

Planning Committee

Notice of Meeting
25 July 2017
5.30pm

Committee Room 1
Ninth Floor
Council House
27 St Georges Terrace, Perth



Agenda

ORDER OF BUSINESS AND INDEX

- 1 Declaration of Opening
- 2 Apologies and Members on Leave of Absence
- 3 Question Time for the Public
- 4 Confirmation of minutes – 27 June 2017
- 5 Correspondence
- 6 Disclosure of Members' interests
- 7 Matters for which the meeting may be closed

In accordance with Section 5.23(2) of the *Local Government Act 1995*, should an Elected Member wish to discuss the content of the confidential attachment/s listed below, it is recommended that the Committee resolve to close the meeting to the public prior to discussion of the following:

Attachment No.	Item No. and Title	Reason
Confidential Attachment 8.3D	Item 8.3 – East End – Application of Improvement Model	S5.23(2)(e)(iii)
Confidential Attachment 8.5B	Item 8.5 – Amended Council Policy 9.2 - Heritage Rates Concession	S5.23(2)(e)(iii)

- 8 Reports
 - 8.1 - 30 (Lot 50) Elder Street, Perth - Proposed Sculptural Tower Structure Including a Variable Content Third Party Advertising Sign and a Café and 'Tourist Hub' Facilities
 - 8.2 - 35 (Lot 88) Megalong Street, Nedlands - Two 2 Storey Grouped Dwellings
 - 8.3 - East End – Application of Improvement Model
 - 8.4 - Exemption to Policy 1.6 – Commemorative Works
 - 8.5 - Amended Council Policy 9.2 - Heritage Rates Concession
 - 8.6 - Heritage Rates Concession – Adaptive Reuse of Piccadilly Theatre and Arcade at 700 – 704 Hay Street Mall, Perth
- 9 Motions of which Previous Notice has been given

10 General Business

10.1 - Responses to General Business from a Previous Meeting

10.2 - New General Business

11 Items for consideration at a future meeting

Outstanding Reports:

- Historic Heart of Perth Grant (Notice of Motion – Council – 11/04/17)
Refer to Item 8.3 of this agenda.

12 Closure

A handwritten signature in black ink, appearing to read 'Martin Mileham', is centered on the page. The signature is fluid and cursive, with a large loop at the end.

MARTIN MILEHAM
CHIEF EXECUTIVE OFFICER

20 JULY 2017

This meeting is open to members of the public

PLANNING COMMITTEE

Established: 17 May 2005 (Members appointed 22 October 2015)

Members:	1st Deputy:	2nd Deputy:
Cr McEvoy (Presiding Member)	Cr Green	Cr Limnios
Cr Adamos		
Cr Yong		

Quorum: Two

Terms Expire: October 2017

TERMS OF REFERENCE: [Adopted OCM 24/11/15]

To oversee and make recommendations to the Council on matters related to:

1. development, building, demolition, sign and alfresco dining applications and proposals for subdivision or amalgamation;
2. the City Planning Scheme and planning policies;
3. identification of long term planning opportunities and major projects, including the Perth City Link, Elizabeth Quay and;
4. strategic town planning initiatives and economic development;
5. Heritage, including:
 - 5.1 the City of Perth Municipal Inventory;
 - 5.2 the Register of Places of Cultural Heritage Significance referred to in City Planning Scheme No. 2, and management of same;
 - 5.3 heritage incentive initiatives;
6. transport and traffic network planning issues;
7. environmental improvement strategies including environmental noise management;
8. liquor licensing;
9. land administration issues, such as street names, closures of roads and rights-of-way and vesting of reserves;
10. applications for events held within the City of Perth that require planning approval as a result of excessive noise or traffic management proposals;
11. legislation and compliance in relation to land use planning.

INFORMATION FOR THE PUBLIC ATTENDING COMMITTEE MEETINGS

Question Time for the Public

- An opportunity is available at all Committee meetings open to members of the public to ask a question about any issue relating to the City. This time is available only for asking questions and not for making statements. Complex questions requiring research should be submitted as early as possible in order to allow the City sufficient time to prepare a response.
- The Presiding Person may nominate a Member or officer to answer the question, and may also determine that any complex question requiring research be answered in writing. No debate or discussion is allowed to take place on any question or answer.
- To ask a question please write it on the white Question Sheet provided at the entrance to the Council Chamber and hand it to a staff member at least an hour before the meeting begins. Alternatively, questions can be forwarded to the City of Perth prior to the meeting, by:
 - Letter: Addressed to GPO Box C120, Perth, 6839;
 - Email: governance@cityofperth.wa.gov.au.
- Question Sheets are also available on the City's web site: www.perth.wa.gov.au.

Deputations

A deputation wishing to be received by a Committee is to apply in writing to the CEO who will forward the written request to the Presiding Member. The Presiding Member may either approve the request or may instruct the CEO to refer the request to the Committee to decide whether or not to receive the deputation. If the Presiding Member approves the request, the CEO will invite the deputation to attend the meeting.

Please refer to the 'Deputation to Committee' form provided at the entrance to the Council Chamber for further information on the procedures for deputations. These forms are also available on the City's web site: www.perth.wa.gov.au.

Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any Member or officer of the City during the course of any meeting is not intended to be and is not to be taken as notice of approval from the City. No action should be taken on any item discussed at a Committee meeting prior to written advice on the resolution of the Council being received.

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EMERGENCY GUIDE

Council House, 27 St Georges Terrace, Perth



The City of Perth values the health and safety of its employees, tenants, contractors and visitors. The guide is designed for all occupants to be aware of the emergency procedures in place to help make an evacuation of the building safe and easy.

BUILDING ALARMS

Alert Alarm and Evacuation Alarm.

ALERT ALARM

beep beep beep

All Wardens to respond.

Other staff and visitors should remain where they are.



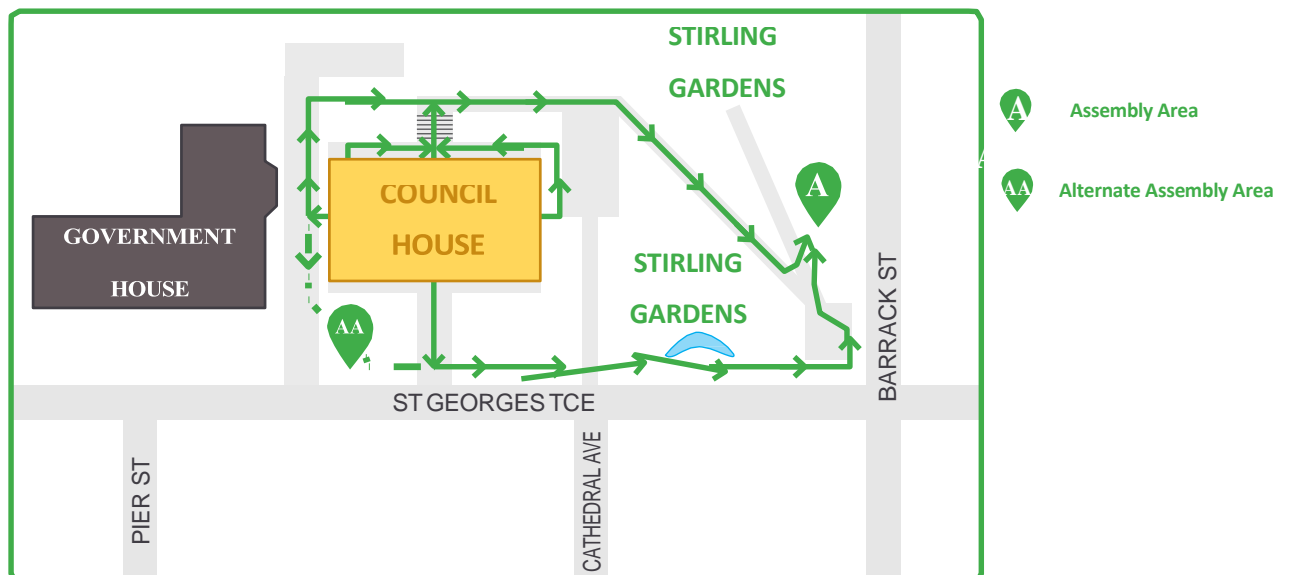
EVACUATION ALARM / PROCEDURES

whoop whoop whoop

On hearing the Evacuation Alarm or on being instructed to evacuate:

1. Move to the floor assembly area as directed by your Warden.
2. People with impaired mobility (those who cannot use the stairs unaided) should report to the Floor Warden who will arrange for their safe evacuation.
3. When instructed to evacuate leave by the emergency exits. **Do not use the lifts.**
4. Remain calm. Move quietly and calmly to the assembly area in **Stirling Gardens** as shown on the map below. Visitors must remain in the company of City of Perth staff members at all times.
5. After hours, evacuate by the nearest emergency exit. **Do not use the lifts.**

EVACUATION ASSEMBLY AREA



Agenda Item 8.1 30 (Lot 50) Elder Street, Perth - Proposed Sculptural Tower Structure Including a Variable Content Third Party Advertising Sign and a Café and 'Tourist Hub' Facilities

Recommendation:

That:

- 1. in accordance with the provisions of the City Planning Scheme No. 2 and the Planning and Development (Local Planning Schemes) Regulations 2015 - Deemed provisions for local planning schemes, Council APPROVES BY AN ABSOLUTE MAJORITY the application for the proposed sculptural tower structure providing various uses and facilities EXCEPT FOR AND EXCLUDING the proposed variable content third party sign at 30 (Lot 50) Elder Street, Perth as indicated on the Metropolitan Region Scheme Form One dated 2 May 2017 and as shown on the plans received on 4 May and 5 July 2017 subject to:***
 - 1.1 final details of the design if the structure including design modifications to the elevation of the structure where the proposed sign is to be removed, and a sample board of the high quality and durable materials, colours and finishes for the development being submitted for approval by the City prior to applying for a building permit;***
 - 1.2 any fitout and provision of services to the building being designed and installed to maintain the original design intent of providing predominantly 'transparent building' that does not detract from the architectural integrity of the structure;***
 - 1.3 a lighting plan for the development including details of how the architectural elements will be illuminated to provide an attractive building at night and ensuring the lighting meets the relevant standards and does not result in any nuisance in terms of light spill with details being submitted for approval by the City prior to applying for a building permit;***

(Cont'd)

- 1.4 *any proposed external building plant, piping, ducting, water tanks, transformers, air condensers and fire booster cabinets shall be located so as to minimise any visual and noise impact on the adjacent developments and being screened from view of the street, with details of the location and screening of such plant and services being submitted for approval by the City prior to the submission of an application for a building permit;*
- 1.5 *the bin store being designed to be level with the external floor levels and the Waste Management Strategy received 5 July 2017 being modified to the City's satisfaction in accordance with the City's Waste Policy with final details being submitted for approval by the City prior to applying for a building permit;*
- 1.6 *public toilet facilities being provided in the development, with revised plans and a management plan detailing maintenance and accessible times being submitted for approval by the City prior to applying for a building permit;*
- 1.7 *a detailed disabled access report addressing the requirements of the Disability Discrimination Act 1992 and 'Access to Premises' standards being prepared at the applicant's cost with any modifications to the development being submitted for approval by the City and the development being certified to comply with the requirements of the legislation prior to the development being occupied and the sign becoming operational;*
- 1.8 *any other signage which are not exempt from approval under the City's Signs Policy 4.6 being integrated into the design of the building and requiring a separate application for approval;*
- 1.9 *any works shown outside the lot boundaries (with the exception of the architectural encroachment of the tower structure of no more than 250mm) not forming part of this approval;*
- 1.10 *a construction management plan for the proposal being submitted for approval by the City prior to applying for a building permit, detailing how it is proposed to manage:*
 - a. *the delivery of materials and equipment to the site;*
 - b. *the storage of materials and equipment on the site;*
 - c. *the parking arrangements for the contractors and subcontractors;*

(Cont'd)

- d. *the protection of street trees and other City assets;*
 - e. *any dewatering of the site; and*
 - f. *other matters likely to impact on the surrounding properties*
2. *the proposed sign being excluded from this approval as the sign does not comply with City Planning Scheme No. 2 Policy 4.6 – Signs and therefore does not comply with City Planning Scheme No. 2 clause 36(3)(c)(i)(A) requiring the development to be consistent with the orderly and proper planning of the locality given that:*
- 2.1 *the third party advertising content is contrary to clause 5.0 h) as it will potentially impact on traffic (including pedestrian) safety within the area;*
 - 2.2 *the sign is contrary to clause 5.0 j) ‘General Principles’ and clause 6.3 e) ‘Safety’ as the sign has the potential to cause a distraction to road users;*
 - 2.3 *the sign is contrary to clause 6.6 c) i) A) ‘Sign Content’ as it is not facing or in a public space and is not located within the Entertainment Area, the Retail Core Area, a Town Centre Area or The Terraces Area (as identified in Figure 2) where the sign is oriented for viewing within the space and not from adjacent streets;*
 - 2.4 *the sign is contrary to clause 6.8 c) i) ‘Variable Content’ as the sign is not facing or in a public space and is not located within the Entertainment Area, the Retail Core Area or The Terraces Area (as identified in Figure 2) where the viewing area is designed and intended for pedestrians to linger for an extended period of time;*
3. *the application be referred to the Western Australian Planning Commission for determination under the Metropolitan Region Scheme as it is located within the Inner Precinct of the Parliament House Precinct Policy Area, and advising the Commission of the Council’s determination.*

FILE REFERENCE:	2017/5160
SUBURB/LOCATION:	30 Elder Street, Perth
REPORTING UNIT:	Development Approvals
RESPONSIBLE DIRECTORATE:	Planning and Development
DATE:	3 July 2017
ATTACHMENT/S:	Attachment 8.1A - Location Plan and Perspectives
3D MODEL PRESENTATION:	N/A

LANDOWNER:	Electricity Networks Corp
APPLICANT:	Matzin Capital Pty Ltd

ZONING: (MRS Zone) Central City Area zone
(City Planning Scheme Precinct) Citiplace (P5)
(City Planning Scheme Use Area) City Centre

APPROXIMATE COST: \$1 million

Council Role:

- | | | |
|-------------------------------------|----------------|---|
| <input type="checkbox"/> | Advocacy | <i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i> |
| <input type="checkbox"/> | Executive | <i>The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i> |
| <input type="checkbox"/> | Legislative | <i>Includes adopting local laws, town planning schemes and policies</i> |
| <input checked="" type="checkbox"/> | Quasi-Judicial | <i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i> |
| <input type="checkbox"/> | Information | <i>For the Council/Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation *Planning and Development Act 2005*
 Metropolitan Region Scheme
 City Planning Scheme No. 2

Policy

Policy No and Name: 4.6 – Signs Policy
 Parliament House Precinct Policy (PHPP)

Purpose and Background:

The subject site is 126m² and is located south of Hay Street primarily fronting Elder Street and opposite the Mitchell Freeway. The site is occupied by a Western Power substation to the rear of the site, with the remainder of the site paved and vacant.

The site is located within the inner area of the Parliament House Precinct Policy and as such a dual approval by the City and the Western Australian Planning Commission is required for any development on the site.

Details:

The applicant is seeking approval to construct a four level sculptural tower above a Western Power substation on the subject site to support a large LED third party advertising sign. The tower will be constructed from a combination of architectural translucent and metal cladding panels on a steel frame. The applicant has advised that the site is proposed to function as a public meeting space, that will incorporate:

- an Electric bike hire facility and/or Segway station;
- A café on a raised deck;
- Meeting Point for Tour Groups;
- Wifi-hub;
- Public drinking fountain;
- Bicycle repair kiosk;
- Art and light installation; and
- Tourist information.

The applicant has advised that a local Perth tourist company proposes to utilise the tower as a meeting point for the commencement of walking tours through the city. These tours will focus mainly on King's Park, Parliament Precinct, West Perth and the western City edge. It is envisaged that the tour company will utilise the building twice a day and will run talks on a dedicated mezzanine level inside the tower. A cafe is proposed on the first floor deck level. An internal stair will also lead to a viewing 'lookout' platform that can be accessed by tour patrons.

The applicant has advised that given the steep gradient of Malcolm Street, Mount Street and Hay Street within the area, electric bikes and/or Segway's can be used to assist tourists accessing these parts of the city. Provisions for the hire of the bikes or Segways (including regular bicycle maintenance and bicycle racks) will be provided beneath the deck. A public drinking fountain will also be provided.

The tower structure on the site will house a sign spanning the first and second levels measuring 7.5m in height by 4.5m in width. Tourist information for Perth and third party advertising is proposed to be displayed on the LED digital screen. The sign content is proposed to be variable, with a dwell time of 45 seconds and an instantaneous transition between static images. No animation, flashing, coloured or pulsating lights are proposed.

The applicant had advised that this sign will have the ability to display advertising content at variable luminance levels. The luminance of the display can be programmed to operate at different levels required for different times of the day and night, as specified in the Main Roads WA Guidelines.

Details of the proposed development are as follows:

Basement Level	This level contains the lower part of the existing Western Power substation to the southern end of the site, which is to be retained.
Ground Level	This level contains the upper part of the Western Power substation at the southern end of the site, with a new 60.9m ² 'deck' area proposed on the remainder of the site, extending to the site boundaries to Elder and Hay Streets. This area will incorporate a bicycle rack, a public drinking fountain and stairs to access the first level with a bin store area located under the stairs.
First Level	This level contains an 88.9m ² deck area that extends the entire width

	of the site from the southern boundary to 5.5m from the northern boundary on Hay Street. The portion of the deck to the rear incorporates the sculptural glazed tower structure located above the substation. The deck area will be used as a café. The northern elevation of the tower structure houses an LED variable content sign measuring 7.5m in height and 4.5m in width, which spans the first and second levels.
Second Level	This level contains a 30.2m ² mezzanine space to be used in conjunction with the café.
Third Level	This level contains a 19m ² 'lookout' deck.

Compliance with Planning Scheme:

Land Use

The site falls within the Citiplace precinct of the City Planning Scheme No. 2. The precinct aims to provide a wide range of general and specialised retail uses as well as a mix of other uses such as entertainment, commercial, medical, service industry, residential and minor office. Uses at street or pedestrian level will mainly be shops, restaurants, taverns and other uses, that have attractive shop fronts and provide activity, interest and direct customer service. Other uses will be established above or below street level and major pedestrian levels.

A recent determination by the State Administrative Tribunal regarding a sign within the City has determined that third party advertising should be considered a land use under the CPS2 as it involves a separate and distinct use of the site. Given this recent decision, the administration has taken the approach that the third party advertising associated with this development be considered as an 'unlisted use' in accordance with clause 34 of the CPS2.

A cafe falls within the 'Dining' use group of the City Planning Scheme No. 2, which is a preferred ('P') use within the Precinct. The tourism hub and third party advertising are not uses defined under the City Planning Scheme No 2 (CPS2) and therefore are considered as 'unlisted' uses. The uses are required to be advertised to any landowners deemed impacted by the City and the Council must, when determining the application, be satisfied by an absolute majority, that the proposed development is consistent with the matters listed in clause 67 of the Deemed Provisions.

Development Requirements

The proposal's compliance with the CPS2 development requirements is summarised below. It is noted that when considering a development application on the subject site the City's Building Heights and Street Building Heights Plans refer to the Parliament House Precinct Policy (MRS Clause 32 Area) which set the relevant standards to which the Council should have regard.

Development Standard	Proposed	Permitted / Required
Maximum Plot Ratio:	1.09:1 (138.1m ²)	5:1 (630m ²)

Development Standard	Proposed	Permitted / Required
Maximum Building Height: (Parliament House Precinct Policy)	49.64m AHD (26.67 metres)	43.5 AHD (20.53 metres)
Setbacks: (Parliament House Precinct Policy) <u>Elder Street:</u> <u>Hay Street:</u> <u>Rear (South):</u> <u>Side (East):</u>	Nil. Nil to the lower level deck and 5.5m to the upper deck and between 16.9m to 18m to viewing tower structure. Nil to existing transformer, nil to deck, 0.7m to 2m to viewing tower structure. Nil to existing transformer, nil to deck and stairwell, 0.8m to 1.3m to tower structure.	No setback identified in policy, setbacks to be considered on a case by case basis. Nil up to height of 14 metres with a 5 metre setback up to a height of 65 metres and then a 10 metre setback up to 100 metres. No setback identified in policy, setbacks to be considered on a case by case basis. No setback identified in policy, setbacks to be considered on a case by case basis.

Signs Policy 4.6

The City Planning Scheme No. 2 Policy 4.6 – Signs sets out the City’s requirements for the erection and management of signs on or adjacent to buildings within the City. The policy defines different types of signs; place specific requirements to ensure signs are consistent with the desired character for the relevant precinct and provide guidelines for their acceptable design and location.

The proposed sign will fall within the following definitions of the Signs Policy 4.6:-

“Third Party Advertising Content means sign content that advertises businesses, products, goods or services not located or available at the premises where the sign content is displayed”

“Wall Sign means a sign that is fixed flat or parallel to, or painted upon, the surface of a wall of a building (including a glass wall or a decorative or screen material fixed flat or parallel to the wall), but not to a roof top plant room setback from the main elevation of the building or to an architectural feature at the top of the building. It includes cabinets fixed to walls to display an advertisement.”

“Variable Content means static sign content that changes automatically by electronic or programmable methods on a specified time cycle. Where displaying variable content, a small

sign is one that has a sign face with an area of $2m^2$ or less and a large sign is one that has a sign face with an area of greater than $2m^2$."

The City's Signs Policy states that a large variable content sign and third party advertising shall only be considered where the sign is facing or located in a public space within the Entertainment Area, the Retail Core Area or The Terraces Area with these areas being demarcated in the Policy. These signs may only be considered in these areas where the viewing area is designed and intended for pedestrians to linger for an extended period of time. Furthermore the sign is oriented for viewing within the public space and not from adjacent streets.

In addition to the above, a large variable content sign facing or in a public space shall only be considered for development approval where the local government is satisfied that the sign:

- is compatible with the desired character of the public space;
- will enhance the visual quality of the public space; and
- will make a positive contribution to the public space and its activation, particularly at night.

The subject site is not located within an area identified under the Policy where such signs are required to be located and the sign is not oriented towards or located within a public space which for the purpose of the Policy is a space where people gather or linger for an extended period. The sign is specifically directed for attention of motorists heading south on Elder Street as acknowledged by the applicant and should the existing trees be removed from the Freeway reserve will also be in indirect view of traffic heading south on the Mitchell Freeway.

Parliament House Precinct Policy

The Parliament House Precinct Policy was adopted in 1983 by the Western Australian Planning Commission, with the policy setting out requirements to maintain views to and from Parliament House and to control the appearance of the Precinct. The Policy outlines specific restrictions regarding the materials used and signage permitted within the precinct.

The policy states that there shall be a presumption against the use of illuminated signs visible from Parliament Hill. The sign is oriented away from Parliament House and the sign content will not be visible.

In addition to this, the use of metal oxide coated glass or the use of large areas of highly reflective (including all glass) materials is discouraged in the Inner Precinct. Noting that the viewing tower is constructed of glass it is considered that this is contrary to the requirements of the policy.

Variation to standards

Variations to the Sign Policy and development standards applicable to the development can be granted by an absolute majority decision of the Council, in accordance with Clause 36 of the CPS2 and provided the Council is satisfied that:-

- '36(3)(c)(i) if approval were to be granted, the development would be consistent with:*
- (A) the orderly and proper planning of the locality;*
 - (B) the conservation of the amenities of the locality; and*
 - (C) the statement of intent set out in the relevant precinct plan; and*

- (ii) *the non-compliance would not have any undue adverse effect on:*
- (A) *the occupiers or users of the development;*
 - (B) *the property in, or the inhabitants of, the locality; or*
 - (C) *the likely future development of the locality’.*

Comments:

Consultation

The ‘unlisted uses’ under the CPS2 including the tourism hub and third party advertising was advertised for a period of 16 days closing on Thursday 29 June 2017. The landowners that were consulted included landowners at 264 St Georges Terrace, 999 and 1008 Hay Street. One objection was received.

The objection related to two aspects of the proposal, one relating to potential signage content and the other to the lack of public toilet facilities. The adjacent church has concerns regarding the potential impact the content of the sign may have on their members including children attending the church. The concern expressed is that the signs may display advertisements relating to gambling, alcohol or immorality. In response to this concern, it is recognised that outdoor advertising is subject to industry imposed codes of conduct that address offensive content. If Council determines to approve the proposed development it is recommended that a condition be imposed requiring all signage to be non-offensive (in accordance with the Sign’s Policy) to the satisfaction of the City, as has been imposed on other signs of this type in the city.

The second aspect of the objection related to the lack of public toilet facilities, as the Church gardens are frequently used for this purpose, with the development likely to increase higher volumes of pedestrians to this area. Concern is expressed that the Right of Way to the rear of the development (which is an entry to the Church) may also be used as a toilet. The proposal does not currently incorporate a toilet, which it is only required under the Building Code of Australia when more than 20 seats are provided on site for the proposed café use. However, given that it is proposed that the building will be used as a meeting place for tourist groups, it is considered reasonable for the facilities to include some toilet facilities. If Council determines to approve the development a condition may be imposed requiring toilets to be provided.

Design Advisory Committee

The Design Advisory Committee considered the proposed development at its meeting held on 17 November 2016 and made the following recommendations:-

- “1. supports the sculptural tower as an interesting element in the city that makes good use of a constrained utility space, but notes the importance of the quality of the proposed materials and finishes in order for the structure to be successful, especially in regard to the skin of the building and its reflectivity;*
- 2. supports the proposed variation to the maximum height requirements of the Parliament House Precinct Policy, noting the scale and height of the adjacent development;*
- 3. considers that the final design should ensure that the ventilation grills and windows of the adjacent office building are not obstructed by the development*

4. *advises that the incorporation of a digital third party advertising sign requires separate assessment against the provisions and intent of the City's Signs Policy, and in particular, having regard for traffic safety."*

Main Roads Western Australia

Whilst not required, the application was referred to the Main Roads Western Australia (MRWA) due to the proximity of the sign to Mitchell Freeway. Currently existing mature trees screen the proposed development from view from the freeway. MRWA advised they have no objection to the sign.

Land Use

The third party advertising and tourism hub uses are unlisted uses under CPS2. Clause 67 of the Deemed Provisions states that in considering an application for development approval for an unlisted use, Council must have due regard to a number of matters including (but not limited to):

- the aims and provisions of this Scheme and any other local planning scheme operating within the Scheme area;
- the requirements of orderly and proper planning;
- any local planning policy for the Scheme area; and
- the suitability of the land for the development taking into account the possible risk to human health or safety.

It is considered that the proposed tourism hub together with the café use will activate an otherwise constrained and underutilised utility site. The uses are considered to meet the intent of the precinct, attracting patrons and potentially having a beneficial impact on the retailers and amenity within the area.

The inclusion of third party advertising in this location is discussed in more detail in the following sections of this report, however it is not supported on the basis that the signage will not satisfy the requirements of orderly and proper planning and poses a possible risk to safety.

Building Height and Setbacks

Whilst the proposed development proposes to vary the height limitations set out under the Parliament House Precinct, the intent of the height limitation is to maintain sightlines to the Swan River and Kings Park from Parliament Hill. The proposed structure is not within the sightlines defined within the policy, and the office building adjacent to the proposed structure already blocks views to the east from Parliament House. The building is modest in scale and it is considered that the bulk of the structure will not have a detrimental impact on the streetscape or the locality and, therefore, it is considered the variation to the height provisions can be supported in this instance.

Building Design, Materials and Finishes

The tower will be skinned in a combination of architectural translucent and metal cladding panels. The use of highly reflective materials is discouraged in the Inner Precinct of the

Parliament House Precinct Policy. The variation to the permitted materials to be used within the Inner Precinct is considered acceptable given:

- the building is located outside the view line defined under the policy;
- variations have already been approved throughout the precinct to the materials used with no adverse impact resulting from their use; and
- given the substantial separation of the building to the remainder of the precinct intersected by the Mitchell Freeway the materials are unlikely to have a detrimental impact on the remainder of the precinct.

The architectural and aesthetic success of the proposed tower relies on the quality of the materials and detailing of the facades. If the application is to be supported, a condition should be imposed on any approval granted requiring final details of the materials to be submitted and approved, with any internal fit out to the building retaining a predominantly visually transparent building.

It is important to ensure the forecourt space to the ground floor is appropriately treated to ensure the space will not create an area for antisocial behaviour after hours, requiring a high level of maintenance. If the application was to be supported it should be required that appropriate lighting to the forecourt and the building be incorporated in the design which will assist in activation and safety of the space and transform the tower structure into a light sculpture during non-operational hours, adding to the overall aesthetics of the space. Details of the lighting should be required to be submitted and approved prior to the submission of a building permit.

Compliance with the Signs Policy

In accordance with the Policy, signs are required to be assessed in accordance with the criteria below:

Integration and Scale of Signage on Buildings

Clause 5(c) of the Signs Policy states that signs should be compatible in scale and integrated with the architectural design of the building on which they are erected or adjacent to. The clause also states that the sign should have regard to the form, materials, finishes, colours and fenestration of the building. Architectural features of a building should not be obscured and daylight into and reasonable vision into and out of buildings should be maintained.

It is considered that the proposed sign achieves a high level of integration with the building. Whilst the sign forms a large proportion of the northern façade of the building, the design of the building still allows for sufficient daylight penetrations and view into and from within the building considering the transparent nature of the design of the building.

Location and Content

The Policy includes the following relevant provisions with regards to the assessment and approval of large variable content signs:

'6.8 (c) Variable content on a large sign (>2m² sign face) shall only be considered for development approval:

- i) *facing or in a public space within the Entertainment Area, the Retail Core Area or The Terraces Area and where:*
 - A) *the viewing area is designed and intended for pedestrians to linger for an extended period of time; and*
 - B) *the sign is oriented for viewing within the public space and not from adjacent streets and can only be viewed by road users if:*
 - 1. *it has content that is completely static without any motion, animation or special effects for the duration of its display;*
 - 2. *it has a specified duration of display and a transition time between display that comply with standards specified by the State Government transport authority or another authority considered appropriate by the local government;*
 - 3. *each display comprises no more than 20% of its area as text and the text is large scale so that it can be easily and quickly read by road users; and*
 - 4. *it does not include any content that could be perceived to be providing public safety instructions to road users.*
- d) *Animated or variable content on a large sign facing or in a public space shall only be considered for development approval where the local government is satisfied that it:*
 - i) *is compatible with the desired character of the public space;*
 - ii) *will enhance the visual quality of the public space; and*
 - iii) *will make a positive contribution to the public space and its activation, particularly at night.'*

Whilst the sign could potentially be conditioned to comply with the requirements specified in subclauses 1 to 4 of clause 6.8(c)(i)(A), it is ultimately considered that the sign does not comply with the clause as the sign is not oriented for viewing within a public space and is orientated specifically to be viewed by users from the adjacent streets.

In accordance with the provisions of clause 6.8(d), approval of any large variable content sign is subject to Council being satisfied in regards to its potential to being compatible with the desired character; enhancing the visual quality; and appropriately located within or adjacent to a public space, it is considered that the sign does not meet the criteria specified in the clause.

Under the City's Signs Policy 4.6 third party advertising sign content shall only be permitted in limited locations within the City and where it is demonstrated that it will enhance and not adversely affect the visual quality, amenity, vibrancy and safety within the city. Clause 6.6(c)(i)(A) states that a sign shall only be considered where the sign faces or is in a public space within the Entertainment Area, the Retail Core Area, a Town Centre Area or The Terraces Area (as identified in Figure 2) where the sign is oriented for viewing within the space and not from adjacent streets.

The proposal is not considered to comply with the above criteria given that the site does not fall within the specific areas identified under the policy for where third party advertising can be considered. In addition to this, the sign is located on the northern elevation of the building which is primarily viewed from the Hay Street and Elder Street intersection. Therefore it is not located within or facing a 'public space' which has been designed for pedestrians to linger for an extended period of time. The road reserve nor the front setback area of the site meet the intent of the policy in reference to public space which is intended

to be plazas, piazzas and gathering spaces of that nature and not standard street environments as specifically required under clause 6.8(c)(i)(A).

In addition to the above, the policy states that third party advertising content shall not undermine the role of the city as the primary retail, commercial and cultural centre of the metropolitan area and/or state. The applicant has not provided any detail of the types of third party advertising proposed to be displayed on the sign. Should Council choose to support the sign, a condition should be imposed on requiring the sign to displaying only advertisements with high quality graphics and vibrant artistic local content that maintains or improves the visual amenity of the locality and relates to the City and not undermine the role of the capital city. It is also considered appropriate that a condition be imposed restricting the part of the sign occupied by corporate markings, logos, branding or the like occupying a maximum of 10% of the total sign area, which is consistent with other approvals granted by Council.

Based on the above it is considered that due to the non-compliance with the relevant Policy provisions the proposed sign and therefore the development should not be supported. Given the Policy has only recently been revised, it would also be contrary to orderly and proper planning to consider approving a format of sign which is non-compliant with respect to the siting requirements of the Policy. Approval of such a non-compliant proposal is also likely to compromise the future performance of the recently revised Policy and undermine Council's position when considering applications of a similar nature.

Traffic Safety

Clause 6.3 of the Signs policy states that signs should be located so as to:

- “e) not cause a potential distraction to road users or obscure road users’ views of vehicles, pedestrians or potentially hazardous road features;*
- f) not cause confusion with, or reduce the effectiveness of traffic control devices;*
- g) not have technology or mechanisms that facilitate real time communication with pedestrians, unless it is voluntary, or with road users generally. (This is also to ensure the amenity of the public and building occupants.) This includes any interaction, transmission or receipt of data, telecommunication, internet or radio signal; “*

Whilst the proposed signs can be conditioned to comply with clause g), the Council should also be satisfied that clause e) and f) are adequately addressed if the sign is to be supported.

The applicant submitted a Road Safety Assessment in support of the application noting that as the sign is not visible from the state road network and therefore the requirements of the Main Roads WA Advertising Sign Guidelines are not applicable to the proposed sign. Given this, the sign will provide for a minimum dwell time of 45 seconds as per the MRWA Guidelines, and will only feature static advertising, with no flashing, coloured or pulsating lights.

The City's Officers have identified that the sign is located within the intersection exclusion zone as set out in the MRWA Guidelines referring to the close proximity of the sign to the intersection. The location of the sign within this exclusion zone has the potential to distract drivers at a critical time considered to be a high demand decision making area in traffic terms, and will interfere with traffic control devices by distracting the focus of attention of vehicle drivers from traffic signal aspects towards the sign. It is considered the installation of the sign within the proposed location has the potential to contribute to driver distraction

and subsequently increase the number of crashes. The applicant's submission compares statistics of a number of intersections concluding that the installation of similar signs has not resulted in additional accidents. Unfortunately none of these are located in the City and furthermore the specific circumstances of the location with the steep approaching gradient in Elder Street and resulting additional potential of vehicles ahead blocking drivers views of the sign until very close to the intersection still raises significant safety questions and concerns.

Should Council choose to support the proposal, a condition should be imposed relating to restricting the sign to comply with the MRWA requirements in terms of minimum dwell times, text size, lighting levels and content of the adverting message.

Conclusion

The proposed tower structure has been designed to provide an architecturally interesting element to support a large LED third party advertising sign on the subject site. The applicant has been in discussions with tour operators to come up with viable uses for the building in an area where passing pedestrian traffic is otherwise limited. The design of the tower and the proposed uses are considered a beneficial outcome for the site that would otherwise remain a paved area containing a Western Power substation. However, the proposed location of the advertising sign is directly contrary to the City's Signs Policy as the sign is considered to be inappropriately located, being directed towards Elder and Hay Streets and not being in a public space where people gather or linger and where it might contribute to the vibrancy of a gathering space, as intended in the Signs Policy.

It is noted that clause 73 of the 'Deemed Provisions for local planning schemes' allows development approval to be granted for the development for which the approval is sought, except for a part or aspect of that development specified in the approval. Given the above, it is therefore recommended that the application be approved subject to the deletion of the advertising sign and to the other conditions as outlined in the report.



2017/5160 – 30 (LOT 50) ELDER STREET, PERTH - PROPOSED SCULPTURAL TOWER STRUCTURE PROVIDING VARIOUS USES AND FACILITIES AND INCLUDING A VARIABLE CONTENT THIRD PARTY SIGN



**2017/5160 – 30 (LOT 50) ELDER STREET, PERTH - PROPOSED VIEWING TOWER, TOURISM HUB
AND VARIABLE CONTENT THIRD PARTY SIGN AT (MAP)**



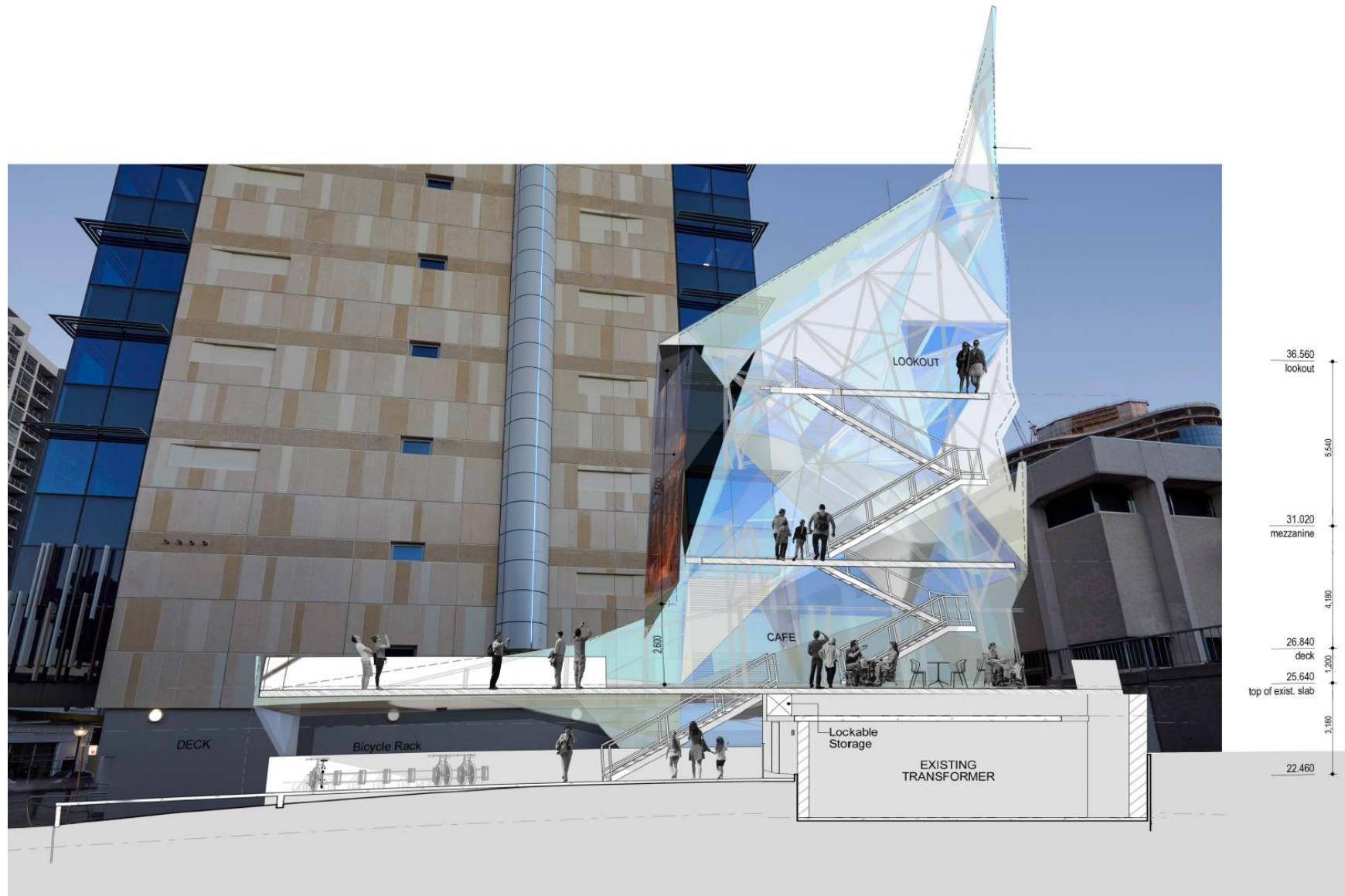
**2017/5160 – 30 (LOT 50) ELDER STREET, PERTH - PROPOSED VIEWING TOWER, TOURISM HUB
AND VARIABLE CONTENT THIRD PARTY SIGN AT (MAP)**



2017/5160 – 30 (LOT 50) ELDER STREET, PERTH - PROPOSED VIEWING TOWER, TOURISM HUB AND VARIABLE CONTENT THIRD PARTY SIGN AT (MAP)



2017/5160 – 30 (LOT 50) ELDER STREET, PERTH - PROPOSED VIEWING TOWER, TOURISM HUB AND VARIABLE CONTENT THIRD PARTY SIGN AT (MAP)



2017/5160 – 30 (LOT 50) ELDER STREET, PERTH - PROPOSED VIEWING TOWER, TOURISM HUB AND VARIABLE CONTENT THIRD PARTY SIGN AT (MAP)

Agenda **35 (Lot 88) Megalong Street, Nedlands - Two 2 Storey Grouped**
Item 8.2 **Dwellings**

Recommendation:

*That in accordance with the provisions of the City of Subiaco Town Planning Scheme No. 4, the Metropolitan Region Scheme and the Planning and Development (Local Planning Schemes) Regulations 2015 - Deemed provisions for local planning schemes, the Council **APPROVES BY AN ABSOLUTE MAJORITY** the application for two 2 storey grouped dwellings as indicated on the Metropolitan Region Scheme Form One dated 11 January 2017 and as shown on the plans received on 28 June and 6 July 2017 subject to:-*

- 1. the development being constructed with high quality and durable materials and finishes and to a level of detailing that is consistent with the elevations received on 28 June 2017, with the final details of the materials, colours and finishes being submitted for approval by the City prior to applying for a building permit;*
- 2. The lot being subdivided in accordance with the proposed indicative subdivision plan, prior to occupancy of the development.*
- 3. air conditioner condensers not being permitted on the balconies, or where they can be viewed from the street and right of way and any proposed external building plant, piping and ducting being located or screened so that they cannot be viewed from the street and to minimise any visual and noise impact on the adjacent developments, with details of the location and screening of such plant and services being submitted for approval by the City prior to applying for a building permit;*
- 4. visual privacy screening being provided to a minimum height of 1.6 metres along the entire southern side of the proposed unit 1 balcony;*
- 5. all stormwater being contained on-site with details of the stormwater drainage being submitted for approval by the City prior to applying for a building permit;*
- 6. in the event of the development not proceeding within six months of the demolition of the existing building on the site, the site is to be aesthetically fenced or landscaped in order to preserve the amenity of the area, prevent unauthorised car parking and reduce dust and sand being blown from the site and maintained in a clean and tidy state to the satisfaction of the City;*

(Cont'd)

7. *prior to the demolition of the existing buildings the works referred to in Condition 5, being secured by a bond/deed of agreement between the landowner/applicant and the City, to the value of the proposed works, with the cost of the deed to be borne by the applicant;*
8. *the existing mature street trees located in the road verge abutting or adjacent to the subject site not being damaged or removed as a result of demolition or development works. If, during the course of the development, any existing street tree is damaged or destroyed, the owner/applicant shall repair or replace the street tree at their cost to the satisfaction of the City with reference to the City's 'Policy No. 20.8 – Street Trees – Planting, Pruning and Removal'.*
9. *a detailed landscaping and reticulation plan being submitted by the applicant to the City for approval prior to applying for a building permit, with the approved landscaping being installed prior to the occupation of the development and thereafter maintained to a high standard;*
10. *the approved side and rear parapet walls and footings abutting the adjacent boundaries being constructed wholly within the subject site, with the external surface of the parapet walls being finished to a high quality standard with details being submitted for approval by the City prior to applying for a building permit; and*
11. *a construction management plan for the proposal being submitted for approval by the City prior to applying for a building permit, detailing how it is proposed to manage:*
 - a) the delivery of materials and equipment to the site;*
 - b) the storage of materials and equipment on the site;*
 - c) the parking arrangements for the contractors and subcontractors;*
 - d) the protection of street trees and other City assets; and*
 - e) other matters likely to impact on the surrounding properties.*

FILE REFERENCE:	DA 2017/5043
SUBURB/LOCATION:	35 Megalong Street, Nedlands
REPORTING UNIT:	Development Approvals Unit
RESPONSIBLE DIRECTORATE:	Planning and Development
DATE:	14 July 2017
ATTACHMENT/S:	Attachment 8.2A – Map and Perspectives
3D MODEL PRESENTATION:	No
LANDOWNER:	A. Kumar
APPLICANT:	Next Residential
ZONING:	(MRS Zone) Urban Zone
	Subiaco Town Planning Scheme No 4. – Hollywood Precinct
APPROXIMATE COST:	\$723,066

Council Role:

- | | | |
|-------------------------------------|----------------|---|
| <input type="checkbox"/> | Advocacy | <i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i> |
| <input type="checkbox"/> | Executive | <i>The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i> |
| <input type="checkbox"/> | Legislative | <i>Includes adopting local laws, town planning schemes and policies</i> |
| <input checked="" type="checkbox"/> | Quasi-Judicial | <i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i> |
| <input type="checkbox"/> | Information | <i>For the Council/Committee to note.</i> |

Legislation / Strategic Plan / Policy:**Legislation**

Planning and Development Act 2005
Metropolitan Region Scheme
City of Perth Act 2016
City of Subiaco Town Planning Scheme No. 4

Policy

Policy No and Name: State Planning Policy 3.1 Residential Design Codes
 City of Subiaco Planning Policy No. 4.11 Hollywood Precinct Policy

Purpose and Background:

This application was proposed to be conditionally approved under Officer Delegated Authority. An Elected Member request was made for this matter to be referred to Council for determination.

The site is 35 (Lot 88) Megalong Street, Nedlands which is 490.5m² and is located on the western side of Megalong Street approximately 85metres north of St Catherines Student Residential College and Park Road. On the western side the site has access to a laneway. Directly abutting to the south of the site is the five unit 'Winthrop Gardens' residential complex and directly across Megalong Street is the fifteen unit 'Blenheim Close' residential complex. The character of the area is generally one and two storey residential buildings with Megalong Street presenting the primary street with buildings generally setback from the front boundary, whilst the laneway includes a mix of structures including one and two level residential buildings, garages, carports and outbuildings or walls with varying including nil setbacks.

Details:

Approval is sought for the demolition of an existing single storey dwelling and outbuildings and construction of two grouped dwellings on the subject site. The grouped dwellings are proposed to each comprise two levels and be constructed of rendered brick and Colorbond roofing. Each dwelling will be provided with separate frontages, with Unit One facing Megalong Street and Unit Two fronting onto the right of way to the west (rear).

Compliance with Planning Scheme:

Under the provisions of the *City of Perth Act 2016*, the City is responsible for determining applications for development within specific areas that were formerly under the control of the City of Subiaco. The property is located within the 'Hollywood Precinct' under the City of Subiaco Town Planning Scheme No. 4 (TPS4) and is zoned 'Residential - R50'. 'Grouped Dwellings' is a 'permitted' (P) use within the Residential – R50 zone under TPS4.

The proposal has been assessed in accordance with the relevant provisions of TPS4, the Residential Design Codes of Western Australia (R-Codes) and the Hollywood Precinct Policy. The proposal's compliance is summarised in the table below.

Development Standard	Required	Proposed
Density (site area/dwelling)	160m ² (minimum) 180m ² (average)	190.25m ² (minimum) 231.37m ² (average)
Building Height	6 metres (wall height) 9 metres (roof height)	5.7 metres (wall height) 8.2 metres (roof height)
Street Setback Megalong Street (east)	 3.3 metre minimum and average setback (prevailing street setback)	 3.5 metres (minimum) 4.1 metres (average)
Boundary Setbacks <u>Side (north)</u> - Ground Floor Unit 1 Unit 2 - First Floor Unit 1 Unit 2	 1.5 metres 1.6 metres where no major openings, 3.5 metres to major openings 1.5 metres (no major opening) 1.5 metres (no major	 1.55 metres 2.1m to no major opening and 4.05 metres to major openings 1.55 metres 2.1 metres

Development Standard	Required	Proposed
<u>Side (south)</u> - Ground Floor Unit 1 Unit 2 - First Floor Unit 1 Unit 2 <u>Rear (internal)</u> - Ground Floor Unit 1 Unit 2 - First Floor Unit 1 Unit 2 Rear (Right of Way)	opening)	
	1.5 metres	1.05 metres to 1.5 metres.
	1 metre where no major openings, 1.5 metres to major openings.	1 metre where no major openings, 1.5 metres to major openings
	Upper floor 1.5 metres	Balcony 1.55 metres, remainder upper floor rest of upper level 1.5 metres
	1.5 metres required	1.5 metres (no major openings)
	1 metre where no major openings, 1.5 metres to major openings.	1 metre where no major openings, 1.5 metres to major openings.
	1 metre where no major openings, 1.5 metres to major openings.	Nil (boundary wall) to 2.1m where no major openings, 4.05m to major opening.
	1.5 metre where no major openings.	8.1 metres.
	1.2 metre where no major openings.	3.4 metres.
	3.1 metres	1.5 metres (minimum) 1.95 metres (average)
	Boundary walls permitted to one boundary only	Parapets to two boundaries and rear internal boundary
	3 metres in height (average)	3.1 metres – rear boundary wall, 2.6 to 3 metres – to eastern and western boundaries.

Development Standard	Required	Proposed
	Up to two-thirds (22.75 metres) length of boundary to one boundary (maximum)	13.78 metres to side boundaries, 5.69 metres to rear internal boundary
Open Space	40% of site (minimum)	41.25% to Unit 1 38.2% to Unit 2
Outdoor Living Area	16m ² (minimum) with minimum 2/3 without cover	Unit 1 - 22.3m ² with 10.8m ² covered (complies) Unit 2 – 16.5m ² with no coverage
Parking	2 bays per dwelling	2 bays per dwelling
Visual Privacy (upper floors setback in direct line of sight)	Unenclosed active habitable spaces/balconies – 7.5 metres	Unit 1 balcony – 1.55 metres in lieu of 7.5 metres

The variations highlighted (in bold) in the above table have been assessed and may be approved in accordance with the 'Design Principles' provisions of the R-Codes and in accordance with clauses 28 and 42A of TPS4 in considering the relevant matters under clause 67 of the Planning and Development (Local Planning Schemes) Regulations Deemed Provisions for local planning schemes and are discussed below.

Comments:

Consultation

Given the proposed variations to the R-Codes development standards and Hollywood Precinct Policy, the proposal was advertised for a period of 21 days to the owners and occupants of 24 surrounding properties. These included the owners and occupants at 34 Kanimbla Road, 33 Megalong Street, Unit 1s to 15/36 Megalong Street and Unit 1-7 39 Megalong Street, Nedlands.

Four objections were received with the concerns raised summarised below:

1. The additional two storey dwelling will block out the sunlight, air ventilation and result in heat in summer. The development will result in a view of a huge uninteresting wall with the design of the dwelling not aesthetically appealing and stock standard suburban and boring;
2. Should this development be approved, the west-facing upper floor windows should have screening to reduce the gross overlooking of houses across the laneway;
3. The development will not preserve or enhance the character or amenity of the area, rather it would detract from it which is against the planning framework and we would consider that maximisation of profit was being given considerable priority over the amenity to the area and its enjoyment by existing residents;
4. There is a lack of landscaping and open space on the whole property;
5. The proposal will result in cramming as much low cost residential accommodation onto the block as possible. There is already adequate low cost accommodation in the

area. By allowing development of the kind the City of Perth would be encouraging and promoting high density low cost accommodation in a high-value residential area which could start to make the area look like a type of “student ghetto”;

6. The City of Perth should take the opportunity to improve the quality of the development in our precinct and not to continue to allow some of the poorly designed, low cost accommodation that has been built recently;
7. The development will place high, bulky and overlooking buildings into a low-density, single-storey residential neighbourhood;
8. The rear building of the proposal does not comply with the setback requirements for its street frontage (the laneway) with the minimal setback of 1.5 and 2.1 metres at both the ground and upper floor. We believe this variation is overbearing in the context of the neighbouring properties;
9. The proposed development treats the west side of Lot 2 along the right of way as if it is the primary street front and front of the dwelling, but ignores the setback requirements that apply to street frontage and building fronts.
10. The variation to the upper floor creates unacceptable bulk and overlooking problems for the neighbouring properties;
11. Object to the City’s interpretation of the location of the upper floor portion of the dwelling, and believe that the upper floor portion of the dwelling should be located in the middle of existing parent lot;
12. The non-compliant second story in combination with a setback variation significantly detracts from the “residential amenity” that we experience at 34 Kanimbla Road, specifically the proximity and overall bulk of the building.

With regards to point 1, the development complies with the overshadowing provisions of the R-Codes which sets out requirements for solar access to adjoining lots. In addition to this, with the exception of a portion of the southern setback to Unit 1, the development generally complies with the required side setbacks which are deemed to allow for adequate ventilation to adjoining lots.

The R-Codes and the Hollywood Precinct Policy also do not dictate requirements for architectural style within the area, and as such the development is considered acceptable in design. A condition should, however, be imposed on any approval granted requiring final details of the finishes of the dwelling to be submitted and approved, with high quality and durable materials being utilised.

It should be noted in relation to point 2, that with the exception of the balcony to Unit 1 (which is discussed later in this report) the development complies with the overlooking provisions of the R-Codes. The R-Codes do not dictate landscaping requirements, rather minimum open space requirements.

It is noted that the objectors have concerns that the development will be low cost, low quality housing that will result in adverse detrimental impacts on the amenity of the area , It is not evident from the estimated cost of the development or from the housing designs and materials that this will be a standard of housing that would be differentiated from, or incompatible with, the surrounding housing stock. The owner has confirmed that it is intended that they and other family members will retain ownership of the two houses.

The objections are discussed further in the relevant sections of this report.

Design Advisory Committee

In consideration of the scale and nature of the proposed development the matter was not referred to the Design Advisory Committee, noting variations were not sought regarding design elements or plot ratio. The City's Officers have provided architectural and design advice, which was taken into consideration by the applicant in minor design modifications.

Building Height and Setbacks

Street and Right of Way Setbacks

The proposed setback to Megalong Street of 3.5 metres (minimum) and 4.1 metres (average) for Unit 1 is supported on the basis that it is considered to be compliant with the primary street setback requirements being 3.3 metres minimum and with the average setback being the prevailing street setback.

The setback of Unit 2 to the right of way can be considered to be a rear setback rather than a primary street setback, which permits a 3.1 metres setback from the boundary. This is only relevant to the dwelling but not to other structures including garages, or a 'granny-flat'. It is noted that there are currently such ancillary structures located on nearby lots close to the rear lot boundaries along the right of way. In terms of considering a rear setback the distance between the dwellings would be a minimum of $3.1 \times 2 = 6.2$ metres.

Noting Unit 2 is a minimum of 1.5 metres (average 1.95 metres) from the right of way boundary and noting the 4metre width of the right of way the same setback applied to lots opposite the right of way results in a separation between the dwellings of a minimum of 7 metres and average 7.9 metres which is more than the rear setback of 6.2metres would achieve (where there was no right of way).

Given the above considerations the proposed setback to the right of way is considered an acceptable outcome.

Side and Rear Boundary Setbacks

The proposed setback variation to the Unit 1's southern boundary is limited to an 8 metre portion of the building where the kitchen window is located, which is required to be setback 1.5 metres. The 1.5 metres setback is required to minimise the building bulk, provide adequate access to sunlight and minimise the extent of overlooking and resultant loss of privacy on adjoining properties. Given this, a 1.8 metre high boundary fence exists between the properties, which would provide screening to the adjacent property and reduce any loss of privacy for the adjacent dwelling. The portion of the dwelling with the reduced setback is limited to single storey, which will reduce the potential impact of the building bulk whilst still allowing for adequate sunlight penetration into the adjoining site (noting the development complies with the required overshadowing provisions of the R-Codes). The variations are therefore supported on this basis.

Boundary walls are proposed to two of Unit 2's lot boundaries in lieu of one as prescribed by the R-Codes. It is noted the side (north) boundary wall complies with height and length requirements. However the rear (east) boundary wall includes a minor height variation of 0.1 metres to the average requirement. The rear boundary wall is internal to the

development, abutting unit 1 and as such will not have an impact on the adjacent properties and can be supported.

Upper Floor Location

The Hollywood Precinct Policy requires the upper floors of the primary dwelling on a lot to be setback from the primary street as follows:

- a) to be located within the middle third of the lot; or
- b) to be contained within the line of sight; or
- c) to be wholly contained within the roof space.

The intent of the above is to maintain the predominant single storey building form to the primary street. If the standard is to be varied, Council is to have due regard to:

- a) the established neighbourhood character, particularly with respect to scale in terms of height and building bulk;
- b) whether the proposed development is consistent with the scale of development, in terms of height and building bulk, of the surrounding area; and
- c) the visual impact of the upper floor as viewed from the street.

It is considered appropriate to apply the policy to the two proposed lots (each containing one dwelling) rather than the current single lot. The upper floor protrudes beyond the middle third of the site with Unit 1 projecting beyond the middle third by 3.17 metres which results in a upper floor setback of 5 metres to the Megalong Street. The upper floor of the dwelling is setback between 1.5 to 2.4 metres (balcony) from the ground floor to provide a separation between the ground and upper floor of the dwelling, and to reinforce the ground floor presence of the dwelling and reduce the visual impact of the upper floor of the dwelling.

The proposed Unit 2 upper floor protrudes beyond the middle third by 2.1 to 2.7 metres which results in a setback of 5 to 6.8 metres from the right of way. The upper floor of the dwelling is setback between 0.9 to 1 metres from the ground floor to provide a separation between the ground and upper floor of the dwelling to minimise the impact of the bulk of the building. The intent of the clause is to ensure the upper floor of the dwelling does not have an adverse impact on the streetscape. The right of way has no established streetscape, with a number of two storey developments abutting the right of way with a setback within 2 metres of the boundary. As such, the proposed reduced upper storey setback is considered acceptable in terms of bulk and impact on the streetscape.

In addition to this, south of the proposed development there is an existing two storey unit development which has a setback of 8 metres to Megalong Street (which houses carports, at grade parking and outdoor living areas for the dwellings) and 2.5 metres to the right of way.

The proposed development is located directly adjacent to area four of the Hollywood Precinct Policy, which does not dictate additional restrictions to the location of the upper floor of development. The redevelopment of this site could result in a two storey development being setback 2 metres from Megalong Street. Therefore the reduced setback of the upper floor development is considered acceptable for a transitional arrangement between the adjacent development requirements.

Open Space

The development is seeking a 0.2% variation over the overall development for open space provisions. This equates to a building area of 1 metre square over the two lots. It is not

considered that the additional floor area will have a detrimental impact on the adjoining lots. Given each dwelling complies with the minimum outdoor living areas required under the R-Codes, it is considered that this variation can be supported.

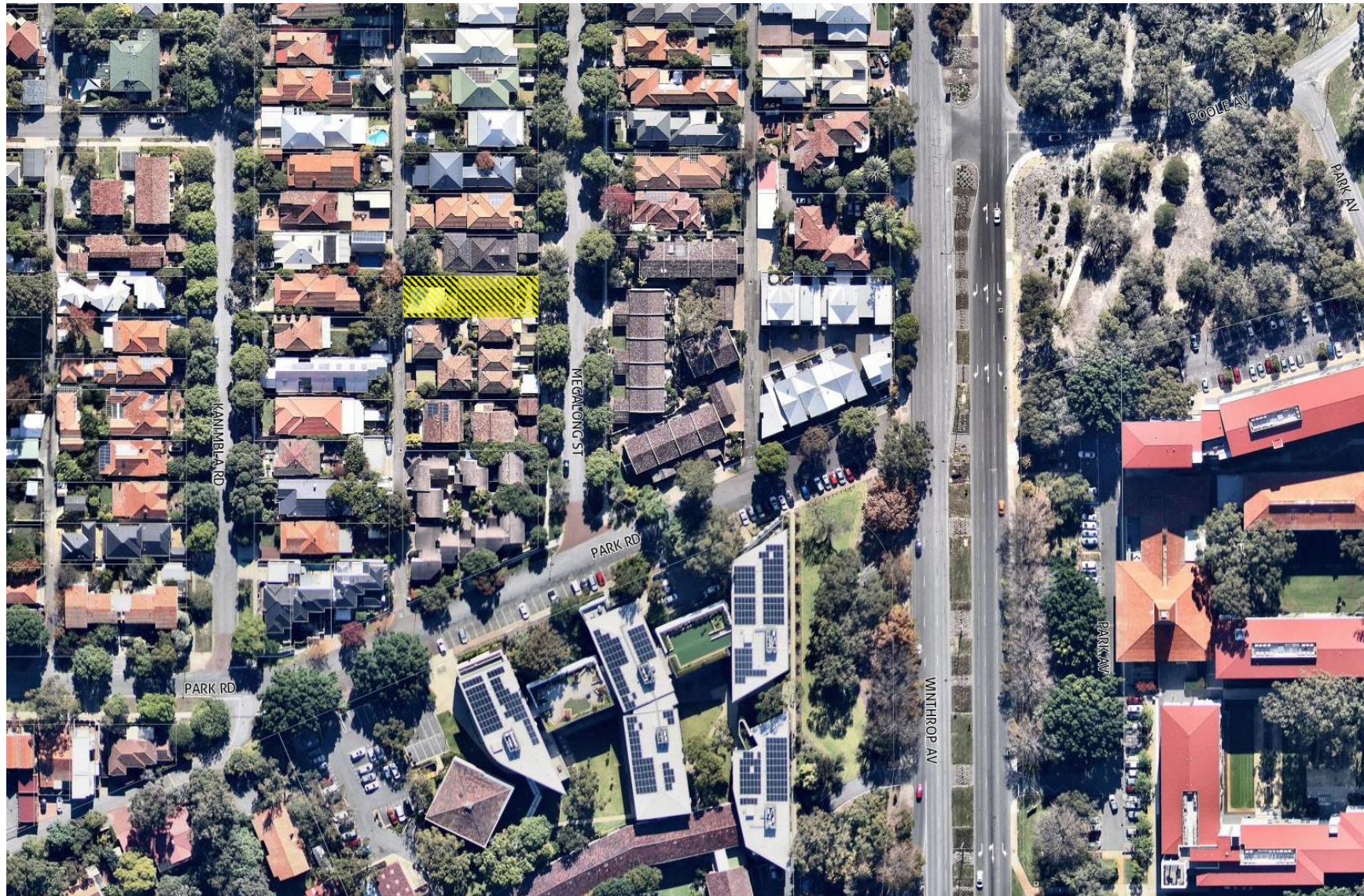
Visual Privacy

Unit 1 has a balcony setback 1.5 metres from the southern boundary in lieu of 7.5 metres required under the R-Codes. The proposed variation was referred to the adjoining landowners for comment with no submissions being received from the affected landowners regarding the specific variation. The setback variation is considered to have a potential negative impact on the amenity of the outdoor living area to the adjoining building and it is considered appropriate to impose a condition on any approval granted requiring screening to a height of 1.6 metres to be provided to the southern side of the balcony to restrict visual overlooking directly into the adjoining lot.

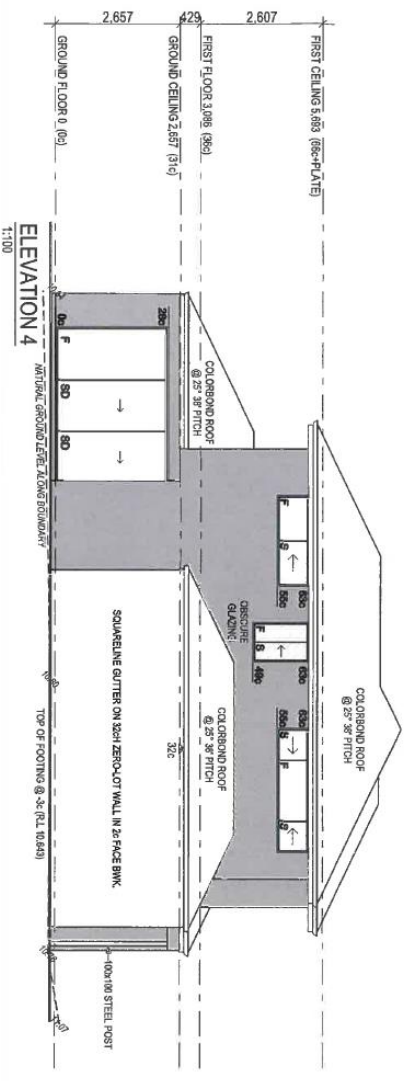
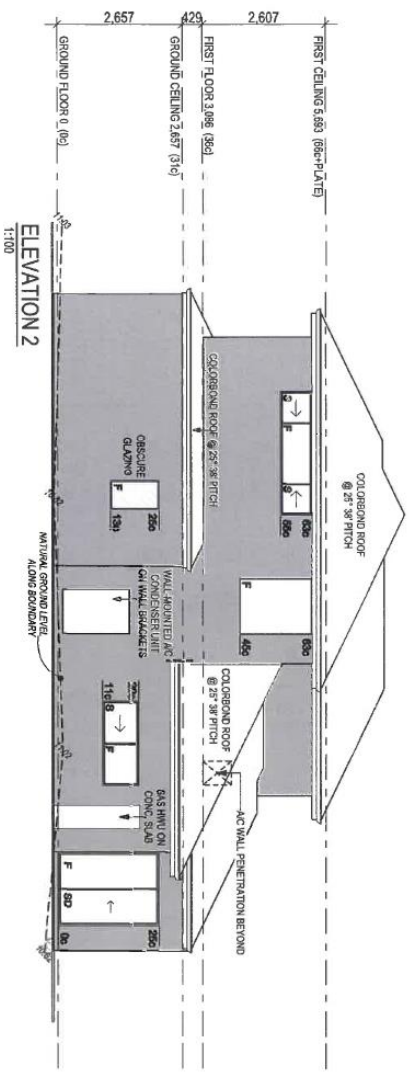
Conclusion

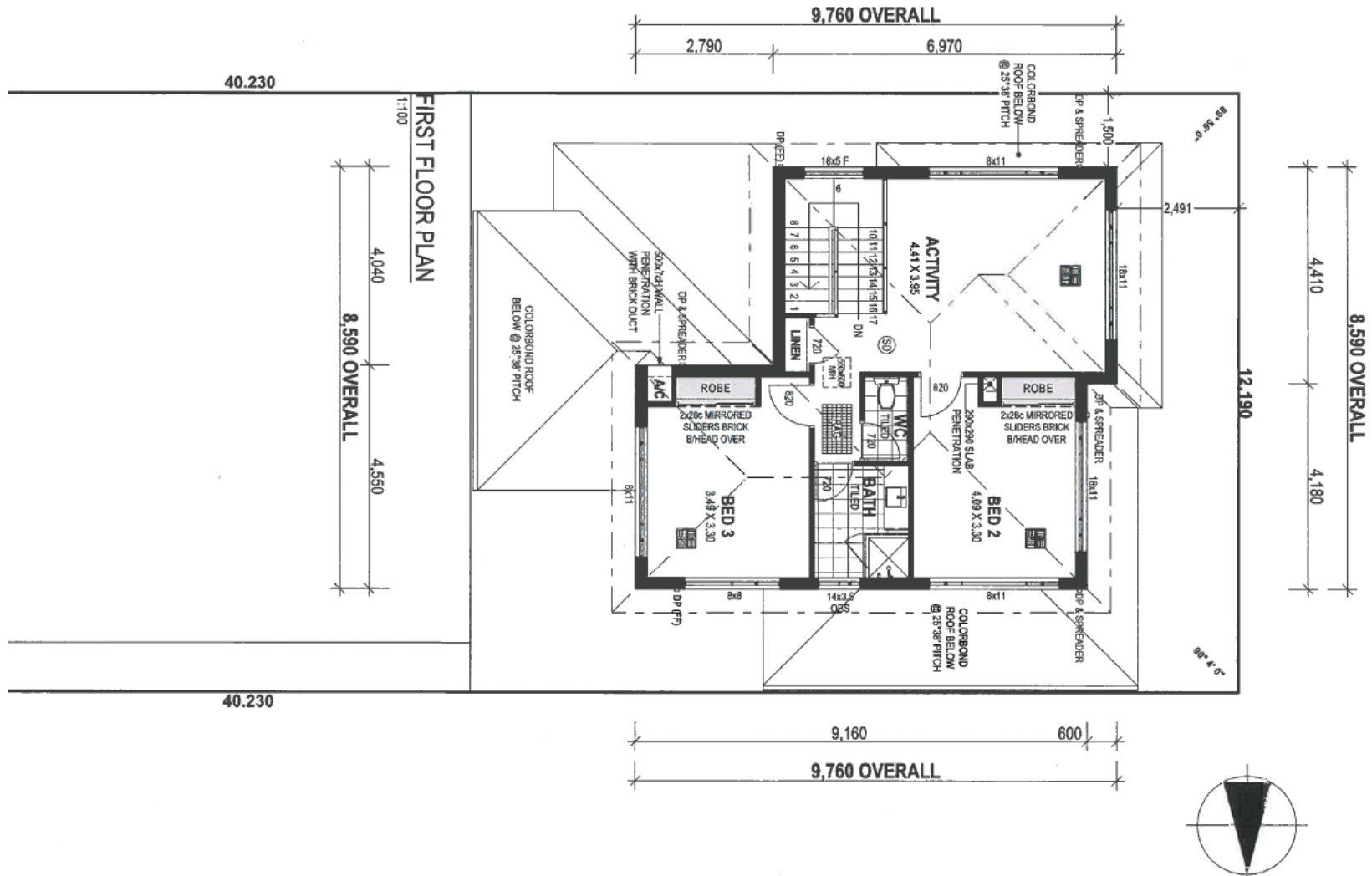
The site is located at the boundary of two policy areas to which different development standards apply. This locality, while characterised by predominantly single storey houses, also contains two storey dwellings on both sides of the street, particularly to the south of the site, with larger scale student housing nearby. The objections raised by the neighbours have been taken into account, however, the proposed development is generally consistent with the objectives of the TPS4 Residential – R50 zoning and the design requirements of the R Codes. Whilst some variations are proposed to the upper floor location, setback and other design standards of the R-Codes, it is considered that these can be supported as it has been assessed that these variations will not have an adverse impact on the character of the locality, on the streetscape or on adjacent development.

Given the above, it is recommended that the proposed development be supported subject to relevant conditions.



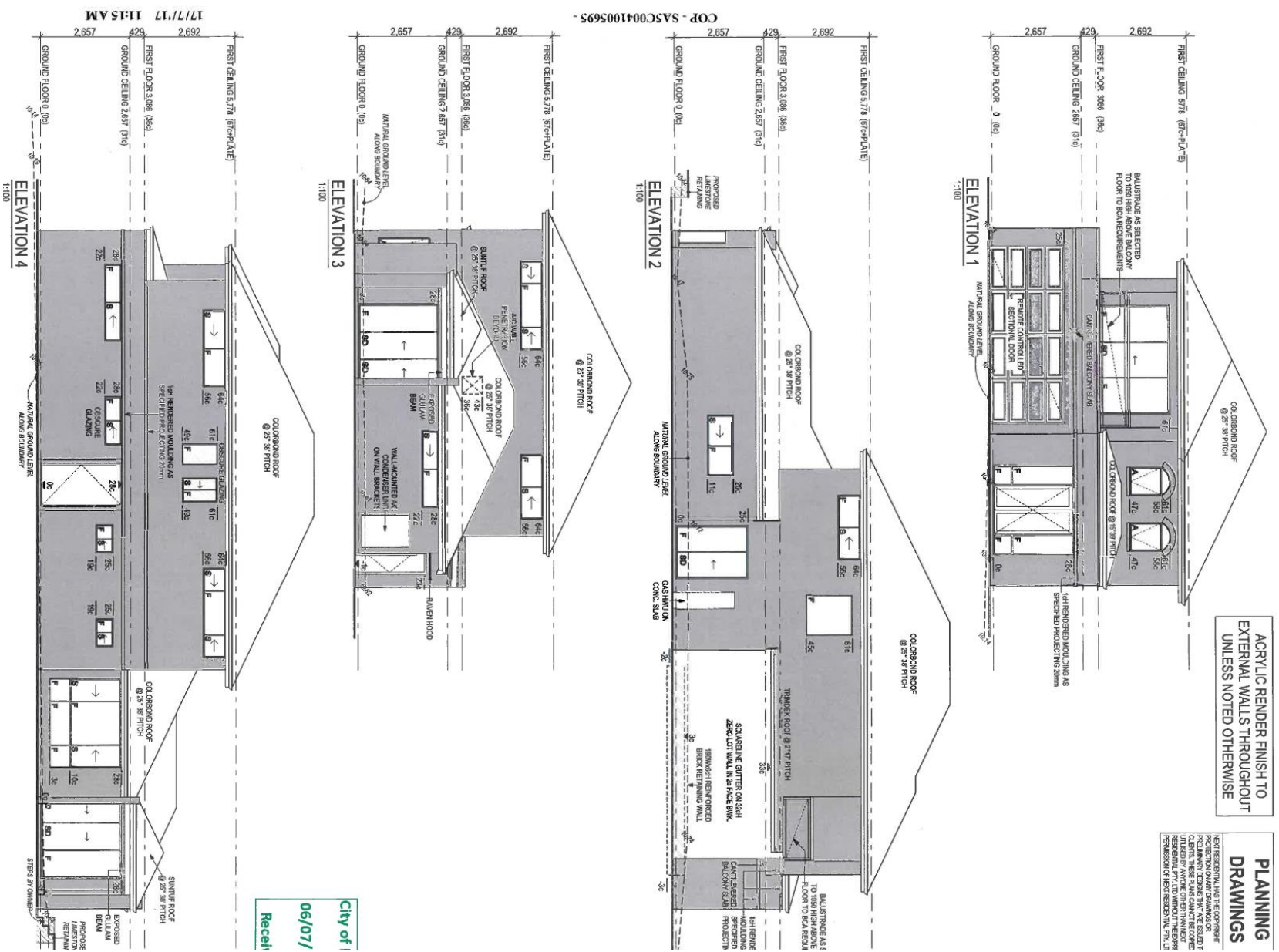
2017/5043 – 35 (Lot 88) Megalong Street, Nedlands - Two 2 storey grouped dwellings







2017/5043 – 35 (Lot 88) Megalong Street, Nedlands - Two 2 storey grouped dwellings – Unit 1









2017/5043 – 35 (Lot 88) Megalong Street, Nedlands – Current view from Megalong Street



2017/5043 – 35 (Lot 88) Megalong Street, Nedlands – Entry to lane heading north



2017/5043 – 35 (Lot 88) Megalong Street, Nedlands – View of lane heading north



2017/5043 – 35 (Lot 88) Megalong Street, Nedlands - View of lane heading north



2017/5043 – 35 (Lot 88) Megalong Street, Nedlands - View of lane heading north



2017/5043 – 35 (Lot 88) Megalong Street, Nedlands – View adjacent from site of the lane to the south

Recommendation:***That Council:***

1. ***APPROVES the extension of the Trial Improvement Model applied to Barrack Street (2014 – 2017) to the areas of Barrack Street, Hay Street, Murray Street and Pier Street identified in Attachment A and Confidential Attachment 8.3D;***
2. ***provides APPROVAL for the grants and improvements shown in the Preliminary Improvement Snapshot (Confidential Attachment 8.3D), to commence formal negotiation, grants, incentives and compliance activities in the 2017/18 financial year; and***
3. ***NOTES that the grants identified under the Preliminary Improvement Snapshot (Confidential Attachment 8.3D) will require separate application to and consideration of Council, in accordance with Council Policy and Guidelines.***

FILE REFERENCE:	P1027658
SUBURB/LOCATION:	Perth
REPORTING UNIT:	Economic Development and Co-ordination & Design
RESPONSIBLE DIRECTORATE:	Economic Development and Activation Planning and Development
DATE:	3 June 2017
ATTACHMENT/S:	Attachment 8.3A - Location Plan East End and Improvement Area Attachment 8.3B - Recent and Programmed Private Investment Attachment 8.3C - Current and Programmed Public Realm Enhancement Projects Confidential Attachment 8.3D - Preliminary Improvement Snapshot (Confidential Attachments distributed to Elected Members under separate cover)

Council Role:☐

Advocacy

When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.

☒

Executive

The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

- | | | |
|--------------------------|----------------|---|
| <input type="checkbox"/> | Legislative | <i>Includes adopting local laws, town planning schemes and policies</i> |
| <input type="checkbox"/> | Quasi-Judicial | <i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i> |
| <input type="checkbox"/> | Information | <i>For the Council/Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation Section 2.7(s)(b) of the *Local Government Act 1995*
 Building Act 2011
 Local Government Act 1995
 City of Perth Act 2016
 Planning and Development Act 2005
 Health Act 1911

Policy

Policy No and Name: 1.2 - Community Consultation
 1.3 - Community Participation
 2.3 - Graffiti Treatment
 6.1 - Heritage Grants
 6.5 - Hay Street – Colonnading
 9.2 - Heritage Rates Concessions
 18.13 - Sponsorship
 18.15 - Grants

Purpose and Background:

The East End of the City, bounded by Barrack Street, Wellington Street, Hill Street and St Georges Terrace, is an evolving neighbourhood that has attracted significant interest through public and private investment.

The purpose of this report is to seek endorsement to coordinate and extend the City's trial Improvement Model for Barrack Street 2014 – 2017 (endorsed in 9 December 2014) to apply to the street block Barrack, Murray, Hay and Pier Streets, and interfacing areas (Improvement Area), using Council's existing Budget and Grants, and within Council's legislative framework, to deliver desired improvements in the area (Refer Attachment 8.3A).

The expansion of the Barrack Street Improvement Model will respond to the area's ongoing regeneration and the East End's strategic importance to the City.

Location and Context:

The East End is strategically located directly adjacent the core of the City (Elizabeth Quay, Hay and Murray Street Malls, the Central Train Station and the Cultural Precinct). It connects the City to redevelopment areas on the eastern riverfront including Perth Stadium, Waterbank, and the broader Riverside precinct, expected to accommodate a population of 7,000 people once these developments are complete.

The area is defined by several strategic anchor points, including Cathedral Square, Royal Perth Hospital, major religious institutions, hotels, educational institutions, and office, commercial, civic and residential developments.

Large portions of the precinct are subject to Heritage Listings including the Town Hall, the State Buildings, Perth Mint and the Government Printing Office.

The area also contains a relatively small number of overall landowners and a significant amount of government owned land (32.4%), as outlined below:

- Precinct area: 38.5ha;
- Crown road reserves: 11.2ha;
- Titled land parcels: 27.3ha;
- Government owned titled parcels: 8.82ha (32.4%);
- 66 sites (parent title parcels) and approximately 50 land owners (parent entities), being considerably less than other highly fragmented areas of the City;
- Three (3) freehold properties with no restrictions owned and managed by the City of Perth totalling 5,840sqm (337 / 347 Wellington Street - Gas Works and The Garage Car Park) and 1-13 Murray Street (Fire Station Car Park); and
- One (1) freehold property with restrictions owned by the City of Perth of 3,186sqm (CPP Pier Street car park);

The locality has been subject to significant private investment in the last decade, with more than \$2 billion in major developments either completed, under construction or approved (refer Attachment 8.3B).

The City has also invested significantly in the locality and its entry points, including \$61 million in the Cathedral Square Revitalisation, which includes the new City of Perth Library. A full list of completed, commenced or programmed works is outlined in Attachment 8.3C – Current and Programmed Public Realm Enhancement Projects.

Another capital program with a focus on the East End is the City's Urban Forest Plan. Projects such as the Hay Street Mall revitalisation and Wellington Square enhancement will be undertaken directly adjacent the East End neighbourhood and contribute to its ongoing regeneration.

Administration recently reviewed the City's current Policy and frameworks in response to proposals to enhance the public and private realm in the East End. The review incorporated legal advice on private entities operating in the public realm, and the City's ability to provide sponsorships, donations and grants to these types of entities. The outcomes of this work were presented to a full Council Briefing on 28 June 2017.

At this briefing, it was proposed that the extension of the existing Barrack Street Improvement Model was an appropriate mechanism available to the Council to facilitate private realm enhancements to the City's East End.

Improvement Model – Barrack Street

The eastward extension of the Improvement Program from Barrack Street is a natural progression for the trial project (which ends in December 2017) and complementary to the Hay Street Mall Activation and Revitalisation Plans.

The trial 'Improvement Model' targeted existing grants programs and business incentives for buildings interfacing with the \$5 million Barrack Street two way works, which were completed in November 2015. Collaboration with the private sector to leverage City enhancements is a key aspect of the City's Corporate Business Plan. To date, this approach on Barrack Street has resulted in the City investing \$334,498 in the private realm generating \$4,161,824 of private investment across 19 sites via its grants framework.

It is envisaged that a staged approach to East End could be applied, instigating a progressive uplift of the area's appearance and business competitive advantage, as has been achieved in Barrack Street.

Strategically, the trial model and intervention on Barrack Street responded to programmed private investment including Elizabeth Quay and the State Buildings. Similar investment can be leveraged in the East End, such as the City Library, The Westin Hotel (under construction) and Fragrance Group hotel proposal.

Preliminary Improvement Snapshot

Confidential Attachment 8.3D outlines the "Preliminary Improvement Snapshot" provided for Council's 'in principle approval' to commence negotiations with owners and businesses seeking the immediate uplift of the locality (a commensurate approach to that endorsed by Council in December 2014 for Barrack Street). It also notes where those opportunities sit within the current policy and budget framework.

This approach provides a proactive way for the City to focus its broad grants framework to provide uplift and activation of a particular locality, while concurrently supporting activities in the private realm.

A specific improvement fund of \$50,000 has been included in the 2017/18 financial year budget set aside for 'East End' Business Improvement Grants. This does not prevent the further application of funding via other existing programs.

Metrics and Review

A three year trial of the East End Improvement Model is proposed, with annual and intermittent reporting providing updates and presenting opportunities for Council's consideration (commensurate to Barrack Street).

A sophisticated approach to the City's capital and grants expenditure, particularly around streetscape improvements, evaluates the aesthetic, social and economic benefits of the investment. Base line and post implementation data assessment will focus around the following areas:

- Gross leasable area / value;
- Vacant floor space;
- Gross rental value;
- Total number of vacant tenancies;
- Day / night time economy – opening hours;
- Land use mix (changes);
- Ground floor activation assessment;
- Crime / antisocial behaviour (perception survey);
- Maintenance of identified cultural business diversity;
- Survey of landowners and tenants; and
- Pedestrian count(s);

These metrics will be reported to Council to examine the impact of the Improvement Model.

Financial Implications:

ACCOUNT NO:	CL 43 245 000 (<i>Economic Development Other</i>)
BUDGET ITEM:	Economic Services – Other Economic Services – Economic Development Program – Business Grants
BUDGETED AMOUNT:	\$50,000
AMOUNT SPENT TO DATE:	\$ 0
PROPOSED COST:	\$50,000
BALANCE REMAINING:	\$0

This report introduces no new budget considerations. The City has budgeted \$50,000 under the Business Grants framework in the East End within the 2017/18 financial year.

The maximum budget implication, including alternative funding options through existing grant programs is approximately \$150,000, assuming a 100% stakeholder response, which is unlikely (refer Confidential Attachment 8.3D). Larger scale heritage building improvement may alter this figure for marquee outcomes, subject to funding availability.

Conclusion:

A sophisticated governance model includes close collaboration with the private sector, to leverage city enhancement, as acknowledged by the City's Vision 2029+ Strategic Community Plan. This approach supports appropriate forward planning of major projects, and maximises the impact of that investment.

The extension of the City's trial Improvement Model for Barrack Street 2014 – 2017 to apply to the street block Barrack, Murray, Hay and Pier Streets, and interfacing areas (Improvement Area), is considered the most appropriate and sophisticated method the City can apply to assist with the revitalization of Perth's East End. The model will use existing budget, grants and legislative framework to provide immediate uplift to the area.

The uplift offered by an extension to the trial model will leverage the concurrent State Government and private sector investment, with an initial focus on the Barrack, Murray, Pier and Hay Street block.

Location Plan | East End and Improvement Area

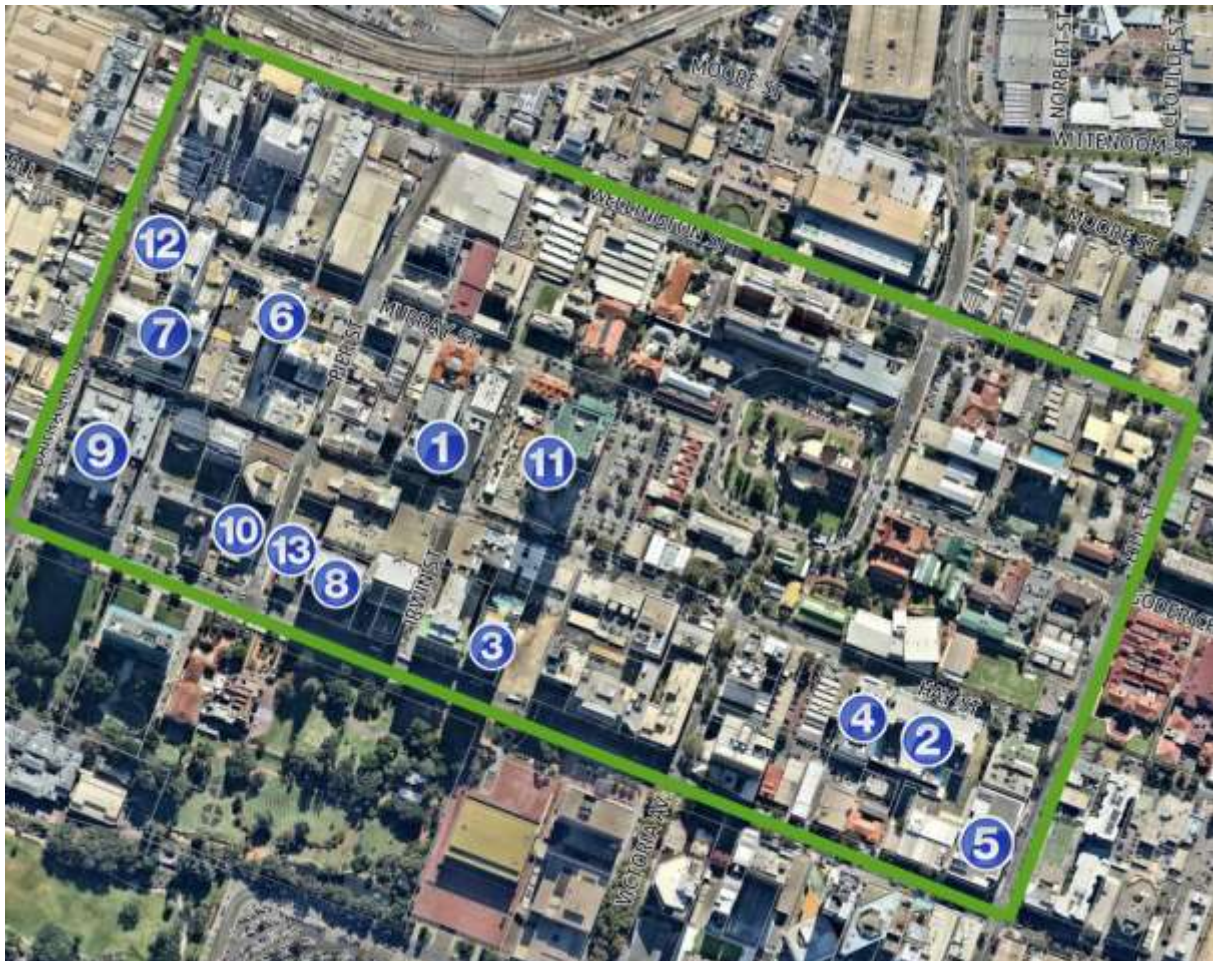


— East End

— Improvement Area

Recent and Programmed Private Investment

- 1) District Court 495 – 508 Hay Street (\$195m - 2008)
- 2) Royal Apartments 369 Hay Street (\$32m – 2009)
- 3) Condor Tower 471 Hay Street – (\$40m 2009)
- 4) Domus Apartments 375 Hay Street (\$30m - 2008)
- 5) Eni House 226 Adelaide Terrace (\$140m – 2010)
- 6) Zenith City Centro Residential Tower 100 – 105 Murray Street (\$43m – 2011)
- 7) Equus 580 Hay Street (\$280m - 2011)
- 8) Golden Square 32 St Georges Terrace (\$100m - 2015)
- 9) Treasury Buildings and David Malcolm Justice Centre (\$580m – 2016)
- 10) Church House 8 Pier Street (\$14m – 2017)
- 11) Westin Hotel and surrounds 480 Hay Street (\$500m – under construction)
- 12) Former Greater Union site Hotel 133-141 Murray Street (\$22m – under construction)
- 13) Fragrance Group Hotel 10-14 Pier Street (\$100m – approved)



Attachment C - Current and Programmed Public Realm Enhancement Projects

Completed projects from 2014:

Project	Details	Cost	Completed
Murray St Two-way Conversion	Two-way conversion and bike infrastructure – Barrack to Irwin Street	\$533,249	2014
St Georges Terrace / Barrack Street Footpath	At the request of FJM Property the City agreed to fund the upgrade of the footpath to granite on the corner of St Georges Terrace and Barrack	\$1,914,259	Nov 2015
Minor Urban Interventions	Murray Street bird cage swings and Hay Street outdoor dining room	\$175,188	June 2015
Barrack Street enhancement	Enhancement including two-way street conversion and bike infrastructure – St Georges Tce to Wellington Street	\$4,497,376	Nov 2015
City of Perth Library / Cathedral Square Revitalisation	Works to the public realm and development of the multi award-winning City of Perth Library	\$61,000,000	2016
TOTAL		\$68,120,072	

Capital projects over the next 10 years include:

Project	Details	Budget	Delivery
McLean Lane Enhancement	New surface treatment, drainage, public art and lighting	\$1,400,000	August 2017
Feature lighting projects	New feature lighting to Murray Street bird cage swings and Hay Street outdoor dining room	\$73,000	August 2017
CCTV Network Expansion	New cameras in McLean Lane, Pier Street & Wellington Reserve	\$98,150*	August 2017
New street furniture	Roll out throughout the central city area including the east end	\$50,000	From September 2017
Minor Urban Interventions	Small interventions to focus on place activation	\$150,000	June 2018
St Georges Terrace Lighting	Upgrade of lighting from Barrack to Irwin Street	\$1,170,000	June 2018
St Georges	Upgrade of lighting from Irwin to Victoria	\$1,080,000	June 2019

Terrace Lighting	Ave		
Hay Street – Pier to Victoria	Masterplan approved 2014. Two-way conversion and streetscape upgrade. Includes lighting upgrade from Barrack to Victoria Avenue	\$2,000,000	2018/19
Concert Hall Forecourt	Enhancement of the northern forecourt	\$2,700,000	June 2019
Pier Street Enhancement	Streetscape upgrade.	\$1,400,000	June 2019
Irwin Street Enhancement	Streetscape upgrade.	\$1,000,000	2019/20
Victoria Square	Two-way conversion and ‘forecourt’ to the square	\$3,200,000	2021/22
Murray Street	Two-way conversion – Pier to Irwin	\$2,050,000	2021/22
TOTAL		\$16,371,150	

*Funding from Australian Government’s Safer Streets program

All figures quoted are exclusive of GST

CONFIDENTIAL ATTACHMENT 8.3D
ITEM 8.3 – EAST END – APPLICATION OF IMPROVEMENT MODEL

FOR THE PLANNING COMMITTEE MEETING

25 JULY 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

**Agenda
Item 8.4**

Exemption to Policy 1.6 – Commemorative Works

Recommendation:

That Council APPROVES an exemption to Policy 1.6 – Commemorative Works, to allow an additional star to be added to the Fashion Walk of Fame in King Street, Perth.

FILE REFERENCE:	151582/2017
REPORTING UNIT:	Arts, Culture and Heritage
RESPONSIBLE DIRECTORATE:	Economic Development and Activation
DATE:	13/7/17
ATTACHMENT/S:	Nil

Council Role:

- | | | |
|-------------------------------------|----------------|---|
| <input type="checkbox"/> | Advocacy | <i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i> |
| <input checked="" type="checkbox"/> | Executive | <i>The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i> |
| <input type="checkbox"/> | Legislative | <i>Includes adopting local laws, town planning schemes and policies</i> |
| <input type="checkbox"/> | Quasi-Judicial | <i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i> |
| <input type="checkbox"/> | Information | <i>For the Council/Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Policy

Policy No and Name: 1.6 – Commemorative Works

Purpose and Background:

Located on the eastern side of King Street, starting near Hay Street, the Fashion Walk of Fame comprises six star-shaped “plaques” that acknowledge the significant contribution of individuals to the Western Australian fashion and creative industries. Recipients are as follows:

- Liz Davenport, 1999;
- Wendy Marshall, 2000;
- Ruth Tarvydas, 2001;
- Stephanie Quinlan, 2005; and
- Melanie Greensmith, 2008.

The sixth 'star' introduces the Walk of Fame.

In June 2017, Fashion Council WA made a request to the Chief Executive Officer seeking support for a new entry in the Walk of Fame.

Details:

In previous years, the City of Perth has received requests for support of the Walk of Fame as part of the sponsorship for the Telstra Perth Fashion Festival, managed by Fashion Council WA.

Existing Walk of Fame plaques were approved under a prior versions of Policy 1.6 – Memorials, Monuments and Plaques. The City has responsibility for the care and management of the existing items as "plaques" approved under the City's Policy 1.6 – Commemorative Works.

These items do not meet the more rigorous criteria for approval under the recent revision of Policy 1.6 – Commemorative Works.

In June 2017, the Chief Executive Officer received a request from Fashion Council WA to complete the Walk of Fame with a 'star'. Though this request does not strictly conform to the amended Policy 1.6 – Commemorative Works, this exemption will enable the completion of the Walk of Fame and is not expected to significantly increase the maintenance associated with the items.

As such, the City is seeking Council approval to allow an exemption to Policy 1.6 – Commemorative Works to allow for the inclusion of an additional 'star.'

Financial Implications:

ACCOUNT NO:	7200 – Material Costs
BUDGET ITEM:	Arts, Culture and Heritage Unit budget book page 82
BUDGETED AMOUNT:	2017/18 Budget \$1,130,699
AMOUNT SPENT TO DATE:	Nil
PROPOSED COST:	\$7000
BALANCE REMAINING:	Nil
ANNUAL MAINTENANCE:	Nil
ESTIMATED WHOLE OF LIFE COST:	\$7000

All figures quoted in this report are exclusive of GST.

Recommendation:***That Council:***

1. ***pursuant to Section 2.7(2)(b) of the Local Government Act 1995, APPROVES the amended Council Policy 9.2 – Heritage Rates Concessions, as detailed in Attachment 8.5A;***
2. ***NOTES that amended Council Policy 9.2 – Heritage Rates Concessions includes provisions to apply a five year rates concession on the adaptive reuse of heritage buildings principally located with the Malls area of the city, and particularly those with vacant upper floors and underutilised spaces, via a five year rolling concession (reduction) of the base general rates applicable to the subject property, based on the GRV immediately prior to any improvements, whereby the City will continue to receive general rates during the five year concession based on the Gross Rental Value (GRV) uplift (above the original base) resulting from the adaptive reuse works; and***
3. ***NOTES the ‘Business Case Heritage Concession – Adaptive Reuse’ as detailed in Confidential Attachment 8.5B, which provides the rationale and justification for ‘Heritage Rates Concessions – Adaptive Reuse’, as an incentive for the activation of upper floors and underutilised spaces around the Malls, pursuant to Council’s resolution of 14 February 2017, including delivery of Council’s sought net benefit to the City and the community.***

FILE REFERENCE:	P1028425
REPORTING UNIT:	Arts Culture and Heritage
RESPONSIBLE DIRECTORATE:	Economic Development and Activation
DATE:	12 June 2017
ATTACHMENT/S:	Attachment 8.5A – Amended Policy 9.2 – Heritage Rate Concessions Confidential Attachment 8.5B – Business Case – Heritage Rates Concession Adaptive Reuse (Confidential Attachments distributed to Elected Members under separate cover)

Council Role:☐

Advocacy

When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.

<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input checked="" type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes and policies</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

Legislation / Strategic Plan / Policy:

Legislation	<p>Sections 6.47 and 2.7(2)(b) of the <i>Local Government Act 1995</i></p> <p><i>City of Perth Act 2016</i></p> <p><i>Section 112 of the Building Act 2011</i></p> <p><i>Planning and Development Act 2005</i></p> <p><i>Section 13(2) of the Planning and Development (Local Planning Schemes) Regulations 2015</i></p>
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Integrated Reporting Implications	Planning and Framework	Strategic Community Plan
		<p>Goal 1: A city for people</p> <p>Goal 2: An exceptionally well designed, functional and accessible city</p> <p>Goal 4: A future focused and resilient city</p> <p>Goal 6: A city that celebrates its diverse cultural identity</p> <p>Goal 7: An open and engaged city</p> <p>Goal 8: A city that delivers for its community</p>

Policy

Policy No and Name:	CP9.2 – Heritage Rates Concessions
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Purpose and Background:

At its meeting held on **26 June 2012**, Council endorsed its Policy 9.2 – Heritage Rates Concessions (the policy). This policy provides for maintenance incentives for heritage buildings equivalent to 10% of general rates (to a maximum of \$20,000), subject to a 'City of Perth Property Maintenance Agreement', and prescribed a finite five year trial application period.

At its meeting held on **14 February 2017**, Council considered a review of the policy and endorsed a further five year extension on the trial application period. The rationale for the extension is that the policy is the only mechanism by which the City can influence the

standard of care and maintenance of heritage buildings prior to there being significant damage to the heritage fabric or structural interior of the buildings.

Furthermore, in order to leverage the City's ability to incentivise beyond basic maintenance of heritage places, Council also noted as part of the review (**14 February 2017**), that:

"..a business case for a trial project offering Heritage Rate Concession as an incentive for the activation of upper floors / underutilised spaces is to be developed by the City as part of the Hay Street Mall Activation Plan, and that a further report on this matter will be presented to Council."

In conjunction with the above, a rates incentive for adaptive reuse of heritage buildings around the Hay Street Mall is also a key recommendation of the detailed legislative review contained within the Pracsys and Hassell authored '*Forgotten Spaces Upper Floor Activation 2010*' (Issues Paper A and Case Studies Paper B).

Pursuant to Council's aforementioned resolution, this report addresses an amendment to Policy 9.2 – Heritage Rates Concessions (Attachment 8.5A), to include a concession for the adaptive reuse of heritage buildings, particularly for the activation of upper floors/underutilised spaces in and around the Malls area. In support of this recommendation, Confidential Attachment 8.5B includes a '*Business Case for Heritage Rates Concession – Adaptive Reuse*' based on several existing and targeted adaptive reuse sites, demonstrating Council's sought net benefit to the City and the community.

Details:

Proposed Policy Amendment

The proposed amendments to Policy 9.2 – Heritage Rates Concessions, detailed in Attachment 8.5A, provides for the adaptive reuse of heritage buildings, particularly the activation of upper floors/underutilised spaces in and around the Malls area. In summary, the amendments:

1. provide a financially responsible approach, delivering a net benefit to the City's rates (via improved asset value) and ongoing growth in overall rates thereafter. The concession is therefore recouped via GRV and rates growth;
2. generates significant additional benefits to the Malls area in terms of activation, reinvigorated heritage fabric, improvements in visual amenity and contributions to the local economy by the value of new employment / residences created within those spaces; and
3. ensures the City and Council can track the progress, effectiveness and appropriateness of the policy's implementation over the five year trial application period, as:
 - (a) all adaptive reuse concessions will require the approval of Council; and
 - (b) the impact of the amended policy provisions will be reviewed and reported to Council on an annual basis.

Methodology

The methodology used to deliver the points 1 and 2 above, is based on four adaptive reuse options, considered in light of the 11 heritage sites located within and around the Hay Street Mall, currently underutilised or vacant. These options were modelled against the improved Gross Rental Value (GRV) of three successful adaptive reuse projects (completed between 2004 and 2012), and applied to four of the targeted sites, to find the necessary trigger point(s) to stimulate investment while ensuring a net longer term benefit to the City's finances.

The concession demonstrated in 'Option A' (refer to the 'Concession Options' detailed in Confidential Attachment 8.5B) was identified as superior against other options as it provides an adequate quantum to impact long term feasibility issues and provides budget certainty in projecting the impact of concessions applied.

'Option A':

- includes a five year rolling concession (reduction) of the base general rates applicable to the subject property, based on the GRV immediately prior to any improvements;
- the City will continue to receive general rates during the five year concession, however, the rates levied will only be based on the Gross Rental Value (GRV) uplift (above the original base) resulting from the adaptive reuse works;
- has a net positive impact on the City's annual finances in the sixth rates year;
- is unique in comparison to other concessions offered by the City (the concessions' impact on the City's projected general rates is recouped in all instances); and
- represents a net benefit to the City's finances within the life cycle of the adaptive reuse works (between nine and 27 years on the modelled examples).

A maximum concession budget has been identified over the award and implementation period to ensure the City can deliver appropriate financial management tied to the City's Long Term Financial Plan.

When considering Council's sought net benefit, the recommended option has the potential to achieve this outcome in improved asset value and resulting increased GRV alone. Further benefits gained from: improved heritage fabric; overall visual amenity; and contribution to the local economy by the value of new employment / residence created within those spaces (REMPAN), are a bonus above achieving the rates net benefit.

Given the concessions are of a scale to trigger project feasibility, the medium to longer term results is an unanticipated growth to the City rates base (via expedited projects that were not contemplated over the next five years).

Business Case: Heritage Rates Concession – Adaptive Reuse Case Studies

Confidential Attachment 8.5B presents a business case and various case studies for the adaptive reuse of heritage sites, by applying the policy amendments and methodology mentioned above.

The business case takes a conservative approach to Council's sought 'net benefit', by achieving that benefit on rates alone, and not relying on further broader benefits, provided there above. The business case includes rates modelling of the proposed concession against the following completed adaptive reuse project undertaken between 2005 and 2012:-

- Economic Stores (Walsh's Building) 722 – 728 Hay Street (2012);
- Phineas Seeligson's City Loan Office 143 Barrack Street (2011); and
- JR Duty Free – Upper floor Office (Hassell) 772 - 776 Hay Street (2005).

Further modelling of the concession was undertaken on some of the targeted adaptive reuse sites:

- Piccadilly Theatre and Arcade 700 – 704 Hay Street Mall;
- Savoy Hotel 636 – 648 Hay Street Mall;
- Theatre Royal and Hotel Metropole 637 – 641 & 643 Hay Street Mall; and
- Plaza Arcade and Theatre 650 – 658 Hay Street Mall.

Beyond the demonstrated rates benefit, the Piccadilly Arcade and Theatre provides a timely opportunity for consideration of broader economic, City and community benefits, as the financial and redevelopment information is available and prepared to development application standard.

Case Study – The Piccadilly Theatre and Arcade Redevelopment

The City recently provided an extension for the development application approved by Council at its meeting held on **24 February 2015**, which is due to expire on 24 August 2017, for the Piccadilly Theatre and Arcade, located in the Hay Street Mall, Perth. Colour perspectives and photos of the proposed redevelopment are included in Confidential Attachment 8.5B.

The development approval sought the alteration and refurbishment of the Piccadilly Theatre and Arcade building (at a cost of \$7.5 million). The proposed scheme includes the restoration and reuse of the theatre (\$2.5 million) and the comprehensive upgrade of the existing retail arcade and theatre levels for dedicated retail uses.

The Hay Street Mall and Murray Street Mall facades are to be reinstated close to their original Art Deco/Functionalist appearance, with arcade awnings, façade mouldings, and the missing fixed neon projecting vertical sign on the Hay Street Mall façade being reconstructed to original detail. New double height glazing will be introduced on the Hay Street Mall façade at Level 1, in the location of the removed canopy, to assist with creating a stronger presence for the proposed upper retail tenancy from the Hay Street Mall.

The works undertaken in 1984, including the existing shop fronts, and later modifications along the arcade which compromised the original Art Deco/Functionalist appearance, will also be removed and new, more streamlined glazed shopfronts installed.

The application of a concession at this site could incentivise the reuse of the former theatre space, thereby addressing the feasibility shortfall, being the purpose of Council's policy amendment.

The detailed case study indicates the following returns to the City and the community, as outlined in the business case, being:

- (i) a net benefit to the City rates with the concession being repaid in rates growth and profitable thereafter;

- (ii) 318 times the City's investment in direct economic improvements in construction, tourism and employment as modelled against the City's economic modelling tool (\$665,575 concession v \$212,229,000 REMPLAN direct economic output);
- (iii) significant social and activation improvements to the Malls, its visual amenity and heritage fabric; and
- (iv) in excess of \$937,125 in conservatively estimated car parking revenue over the next decade.

Financial Implications:

A full schedule of the financial implications is included in Confidential Attachment 8.5B.

Accommodating the five year trial for approved projects, a two year development timeframe and five year concession timeframe, the total functional period of concession extends until 2029/30.

By way of summary:

- The maximum uptake of the 11 targeted properties analysed in the business case would deliver concessions totalling \$3,532,560, applied between 2018/19 through to 2029/30 under the trial (on current rates figures);
- Contextually, the City currently allocates \$400,000 annually in heritage grants for a range of purposes, being \$4.8 million over the corresponding period up into and including 2029/30; and
- Furthermore, concessions currently applied under Policy 9.2 for building maintenance totalled \$225,888 in 2016/17, which equates to \$2,710,661 in maintenance concessions to the corresponding period to 2029/30 (assuming the trial continues with no additional uptake).

Differing from other concession offered by the City, all concessions proposed under the policy amendment may be recovered in improved rates resulting from the adaptive reuse works.

A conservative approach has been taken to Council's requested net positive position, over a broad consideration of financial, economic and social parameters. The proposed concession delivers a net positive benefit to City rates on that matter alone, exceeding Council's requested broader metrics framework.

The proposals exclude consideration of the Emergency Services Levy and Bin Service charges.

All figures quoted in this report are exclusive of GST.

Comments:

Alternative Options

As addressing in the business case, in accordance with Section (13)(2) of the *Planning and Development (Local Planning Schemes) Regulations 2015*, if the local government forms the

view that a heritage place is not being properly maintained the City may issue a written notice requiring specified repairs to the heritage place by a specified time (not less than 60 days). Furthermore, sub-sections (3) and (4) accommodate the City undertaking repairs outlined in the notice and recovering expenses.

The trial policy provisions are considered an important stimulus step prior to the City considering its legislative compliance options. This will be viewed favourably for the City in any sought notice and related prosecution under the aforementioned related Act (should compliance activity be required or recommended following the end of the trial).

As outlined in the business case and the *Forgotten Spaces Upper Floor Activation 2010 (Hassel / Pracys)* study, the rates concession remains the most direct and appropriate measure to address systemic vacancy of upper floors in the central CBD.

Heritage Rates Concession – Adaptive Reuse Trial

The use of a heritage rates concession as a mechanism to maintain Perth's heritage fabric is well established. Council, at its meeting held on **14 February 2017**, sought to expand its concession to accommodate adaptive reuse, strategically around the central Malls area, to address long standing systemic vacancies resulting from significant feasibility gaps.

The target of the proposed trial measures are several longer vacant upper floors of heritage listed places (local and state listings) having a negative impact on the function and presentation of the Hay Street Mall and immediate surrounds, which are currently the focus Council initiated activation and revitalisation initiatives.

The systemic vacancies in the project area are a result of compounding legislative challenges in financial, building, accessibility and State taxation areas. Notwithstanding economic cycles over the last half a century these upper floors have been in steady decline.

The high CBD retail vacancy rates and low profits in the Hay Street Mall area are cause for further concern for existing tenants. Furthermore, as noted in Confidential Attachment 8.5B, once the planned and unprecedented expansion of the 'suburban shopping centre' is complete, the competitiveness of CBD retail is likely to be dramatically reduced.

The competitive advantage of the Malls and particularly the Hay Street Mall is: Firstly, access to 205,000 daily visitors; and secondly, it's unique heritage fabric. This concession is one measure that will contribute to a broader activation and revitalisation agenda.

The City's intervention in this regard demonstrates responsible financial management and leadership and delivers on the sought net benefit for the City and the Community in: improved asset value; rates; activation; reinvigorated heritage fabric; improvements in visual amenity; and contributions to the local economy by the value of new employment / residence created within those spaces. It is also consistent with recommendations of previous studies endorsed by Council.

The proposed measures are consistent with the 'Objects' under Section 8(1) of the *City of Perth Act 2016*, particularly the City's responsibilities in the areas of: good governance; aesthetics; services and facilities; delivering a thriving centre of business; and a vibrant global city for community members, workers, visitors and tourists.

Therefore, the proposed amendment to Policy 9.2 – Heritage Rates Concessions, to incentivise the of adaptive reuse of heritage buildings, particularly for the activation of upper floors/underutilised spaces in and around the Malls, as supported by the '*Business Case for Heritage Rates Concession – Adaptive Reuse*', is recommended for approval.

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CP9.2 Heritage Rate Concessions

PREAMBLE

The City of Perth recognises the important contribution that heritage makes to community, sustainability, cultural identity and the economy. The City of Perth also recognises that heritage is important because it provides a sense of unity and belonging within the community, and provides insight into previous generations and our history. Together, the City of Perth and the property owners must ensure that the valuable assets of our heritage are respected and celebrated.

The City of Perth's program of development and financial incentives is aimed at encouraging and assisting the landowners to retain, maintain, conserve and use Heritage Places. Heritage Rate Concession is a key component of the City's Heritage Incentive Program and is primarily focused on the maintenance rather than development of heritage places.

The activation of vacant upper floors and underutilised spaces in the central business district is vital. It is critical to supporting existing businesses; providing a tourism drawcard; enhancing amenity; attracting investment and accommodating businesses; creative industries; residents; supporting a vibrant and safe after-hours economy, and facilitating the economic multiplier effect and social growth of the city centre.

The City recognises the importance of the adaptive reuse of the City's heritage stock to address this issue, particularly within and around the central malls. Improvements and maintenance to the City's unique heritage fabric, visual amenity, activation, visitation and asset value and assist in the maintenance and development of the City's point of difference to the retail and entertainment offers in competing centres. Accordingly, this policy also includes a Heritage Rates Concession – Adaptive Reuse trial encouraging the adaptive reuse of vacant heritage building stock in and around the malls, commencing 2018/19 through to 2022/23. A broader application of these policy provisions will be reviewed at the end of the trial.

This Policy should be read in conjunction with other City of Perth policies relevant to Heritage Places and Heritage Areas.

POLICY OBJECTIVE

The City of Perth provides the Heritage Rate Concession to encourage and assist owners of Heritage Places to maintain those places in a way that is compatible with their heritage values.

The City of Perth provides the Heritage Rates Concession – Adaptive Reuse to assist owners addressing long standing systemic vacancy of heritage buildings via encouraging the adaptive reuse of upper floors and underutilised spaces, initially as a trial, in and around the central Malls area.

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CP9.2 Heritage Rate Concessions

DEFINITIONS

Fabric means the physical element or finish which is part of the heritage value of a heritage place.

Financial Justification is a statement that includes the cost of works undertaken to maintain heritage fabric, and is used to inform Council's decision on whether or not to grant the Heritage Rate Concession.

Heritage Place means places included in the City Planning Scheme Heritage List, a place of cultural heritage significance in a declared Heritage Area or a place included in the Metropolitan Redevelopment Authority Heritage Inventory.

Maintenance means the continuous protective care of a place so as to retain its cultural heritage significance.

Adaptive Reuse means the reuse or adaptation of a heritage building and its original fabric for a new purpose or reinstating its original purpose following a period of vacancy as specified in the relevant 'Eligibility Criteria'.

Base General Rates are the general rates applied to the site the subject of a 'Heritage Rates Concession – Adaptive Reuse' in the financial year immediately prior to the commencement of the adaptive reuse works the subject of the concession (excludes waste and emergency services levies).

Improved Rates Value is the general rates valuation of the subject property; post the adaptive reuse works, minus the 'Base General Rates'.

POLICY STATEMENT

1.1 The Heritage Rate Concession will:-

- 1.1.1 Be equivalent to 10% of the general rates for the Heritage Place, to a maximum of \$20,000 per annum with the minimum concession being equal to the minimum rate payment.
- 1.1.2 Expire on 30 June 2022, subject to compliance with this policy and subject to review at any time by the City.



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CP9.2 Heritage Rate Concessions

- 1.1.3 Be reduced by an amount equivalent to any other rate concessions for which the owner of the property is eligible (seniors and pensioners).
- 1.1.4 Not apply retrospectively to previous financial years, including applications previously approved under Policy 9.2 Heritage Rate Concession adopted by the Council on 26/06/2012.
- 1.1.5 With respect to group rated properties, the Heritage Rates Concession will only apply to general rates for the heritage place or places within the group.

1.2 The Heritage Rate Concession – Adaptive Reuse will:-

- 1.2.1 Be a five year annual concession (reduction) of the base general rates applicable to the subject property, based on the GRV immediately prior to any improvements.
- 1.2.2 Ensure the City continues to receive general rates during the five year concession, however the rates levied will only be based on GRV uplift (above the Base General Rates) resulting from the adaptive reuse works and CPI.
- 1.2.3 Concessions will be granted up until 30 June 2023, subject to compliance with this policy and subject to review any time by the City and implemented the five rates years following building completion certificate for the subject works.
- 1.2.4 The concession will apply from a revaluation that will follow the building works completion certification of the subject works in the next annual rates period.
- 1.2.5 Under no circumstances require the City to pay the landowner, for whatever market or other circumstances prevail, to create a reduction in rates value following completion of the adaptive reuse works, whereby the 'Base General Rates' would exceed the 'Improved Rates Value'. In these circumstances the concession applied to a maximum nil rates assessment for general rates.

2. Eligibility Criteria

The City of Perth will provide the Heritage Rate Concession if the applicant meets all of the following criteria:-

- 2.1. The applicant is the registered ratepayer of the Heritage Place.
- 2.2. The applicant submits the following:



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- 2.2.1. A completed Application Form – Heritage Rate Concession prior to the issue of the current rate notice or no later than 60 days from the issue date of the current rate notice.
- 2.2.2. A signed City of Perth Property Maintenance Agreement.
- 2.2.3. A current full building insurance certificate.
- 2.2.4. A pest inspection report dated no later than a year from the application date.
- 2.2.5. If applicable, (see 3.4 below), financial justification that adequately demonstrates to the satisfaction of Council that:
 - 2.2.5.1. with respect to non-strata properties, that the cost associated with maintaining heritage fabric is unduly high: or,
 - 2.2.5.2. with respect to strata complexes, that strata fees are unduly high due to the cost of maintaining heritage fabric.

The City of Perth will provide the Heritage Rate Concession – Adaptive Reuse if the applicant meets all of the following criteria:-

- 2.3 The applicant is a registered ratepayer in the City of Perth.
- 2.4 The subject site is a 'heritage place' in the area bound by St Georges Terrace, William Street, Wellington Street, Barrack Street, and immediately interfacing (opposing) properties providing improved heritage fabric, visual amenity and economic improvements in and around the Malls, to the City's satisfaction.
- 2.5 The subject site is a 'Heritage Place' that has a substantial amount of gross leasable building area, being above or below ground level and unoccupied, subject to system vacancy or at a minimum unleased for a period exceeding three years, with supporting documented evidence, to the City's satisfaction.
- 2.6 The adaptive reuse proposal must include an upper floor(s) or basement area.
- 2.7 The proposed adaptive reuse works must be implemented within two years following the approval of Council of the concession.
- 2.8 The applicant submits the following:
 - 2.8.1 a signed Heritage Agreement to the satisfaction of the City of Perth;



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- 2.8.2 a completed Application Form – Heritage Rate Concession Adaptive Reuse for determination prior to the commencement of adaptive reuse works;
- 2.8.3 the application must demonstrate a net economic benefit to the City and the community via:
 - 2.8.3.1 improved heritage fabric through the granting of a development approval supported by a submission from a suitably qualified heritage consultant;
 - 2.8.3.2 improved overall visual amenity;
 - 2.8.3.3 a contribution to the local economy by the value of new employment / residence created within those spaces (a REMPLAN analysis) in consultation with City staff;
 - 2.8.3.4 evidence provided by a licenced valuer, to the satisfaction of the City, that the adaptive reuse proposal, in the form of plans prepared to development application standard, will increase the overall GRV by a minimum of 120%, and a minimum increase of \$50,000 in GRV specifically related to the relevant upper floor or other floor that is not located at ground level and compliant with 2.5 above.

3. Ineligibility

The City of Perth will only apply once of the two concessions offered under this policy at one time. They are not to operate concurrently.

The City of Perth will not provide the Heritage Rate Concession in any of the following instances:

- 3.1 The owner is bound by a Heritage Agreement where a development based incentive has been granted by the Council.
- 3.2 The owner is bound by a Heritage Agreement that commits the owner to the ongoing care and maintenance of the property.
- 3.3 There is an overdue rate debt to the City on the property.
- 3.4 Original floor space of the property (strata and non-strata) comprises less than 50% of the property's total floor space. In these instances the Council, at the request of the applicant may consider granting the concession if adequate Financial Justification is provided (see 2.2.5 above).



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The City of Perth will not provide the Heritage Rate Concession – Adaptive Reuse in any of the following instances:

- 3.5 The City is not satisfied that the proposed adaptive reuse proposal is strategically located contextually to the trial area as specified in the Eligibility Criteria.
- 3.6 The adaptive reuse works are not considered by the City to adequately preserve or interpret the heritage fabric of building, irrespective of a planning approval being granted by another determinate body such as the Development Assessment Panel, the Western Australian Planning Commission or via the State Administrative Tribunal.
- 3.7 The City is not satisfied that a net benefit is demonstrated to the City and the Community via improved heritage fabric; asset value; resulting GRV; overall visual amenity; and contribution to the local economy by the value of new employment / residence created within those spaces.
- 3.8 There is an overdue rate debt to the City on the property.

MONITOR AND REVIEW

- 4. The City of Perth will cancel the Heritage Rate Concession in any of the following instances:
 - 4.1 The approved application becomes ineligible in accordance with (3) above.
 - 4.2 A debt to the Council on the property is overdue for payment.
 - 4.3 Voluntary withdrawal by applicant.
 - 4.4 The property is not being maintained as per the *City of Perth Property Maintenance Agreement*.
 - 4.5 The full building insurance certificate and/or pest inspection report previously provided to the City has expired and up-dated documents have not been provided.
- 5. The City of Perth will cancel the Heritage Rate Concession – Adaptive Reuse in any of the following instances:
 - 4.1 The approved application becomes ineligible in accordance with (3) above.
 - 4.2 A debt to the Council on the property is overdue for payment.
 - 4.3 Voluntary withdrawal by applicant.



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4.4. The property or adaptive reuse works are not being maintained or appropriately used in accordance with the *Heritage Agreement*.

6. Where applications are cancelled, new applications can be submitted in accordance with (2) above.
7. Where an application is cancelled after the issue of the rate notices, ~~under either the Heritage Rate~~ Concession, a new rate notice will be issued with the concession amount being reinstated.

Document Control Box										
Document Responsibilities:										
Custodian:	Heritage				Custodian Unit:	Arts, Culture and Heritage				
Decision Maker:		Council								
Compliance Requirements:										
Legislation:		Section 6.47 of the <i>Local Government Act 1995</i>								
Industry:										
Organisational:										
Document Management:										
Risk Rating:			Review Frequency:		5 years	Next Due:		2022	TRIM Ref:	75522/04
Version #	Decision Reference:			Synopsis:						
1.	Adopted 26/06/12 (mn 287/12)									
2.	Reviewed and amended 14/02/17 OCM			Minute Item number13.14						
3.										

CONFIDENTIAL ATTACHMENT 8.5B
ITEM 8.5 - ADMENDED COUNCIL POLICY 9.2 - HERITAGE RATES
CONCESSION

FOR THE PLANNING COMMITTEE MEETING

25 JULY 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

Agenda **Heritage Rates Concession – Adaptive Reuse of Piccadilly**
Item 8.6 **Theatre and Arcade at 700 – 704 Hay Street Mall, Perth**

Recommendation:

That Council, pursuant to Section 6.47 of the Local Government Act 1995, provides ‘in-principle’ APPROVAL for a maximum rates concession of \$665,575 (being \$133,114 the current general rates levied for five years) for Piccadilly Arcade and Theatre at 700-704 Hay Street Mall, Perth, spread over five rates years, subject to formal application and signed heritage agreement in compliance with amended Council Policy 9.2 – Heritage Rates Concessions.

FILE REFERENCE:	P1028425
REPORTING UNIT:	Arts Culture and Heritage
RESPONSIBLE DIRECTORATE:	Economic Development and Activation
DATE:	12 June 2017
ATTACHMENT/S:	Refer to Item 8.5 - Confidential Attachment 8.5B – Business Case – Heritage Rates Concession Adaptive Reuse (Confidential Attachments distributed to Elected Members under separate cover)

Council Role:

- | | | |
|-------------------------------------|----------------|---|
| <input type="checkbox"/> | Advocacy | <i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i> |
| <input checked="" type="checkbox"/> | Executive | <i>The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i> |
| <input checked="" type="checkbox"/> | Legislative | <i>Includes adopting local laws, town planning schemes and policies</i> |
| <input type="checkbox"/> | Quasi-Judicial | <i>When the Council determines an application/matter that directly affects a person’s right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i> |
| <input type="checkbox"/> | Information | <i>For the Council/Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation	Sections 6.47 and 2.7(2)(b) of the <i>Local Government Act 1995</i> <i>City of Perth Act 2016</i> <i>Section 112 of the Building Act 2011</i> <i>Planning and Development Act 2005</i> <i>Section 13(2) of the Planning and Development (Local Planning Schemes) Regulations 2015</i>	
Integrated Reporting Implications	Planning and Framework	Strategic Community Plan Goal 1: A city for people Goal 2: An exceptionally well designed, functional and accessible city Goal 4 : A future focused and resilient city Goal 6: A city that celebrates its diverse cultural identity Goal 7: An open and engaged city Goal 8: A city that delivers for its community
Policy	Policy No and Name: CP9.2 – Heritage Rates Concessions	

Purpose and Background:

This report seeks Council’s ‘in principal’ approval for the first application of the amended Heritage Rates Concessions Policy 9.2, considered separately under this agenda (assuming those amendments are adopted) for the Piccadilly Theatre and Arcade adaptive reuse proposal at 700 – 704 Hay Street Mall, Perth.

As reported to Council’s meeting of **14 February 2017**:

“..a business case for a trial project offering Heritage Rate Concession as an incentive for the activation of upper floors / underutilised spaces is to be developed by the City as part of the Hay Street Mall Activation Plan, and that a further report on this matter will be presented to Council.”

The business case was provided in full as Confidential Attachment 8.5B to Item 8.5 under this agenda, justifying the policy amendments. By way of summary, the business case not only demonstrated a net benefit to City rates, it also satisfies Council’s other metrics for City and community benefit being: improved asset value; resulting GRV; improved heritage fabric; overall visual amenity; and contribution to the local economy by the value of new employment / residence created within those spaces (REMPAN financial modelling).

The timing of the Piccadilly development is central to that business case as it is a unique example where the City is in receipt of the full planning, due diligence and financial information, developed to a planning approval standard.

However, it is also noted that the redevelopment, incorporating the reuse of the theatre space, is still subject to a feasibility gap preventing the proponent progressing to renew the development application, which lapses on 24 August 2017.

Earlier schemes for the site, endorsed by the City, converted the space into a large format retail area. This is considered a missed opportunity when compared with the benefits offered by the reinstatement of the theatre use, both to the context of the Malls and the building's heritage fabric (refer benefits under Part 8.0 of the business case).

Details:

Case Study – The Piccadilly Theatre and Arcade Redevelopment

The City recently provided an extension for the development application approved by Council at its meeting held on **24 February 2015**, which is due to expire on 24 August 2017, for the Piccadilly Arcade and Theatre, located in the Hay Street Mall, Perth. Colour perspectives and photos of the proposed redevelopment are included in Confidential Attachment 8.5B to Item 8.5.

The development approval sought the alteration and refurbishment of the Piccadilly Theatre and Arcade building (at a cost of \$7.5 million). The proposed scheme includes the restoration and reuse of the theatre (\$2.5 million) and the comprehensive upgrade of the existing retail arcade and theatre levels for dedicated retail uses.

The Hay Street Mall and Murray Street Mall facades are to be reinstated close to their original Art Deco/Functionalist appearance, with arcade awnings, façade mouldings, and the missing fixed neon projecting vertical sign on the Hay Street Mall façade being reconstructed to original detail. New double height glazing will be introduced on the Hay Street Mall façade at Level 1, in the location of the removed canopy, to assist with creating a stronger presence for the proposed upper retail tenancy from the Hay Street Mall.

The works undertaken in 1984, including the existing shop fronts, and later modifications along the arcade which compromised the original Art Deco/Functionalist appearance, will also be removed and new, more streamlined glazed shopfronts installed.

Financial Implications:

Should the concession be applied from the 2018/19 financial year, based on current rates, the total concession would amount to \$665,575, being \$133,114 annually for five years.

The proposals exclude consideration of the Emergency Services Levy and Bin Service charges.

All figures quoted in this report are exclusive of GST.

Comments:

When considering Council's desired net benefit, the case study demonstrates this is achieved via improved asset value and resulting GRV alone.

Further benefits gained from: improved heritage fabric; overall visual amenity; and contribution to the local economy by the value of new employment / residence created within those spaces (via the City's REMPLAN modelling), are bonuses above the rates net benefit, as examined in Confidential Attachment 8.5B to Item 8.5.

By way of summary, the concession, where applied to the Piccadilly Theatre and Arcade adaptive reuse proposal delivers:

- (i) net benefits to the City rates with the concession being repaid in rates growth and profitable thereafter;
- (ii) 318 times the City's investment in direct economic improvements in construction, tourism and employment benefits as modelled in the City's REMPLAN economic modelling tool (concession of \$665,575 v economic benefits of \$212,229,000);
- (iii) significant social and activation improvements to the Malls, its visual amenity and heritage fabric; and
- (iv) in excess of \$937,125 in conservatively estimated car parking revenue over the next decade.

The proposal is a key and timely example of what the City is striving to achieve by way of its amended policy provisions considered separately under this agenda. It demonstrates responsible financial management and delivers benefits to both the City and the community.

The proposed adaptive reuse of the Piccadilly Theatre and Arcade, as outlined in Confidential Attachment 8.5B to Item 8.5, is recommended for 'in principal approval', subject to formal application under the amended policy provisions, including a formal heritage agreement.