Transport, Regional Development, Communications and the Arts; Sydney Airport; Civil Aviation Safety Authority; Airservices Australia; and Utility Providers, including Sydney Water.

15. Seven submissions were received in response to the exhibition. Three submissions were supportive, 3 opposed and 1 provided feedback without a position. Heritage NSW, Sydney Water, Sydney Airport and the Civil Aviation Safety Authority also provided comment but did not object to the proposal.
16. The City's response to the issues raised in submissions are broadly discussed below and in more detail in the summary of submissions at Attachment C.

Submissions supported the delivery of additional commercial floor space

17. The City received 3 submissions which were supportive of the proposal. They noted the importance of locating corporate headquarters in Surry Hills, as the area is capable of accommodating additional density, delivering further opportunities for active transport, pedestrian activation and improved amenities.

Submissions raised concerns regarding the impact of the proposal on the surrounding character

18. Four submissions expressed concern that the proposal is not consistent with the existing neighbourhood character of Surry Hills. The owners and residents at 8 Cooper Street, Surry Hills, identified in Figure 6, raised concern that the proposal would change the skyline of Surry Hills and impact views of nature and the open sky.

Response:

19. The existing building and commercial use will be retained and upgraded in a manner that is sympathetic to its character and surrounding context. The proposal seeks to adaptively reuse the building to accommodate innovation work space, including a two-storey addition. No significant external change will be made to the existing building. New additions will be setback from the upper parapet and visually recessive, delivering additional employment floor space in a manner that is sensitive to the building and surrounding area.
20. The proposed addition is a modest increase to the built form which historically exceeds the maximum building height control. The site-specific DCP details the building envelope for the additions to ensure an appropriate built form that does not contribute unnecessary visual bulk and scale. The proposal will not adversely impact existing biodiversity as it does not propose to increase the footprint of the building and will not impact any street trees. The proposed concept design includes significant landscaping on the upper terraces and a green roof, helping deliver positive ecological outcomes and reducing adverse urban heat impacts.



Figure 6: Location of 8 Cooper Street, Surry Hills (blue) in relation to the subject site (red)

Submissions raised concern regarding building height

21. The City received 2 submissions that raised concern with the height increase, suggesting that the existing building should be retained and restored in its current form. There was concern that the proposed additions are a significant increase in building height, making it one of the highest office buildings in the area.

Response:

22. The concept design retains the existing building structure and proposes a two-storey rooftop addition. The proposed addition is a modest increase to the built form, consistent with typology for work space on the edge of Central Sydney. The proposed additions will be setback from the building's parapet, which will help ensure any adverse visual impact is minimised.

A submission from Icon Apartments raised concerns about overshadowing and light capacity

23. A submission from the owners and residents of Icon Apartments at 8 Cooper Street raised concerns that the proposal would result in additional overshadowing. There was also concern that it would have a negative impact on light capacity and make surrounding streets darker.

Response:

24. The proposed building envelope results in limited additional overshadowing. There are two residential developments to the south of the site, being the Icon building at 8 Cooper Street and Calibre at 10-14 Cooper Street. Figure 7 details the overshadowing resulting from the proposed additions at 10am and 12pm at the winter solstice. The streets and public domain to the north of both buildings will continue to receive generous direct solar access and the proposed additions will not result in any additional overshadowing to these apartment buildings.

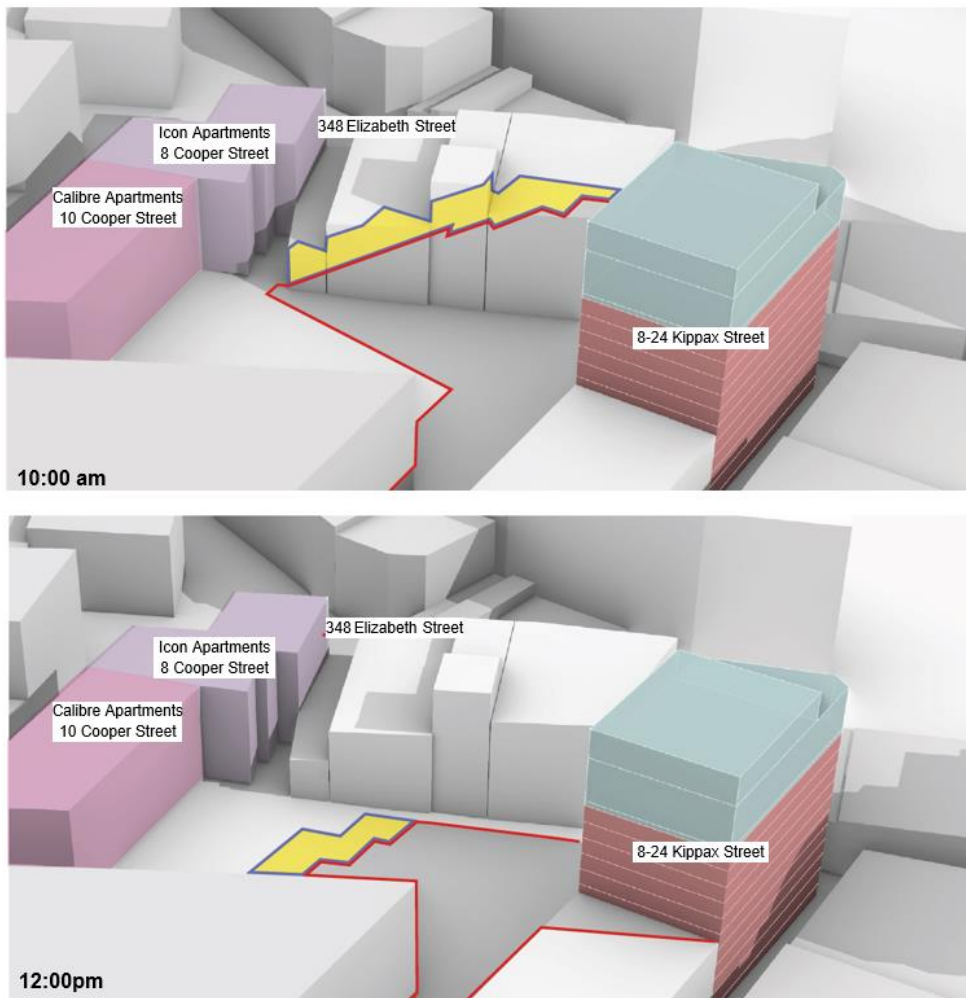


Figure 7: Overshadowing analysis of the proposed additions at 10am and 12pm during winter solstice with additional shadow shown in yellow

A submission raised concerns with overshadowing impacts

25. A submission suggested that the proposal should not result in a significant increase in overshadowing in the surrounding area.

Response:

26. The buildings to the southwest of the site currently experience some overshadowing from the existing building as well as the proposed additions. It is noted that 328-344 Elizabeth Street is a commercial building, however 348-354 Elizabeth Street is a hostel that provides short-term temporary residential accommodation. Figures 7 and 8 detail the overshadowing impacts on the surrounding area at midwinter, showing the buildings fronting Elizabeth Street will receive direct solar access by midday. To the east at 26-44 Kippax Street the site is adjoined by a residential apartment building. No apartment in the building will experience any loss of solar access as a result of the additions.

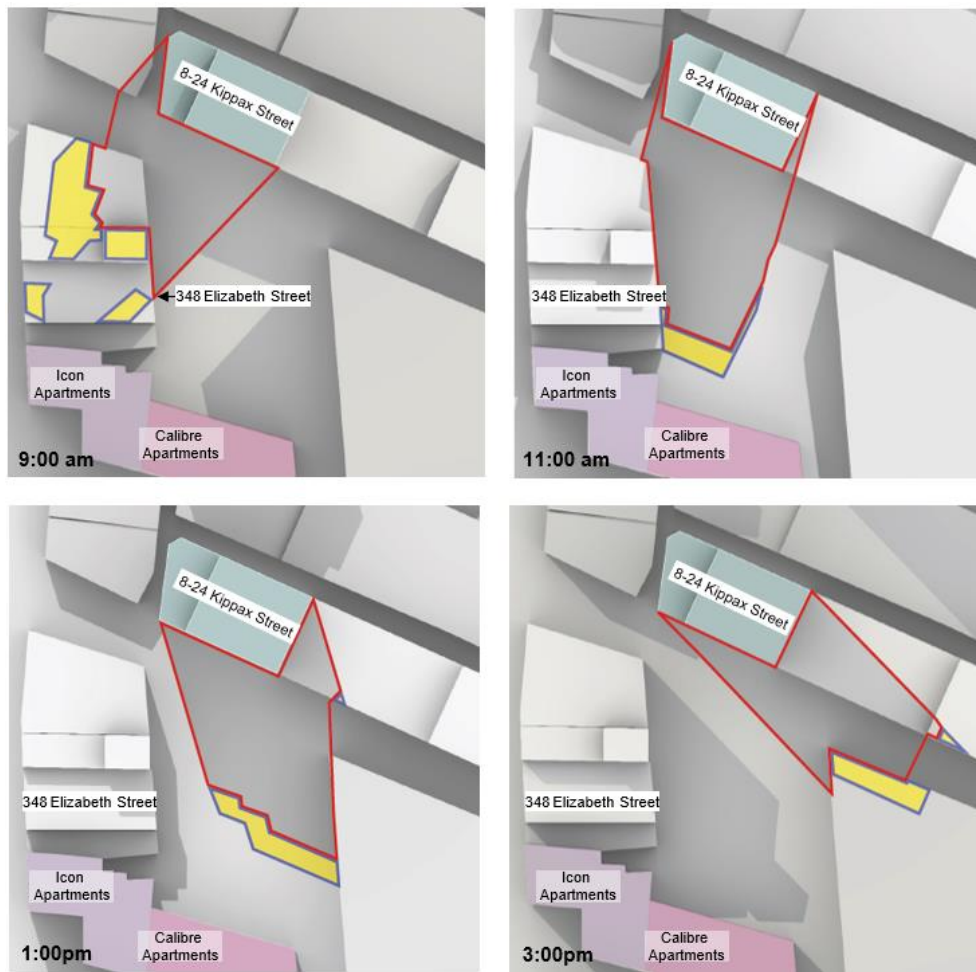


Figure 8: Overshadowing analysis of the proposed additions at 9am, 11am, 1pm and 2pm during winter solstice with additional overshadow shown in yellow

Submissions raised concerns that the proposal would worsen public transport congestion and traffic and parking issues

27. Three submissions raised concerns that the proposal would increase traffic congestion, worsen existing parking issues and public transport congestion. It was also suggested that that efforts should be made to mitigate traffic noise levels.

Response

28. The proposal delivers additional jobs in a highly accessible location and presents an opportunity for a strategically located site to maximise usage of active and public transport networks. Future workers and visitors to the site are able to take advantage of recent investment in public transport infrastructure, which significantly increased the available capacity to many parts of Greater Sydney. This includes light rail connections in the inner city and the newly opened Sydney Metro, which has delivered significantly increased capacity and service frequency through the CBD and on to the North Shore.

29. The proposal discourages private vehicle use through the removal of all on-site car parking spaces. Most trips generated by the future development are anticipated to be by active and public transport. Any increase in vehicle traffic is unlikely to result in additional congestion or impact to on-street parking. A minimum of 2 off-street servicing and loading spaces from Sophia Street are to be provided to ensure all servicing is accommodated internally and will not impact on-street parking.

Submissions suggested that the proposal should deliver improved pedestrian accessibility and encourage active transport

30. Three submissions suggested the proposal should deliver improved pedestrian accessibility in the public domain surrounding the site through pedestrian prioritisation and safety measures to encourage increased active and public transport use.

Response

31. The proposal will deliver an improved urban design and pedestrian experience at ground level through the delivery of new fine grain retail space and active uses fronting the public domain. This will support future public domain strategies, providing passive surveillance and contributing towards a more inviting public domain for pedestrians. The proposal also includes new retail tenancies fronting the rear laneway, delivering an improved and attractive street life.
32. The proposal will also encourage greater walking, cycling and public transport use through the removal of all on-site parking and delivering new end of trip facilities and bicycle parking. Utilising the site's close location to public and active transport, including nearby cycleways network to encourage greater use.

Planning proposal is consistent with the City's strategic vision

33. The City's local strategic planning statement, City Plan 2036, sets out the 20-year vision for land use planning in the city and the planning priorities and actions needed to achieve the vision.
34. A key priority of the plan is to align development and growth with supporting infrastructure. The proposal will support the delivery of employment floorspace that is well located, close to public transport infrastructure including Central Railway Station, Sydney Metro, bus routes and is supported by cycling infrastructure.
35. A key priority of the plan is to develop innovative and diverse business clusters in the City Fringe. The proposal will deliver enhanced employment floor space to help generate additional jobs in the existing employment cluster and strengthen the tech industry presence in the area.
36. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This planning proposal is aligned with the following strategic directions and objectives:
- (a) Direction 2 – A leading environmental performer – the proposal will minimise embodied carbon through the adaptive reuse of the existing building and will deliver a smart building design including on-site solar photovoltaic systems to reduce grid demand.

- (b) Direction 5 – A city for walking, cycling and public transport - the proposal is strategically located in close proximity to existing transport infrastructure including rail, metro, light rail and nearby cycleways. The delivery of end of trip facilities, bicycle parking and the removal of on-site parking will encourage active and public transport use.
 - (c) Direction 9 – A transformed and innovative economy – this planning proposal supports the City Fringe area as a competitive destination for business, investment and talent.
37. Further information regarding the alignment of the Planning Proposal with the strategic planning framework can be found at section 5.2 of the planning proposal.

Risks

38. City staff have undertaken a thorough assessment of the planning proposal and found that it demonstrates strategic and site-specific merit in accordance with NSW Government guidelines. The NSW Government also assessed and issued a Gateway Determination. The planning proposal is consistent with Sustainable Sydney 2030-2050 Continuing the Vision.
39. Progressing with the planning proposal is within the City's risk tolerance and appetite.
40. The planning proposal has demonstrated that development will be capable of complying with relevant environmental and planning laws, regulations and industry standards and is within the City's minimal appetite for non-compliance with environmental laws, regulations and industry standards.
41. Proceeding with the planning proposal will meet the City's minimal appetite for disruption to our regulatory functions as decisions will be within the timeframes set in the NSW Government's Statement of Expectations Order 2024.

Relevant Legislation

42. Environmental Planning and Assessment Act 1979.
43. Environmental Planning and Assessment Regulation 2021.

Critical Dates / Time Frames

44. The gateway determination requires the amendments to the Sydney LEP 2012 be completed by 29 July 2025.
45. The gateway determination authorises Council to exercise its delegation and liaise with directly with Parliamentary Counsel to draft and make the local environmental plan. If the planning proposal is approved by the Central Sydney Planning Committee and Council, the City will commence this process. Once this process is complete and the plan is made, the amendments to the Sydney LEP 2012 will come into effect when published on the NSW Legislation website.
46. If approved by Council, the draft DCP will come into effect on the same day as the amendment to the Sydney LEP 2012.

GRAHAM JAHN AM

Chief Planner / Executive Director City Planning, Development and Transport

Daniel Thorpe, Specialist Planner

Kristina Argiropoulos, Cadet Planner