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

File No: X101286

Summary

The lower slopes of Surry Hills forms part of the Eastern Creative District, City Fringe and 'Tech Central' precincts. The built form character of medium scale commercial and former warehouse buildings is complemented by high levels of amenity through close proximity to Central Sydney and excellent transport connections attracting creative and tech industries and highly skilled employees.

This proposal will help embed and grow the City's tech and creative industries in Surry Hills, strengthening its competitiveness, economic potential and reputation as a place for creative technology firms and workers. Supporting development and new investment through additional employment floor space in this area is a key action of City Plan 2036, the City's local strategic planning statement, and the Greater Sydney Region Plan.

A planning proposal has been prepared for 8-24 Kippax Street, Surry Hills, following a request from the landowner, Canva, to amend the planning controls for the site. The proposal seeks to adaptively reuse the existing building and deliver Canva's headquarters. Located on Kippax Street 100 metres from Central Railway Station, the site is well located to provide the additional employment floor space to support the creative and tech employment cluster.

This planning proposal seeks to amend the building height and floor space ratio controls for the site, facilitating the adaptive reuse of the existing 10-storey commercial building comprising two new rooftop levels and improved high-end office space. The proposed removal of all on-site parking and new end of journey facilities takes advantage of the site's close proximity to excellent transport connections, including recent infrastructure investments and capacity increases through the light rail and Sydney Metro projects and public domain upgrades. The adaptive reuse of the building minimises embodied carbon and capturing sequestered carbon through the adaptive reuse of the existing building.

A concurrent development application was approved by the Central Sydney Planning Committee (CSPC) in May 2024 for preliminary structural works and refurbishment of the existing building, including internal reconfiguration for open plan office space. If the LEP is amended by this planning proposal, the proponent intends to modify this development consent to accommodate the two storey rooftop addition as detailed in the indicative scheme supporting this planning proposal. Both the planning proposal and development application have been assessed to ensure alignment and consistency between the two applications.

This report recommends approval of the planning proposal for submission to the Department of Planning, Housing and Infrastructure seeking a Gateway Determination, followed by public exhibition. It also recommends that a draft site-specific development control plan is endorsed and exhibited concurrently.

Recommendation

It is resolved that:

- (A) Council approve Planning Proposal – 8-24 Kippax Street, Surry Hills, as shown at Attachment A to the subject report, to be submitted to the Minister for Planning and Public Spaces with a request for Gateway Determination;
- (B) Council approve Planning Proposal – 8-24 Kippax Street, Surry Hills, as shown at Attachment A to the subject report for public authority consultation and public exhibition in accordance with any conditions imposed under the Gateway Determination;
- (C) Council seek authority from the Minister for Planning and Public Spaces to exercise the delegation of all the functions under section 3.36 of the Environmental Planning and Assessment Act 1979 to make the local environmental plan and to put into effect Planning Proposal – 8-24 Kippax Street, Surry Hills;
- (D) Council approve the Draft Sydney Development Control Plan 2012 – 8-24 Kippax Street, Surry Hills, shown at Attachment B to the subject report for public authority consultation and public exhibition concurrent with the Planning Proposal;
- (E) authority be delegated to the Chief Executive Officer to make any variations to Planning Proposal – 8-24 Kippax Street, Surry Hills, to correct any drafting errors or to ensure consistency with the Gateway Determination; and
- (F) authority be delegated to the Chief Executive Officer to make any variations to Draft Sydney Development Control Plan 2012 – 8-24 Kippax Street, Surry Hills, to correct any drafting errors or ensure it is consistent with the Planning Proposal following the Gateway Determination.

Attachments

- Attachment A.** Planning Proposal – 8-24 Kippax Street, Surry Hills and appendices
- Attachment B.** Draft Sydney Development Control Plan 2012 – 8-24 Kippax Street, Surry Hills

Background

1. A planning proposal request has been lodged for a site in Surry Hills, close to Central Railway Station and the Central Business District (CBD) comprising Central Sydney and Haymarket. The site has street frontages to Kippax, Sophia and Terry Streets and a common boundary with an adjoining residential building, as shown in Figure 1.



Figure 1: Land affected by this planning proposal

2. The subject site has an area of 1,032 square metres. Existing development comprises a ten storey commercial building constructed in the late 1960s. The building has an existing height of 30 metres (RL 53m) and gross floor area of 9,374 square metres, equating to an FSR of 9.1:1, which exceeds the mapped development controls of 27 metres and 3.5:1 FSR.
3. The existing building consists of ground floor retail and small-scale office and commercial suites on the upper floors. The building has not been significantly refurbished since the late 1990s and is not compliant with contemporary building codes and standards.
4. Further details of the subject site, surrounding area and planning controls are included in section 2 of the Planning Proposal at Attachment A to this report. A photo of the subject site and existing development is at Figure 2.
5. Canva, the landowner, submitted a request to prepare a planning proposal through the NSW Planning Portal in December 2023 following pre-lodgement advice.

6. A development application for structural and refurbishment works to the existing building was lodged at the same time as the planning proposal request and approved by the Central Sydney Planning Committee in May 2024. The approved DA provides for the internal reconfiguration of the building including the relocation of the lift core and stairs, new rooftop plant and equipment and open plan office space. These works will support the indicative scheme proposed by this planning proposal, if approved, will enable a development application to be lodged and assessed for the remainder of the works, including the rooftop addition comprising two new floors, outdoor terrace and plant. Plans detailing the existing building, works delivered by the development application and those facilitated by the planning proposal are illustrated at Figure 6.



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

Key Implications

Proponent has requested changes to height and floor space controls to enable the adaptive reuse of the existing building to support improved work space

7. The proponent has requested a planning proposal to facilitate the redevelopment and adaptive reuse of the existing building on site to include:
- (a) a 12-storey office building, comprising two new rooftop levels, to a maximum height of RL 67.06 metres (44 metres above street level);
 - (b) approximately 10,500 square metres of refreshed work space, comprising up to 1,130 square metres of new floor space, to a maximum floor space ratio of 10.2:1; and

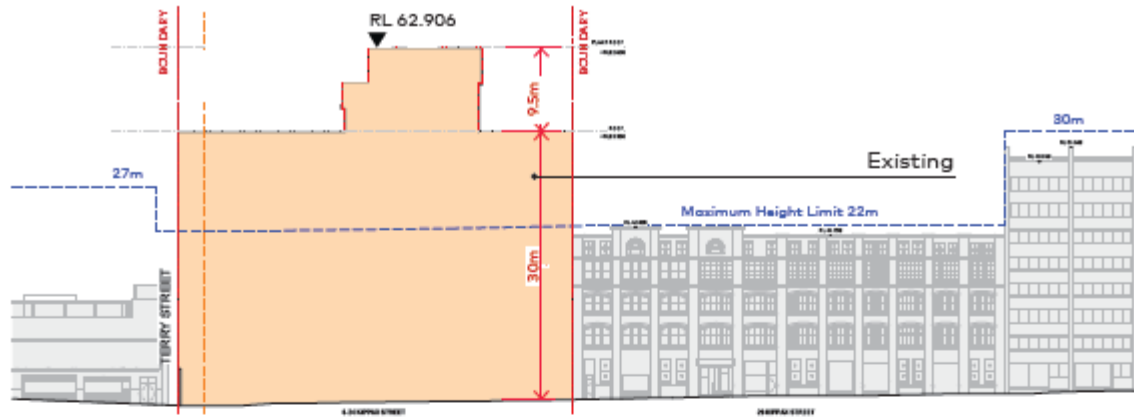
- (c) removal of all on-site car parking to be replaced with retail and meeting space, basement end-of-journey facilities and two loading spaces.
8. Photomontage images of the proposed indicative scheme prepared by the proponent are included below in Figures 3 and 4.



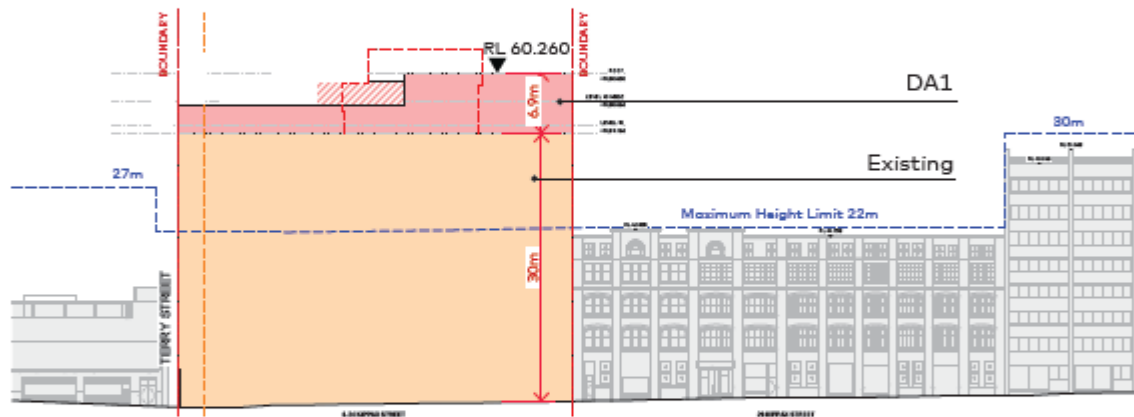
Figure 3: Photomontage of the planning proposal concept development viewed from the north



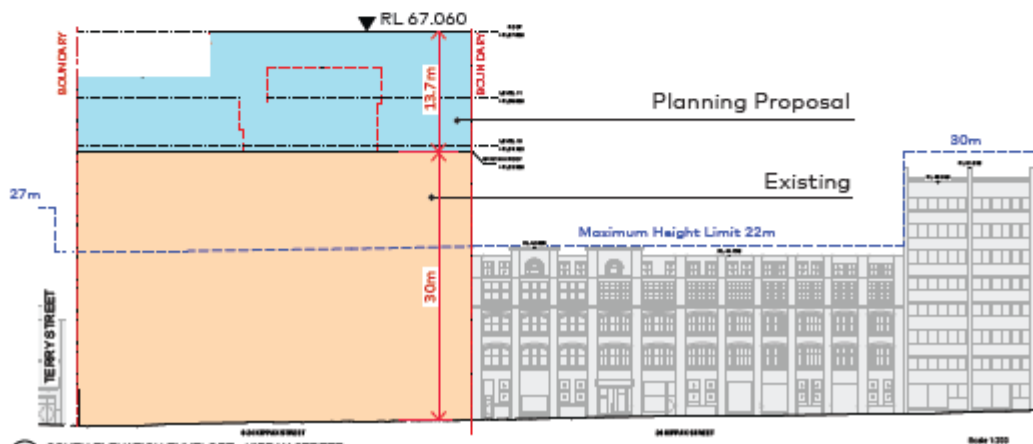
Figure 4: Photomontage of the planning proposal concept development viewed from the south



Existing Southern (Kippax Street) Elevation



DA Southern (Kippax Street) Elevation



Planning Proposal Southern (Kippax Street) Elevation

Figure 5: Elevations detailing the existing built form, approved development application changes and proposed additions facilitated by this planning proposal

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

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

Changes to the Development Control Plan will ensure the proposed additions are appropriate to its context and the surrounding area

11. A site-specific draft development control plan (draft DCP) provides detailed guidance to ensure future development is consistent with this planning proposal and to ensure a high-quality built form. The draft DCP provisions include:
 - (a) maximum building envelope dimensions including upper-level setbacks, street wall heights and maximum height (as shown at Figure 6);
 - (b) controls relating to active street frontages along Kippax Street and Sophia Street at the rear;
 - (c) amenity controls for the use of the external terrace; and
 - (d) off-street loading, servicing and access provisions.
12. The draft DCP amendment will be exhibited with this planning proposal.

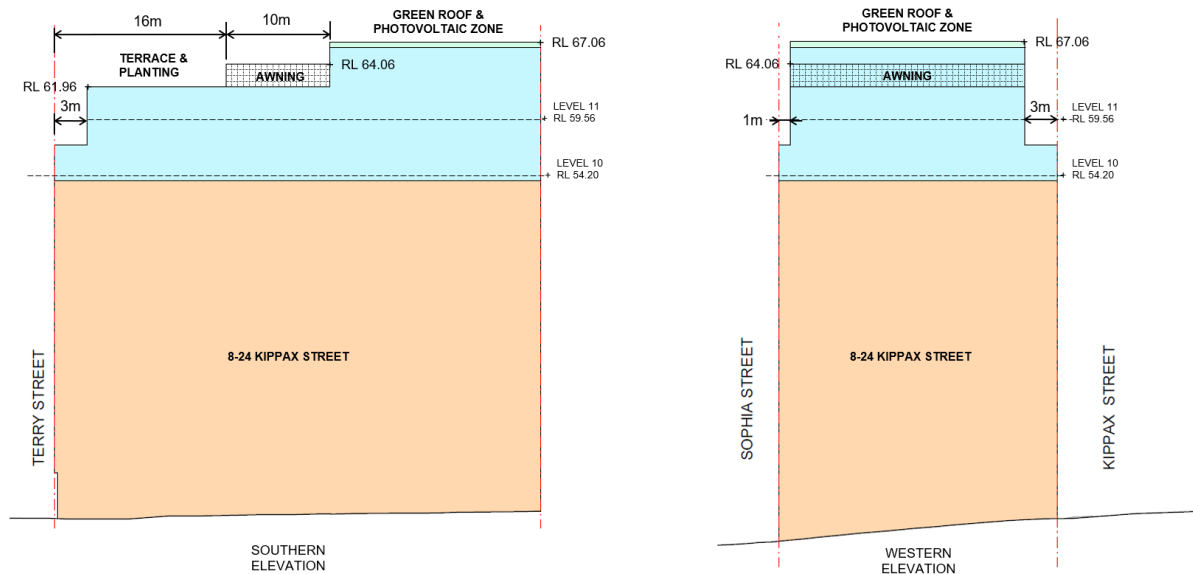


Figure 6: Elevations of the proposed building envelope, new additions shown in blue

The proposal in this location provides a good contextual fit and has site-specific merit

13. The additional building height and floor space ratio facilitated by this planning proposal will provide for the adaptive reuse of the existing ageing commercial building to significantly improve the work space and support the growth of innovation businesses within the precinct.
14. The existing building height of 30 metres (RL 53m) to the parapet exceeds the mapped height control of 22 metres and the existing gross floor area of 9,374 square metres (FSR of 9.1:1) exceeds the mapped FSR of 3.5:1. For a building in this location, the current controls unreasonably limit alterations and modest additions to the building and does not support the sustainable adaptive reuse of the existing building. The proposed building height of RL 67.06m and FSR of 10.2:1 is a modest increase to the existing building of two setback levels.
15. The proposed redevelopment will retain much of the existing building with pragmatic interventions to improve functionality, sustainability or to bring in line with current standards for high-end office space. The reuse of this aging commercial building will enable Canva to expand their operations and remain in Surry Hills and the wider Tech Central precinct.
16. The proposed amendments are unlikely to result in any adverse amenity impacts that cannot be managed. The proposed scheme has been developed in collaboration with the proponent with any environmental impacts resulting from the proposal having been identified and addressed during assessment.
17. The proposed envelope will not result in any adverse overshadowing or amenity impacts to nearby residential apartments as show in Figure 7. Draft provisions will ensure the rooftop additions will be recessive through the use of materials and setbacks, minimising any excessive visual bulk and scale impacts to the surrounding area.

18. The planning proposal and draft Development Control Plan facilitates the redevelopment of the subject site to enable a new commercial development with the following key benefits:
- (a) the delivery of 10,000 square metres of refurbished work space in Surry Hills, supported by existing and planned infrastructure;
 - (b) catalysing additional investment in the knowledge-intensive employment cluster of the Innovation Corridor, City Fringe, Eastern Creative District and Camperdown-Ultimo Collaboration Area (Tech Central), particularly in creative industries, professional services and information media; and
 - (c) the proposed development scheme will deliver a new commercial building with significantly improved sustainability outcomes.
19. The Planning Proposal addresses the urban design, environmental, social and economic impacts of the future development. Accompanied by a number of technical and specialist reports, which are included as appendices to the planning proposal.

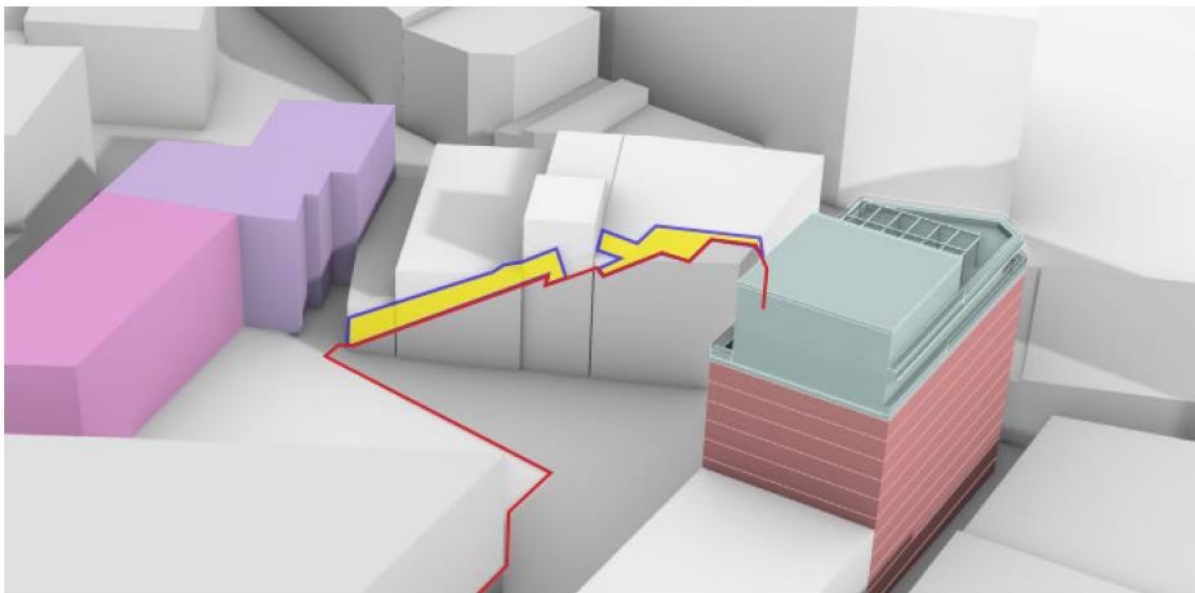


Figure 7: Overshadowing analysis of the proposed additions at winter equinox. Additional shadows from the proposed additions are shown in yellow and nearby residential buildings are shown in pink.

Development application

20. A concurrent development application (D/2023/1162) has been lodged for preliminary structural works and refurbishment of the existing building. The proposed works include relocation of the lift core and stairs, new rooftop plant and internal reconfiguration for open plan office space. These works were approved by the Central Sydney Planning Committee (CSPC) on 9 May 2024.

21. Works to the lower ground floor and basement levels consists of the removal of on-site parking and ramps and reconfiguration to include end of journey facilities, bicycle parking, retail and meeting space. Ground floor works include a new glazed frontage to Kippax Street, refurbished lobby and town hall meeting space. The existing loading dock at Kippax Street will be relocated to the Sophia Street frontage. These works are consistent with the indicative scheme facilitated by the planning proposal.
22. If the LEP is amended through this planning proposal, the proponent intends to submit a modification application for the two storey rooftop addition facilitated by this planning proposal.

Planning proposal is consistent with the City's strategic vision

23. The City's local strategic planning statement, City Plan 2036, sets out the 20-year vision for land use planning in the city and the planning priorities and actions needed to achieve the vision.
24. This planning proposal facilitates additional work space in an existing employment cluster, helping strengthen and generate additional jobs in the knowledge-intensive technology sector. This will further support the tech industry in the City Fringe area, building on the nearby Western Gateway precinct and other businesses in the area such as Afterpay, Hivery, Morse Micro and SafetyCulture.
25. The proposal aligns development growth with supporting infrastructure, as it is well positioned, close to transport infrastructure at Central, including the light rail and the imminent Sydney Metro extension through Central Sydney. Both projects will provide increased public transport capacity and support additional jobs.
26. Sustainable Sydney 2030-2050 is the vision for a city that is green, global and connected achieved through sustainable growth, creativity and innovation. It sets targets, objectives and actions to achieve this vision. This planning proposal is aligned with the following strategic directions.
 - (a) Direction 2: A leading environmental performer – future development implements sustainability measures including a passive control and smart building system, with photovoltaic systems placing less demand on electricity networks.
 - (b) Direction 5: A city for walking, cycling and public transport – the site will take advantage of existing transport infrastructure, including rail, light rail and nearby cycleways. The removal of all on-site parking reduces the demand for private vehicle trips and encourages walking, cycling and public transport use.
 - (c) Direction 9: A transformed and innovative economy – this planning proposal supports further employment growth in the City Fringe, building on its strong locational advantage for an expanding cluster of high-tech creative industries in the area, and as a destination for business, investment and talent.
27. Further information regarding the alignment of the Planning Proposal with the strategic planning framework can be found at section 5.2 in Attachment A to this report.

Relevant Legislation

28. Environmental Planning and Assessment Act 1979.
29. Environmental Planning and Assessment Regulation 2021.

Critical Dates / Time Frames

30. Should Council and the CSPC endorse the planning proposal for public exhibition, it will be forwarded to the Department of Planning, Housing and Infrastructure in accordance with section 3.34 of the Act for Gateway Determination. The Gateway Determination will provide the required date for the completion of the Local Environmental Plan amendment. Following public exhibition, the outcomes will be reported back to Council and the CSPC.

Public Consultation

31. Public exhibition for this planning proposal will be determined by the Department of Planning, Housing and Infrastructure. It is planned for the public exhibition of the planning proposal and draft Development Control Plan will be in accordance with:
 - (a) the Gateway Determination issued by the Department of Planning, Housing and Infrastructure under section 3.34 of the Act;
 - (b) the Environmental Planning and Assessment Regulation 2021; and
 - (c) the City of Sydney's Community Engagement Strategy and Participation Plan.
32. It is likely that the public exhibition of the planning proposal would be a minimum of 28 days.
33. The planning proposal and draft Development Control Plan will be publicly exhibited online on the City of Sydney website in accordance with the Environmental Planning and Assessment Regulation 2021.

GRAHAM JAHN AM

Director City Planning, Development and Transport

Daniel Thorpe, Specialist Planner