

**Department of Planning and Community Development
Statutory Approvals – Central City Planning**

Delegation Report

Application No:	2008/0923
Application:	Planning Permit
Proposal:	Buildings and Works (including demolition) to construct two multi storey mixed use buildings
Received:	23 October 2008
Amended Plans Received:	1 June 2009, 24 November 2009, 18 October 2010 (under the provisions of s. 57A of the <i>Planning and Environment Act 1987</i>), further sketch plans received 14 February 2011.

The Applicant

Name:	Queensland Investment Corporation (QIC)
Address:	72-72, 76-80, 82, 84 Collins Street

Introduction

1. The report provides an assessment planning permit application no. 2008/0923 submitted by Meredith Withers & Associates for QIC for the development of the land (including demolition) with two multi-storey mixed use buildings. The proposal at 72-74, 76-80 and 82 and 84 Collins Street and Benson Lane (here on referred to as 80 Collins Street) is for demolition of 82 Collins Street, partial demolition of 72-72 Collins Street and construction of a 44 level office tower (186 metres approximately), 20 level residential hotel (85 metres), 5 level basement and ground level retail plaza. It is recommended that the planning permit application be approved.

Background

2. The Minister for Planning is the responsible authority for assessing the planning permit application under clause 61.01 of the Melbourne Planning Scheme (the Scheme) as the proposed development exceeds 25,000m² gross floor area.
3. The planning permit application was formally lodged on 23 October 2008. Since 13 March 2008 (pre-application) and through-out the design process there have been a number of meetings with QIC representatives and Department officers with input as required from Office of the Victorian Government Architect (OVGA) and the City of Melbourne aimed at encouraging an excellent design outcome for this site. Pre-application advice was given to the applicant on 28 April 2008 outlining urban design concerns. Further advice was provided to the applicant on 16 December 2008 [REDACTED]. Further design workshops were held throughout 2009 and 2010 [REDACTED] with the applicant submitting amended plans on 1 June 2009, 24 November 2009, 18 October 2010 and 14 February 2011 a

series of workshops were held. The amended plans lodged on 24 November 2009 were re-notified to objectors.

4. [REDACTED] commercial floor area of about 55,000sqm (office and retail) within the central city area. Each floor plate of the Collins Street building is at least 1160sqm (Net Lettable Area).

5. [REDACTED]

Subject Site Location

6. The subject site is located adjacent to the existing 80 Collins/ Nauru House on land with frontages to Collins Street, Exhibition Street and Little Collins Street. The development site is adjacent to Rolex House building on the corner of Collins Street and Exhibition Street (separate ownership). The surrounding area is made up of office towers such as 121 Collins Street, and 55 Collins Street and the Paris end shops on Collins Street. Directly to the north is 121 Exhibition Street buildings (former Southern Cross Hotel Site).

Proposal

7. The planning permit application was formally lodged on 23 October 2008 for development of the land (including demolition) with two multi-storey mixed use buildings. Following subsequent revisions the 2011 plans include:
 - An office tower of 44 levels (186m high approximately) with frontages to Exhibition Street and Collins Street, positioned 5 metres to the south of the existing 'Nauru House' office building. The portion of office tower on Collins Street cantilevers over ground level retail on 'stilts' and is setback 5.5 metres from the Collins Street frontage (this portion has been referred to as the 'limpet' given its secondary appearance to the main building);
 - A 20 level residential hotel (85 metres in height) with 250+ rooms fronting Little Collins Street, with a typical floor area of about 677sqm GFA per floor;
 - A ground and first floor retail area of approximately 4,800sqm (and additional second floor bar area). This includes an at-grade covered pedestrian connection/retail arcade" connecting Collins Street/ Little Collins Street/Pink Alley / Exhibition Street;
 - Retention of "Le Louvre" at 74 Collins Street with modifications to allow it to be used for retail space and to front onto the plaza;
 - Demolition of Palmer /OPSM House at 82 Collins Street;
 - ESD - 6 star energy rating and potential for water sharing systems with Nauru House.

Planning Controls

Zoning

8. The subject site is included within the Capital City Zone schedule 1 (CCZ1) under the Scheme. Under this zone office and retail premise do not require a planning permit for use.

However a planning permit is required to construct a building or construct or carry out works.

9. The purpose of the zone is to provide for a range of financial, legal, administrative, cultural, recreational, tourist, entertainment and other uses that compliment the capital city function and locality. Buildings and works under this zone are exempt from notice and review.

Design & Development Overlay

10. The subject site is affected by Design and Development Overlay (DDO1 – Active Street Frontages Capital City Zone) under Clause 43.02 of the Scheme, with the objectives that development contributes to a safer and more pedestrian friendly ground level experience that also adds interest and vitality to the city streets.
11. Design and Development Overlay (DDO4 – Weather Protection) is applicable and aims to provide appropriate weather protection on the street.
12. Under the Design and Development Overlay a planning permit is required for buildings and works at ground level but a permit application is exempt from the notice and appeal requirements of the Act.

Heritage Overlay

13. The Collins Street portion of the site is affected by the Collins East Precinct Heritage Overlay (HO504) under Clause 43.01. A permit is required for demolition, buildings and works under this overlay. Notice provisions and third party appeal rights exist only under this provision. Clause 22.04 provides the statement of significance for the Collins East Precinct and includes key attribute that the precinct has “*A consistent height, scale, character and appearance of the remaining 19th and early 20th century buildings*”.

State Planning Policy Framework

14. The following policies within the SPPF are relevant in the consideration of the application:
 - Clause 11.04-5 (Melbourne’s Urban Growth) seeks to set clear limits to Metropolitan Melbourne’s urban development. Strategies include managing outward expansion, facilitating the achievement of a compact city, including the consideration of current population projections, and longer-term urban growth issue such as economic and employment opportunities. Policy guidelines include Melbourne 2030 and Melbourne @ 5 Million.
 - Clause 15 (Built Environment and Heritage) seeks to ensure all new land use 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. It is also about creating quality built environments which support the social, cultural, economic and environmental wellbeing of our communities, cities and towns.
 - Clause 15.01-1 (Urban Design) seeks to create urban environments that are safe, functional and provide good quality environments with a sense of place and cultural identity. Clause 15.01-2, Urban Design Principles, encourages development that provides architectural and urban design outcomes that contribute positively to local urban character and enhance the public realm while minimising detrimental impact on neighbouring properties. Developments are considered against design principles including: context, the public realm and safety; landmarks, views and vistas; pedestrian

spaces; heritage; consolidation of sites and empty site; light and shade; energy resource efficient; architectural quality; landscape architecture.

- Clause 15.02 (Sustainable Development) seeks to encourage land use and development that is consistent with the efficient use of energy and the minimisation of greenhouse gas emissions.
- Clause 16 (Housing) encourages opportunities for increased residential densities to help consolidate urban areas.
- Clause 17 (Economic Development) seeks to encourage development which meets the community needs for retail, entertainment, office and other commercial services and provide net community benefit in relation to accessibility, efficient infrastructure use and the aggregation and sustainability of commercial facilities.
- Clause 18.01 (Integrated Transport) seeks to create a safe and sustainable transport system by integrating land-use and transport. Strategies include encouraging higher land use densities and mixed use developments near railway stations and other transport interchanges.
- Clause 18.02-2 (Cycling) seeks to integrate planning for cycling with land use and development planning and to encourage cycling as an alternative mode of travel.

Local Planning Policy Framework

15. The following policies within the LPPF are considered relevant in the consideration of this application:

- Clause 21.02 - Municipal Profile
- Clause 21.03 - Vision and Approach
- Clause 21.04 – Land Use
- Clause 21.05 – City Structure and Built Form
- Clause 21.06 – Transport and Communications Infrastructure
- Clause 21.07 – Environment and Natural Systems
- Clause 21.08 - Local Areas (Central City- Area 1)
- Clause 22.01 - Urban Design within the Capital City Zone
- Clause 22.02 – Sunlight to Public Spaces
- Clause 22.04 – (Heritage Places within the Capital City Zone)
- Clause 22.19 – Environmentally Sustainable Office Buildings
- Clause 22.20 – CBD Lanes

Other relevant planning controls

16. The proposal is also affected by Clause 52.06 – Car Parking, Clause 52.07 – Unloading and loading of vehicles, Clause 52.34 – Bicycle Spaces and Clause 52.36 - Integrated Public Transport Planning.

Emerging Planning Policy

17. The City of Melbourne is currently undertaking a review of built form controls within the central city area. A draft policy document has been prepared with input from the Department

and is titled the *Central City Built Form Review – Overview Report* (Planisphere, December 2010). We have been advised from the City of Melbourne that the Review is due to be presented to Council in the next few months. The Review includes a map indicating that a 6 metre upper level setback is recommended for the site at 80 Collins Street.

Notification/ Objections

18. The application has been advertised due to the heritage overlay covering the Collins Street part of the site. The application, and the various amendments has been advertised on several occasions as follows:

- On 9 June 2009 the applicant was directed to advertise the permit application in accordance with section 52 of the Planning and Environment Act 1987 by placing notices on the site, providing notice to adjoining owners and occupiers, and publishing notice in *The Age* and the *Melbourne Times* newspapers. Notification was completed on 8 July 2009.
- On 25 November 2009 the applicant was directed to give notice (following submission of amended plans in November 2009) to the City of Melbourne, [REDACTED] and previous objectors (excluding pro-forma postcard objectors).
- On the 26 October 2010 the applicant was directed to give notice (following submission of amended plans in October 2010) to [REDACTED] and previous non-pro-forma objectors including the City of Melbourne.
- The February 2011 plans were not formally re-advertised as they are materially similar to the October 2010 plans and any changes can be done through conditions of any permit, if required.

19. There have been 64 objection letters and five letters of support as of 8 April 2011. Objections have been received from a number of parties including the [REDACTED] and the City of Melbourne. The objections include pro-forma postcard objections (that objected to both 80 Collins Street and the Windsor Hotel). Support letters generally focus on the benefit of skyscrapers in the city. Key grounds of objections can be summarised as follows:

- adversely affect the significance, character and appearance of adjoining properties;
- failure to protect and enhance the heritage values of the Collins Street East precinct and Collins Street streetscape;
- inappropriate development in the Paris end of Collins street;
- height and scale of development will overwhelm adjoining heritage buildings and places;
- bulk and mass inconsistent with scale of buildings in area;
- overall design concerns including the proposed ‘stilts’;
- inverted podium will overwhelm surrounding heritage precinct;
- interface with Pink Alley (Class 3 laneway);
- failure to take into account of previous VCAT decisions;

Referral (s.52 the Act) - City of Melbourne

20. The City of Melbourne has been formally notified of the proposal and all the subsequent changes and **objects** to the proposal. The main reasons are impact on heritage (impact on Collins East precinct and the Le Louvre building), the impact on the private lane (Benson Lane), inadequacy of setbacks of office tower (to Collins Street and Exhibition Street), lack of setbacks of hotel (to Little Collins Street), the limited space between all buildings, the possible canyon effect on Collins Street, urban design and building massing (high site coverage), perception of public/ private space, projections over laneways/ streets and car park layout/ engineering concerns. In regard to setbacks the City of Melbourne [REDACTED] stated:

“Office Tower Setbacks: The introduction of a setback from Collins St is a distinct improvement, but is not considered sufficient. Although stated as 5m, this setback averages 4.75m. It should be at least 10m if we are to avoid compromising the character of Collins St and setting a precedent which could result in a fundamental and negative shift in the nature of our Hoddle grid streets. Similarly, we remain opposed to the lack of setback from Exhibition St above podium level”

Referral (internal) DPCD – Urban Design

21. The DPCD Urban Design Unit does not support the proposal. The issues raised include the inappropriateness of the development in a heritage context, the large development volume, lack of setbacks, concerns with site links and public/ private spaces. In particular they concluded:

“In summary, whilst certain reduction in volume and detailed design improvement has occurred, the fundamental issues related to tower setbacks and visual dominance of the heritage buildings remain. The impacts on precinct amenity and character of such an intense site development and the precedent this might set for other restricted and/or sensitive sites, prevent us from supporting this proposal in its current form.”

Referral (s.55 PEA) - Director of Public Transport

22. The delegate of the Director of Public Transport (Department of Transport) confirmed they have no objection to the proposal.

Referral (informal) - Victorian Government Architect (OVGA)

23. The OVGA have been involved throughout the design process and do not support the proposal. The issues they raised relate to the excessive scale and mass of the building, building separation and overwhelming scale in relation to the heritage fabric. In particular they concluded:

“A number of changes go some way towards improving the architectural quality and expression of the building and mitigating the overall scale and mass of the building. However, when considered in light of the intent of the City of Melbourne’s set back policy, the impact of the tower on Collins Street remains substantial. Our role has been to assess whether, if an alternative to the city’s well established built form controls is being proposed, design excellence and public benefit will be delivered for the city. We are not yet convinced that this proposal will deliver such a result.”

Assessment against Melbourne Planning Scheme

24. The proposal involves infill development of a substantial scale in an important precinct of Melbourne and raises complex issues relating to heritage, design and streetscape. An assessment has been made against the relevant provisions of the Melbourne Planning Scheme and the provisions of section 60 of the Act. Consideration has been given to the comments of the City of Melbourne, the DPCD urban design unit, the OVGA, objectors’/ submitters’ comments and previous VCAT decisions on the site.
25. The primary discussion points are the economic development, the Collins Street east heritage precinct and urban design issues (ground level form, scale and mass of the tower, building setbacks, tower separation).

State Policy - Metropolitan and Economic development.

26. The development is supported by State Planning Policy, which promotes the role of the Melbourne central activities district as the preferred location for large commercial and office activities that generate a significant number of trips from the metropolitan area. The objectives of Clause 17 regarding the provision of accessible and efficient retail and office development are generally met.
27. The proposal will provide a massive city centre addition of prime commercial floor space and is significant due to its size, scale and impact. In particular:
 - The project has an estimated development cost of about \$500million and will result in a commercial floor area of about 55,000sqm (office and retail).
 - The project will generate in the order of 600 jobs in the construction industry. It will deliver substantial positive flow-on benefits for the Victorian economy, derived from new construction activity and the potential for new jobs on completion.
 - It is supported by State Planning Policy under Clause 12 of the Planning Scheme, which encourages the role of central Melbourne as the largest centre of activity.
 - The site is under-utilised and development will make a positive contribution to the quality of the public realm, providing benefits for tourists and office workers and revitalising the “top-end” of Collins St as a suitable location for major office tenants.

Heritage

28. The development proposal has been assessed within the context of the local heritage precinct, and in relation to adjoining buildings listed on the Victorian Heritage Register and buildings included as individual buildings in a Heritage Overlay. The original proposal (with a zero setback to Collins Street) would not meet the purpose of the Heritage Overlay (Clause 43.01) or the requirements of the local heritage policy (Clause 22.04). The DPCD urban design unit commented on the original proposal that: “...the project graphics show that the proposal still dwarfs the heritage structures below it. Its sheer scale is all the more visible due to its prominent corner location.”
29. The City of Melbourne’s heritage advisor did not support the original proposal, concluding that: “It would be massively out of scale with the existing buildings in Collins Street. The development is not proposed to be placed in a location which would reduce the impact of its scale on the very low scale Collins Street East streetscapes.”
30. There were also several heritage reports/ comments within the objectors submissions. One of the main issues was the absence of a street setback to Collins Street and that it would fail to achieve adequate spatial relationship between the new tower and the older buildings on the street.

31. However, since these comments have been received the applicant has submitted plans that indicate a 5.5 metre setback to Collins Street, which has improved the interface with the heritage precinct. The applicant's heritage consultant has advised that:
- “The amended plans and urban context report (October 2010) has made another positive change in relation to views and vistas along Collins Street and in so doing has also enhanced the immediate context for the heritage buildings on the site and is supported.”*
32. The increase in setback is welcomed and the support of the applicant's heritage consultant is noted. It is noted that the City of Melbourne generally accepts the demolition of Palmer House, which is a C graded building. Additionally, the Collins Street Heritage Precinct is not an unaffected precinct and there are a number of non-heritage examples within such as the Sofitel/ 55 Collins Street buildings.

Urban design and building form

33. The bulk and scale of the development is relatively high, however, on balance will generally meet the objectives of local policy on city structure and built form (Clause 21.05), central city implementation strategy (Clause 21.08-1) and urban design within the capital city zone (Clause 22.01).
34. The development provides a suitable alternative to the common design approach used in the city (particularly this area) of a ground level podium with tower element setback. The addition of a setback to the Collins Street frontage will reduce the potential canyoning effect on Collins Street, and the applicant's initial wind assessment has confirmed that the wind conditions at street level will be acceptable.
35. Clause 22.01 Urban Design within the Capital City Zone identifies that towers above the podium should be setback at least 10 metres from street frontages. However, the new Central City Built Form Review document (emerging City of Melbourne policy) indicates that a 6 metre setback is appropriate. The proposal has achieved a 5.5 metre setback, which is considered acceptable and will allow the building to be viewed in context with the remaining towers on Collins Street from both eastern and western approaches.
36. The tower element on Collins Street is designed as a faceted, lightweight object that is clearly a recessive element compared to the main tower, which itself is setback 17 metres. The differential architectural expression of the two tower elements and the height difference softens the 'limpet' element and reinforces the setback to Collins Street.

Building Separation

37. The new office and hotel towers both sit in close proximity to 'Nauru House' (approximately 5 metres) which is considered acceptable as it is within the same ownership and in a city environment generally accords with the built form principles outlined in Clause 21.05 and Clause 22.01. If the two buildings were joined it would be considered acceptable therefore the 5metre gap is an improved outcome.
38. The proposed hotel is approximately 4.3 metres from the neighbouring Stamford Plaza Hotel

Ground level treatment

39. The use of "pods" around the heritage buildings softens the scale of the building and provides a closer relationship to the heritage buildings. The retail arcade enables through-block links that are generally encouraged under the planning scheme. In particular it will

allow clearer pedestrian flow between Collins Street, Little Collins Street and through the 'Southern Cross Hotel Site to Bourke Street.

Previous VCAT decisions

40. The previous Tribunal decisions (refer P2001/22041, 76-80 and 84 Collins Street and P22017/2001, 74 Collins Street) is worth noting. Issues raised in this case include:
- The concept of a podium and tower setback is extremely important within a heritage context and providing adequate offset of towers from the heritage buildings is crucial;
 - The provision of a strong podium at a height consistent with the dominant parapet height is necessary.
 - The significance of the Collins East Precinct and significant heritage buildings (Rolex House) warrants a tower setback of at least 10 metres (with no intrusions) to Collins Street and a tower setback of 3 metres (with no intrusions) to Exhibition Street.
41. The proposal is inconsistent with the previous findings of the Tribunal however this decision is now ten years old and is not considered to be directly relevant to the current application as local planning policy is evolving (through the Capital City Built Form Review) and the reality of large population increases has necessitated higher density in the Melbourne CBD.

42. [REDACTED]

Conclusion

43. There are items of the development that will deliver positive outcomes - particularly the significant contribution of the office space in the city, which corresponds with State Planning Policy to make the Central City the premier hub of Victoria. The new retail laneway/ arcade will provide an improved entrance to the Collins Street frontage and a good contribution to the laneway system of Melbourne. The ESD initiatives (achieving a 6-star energy rating) are particularly commendable and represent 'industry best practice'. The applicant has made an attempt to work out a suitable design solution and has notably increased the setbacks, which has reduced the potential impact of the development on Collins Street East Heritage Precinct.

44. [REDACTED]

45. [REDACTED] On balance the positive impact of the development for the State outweighs any perceived negative elements and the development should be approved on this basis.

Recommendation

46. It is recommended that the proposed development of a 44-level office tower, 20 level residential hotel and ground floor retail at 80 Collins Street, Melbourne be approved, and a notice of decision to grant a permit be issued to the applicant and all objectors.

Prepared by: _____

Prepared & reviewed by: _____ [REDACTED]

Name: [REDACTED]

Name: [REDACTED]

Title: [REDACTED]

Title: [REDACTED]

Phone: [REDACTED]

Phone: [REDACTED]

Date:

Date: