

## 10.5. Neutral Bay Village Planning Study - Post Exhibition Report

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<b>ATTACHMENTS</b>	<ol style="list-style-type: none"> <li>1. Neutral Bay Village Planning Study Report [<b>10.5.1</b> - 108 pages]</li> <li>2. Draft NBTCPS Submissions Summary [<b>10.5.2</b> - 169 pages]</li> <li>3. Neutral Bay Traffic and Transport Study [<b>10.5.3</b> - 197 pages]</li> <li>4. Economic and Feasibility study - Addendum letter [<b>10.5.4</b> - 4 pages]</li> <li>5. Draft Amendment to NSDCP 2013 Section 5 North Cremorne Planning Area extract [<b>10.5.5</b> - 14 pages]</li> </ol>
<b>CSP LINK</b>	<ol style="list-style-type: none"> <li>1. Our Living Environment <ol style="list-style-type: none"> <li>1.3 Clean and green places</li> <li>1.4 Well utilised open space and recreational facilities</li> </ol> </li> <li>2. Our Built Infrastructure <ol style="list-style-type: none"> <li>2.1 Infrastructure and assets meet diverse community needs</li> <li>2.2 Vibrant public domains and villages</li> <li>2.3 Prioritise sustainable and active transport</li> <li>2.4 Efficient traffic mobility and parking</li> </ol> </li> <li>3. Our Innovative City <ol style="list-style-type: none"> <li>3.1 Our commercial centres are prosperous and vibrant</li> <li>3.2 North Sydney is smart and innovative</li> <li>3.3 Distinctive sense of place and design excellence</li> </ol> </li> <li>4. Our Social Vitality <ol style="list-style-type: none"> <li>4.1 North Sydney is connected, inclusive, healthy and safe</li> <li>4.3 North Sydney's history is preserved and recognised</li> </ol> </li> <li>5. Our Civic Leadership <ol style="list-style-type: none"> <li>5.1 Lead North Sydney's strategic direction</li> <li>5.3 Community is engaged in what Council does</li> </ol> </li> </ol>

### PURPOSE:

To report on the submissions received in response to the public exhibition of the draft Neutral Bay Town Centre Planning Study (renamed 'Neutral Bay Village Planning Study'), and to recommend a way forward (final study at Attachment 1).

### EXECUTIVE SUMMARY:

- On 12 February 2024, North Sydney Council resolved to endorse the draft Neutral Bay Town Centre Planning Study (the 'draft planning study') for public exhibition.

- The draft planning study provides a strategic planning framework for Neutral Bay local centre that aims to:
  - address the ongoing decline of the employment-generating floorspace occurring under existing planning controls;
  - leverage a range of public benefits and public domain improvements from planned and targeted growth; and
  - maintain and enhance the local character and amenity of the Neutral Bay local centre.
- The draft planning study is an opportunity to provide a framework for future development in a way that better aligns with our community's needs and generates tangible public benefits for the enhancement of the Neutral Bay Village.
- The draft planning study was placed on public exhibition from 27 February to 2 April 2024. 343 submissions were received (summary table at Attachment 2).
- During the exhibition period, the draft planning study received considerable support from the community, local businesses, and landowners, particularly in relation to the proposed public domain upgrades, pedestrian access improvements, tree protection measures, preservation of local character, and protection of retail and commercial floorspace in Neutral Bay.
- Key issues raised during the exhibition period relate to landowner and resident expectations for height and density, the long-term employment function of the centre, concerns relating to the public car park at Grosvenor Lane, and traffic impacts arising from any additional growth.
- In response to the submissions made, it is recommended that the draft planning study be revised as follows:
  - reinforce advice in the study that the proposed designs of two plazas and the basement car park are indicative concept designs only, and that further detailed design work will be required;
  - clarify the potential staging plan for delivery of Grosvenor Plaza, including a short-term solution;
  - encourage the provision of a covered through-site link at Site 2A connecting Military Road with any future plaza, and investigate adding a maximum building length requirement for built forms over six storeys;
  - encourage the provision of a covered through-site link at Site 3B if it can be demonstrated that the through site link can meet desired urban design outcomes;
  - reduce the proposed non-residential floor space ratio (FSR) at Sites 1, 2, and 3A from 1.5:1 to 1.2:1;
  - amend the eight-storey building height limit boundary southward at Site 1 while ensuring no additional overshadowing impacts on Grosvenor Plaza;
  - reduce the proposed podium height along the Grosvenor Plaza southern frontage from three storeys to two storeys;
  - increase the proposed podium heights on the western and eastern sides of Military Lane from two storeys to three storeys;

- clarify the identified public benefit contributions for Rangers Road Plaza from both Site 3A and Site 3B;
- add a diagram to indicate the desired amalgamation pattern for Site 2;
- allow some flexibility for the landscape design at Grosvenor Plaza if a new design can meet canopy size and deep soil requirements,
- update advice in the study to reflect the transport study, which has been amended to correct errors in existing retail floorspace assumptions (Attachment 3); and
- no changes required to reflect the economic and feasibility study, which has been amended to correct errors relating the valuation of the community centre (Attachment 4).

The report also provides Council with an overview of the next steps and potential future processes in implementing the desired outcomes of the Planning Study. In particular, it provides a high-level outline of a future Planning Proposal, ahead of it being reported to Council's Local Planning Panel to give effect to the Planning Study if adopted. In addition, it broadly outlines changes that would be required to Council's DCP to ensure that the two planning instruments align.

Furthermore, it is recommended that Council endorse, for public exhibition, site specific draft amendments to NSDCP 2013 (refer to Attachment 5) in relation to 1-7 Rangers Road, 50 Yeo Street and 183-185 Military Road (Sites 3A and 3B) to be progressed as a matter of expediency. This is to ensure that there is an appropriate level of guidance for future development on these sites as they are likely to proceed via state led rezoning processes before the adoption of the more comprehensive amendments to Council's planning controls to implement the desired outcomes of the Planning Study.

#### **RECOMMENDATION:**

- 1. THAT** Council note the submissions made to the public exhibition of the draft planning study.
- 2. THAT** Council adopt the Neutral Bay Village Planning Study, as amended, as the strategic development framework for Neutral Bay local centre (Attachment 1).
- 3. THAT** Council note the Neutral Bay Village Planning Study will guide future Planning Proposals.
- 4. THAT** Council endorse the preparation and progression of a planning proposal and associated development control plan amendment to give effect to the aspects of the Neutral Bay Village Planning Study outlined in this report.
- 5. THAT** Council endorse the draft amendment to North Sydney Development Control Plan 2013 (Attachment 5 to this report) as it relates to the redevelopment of land at 1-7 Rangers Road, 50 Yeo Street and 183-185 Military Road consistent with the desired outcomes of the Neutral Bay Village Planning Study and the associated Planning Proposals being progressed separately by the proponents of these sites and to place that draft amendment on public exhibition.
- 6. THAT** the outcomes of the public exhibition identified in 5 above, be reported back to Council.

## Background

On 22 February 2021, Council adopted the Military Road Corridor Planning Study (MRCPS) to guide future development in the Neutral Bay local centre.

On 24 January 2022, Council rescinded the MRCPS noting strong community feedback on the proposed building heights and the potential impact on the village atmosphere, heritage character, solar access, and traffic in the centre. Council resolved to further engage with the community and relevant stakeholders to prepare a revised study.

On 23 May 2022, Council resolved to endorse a scoping framework as the basis to commence a revised planning study for the Neutral Bay local centre. The same drivers and objectives from the rescinded MRCPS apply, with an additional objective introduced which is to ensure that the scale of growth proposed, has a better balance between development height and the provision of additional public open space compared with the rescinded planning study.

The revised study has been shaped through a comprehensive process that integrates detailed input from community consultation including the Neutral Bay Alive community consultation group, technical advice provided by external consultants, and internal council staff from different divisions.

Councillor briefings were held 7 November 2022, 17 July 2023, 18 September 2023, 20 November 2023, 05 February 2024, and 6 May 2024, to provide updates on progress of this work.

On 12 February 2024, Council resolved to exhibit the draft planning study and rename it to the Neutral Bay Village Planning Study.

This report considers the main issues raised during the public exhibition process and details the recommended changes to the draft planning study. An amended version of the Neutral Bay Village Planning Study is provided at Attachment 1 which is recommended for adoption.

## Report

### 1. Purpose of the report

The purpose of this report is to outline the submissions received in response to the exhibited *draft Neutral Bay Village Planning Study*.

The draft planning study seeks to deliver on identified public domain and facilities improvements as well as protect the existing employment uses by leveraging off limited and managed height increases. Specifically, the draft planning study aims to:

- articulate the desired future character of Neutral Bay;
- guide future development;
- preserve local identity;
- sustain employment opportunities;
- enhance accessibility;

- identify opportunities for provision of public open spaces and community facilities;
- balance height and public benefits; and
- provide a clear implementation path.

## **2. Public exhibition**

The draft planning study was publicly exhibited for 35 days, from Tuesday 27 February 2024 to Tuesday 2 April 2024.

The following provides a summary of the methods that were used to generate widespread awareness of the draft planning study and the level of participation/reach:

### **Have your say webpage**

- A dedicated exhibition web page, including all documentation, contact information and online submission forms – 3,813 views during the exhibition period.

### **Notification letters, email, and memo**

- 9,675 notification letters were mailed to properties and business owners, educational establishments, and places of worship in and around the Neutral Bay local centre area
- Notification letters to six State Government agencies
- 448 email notifications sent to community members who have previously registered interests on the draft planning study and the rescinded *MRCPS*
- Memo to Precinct Committees and Councillors.

### **Advertisement**

- Newspaper advertisement in the Mosman Daily (two publications)
- Advertisement in North Shore Living
- Notification in North Sydney News
- Advertisement in the Living Collective Group
- Notification in Council's e-Newsletters, including:
  - Council eNews
  - Precincts eNews
  - Business eNews
- Notification on the Council's social media accounts:
  - Facebook
  - LinkedIn
  - Instagram
- Notification of the exhibition on the North Sydney Council website
- Notification in the Councillor Bulletin
- Digital TV notification displayed at North Sydney Council Customer Service Centre
- Signage notification with a QR code promoting YourSay webpage, installed at the bus shelter and on community noticeboards in/around Neutral Bay, North Sydney, St Leonards, Wollstonecraft, Waverton, Cammeray, and Cremorne
- Billboard signage notification on Hayden Orpheum Cinema
- Hard copies of draft Neutral Bay Town Centre Planning Study, contact information, fact sheets, postcards, and physical submission forms were available at North Sydney Council Customer Service Centre, Stanton Library, and Neutral Bay Community Centre

- Postcard with a QR code promoting YourSay webpage at some retail shop counters within Neutral Bay local centre.

#### **Drop-in information sessions**

- Two information sessions at Neutral Bay Community Centre with Council staff providing draft planning study information and answering questions:
  - 29 February 2024 - 1pm to 3pm
  - 5 March 2024 - 1pm to 3pm.

#### **Presentation of the draft planning study**

- Presented the exhibited draft planning study at a meeting with Neutral Bay Alive Community Consultation Group on 27 February 2024
- Presented the exhibited draft planning study at Neutral Precinct Meeting with representatives from Harrison-Bennett, Parkes, Willoughby Bay, and Brightmore Precincts in attendance on 12 March 2024.

### **3. Submissions Overview**

343 submissions were received in response to the public exhibition of the draft planning study, with the majority from local residents. Six submissions were received from Precinct Committees, and four submissions were lodged by, or on behalf of, key site landowners/developers. In addition, Redlands School and Transport for NSW also provided submissions.

28 submissions expressed support for the draft planning study. Notably, one resident living in the Neutral Bay local centre area strongly supported the study, highlighting its positive impact on issues related to limited amenity, open recreational spaces, and pedestrian safety. The submission described the study as a significant step forward for the area:

The village can finally be a village, and where a car park is not a focal point for the community. The balance of new open space and amenity with new buildings with modest height increases, achieves the right balance. It will bring Neutral Bay into the modern era as a wonderful place to live and visit.

Seven submissions expressed general opposition to the draft planning study. 125 submissions included concerns that were generally beyond the scope or applicable framework of this planning study; or related to specific development applications and planning proposals under assessment.

#### **3.1 Community Feedback**

This section provides an overview of the feedback received. It should be noted that there is significant overlap between feedback of the general public, Precinct Committees, landholders, and other stakeholder groups.

Below is an outline of the frequency of issues raised in submissions received. For a more complete summary of the submissions and responses, refer to Attachment 2.

Total	%	Issue
140	41%	Concerns regarding reduction of at-grade car parking
111	32%	Against pedestrianised Grosvenor Plaza
81	24%	Support pedestrianised Grosvenor Plaza
50	15%	Submission relates to alternative Grosvenor Plaza options 1 & 2
48	14%	Concerns relating to local character
36	11%	Support proposed 6 storey building height
33	10%	Concerns regarding additional traffic
26	8%	Against general increase in building height
20	6%	Provide detailed design recommendations
18	5%	Support proposed 6 and 8 storey building height
18	5%	Against proposed 8 storey building height
17	5%	Concerns regarding the planning process, including Voluntary Planning Agreements
16	5%	Support retaining trees
15	4%	Concerns regarding loss of retail
15	4%	Concerns regarding the proposed new community centre
13	4%	Concerns regarding construction impact and/or requests staging construction
11	3%	Request additional building height
10	3%	Against proposed office space
9	3%	Recommend pedestrian overpass/underpass over Military Road
6	2%	Support bicycle facility

Opinions within the community regarding the proposed building heights vary. Overall, there were 5% (18 submissions) supporting the proposed six and eight-storey building heights, and 11% (36 submissions) supported the proposed six-storey building height. However, 8% (26 submissions) objected to the general increase in building height. Additionally, 5% (18 submissions) were against the proposed eight-storey building height. Conversely, 3% (11 submissions) argued that the proposed height and density are insufficient to adequately address housing availability and affordability.

The at-grade car parking at Grosvenor Plaza received the greatest number of submissions, with 41% (140 submissions) requesting more at-grade parking space be retained on site.

While community members supported the idea of transforming Grosvenor car park into a plaza, there were split views regarding whether the future Grosvenor Plaza should be a fully pedestrianised plaza. Among the community, 24% (81 submissions) support a pedestrianised plaza, while 32% (111 submissions) were either against the Council-proposed pedestrianised plaza or provided their preferences on alternative plaza options. Within this 32% (111 submissions), 15% (50 submissions) specifically commented on an alternative plaza 'option 1 and 2'. These options, not prepared by Council, depict the plaza with less landscaping area and significantly more at-grade parking spaces. It is understood that alternative proposals were developed and distributed locally without reference to Council.

An error in the Neutral Bay Traffic and Transport Study Report was identified during the exhibition. 15 submissions had raised concerns regarding a loss of retail floorspace. On review it was discovered that the exhibited traffic study had over-estimated existing retail floorspace and underestimated existing commercial floorspace, implying retail floorspace would be reduced under the draft planning study. This error has been rectified in the updated transport study (refer to Attachment 3) and new traffic modelling has been undertaken, the outcomes of which are discussed in Section 4.8.1 of this report.

### **3.2 Precinct Committees**

Five Precinct Committees made submissions, expressing considerable support for certain planning directions outlined in the draft planning study while also raising concerns and providing suggestions to refine the study.

Four Precinct Committees supported increasing the maximum building height from 16m (five storeys) to 21m (six storeys) but expressed concerns about the proposed increase to building height of 8 storeys on key sites (Figure 1).

Neutral, Harrison-Bennett and Willoughby Bay Precinct Committees did not support using Voluntary Planning Agreements (VPA) to secure public benefits due to uncertainties associated with the process.

Four Precinct Committees supported relocating the public car park underground and creating a fully pedestrianised Grosvenor Plaza. They emphasised the importance of moving the existing supermarket loading dock away from the future plaza. They also welcomed the draft planning study's proposal to improve pedestrian connectivity between the new plaza and Military Road.

Regarding key site 3, submissions from Precinct Committees also included support for an open-to-sky link to Yeo Street, as well as recommendations for built form controls along Yeo Street, proposed podium heights, and upper-level setbacks to create a more human-scale streetscape.

The submissions also outlined the following concerns:

- potential loss of fine-grain retail space;
- lack of planning controls to ensure high quality above ground commercial space;
- a lack of controls to prevent site isolation issues caused by development;
- opposition to increased setbacks for Site 1 leading to a smaller supermarket or loss of active frontages;
- criticism of through-site links not accommodating adequate disabled access;
- opposition to all three through site links to Military Rd being open to the sky;
- opposition to a proposed café/pavilion within Grosvenor Plaza;
- opposition to new loading dock or carpark entries off Grosvenor Plaza;
- opposition to additional at-grade disabled parking/drop-off spaces exceeding four, as well as any expansion of at-grade parking (Willoughby Bay, and Neutral Precinct Committees);



- suggestion for keeping half of the plaza as the short-term parking area (Anzac Park Precinct Committee)
- suggestions for improving Grosvenor Plaza's landscape design with local native trees
- questions about the value and ownership of the new Neutral Bay Community Centre
- requests for a detailed development brief justifying community centre space needs
- concerns about potentially leaving the existing Neutral Bay Community Centre as a 'stranded asset'
- requests for identification of No 27-37 Bydown Street as part of the heritage character.

### 3.3 Key Site Landowners

Four submissions were received from the key site landowners/developers. Submissions from Sites 1, 2, and 3B expressed support for the general study's objectives, agreeing that the planning study represents an important step forward in renewing the local village centre. Whilst supportive, these submissions also raised concerns and provided alternative solutions for each respective site.

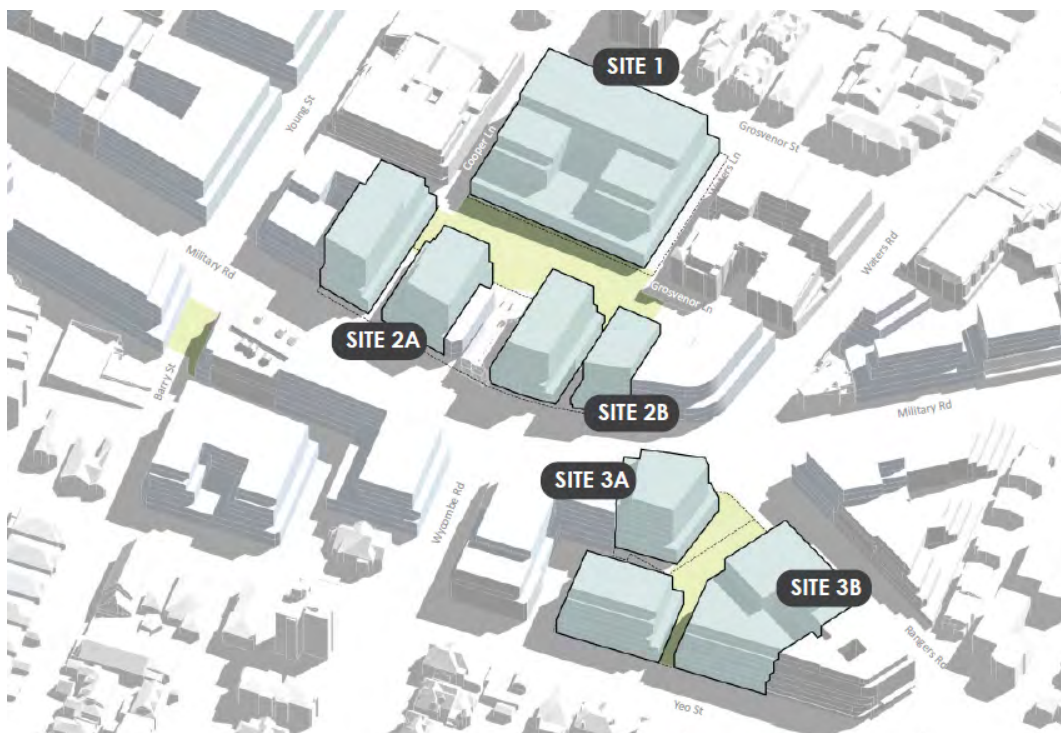


Figure 1. Aerial of indicative proposed development envelope at key sites  
(extract from exhibited planning study)

#### 3.3.1 Site 1 (41-53 Grosvenor Street)

The landowner of Site 1 expressed a need for greater flexibility to underground the Grosvenor Street public car park and deliver the plaza. The submission proposes the following amendments for Site 1, Grosvenor Plaza, and any basement car park:

- reduction of the recommended minimum non-residential floor space ratio (FSR) from 1.5:1 to 0.8:1;

- reduction of the identified building setbacks from 1.5m at Grosvenor Lane and Coopers Lane to 0m, and from 4m at Waters Lane to 3m to accommodate a larger supermarket;
- reduction of the identified above-podium setbacks along Grosvenor Lane from ten metres to three metres;
- modification of active frontage requirements to accommodate the layout needs of a full-line supermarket, including adequate delivery and customer access and servicing for 'back-of-house' areas;
- plaza concept design modifications, including the removal of existing trees to enable a larger basement carpark, tree replacement, and reconfiguration of proposed at-grade parking locations;
- consideration of the impact on the existing street network from the potential closure of Grosvenor Lane;
- a review of the number of levels of basement parking under the plaza; and
- inclusion of text in the planning study to recognise the operation of Clause 4.6- Exceptions to Development Standards within NSLEP 2013 as an alternative mechanism to achieve the outcomes of the study, rather than progression of a planning proposal.

### **3.3.2 Site 2 (Multiple Properties along Military Road)**

A key landowner made a detailed submission in relation to Site 2, requesting greater flexibility to potential built form outcomes envisaged under the planning study to address amalgamation challenges. The submission proposes an increase in building height to up to 12 storeys and highlights the following key points:

- flexibility is required to enable the multiple landowners to deliver development on their sites consistent with the broader vision for the planning study, particularly in relation to the preferred lot amalgamation;
- the proposed schemes for Sites 2A and 2B under the draft planning study are not considered economically viable for development at eight storeys;
- recommend amending the study to designate the southern portion of the plaza to be delivered as an additional public benefit by Site 2, with funding continuing to be provided by Site 1;
- opposition to the closure of Grosvenor Lane and at least 30 on-grade parking spaces should be maintained on the plaza;
- suggests an alternative scheme involving:
  - extending Site 2A to include the existing Council-owned community centre
  - excluding 180 Military Road from the Site 2A redevelopment
  - increasing building heights to 42m (12 storeys)
  - reducing the non-residential FSR from 1.5:1 to 1:1
  - updating site specific planning controls regarding the identified setbacks and podium heights
  - ensuring solar access protection for neighboring sites across Military Road
  - reducing the community centre floorspace from 1,000m<sup>2</sup> to 700m<sup>2</sup> and relocating to the western side of Site 2
  - decreasing the width of the through site links from six metres to four metres, with the eastern link proposed as a covered arcade
  - providing options with increased at-grade parking spaces and converting Grosvenor Lane between Coopers Lane and Waters Lane into a shared way.

### **3.3.3 Site 3A (183-185 Military Road)**

The landowner of Site 3A raised concerns about the financial feasibility of the proposed planning study including:

- lack of analysis to justify reducing the proposed maximum height from 12 storeys (rescinded *MRCPS*) to eight storeys;
- the proposed permissible height reduction could create an incongruent regulatory environment, potentially discouraging redevelopment;
- concerns over limiting potential housing uplift, especially in a highly valuable location along the Military Road transport corridor;
- detrimental impact of increasing minimum non-residential FSR controls on building value and residential housing quantity;
- the draft planning study decreases commercial and residential floorspace compared to the planning proposal currently lodged for the site (PP 4/23);
- the draft planning study increases Site 3A public benefit while maintaining both statutory and “voluntary monetary contributions” (incorrectly assumes the community centre to be provided on Site 3A); and
- request access to Council’s feasibility evaluation modelling.

### **3.3.4 Site 3B (1-7 Rangers Road and 50 Yeo Street)**

The landowner of Site 3B suggests amendments to the draft planning study to align with the site-specific planning proposal currently lodged for the site (PP 1/23):

- increase the maximum building height to 26m (six storeys) and 31m (eight storeys) for buildings fronting Yeo Street and Military Road/Rangers Road respectively;
- increase the podium height fronting plaza/Military Lane to three storeys;
- allow a 0m podium setback fronting Rangers Road;
- enable the opportunity for a covered through-site-link; and
- maintain the existing service and loading dock function in Military Lane, disconnecting Rangers Road Plaza and Military Lane.

## **3.4 Others**

### **3.4.1 40 Yeo Street**

The landowner of 40 Yeo Street raised concern that a six-storey height limit over the whole of the site, does not provide sufficient residential floor space to meet the cost of redevelopment. The submission suggests an alternative scheme involving:

- raising the building height to up to 28m (eight storeys);
- introducing a 16m upper-level setback from Yeo Street property boundary for the seventh and eighth storeys; and
- incorporating a 4.5m upper-level setback from the Barry Street and May Lane property boundaries for the seventh and eighth storeys.

### **3.4.2 Redlands School**

The submission received from Redlands School highlights the State significant development (SSD)-6454 for a concept proposal and Stage 1 works for the redevelopment of Redlands. Under SSD-6454, Redlands School site has approval (issued by the Department of Planning, Housing and Infrastructure) for several buildings that will exceed the existing height limit. The proposed building heights are up to 20.4m.

Redlands School advocates for the planning study to review and enhance the height controls for their campus site and the surrounding R4 High Density Residential lands to support the growth and revitalisation of the Neutral Bay local centre.

### **3.4.3 Transport for NSW**

A late submission received from Transport for NSW provides comments on the draft planning study and the Traffic and Transport Study (Stantec 2024).

The submission suggests:

- adding or relocating signalised pedestrian crossings on Military Rd not supported;
- any increase to pedestrian crossing signal times along Military Road will be assessed;
- traffic generation rates used need to be supported with evidence-based analysis ;
- SIDRA network model results should be reported and used for analysis;
- encouragement for further investigation into identified crash clusters in the precinct;
- applications for outdoor dining on Military Road must be approved by TfNSW;
- consideration of bus requirements in street design when implementing LATM measures or streetscape planting;
- Neutral Bay is proposed to be part of the future Strategic Cycleway connecting Neutral Bay to St Leonards, North Sydney, and Mosman;
- support for increasing building setbacks to improve pedestrian safety and amenity;
- providing suitable active transport connections both internally and to the precinct is paramount;
- bicycle parking and end of trip facilities are to be designed to the quantity and quality of design that reflect Sustainable Development design;
- the development should design streets that are reflective of NSW Futures and NSW Active Transport Strategy; and
- a Green Travel Plan (GTP) is recommended for the precinct to demonstrate a commitment to sustainable transport and modal shift.

## **4. Consideration of Submissions and Responses**

The purpose of the planning study is to establish a comprehensive, long-term framework for guiding future development and improvements within the centre. Immediate challenges include the progressive erosion of employment capacity due to the existing planning controls, the pursuit of active development interests requiring careful local management, and the need

to explore public domain and community facility improvements to enhance the centre's amenity. The planning study aims to address these challenges by developing a carefully considered development framework that delivers local public benefits and reinforces the role and amenity of the Village Centre.

Feedback received has been instrumental in informing the final Neutral Bay Village Planning Study Report. The key issues raised during the public exhibition of the draft study that require further consideration are outlined further below.

## **4.1 Placemaking**

### **4.1.1 Public Plaza**

Delivering improvements to public open spaces is a critical priority for the area, aiming to provide much-needed, high-quality green spaces that cater to the community's needs for both active and passive recreation opportunities. Council received a significant number of submissions questioning specific design elements of the proposed Grosvenor Plaza, such as the café pavilion, canopy structure, playground, at-grade parking layout, plaza level treatment, landscape selection, street furniture design, and artwork. Additionally, there are submissions emphasising the importance of appropriate staging for any plaza development.

#### **Response:**

The purpose of including an image of the potential Grosvenor Plaza public domain design plan in the planning study is to help the community visualise the potential future transformation of the existing car park site into a public space. The proposed design highlights overall objectives and principles. However, the designs are conceptual in nature at this stage and will be refined having regard to the key directions. Further detailed design work will be undertaken to refine the concept design, and community engagement will be conducted during this phase.

The planning study proposes a phased development approach for the proposed plaza and basement car park. Depending on the timing of any developments, in the short term, temporary at-grade loading facilities could be maintained along the southern side of the plaza in order to minimise impact on the plaza's amenity and local businesses. These temporary loading facilities could later be relocated underground as part of any future Site 2 redevelopment.

In the long term, Grosvenor Plaza is envisaged to evolve into a fully pedestrianised area. Some surface-level parking for disabled access and small loading services are recommended to be located on the plaza's eastern side, with general public-parking provided at a basement level.

The transformation of Grosvenor Plaza into a fully pedestrianised area has the potential to redefine the heart of Neutral Bay, offering a revitalised space conducive to various community, cultural, and commercial events. This pedestrianised plaza will create a welcoming environment for walking, encourage exploration of the village on foot, and boost local retail activities, with scattered outdoor dining spaces enriching the overall ambiance. By

relocating the public car park underground and reorganising the supermarket loading dock access, vehicular traffic will be diverted, enhancing pedestrian safety, and minimising the risk of accidents. Serving as an activity hub, the plaza will connect surrounding blocks and streets, fostering a vibrant sense of social connection and community in the area. This vision was broadly supported by the community.

**Amendments:**

1. Minor text amendments to reinforce the proposed designs for Grosvenor Plaza and Rangers Road Plaza are conceptual and represent an initial vision. Further detailed design work will be conducted in the next design phase.
2. Provide additional information on the potential staging and delivery of Grosvenor Plaza in Chapter 7 of the planning study report.

**4.1.2 Trees at Grosvenor Plaza**

The draft planning study suggested retaining the existing mature trees at Grosvenor Plaza while enabling the basement car park by defining a tree protection zone. Most of these trees are London Plane trees situated in alignment at the centre of the current parking lot, limiting the basement design if retained in situ.

The landowner of Site 1 advised the tree protection zone would 'severely impact' the proposal to underground the existing at grade parking. Replacing the existing London Plane trees with a more suitable species to the eastern portion of the plaza was suggested as an alternative to deliver the plaza and achieve Council's landscaping objectives.

Community feedback on tree preservation at Grosvenor Plaza has been diverse. Out of the submissions received, 16 (5%) expressed support for retaining the existing trees. However, some comments questioned the desirability of retaining London Plane trees, emphasising the need for a thoughtful landscape design incorporating native trees and plants indigenous to the area.

**Response:**

Feedback collected during throughout the community engagement process highlighted significant dissatisfaction with the limited greenery in the centre, with a notable desire for more trees and public open space. Consequently, the study continues to recommend retaining mature canopy trees in Grosvenor Plaza where feasible and enhancing landscaping throughout the public domain to address these concerns.

However, some flexibility in the number of trees to be retained is recommended to enable a more flexible approach, if required, to work towards the delivery of a pedestrian plaza. The principle of preserving the mature trees within the plaza remains, however it is recommended that Council may consider an alternative option if a new design can fulfill the necessary requirements for canopy size and deep soil, ensuring the continued long-term health and vitality of the greenery. The community will have an opportunity to comment on any proposed design.

**Amendment:**

3. Allow some flexibility for the landscape design at Grosvenor Plaza if a new design can meet agreed canopy size and deep soil requirements.

**4.1.3 Through-site-links**

Feedback received from the community includes requests to reconsider the proposed controls for the through-site links in relation to width and to enable covered through-site links. It is understood some community submissions may be implying the use of awnings in laneways, although covered through-site links may also enable greater flexibility in the size and location of the built form above, more in-line with an arcade.

The proposed open-to-sky through-site links at Site 2 and at Site 3B were challenged by the landowners.

**Response:**

The proposed links identified in the exhibited planning study are six metres in width and open-to-sky, with design considerations for access and mobility. Further design testing was conducted upon reviewing the submission comments. Given there are three proposed through-site links along the northern side of Military Road between Young Street and Waters Road, there are benefits to enabling a link with weather protection near the B-Line bus stop. A covered arcade link may therefore be appropriate at Site 2A. This should, however, be accompanied by a new control limiting the maximum building length for built forms over six storeys on Site 2 to avoid a bulky appearance and minimise the impact on the Military Road streetscape. Modelling and built form testing suggest a maximum length of 45 meters for built forms over six storeys is considered appropriate to prevent a 'wall' effect down Military Road. It is recommended to explore this further and implement a new built form control in the DCP, specifying this maximum length for buildings over six storeys in height along Military Road.

The proposed open-to-sky through-site link at Site 3B connecting Yeo Street is part of the future major pedestrian link across the Neutral Bay local centre, connecting two major plazas. It is important that this link remains designed as a publicly accessible connection with a clear sightline, maximising legibility, and wayfinding through the area. Additionally, the open-to-sky design helps break up the scale and massing of the six-storey, 110m long façade along Yeo Street and minimises shadow impact on residential buildings across Yeo Street. Therefore, it is recommended to retain the preference for a through-link at Site 3B as open-to-sky. A covered through site link may, however, be considered if it can be demonstrated that the through site link can meet these desired urban design outcomes.

**Amendment:**

4. Amend the control for the Site 2A through-site-link to enable a covered arcade link at this site.
5. Add text investigating a new built form control to provide a maximum length for buildings over six storeys along Military Road.
6. Enable a covered through-site link at Site 3B if the link can meet desired urban design outcomes.

#### **4.1.4 Community centres**

Community feedback expressed support for a new and larger community centre. However, questions have been raised regarding the ownership of both the existing and proposed new community centres, as well as concerns about the size and future use of the proposed new facility.

#### **Response:**

The study recommends an upgrade to the existing community centre and delivery of an additional new community facility. It is intended that both community centres will remain under Council ownership and operation for public use.

Further investigations are continuing regarding the proposed size of any new community centre and the highlighted information gaps. This includes a review of the existing community centre, economic analysis, and consideration of its intended use.

The planning study's proposal for the community centre, including its services and activities is currently conceptual and subject to refinement based on ongoing research, community feedback, and development of an operational business case. Council will continue to engage with the community in developing any detailed plans for the community centre and importantly, Council's current preparation of the various 10 year Strategic Plans, including the Social Inclusion Strategy, will provide guidance on this.

### **4.2 Access**

#### **4.2.1 At-grade car park at Grosvenor Plaza**

The draft planning study proposes a total of 10 at-grade car park spaces at the eastern end of Grosvenor Plaza, including four disability parking spaces and six loading spaces for small-scale loading and servicing functions.

The community have expressed various opinions on the proposed at-grade car park at Grosvenor Plaza. Some submissions highlighted that the lack of surface-level car parking could inconvenience elderly or less mobile customers and pose challenges to convenience retail, potentially affecting existing small businesses. A landowner to the south of the plaza opposed the closure of Grosvenor Lane and recommended at least 30 at-grade parking spaces to support local retailers. The major landowner to the north of the plaza, Coles (Site 1), recommended considering the reconfiguration of the proposed at-grade parking locations, inclusion of 17 at-grade parking spaces, and a vehicular service loop.

50 pro-forma submissions were also received, expressing support for two alternate designs for Grosvenor Plaza that had been shared via a [Neutral Bay Village website](#). The designs proposed 28-32 at-grade car parking spaces. Council was not involved in the preparation of the alternate designs, although that may not have been clear to the community.



In contrast, five submissions from precinct committees supported the proposed fully pedestrianised plaza and the at-grade car park location. Specifically, the Willoughby Bay precinct committee opposed the provision of any more than four at-grade disabled parking/drop-off spaces, claiming that unnecessary parking would reduce the plaza's landscaped area.

**Response:**

Council acknowledges the significant role that small businesses play in contributing to the village atmosphere, vibrancy, and success of the centre. The draft study considers staged delivery of the proposed Grosvenor Plaza basement car park and the plaza to minimise disruption and allow small businesses facing Grosvenor Lane car park to continue trading during the construction phase.

The proposed new Grosvenor Plaza concept seeks to retain the existing number of public car parking spaces underground and provide surface-level parking spaces for only loading services and disability parking. The study emphasises the importance of public access to any underground carpark to support surrounding local retailers and local businesses. Convenient and multiple direct pedestrian accesses are recommended around the plaza to connect the basement car park to the plaza.

The proposed Grosvenor Plaza design and the at-grade car park layout is conceptual. Detailed design will be further explored in the next phases and in consultation with community.

#### **4.2.2 Underground public car park**

Submissions received from Precinct Committees supported the relocation of the existing public car park underground, integrated with the Site 1 carpark and providing good pedestrian access to the plaza and shops. While most of the submissions expressed support for this initiative, there were concerns raised about the ownership of the underground public car park.

**Response:**

The Council has a longstanding policy objective to relocate the Grosvenor Lane Car Park underground and create a public plaza at ground level. This objective has been included in the North Sydney Development Control since 2002. The planning study aligns with this objective. In April 2023, Council granted Coles (Site 1) owner's consent to lodge a development application that proposes to replace the existing surface car park with an underground car park and create a pedestrianised plaza. Subsequently, in September 2023, Arkadia (Site 2) also received owner's consent to lodge a development application seeking to carry out public domain works within Council's Grosvenor Lane carpark.

Owner's consent does not imply final support for any proposed basement car park and plaza designs by developers, nor commitment by Council to pursue its construction. A consultative and collaborative design process will be required for any future plaza and the basement public car park on the Grosvenor Lane car park site, involving formal negotiation for any agreements.

It is noted that a separate report was considered by Council on 13 May 2024 in relation to a probity framework to guide any detailed negotiation processes.

However, it should be stressed that the removal or the significant reduction of car parking, to create a largely pedestrianised, high amenity plaza, to provide the Village with a much-needed vibrant heart and focus, remains a fundamental focus of the Study. It should also be noted that the current Coles Development Application, is being assessed and will be determined independently of Council considering all the statutory and current planning controls.

#### **4.2.3 Traffic impact and Military Road pedestrian access**

Concerns were raised regarding the additional traffic impact, emphasising the need to address traffic increases caused by new developments. Several submissions from the community were concerned that the planning study did not do enough to improve the safety and amenity of Military Road for pedestrians. Some submissions provided specific suggestions for Military Road improvements, such as reducing the traffic speed limit and providing a pedestrian overpass (or underpass) to improve safety and traffic flow.

#### **Response:**

The Traffic and Transport Study (Stantec 2024) provides an analysis of traffic volumes generated from the proposed growth scenario under the planning study. The analysis indicate that traffic volumes generated from the proposed growth scenario under the planning study are relatively minor and manageable within the local road network.

Military Road is a state road, and any proposed modifications require approval from Transport for NSW (TfNSW). Given that TfNSW recognises Military Road as strategically important for vehicle traffic, changes affecting its function may be challenging (refer to TfNSW submission at section 3.4.3). However, Council prioritises enhancing pedestrian safety and accessibility and will continue to advocate for improvements. The planning study and the Traffic and Transport Study identify opportunities for improving the Military Road streetscape and pedestrian connections for future investigation. These opportunities are listed in section 5.2 of this report. Council aims to further investigate and coordinate with TfNSW to explore the opportunities for improving pedestrian and general access conditions at Neutral Bay.

Pedestrian overpasses (and underpasses) lock in the vehicle priority of the road and generally reduce, rather than improve, the safety and amenity of the street. Overpasses require landing sites for the lift and stairs/escalators, thereby reducing the width of the pedestrian footpath on either side of the road if provided in the public domain. Alternately if they are provided within private land, they can reduce pedestrian activity and engagement within the public domain. Prioritising vehicle movements, rather than identifying solutions to support better pedestrian access at grade, can encourage speeding and further reduce the vitality of the centre and main street retail functions. The cost of such infrastructure is significant and prioritising limited Council/contribution funds ahead of public domain and other community spaces, is not supported.

## **4.3 Employment**

### **4.3.1 Commercial floor space**

Some submissions expressed that additional office space is unnecessary given the existing vacancies in commercial spaces in the area, especially with the continuation of remote working arrangements. Additionally, concerns were raised by key Sites 1, 2, and 3A regarding the proposed increase in non-residential FSR, claiming that it would impact the financial feasibility of key site re-development.

#### **Response:**

A primary objective of the study is to ensure the continued growth and competitiveness of the Neutral Bay village centre's employment function, particularly in the context of post-pandemic recovery and the increasing demand for local services and co-working spaces, given its proximity to the city.

According to HillPDA's study, Neutral Bay centre is presently witnessing a decrease in vacant retail floor space coupled with a minor increase in vacant commercial floor space. This reflects the observed mid to longer-term impacts of COVID-19 on commercial office tenancies, with the adoption of work-from-home or hybrid working practices becoming standardised in workplaces. Notwithstanding, the non-residential vacancy rate during the land use audit by HillPDA was observed to have returned to pre-COVID levels at 3%.

The recent State Government's planning reforms aim to address the housing crisis by promoting more diverse, low-rise, and mid-rise housing options, particularly in areas near established town centres and with good public transport access. Whilst yet to be finalised, it is understood that the Low and Mid-rise Housing Reforms may apply to land within an 800-metre walking distance of the MU1 Mixed-Use zone of Neutral Bay. These reforms, if progressed, recognise that housing supply may increase in the area and will continue to be a driving force behind future development in Neutral Bay. This will further increase demand for both retail and commercial office space in the centre.

The proposed 1.5:1 non-residential FSR was reviewed for Sites 1, 2, and 3A, having regard to what is achievable for the building envelopes of those sites, Council's employment objectives as well as state government's housing objectives. A minor adjustment to the development mix is considered possible to protect ground level retail and first floor commercial uses.

#### **Amendment:**

7. Reduce the proposed non-residential FSR at Sites 1, 2 and 3A from 1.5:1 to 1.2:1.

### **4.3.2 Retail floor space**

Some submissions questioned whether the draft planning study would result in a loss of retail space, and raised concerns over the potential loss of fine-grain retail space near Grosvenor Plaza due to new mixed-use development that may require greater ground-level space for vehicle access, residential and commercial lobbies, and service areas.

**Response:**

The planning study aims to maintain the current quantum of retail space within the Neutral Bay Village. It aims to protect the current overall non-residential (i.e, retail and commercial) floor space in the centre. Referencing Table 1 in Section 4.8.1 of the report, the proposed retail floor space for key and future development sites totals approximately 22,086m<sup>2</sup>, slightly higher than the existing condition of 20,329m<sup>2</sup>. This projection assumes that retail establishments will primarily occupy ground-level spaces on key and future development sites. Furthermore, there are plans to include a new supermarket at the basement level of Site 3B.

Proposed planning controls include active frontage requirements and encourage through-site links and plaza activation. These controls aim to ensure that future mixed-use developments introduce diverse retail, commercial, and outdoor dining options, in conjunction with the proposed public domain upgrades, to foster a vibrant atmosphere in the local centre.

**4.4 Built Form****4.4.1 Proposed building heights**

Opinions within the community varied regarding the proposed building heights. Of the received submissions, 36 expressed support for the proposed six-storey building height, and 18 supported a mix of six and eight storeys. Conversely, 26 objected to a general height increase, and 18 specifically expressed concerns about the proposed eight-storey building height. Additionally, 11 submissions argued that the proposed height and density are insufficient to adequately address housing availability and affordability.

**Response:**

The proposed building heights have been carefully balanced to support the future needs of the Neutral Bay local area. The planning study supports a six-storey height limit (with a one-level increase from existing planning controls) for most of the mixed-use zone. This aims to facilitate new infill development while preserving the area's fine-grained character and safeguard local retail and commercial capacity. The six-storey building height is broadly supported by the community members and precinct committees.

The proposed six-eight storey building height at key Sites 1, 2, and 3 is aimed at facilitating the delivery of public benefits in line with Neutral Bay's placemaking objectives. The overarching goal of this new planning study is to achieve a better balance between proposed building heights and the associated public benefits. To find this balance, comprehensive assessment methods were applied, including:

- reviewing and refining public benefits under the revised planning study;
- consulting with the community on height options and public benefits through multiple consultations;
- testing the financial feasibility of diverse development scenarios to ensure viability while delivering key public benefits (HillPDA 2023);

- assessing traffic impacts of proposed growth through a Traffic and Transport Study (Stantec 2024) to mitigate additional congestion; and
- analysing 3D models and shadow impacts to ensure the proposed eight-storey built form aligns with desired urban outcomes for Neutral Bay with minimal disruption to the streetscape and surrounding neighbourhoods.

While acknowledging the importance of delivering more housing, the priority of this planning study is to protect the employment function of the centre and improve the public domain within the local centre area, with a modest height increase. Whilst yet to be finalised, the State Government's Low and Mid-rise Housing Reforms may introduce an increase in housing capacity across the broader Neutral Bay residential area. Additionally, amending the non-residential FSRs and heights at key sites would contribute to providing additional housing opportunities within the Neutral Bay centre.

#### **4.4.2 Proposed built form controls**

Submissions include requests to revise site-specific built form controls of the draft planning study. These suggestions encompass various aspects such as setbacks, podium heights, and above-podium setbacks, particularly focusing on the identified key sites. The suggestions and requests received are summarised as follows:

##### Setbacks

- reduce the setback at Cooper Lane from 1.5m to 0m;
- decrease the setback at Grosvenor Lane between Cooper Lane and Waters Lane from 1.5m to 0m;
- reduce the setback at Waters Lane from 4m to 3m;
- decrease the ground level setback at Rangers Road from a 1.5m to 0m.

##### Podium heights

- decrease the podium height at Site 2 street and plaza frontages from three storeys to two storeys;
- increase the podium height at Military Lane and Rangers Road Plaza from two storeys to three storeys.

##### Above podium setbacks

- reduce the above podium setback at Site 1 Grosvenor Plaza frontage from 10m to 3m.

#### **Response:**

The objectives of the proposed built form controls under the planning study are to achieve an appropriate scale for new development, foster a more harmonious relationship between built structures and the public realm and maintain a high standard of urban design and amenity. Further design testing was conducted upon reviewing the submission comments.

## Setbacks

The existing DCP includes a 1.5m ground level setback at laneways within the Neutral Bay local centre, including Cooper Lane and Grosvenor Lane.

Given the proposed development uplift in Site 1 and nearby areas, increased traffic is expected in Cooper Lane, with preferred vehicle access points at Cooper Lane and Grosvenor Street. Maintaining a 1.5m setback at Cooper Lane would enhance pedestrian safety and ensure more efficient functioning of vehicle access. Additionally, the planning study proposes closing Grosvenor Lane between Cooper Lane and Waters Lane to create a fully pedestrianised plaza. Providing a 1.5m whole of building setback to the future Grosvenor Plaza can minimise shadow impacts on the plaza and allow for greater flexibility in pedestrian access to any basement car park at this frontage.

Waters Lane is proposed to be transformed into a shared zone, with active frontages on both sides, creating a significant north-south pedestrian thoroughfare within the centre. The existing mature trees lining the western side contribute to the pedestrian-friendly environment and are deemed valuable for their landscape significance and amenity, as confirmed by the arborist report accompanying the Coles Development Application. The report recommends a tree protection zone of 3.6-5.7m to safeguard tree roots and canopies. Additionally, the current building at Site 1 maintains a 3.5m setback along Waters Lane. Increasing the setback to four metres, as proposed in the planning study, not only accommodates potential outdoor dining and seating opportunities but also ensures ample space for the trees to thrive in the long term.

At Rangers Road, a 1.5m setback at ground level is required according to NSDCP 2013. The recent mixed-use Planning Proposal by Woolworths at 9-11 Rangers Road incorporates this setback at ground level for its outdoor dining area. The planning study retains this setback requirement along Rangers Road to maintain a consistent street frontage and ensure a continuous outdoor dining opportunity and improved pedestrian environment.

## Podium heights

The proposed site 2 podium heights have been reviewed. Specifically, a reduction of the podium height at Grosvenor Lane to two storeys has been thoroughly tested and deemed beneficial. This modification can effectively diminish the scale of the podium facing the future plaza, fostering a more human-scale public domain interface. As such, it is recommended to incorporate this change into the planning study.

With respect to Military Road, the NSDCP 2013 includes a three-storey podium height. While this requirement remains valid, two sections along Military Road have been proposed as two storeys to better harmonise with the surrounding long continuous heritage-valued façade, ensuring a more consistent streetscape presentation. These sections are located along the southern side of Military Road between Wycombe Road and Rangers Road, and along the northern side of Military Road, east of Waters Road. Sites 2A and 2B (northern side of Military Road) frontages do not fall within these two sections. Maintaining a three-storey podium

height will better align with the general Military Road frontage, which is already undergoing renewal as evidenced by recent mixed-use developments along Military Road.

A submission requests an increase in the podium height at Rangers Road Plaza to three storeys. However, considering the benefits of a two-storey podium height in providing a more human-scale interface, it is recommended to maintain the proposed podium height at Rangers Road Plaza as two storeys.

Military Lane adjacent Sites 3A and 3B was proposed to have a two-storey podium height in the draft planning study. Upon review, it's noted that the existing Military Lane is 9m in width, considerably wider than a typical laneway. Additionally, there is a recent mixed-use development at the corner of Yeo Street and Military Lane with a three-storey podium height. Given that Military Lane will mainly serve as a service lane with sufficient width and is not at the interface between mixed-use and residential zones, increasing the podium height to three storeys is considered appropriate. However, a two-storey podium height is recommended at the interface with Rangers Road Plaza frontage to provide an appropriate transition and human-scale interface between new developments and the public domain.

#### Above podium setbacks

The submission from Site 1 requests a reduction of the above podium setback from 10m to 3m. It claims that a three metre above podium setback with the progressively stepped built form would not impact the proposed solar access protection to Grosvenor Plaza. The intention of this proposed 10m above podium setback at this interface is not only to protect the solar access to the plaza, but also to enable a well-organised, unified, and coherent built form. The proposed 10m above podium setback also provides opportunities for a flexible green podium to open space that overlooks the future plaza and will avoid a “ziggurat” design outcome.

However, upon reviewing the submissions and the proposed Site 1 built form, the 3D built form modelling shows that the proposed eight-storey built form on the northern side of Site 1 has the potential to extend further towards the south without creating unacceptable additional shadow impact to the future plaza. The eight-storey built form would be set back away from the plaza, and the proposed podium height and above podium setback along the plaza would also assist in minimising the impact caused by the Site 1 built form. Therefore, it is recommended that the proposed eight-storey building height boundary at Site 1 be extended further towards the south. Any amended built form will still need to meet the proposed solar access protection controls for Grosvenor Plaza under the planning study.

#### **Amendments:**

8. Reduce the podium height control at the southern and eastern sides of the Grosvenor Plaza to 2 storeys.
9. Amend the 8-storey building height limit boundary southward at Site 1 while ensuring no additional overshadowing impacts on Grosvenor Plaza.
10. Increase the podium height control at the western and eastern sides of Military Lane to 3 storeys.

## 4.5 Site 2 Development Parcels

The submission received in response to the Site 2 proposed built form, highlighted concerns regarding the need for flexibility to facilitate multiple landowners in aligning their developments with the broader vision outlined in the Planning Study, especially concerning lot amalgamation. This concern is particularly pertinent to Site 2 where there is some fragmentation of land ownership.

### Response:

The Neutral Bay Village Planning Study serves as a long-term strategy, offering guidance on future development in the centre. Introducing flexibility in the recommended development pattern may aid in unlocking development potential, provided that the vision, objectives, and design principles outlined within the planning study can be achieved.

As such, the lots at Site 2 have undergone further review and reconsideration regarding their sizes and potential amalgamation patterns. It is recommended that the planning study includes further guidance on the development parcels within Site 2. Specifically, Site 2 is further divided into four distinct development parcels. Each parcel has the potential for separate development, with associated public benefits identified within the planning study. To illustrate these boundaries effectively, a diagram (refer to figure 2) is recommended to be provided in the planning study.



Figure 2. Recommended Development pattern at Site 2

### Amendment:

11. Add a diagram to indicate the preferred development parcels for Site 2.

## 4.6 Public Benefits - Rangers Road Plaza

Upon reviewing the draft planning study, it is recommended to include additional information about the public benefit of Rangers Road Plaza in the planning study report to provide further clarification.



The draft planning study suggests that a 1,000m<sup>2</sup> Rangers Road Plaza is to be delivered by Site 3, including both Site 3A and Site 3B. While plans with property boundaries are included in the study to assist in identifying the plaza area that each site should contribute, it is recommended to add further details, such as square meters and dimensions at key locations, to clearly define the required contributions sought from each site. No changes are made to the exhibited recommendations.

According to the exhibited plans from the draft planning study report, Site 3A would contribute a minimum of 250m<sup>2</sup>, and Site 3B would contribute a minimum of 750m<sup>2</sup> towards the plaza area.

**Amendment:**

12. Provide additional information on the Site 3 public benefits in Chapter 7 of the planning study report.

#### **4.7 Planning Proposal and VPA**

The Planning Study suggests the delivery mechanism for additional height for the key sites is through the submission of an owner-initiated Planning Proposal with an associated Planning Agreement to deliver the public benefits. One submission questioned whether a planning proposal step is necessary. It suggested in the submission that the study recognise the operation of Clause 4.6 as an alternative mechanism to achieve the outcomes of the Planning Study, where the statutory preconditions of that Clause can be satisfied.

Additionally, three precinct committees raised concerns using Voluntary Planning Agreements (VPAs) to secure benefits because these lack certainty, as the final approval of a planning proposal is not with Council.

**Response:**

A Planning Proposal is the mechanism by which Council's planning controls are amended with legislated steps to ensure the proposed changes are justified and exhibited for public comment. This ensures the implementation of the Planning Study via changes to the zoning and development standards that apply to land, follows a clear and transparent process.

Clause 4.6 – Exceptions to Development Standards, within North Sydney LEP 2013, is a mandated clause under the standard instrument order. The clause applies to all Development Applications seeking to vary development standards within existing LEP controls. Its operation and application are separate and independent of Council's current planning study.

Under current legislation, developers, when not supported by Council, do have the opportunity to pursue their development aspirations through external avenues outside of Council. However, having a clear vision and planning framework, beyond existing controls, strengthens Council's position in assessing proposals and negotiating optimal outcomes for the community. This approach enables Council to better manage growth and leverage identified placemaking benefits.

A fundamental principle of the study is that targeted development opportunities should only be pursued if they provide much-needed public benefits to meet the community's needs. Council cannot force a developer to take up the suggested changes in the study and development applications may still be pursued under the current LEP and DCP planning controls. The planning study recommends that planning proposals for key sites should be accompanied by a draft Voluntary Planning Agreement (VPA) offer, outlining proposed public benefits in accordance with Council's VPA Policy.

VPAs can be effective tools for delivering wider community benefits to support the identified increased growth. Most opportunities identified in the planning study propose tangible public benefits as in-kind contributions. The VPA process ensures a level of transparency and provides valuable benefits, including community facilities and public open space, where new density is introduced that would not otherwise be able to be secured via an LEP or developer contributions framework (s7.11/12 contributions). Furthermore, it covers the costs of delivery and ensures that any agreed public benefits are implemented in a timely manner.

It is also noted that the process of preparing community based, consultative Planning Studies to enable more detailed Planning Proposals to change the planning controls, prior to the lodgement of development applications, has been Council's very consistent approach to managing change transparently and consistently with the Environmental Planning and Assessment Act.

## 4.8 Background Study Report

### 4.8.1 Traffic and Transport Study

The background transport study initially contained inaccurate information suggesting that less than half of the existing retail floor space would be replaced by commercial floor space. This information has been corrected in the updated transport study (refer to Attachment 3). The correct figures for the existing centre's retail floor space of the key and future development sites are listed below, indicating that the proposed growth in the draft planning study would not reduce the overall quantum of the existing centre's retail floor space.

	Existing Condition (m2 GFA)	Growth Scenario (m2 GFA)	Variance (m2 GFA)
<b>Retail</b>	20,329	22,086*	+1,757 (9%)

Table 1 –retail floor spaces comparison for the opportunity sites

\* For comparison and analysis purposes, an assumption was made that retail uses are proposed at the ground floor for all the opportunity sites, and basement level at Site 3B. At the site redevelopment stage, retail uses can also be enabled on levels above the ground floor, subject to the detailed design.

#### Amendment:

13. Update the transport study to more accurately reflect the existing retail floorspace within the Neutral Bay centre.

#### **4.8.2 Economic analysis and Financial Feasibility Assessment Report**

Concerns were raised regarding the Economic Analysis and Financial Feasibility Assessment Report (HillPDA 2023) during the exhibition. There were queries regarding the 'as is value' of Council's asset at 190-192 Military Road, indicating that this site might be undervalued. Submissions questioned the valuation of the site at \$2.87 million (with a site area of 310 sqm), which appears lower than adjacent sites with smaller areas. Upon investigation, the HillPDA team identified an oversight concerning the valuation of the community centre. It was found that an existing retail shop at 190-192 Military Road had not been factored into the valuation. However, HillPDA advises that this oversight would not affect the feasibility of delivering public benefit. A detailed explanation of this issue and further advice is provided in the attached letter (Attachment 4).

Another submission expressed concern regarding assumed construction costs, suggesting that HillPDA's study used Gross Floor Area (GFA) instead of Gross Building Area (GBA) as the building cost measure. This approach could potentially underestimate construction costs from a feasibility perspective. Following the exhibition, HillPDA reviewed this information and confirmed that a dollar per full enclosed building area (FEBA) rate was indeed applied in the feasibility study. The rates provided in Table 27 of HillPDA's report should be labelled as \$/sqm FEBA. It is important to note, however, that this error does not impact the results of the feasibility test.

Upon review, it was noticed that the "as is" value of 198-200 Military Road (part of Site 2B) was underestimated. The feasibility test previously adopted a commercial office value rather than a retail value for the ground floor level. While the "as is" value has been updated (refer to Attachment 4), these amendments do not result in any changes to the feasibility of the options. All Site 2B options would still remain viable.

### **5. Implementation**

#### **5.1 Implementing recommendations from the planning study**

The Neutral Bay Village Planning Study is the long-term strategic vision for Neutral Bay. It identifies an aspiration for the centre and presents a framework for future built form, planning and public domain outcomes.

In order to enable the desired outcomes of the Planning Study to be implemented, amendments are required to both North Sydney Local Environmental Plan (NSLEP) 2013 and North Sydney Development Control Plan (NSDCP) 2013. Both sets of amendment to Council's LEP and DCP require Council endorsement before they are placed on public exhibition in accordance with the Environmental Planning and Assessment Act, 1979 (EP&A Act).

The Planning Study also allows the redevelopment of three identified sites under a separate planning proposal process consistent with the overall objectives of the Planning Study, where they deliver significant public benefits as identified in the Planning Study.

It is highlighted that two Planning Proposals are already significantly progressed, being Sites 3A (183-185 Military Road) and 3B (1-7 Rangers Road and 50 Yeo Street). Whilst both of these proposals were not supported by Council, they are both subject to a Rezoning Review by the State Government. Site 3B (1-7 Rangers Road and 7 Yeo Street) has recently been issued a Gateway Determination allowing it to proceed to the formal public exhibition phase. Whilst the hearing for the Rezoning Review for Site 3A (183-185 Military Road) has been held, the outcome of this process was pending at the time of completion of this report. Both Planning Proposals, largely rely on the outcomes of the former rescinded Planning Study and include details for site specific DCP controls.

### **5.1.1 Amendment of NSLEP 2013**

Current plan making procedures, first introduced in 2018, require all Planning Proposals to be reported to the North Sydney Local Planning Panel (NSLPP) for its review and recommendation prior to being formally reported to Council. This gives rise to an unusual situation in that Council will be considering a Planning Proposal after it has already been publicly ventilated in a different public forum. This remains a significant concern in the plan making procedures, running counter to the local plan making remit for local government and arguably reducing plan making efficiency.

Therefore, one of purposes of this report, is to provide Council with a high-level overview of the recommended Planning Proposal ahead of it being reported to the NSLPP. At this stage, only a conceptual overview of the broad parameters of the Planning Proposal is provided for Council's awareness.

The recommended extent of amendments to NSLEP 2013 within any future Planning Proposal will be effectively limited to:

- increasing the maximum height of buildings from 16m (four-five storeys) to 21m (six storeys); and
- Increasing the non-residential floor space ratio control from 0.5:1 to 1.2:1.

The proposed amendments will apply to most sites zoned MU1 Mixed Use in the Neutral Bay Centre.

There may also be a need to incorporate controls to protect solar access to existing and proposed areas of public open space in the Neutral Bay Centre to ensure that an appropriate level of amenity is delivered to these spaces. Subject to further investigation, such controls will be placed within either the LEP or DCP.

The Planning Study also identifies potential development outcomes for three sites in the Planning Study area. These sites would be excluded from any Council-led planning proposal and be subject to separate planning proposal processes. This is to ensure that these sites are redeveloped to their full potential, including the capacity to deliver public benefits as foreshadowed by the Planning Study which are to be appropriately negotiated and delivered, and other built form considerations (like solar access, setbacks, urban design issues and the like) are more fully resolved.

### **5.1.2 Amendment of NSDCP 2013**

It is also proposed to prepare amendments to NSDCP 2013 to assist in delivering the desired outcomes of the Planning Proposal and adopted Planning Study. To ensure a high level of transparency and consistency, this amendment would be exhibited concurrently with the Planning Proposal.

The types of matters to be incorporated in the DCP amendment would include the following:

- updated character statements in line with the Planning Study;
- built form setback controls;
- podium height controls;
- active and desired street frontage requirements; and
- public domain upgrade plans.

It is intended to seek Council's endorsement of the actual draft DCP amendment concurrently with the reporting of the associated Planning Proposal to Council as outlined above prior to seeking a Gateway Determination for the Planning Proposal.

As previously indicated, there are two Planning Proposals that are significantly advanced in relation to sites 3A and 3B. As both Planning Proposals have been subject to Rezoning Reviews, Council will not be in control of the public exhibition of these documents. Despite both Planning Proposals being accompanied by a site specific DCP, or a commitment to prepare a site-specific DCP prior to the exhibition of the associated Planning Proposal, neither will have been formally endorsed as a "draft DCP", capable of being publicly exhibited. This would require such draft amendments to be endorsed by Council and exhibited separately to the progression of these Planning Proposals, which reduces clarity and transparency.

#### **Action:**

To ensure that development on these sites is appropriately guided with regard to the desired outcomes of the Planning Study and the Planning Proposals, it is recommended that Council also endorse the attached draft DCP amendment for the purposes of public exhibition. This will also enable the draft DCP amendments to be publicly exhibited as close as possible to any exhibition of the site-specific Planning Proposals (sites and 3A & 3B).

### **5.2 Projects for Future Investigations**

The Neutral Bay Village Planning Study has identified a series of projects aimed at enhancing the streetscape of Military Road and improving access in and around the centre. These projects require collaboration between various divisions within the Council. It is recommended that Council note these projects and consider them for future investigations.

The identified future investigation projects from the planning study are listed in the following subsections.

### **5.2.1 Military Road streetscape upgrades**

To enhance Military Road's streetscape amenity, environmental performance, and Neutral Bay's character, the following interventions are identified for future investigation:

- additional street trees along Military Road accommodated via footpath widening and awning cut outs in new developments;
- continuous kerbside planting along both sides of Military Road.

While the benefits from the kerbside planting are significant, the cost of installing and maintaining hedges or planter boxes along Military Road is likely to be substantial. Further analysis is necessary to identify the most cost-effective solution.

### **5.2.2 Pedestrian crossings**

To improve pedestrian safety and connectivity across Military Road and the local roads with expected higher pedestrian activity, potential pedestrian crossing for future investigation include:

- longer crossing times at Wycombe Road/Military Road intersection;
- realigning the Young Street/Military Road pedestrian crossing;
- new pedestrian crossing at Rangers Road/Military Road intersection;
- investigating other design options at Military Road put forward by the community;
- additional formal crossing facilities for north-south crossing movements along Grosvenor Street; and
- a new formal pedestrian crossing point near the through-site link at Yeo Street.

### **5.2.3 Cycling facilities**

To encourage cycling in and around the local centre, the following interventions have been identified for future investigation:

- establishment of a dedicated cycleway along Young Street, connecting Grosvenor Street cycleway to Belgrave Street, with a potential extension to May Gibbs Place and Barry Street;
- providing bike parking facilities close to key destinations and easily accessible locations, such as open plazas.

### **5.2.4 Traffic speed**

To address the safety concerns raised by the community and Traffic and Transport Study (Stantec 2024) regarding “rat-running” traffic observed along Grosvenor Street and Yeo Street, potential traffic calming measures for future investigation include:

- implementing speed reduction (30km/h or 40km/h HPAA) along Grosvenor Street;
- implementing speed reduction along Yeo Street.

### **5.2.5 Parking management**

Areas within the local centre face varying levels of parking demand, contributing to congestion. To improve this situation, the following interventions have been recommended for future considerations:

- installing relevant signage at key decision points;
- exploring the integration of smart parking technology as a real-time digital interface;
- conducting an area-wide review of parking restrictions aims to enhance parking turnover in zones with short-stay land uses;
- investigating the demand for car-sharing and identifying opportunities for additional on-street car-share spaces.

It is understood that TfNSW may be undertaking a review of Military Road to identify potential road network improvements. As part of this process, TfNSW may engage with key stakeholders, including councils.

## **6. Conclusion**

The Neutral Bay Village Planning Study has received considerable support from the community and key stakeholders through the exhibition process. The Planning Study at Attachment 1 has been amended to incorporate the recommended changes as outlined in this report. It is recommended that the Planning Study be endorsed.

### **Consultation requirements**

Community engagement has occurred in accordance with Council's Community Engagement Protocol as outlined in section 2 of this report. The detail of this report provides the outcomes from the engagement for Council to consider prior to adoption.

### **Financial/Resource Implications**

Adopting the Planning Study as amended represents a minimal investment in Council resources.

Financial costs and staff time will be required to implement the policy change. Costs would be incurred associated with the formal amendment of NSLEP 2013 and NSDCP 2013 to include appropriate provisions to implement the desired outcomes of the Planning Study. This aspect would have minimal finance or resourcing implications which can be met under existing budgeting lines.

Additional investigations may need to be funded with future investigation projects identified in the planning study. These potential projects will be the subject of separate reports to Council.

Public domain and community facility projects that to be delivered through voluntary planning agreements prepared in support of proposed amendments to NSLEP 2013 and

NSDCP 2013, will also be the subject of separate reports to Council as the details of any draft agreements become available.

### **Legislation**

Compliance with the relevant provisions of the following legislation have been addressed throughout this report:

- NSW Environmental Planning and Assessment Act, 1979 and accompanying Regulations (2021)
- Local Government Act 1993 and accompanying Regulations (2021)