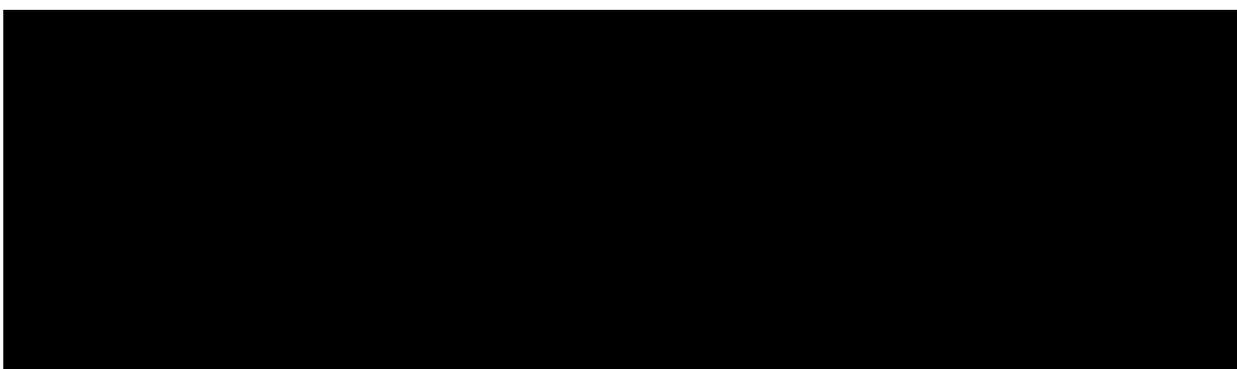


Officer Delegate Report

APPLICATION FOR PLANNING PERMIT: 7 – 23 Spencer Street, Melbourne	
Application Number:	2011/011178
Proposal:	Demolition of existing building, construction of two commercial buildings and provision of car parking in excess of the car parking rates.
Applicant:	Asset 1 WTC P/L & EFM Ltd
Zoning:	Capital City Zone- Schedule 1 (Outside the Retail Core)
Overlays:	None
Existing Use:	Melbourne Convention and Exhibition Centre
Number of Submissions:	None
Recommendation:	Permit to be issued subject to conditions



NAME: [REDACTED]

SIGNATURE: [REDACTED]

DATE: 8 August 2012

Ph: [REDACTED]

1. PROPOSAL

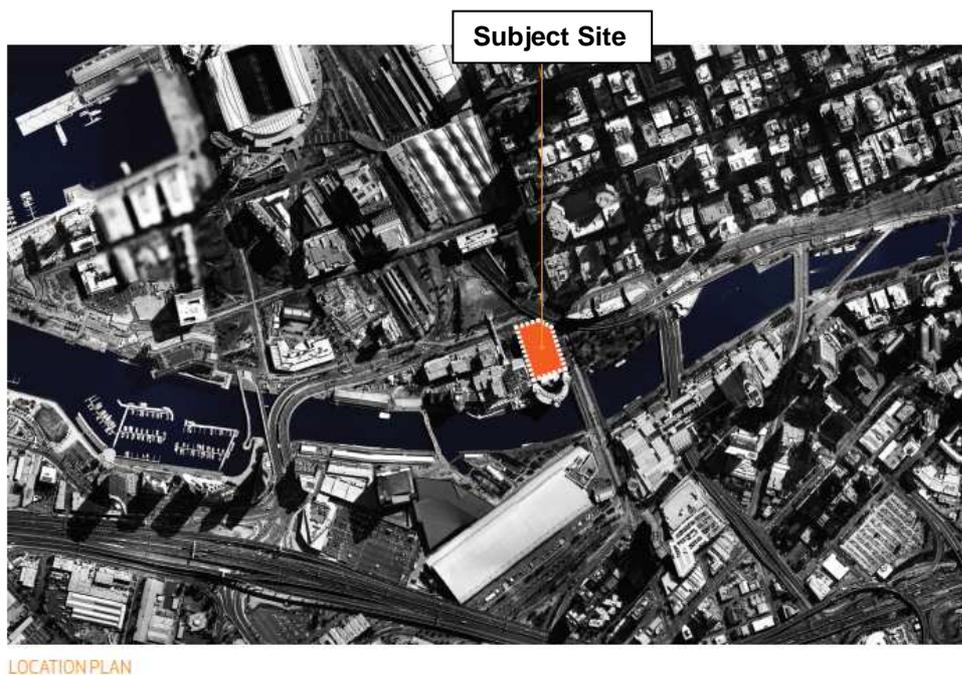
It is proposed to demolish the existing building on site and construct two new mixed use commercial buildings, comprising a 20 and 26 storey office building, associated podium car parking and ground floor retail / commercial tenancies fronting Spencer & Flinders Street. The two buildings will have a maximum height of 109 and 88 metres respectively. 377 car parks are proposed across the two towers and 480 bicycle spaces and 78 motorcycle spaces are proposed. The development will include 88,325m² of gross office floor area.

2. SITE AND SURROUNDS

The site is located at 7 – 23 Spencer Street, Docklands (or otherwise referred to as 601 Flinders Street), bounded by Flinders Street to the north and Spencer Street to the east, with Siddeley Street centrally dividing at ground level. The site is currently occupied by the former Melbourne Convention Centre a four-level building of utilitarian appearance (refer to Figure 1).

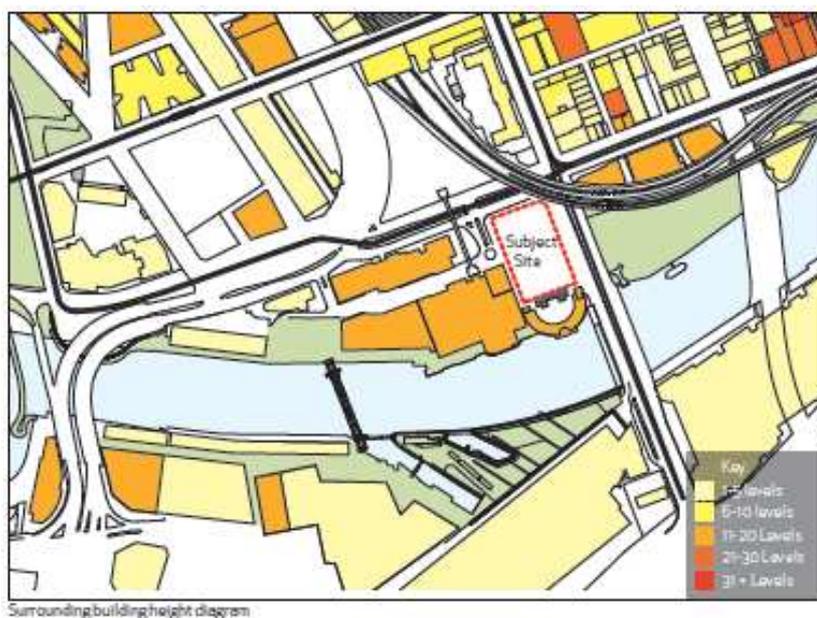
The first two levels of the development are on opposite sides of Siddeley Street over which the next two levels are built.

Figure 1 – Location Plan



The surrounding area contains a range of building heights which is influenced by its location at the interface between the CBD, Yarra River, Southbank, Docklands and Batman Park (refer to Figure 2 – Built Form Context).

Figure 2 – Built Form Context



To the North

To the north of the site is Flinders Street and the rail line between Flinders Street Station and Southern Cross Station. The site opposite is currently vacant and owned by Places Victoria.

To the South

To the South adjacent to the site is the Crown Plaza, a 13 storey hotel beyond which is the Yarra River.

To the East

To the east of the site is Spencer Street and Batman Park.

To the West

To the west of the site is the Word Trade Centre development comprising five office towers. Towers 2, 3 and 4 are linked by a three-level concourse of shops, showrooms and office suites. The concourse is connected by an overhead walkway to the twin-tower Tower 1.

3. PLANNING POLICY AND CONTROLS

State Planning Policy Framework (SPPF)

The State Planning Policy Framework (SPPF) seeks to develop objectives for planning in Victoria to foster land use and development planning and policy which integrates relevant environmental, social and economic factors. The sections of the SPPF, which are particularly relevant to this matter include:

- *Clause 15 (Built Environment and Heritage)* - seeks to ensure all new land uses and development appropriately responds to its landscape, valued built form and cultural context and protect places and sites with significant heritage, architectural aesthetic, scientific and cultural value.
- *Clause 17 (Economic Development)* - seeks to provide for a strong and innovative economy, where all sectors of the economy are critical to economic prosperity. It encourages 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. One of the key strategies of this Clause is to locate commercial facilities in or near existing and/or planned activity centres.
- *Clause 18 (Transport)* - seeks to establish and support an integrated and sustainable transport system that provides access to social and economic opportunities, facilitates economic prosperity, contributes to environmental sustainability and co-ordinates reliable movements of people and goods. In particular this clause seeks to ensure that urban developments are planned to make jobs and communities more accessible.
- *Clause 19 (Infrastructure)* - promotes development of social and physical infrastructure that are provided in a way which is efficient, equitable, accessible and timely. Planning is to also recognise social needs by providing land for a range of accessible community resources such as educational, cultural health and community support facilities.

The overarching purpose and intent of the above policies is to ensure that all new land use and development appropriately responds to planned future growth in a manner reflective of a site's valued built form and cultural context.

Local Planning Policy

The Local Planning Policy Framework (LPPF) comprises the Municipal Strategic Statement (MSS) and local planning policies applicable to the City of Melbourne. The MSS and LPPF seek to apply

State strategies and policies to the local circumstance. The strategies and policies of particular relevance to this application are listed below:

Municipal Strategic Statement (MSS)

Clause 21.03-1 outlines the “Vision and Approach” for Melbourne which can be summarised as a thriving and sustainable City that simultaneously pursues economic prosperity, social equity and environmental quality. The Vision statement identifies that:

The key to achieving Council’s vision is the recognition that different parts of the municipality have to be managed differently and that development potential varies markedly. There is a mixture of activities and built form throughout the City and understanding the local context of a proposal is the key to understanding whether or not a proposal is acceptable.

Clause 21.04 (Land Use) sets out objectives and strategies for land use under the key themes of:

- Housing and community
- Retail, entertainment and the arts
- Office and commercial use
- Industry
- Education and hospitals

Figure 6 (Business, Retail, Arts & Entertainment) at Clause 21.04 spatially represents different areas where further increases in business investment is contemplated. Within the municipality, Docklands, Southbank (north of City Link) and the Central City will over the next ten years be areas that accommodate the most significant population growth. Commensurate with expected population growth is the need to provide employment opportunities and reinforce the Central City’s role (including Docklands) as Victoria’s principal centre for commerce, professional, business and financial services. The subject site is located within an area where investment in business related services is encouraged.

Clause 21.05 (City Structure and Built Form) details objectives and strategies for the built environment including themes of heritage, structure and character, public realm, sustainability, public open space and community safety.

The subject site is located in the Central City where substantial built form change is envisaged and future development should reinforce the significance and visual image of the Hoddle Grid. In achieving this objective buildings should ensure adequate spacing and reasonable outcomes having regard to interface amenity and the development potential of adjacent sites.

Clause 21.08 sets out the implementation strategies that relate to particular neighbourhood areas and precincts within the municipality. Figure 13 of Clause 21.08 identifies that the site is located within the **Docklands** area, rather than Southbank.

The objective for this part of Docklands is to; *‘facilitate the development of mixed use precinct that links the commercial heart of the Central City and the waterfront.’*

The implementation strategies for Docklands also go onto reinforce the key vision at Clause 21.04 which is to *Support mixed use development and including office and commercial development in the Comtechport, Stadium, New Quay, Victoria Harbour, Yarra’s Edge and Batman’s Hill Precincts.* The key elements of Clause 21.08 relevant to the proposal are as follows.

‘Height and Scale in Docklands’:

- *Ensure that buildings provide weather protection and an attractive built form to promote an attractive, vibrant, safe and comfortable street environment.’*

'Heritage and Scale in Docklands':

- *Ensure buildings on landmark sites which terminate views or vistas or mark key local focal points are designed to the highest quality.*

'Streetscape':

- *Ensure development fronting streets creates a continuous building edge and integrated streetscape.*
- *Ensure that security treatments for shopfronts allow for views into the premises at night and positively contribute to the streetscape.*

'Public Environment in Docklands':

- *Ensure development in Docklands extends and reinforces Council's public environment initiatives practices.*

Local Planning Policy Framework (LPPF)

The following key local planning policies within the LPPF are relevant:

- *22.01 (Urban Design within the Capital City Zone)* identifies that the future vitality and success of Melbourne will be achieved by new development responding to the underlying urban framework and characteristics of a site's context whilst establishing its own identity and character. The policy has eight sections addressing Building Design, Facades, City and Roof Profiles, Projections, Wind and Weather Protection, Public Spaces, Access and Safety in Public Spaces and Policy Implementation.

Of particular relevance to the proposal are policy objectives relating to projections and public spaces. These objectives seek to enhance public spaces within the Capital City to provide sanctuary and high levels of amenity. It is policy that where development includes projections over public space or into a laneway that the design is assessed against the following design standards, as appropriate:

- Projections should not adversely affect the service functions of the lane.
 - Enclosed floor space and balcony projections should provide a clearance of at least 5 metres from any public space.
 - Building material should be durable and as transparent as possible to reduce visual impact and to maximise sunlight penetration.
 - Floor space should only be for movement purposes and not be used for retail, commercial or other purposes.
 - Open balconies, canopies, projecting cornices or other building elements should not overhang the lane unless they:
 - Follow a local pattern.
 - Contribute positively to the character and safety of public spaces.
 - Are discreet rather than prevailing elements of a building's design
 - Provide evidence of the building's occupation.
- *22.02 (Sunlight to Public Spaces)* requires that development not cast additional shadows between 11.00am and 3.00pm at the equinox (22 September and 22 March) that would prejudice the amenity of public spaces.
 - *22.19 (Environmentally Sustainable Office Buildings)* requires amongst other matters, development of in excess of 5000 sqm to achieve a 4 star rating under the Green Building Council of Australia's Green Star Rating Tool or equivalent.

Zone

The subject site is located within the Capital City Zone Schedule 1 (CCZ1). The purpose of the Capital City Zone- Schedule 1 is: *'to provide for a range of financial, legal, administrative, cultural, recreational, tourist, entertainment and other uses that complement the capital city function of the locality'*.

Under Clause 37.04-4 a permit is required to construct a building or to construct or carry out works unless a schedule to the zone specifies otherwise. Schedule 1 requires a permit to demolish a building and to construct or carry out works. No permit is required for the land use as 'Office' is 'as of right' under the zone.

Under sub-clause 3.0 the construction of buildings and works which would cast a shadow across the south bank of the Yarra River between 11.00am and 2.00pm on 22 June is prohibited. A permit may be granted to construct a building which will cast a shadow over the north bank of the Yarra River provided that the overshadowing will not adversely prejudice the amenity of the Yarra River.

Overlays

No Overlays affect the land.

Particular Provisions

The key particular provisions relevant to the proposal are as follows:

Car Parking: Under Clause 52.06-6 a parking precinct plan affects the Capital City Zone including the subject site. The Schedule to this Clause specifies a maximum limitation number of car parking spaces. The provision of 377 car spaces on site complies exactly with the maximum allowed under the schedule; therefore no permit is required under this provision.

Loading and Unloading of Vehicles: Under Clause 52.07 a permit is required if loading and unloading of commercial vehicles cannot be provided. The development provides for two loading areas at the ground floor of the north and south towers respectively. The loading area and spatial dimensions provided exceed the requirements of Clause 52.07 and a permit is not required under this provision.

Bicycle Facilities: Under Clause 52.34-1 a new use must not commenced until the required bicycle spaces and associated facilities (if required) and associated signage has been provided on the land. The proposal provides for in excess of the required spaces stipulated within the table (statutory requirement of 308 spaces) therefore no permit is required. However the development should provide 24 showers with a changes room and or access to communal changes rooms. A permit is required to vary the shower and/or change room facility requirements.

Integrated Public Transport Planning: Under Clause 52.36-1 an application must be referred in accordance with Section 55 of the Act to the Director of Public Transport for buildings comprising 10,000 or more sqm of office floor area.

General Provisions

Administration and Enforcement of the Scheme: Pursuant to Clause 61.01 the Minister for Planning is the responsible authority for developments with a gross floor area exceeding 25,000 sqm.

Decision Guidelines: 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.

4. NOTIFICATION

Under Clause 37.04-4 (Capital City Zone), Schedule 1 applications to demolish or construct or carry out works are 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.

To date the Department has not received any submissions.

5. REFERRALS

Comments were sought from the Department's Urban Design Unit and the City of Melbourne and under Section 55 of the Act the application was referred to the Director of Public Transport.

- *Director of Public Transport:* Offered no objection to the permit application subject to conditions regarding minimising damage and/or disruption to public transport infrastructure or operations during construction.
- *Urban Design (DPCD):* The comments provided by urban design were overall supportive of the development, however recommended that the built form over Siddeley Street **not** be supported. Whilst Urban Design acknowledged that the developers do possess the air rights above Siddeley Street, it is recommended that Siddeley Street be reinstated as an open to the sky public street.
- *City of Melbourne:* The City of Melbourne advised the Department by letter dated 23 January 2012 that they generally support the application and recommends a number of conditions. Concerns were raised regarding the extent proposed if they exceeded the statutory limitation albeit accepted that this may be appropriate given the intended end user of the site. The City of Melbourne has also requested Condition 1 plans that require the removal of the built form over Siddeley Street.

6. OTHER STRATEGIC MATTERS

Amendment to the Melbourne Planning Scheme C162 (Municipal Strategic Statement) has been exhibited and considered by Planning Panels Victoria. The amendment was adopted by Council on 28 August 2012 and is 'seriously entertained' but has not been submitted for approval to date. The amendment includes themes which are applied to the local areas.

The site is identified in the Hoddle Grid area which supports continued growth and mixed use development. Clause 21.13-2 (Docklands) supports office and commercial development in Digital Harbour Stadium, New Quay, Victoria Harbour, Yarra Edge and the Batman's Hill Precinct. The revised MSS places a strong emphasis at Clause 21.04 on encouraging a quality public realm and good pedestrian amenity and connectivity.

7. PLANNING CONSIDERATIONS & ASSESSMENT

7.1 Overview

State and local planning policy seeks to ensure that land use and development achieves attractive, liveable and sustainable places. Development should contribute to an attractive built environment by creating neighbourhoods that complement existing heritage values and enhance the built environment. The proposal is consistent with state and local policy relating to the efficient use of the land and infrastructure and also responds to the amenity provisions of the Melbourne Planning Scheme.

The proposal's consistency with state and local policy is a result of its focus on encouraging commercial investment within the Central City which is vital to supporting economic development and liveability of the City. More people living within the City leads to an increase in, and diversity of, activity, enhances safety and increases the need for services, infrastructure and employment opportunities. To this end, increased commercial development contributes to achieving sustainability objectives outlined within the State Planning Policy Framework.

[REDACTED] approval of a high quality office development at the site

will enable redevelopment of an otherwise underutilised site at a prime location capable of accommodating high quality office development thereby expanding capacity for business innovation and employment.

Overall, the proposal respects the amenity of adjoining properties given the site layout and response to its built form context. The proposed buildings will positively enhance the character of the area and will enhance the visual perception of the site when viewed from the street. Notwithstanding this, an assessment has identified opportunities to further improve the public realm. This can be achieved by increasing the activation along the site's street edges and reinstating Siddeley Street as an 'open to the sky' public street.

[REDACTED] the Gymnasium and Well Being Centre provided on levels 5 and 6 of the north tower should be appropriately controlled to ensure proper and orderly planning of the site. To this end permit conditions can ensure that these areas are not accessible to public and will be for the exclusive use of future tenants.

7.2 Consistency with Planning Policies

The proposed development is a well-resolved design response consistent with the characteristics of the Capital City and Hoddle Grid and is considered to enhance the amenity of the public realm. The development responds to State and Local Planning Policy including *Melbourne 2030* through the following:

- The proposal provides high quality office accommodation to a key site connected to urban services and infrastructure which are necessary to support the business sector including tram, train and bus services, retail and other commercial facilities.
- The site's location will provide an attractive and walkable environment for future business and their employees due to its proximity to key services and infrastructure and by the design of the building which provides for appropriate levels of internal and external amenity.
- The built form enhances the attractiveness of the Flinders Street and Spencer Street corner contributing positively to the public realm and streetscape through high quality architectural design and tower podium forms.
- The development is located within an area which has experienced and continues to undergo a significant change which can accommodate development of large scale commercial buildings. The built form has been designed in a manner that will respect the emerging urban character within the surrounding precinct.
- The proposal will result in a premium grade 5 green star rating under the Green Building Council of Australia environmental rating scheme consistent with the objectives of Clause 22.19 of the Melbourne Planning Scheme.
- The development will not reduce the amenity of public spaces by casting additional shadow on public parks and gardens between 11am and 2pm measured on 22 September nor will it increase the extent of shadow cast across the north or south bank of the Yarra River between 11am and 2pm on 22 June.

7.3 Appropriateness of the Built Form

The scale and height of the proposed buildings are considered appropriate having regard to the zoning of the land and the surrounding built form context. There are no height controls on the site and whilst taller than the immediately adjacent buildings the development responds to the evolving character of the precinct.

The proposed building is considered to comply with the requirements of the planning scheme, as it provides:

- Streetscape improvements through the introduction of active retail spaces on the ground level.
- A distinct podium and tower form achieved through architectural detailing and application of tower setbacks from Spencer Street.
- Tower separation within the development of some 22 metres.
- Use of a diverse mix of colours and materials arranged in a manner providing a building of visual interest replacing an otherwise utilitarian structure with limited articulation.
- A building envelope which will not cast significant shadow beyond that already projected by other buildings and maintains solar access along the south bank of the Yarra River.
- A range of Environmental Sustainable Design (ESD) elements and will achieve a five star Green Star rating under Australia's Green Star Rating tool.
- An appropriate transition of building height from the northern (city) end to the lower scale and more sensitive interface in the south beyond which lies the Yarra River environs.

The major issues of concern relate to the need to increase the activation of the ground level and the inclusion of the built form over Siddeley Street. These are discussed as follows.

7.4 Active Frontage

The development includes public realm improvements through the widening of the foot path on the south side of Siddeley Street and the use of new hard and soft landscaping along the edges of the site. However the extent of street level activation is limited to the north-west corner and eastern edge of the site resulting in isolated kiosks dispersed throughout much of the ground plane. The balance of the street edge consists of building services and foyer space.

Both the City of Melbourne and the Department's Urban Design Unit have recommended that alternative design solutions be explored to increase the level of active frontage. It is recommended that additional active frontage be provided to the north-east corner of the site which will have the effect of wrapping the building with a continuous active edge. This will require relocating building services and has been addressed by way of permit conditions.

7.5 Siddeley Street

The development proposes to continue utilising air rights across Siddeley Street (albeit in the form of a reduced building envelope). In general terms, the Melbourne Planning Scheme discourages development above public streets and in some instances prohibits the construction of footbridges, pedestrian ways, vehicle bridges across key public spaces such as Bourke Street, Collins Street, Swanston Street and Elizabeth Street.

Whilst the construction of proposed car park above Siddeley Street is not prohibited in this instance the Local Planning Policy Frameworks at Clause 22.01 seeks to implement best practice urban design and discourages the enclosure of public streets. However where any such development is contemplated policy guidance is provided to ensure that projections are assessed having regard to:

- The degree of transparency of projections above the street,
- Whether the use of the structure is for genuine connectivity and movement purposes between sites,
- Whether the design of the projection is discreet rather than a prevailing element of the buildings design,
- Whether the development follows a local pattern, and;
- Contribution to the character and safety of the public realm and whether the projection, on balance, results in a positive space with high levels of amenity.

Both the City of Melbourne and the Departments' Urban Design Unit have recommended that the built form over Siddeley Street be completely removed to improve the amenity of the public realm at ground level.

Notwithstanding the presence of an existing structure above Siddeley Street, the sole purpose of the replacement building is for podium car parking at levels 3 and 4. The structure does not provide any above-street pedestrian link nor is it used for office floor space.

The Melbourne Planning Scheme seeks to ensure that development enhances the public realm and results in net community benefits. In general terms, urban design first principles encourage the establishment of public spaces that are safe, accessible and achieve a balance between light and shade.

It is highly undesirable within a City context to contemplate development over a public street particularly where no local pattern of this type of development exists and where the development does not serve a particular function which will have direct net community benefits.

Whilst the developer does possess air rights above Siddeley Street and the planning scheme does not prohibit any such development in this location, it is maintained that the improved urban design outcome for the site would be to reinstate Siddeley Street as an area open to the sky.

The removal of the proposed built form across Siddeley Street would result in the deletion of 56 car spaces, and address concerns raised by the City of Melbourne regarding the high number of car spaces proposed and the need to minimise traffic generation.

7.6 Access, Car Parking and Bicycle Facilities

The permit applicant engaged GTA consultants to prepare a traffic and car parking assessment of the proposal. Following a submission of revised plans a total of 377 car spaces are now proposed complying with the maximum limitation requirement of Clause 52.06 of the Scheme. The proposal provides for bicycle spaces over and above the statutory requirements, albeit, does not designate any areas for communal shower or change room facilities. This matter can be addressed via permit condition.

The removal of the building over Siddeley Street will result in the deletion of 56 cars from the development. This is considered to be an appropriate outcome as it will further reduce capacity for the development to generate car movements. In summary the traffic assessment concludes that the proposed development is appropriately designed, with suitable traffic access arrangements to internal and external road network and provides an adequate level of car parking.

7.7 Environmentally Sustainable Development

The Melbourne Planning Scheme identifies the importance of environmentally sustainable development (ESD). Whilst the detailed design and specification has yet to be carried out for the development the applicant has committed to achieve a 5 star Green Star rating under Green Star Office Design and a minimum 4.5 star NABERS design rating.

The implementation of ESD initiatives can be addressed by permit condition.

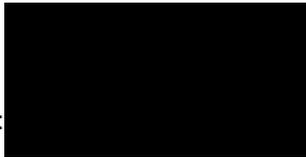
8. RECOMMENDATION

The proposed development has appropriately responded to the opportunities and constraints of the site, providing a sensitive and efficient use and development of the land. The proposed buildings and works will provide a positive design response for the subject site and have been sited and designed to minimise off-site impacts. The design of the development is appropriate in relation to building height, setbacks, layout, façade treatments and architectural quality albeit further improvements have been recommended by DPCD Urban Design and the City of Melbourne.

The increase of street activation and reinstatement of Siddeley Street as a space open to the sky will vastly improve the public realm in urban design terms and if adopted will ensure compliance with the policy objectives of Clause 22.01. It is recognised that these modifications will reduce the extent of development within areas controlled by the permit applicant however the substantial redevelopment of the site provides a unique opportunity to implement policy objectives seeking to promote vibrant, safe, and comfortable street environments.

On balance, the proposal responds well to site context and will integrate comfortably into the area. It is therefore recommended that the development be approved subject to conditions.

Prepared by:



Name: [Redacted]
Title: [Redacted]
Phone: [Redacted]
Date: 11/9/2012

Approved by:



Name: [Redacted]
Title: [Redacted]
Phone: [Redacted]
Date: 11/9/2012