

## PLANNING REPORT

### MINISTERIAL REFERRAL

<b>Application number:</b>	<b>TPMR-2018-10</b>
<b>DTPLI Application number:</b>	PA1800336
<b>Applicant / Owner / Architect:</b>	Steadfast Capital Pty Ltd via Fulcrum Urban Planning / Bardsville Pty Ltd/ Buchan
<b>Address:</b>	309-325 Bourke Street, MELBOURNE VIC 3000
<b>Proposal:</b>	Partial demolition of existing buildings, construction of a building and works, use of land for a restricted recreation facility, and a reduction of bicycle parking requirements.
<b>Date received by City of Melbourne:</b>	23 February 2018
<b>Responsible officer:</b>	Maree Klein

## 1. SUBJECT SITE AND SURROUNDS

### 1.1 Subject Site

The subject site comprises a group of eight buildings bounded by Bourke Street to the north, Little Collins Street to the south, Union Lane to the east and The Causeway to the west. The primary address for the site is 309-325 Bourke Street, however it is commonly known as The Walk Arcade.

Occupying a total area of approximately 3,488 square metres and on a single Title (TP846746N), the site is a regular rectangular shape with extensive laneway frontages in addition to its presentation to the Bourke Street mall and to Little Collins Street (alternatively known as 288-302 Little Collins Street).

Vehicle access to the site is currently provided via a 3 metre wide roller door to Little Collins Street on the corner of Union Lane. No on-site car parking is provided in association with the existing uses.



Figure 1: Location Plan

The buildings comprising the site are as follows:

Building Name	Address	Central Activities District Conservation Study (1985) Grading	Central City Heritage Study Review (1993) Grading
Edments Store	309-311 Bourke Street	Ungraded	Ungraded
Diamond House	313-317 Bourke Street	C	C
Unnamed single storey infill	319-321 Bourke Street	Ungraded	Ungraded
Public Benefit Bootery	323-325 Bourke Street	C	C
The Book Building (at the corner of Union Lane)	288-290 Little Collins Street	D	B
York House	292-298 Little Collins	D	C
Allan's Building (at the corner of The Causeway)	300-302 Little Collins	D	C
Arco House (internal to the site)		Ungraded	Ungraded

The *Central Activities District Conservation Study* (1985) is listed as a reference document in Clause 22.04 of the Melbourne Planning Scheme. A subsequent and later study, the *Central City Heritage Study Review* (1993) is not specifically listed as a reference document in Clause 22.04, however the local policy at Clause 22.04 requires the recommendations of this study to be taken into consideration.



Figure 2: Aerial photograph. Note the Arco building internal to the site.



Figure 3: Collection of 8 buildings (note building internal to the site)

The planning report accompanying the application further describes the subject site as follows:

*'To Bourke Street the site presents four retail frontages with separate tenancies, with the arcade entrance in the centre. Above ground level, the buildings are diverse in architectural style, and although all are constructed to the Bourke Street boundary offer significantly variation in street wall height.*

- *The ungraded Edment's Stores building presents a mid-20th Century curtain wall to the street; and is four storeys high.*
- *The C graded Diamond House building is a five level Moderne building with architectural detailing that divides the façade into vertical bays.*
- *The ungraded infill building is single storey in height and presents a gap to the street.*
- *The C graded Public Benefit Bootery is a 10-storey building from the 1920's and like Diamond House, the façade is architecturally divided into vertical bays. Horizontally, decorative mouldings provide a distinct base (three levels), middle (five levels) and top (two levels).*

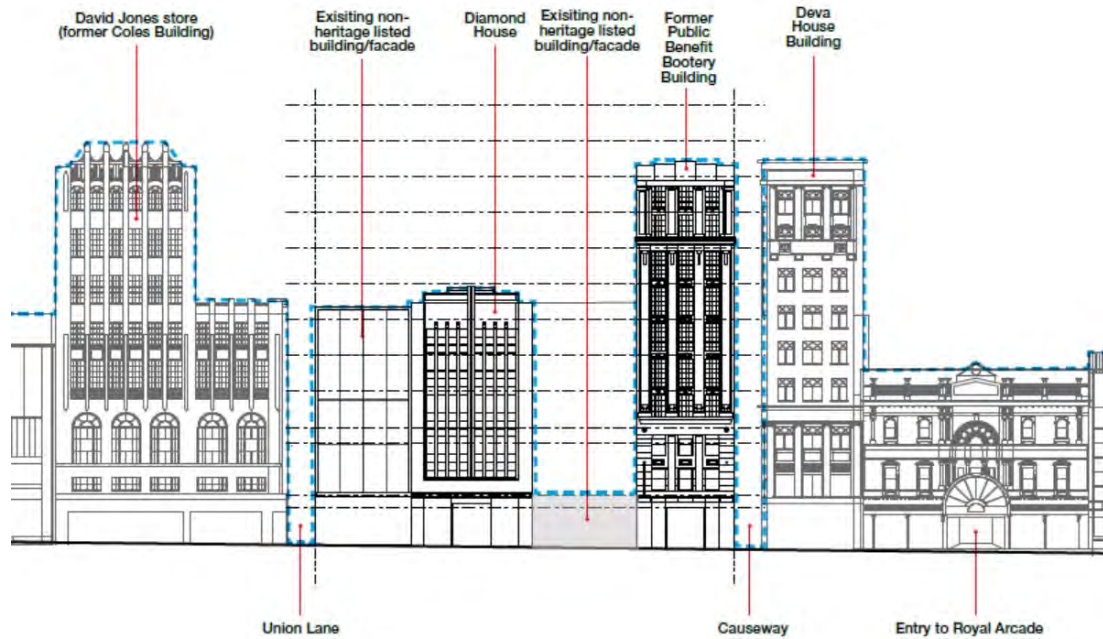


Figure 4: Building form of Bourke Street (source: architects plans)

To Little Collins Street the site presents three buildings with the arcade separating the Book Building from York House and the Allans Building, as follows:

- The D-graded Book Building was constructed in 1913, with various later additions bringing it to its present day 8-storey height. A vibrant ground floor retail tenancy contrasts from the upper floor levels, which comprise boarded up windows and an unadorned brick facade.
- Above The Walk Arcade there is no built form, presenting a gap to the street.
- The adjoining D graded York House is eight storeys high, dating from c. 1922. Again, windows above ground floor are largely boarded up.
- The D graded Allans building at the corner of the Causeway was constructed in 1925 and is seven storeys high.



Figure 5: Building form of Little Collins Street (source: architects plans)

*The Causeway forms the site's southern boundary, and like The Walk, connects Bourke Street with Little Collins Street. Cafes occupy most of the length of the site and open out to face the lane. It offers an engaging and intimate pedestrian experience.*

*By contrast, the frontage of the site to Union Lane offers no retail presence at all and the presentation is mainly that of blank walls, service doorways and roller doors that have been graffitied.*

*It is to be noted that the upper floor levels of each building are vacant, and have not been occupied for many years. Internally, the upper floor level conditions are generally poor. Upper level windows are variously boarded up, particularly to Little Collins Street.'*



**Figure 6: Subject site as viewed from Bourke Street Mall**

The Heritage Impact Statement prepared by Lovell Chen and accompanying the application, identifies that the majority of the heritage buildings on the site were constructed in the early twentieth century through to the interwar period. The Mahlstedt fire insurance plan of Melbourne (refer to Figure 3 below) identifies details of the buildings' envelopes in 1925. The lane, previously Oakby Alley, and renamed Coles Place, separated the Book Buildings from York House (292-298 Little Collins Street), which had rear access off this lane. Dunklings Diamond House (315-317 Bourke Street) and Arco House (internal to the site), were also accessed from Coles Place.





Figure 7: Mahlstedt fire insurance plan of Melbourne

Development of The Walk Arcade, an internalised mall connecting Bourke Street Mall to Little Collins Street, occurred in the early 1980s. The extant buildings were retained, however Coles Place was infilled and some external walls at ground level were demolished to create the internalised Walk Arcade and associated retail tenancies. Ground level shopfront modifications and the introduction of awnings to all buildings along the Bourke Street, Little Collins Street and The Causeway frontages were also undertaken during the late twentieth century.



Figure 8: Existing ground floor layout of The Walk

## 1.2 Surrounds

The immediate site context is described as follows:

- East – Union Lane a 3 metre wide Council lane connecting Little Collins Street to Bourke Street mall. The lane is characterised by its inactive frontages to both sides which has resulted as an unintended canvas for graffiti artists, and a resultant tourist attraction. Within the lane, “Loading Zone – 15 min” restrictions apply. Trucks park within Union Lane to undertake loading activities (restricted to 15 minutes) which effectively block this lane for any through pedestrian access.



Figure 9: Union Lane looking north (source: Heritage Impact Statement)

- Further east, on the opposite side of Union Lane is David Jones, a six storey concrete building with two basements. The building was designed in the Neo-

Gothic Art Deco style between 1928–1939. Some loading/unloading for David Jones occurs via an elevated roller door on Union Lane.

- West – The Causeway, a 4 metre wide Council lane connecting Little Collins Street to Bourke Street mall. The Causeway is highly pedestrianised and operates with external seating for food and drink premises which abut the lane.



Figure 10: The Causeway looking north (source: Heritage Impact Statement)

- Further west, on the opposite side of The Causeway is Deva House at 327-329 Bourke Street, a nine storey brick building with ground and first floor retail. The upper floors of the building are used as a hotel (Causeway Inn). South of this building is Causeway House at 304-306 Little Collins Street, a nine storey rendered brick residential apartment building with ground level retail. Designed in the Moderne style in 1938.
- South – Little Collins Street, with restriction of traffic movement in an east-west direction only (i.e. one-way). Kerbside parking is provided on the south side. Little Collins Street is closed to vehicular traffic between Royal Lane and Elizabeth Street between 12pm – 2pm, Mondays to Fridays at which time it becomes highly pedestrianised with city workers and visitors.
- Further south, on the opposite side of Little Collins Street is St Collins Lane, a recently redeveloped mixed-use building with designer retail, restaurant and a thirteen storey hotel (Novotel) fronting Collins Street. St Collins Lane includes a pedestrian arcade providing north-south access between Collins Street and Little Collins Street.
- North – Bourke Street mall, a pedestrian thoroughfare with access typically available for pedestrians and trams only between Swanston Street to the east and Elizabeth Street to the west.

- Further north, on the opposite side of Bourke Street mall are the Myer and David Jones department stores.

The Walk Arcade forms part of a diverse laneway network facilitating pedestrian movement between Flinders Street to the south and La Trobe Street to the north. The new Melbourne Metro stations on Swanston Street are expected to increase these pedestrian movements.

## 2. THE PROPOSAL

The application referred to the City of Melbourne seeks approval for:

- Partial demolition, including demolition of all internal buildings and structures, but retaining the heritage facades of the Diamond House, Public Benefit Bootery, Allen’s and York House buildings, and partial returns along The Causeway and Union Lane.
- Construction of an 11 storey building (plus two levels of basement) consisting of retail and food and drinks premises at basement, ground and first floor levels (connected by a series of arcades); a restricted recreation facility at first floor level; and two hotels at levels 2-10 providing a total of 453 rooms.

DEWP initially referred the proposal to the City of Melbourne in February 2018.

These plans were superseded by plans in response to DELWP’s request for further information (dated April 2018) received by CoM in May 2018.

As a result of several meetings with DELWP, the applicant and Invest Assist officers to discuss concerns with the application, the applicant has submitted informal discussion plans (referred to as “For Discussion Purposes” by Buchan dated June 2018).

While not formally substituted, this assessment is based on the drawings that are part of the package ‘Discussion Drawings (June 2018)’, with the notable exception of the revised ground floor plan and drawings for the Book Building replacement that are part of the ‘Discussion Sketches (August 2018)’.

### 2.1 Summary

In summary, the application proposes the following:

<b>Gross Floor Area:</b>	35,053m <sup>2</sup>
<b>Floor Area Ratio:</b>	10:1
<b>Development value:</b>	\$105 million
<b>Height:</b>	11 storeys excluding plant 39.8 metres excluding to the top of level 10 40.94 metres to the top of the parapet 51.29 metres to the top of service and lift core
<b>Setbacks:</b>	West Minimum 0 metres East Minimum 0 metres North Minimum 0 metres South Minimum 0 metres
<b>Dwellings:</b>	Zero

<b>Hotel rooms:</b>	453		
<b>Retail:</b>	7,016m <sup>2</sup> net leasable area		
<b>Restricted recreation facility</b>	1,109m <sup>2</sup> net leasable area		
<b>Parking:</b>	Cars	Motorcycles	Bicycles
	0	0	46

## 2.2 Demolition

The extent of demolition involves the total demolition of the following buildings:

- The two ungraded buildings on Bourke Street, being Edments Store and the single storey infill building;
- The Book building on Little Collins Street (corner of Union Lane); and
- Arco House (internal to the site).

Principal street facades will be retained for the four remaining buildings, to the extent of the following:

- Diamond House (313-317 Bourke Street): retention of the Bourke Street (north) elevation and demolition of the remainder of the building;
- Public Benefit Bootery (323-325 Bourke Street): retention of the Bourke Street (north) elevation and the west elevation along The Causeway to a depth of three bays;
- York House (292-298 Little Collins Street): retention of the Little Collins Street (south) elevation and the east elevation to a depth of one bay; and
- Allan's Building (300-302 Little Collins Street): retention of the Little Collins Street (south) elevation and the west elevation along The Causeway to a depth of five bays

## 2.3 New works

The retained facades of the four heritage buildings are proposed to be incorporated into the new development which will occupy the full extent of the subject site. The building will rise to an overall height of 40 metres to the centre of the site, with plant and lift overruns projecting approximately 2.2 metres above. The new building generally will be constructed to the east and west property boundaries, while the taller building components will be largely setback from the main street frontages.

The height of the new building works varies across the site as follows:

- To Bourke Street the proposed infill sections provide a street wall height of RL31.0 (21.7m) and RL 43.495 (34.195m) to respectively match the adjoining Diamond House and Public Benefit Bootery buildings;
- Taller elements of the building are set back from Bourke Street between 5.5 metres – 18.5 metres at the corner of Union Lane; and between 13.2 – 50.8 metres at the corner of The Causeway.
- The infill section at the corner of Little Collins and Union Lane (where the Book Buildings is currently located) is RL 47.06 (37.76 metres). This infill will be taller than the immediately adjoining buildings, separated by the adjacent David Jones building to the east by the width of Union Lane (3 metres) and separated from the retained York Building by a 3.5m wide x 3.7m deep recess on all levels;
- The built form behind the retained York and Allan's buildings on Little Collins Street is set back a minimum of 4.8 metres (levels 7 -10) and 26 metres (level 10).

## 2.4 Land Uses

The redevelopment of the site is proposed to include:

- Two levels of basement containing hotel and retail back of house facilities, bicycle parking spaces, and basement retail tenancies (retail located in basement level 1 only).
- Ground floor level containing retail tenancies along Bourke Street, Little Collins Street and The Causeway.
  - A central arcade links Union Lane and The Causeway in an east-west direction, and connects to a partial north-south arcade to Little Collins Street. North-south access is provided in a limited fashion via the major brand retail store, however it is noted this has been informally amended to be a full public access in a north-south direction following the alignment of the former Coles Alley.
  - Internal retail tenancies front the arcades, and food and drinks premises with dual frontages are located along the southern half of The Causeway.
  - Building services including a bin storage area are located along Union Lane just north of the east-west arcade.
  - Escalators located within the arcade provide access to level 1.
- Level 1 contains three retail premises on the Bourke Street elevation, accessed via internal stairs within the ground floor tenancies and a lift core for the major brand retail tenancy. A 1,103m<sup>2</sup> restricted recreation facility is located on the Little Collins Street elevation. This facility will function as a private (membership required) gym (i.e. is not ancillary to the hotel uses) and is proposed to operate 24 hours a day, seven days a week.
- Level 2 is the first level of hotel rooms, and also contains a restaurant, bar, Hotel A reception area, meeting room, and a central courtyard.
- Level 3 contains hotel rooms, a void to the level 2 courtyard, and a courtyard towards the south of the site.
- Level 4 contains hotel rooms and two voids to the courtyards below.
- Level 5 contains hotel rooms, two voids to the courtyards below, and a large food and drink premises adjacent to the Hotel B reception and accessible to the public. The premises consists of a restaurant, bar, open deck, and lounge area. An open deck is located on the Bourke Street elevation with an area of 98m<sup>2</sup>.
- Levels 6-10 continue the hotel room configuration of the lower levels, but begin to set back from the Bourke Street and Little Collins Street title boundaries. At level 10, the building is setback 18m from Bourke Street and 5.2m from Little Collins Street. Voids to both courtyards are maintained up through all levels of the building.
- Hotel A from levels 2-6 would accommodate 272 rooms. The second hotel (Hotel B) would at levels 5 and 7-10, would accommodate a further 181 rooms.

## 2.5 Traffic Engineering

No on-site car parking or motorcycle parking is provided on site in association with the development.

Pick-up/Drop-off activities associated with guests is proposed to occur on-street within Little Collins Street.

The majority of loading activity is proposed to be accommodated within a layby area within Union Lane. Movements associated with a 6.4m long vehicle can enter and exit Union Lane from Little Collins Street in a forwards direction. Movements associated with an 8.8m long vehicle entering Union Lane from Little Collins Street

would need to enter Union Lane in a reverse direction, exiting into Little Collins Street in forwards direction.

## 2.6 Signage

The application documentation includes a signage strategy, providing conceptual indications for zones for signage for any future tenants, including retail and hotel operators. The applicant has confirmed that the application does not seek approval for any signs. Signs will be subject to separate planning permit application(s) as required.

## 2.7 Application Documentation

The application has been accompanied by the following reports:

- Economic Impact Assessment - Essential Economics, August 2017.
- Traffic Engineering Assessment - Traffix Group, April 2018 and revised 18 June 2018.
- Heritage Impact Statement - Lovell Chen, January 2018
- Planning Report - Fulcrum Urban Planning, January 2018
- Urban Context Report - Ethos Urban, December 2017
- Waste Management Plan - Leigh Design, April 2018
- Sustainability Management Plan - Simpson Kotzman, 7 February 2018
- Acoustic Assessment - Acoustic Logic, 16 April 2018
- Conditions Assessment & Recommendations Report, Lovell Chen April 2018
- Heritage Façade Retention Feasibility Report - Robert Bird Group, 20 April 2018
- Loading Management Plan - Traffix Group, 15 August 2018
- Road Safety Audit Plan - RSA , 10 August 2018.

## 3. BACKGROUND

### 3.1 Pre-application discussions

Several pre-application meetings, including a tour of the site, were held and attended by the applicant, DELWP and the City of Melbourne prior to the application being lodged.

The proposal was also subject to a design review by the Office of the Victorian Government Architect (OVGA).

### 3.2 Site History

The subject site has a number of planning permits issued over the years, mostly regarding altered shopfronts and signage to both Bourke and Little Collins Streets.

Planning Permit TP-2010-429 (issued on 1 March 2011) permitted the 'partial demolition and subsequent development of site for retail premises and dwellings'. Plans were endorsed to form part of the permit on 18 June 2012. The permit was extended on two occasions and has now expired due to it not being acted upon by 1 March 2017.

## 4. PLANNING SCHEME PROVISIONS

The following provisions of the Melbourne Planning Scheme apply:

Planning Policy Framework	11.01-1R1 Settlement - Metropolitan Melbourne 11.03-1R Activity centres - Metropolitan Melbourne
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	<p>13.05-1S Noise Abatement</p> <p>13.06-1S Air Quality Management</p> <p>13.07-1S Land use compatibility</p> <p>14.02-3S Water Conservation</p> <p>15.01-1S Urban design</p> <p>15.01-1R Urban design - Metropolitan Melbourne</p> <p>15.01-2S Building design</p> <p>15.02-1S Energy and resource efficiency</p> <p>15.03-1S Heritage conservation</p> <p>17.01-1R Diversified economy - Metropolitan Melbourne</p> <p>17.02-1S Business</p> <p>17.04-1S Facilitating tourism</p> <p>17.04-1R Tourism in Metropolitan Melbourne</p> <p>18.02-1S Sustainable personal transport</p>
Municipal Strategic Statement	<p>21.03 Vision</p> <p>21.04 Settlement</p> <p>21.06 Built Environment and Heritage</p> <p>21.08 Economic Development</p> <p>21.09 Transport</p> <p>21.10 Infrastructure</p> <p>21.12 Hoddle Grid</p>
Local Planning Policies	<p>22.01 Urban Design within the Capital City Zone</p> <p>22.02 Sunlight to Public Spaces</p> <p>22.19 Energy, Water and Waste Efficiency</p> <p>22.20 CBD Lanes</p> <p>22.23 Stormwater Management</p>

Statutory Controls	
Capital City Zone– Schedule 2 ‘Retail Core’ (Clause 37.04)	<p>A permit is required to use of land for ‘restricted recreation facility’ – Section 2 use at Table 1.0</p> <p>No permit required for ‘accommodation’ and ‘retail premises’. These are Section 1 – no permit required uses.</p> <p>A permit is required to construct a building or construct and carry out works.</p> <p>A permit is required to construct a building which does not extend to the road boundary of the site.</p> <p>A permit is required to construct a building providing fewer than one bicycle parking space per 500 metres of gross floor area in the case of a</p>

	<p>new building without onsite car parking.</p> <p>A permit and prior approval for the redevelopment of the site are required to demolish or remove a building or works.</p>		
<p>Design and Development Overlay 1 – Active Street frontages</p> <p>(Clause 43.02)</p>	<p>A permit is required to construct a building or carry out works at ground level.</p>		
<p>Development Overlay 2 – Special Character Areas – Built Form Hoddle Grid</p> <p>(Clause 43.02)</p>	<p>A permit is required to construct a building or carry out works.</p> <p>Mandatory height control of 40 metres.</p> <p>Must satisfy the following relevant Design Elements:</p>		
	<b>Design Element</b>	<b>Requirement</b>	<b>Built Form Outcomes</b>
	Street wall height	The street wall height should not exceed 20 metres, or the preferred building height, whichever is lower.	<p>Street wall height is scaled to ensure:</p> <ul style="list-style-type: none"> <li>• a human scale.</li> <li>• consistency with the prevalent parapet height of adjoining buildings.</li> <li>• height and setback that respects the scale of adjoining heritage places.</li> <li>• adequate opportunity for daylight, sunlight and sky views in the street.</li> </ul>
	Upper level street setbacks	Above the street wall, upper levels of a building should be setback a minimum of 5 metres.	<p>Buildings are setback to ensure:</p> <ul style="list-style-type: none"> <li>• larger buildings do not visually dominate the street or public space.</li> <li>• the dominant street wall scale is maintained.</li> <li>• sun penetration and mitigation of wind impacts at street level</li> </ul>
Setback(s) from side boundary	<p>Above 40 metres, upper levels of a building should be setback a minimum of 5 metres from a side boundary.</p> <p>If a laneway:</p>	<p>Buildings are setback to ensure:</p> <ul style="list-style-type: none"> <li>• provision of adequate sunlight, daylight, privacy and outlook from habitable rooms, for</li> </ul>	

		<p>Above 20 metres, upper levels of a building should be setback a minimum of 5 metres from the centreline of a laneway.</p>	<p>both existing and proposed developments.</p> <ul style="list-style-type: none"> <li>• provision of adequate daylight and sunlight to laneways.</li> <li>• buildings do not appear as a continuous wall at street level or from nearby vantage points and maintain open sky views between them.</li> <li>• taller buildings transition down in height to adjacent areas that have a lower height limit, so as not to visually dominate or compromise the character of adjacent existing low-scale development areas</li> </ul>
	<p>Setbacks from rear boundaries</p>	<p>Above 20 metres, upper levels of a building should be setback a minimum of 5 metres from a rear boundary, or from the centreline of a laneway.</p>	<p>Buildings are setback to ensure:</p> <ul style="list-style-type: none"> <li>• provision of adequate sunlight, daylight, privacy and outlook from habitable rooms, for both existing and proposed developments.</li> <li>• taller buildings transition down in height to adjacent areas that have a lower height limit, so as not to visually dominate or compromise the character of adjacent existing low-scale development areas</li> </ul>

Design and Development Overlay 3 – Traffic Conflict frontage (Clause 43.02)	A permit is not required to construct a building or carry out works other than those associated with the creation or alteration of a crossover or vehicle access way.
Design and Development Overlay 4 – Weather protection – Capital City Zone (Clause 43.02)	Applies to land directly adjoining the site at Bourke Street and Little Collins Street frontages.  No permit required <i>“if adequate weather protection to the street frontage is provided to the satisfaction of the responsible authority”</i> .
Heritage Overlay – Schedule 509 – Post Office Precinct (Clause 43.01)	A permit is required to demolish a building; and to construct a building or construct and carry out works.
Parking Overlay – Schedule 2 (Clause 45.09)	No permit required.  The Schedule to the overlay states that parking is not required for any use. None is provided.

Particular Provisions	
52.34 Bicycle Facilities	A permit may be granted to vary, reduce or waive any requirement. The statutory bicycle parking rate is as follows:  Residential Hotel (453 rooms) 45 staff / resident spaces and 45 customer / visitor spaces  Retail, including (8,863m <sup>2</sup> ) 29 staff spaces and 17 customer spaces  A storage room accommodating 46 bicycle spaces is nominated at Basement 2 of the building. This level of bicycle parking is less than the minimum statutory requirements.

General Provisions	
Clause 61.01 Administration and Enforcement of this Scheme	The Minister for Planning is the responsible authority for this application as the gross floor area of the development exceeds 25,000 square metres.
Clause 65 Approval of an Application or Plan	The responsible authority must decide whether the proposal will produce acceptable outcomes in terms of the decision guidelines of this clause, which include the matters set out in Section 60 of the Planning and Environment Act 1987.
Clause 66.02 Use and Development	The Minister for Planning is responsible for referrals of the kind listed

Referrals	in Clauses 66.02-11.
Clause 66.04 Referral of Permit Applications under Local Provisions	The Minister for Planning has referred the application to Melbourne City Council (recommending referral authority).

## 5. PUBLIC NOTIFICATION

DELWP on behalf of the Minister for Planning directed that notice be given under Section 52 of the *Planning and Environment Act 1987*.

DELWP advise that five objections to the application have been received, and summarise the grounds of objection as follows:

- The reduced number of bicycle parking spaces is inappropriate as it does not support a safe, healthy and sustainable city, and encourages congestion.
- Reduced residential amenity to nearby residents due to reduced natural daylight and sunlight from excessive building height, overlooking from hotel rooms into dwellings, and unreasonable noise impacts due to night-time loading and unloading activities.
- Heritage response includes excessive demolition including full demolition of the Book Building which is a graded heritage building, and the redevelopment represents facadism which will not maintain the true heritage value of the buildings.
- Disruption and impacts during the construction period, including noise, dust, access restrictions, and the potential for structural damage to nearby buildings (not a valid planning consideration).

## 6. REFERRALS

Given the significance of this development, the application has been referred to internal departments a number of times following various iterations of amended plans and supporting technical reports since receipt of the referral from DELWP. As such, the following key comments from each internal area are noted below:

### 6.1 Heritage

Council's Heritage Consultant has provided advice on the application, concluding that the proposed redevelopment cannot currently be supported on heritage grounds:

- This historic subdivision pattern of a collective of smaller civil entities forming composite city scapes is a part of form, scale and character of the public domain presentation of the precinct that should be conserved.
- There should be minimal expression of site amalgamation and associated loss of integrity of the heritage entities that historically have constituted this block between Union Lane and the Causeway
- All external elements of the graded building forming a part of the public domain character of this precinct should be retained
- The current grit, grain and interstitial space of the existing building stock should be adapted rather than destroyed.
- Where building stock is to be removed and replaced with infill the scale, form and character of the infill should respond to, respect and interpret the existing

and surrounding scale form and character rather than expressing consolidation.

- The new infills as viewed from outside and within the publicly accessible areas should present as a series of discrete buildings responsive to their context.
- The expression of new infill buildings should each have distinct design expression each evidently interpreting the visual interest, design integrity and hierarchies of the heritage neighbours in the precinct. Essentially this entails coming to terms with solid to void ratio and decorative detail.
- The separate building entities should be grounded. That is to say the building entity should be expressed at ground level rather than the individual entities being subsumed by a uniform expression at ground plane which separates facades from the street level.

Comments following review of the changes made in the 'discussion drawings (June 2018)':

- Whilst it will present as a *collection of buildings, rather than a consolidated whole*, more attention should be given to the interpretation of the heritage context that it is supplanting.
- With the better articulation of the new development into separate building entities, at least as appreciated from the public realm external to the site, the legibility, understanding and perception of the historical subdivision pattern, and evolution of the building form is now better interpreted by the amended external form.
- Full demolition of the Book Building and facades of the Causeway replaced are acceptable *if* a contextual design excellence is demonstrated, exhibiting an authenticity of character and appearance commensurate with the heritage building and context.
- Although internal heritage controls do not apply to the site, there remains opportunities for experience of the 'public' walk throughs to be experienced as a collective connection through separate entities. Whilst on private land the arcades and walkthroughs have had a very public function and experience that follows from the fact that most were historically open laneways. This is a historical condition that could be much more powerfully be expressed and interpreted with the redevelopment of the site than is presently proposed.
- The current character of Union Lane as a place isolated from the commercial presence of the city will be almost entirely appropriated as hotel entry fore court.
- The two infill buildings on Bourke Street should each have a distinct design expression, each evidently interpreting the visual interest, design integrity and hierarchies of the heritage 'neighbors' in the block, including solid to void ratio and decorative detail. There is yet room for improvement in the, review, analysis and finer detail expression of the infill proposals to generate a level of visual interest, authenticity of materiality, of hierarchy and composition commensurate with the qualities and characteristics of the heritage neighbours.
- Just as externally there has been a move to express the infill and replacement development as individual building entities this expression should also be brought into the experience of the internal spaces that are to

be public thoroughfares. The introduction of views up through the complex could also be increased to further to this end.

- The extent of demolition and of development will compromise the heritage experience of this core city element and, in balance, it is reasonable to expect that the internal design is also evidently an expression of the history of a collection of distinct building entities.

Following a review of the proposed 'Discussion Sketches (August 2018)' for the infill building to replace the Book Buildings on Little Collins Street, Council's heritage consultant advised:

- It is recommended that there be a transition from the brick base to the light weight upper level that takes its lead from the neighbour to the west with a modern take upon that expression.
- It is recommended that the level above the transition should not be expressed as a blank level.
- It is also recommended that the infill of the former lane be reviewed to improve the appreciation that the buildings either side continue into the block beyond the infill rather than the infill being a part of a conglomerate mass that has dissolved or consumed any internal integrity the separate buildings may have once had.
- The corner at mezzanine level might be expressed as a projecting occupiable space but the cutaway over the corner appears without reference or particular compositional sense.
- The upper level element appears to have grown in height above its neighbours and remains a bland inarticulate facade by comparison with the well composed and hierarchically developed neighbours it is recommended that the depth of the façade, even if copper clad, should be expressed and that the façade should be articulated in to transition level at the base, body and an attic level with the addition levels set back either beyond the line of view or as a mansard top.
- The detail of the brickwork to the ground floor is promising and could be addressed to particularly express the verticality of structure.
- The brick motif could then be used in the expression of the internal 'lanes' to deliver an appreciation that the Book Building replacement remains a distinct entity that comes to ground not only from beyond the consolidated property boundaries but also to the original property frontages.
- As with the earlier comments regarding the infill to Bourke Street the iterative revisiting of the expression appears to be moving the development towards a sense of authenticity and appreciable response to the heritage context and the evolved sense of place.

## **6.2 Urban Design**

It is acknowledged that the applicants have taken on board some of the comments made in previous design reviews and meetings, and these are reflected in the changes made in both the 'discussion drawings (June 2018)' and the 'discussion sketches (August 18)'. The following changes are supported:

- The directness of the internal arcade which improves legibility and sightlines through the length of the site.
- Aligning the arcade entry with the former Coles Lane entry on Little Collins Street.

- Introducing an internal column grid in the line of the original building walls. This approach allows the internal spatial configuration to express the history of a collection of distinct building entities.
- Introducing masonry elements, such as sandstone cladding, in the façade of the contemporary infills on Bourke Street.
- Including a secure line over the service interface on Union Lane to avoid possible entrapment spaces.
- Introducing recycled brick elements on along some parts of Union Lane and the base of the Book Building replacement.

While these changes represent a positive step towards an acceptable outcome, a more holistic design approach with greater emphasis on heritage and contextual matters is required to support this proposal. The following still needs to be addressed for the proposal to be supported:

- The new infill buildings on Bourke Street and Little Collins Street should demonstrate a strong contextual relationship to their heritage neighbours, especially in the composition, rhythm, window proportions, materiality, and level of detail. Detailed drawings of the façades need to demonstrate the thickness, depth and material finishes applied.
- All building interfaces to Bourke Street and Little Collins Street should have a strong masonry base on the lower levels, where the rhythm and proportions correspond to the architectural qualities of the upper levels. A plate-glass approach is not an acceptable outcome in these critical interfaces, including the proposed treatment to the corner of Bourke Street and Union Lane.
- The openings in the Book Building replacement should have sufficient depth and shadow to avoid the appearance of a flat façade. A depth comparable to the existing façade openings (a minimum of 150mm) should be achieved to create a contextually appropriate response.
- The composition and materiality of the laneway interfaces should reinforce the perception of the proposal as a vertical collection of distinct buildings, as opposed to a unified whole. A more holistic façade strategy is needed to express the history of distinct buildings and demonstrate a higher level of engagement with the textural qualities of the heritage fabric.
- The Union Lane interface should be devoid of all mirrors and floor-to-ceiling glazing, as they do not fit its existing character.
- The materiality on the lower levels of Union Lane should respond to the textural qualities of existing environment. This interface should not include any mirrored elements or plate-glass as they are not befitting of its existing character.
- Commercial activation on Union Lane should be minimised to reinforce the existing character of the laneway. The café on this interface should maintain its primary frontage to the arcade while providing framed views through openings onto Union Lane.
- The ground floor materiality and composition of the Causeway interface should evoke the existing fine-grain character where the thickness of masonry elements provide rhythm, depth and articulation to shopfront windows and entries. The proposed 'lenticular' brick treatment does not reflect this character and creates a jarring pedestrian experience.
- Shop front design on all interfaces should have a strong correlation to the predominant rhythm, composition, and details of the building façade. It must also reinforce a human scale through the use of architectural detail and tactile materials.



- The street wall height of the 'Book Building' replacement must be reduced by 1-2 storeys to achieve a more harmonious relationship with adjacent built forms.

More specific advice on the submitted plans has also been provided, which will be discussed in the assessment at section 7.3 below.

### **6.3 Engineering Services Group (ESG) – Traffic**

#### Guest Pick Up / Drop Off (PUDO)

- The existing No Parking & Loading Zone spaces on the south side of Little Collins St are highly utilised & are unlikely to be consistently available to PUDO guests. ESG has no objection to the proposed strategy involving picking up / dropping off guests on-street at various CBD locations, however it would be preferable, from the traffic engineering and amenity perspective, for a dedicated on-site area to be provided via Lt Collins Street for this purpose. ESG may not change the on-street parking restrictions to accommodate the access, servicing, delivery and parking needs of this development.
- It is also noted that ESG is considering options to facilitate east-west bicycle movements through central Melbourne. Amongst the options being considered is the installation of contraflow bike lanes along Little Collins Street (Spring to King Street), which would result in a significant loss of on-street parking in the street. Accordingly, the developer should not rely on the availability of convenient on-street parking to either pick up / drop off guests or to undertake loading activities in Little Collins Street.

#### Loading/Unloading

ESG – Traffic has reviewed the application documentation a number of times with respect to loading and unloading, including various supporting technical reports. Key conclusions are:

- The State Government is considering the installation of extensive security measures/bollards in the Bourke Street Mall, The Causeway and Union Lane, which are likely to significantly reduce the existing on-street loading provisions and impede access to both the Mall and these laneways.
- Preference for deliveries to be accommodated on-site via Little Collins Street. Hesitant to support the proposed strategy involving servicing via Union Lane given safety and amenity concerns.
- The Traffic Engineering Assessments submitted with the application indicate:
  - 6.4m trucks will be able to access Union Lane from Little Collins Street in a forward direction, reverse into the site & then access Little Collins Street in a forward direction.
  - 8.8m trucks would reverse into Union Lane from Little Collins Street & then access Little Collins Street in a forward direction.
  - The proposed development would generate a total of 43 trucks/day (*including 5 x 8.8m trucks between 12midnight - 7:30am & 38 x 6.4m trucks at other times during the day, outside the 12noon - 2pm closure times*). The volumes of existing trucks in the laneway have not been analysed.
- The generated volumes would result in an average of 5 trucks/hr along the laneway, equating to 10 movements/hr (*assuming that 38 trucks travel over 7hrs, between 7:30am - 12noon & 2 - 4:30pm, with each truck travelling both*

to and from the site). As the movements will not be distributed evenly throughout the 7 business hours (*i.e. they will occur in peaks/troughs*), it could be assumed that a peak of 10 trucks/hr would occur during at least 1hr/day, resulting in 20 movements/hr.

- Assuming average travel speed of 4km/hr or 1.1m/sec (*as it will be necessary to travel at walking speed in order to give way to the high number of pedestrians*), it will take 45sec to travel about 50m along the laneway between Little Collins Street & the site's loading dock, with additional 10sec to either access/egress the site. Therefore, during a "peak delivery hour", the 20 movements will take up a total of 1,100 sec (*i.e. 20 x 55*), or 18min.
- Accordingly, over at least 1hr/day, truck movements in the laneway will occur over about 1/3<sup>rd</sup> of the hour. Although this this could be "technically" undertaken under controlled conditions specified in the Loading Management Plan (*with the Dock Manager stopping pedestrians when trucks reverse into the site, use of signalling systems, etc.*), it would nonetheless significantly downgrade the use of the laneway from being predominantly pedestrianised (*as is currently the case*) to being a predominantly servicing/back-of-house lane such as Caledonian Lane.
- Given the above considerations, it is recommended that alternative 'sustainable' options be explored for the servicing & waste collection activities (*possibly in line with our Last Kilometre Freight Plan <https://www.melbourne.vic.gov.au/parking-and-transport/transport-planning-projects/Pages/last-kilometre-freight-plan.aspx>, etc.*), with a view to significantly minimising (& *possibly eliminating*) truck use in the laneway. At a minimum, it is suggested that all truck movements in the laneway only take place between 12midnight - 7:30am, to minimise conflict with pedestrians & enhance amenity.

#### Bicycle Parking

- It is accepted that the visitor bicycle parking under the Melbourne Planning Scheme requirement is excessive. Staff bicycle parking should be provided however in accordance with the Melbourne Planning Scheme and half the Planning Scheme requirement for visitors.
- The design/dimensions of the bicycle parking should comply with the relevant Australian Standards / Bicycle Network guidelines. Some motorcycle parking could also be provided, if possible, to encourage this sustainable transport mode & to meet the likely demand.

#### **6.4 Engineering Services Group – Waste**

ESG – Waste has similarly reviewed the proposal a number of times, with the final position as follows:

- We have reviewed the proposed waste management plan (WMP) and stand by our comments that this size and intensity of development should be required to be serviced by fully transportable compactor system for both waste and recycling. The proposed generation of waste as outlined in the WMP would require a smaller compactor size collected twice a week for each stream (waste and recycling). This would allow for smaller hook lift collection

vehicle while still making a significant reduction in waste truck movements. This equates to two trucks twice a week for waste services = 4.

- The current proposed bin based collection, 7 days a week, with a 'mini packer' sized truck is not supported. This is due to the undesirable impacts from intense truck movements in the point of collection that could be easily avoided with our preferred system stated above. It must be noted that we do not believe that the mini packer truck can collect all 10 x 1100L bins in one run and therefore will require two collections a day for waste using this sized vehicle. It has a maximum payload capacity of 1.1Ton. This equates to 3 trucks per day, 7 days a week (2 waste and 1 recycling truck) = 21.
- Furthermore the time taken for collection of bins based with a mini packer vehicle is significant as it can only load one bin at a time and requires several lifts to empty from our intel. This means with a large number of bins to collect each day the trucks will require a longer time frame in the loading area.
- To our knowledge, this loading area is not only for waste collections and hence, what happens when waste vehicles can't access this area or are they proposing a booking system for clear access as needed at time of waste collections and other necessary loading / drop offs / services?
- We raise concerns over pedestrian and vehicle interaction as the intensity of truck movements in Union Lane is of concern in regards to safety.
- We suggest that the neighbouring sites such as David Jones and St Collins Lane and Royal Arcade are contacted to see how they are managing their waste collections to see if there are any shared opportunities to reduce impact on Union Lane / Little Collins Street.
- We also have a council laneway compactor in Balcombe Place. However, this is a distance that may not be acceptable for traders to use?

## 6.5 Engineering Services Group – Civil / Infrastructure

Recommendation of the inclusion of standard conditions on any permit issued.

## 7. ASSESSMENT

Having regard to the statutory and strategic framework outlined above, the key planning issues for the City of Melbourne as recommending referral authority are:

- Land use
- Extent of demolition
- Design and built form
- Transport, parking, access, loading and services

Environmental considerations, including environmentally sustainable development (ESD), shadowing, storm water management and wind effects will be assessed and determined by DELWP.

### 7.1 Land use

The 'Economic Impact Assessment' by Essential Economics makes the conclusion:

*'Incorporating flagship retail tenants and hotel operator, the new development will attract patronage from Melburnians and wider afield, including interstate and international visitors. It will consolidate Melbourne's role as the retail capital of the nation and as one of its most popular visitor destinations. Importantly, the proposed new development will assist in consolidating the*

*retail function of the Bourke Street Mall and add to the enhancement of the CBD's arcades and laneways' and*

*'The proposed re-development of the subject site for retail premises and hotel accommodation will make a significant contribution to the economic role of Melbourne's CBD, strengthening the centre's important attraction as a focus for retail and overnight accommodation, creating jobs, and strengthening the pedestrian laneways that are a strong and positive feature of central Melbourne's urban fabric.'*

The above is not disputed. The upper levels of the site have long been vacant and are now in a considerable state of disrepair. Significant investment in the site and its activation and use is highly desirable.

With the exception of the proposed gymnasium on Level 1, all remaining land uses proposed (shops, food and drink premises, residential hotel) do not require planning approval in the retail core of the Capital City Zone.

The uses are consistent with the varied nature of the central city environment, and it is noted that there are few residential or other sensitive uses in the immediate vicinity that would have the potential to be adversely affected by the proposed gymnasium (restricted recreation facility).

## **7.2 Extent of demolition**

Clause 22.04, Heritage Places within the Capital City Zone recognises the importance of the Post Office Heritage Precinct identifying:

*'Important 19th century buildings such as the Royal Arcade and the GPO are now intermingled with the commercial gothic and art-deco characteristics of the 20th century shops and emporia to create a precinct characterised by glamour and variety. The precinct also contains sub-areas of great cultural value, such as the post office steps and arcades and Myer's windows (especially when decorated at Christmas time). The precinct's status as a meeting place has been recognised and enhanced by the establishment of the Bourke Street Mall.'*

Key attributes are:

- The traditional character of the precinct as a major retail centre.
- The scale, form and appearance of the buildings constructed before the Second World War and of the surviving 19th century buildings.

It is policy that the demolition or alteration of any part of a heritage place should not be supported unless it can be demonstrated that the proposal will contribute to the long-term conservation of the significant fabric of the heritage place.

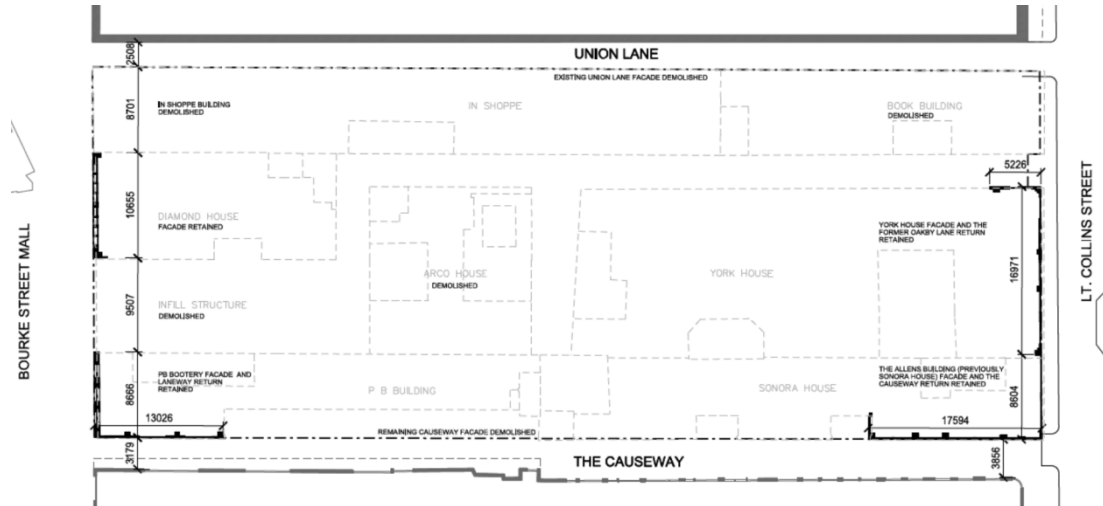
The extent of proposed demolition as shown on the below image, involves the total demolition of the following buildings:

- The two ungraded buildings on Bourke Street, being Edments Store and the single storey infill building;
- The Book building on Little Collins Street (corner of Union Lane); and
- Arco House (internal to the site).

Principal street facades will be retained for the four remaining buildings, to the extent of the following:

- Diamond House (313-317 Bourke Street): retention of the Bourke Street (north) elevation and demolition of the remainder of the building;
- Public Benefit Bootery (323-325 Bourke Street): retention of the Bourke Street (north) elevation and the west elevation along The Causeway to a depth of three bays;

- York House (292-298 Little Collins Street): retention of the Little Collins Street (south) elevation and the east elevation to a depth of one bay; and
- Allan's Building (300-302 Little Collins Street): retention of the Little Collins Street (south) elevation and the west elevation along The Causeway to a depth of five bays



Acknowledging that no internal controls apply that would prevent the demolition of the internal fabric, the full demolition of the Book Building on Little Collins Street and facades of the Causeway may only be justified for the development of the land *if* contextual design excellence is demonstrated in any replacement built form, exhibiting an authenticity of character and appearance commensurate with the heritage building and context.

The acceptability of the replacement built form and whether its location, bulk, form and appearance warrants the demolition as proposed is discussed at length at section 7.3 below.

### 7.3 Design and built form

The performance measures contained within local policy Clause 22.01 (Urban Design within the Capital City Zone), Clause 22.04 (Heritage Places within the Capital City Zone) and Schedules 1 and 2 of the Design and Development Overlay (DDO1 and DDO2) set performance benchmarks for good design outcomes. Key themes of street-pattern, edge quality, heritage response, building envelope, internal amenity, architectural design and activation are common to each of these controls.

The historic subdivision pattern of a collection of buildings on the site – forming a composite cityscape – is a part of the form, scale and character of the existing buildings' presentation to the streetscapes and the broader Heritage Overlay Precinct that should be conserved. As such, City of Melbourne officers' consistent view is that there should be minimal expression of site amalgamation and associated loss of integrity of the collection of heritage buildings that historically have constituted the block between Union Lane and The Causeway.

The design parameters regarding new built form advocated by the City of Melbourne officers have been that where building stock is to be removed and replaced with a new infill building, the scale, form and character of the infill should respond to, respect and interpret the existing and surrounding scale, form and character rather than expressing consolidation. To achieve this, it has been consistently communicated to the applicant that the following revisions and refinements are required:

- The new infill buildings, as viewed from outside and within the publicly accessible areas, should present as a series of discrete buildings responsive to their context.
- The links between, and through the 'block' should present as links through adapted and original heritage places and responsive infill, rather than expressing consolidation.
- The new infill buildings should each have a distinct design expression, each evidently interpreting the visual interest, design integrity and hierarchies of the heritage 'neighbours' in the block, including solid to void ratio and decorative detail.
- The separate buildings should be grounded and individually expressed at ground level rather than having a uniform expression at ground plane, which separates facades from the street level.

### **7.3.1 Bourke Street interface**

#### *Height and setbacks*

The built form controls specified under Schedule 2 of the Design and Development Overlay (Special Character Areas – Built Form Hoddle Grid) require developments to have a maximum height of 40 metres. At RL 49.04 (39.74 metres) to the top of level 10, the heights of the new buildings on the site comply.

Twenty metre street wall heights are preferred in the Special Character Areas. To Bourke Street the proposed infill sections provide a street wall height of RL31.0 (21.7m) and RL 43.495 (34.195m) are higher than that advocated by the planning scheme.

Presently there is an existing play of building height and parapet details that are significant to the Bourke Street streetscape character. This contribution is important to providing visual detail and interest for higher built form. It is essential to retain this variation and ensure new development contributes to the overall street silhouette. In light of this, the heights of the new infill buildings are appropriate as they effectively match and respond to the height of the adjoining retained heritage facades of Diamond House and Public Benefit Bootery respectively. Higher built form is suitably setback behind the retained heritage fabric of Diamond House.

#### *Upper façade design*

The Bourke Street presentation of the new building will incorporate the retained upper façade of Diamond House and the Public Benefit Bootery.

The infill building on the site of the Edments Store will adopt a height to match Diamond House. The upper levels of the building will be framed in black coloured aluminium panels with narrow clear glazed windows set between angled bronze coloured metal panels.

Adopting a height to match that of the Public Benefit Bootery adjacent, the infill building will also respond to the composition of its heritage neighbour through the delineation of a building base, central tower and a crown element. The building will be framed by black coloured aluminium panels, with recessed angled glazing and sandstone clad panels; the angle of the panels will alternate on each level.

The expectation at Clause 43.01 of infill development in the heritage overlay, is that new built presence should be 'in keeping' with the character and appearance of adjacent building and the heritage place. The visual interest and integrity of the new should be evidently commensurate with the host heritage place. Council's Heritage consultant supports the contemporary approach to the Bourke Street façade, and notes that its expression is 'moving the development towards a sense of authenticity

and appreciable response to the heritage context' and supports the replacement building.'

Clause 22.01 encourages new facades to respect the positive attributes of the rhythm, scale, architectural features, fenestration, finishes and colour of the existing streetscape, and use high quality building material and details. In this regard, it is imperative that the two new infill buildings reflect the architectural richness and diversity of the streetscape and respond positively towards a contextual outcome.

Like Council's Heritage Consultant, Urban Design broadly supports the revised façade scheme in the June 2018 package, but notes that the drawings lack sufficient information and detail as to how deep and thick these façade elements are and how they are jointed and integrated within the façade. For example, the use of aluminium panels and silicone joints for the 'building frame' does not constitute a contextually appropriate outcome. This element is to have a stronger sense of material thickness and weight, such as the use of welded steel elements.

As currently proposed, the new infill buildings on Bourke Street do not demonstrate the requisite contextual relationship to their heritage neighbours and are not supported.

### *Ground floor design*

Shopfronts and existing canopies for the two retained heritage buildings, Diamond House and the Public Benefit Bootery building, are proposed to be removed and replaced with simplified, modern shopfronts.

The infill building to the east of Diamond House will incorporate a double-height glazed shopfront to Bourke Street, with a black coloured aluminium clad awning extending 3 metres over the footpath in the order of 6 metres above ground level. The extensive use of floor to ceiling glazing on the ground and first level of this building is not supported. The current design creates a sense of discontinuity between the lower and upper portions of the new infill building, and results in the visual appearance of a 'floating' upper form. Urban Design advice states that it is critical that this building has a strong material presence on the ground, and for the architectural language of the upper form, including the masonry edges, to extend to the ground. A stronger relationship between upper and lower form is required, as well as masonry elements on the ground floor that provide depth and tactility to the lower façade.

The infill building on the site of the existing single storey building (western end) will similarly incorporate a glazed shopfront at ground and first floor levels, with an awning verandah extending 3.8 metres over the footpath 5 metres above ground level.

Urban Design has noted that the submitted renders depict a predominately plate-glass approach to the Bourke Street Mall shopfronts, while the elevation drawing demonstrates a higher level of detail in the ground floor and first floor interface, including stall-risers and articulated framed windows. The latter approach is supported. Again, further information on details and materiality of these facades is required to ensure that the lower levels of buildings shopfront design demonstrates a high level of detail and correlation to the upper form. This includes the use of high quality materials, and articulated mass and framed elements that reinforce the sense of human scale.

Schedule 4 of the Schedule 4 of the Design and Development Overlay requires a verandah or suitable weather protection over the footpath. The proposal responds to this by providing canopies over the Bourke Street frontage. Specifically, each of the four buildings to Bourke Street mall will have individually designed canopies of varying height to reflect each of the respective host buildings.

Additionally, it is noted that Clause 22.01 encourages canopies / verandahs to be partly or fully transparent to allow light penetration to the footpath below and views up to the building façade. The canopies to Bourke Street are to be glass canopies across three-quarters of the Bourke Street frontage, enabling light and views. A contrasting solid canopy is proposed on the north-western return of the building.

The breaking up of the canopies across the Bourke Street Mall interface, relating to the width of the individual host buildings is supported, and is a superior outcome to singular continuous canopy. The use of the solid canopy however is not supported by Urban Design, especially in the Special Character Area where upward views to the façade are encouraged. A consistent canopy strategy across both interfaces (Bourke Street and Little Collins Street), with a unique canopy expression for the arcade entries to both sides is recommended.

As currently proposed, the new shopfronts and canopies are not supported.

### **7.3.2 Little Collins Street interface**

#### *Height and setbacks*

The Little Collins Street presentation will incorporate the retained upper level facades of York House and the Allan's building. The shopfronts of these buildings will be replaced (discussed below).

The addition to be constructed to the rear of York House and the Allan's building between levels seven and nine (and extending to level 10 behind the Allan's building only) is setback approximately 4.8 metres.

The new corner building to Union Lane on Little Collins Street is higher than the 20 metre street wall height advocated under the DDO and similarly, higher than the retained heritage fabric of Allan's Building and York House at 37.76. The building is also significantly taller than the existing Book Building which it seeks to replace (approximately 2.5 storeys). The height of this replacement building would mean that it would be one of the tallest elements in the immediate streetscape, on the north side of a 10m wide Little Street.

The additional street wall height will detract from the presentation of the neighbouring heritage buildings and diminish the heritage character of the street. Urban Design suggests that a marginally higher building could be supported to provide subtle rhythm to the streetscape, but as currently proposed, the height constitutes an abrupt transition in height from its surrounding built form that is not appropriate.

As such, it is recommended that the street wall height be reduced by two levels so as to achieve a more harmonious relationship with the adjacent heritage buildings, with any upper form setback to ensure invisibility from Little Collins Street.

#### *Upper façade design*

The architectural design and massing of this new infill building has been discussed at length, resulting in an amended concept design (August 2018). The infill building adopts a clearly contemporary form, with two distinct sections to the façade. The ground and first level are significant setback from Little Collins Street to facilitate service vehicle movement. The building will present as an independent building at the corner of Union Lane. Recycled brickwork and textured patterns at the lower levels of the building have now been incorporated which is supported. However, as noted by Urban Design, further development of the transition to the projecting upper form is required to 'ground' the upper form from within Little Collins Street. There is a good opportunity to resolve this transition with a prominent boxed window element at this corner that could slot into the recess created by the stepping of the upper form (refer to attachment) while an expression of a 'band beam' type approach could



resolve the remaining component of the transition. The soffit should not present as the underside of a solid surface, but should instead extend the character of the upper form.

In addition to the above, Urban Design has also recommended the following to improve the architectural and massing quality of this replacement building:

- Further development of the materiality, composition and proportions of the building to respond to the qualities and characteristics of either the existing Book Building or its heritage neighbours. It is noted that the square windows in the row of two does not reflect the rhythm and proportions of the existing façade or neighbouring built form. These window proportions, in conjunction with the ad-hoc proportions of the façade panels, do not generate the level of visual interest or complexity in architectural hierarchy and detail that is required for this critical façade.
- Use of a heavier masonry approach for the upper form, such as a textured precast or tiled outcome over a lightweight cladding solution in this heritage context.
- The depth and proportions of openings in this brick base should read as a continuation of the corresponding elements in the upper form.

The new infill building is separated from the retained York House to the west by 3.5m x 3.7m glazed recess between levels 1-9. The east elevation return of York House will be retained to the depth of a bay within this recessed section of the Little Collins Street elevation. The glazed recess will demarcate the former location of Coles Lane (refer to figure 3 above). Urban Design has recommended that the appearance of this break between the replacement infill building and neighbouring form should be more muted and tied to the canopy and entry design. These three elements working together should announce the entrance to the arcade. A condition should be included on any permit that the break achieves a more consistent expression from ground to upper level.

Furthermore, both Urban Design and Council's Heritage Advisor have recommended that the design approach of expressing the complex as a group of individual buildings linked over time and connected with ground floor links should not only be expressed externally but should also be evident where distinct buildings come to ground and are distinctively expressed in the pedestrian 'internal streets'. It is therefore recommended that an internal column grid which outlines the memory of the individual buildings that make up the site be introduced (via condition) for the return facades from Little Collins Street, i.e. York House and the replacement infill building respectively. Urban Design suggests that this alignment should correspond with the depth of the adjoining retail tenancies on either side of the arcade entrance.

As currently proposed, the new infill buildings to the corner of Little Collins Street and Union Lane does not demonstrate the requisite contextual relationship to their heritage neighbours and is not supported.

### *Ground floor design*

Like Bourke Street, all shopfronts and canopies of the retained heritage buildings (Allan's building and York House building) are proposed to be removed and replaced with simplified, modern shopfronts and canopies. The shopfronts to be removed are not original to the host heritage building and therefore their removal is acceptable. The removal of the existing canopies will be a significant improvement upon existing conditions, given the existing canopy partially conceals the first floor level of the host heritage buildings. Given the retained heritage fabric above, the replacement shopfronts will be single level in height. This concept is acceptable, however further design detail is required.

Schedule 4 of the Design and Development Overlay requires a verandah or suitable weather protection over the footpath. The proposal responds to this by providing replacement canopies over the Little Collins Street frontage. Specifically, replacement canopies are provided along the full width of the Little Collins Street frontage, again of varied design and height to reflect the host structure above. The projections range from 1.4m to 2.2m forward of the building line to Little Collins Street.

Additionally, it is noted that Clause 22.01 encourages canopies and verandahs to be partly or fully transparent to allow light penetration to the footpath below, and views up to the building façade. The replacement canopies to Little Collins Street do not employ this recommendation, being solid. The canopies comply with policy. A consistent canopy strategy across both interfaces (Bourke Street and Little Collins Street), with a unique canopy expression for the arcade entries to both sides is recommended.

Urban Design support the use of a prominent canopy above the arcade entry (former Coles Lane), but recommend that it reads as an individual element that clearly signifies the entrance to the arcade, and not a continuation of the canopy of the replacement infill building. The height of the canopy therefore needs to drop and the design be amended so as to clearly distinguish itself as a separate element.

As currently proposed, the new shopfronts and canopies are not supported.

### **7.3.3 Union Lane interface**

#### *Height and setbacks*

DDO2 recommends that any part of a building above 20 metres in a laneway should be setback a minimum of 5 metres from the centreline of a laneway.

Parts of the new building to Union Lane are higher than 20 metres at RL47.06 (37.76m). The height does not comply with the requirement to be set back at least 5 metres. However, given the narrow width the lane, it is considered that a 5m setback above 20 metres would not necessarily deliver any benefits in terms of daylight and sunlight to the respective laneways.

#### *Façade design*

No existing fabric along Union Lane is proposed to be retained. As a result, the existing unique character of Union Lane as a 'canvas' for graffiti art that is highly valued as providing a different laneway experience and interstitial space in which such artistic activity can occur will be compromised. Urban Design notes that the sheer extrusion of the laneway walls provide a strong sense of enclosure and a framed view of the streetscapes on either end. Further, the industrial remnants of the brick walls and openings reinforce a sense of grittiness that is a characteristic of this urban environment. While it is acknowledged that the amended floor plans, specifically the relocation of the Hotel Lobby away from this interface represents a positive step, it is important to ensure that activation is kept to an absolute minimum on this interface.

The proposed widening and activation of this unique public space with retail tenancies and servicing area has the potential to compromise the valued role and character of this laneway.

The lower levels of Union Lane are proposed to be clad in angled mirror panels (in order to reflect the graffiti located along the eastern wall of the lane), with glazed shopfronts/retail spaces. Levels two and four will be white precast concrete with angled window bays projecting at regularly spaced intervals along the laneway. Levels five to 10 will incorporate angled glazing and precast concrete in a light grey colour while the southern section will be of precast concrete in a dark grey colour.

The window bays to the precast concrete sections will be angled and recessed into the wall.

In this narrow and compressed laneway environment, the design of the lower two to three storeys of the proposed facades is critical to support the human scale and materiality of this context. The use of the mirrored finish does not constitute a human scale outcome, or represent an appropriate material response or contextual justification for this public laneway.

The degree of proposed activation of Union Lane is not supported as it removes the canvas for ongoing street art/graffiti. Furthermore, the mirrored finish to Union Lane is not supported given it has no contextual justification.

A reduction in the proportion of glazing, removal of the mirrored finish and its replacement with simplified masonry is required to maintain a primary active frontage to the arcade internally, and a clear back to the rear, reflecting current conditions and providing an appropriate contextual response.

The introduction of the brick to the base of the replacement infill building is positive. Urban Design has recommended that the same treatment be extended to the other end of the laneway at the corner of Bourke Street and Union Lane, so as to preserve a sense of enclosure and intimacy within this laneway. The introduction of floor to ceiling glass will undermine this. The building corners should be clearly articulated with masonry to maintain this sense of enclosure.

Urban Design has further recommended a stronger correlation between upper and lower form within its individual massing elements. At the moment, the massing of this interface reads as one continuous lower base with a 'patchwork' of surfaces applied throughout. We require a cohesive façade strategy comprising of a series of clearly defined 'vertical volumes' that read as a series of individual buildings and provide rhythm and composition to the overall laneway interface. This establishment of articulated vertical forms at shorter intervals is critical to ensure a rich and human scale experience of the laneway.

The service vehicle turning and loading zone at the midpoint of Union Lane presents an entrapment space that lacks visibility from Bourke Street or Little Collins Street and does not meet the principles of *Crime Prevention Through Environmental Design* (CPTED). A secure line to the laneway edge, by means of an after hours barrier, is required to be provided.

As currently proposed, the buildings presentation to Union Lane is not supported as it does not demonstrate the requisite understanding of the unique existing contextual environment.

### **7.3.4 The Causeway interface**

#### *Height and setbacks*

Like Union Lane, DDO2 recommends that any part of a building above 20 metres in a laneway should be setback a minimum of 5 metres from the centreline of a laneway.

Parts of the new building to The Causeway street interface are higher than 20 metres at The Causeway RL50.25 (40.95 metres). The height does not comply with the requirement to be set back at least 5 metres. However, like Union Lane, given the narrow width the lane, it is considered that a 5m setback above 20 metres would not deliver any benefits in terms of daylight and sunlight to the respective laneways.

#### *Façade design*

The Causeway presentation will incorporate the return elevation of the Public Benefit Bootery to a depth of three bays and the Allan's building to a depth of approximately





While The Causeway will retain its primacy as the active frontage laneway of the redevelopment, the adverse impact upon Union Lane as a result of the volume of the loading and unloading activities (discussed in detail below) will have an unacceptable adverse impact upon its support role for the precinct, compromising it as an alternative pedestrian experience due to pedestrian/vehicular conflict.

#### **7.4 Transport, access, loading and services**

Deliveries, waste collection and loading for the development are proposed to occur from a widened Union Lane entering and exiting to Little Collins Street at unrestricted hours. The widening of Union Lane and the design of the infill building on Little Collins Street (setback from Little Collins Street) would allow movements associated with a 6.4m long vehicle to enter and exit Union Lane from Little Collins Street in a forwards direction. Movements associated with an 8.8m long vehicle entering Union Lane from Little Collins Street would need to enter Union Lane in a reverse direction, exiting into Little Collins Street in forwards direction.

Union Lane is identified as a Class 3 Lane at Clause 22.20, and as such, the proposal should contribute to its functionality with respect to servicing and access and its desirability as a pedestrian thoroughfare.

Policy requires the consideration of the design and management of access and loading areas along Class 3 Lanes so as to ensure pedestrians can move through these lanes safely and efficiently.

Documentation accompanying the application fails to adequately analyse the existing vehicular and pedestrian movements within Union Lane. Consequently there is no comprehensive understanding of the impacts of the deliveries, waste collection and loading upon the existing character of Union Lane and the pedestrian movements that it supports, noting that these movements will only increase when the Town Hall station is operational under the Melbourne Metro proposal currently under construction.

Considerable concern and questions have been raised by both the Traffic and Waste Engineers regarding the use of Union Lane for all loading, unloading and collections, with Traffic concluding that:

*'Although this this could be "technically" undertaken under controlled conditions specified in the Loading Management Plan (with the Dock Manager stopping pedestrians when trucks reverse into the site, use of signalling systems, etc.), it would nonetheless significantly downgrade the use of the laneway from being predominantly pedestrianised (as is currently the case) to being a predominantly servicing/back-of-house lane such as Caledonian Lane.'*

Further, Traffic Engineering has advised that an application has recently been submitted to VicRoads to convert Union Lane from a road to a 'shared zone' which is defined as a road 'where pedestrians, cyclists and vehicles share the roadway.' The purpose of a shared zone is improved amenity for pedestrians who are given priority and an improved streetscape, with a reduced speed limit of 10 km/hr.

The application to VicRoads further supports the strategic goals for Class 3 Lanes identified above, and for enhanced pedestrian movement and permeability identified at Clause 22.17. The impact of the development on Union Lane via the proposed volume for servicing and access has not been appropriately demonstrated and understood. As currently proposed it is considered that the volume would have a deleterious effect on Union Lane, contrary to the above strategic directions.

## **8. Conclusion**

In broad terms, the City of Melbourne supports a redevelopment of this clearly underutilised site and acknowledges the significant opportunity to deliver a high

quality outcome for Melbourne's retail core. The Municipal Strategic Statement recognises that the City of Melbourne makes an important contribution to the economic prosperity of the State through its strong retail, cultural, sporting and tourism industries. Retailing is specifically identified at Clause 21.08 as an important component of Melbourne's capital city function and the Hoddle Grid is identified as Victoria's pre-eminent retail centre, and that retailing in the retail core needs *"to be maintained and enhanced as a world class shopping district while respecting the character and heritage of this area's existing buildings and lanes"* (Clause 21.08).

In this context, the proposed redevelopment of a dated and flagging arcade, providing further opportunities for major brand retail in the Bourke Street mall and significant financial investment to the site is supported.

However, this support does not outweigh the significant concerns as detailed in the assessment above regarding the proposed built form and its response to heritage and urban design considerations and the transport and infrastructure concerns, in particular to Union Lane.

There remain a number of high level unresolved issues and concerns. These concerns are numerous and of serious consequence to the overall acceptability of the development, to the degree that it is considered that they are unable to be resolved via conditions of permit.

## **9. OFFICER RECOMMENDATION**

That a letter be sent to the Department of Environment, Land, Water and Planning (DELWP) advising that Melbourne City Council objects to the application on the following grounds:

1. The extent of demolition proposed has not been sufficiently justified and the design, built form and architectural quality of the replacement buildings is not acceptable.
2. The replacement built form does not sufficiently reflect the architectural richness and diversity of the four streetscapes and does not respond positively towards a contextual urban design outcome.
3. The development would have an unacceptable adverse impact upon the public utility and character of Union Lane.