

386-412 William Street, Melbourne

Officer Assessment for Planning Permit Application
No. 2013/009182



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Summary

The applicant MIT Group Holdings Pty Ltd seek approval to partially demolish buildings and redevelop the land at 386-412 William Street, Melbourne for a multi storey building comprising of residential hotel, dwellings, retail and associated car parking.

The application was originally lodged with the Department of Environment, Land, Water and Planning (formerly known as the Department of Transport, Planning and Local Infrastructure) in November 2013 and proposed the retention of the two storey building façade with two mixed use towers above of 50 and 30 storeys.

Following a preliminary assessment by the Department, City of Melbourne and Public Transport Victoria a range of functional and design matters were raised. The key urban design and planning issue in this case relates to interface amenity and overshadowing of Flagstaff Gardens during the assessment period of 11am-2pm at the equinox.

Following several design meetings with the applicant amended plans were formally lodged with the Department in September 2014. The changes proposed resulted in a significant reduction of tower height to avoid overshadowing of Flagstaff Gardens. The amended plans form the basis of this assessment.

In summary, the revised design continues to retain the existing 2 storey heritage building façade and now proposes two towers of 18 and 38 storeys above. A mix of residential, retail and hotel uses are retained as part of the proposal.

The amended proposal is considered to be a significant improvement from the previous scheme as originally submitted and is supported due to its exemplary architecture subject to conditions requiring further improvements to the street wall design response, interface amenity and functional requirements associated with traffic, parking and waste.

Both the City of Melbourne ('Council') and Public Transport Victoria (PTV) are supportive of the proposal and have recommended permit conditions.

Permit Background

The following recent planning permit history is relevant to the site and surrounding properties:

Application No.	Address	Description	Comments
2005/0324A	386-412 William Street, Melbourne (Subject Site)	Permit granted for demolition of the building and construction of a 15 storey office building , ground floor retail and commercial car park	Permit granted on 3 May 2007 Permit amended on 21 July 2009 Permit was not acted upon and has expired.
TP-2009-338/B	243-263 Franklin Street, Melbourne (Infinity 8 Apartments)	Construction of two multi storey buildings (10 and 20 storeys) for the purpose of residential hotel and dwellings	Permit granted by the City of Melbourne on 7 September 2009. Permit amended to increase the 10 storey component to 12 storeys adjacent to the subject site. The 20 storey stage has been constructed with a gap remaining next to the subject site.

Application No.	Address	Description	Comments
2001/599A	218-236 A'Beckett Street, Melbourne (The Istana Melbourne)	Demolition of the existing building and construction of a 25 storey residential building with ground floor café and retail tenancies and waiver of the associated loading and unloading of vehicles	Construction nearing completion. The development has a communal outdoor terrace orientated towards the common boundary with the subject site.

Application Details

The following table provides application detail information:

Key Elements	Comments
Land / Address	386-412 William Street, Melbourne
Application No.	2013/009182
Proposal	Part demolition of the existing building and redevelopment of the land with multi-storey buildings for the purpose of dwellings, residential hotel, retail and associated car parking
Date lodged with the Department	6 November 2013
Date amended plans lodged	2 September 2014
Applicant	MIT Group Holdings Pty Ltd
Why is a permit required?	Demolition of buildings and to construct buildings or carry out works To construct buildings or carry our works that exceed 30 metres in height (DDO14-A19)
Heights (Controlled Airspace)	The maximum building height of 121 metres (including plant and equipment) is below the Obstacle Limitation Surface (OLS) which is 226 metres and the Procedures for Air Navigational Services- Aircraft Operations Surface (PANS-OPS) layer of 275 metres (approximately).
Car parking, bicycle facilities and motorcycle spaces	145 car spaces 574 bicycle spaces and 3 change and shower facilities 32 motorcycle spaces
Gross Floor Area	48,415 square metres

Proposal Description

The proposal seeks to partially demolish the existing building and keep the two storey façade along Franklin and William Street. The balance of the site will be redeveloped with two multi storey buildings comprising of hotel rooms, dwellings, place of assembly, retail and associated car parking. In summary the following are the key features of the proposal:

- A total of 470 dwellings located within two residential towers.
- A range and variety of dwelling types will be provided including:
 - ❖ 247 one bedroom apartments (52.6%).
 - ❖ 207 two bedroom apartments (44%).
 - ❖ 16 three bedroom apartments (3.4%).
- The hotel will include 210 rooms which will all be located on the lower and midrise floors of Building 2 (rear building).
- The hotel lobby will be via the Franklin Street frontage.
- The residential lobby will be via the William Street frontage.
- The towers positioned on the podium will be 18 storeys (57 metres) and 38 storeys (121 metres) respectively.
- The towers will be positioned above the existing two storey podium/heritage façade and recessed from the mid to higher levels from the respective street frontages to ensure minimal amenity impacts and an appropriate transition in height from abutting buildings. Tower setbacks range between 0.5 metres to 50.9 metres.
- The ground and first floor will contain active frontages containing 1053 square metres of new retail floor space including a café and all night diner, providing an enhanced and activated land use to the respective street frontages. The all-night diner will have views towards the Flagstaff Gardens and the Queen Victoria Market area.
- Two (2) levels of basement car parking will be provided. This will comprise of 145 spaces. The vehicular access point will be via the Franklin Street frontage.
- A total of 502 resident bicycle parking spaces will be provided in the basement. 50 visitor bicycle spaces have also been provided. 24 hotel staff bicycle spaces will be included in the development.
- The proposal will include a gym which can be utilised by residents and hotel guests. A swimming pool on level 1 will be available for residents and hotel guests.
- A 473 square metre ancillary conference centre will be provided on the 3rd storey podium with views and outlook towards Flagstaff Gardens.
- The proposal seeks to establish a landscaped podium drawing inspiration from trees which characterise the Flagstaff Gardens, with the design seeking to draw a link between the gardens and the proposed development. The planting will provide a green element to the building, which will also be visible from the surrounding footpaths. The landscaping at the podium levels will also be visible from abutting buildings.

Site and Surrounds

The site is located on the corner of Franklin and William Street, south of the Queen Victoria Market and east of Flagstaff Gardens. The site has a frontage of approximately 60 metres to William Street and 68 metres to Franklin Street and contains an existing 2 storey building primarily being used as a public car park. The site was formerly known as 'City Mazda'. The site is not affected by any restrictive covenants, legal agreements or easements.

The site provides three vehicle cross-overs onto Franklin Street with the primary access located in the north east corner. A bus stop is located on Franklin Street adjacent to the existing cross-over.

The site is not affected by a Heritage Overlay nor is it registered on the Victorian Heritage Register (VHR), however, Council's Heritage Places Inventory identifies the existing building as a 'D' grading representative of inter war (circa 1916-1925) architecture.

The site is affected by the proposed planning scheme amendment C198 City North Heritage Review which recommends it be included within the Heritage Overlay and the local significance be upgraded to level 'C'. It is proposed to protect the external fabric of the building and internal controls do not apply.

The site is located near the edge of the Central Business District (CBD) within the "Queen Victoria Market Area" as defined by the Melbourne Planning Scheme pursuant to Schedule 14 of the Design and Development Overlay. Building heights in the area generally transition between the low scale of the Queen Victoria Market towards the medium and high rise towers of the CBD.

The site has a size of 3,916 square metres and represents an underutilised strategic redevelopment site with good access to public transport and public open space. The site is afforded good locational attributes with its proximity to Queen Victoria Market, Flagstaff Gardens, Melbourne Central and the University precinct.

Flagstaff Railway Station is approximately 200 metres to the south and various tram and bus routes operate in all directions close to the site and along William Street.

The surrounding area is undergoing change with several permits granted for redevelopment and numerous sites either under construction or nearing completion. A description of the site's urban context and immediate surrounds is as follows:

To the north – Open air public car park in the control of the City of Melbourne beyond which lays the low scale heritage buildings of the Queen Victoria Market (QVM).

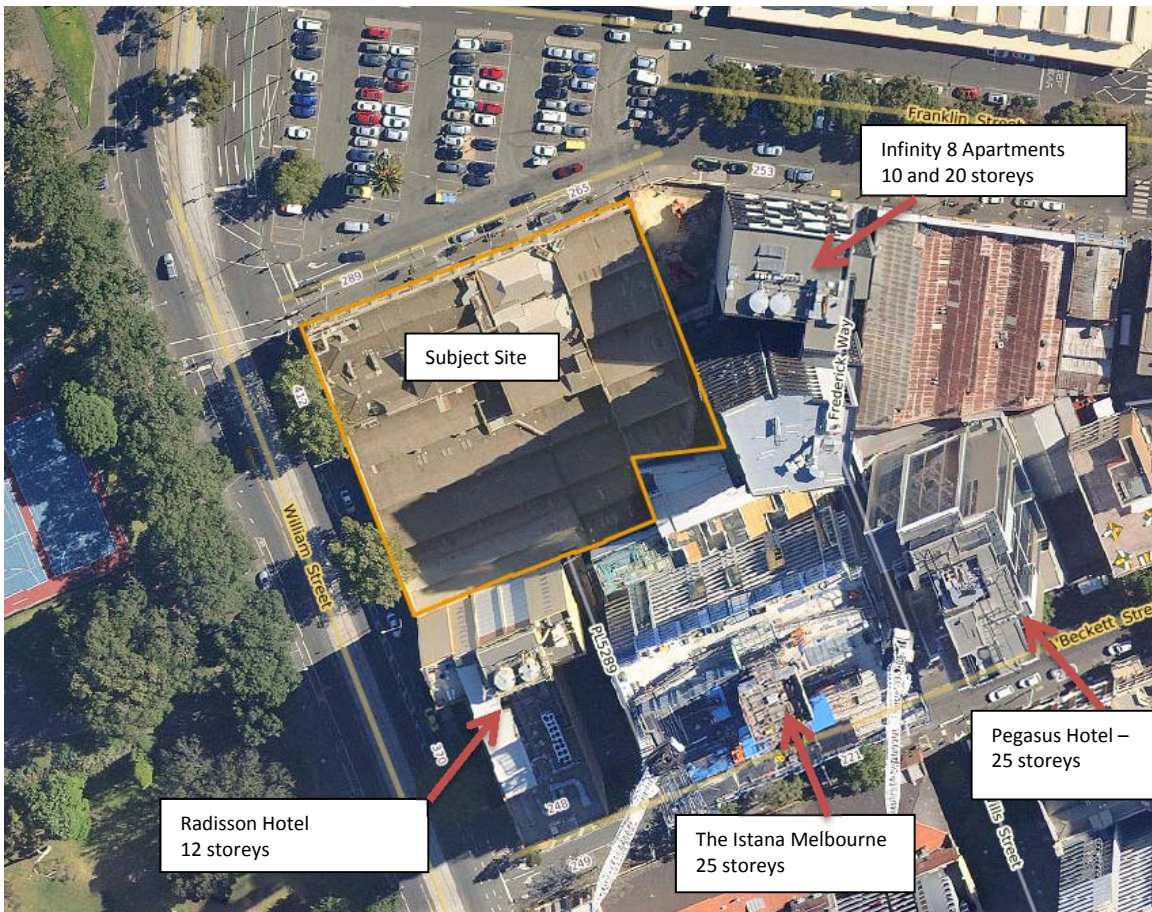
To the south – The site shares a boundary with two properties. The Radisson on Flagstaff Hotel located at 370-384 William Street Melbourne which is a 12 storey building with an exposed blank side wall interfacing with the site. The Istana building located at 218-236 A'Beckett Street Melbourne which is also a 25 storey residential tower with ground floor retail. To the south east is the Pegasus Tower, a 25 storey residential hotel/serviced apartment building located at 206-216 A'Beckett Street.

Further south of the site are a number of high rise apartment developments including 'Art on the Park' at 350 William Street (39 storeys) and Wills Court located at 25 Wills Street, Melbourne (24 Storeys).

To the east – The recently constructed Infinity 8 apartment and hotel development which provides a 10 and 20 storey residential tower at 243 – 263 Franklin Street, Melbourne. The stage to be constructed adjacent to the site is yet to be built.

To the west – Flagstaff Gardens and in particular the outdoor play equipment and tennis courts.

Figure 1 – Locality Plan



Policy Context

State Planning Policy Framework

The State Planning Policy Framework (SPPF) provides the broad policy direction within the Victorian Planning Provisions. The planning principles set out under the SPPF are to be used to guide decision making on planning proposals across the State. The following policies are considered relevant to this application.

- ❖ Clause 11 (Settlement)
- ❖ Clause 15 (Built Environment and Heritage)
- ❖ Clause 16 (Housing)
- ❖ Clause 17 (Economic Development)
- ❖ Clause 18 (Transport)
- ❖ Clause 19 (Infrastructure)

The thrust of the above policies is to encourage appropriate land use and development which enhances the built environment, delivers diversity in housing supply, land use mix and economic activity to meet existing and future needs and integrates with transport and infrastructure planning.

Due to the site's large size, close location to key infrastructure including public transport and open space the site is considered to be a strategic redevelopment opportunity capable of delivering sustainable development that takes full advantage of existing settlement patterns and investment in transport, community infrastructure and social facilities.

Local Planning Policy Framework

The Municipal Strategic Statements (MSS) and Local Planning Policy Framework (LPPF) within Planning Schemes across Victoria outline principal characteristics of a given municipality (municipal profile) and provide specific visions, goals, objectives, strategies and implementation plans. The MSS within the Melbourne Planning Scheme identifies several key themes for housing, economic development, built environment and heritage and infrastructure as per Clause 21.

In particular the MSS at Clause 21.03 (Vision) recognises the diverse roles of the city and local areas, with a vision being 'a thriving and sustainable city that simultaneously pursues economic prosperity, social equity and environmental quality'.

Clause 21.12 (Hoddle Grid) sets out the local area policies for Central City and includes a vision for the area is to continue its primary place of employment, business, finance, entertainment, cultural activity and retail in Victoria as a 24-hour City, co-locates these uses with residential uses, and provides appropriate high quality built form that continues to make the city attractive for workers, residents and visitors. The Hoddle Grid is identified as a location which should support permanent and temporary residential development in the Central City which accommodates a diverse population. Clause 21.12 encourages:

- ❖ New dwellings are designed to provide occupants with a reasonable amenity level to ensure that existing and new businesses are not undermined by this interface;
- ❖ Active street frontages, interesting building tops and building design that promotes human scale, integrates with existing fabric, including respect for heritage buildings and provides visual interest, and;
- ❖ Development to incorporate a high level and quality of pedestrian and bicycle access.

With respect to specific local planning policies the following key local planning policies (Clause 22) are relevant to the proposal:

- ❖ 22.01 Urban Design within the Capital City Zone
- ❖ 22.02 Sunlight to Public Spaces
- ❖ 22.19 Energy, Water and Waste Efficiency
- ❖ 22.23 Stormwater Management (Water Sensitive Urban Design)

The thrust of the above policies is to encourage high quality urban design outcomes for public and private space and to ensure that development is environmentally sustainable and recognises its impact on the public realm.

An assessment against the above policies is provided further in this report.

Metropolitan Planning Strategy (May 2014)

The government has released the Metropolitan Planning Strategy which is the vision for the city to 2050 ('Plan Melbourne'). The Metropolitan Planning Strategy recognises Melbourne's population will increase to more than 6.5 million people by 2050. This additional population will require housing, employment and ancillary services and facilities. Part of the thrust of the strategy is to ensure this increased population can be catered for without unreasonably impacting on the existing qualities of Melbourne's suburbs and unique precincts.

The proposed development is located on a large site at the edge of the city interfacing with the Queen Victoria Market and well serviced by transport, open space and community infrastructure. The site's Capital City Zoning, coupled with its large size and proximity to services makes it an ideal site to locate future mixed use development of a higher density.

Statutory Controls

Permit Triggers

Planning Control	Application Requirement	Permit Triggered Yes/No
Capital City Zone – Schedule 1 (CCZ1)	Demolition of buildings To construct buildings and carry out works Note: The use of the land for ‘Dwellings’, ‘Retail’ and a ‘Residential Hotel’ are ‘as of right’ under the zone and <u>do not trigger a planning permit</u> . The land use definition of ‘Residential Hotel’ includes ancillary uses such as function and conference rooms, sale and consumption of liquor on the premises, entertainment and dancing, amusement machines and gambling.	Yes Yes No
Design and Development Overlay – Schedule 14 – Area 19 (DDO14-A19)	To construct buildings and carry out works for development above 30 metres in height.	Yes
Schedule 1 to the Parking Overlay (PO1)	The limitation policy allows for a maximum of 522 car spaces (calculated on the proposed dwelling, residential hotel and retail yield) and a minimum of 2 motorcycle spaces (calculated on the maximum number of permissible car spaces). The provision of 145 on site car spaces is well below the maximum allowed under the overlay and the allocation of 32 motorcycle spaces exceed the requirements.	No
Loading and Unloading of Vehicles (Clause 52.07)	An application which includes buildings and works for the purpose of manufacture servicing, storage and the sale of goods and material is required to provide an onsite loading bay with a minimum area of 27.4 square metres for buildings of 2,600 square metres or less in single occupation and an additional 18 square metres for every part thereof. The proposal provides an onsite loading bay of 260 square metres in excess of the minimum loading bay dimensions specified in the Planning Scheme.	No
Bicycle Facilities (Clause 52.34)	The standard requirement for the proposal under the Planning Scheme equates to: - 94 resident spaces, 25 employee spaces and 70 visitor spaces. - 3 shower facilities and 3 change rooms. The change rooms may be a combined shower and change room. The application provides for 72 publicly accessible bicycle spaces (combined visitor and employee spaces) and 502 residential bicycle spaces. A total of 3 shower and change room facilities are being provided. Of the 72 publically accessible spaces it is unclear how many spaces are allocated to employees and visitors. A condition of permit can address this matter.	No

Planning Control	Application Requirement	Permit Triggered Yes/No
Urban Context Report (Clause 52.35)	An application for a residential development of four or more storeys must be accompanied by an urban context report and design response. The application was accompanied by an urban context and design report. The Department confirmed receipt of this information with the applicant.	No
Integrated Public Transport Planning (Clause 52.36)	Under Clause 52.36-1 an application must be referred in accordance with Section 55 of the Act to the Director of Public Transport (Public Transport Victoria). On 6 November 2014 the amended application was referred to Public Transport Victoria for comment.	No
Live Music and Entertainment (Clause 52.43)	This clause applies to an application for a live music entertainment venue or a noise sensitive residential use that is within 50 metres of a live music venue. The proposal is not within 50 metres of a live music venue and therefore this clause does not apply. A condition of permit can be applied to manage the potential for live music venues being located within 50 metres of the site and the amenity within the development.	No
General Provisions (Clause 61.01)	The proposal includes a Gross Floor Area (GFA) of 48,415 square metres. As the proposal is greater than 25,000 square metres in GFA the Minister for Planning is the Responsible Authority under the Melbourne Planning Scheme for determining the permit application.	No
Decision Guidelines (Clause 65.01)	Under Clause 65.01 before deciding on an application the Responsible Authority must consider as appropriate a number of matters, including Section 60 of the Act.	No
Referral Provisions (Clause 66.03)	Clause 66.03 works in conjunction with Clause 52.36 (amongst other requirements) and requires an application to be referred to the person or body specified as the referral authority. As previously stated, a referral must be made to Public Transport Victoria, the determining referral authority.	No

Reference Documents / Guidelines

Document Name	Purpose
Guidelines for High Density Residential Development	<p>The Guidelines for Higher Density Residential Development (“the Guidelines”) provide ‘better practice’ design advice for higher density residential development that promotes high quality public and private amenity and good design. The Guidelines are structure around six elements including:</p> <ul style="list-style-type: none"> ▪ Urban Context, ▪ Building Envelope, ▪ Street Pattern and Street-edge quality, ▪ Circulation and services, ▪ Building layout and design, ▪ Open space and landscape design

Notification

Under Schedule 1 of the Capital City Zone and Schedule 14 of the Design and Development Overlay an application to demolish a building and construct or carry out works associated with a Section 1 land use, is exempt from the notice requirements of Section 52 (1) (a), (b) and (d), the decision requirements of Section 64 (1), (2) and (3) and the review rights of Section 82 (1) of the Act.

Referrals

The application was referred to the Department's Urban Design Unit, City of Melbourne and the Director of Public Transport Victoria (PTV). The following comments were provided:

City of Melbourne: The amended permit application was considered at Council's Future Melbourne Committee Meeting of 11 November 2014. Council officers recommended that the application be supported subject to conditions detailed in their officer assessment report relating to increased setbacks, wind, traffic, parking and waste. Council resolved to support the officer recommendation and suggested permit conditions.

Public Transport Victoria: The application was referred to PTV on several occasions with the latest response received on 27 November 2014. PTV requested further information to resolve the temporary relocation of bus stops within Franklin Street to accommodate construction. A plan was submitted by Elenberg Fraser satisfying PTV's requirement. PTV does not object to the granting of a planning permit subject to standard construction management conditions.

Urban Design (DELWP): DELWP urban design is generally supportive of the modified proposal subject to:

- Infill of the gaps to neighbouring street frontages at Infinity8 and the Radisson, up to the corresponding adjoining height of around 9-11 levels.
- Detailed drawings of the lower (retained) street façade should be provided as design development.
- The canopy should be redesigned to ensure continuity, a height to provide protection, respect for trees and improved integration with the retained façade.
- ESD reporting should indicate the potential to achieve a 5-star rating.

Other Submissions

On 25 February 2014 Tourism Victoria provided a submission in support of the proposed development. Tourism Victoria advised that the proposal responds to market demand for more tourism accommodation in the Melbourne CBD, complements the vibrancy of the Queen Victoria Market precinct and provides supporting infrastructure for the anticipated growth in the market.

While the submission provided by Tourism Victoria was based on the original and taller scheme, the concept of locating a mixed use residential hotel on the site remains relevant to their assessment.

Planning Assessment

Consistency with Planning Policy

State Planning Policy Framework (SPPF)

The proposal is consistent with, and positively responds to, the State Planning Policy Framework by:

- Contributing to the intensification of residential, commercial and retail developments in a central city location which provides a variety of land uses and is highly accessible to the community (Clause 11.01-2 Activity centre planning);
- Contributing to the vision for Melbourne as a global city of opportunity and choice (Clause 11.04 Metropolitan Melbourne) and by providing a diversity of housing in locations that cater for different households and are close to jobs and services (Clause 11.04-2, Clause 16.01-1 Integrated housing, Clause 16.01-2 Location of residential development and Clause 16.01-4 Housing diversity);
- Assisting to create an urban environment that is safe, functional and provides a good quality environment with a sense of place and cultural identity (15.01-1 Urban Design) and by providing architectural and urban design outcomes that contribute positively to the local urban character and public realm (Clause 15.01-2); and
- Providing for development which meets the communities' needs for retail, entertainment, office and other commercial services and provides net community benefit in relation to accessibility, efficient infrastructure use and the aggregation and sustainability of commercial facilities (Clause 17.01-1 Business).
- Concentrating key trip generators such as higher density residential and residential hotel development in close proximity to the Central Business Districts and pre-existing public transport modes (Clause 18.01-1).

Local Planning Policy Framework (LPPF)

The Municipal Strategic Statement (MSS) within the Melbourne Planning Scheme identifies several key themes for housing, economic development, built environment, heritage and infrastructure as per Clause 21. These themes are given further policy effect within Clause 22 of the Melbourne Planning Scheme, and in some instances directly implemented by bespoke overlay controls spatially applied to a precinct.

In this case the key policy matters for consideration relate to built form outcomes as set out under Clause 22 and Schedule 14 of the Design and Development Overlay (DDO14-A19); outcomes for sunlight to public spaces; energy, waste and water efficiency.

Built Form & Height

The site is located within the Queen Victoria Market precinct where DDO14-A19 outlines a maximum discretionary height control of 30 metres and seeks to manage the *'scale of development [to] provide an appropriate interface from the low scale built form of the Queen Victoria Market towards the medium and high rise towers of the Central Business District'*. A lower height control of 7 metres applies to land further north, which is closer to the Queen Victoria Market, while a greater height of 60 metres applies to neighbouring sites to the south along A'Beckett Street. A permit is required to exceed the specified maximum height.

The site represents a unique opportunity for significant redevelopment due to its size, prominent corner location, accessibility to public transport and a range of community services. These attributes warrant development of a mixed-use proposal that maximises the potential of the site while responding to the local planning and built form context.

The proposal is a significant improvement from the originally lodged scheme of two towers with heights of 30 and 50 storeys and limited tower setbacks. The previous scheme vastly exceeded the 30 metre height control and resulted in shadow being cast across Flagstaff Gardens when measured at the equinox.

Lower tower heights of 18 storeys (57 metres) and 38 storeys (121 metres) and a stepped built form reduces visual perception of bulk and appropriately responds to policy objectives included within DDO14 and Clause 22.01 (Urban Design within the Capital City Zone). The primary purpose of redesigning the proposal was driven by the need to avoid overshadowing of Flagstaff Gardens at the equinox and to reduce the impact of building bulk. An assessment of overshadowing is discussed further in this report.

The proposed heights will provide an appropriate transition between the Queen Victoria Market precinct and the CBD and has done so through two distinct building forms which references the high rise buildings to the south and low rise building to the north.

The proposal responds to the underlying framework and fundamental characteristics of the Capital City Zone through delivery of a typical podium and tower building typology. The retention of the existing heritage building façade ensures that the identity of the site is retained. Distinction between the heritage façade and the towers are achieved through variation in architectural form and setbacks, albeit can be improved by increasing the setback of level 3 to maximise the volume of space between the two storey heritage podium and tower.

The proposal will enhance the site through a sensitive and innovative design. The architecture and materiality of the building is of high quality and is delivered by a 'stepped' or 'cascading' form. The materials being mainly glazing will assist with animating the building when internally illuminated and reduces the perception of visual bulk.

Setbacks & Heritage Response

The site is subject to planning scheme Amendment C198 City North Heritage Review which recommends that it be included in the Heritage Overlay and be given a 'C' grading in City of Melbourne's Heritage Places Inventory 2008.

Amendment C198 has been subject to a panel hearing and is considered to be a 'seriously entertained' policy. The amendment identifies the two storey section of the building at the corner of Franklin Street with the original wide openings to both levels as being significant.

The proposal seeks to retain the existing two storey heritage façade. Council's Heritage Advisor has raised concerns regarding the 0.5m setback of the proposed towers from the existing heritage façade and considers that this setback is not an adequate separation and will impact on the significance of the heritage façade.

It is considered that the proposal generally establishes appropriate setbacks, which respond to specific site constraints and opportunities and deliver a functional design. However minor changes are recommended to improve the proposal's response to the street wall and heritage façade. These matters are discussed further below.

Building 1

Building 1 wraps the rear of the site and is setback 0.5 metres from William and Franklin Street up to Level 8, after which the setbacks increase incrementally to a maximum of 10 metres from Franklin Street and 50.9 metres from William Street. The setback response and tower form is largely being driven by the need to minimise overshadowing of Flagstaff Gardens.

Council has recommended that the tower be setback a minimum of 3 metres from William Street and Franklin Street boundaries to improve the distinction between the existing heritage façade and the proposed towers above, to further decrease shadows and minimise perception of bulk.

It is generally accepted that generous setbacks provide visual relief however this must be balanced against the surrounding built form context, constraints of the site and the need to deliver high quality internal

amenity. The Radisson Hotel to the south is considered to be a redevelopment site and in the interim the opportunity exists to conceal the existing north facing blank wall. To the west, it is not unreasonable to establish a setback which respects the profile of the adjacent Infinity8 apartment building before setting back from Franklin Street above level 10.

It is recommended that a permit condition requiring an 'average' 3 metre setback as opposed to the Council suggested 'minimum' will provide greater flexibility to achieve a balanced outcome between internal amenity, building functionality and street interface.

It is also recommended that Level 3 be setback to 2.7 metres consistent with the level below. This will increase the height and volume of space above the heritage façade and maintains continuity with the street wall response proposed for Building 2.

Building 2

Building 2 is located on the corner of William and Franklin Street, has a height of 18 storeys (57 metres) and is setback 0.5 metres from Franklin Street, with the exception of level 2 which is setback 2.7 metres (excluding balconies) providing a 'visual break' or 'collar' between the existing heritage façade and the tower above. Setbacks from William Street range between 0.5 metres to 11.3 metres as the building tapers away from Flagstaff Gardens.

Internal separation between Building 1 and Building 2 ranges between 10 metres and 18.2 metres, which is sufficient space between towers for light and air and results in good internal amenity.

Council has recommended that Level 3 should be setback to 2.7 metres consistent with the level below to increase the height and volume of the building 'collar'. As identified above for Building 1, this approach is supported as increasing the volume of building setback will provide a better design response.

Council also recommended that between levels 4 to levels 12 the building should be setback a minimum of 1 metre from William and Franklin Street boundaries. It is considered that a 1 metre setback (i.e. an additional 0.5 metres) will be indiscernible along this edge and will diminish the visual perception of the recessed 'collar' above the podium. Furthermore a 1 metre setback would impact the internal design and reduce the separation between buildings.

Impact on Public Realm

It is considered that the proposal will enhance the public realm by:

- Improving the experience for pedestrians and enhancing the street frontages through activation and revitalisation of an otherwise underutilised site. Street edges will be built to the boundary with multiple retail tenancies. Removal and consolidation of vehicle access points is proposed with access provided in the northeast corner and via the rear laneway to the south.
- Providing legible building entrances and clear lines of sight between the public and private realm.
- Offering weather protection in the form of a canopy above William and Franklin Street. Improvements are recommended to standardise the design of the canopy to improve its effectiveness. At present the irregular form reduces the protection over the footpath and it is unclear whether the structure has been designed to protect street trees. This matter can be addressed by way of permit condition.

Sunlight to Public Spaces

The policy at Clause 22.02 (Sunlight to Public Spaces) of the Melbourne Planning Scheme provides the following standard for new developments:

'Development should not reduce the amenity of public spaces by casting any additional shadows on public parks and gardens, public squares, major pedestrian routes including streets and lanes (including all streets within the retail core of the Capital City Zone), and privately owned plazas accessible to the public between 11.00 am and 2.00 pm on 22 September.'

The application as originally submitted involved a higher built form that resulted in additional shadowing to Flagstaff Gardens during the above specified hours. City of Melbourne and the Department both raised concerns in relation to this and recommended the proposal be amended to ensure no overshadowing between these times. This was a key point in revisiting the proposal and submitting an amended design.

The proposed developments as shown on the amended plans will not result in any additional shadowing to the park between the hours of 11.00 am and 2.00pm on 22 September, thus complying with the policy. This has been achieved via the careful positioning of the towers, reduction in the heights and the cascading setbacks on the upper levels.

The proposed development will result in additional shadows cast on the public footpath on William Street at 11.00am and 12.00pm. However this is considered acceptable as it will be during the morning hours only, does not fall on the park itself and by 1pm there will be no shadow impact.

Energy, Water, Waste Efficiency and Water Sensitive Urban Design

Clause 22.19 of the Melbourne Planning Scheme seeks to ensure buildings achieve high environmental performance standards at the design, construction and operation phases. Buildings containing accommodation over 5,000 square metres gross floor area are required to achieve a 5 star rating under a current version of Green Star - Multi Unit Residential rating tool or equivalent.

The ESD report dated 12 September 2014 submitted with the current proposal indicates that a number of ESD principles will be incorporated into the design of the building which will assist in improving the energy efficiency of the building as well as help to exceed a 4 star Green Star Multi-Residential rating. The ESD report states that the proposed development has the preliminary design potential to achieve attain a 5 Green star rating.

In relation to Water efficiency, the development is likely to achieve the 1 point for the relevant Green Star Wat-1 credit which is in accordance with the requirements of Clause 22.19.

Land Use and Activation

The proposed development seeks to provide retail uses and recreational spaces on ground level, levels 1 and 3. This is supported as it allows for passive surveillance and engagement with the public realm. The proposal includes residential hotel rooms located within the lower levels of Building 1. This is considered appropriate as hotel rooms are used for short stay accommodation and therefore the reduced level of sunlight penetration to the lower portions of the building will not be detrimental. The premium locations of the building contain private dwellings.

Street frontages are sleeved with retail uses and it is considered that the location and spread of land uses will generate a high level of activation and public surveillance. It is noted that the proposed land uses do not trigger a planning permit under the Capital City Zone.

Internal and External Amenity

Building Interface

The proposal has responded to surrounding buildings located to the south, south east and east as follows:

- Part of Building 1 will be constructed adjacent to the 12 storey wall of Radisson Hotel (south of the site) up to Level 8. This is considered an appropriate response; however that portion of the building to be built to the boundary is setback 7 metres and does not extend to the full parapet height of the Radisson Hotel. It is recommended that the building be modified to infill this gap. Should the Radisson Hotel be redeveloped a similar approach can be adopted. This modification can be addressed by way of permit condition.

- To the south-east Building 1 will abut the existing 25 storey residential building located at 218 A'Beckett Street. This residential development has apartments with private courtyards and terraces with an outlook to the subject site, albeit setback 12.7 metres (approximately) from the common property boundary. The blade walls and windows of the proposal have been designed to orientate away from adjoining habitable room windows to maintain privacy between both buildings.

On level 5 of the adjoining building there is a communal outdoor terrace orientated towards the site. The proposal has responded appropriately to this sensitive interface by having an angular curved treatment along the southern elevation coupled with a minimum 5 metre setback. This approach minimises visual bulk and ensures that a reasonable level of light and outlook is maintained. Where it abuts the communal open space at its closest point of 1 metre, it will be a small section of the development, does not contain any windows with views directly overlooking the communal terrace and is not unreasonable given the expectation for development within a Central City context.

- To the east the podium of Building 1 will adjoin the boundary with the Infinity 8 Apartment development located at 243-263 Franklin Street, including an adjacent light court. The Infinity 8 development provides various building heights along the common boundary and contains a 10 storey element located to the front and a 14 storey element to the rear which increases in height to 20 storeys as the building steps away from the common boundary.

The proposed building will have a minimum tower setback of 5 metres above the podium which is considered reasonable for light and air, however screening measures for the lower level hotel rooms will be required to prevent direct views into the adjoining light court.

Due to the retention of a low scale podium and provision of a 5 metre tower setback the design response results in a gap being established between the Infinity 8 site and the proposal. Similar to the interface with the Radisson Hotel, it is recommended that this gap be in-filled to match the parapet height of Infinity 8 and the internal layouts redesigned to provide an improved urban design outcome when viewed from Franklin Street. This can be addressed via permit condition.

Internal Amenity

Internal amenity is guided by elements of an apartment which makes it comfortable for residents to live in. This includes good levels of light (both sunlight and daylight), good outlook, natural cross-ventilation, privacy between internal spaces/balconies, neighbouring buildings and protection from noise. Sizes and layouts of apartments assist in achieving good internal amenity.

Council's Draft Housing Strategy (2014), whilst not a 'seriously entertained' planning document provides useful research within it, including comparative data of what contributes to good apartment design including, but not limited to:

- Minimum apartment sizes which are guided by strategies in NSW and London (SEPP65 and The London Plan) which outline the following sizes:
 - SEPP 65: 50m² (1-bedroom), 70m² (2-bedroom) and 95m² (3-bedroom)
 - The London Plan: 37m² (1-bedroom/studio for 1 person), 50m² (1-bedroom for 2 people), 61m² (2-bedroom for 3 people), 70m² (2-bedroom for 4 people), 74m² (3-bedroom for 4 people), and 86m² (3-bedroom for 5 people)

The *Design Guidelines for Higher Density Housing (DSE 2004)* also seek to ensure that residents can live comfortably with one another and with appropriate levels of internal and external amenity, including provision of storage. These design guidelines use the objectives and standards of ResCode as a guide to measure reasonable amenity outcomes.

Having regard to the planning policy context, the buildings have been carefully designed to ensure that all hotel rooms and dwellings receive natural daylight and ventilation. In addition, the angled treatment along the southern elevations helps to maintain a reasonable level of daylight and views while minimising the potential for internal overlooking between apartments. Private dwellings have been located in the higher levels and premium locations of the building with the hotel rooms occupying the less optimal areas. This is considered appropriate given the transient nature of a residential hotel.

The towers have an internal separation ranging from 10m to 19m. This is considered adequate and has been supported by City of Melbourne.

Building 1 which is proposed to the rear of the site provides a curved shape and long internal corridor. However, towards the end these are open to views which also allow reasonable levels of daylight to be maintained into the corridor.

Adequate areas of communal space, recreation facilities and resident storage have been provided.

Dwelling sizes vary from 49 square metres (1 bedroom), 66 square metres (2 bedroom) to 82 square metres (3 bedroom). Internal layouts are functional and consider matters such as direct access to private balconies and avoidance of borrowed light for habitable rooms.

Council has suggested a note be placed on the permit identifying that the *“hotel rooms have only been approved on the basis that these are for short stay accommodation”* and *“any request to amend plans in a manner that would allow these to be used as ‘dwellings’ would require separate planning approval (under 62.02-2) and would not necessarily be supported”*. A note to this effect is considered to be excessive and would unreasonably burden a decision by the responsible authority should an application for modified plans be lodged. Any request or application made must be assessed on its merits and pursuant to the planning policy and permit triggers that apply.

Acoustic

The MSS at Clause 21.07-1 (Housing – Residential Development) seeks to encourage development that plans for a dynamic 24 hour city with a variety of noise levels and sources.

The decision guidelines of Schedule 1 to the Capital City Zone seek the responsible authority to consider whether habitable rooms of new dwellings adjacent to high levels of external noise should be designed to limit internal noise levels to a maximum of 45 dB in accordance with relevant Australian Standards for acoustic control.

The proposed development will include a mix of uses and is located within the Capital City Zone which anticipates and encourages a variety of entertainment and commercial uses.

The non-residential uses within the development have been appropriately located to minimise impacts on residents and it is recommended that standard conditions be applied to ensure that the development will be further designed to meet relevant Australian Standards for acoustic control.

Microclimate

The application is supported by a wind assessment report prepared by ViPac Engineers and Scientists Ltd. The wind tunnel tests for the proposal identified that:

- Immediately adjacent footpaths on the ground level will meet the criteria for pedestrian safety and comfort, and the wind levels on the footpath across William Street will be improved by the introduction of the development.

- The adopted setback design and wind shelf for the entries near the intersection of William Street and Franklin St, will significantly improve the local wind environment such that the recommended criterion of pedestrian comfort for standing will be achieved at these entries.
- For the terrace areas on the podium levels (Level 01, 02 and 03), the design has incorporated vegetation and trees which will help to control the local wind environment to meet the walking comfort criterion.

Council has raised concerns regarding the wind impacts on the outdoor podium terrace areas. Council has recommended that this area be designed to meet the stationary criteria for occupants as this is the more likely and desirable condition for a passive recreation space.

In response to the concerns raised, the Department requested further advice from Vicpac Engineers to explore the potential to achieve stationary wind criteria on the podium terrace.

The wind addendum report prepared by Vipac dated 27 November 2014 identifies that to achieve this outcome extensive treatment to reduce wind levels would be required to a point where seated areas would need to be enclosed, negating the purpose of an outdoor terrace.

While achieving stationary criteria is the optimal wind outcome, it is considered that on balance the amenity offered by providing podium terraces open to the sky outweighs the impact of not achieving consistent stationary criteria. Acceptance of walking criterion for podium terraces is not unreasonable given the nature of the space (i.e. not a public space at street level) and the ability for occupants to select when they use the podium terrace.

It is also noted that in achieving a walking criteria the probability of exceeding the stationary comfort criterion is no more than four times per year. It is recommended that standard conditions relating to wind amelioration be applied.

Building Function

Car parking, Bicycle Facilities, Traffic, Loading and Waste

Car parking, bicycle spaces and motorbike parking are proposed over two basement levels with access from Franklin and Williams Streets.

Schedule 1 to the Parking Overlay allows for a maximum of 522 car spaces (calculated on the proposed dwelling, residential hotel and retail yield) and a minimum of 2 motorcycle spaces (calculated on the maximum number of permissible car spaces).

The provision of 145 on site car spaces is well below the maximum allowed under the overlay and the allocation of 32 motorcycle spaces exceed the requirements.

The standard requirement bicycle spaces and facilities under the Planning Scheme equates to 94 resident spaces, 25 employee spaces, 70 visitor spaces and 3 shower and change room facilities.

The application provides for 72 publicly accessible bicycle spaces (combined visitor and employee spaces) and 502 residential bicycle spaces. A total of 3 shower and change room facilities are being provided. Of the 72 publically accessible spaces it is unclear in the application how many employee vis a vis visitor spaces are provided. A condition of permit is required to address this matter.

City of Melbourne's Engineering Department has assessed the proposal and is generally satisfied with the parking, loading and access arrangements subject to provision of further details and minor modifications being made via permit condition.

A revised waste management plan is required to be in accordance with Council's "Guidelines for Preparing a Waste Management Plan 2014" document. Furthermore the waste generation estimates need to be updated with respect to the rates applied to retail waste generation specified within Council's waste guideline.

Recommendation

That a permit be granted for part demolition of the existing building and construction of multi-storey buildings for the purpose of dwellings, residential hotel and ground floor retail premises (other than Adult Sex Bookshop, Department Store, Hotel, and Tavern) and associated car parking be issued subject to conditions for the reasons outlined in this report.

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