

Application for Planning Permit: TP-2013-227,
433-455 Collins Street, Melbourne

11 February 2014

Presenter: Angela Meinke, Manager Planning and Building

Purpose and background

1. The purpose of this report is to advise the Committee of an application for demolition of existing buildings and associated structures and carry out works at 433-455 Collins Street, Melbourne (refer Attachment 1 – Locality Plan and Proposed Plans). The demolition is proposed in two stages. Stage one involves the demolition of the office building to Collins Street ground level, removal of hoardings and re-opening of the site for interim public use. Stage two involves demolition of the ground and basement levels and will proceed at the commencement of future development works which is subject to planning consent.
2. The applicant is Urbis Pty Ltd, the owner is Cbus Property Pty Ltd, and the plans are from the Buchan Group Architects Pty Ltd.
3. The subject site contains an office tower which was built in 1965 and extended from 22 to 27 storeys in 1982-83. The site has a large open plaza to Collins Street, and a two-level shopping arcade facing the plaza. The building has a leasable area of 30,737 square metres and includes a 300-space basement car park which entered from Flinders Lane at the south. The whole block is privately owned and there are no agreements for public access to the forecourt. In January 2012 a section of marble cladding fell from the building. This resulted in an emergency works order being issued by the City of Melbourne's Municipal Building Surveyor. The site and parts of Market Street and Flinders Lane have since been fenced off for safety reasons and tenants have now vacated the building.
4. The site is located within the Capital City Zone 1 and is affected by Design and Development Overlays 1 (Active Street Frontage) and 4 (Weather Protection Overlay). Although the application is exempt from public notice and review, an objection has been received from Melbourne Heritage Action.
5. The subject property (building and associated land) has been recommended by the City of Melbourne for inclusion in a Heritage Overlay via Amendment C186 to the Melbourne Planning Scheme. Amendment C186 has been adopted by Council and has been considered by an independent panel. The Amendment is therefore a seriously entertained planning policy. The Minister has approved Amendment C186 in part, but excluded all post war buildings, subject to further review.

Key issues

6. The key issues for consideration include current presentation of the site, future developments on the site and proposed heritage control.
7. In order to avoid the creation of vacant sites in the city, the Capital City Zone requires approval of a replacement building prior to demolition of the buildings. However, in this instance due to the structural integrity of the building and the need for protective measures, the site and the subject building currently presents in poor condition and is having a negative impact on the amenity of the surrounding area due to its unsightly appearance. The required partial closure of streets is also having negative impacts on the general public, especially neighbouring properties. Given the current state of the existing building, it is recommended that the Stage 1 demolition works be supported leaving the forecourt and semi-basement car parking which could be used until the site is further developed. Recommended conditions require the provision of an open space area through an agreement under Section 173 of the *Planning and Environment Act* as well as requiring further details of temporary treatment and landscaping of the site.
8. The new owner of the site has been in discussions with City of Melbourne officers in relation to the Master Planning for future development of the site. Furthermore the new owner is in the process of engaging an architect through a design competition.
9. Whilst the existing building is nominated for inclusion in a Heritage Overlay the current planning scheme provides no protection, there are no interim heritage protection orders on the building and the building is in a state of disrepair.

Recommendation from management

10. That the Future Melbourne Committee resolves to issue a Permit subject to the conditions included in the delegate's report (refer Attachment 2).

Attachments:

1. Locality Plan & Proposed Plans
2. Delegate's Report

Supporting Attachment

Legal

1. Division 1 of Part 4 of the *Planning and Environment Act 1987* sets out the requirements in relation to applications for permits pursuant to the relevant planning scheme.

Finance

2. There are no direct financial issues arising from the recommendation contained in this report

Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Stakeholder consultation

4. Application is exempt from advertising and review. One objection has been received from Melbourne Heritage Action raising concerns over the demolition of the building and lack of any proposal for a replacement building.

Relation to Council policy

5. Relevant Council policies are discussed in the attached officer report (refer Attachment 2)

Environmental sustainability

6. A condition of permit requires a Demolition and Excavation Management Plan which addresses environmental issues such as air, dust, potentially contaminated waste and soil management, and stormwater and sediment control.

Locality Plan : 433-455 Collins Street





Collins & Market Streets



Flinders Lane & Market Street



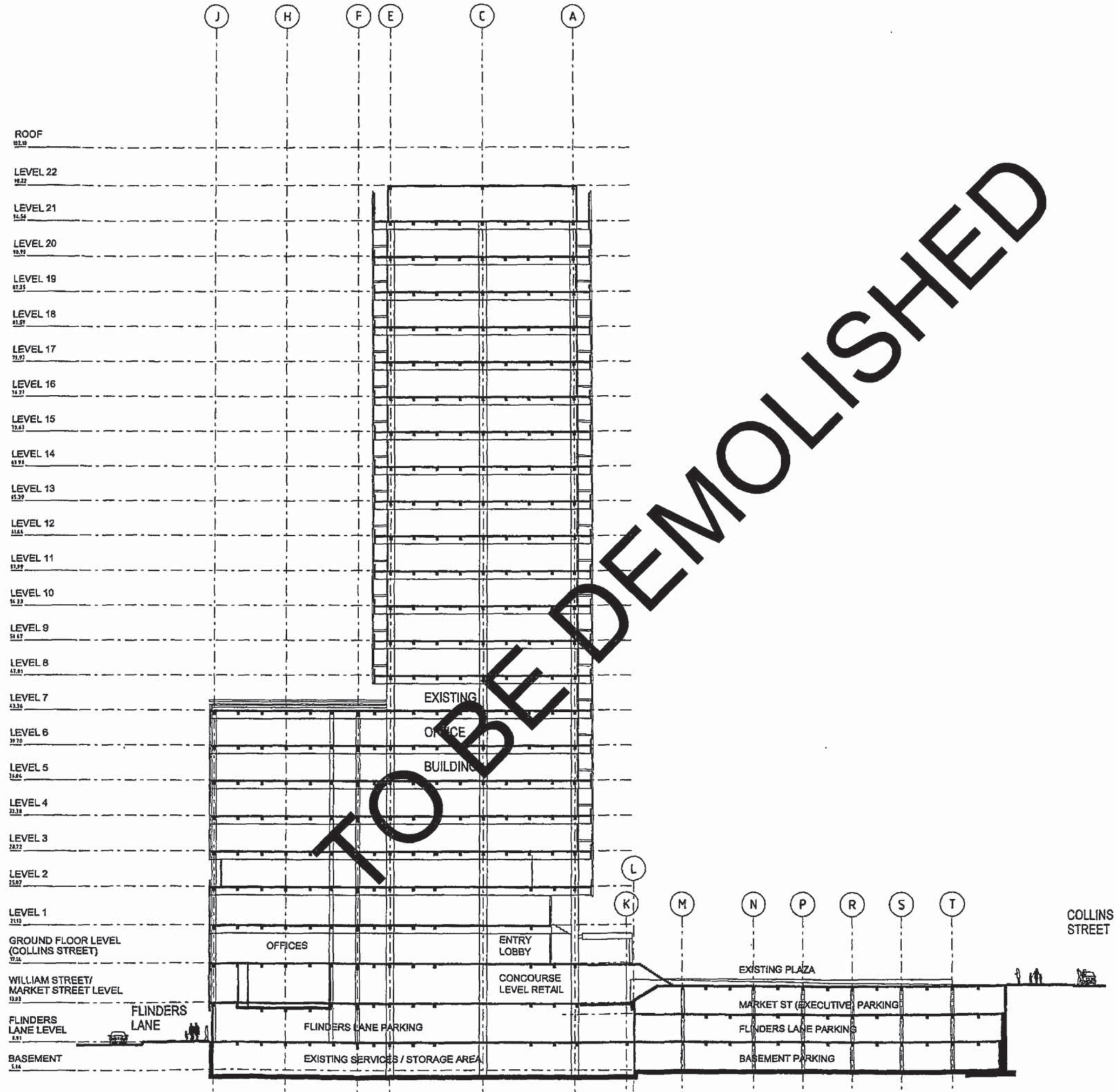
William & Market
Streets



Collins & William
Streets



New cladding to William
Street facade



433 & 455 COLLINS STREET

EXISTING CONDITIONS - ALL DRAWINGS ARE PRODUCED FROM EXISTING CONSTRUCTION DOCUMENTS MADE AVAILABLE FROM SITE RECORDS.

THE BUCHAN GROUP

MELBOURNE

Buchan Laid & Sawden (Vic) Pty Ltd
 A.C.N. 007 272 828
 Architects, Planners & Interior Designers
 133 Rosslyn Street West Melbourne
 Victoria 3003, AUSTRALIA
 Tel: +613 8823 1077 Fax: +613 8329 0481
 Email: bld@melbourne.buchan.com.au
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EXISTING NORTH SOUTH SECTION 2



PROJECT NO: 305048
 SCALE: 1:200 @ A1
 DATE: 20 SEPT 2005
 DRAWING NO: AEX 501 [A]

DELEGATED PLANNING APPLICATION REPORT

Application number:	TP-2013-227
Applicant:	Cbus Property Pty Ltd
Address:	433-455 Collins Street, MELBOURNE VIC 3000
Proposal:	Part demolition of existing buildings and associated structures and carry out works
Date of application:	8 April 2013
Date of Report:	30 January 2014
Responsible officer:	Kate Yuncken

1 SUBJECT SITE AND SURROUNDS

The subject site includes land bound by Collins Street to the north, Market Street to the east, Flinders Lane to the south, and William Street to the west, Melbourne. The site is almost square in shape and has a 70 metre frontage to both Collins Street and Flinders Lane and an 85 metre frontage to both Market Street and William Street.



The site has an overall site area is 5,926 square metres. In terms of topography, the site slopes steeply from north to south. The highest point of the site is at corner of Collins and William streets.

Existing conditions

The subject site contains an office tower built in 1965 and extended from 22 to 27 storeys in 1982-83. The site has a large plaza fronting to Collins Street, and a two-level shopping arcade facing the plaza. The building has a leasable area 30,737

square metres and includes a 300-space basement car park entered from Flinders Lane to the south. The whole block is privately owned and there are no agreements for public access to the forecourt. The forecourt has historically been extensively used by the public for passive recreation, most predominately by officer works during lunch times.

In January 2012 a section of marble stone cladding fell off the building. This resulted in an emergency works order being issued by the City of Melbourne's Municipal Building Surveyor. Consent was given under the Melbourne Planning Scheme on 19 October 2012 for the installation of temporary metal bracing for the marble panels which face onto William Street. By undertaking these works, William Street was able to be reopened. However, part of Market Street, Flinders Lane and the forecourt still remain fenced off for safety reasons. Tenants have now all vacated the building.



Subject site Collins & Market Streets



William Street & Flinders Lane



Subject site Forecourt Collins Street

23 January 2014



Market Street (partially closed) & Flinders Lane

2 BACKGROUND AND HISTORY

2.1 Planning Application History

A previous planning application, City of Melbourne reference TPM00/24, was made to the Minister for Planning for a 30-storey building on 7-storey stilts on the plaza area. The Council objected to the loss of open space and increased shadow. The Minister granted approval on 29 November 2000, allowing the development of a building with a total gross building floor area of 103,967 sqm and 232 car parking spaces.

On 2 December 2006 the Minister for Planning issued Planning Permit 2006/0419 which allows for the part demolition and refurbishment of the existing building, the redevelopment of the existing office tower and the construction of a new eleven storey building to Collins Street, and construction of a building on the corner of Collins and William Streets. This permit has been extended and is due to expire on 2 December 2015 if the development has not commenced.



Imagine of the approved buildings Permit 2006/0419 - Buchan Group Pty Ltd

3 PROPOSAL

The application proposes demolition of existing buildings and associated structures.

The application documentation dated 9 April 2013 states the following reasons for the demolition:

The intention for the original redevelopment of 447 Collins Street required the partial demolition of the existing building, demolishing all but the concrete structure. However, circumstances over the past 15 months have required a review. Following the situation where a piece of stone cladding from the façade dislodged and fell to the ground in January 2012 a detailed review was undertaken of the integrity of the remainder of the façade. As an immediate response to the initial incident, and subsequent advice that a substantial proportion of the façade cladding was at risk of dislodgement, which may be at risk if further portions of the façade were to dislodge. This has require the closure of the forecourt of the building, the footpath and one lane of traffic along William Street and the footpath and western half of Market Street adjoining the building. ISPT also commissioned works to secure or remove the existing cladding across the whole of the building façade.

In addition, at the request of Council, ISPT has contracted with Brookfield to encapsulate all stone cladding to William Street, and to portions of the north and south facades adjacent to William Street, at a contract sum in the order of \$2.2 million. The Façade Engineer, in conjunction with Brookfield and other specialist consultants advised ISPT that this was the only safe course of action to enable the reopening of William Street and the adjacent footpath.

The cost to ISPT for the works that have been necessary have been substantial, with approximately \$9.8 million in costs being incurred to date, and a further \$2.2 million required to be expended by June 2013. This excludes rental income foregone. Ongoing costs are likely to be in the order of \$300,000 per month until such time as the building can be demolished.

ISPT has concluded the base structure of the existing office building is not suited for refurbishment to meet current day corporate office requirements. The events of the past 15 months has irreversibly impacted any potential to viably redevelop the current building and present it to the market place as a new development, reflecting the standards of such a significant site to the City of Melbourne.

ISPT's priority for an outcome prioritising public and private safety has left ISPT with no viable option other than the full demolition of the existing office tower and a subsequent full redevelopment of the site.

At the time when ISPT had put measures in place to ensure public safety in January 2012, it had a commitment to its tenants, including major tenant Suncorp, to provide "quite enjoyment" for their office requirements during the period of their tenancy. Suncorp have now advised ISPT that it will vacate the building in July this year and it is ISPT's intention to commence demolition of the office tower as soon as possible after the building is vacated, subject to planning and building approval.

On 18 December 2013, Council was notified by ISPT Pty Ltd that they had recently sold subject land to Cbus Property Pty Ltd.

Cbus Property Pty Ltd, since purchasing the site have sought an 'Expression of Interest' from 12 architectural practices for the redevelopment of the site and have recently announced four successful shortlisted architectural consortiums. These being:

- Hassell + BIG (Copenhagen)
- Fender Katsalidis + Skidmore, Owings & Merrill (Chicago)
- Woods Bagot + Shop Architects (New York)
- Bate Smart + Snoetta (Oslo)

The Design Competition will commence on 10 February 2014 and will run for approximately six weeks plus a further two weeks to review award the winning design.

With regards to demolition works, Cbus Property Pty Ltd have advised that they intend to commence demolition within two months of receiving a suitable Demolition Permit for the works.

Cbus Property Pty Ltd intend to stage the demolition works as follows:

Stage 1.

- Duration 10 months.
- Demolition of office building to Collins Street ground level
- Removal of hoarding and re-opening of the site for interim public use.

Stage 2.

- Duration 2 months.
- Demolition of the ground and basement levels will proceed at the commencement of the main development works which is subject to planning consent and adequate revenue pre-commitments.

4 STATUTORY CONTROLS

The following controls apply to the site, with planning permit triggers as described.

Clause	Permit Trigger
Capital City Zone 1	Pursuant to this Clause a permit and prior approval for the redevelopment of the site are required to demolish or remove a building or works and to construct a building or carry out works.
Design and Development Overlay: Schedule 1 (Active Street Frontage) (Area 2) Schedule 4 (Weather Protection – Collins Street frontage)	Pursuant schedules 1 A2, and 4 a planning permit is not required for demolition or to carry out the proposed works associated with excavation and remediation works.
Parking Overlay Schedule 1	Pursuant to this clause a planning permit is not required as no parking is proposed.

5 STRATEGIC FRAMEWORK

5.1 State Planning Policy Framework (SPPF)

- Clause 13.03-1 – Use of contaminated and potentially contaminated land

5.2 Local Planning Policy Framework (LPPF)

5.2.1 Municipal Strategic Statement (MSS)

- The vision for the Central City described in MSS is seeks the creation of a high quality, safe, active and active public realm. While not explicitly stated, the creation of ‘empty sites’ is contrary to all of these objectives. This is reflected in the Capital City Zone requirements.

5.2.2 Local Policies

There are no relevant local policies applicable to this application.

6 ZONE

The subject site is located within the Capital City Zone 1 (CCZ1). In relation to the demolition of buildings CCZ1 states:

Before deciding on an application to demolish or remove a building, the responsible authority may require an agreement pursuant to Section 173 of the Planning and Environment Act 1987 between the landowner and the responsible authority requiring, as appropriate:

- Temporary works on the vacant site should it remain vacant for 6 months after completion of the demolition.
- Temporary works on the vacant site where demolition or construction activity has ceased for 6 months, or an aggregate of 6 months, after commencement of the construction.

Temporary works must be constructed to the satisfaction of the responsible authority.

Temporary works may include:

- The construction of temporary buildings for short-term retail or commercial use. Such structures shall include the provision of an active street frontage.
- Landscaping of the site for the purpose of public recreation and open space.

7 PARTICULAR PROVISIONS

There are no relevant particular provisions for this proposal.

8 GENERAL PROVISIONS

The following general provision applies to the application:

- Clause 65, Decision Guidelines, which includes the matters set out in Section 60 of the Planning and Environment Act 1987.

9 PUBLIC NOTIFICATION

An application to demolish or remove a building or works and to carry out works is exempt from the notice requirements of Section 52(1)(a), (b) and (d), the decision requirements of Section 64(1), (2) and (3) and the review rights of Section 82(1) of the Act.

Council has received a letter from Melbourne Heritage Action opposing the proposed demolition.

In summary the objection relates to:

- Demolition of the heritage building. The letter states that the subject building '...is one of the few modernist office towers in the CBD left largely unaltered (apart from the current works to secure the marble cladding) and was rightly identified as one of the '99 buildings' in C186 as worthy of Heritage Overlay.'
- The building should be treated as one where heritage protection is on the way (Amendment C186 with currently with the Minister for Planning)
- Planning Policy does not allow the demolition of a building in the CCZ without an approved replacement building.

10 REFERRALS

10.1 Internal

The application was referred internally to the City of Melbourne's heritage consultant who was not supportive of the demolition of the subject building.

Heritage Assessment

The proposed temporary encapsulation has altered the appearance of the building and detracts from its significance however the significance of the building has not been expunged by the compromised condition of the façade. From the heritage perspective the demolition of the building should not be supported without clear articulation of how the building is no longer physically or financially serviceable. How it is not possible to reasonably restore the façade and building requires demonstration.

The existing building in its design is record of the response to the previous existence or the market on the site and aspiration of the City in the early 60's when National Mutual redeveloped the site.

Recommendation

It is my recommendation that support for the demolition of the heritage building and plaza should not be extended. Clear demonstration that it is not reasonable to conserve the heritage values of the site should be required of the applicant prior to consideration of the demolition. Should demolition be entertained a detailed history of the Western Market and National Mutual development should be prepared to inform future development of the site and provide the basis for incorporating interpretive reference to the heritage value presently embodied. The provision of public open space has historically been characteristic of this site and should be retained with any future development in conjunction with appropriate interpretive elements.

10.2 External

No external referrals were required.

11 ASSESSMENT

The application proposes the removal of the existing buildings on the site and excavation works. The key issues to address include demolition of the existing buildings, the impact of excavation works and the imposition of conditions to ensure that the site does not become a 'bomb-site'.

11.1 Amendment C186 – Central City (Hoddle Grid) Heritage Review

The subject property (building and associated land) has been recommended by the City of Melbourne for inclusion in the Heritage Overlay via Amendment C186 to the Melbourne Planning Scheme. Amendment C186 has been adopted by Council and has been scrutinised by an independent panel. It is therefore a seriously entertained planning policy. The Minister has however deferred the decision on the post war buildings addressed by Amendment C186 for further review. The building has been awarded a heritage significance worth of a 'C' grading and the Panel Report recommended that the site be included in a heritage overlay. The heritage value is integral with the whole of the site, its island status with roads to all frontages is a remnant of the site having accommodated the Western Market, and the subsequent development of the National Mutual Centre with the public provision of open space.

Under Amendment C180 the City of Melbourne requested from the Minister for Planning interim heritage controls for all buildings listed on Amendment C186, however this request was refused.

Therefore despite the subject building's inclusion in Amendment C186, the site currently is not affected by any heritage controls. The demolition provisions under the Capital City Zone do not consider heritage matters.

The Amendment C186 of the Melbourne Planning Scheme Panel Report on page 91 states that: '...the Panel believes that it is not beyond the realms of possibility that a cost effective, sensitive solution which would maintain the appearance of the building (and hence its significance) could be found. As a consequence, the integrity of the structure has not weighed heavily in our assessment of its significance.'

The owner to date has spent a substantial amount of money to ensure the site is safe including \$2.2 million on encapsulating all stone cladding on the William Street façade and to potions of the south and north elevations. The applicant has stated that '...Façade Engineer in conjunction with Brookfield and other specialist consultants advised ISPT that this was the only safe course of action to enable the reopening of William Street and the adjacent footpath.'

Historically, the site has provided some public benefit. Whether it be for shopping when it was a Market or an informal recreational space for sitting and enjoying the sun in the large forecourt. Cbus Property Pty Ltd are prepared to formalise by way of Section 173 an agreement to continuing provision of an open area available to the public that has reasonable solar access, reads as public space and achieves comfortable wind conditions.

11.2 Demolition of the existing works

All existing buildings and associated structures on the site are proposed to be demolished. The proposed demolition of a building is typically associated with the redevelopment of the site, usually within the same planning permit application. The demolition of a building not in association with the redevelopment of the site is not

normally permitted in the CBD. This is to avoid large properties becoming unsightly that result in poor amenity and safety within the CBD area.

Although there will be no direct development associated with this current application, it is considered that the demolition of the building (i.e. stage 1) is acceptable in this context because it would result in the retention of sufficient fabric to allow for interim uses, including passive recreation.

It is not considered appropriate to allow for the complete demolition as proposed (including the basement car park) as this is more likely to result in the creation of a unsightly site and to render it unsuitable for temporary uses which would continue to activate Collins Street.

The new owner of the site has been in discussions with City of Melbourne officers in relation to the Master Planning for future development of the site. Furthermore the new owners are in the process of engaging an architect through a design competition. It may be appropriate to allow for the second stage of demolition as part of any redevelopment of the site which might be approved under a future planning permit.

Given the size of the site and the complexity of works required to make the site safe, usable and accessible, the length of time demolition will take, it is not unreasonable to allow early approval of demolition whilst a Master Plan for the site is developed and planning approval is sought.

A legal agreement (section 173) will require that temporary works and landscaping will be required to allow public use of the site.

Condition 1 of the permit will requires additional information to be submitted that includes more detail including regarding the demolition and any proposed retention works to the boundaries of the site. A management plan will be required, to be approved by the Construction Management Group that will address a number of key aspects including:

- demolition.
- staging of the development
- site preparation and retention works.
- public safety, amenity and site security.
- management of the construction sites and land disturbance,
- operating hours, noise and vibration controls.
- air and dust management.
- waste and materials reuse
- stormwater and sediment control.
- traffic management and soiling of roadways

It is appropriate these matters are dealt with through this process rather than within the development planning permit process as a number of aspects require input from the building department and the demolition and excavation company that would be under taking the work.

11.3 Conclusion

As a result of the marble stone cladding falling to the ground in January 2012, the forecourt and sections of Market Street and Flinders Lane have continued to have been closed off to the public. At the time of the falling marble, there were barricades

erected also in William Street, however, after the installation of retaining bracing at an estimated cost of \$2.2 million William Street was later opened. The major tenant of the building, Suncorp have also vacated the site.

Investigations by the property owners have shown that all of the marble panels have the potential to fall due to the experimental nature of a number of fixing techniques that were used when the building was being constructed. In order to retain these, the amount of work that will be required is extensive and expensive to undertake.

Setting aside the lost of revenue from rent, the owners of the site have and will continue to spend a substantial amount of money ensuring the site is safe. The cost of the demolition according to the application is \$18 million dollars. The owner is also devoting time and money in the process of engaging appropriate architects for the future development of the site through a design competition.

The site including the subject building currently presents as a bomb site and is having a negative impact on the surrounds through its appearance. The required partial closure of streets is also having negative impacts on the general public especially neighbouring properties.

Taking into account that the whole site is privately owned, the acquisition of publicly accessible space through an agreed Section 173 is a positive outcome and will benefit the general public.

12 RECOMMENDATION

That a planning permit be issued subject to the following conditions:

1. Prior to the commencement of the demolition, three copies of plans, drawn to scale must be submitted to the Responsible Authority showing:
 - a. The retention of the car park levels and Collins Street level forecourt / plaza.
 - b. Site plans, landscape plans, elevations and cross sections detailing the demolition and including areas of temporary open space that will be publicly accessible for passive recreation.

The amended plans must be to the satisfaction of the Responsible Authority and when approved will be the endorsed plans of this permit.

2. The demolition as shown on the endorsed plans must not be altered or modified without the prior written consent of the Responsible Authority.
3. Prior to the commencement of the demolition or removal of existing buildings or works (excluding demolition or removal of temporary structures) on the land, the owner of the land must enter into an agreement pursuant to Section 173 of the Planning and Environment Act 1987. The agreement must provide the following:
 - a. The public has ongoing access to an open area with interconnection to the public realm on Collins Street. The open area must have reasonable solar access, read as public space and achieve comfortable wind conditions to the satisfaction of the City of Melbourne.
 - b. The provision of temporary works and/or landscaping for temporary open space that is publicly accessible for passive recreation within 3 months of the completion of the demolition of the buildings approved under planning permit TP-2013-227. Details of the proposed

temporary works and/or landscaping must be to satisfaction of the City of Melbourne.

- c. The site must be kept in an orderly and tidy state at all times and its appearance must not prejudicially affect the amenity of the area to the satisfaction of the City of Melbourne.

The owner of the land must pay all of Council's reasonable legal costs and expenses of this agreement, including preparation, execution and registration on title.

4. Prior to the commencement of the demolition works, a detailed Demolition and Excavation Management Plan (DEMP) must be submitted to and approved by the City of Melbourne – Construction Management Group. The objective of the DEMP is to minimise the impact of works associated with the demolition on neighbouring properties and activities conducted in the area generally. The DEMP must address the following (inter alia):
 - a. Demolition
 - b. Staging of demolition
 - c. Site preparation and retention works
 - d. Public safety, amenity and site security
 - e. Management of the construction sites and land disturbance
 - f. Operating hours, noise and vibration controls
 - g. Air and dust management
 - h. Management of the removal of potentially contaminated waste and soil
 - i. Waste and materials reuse
 - j. Stormwater and sediment control
 - k. Traffic management and soiling of roadways
5. Prior to the commencement of the demolition works, a detailed Tree Protection Management Plan (TPMP), prepared in accordance with the Australian Standard for tree protection of development sites (AS-4970-2009) and in consultation with City of Melbourne's Tree Planning Team, must be submitted to and approved by the City of Melbourne (Tree Planning Team). The TPMP shall include steps necessary to protect existing street trees during the demolition, remediation and excavation works.
6. The owner of the subject land must repair any damage to the existing footpaths and kerb and channel caused by the development to the satisfaction of the Responsible Authority.
7. This permit will expire if one of the following circumstances applies:
 - The development is not started within two years of the date of this permit.
 - The development is not completed within four years of the date of this permit.

The Responsible Authority may extend the periods referred to if a request is made in writing within 6 months of the expiry of the permit.

NOTES

- All necessary approval and permits for works outside the boundary of the subject site must be obtained from the City of Melbourne and the works performed to the satisfaction of the City of Melbourne - Manager Engineering Services.
- Existing public street lighting must not be altered without first obtaining the written approval of the Responsible Authority – Engineering Services.
- No street tree adjacent to the site may be removed, lopped, pruned or root-pruned without the prior written consent of the Responsible Authority.
- All necessary building approvals and permits for the excavation and retention works must be obtained prior to the commencement of any demolition or carrying out of works.

13 DECISION

The Lord Mayor, Deputy Lord Mayor and Councillors were notified of the above recommendation on 30 January 2014.

The signature and date below confirms that the Lord Mayor, Deputy Lord Mayor and Councillors affirmed this recommendation as the Council's decision.

Signature:

Date affirmed:

Kate Yuncken

Principal Planning Officer