PLANNING COMMITTEE REPORT

Agenda Item 5.8

5 December 2006

PLANNING APPLICATION : 150 CLARENDON STREET AND 166 GIPPS STREET, EAST MELBOURNE (MERCY HOSPITAL SITE)

Division Sustainability & Innovation Division

Presenter Con Livanos, Manager Development Planning

Purpose

1. To advise of three applications for planning approval to the Minister for Planning associated with the Mercy Hospital site. Two applications relate to the refurbishment of the former public hospital building for apartments, a licensed restaurant (200 seats), 14 consulting suites and associated car parking. The third application relates to the demolition of the St Mary’s building and chapel, external alterations to the building at 166 Gipps Street (St Francis Consulting Suites) for a three storey aged care facility containing 110 beds and a four storey residential building containing 25 dwellings.

2. The Minister for Planning is the Responsible Authority for these applications. Council has the opportunity to provide comments to the Department of Sustainability and Environment (DSE) for consideration.

3. This application has been presented to the Planning Committee at the request of Cr Clarke.

Summary


Proposal:

TPM-2006-26 (‘Intermediate Scheme’): Refurbishment of the existing building for use as apartments (75), a licensed restaurant (200 seat) and consulting suites (14) and associated car parking (192 resident spaces).

TPM-2006-39 (‘Long Scheme’): As above, except that there will be an additional 30 apartments (total of 105).

TPM-2006-31 (‘Gipps Street Scheme’): Demolition of the St Mary’s building and chapel, external alterations to the building at 166 Gipps Street (St Francis Consulting Suites) for a three storey aged care facility containing 110 beds and a four storey residential building containing 25 dwellings.

Applicant: Notice of the applications has been given to the City of Melbourne by the Department of Sustainability and Environment. Salta Properties Pty Ltd are the applicant for the permits.

Zoning: Public Use Zone – Health and Community Services

Overlay: Heritage Overlay, HO2, East Melbourne and Jolimont Precinct
Existing Uses: Mercy Hospital site which comprises:

- 150 Clarendon Street which is currently vacant and was previously used for a public hospital;
- St Francis Building on Gipps Street which is currently used for consulting suites;
- St Mary’s Nurses Home on Gipps Street which is currently vacant;
- Chapel located in the middle of the site;
- Car park containing 252 spaces fronting onto Gipps Street and currently vacant; and
- Mercy Private Hospital that fronts onto Grey Street.

Number of Objections: 1 in relation to the Gipps Street Scheme (believed to have been submitted to the Minister for Planning).

Recommendation from Management

4. That the Planning Committee determine to:

4.1. inform the Minister for Planning that the City of Melbourne has concerns regarding the compliance of the ‘intermediate scheme’ for 150 Clarendon Street with the objectives of the proposed Design and Development Overlay, DDO21 (which forms a part of Council adopted Planning Scheme Amendment C93) with regard to the height and bulk of the building and the provision of car parking;

4.2. inform the Minister for Planning that the City of Melbourne objects to the ‘long scheme’ for 150 Clarendon Street on the grounds that the height and bulk of the building is inappropriate and does not meet the objectives of the proposed Design and Development Overlay, DDO21, which forms a part of Council adopted Planning Scheme Amendment C93, and the provision of car parking; and

4.3. inform the Minister for Planning that the City of Melbourne supports the “Gipps Street Scheme” subject to conditions to be specified by the Manager Development Planning relating to the re-allocation of car parking spaces and conditions relating to detailed design issues.

Proposal

5. The land affected by the application is the Mercy Hospital site which is bounded by Grey Street to the north, Clarendon Street to the west and Gipps Street to the south (refer to Attachment 1).
TPM-2006-26 (Intermediate Scheme)

6. This scheme is outlined in the submitted plans (refer Attachment 2 which has a selection of the proposed development plans) and it is proposed to refurbish, extend and alter the existing building fronting onto Clarendon Street to be used for 75 apartments on the upper levels, a 200 seat licensed restaurant at ground level and 14 consulting suites located at ground and first floor levels. A gym and pool will be provided at the first floor for future residents. A total of 192 car parking spaces are proposed, with 76 spaces in the existing basement below 150 Clarendon Street, seven spaces are proposed to be located within three ground level garages accessed via the laneway to the rear of the site and 109 spaces are proposed to be located within the lower basement level of the retained portion of the car park fronting Gipps Street.

7. A basement link is to be provided between the two basement areas. Access to the car park will be provided via Gipps Street. The appearance of the building is proposed to be dramatically altered from the current medical institution. Larger glazed areas are proposed at the lower levels and the extended glazed tower has a distinctly modern appearance.

8. The existing second floor level is to be extended to match the first floor podium level below. The existing tower is proposed to be squared off and marginally increased in length to the north and south and in width. The two existing roof top plant levels are proposed to be removed and two levels of apartments constructed. The proposed 11th floor level is approximately 27m longer than the existing plant level and the and the 12th floor is approximately 8 m longer. These measurements exclude terrace areas and pergola structures which would extend further to the north and south. The depth of these floor levels is also proposed to be increased by approximately 4m. The pergolas above Levels 3 and 11 are proposed to be extended and will introduce additional steps into the building form.

9. The height of the existing building, excluding plant is 44.79m and 52.5m including plant. The proposed building height under the ‘intermediate scheme would be 53.3m to the top of the residential levels, 55.12m to the top of the screen around the plant area and 57.92m to the top of the proposed cooling tower.

TPM-2006-39 (Long Scheme)

10. This application seeks to vary the proposal described above by further increasing the building envelope of the tower at 150 Clarendon Street (refer to the plans at Attachment 3 which has a selection of the proposed development plans that differ to the intermediate scheme). The number of apartments proposed under this application would be increased by 30 (total of 105). The other uses within the building and the number of car parking spaces are the same as described above. The overall heights of the building proposed under the ‘long scheme’ are the same as the ‘intermediate scheme’ however, the building envelope is increased over all levels. The envelope of the tower is to be increased approximately 5.8m at the southern end and 5.3m at the northern end, resulting in a 15 per cent increase in the length of the tower on the Clarendon Street frontage.

TPM-2006-31 (Gipps Street Scheme)

11. The proposal comprises the following components as outlined in the submitted plans (Attachment 4);

11.1. demolition of the St Mary’s building and chapel;

11.2. external modifications to the St Francis Building;

11.3. development of a three-storey building accommodating a 110 bed aged care facility;
11.4. construction of a three-storey apartment building, containing 25 dwellings;

11.5. modifications to basement levels 1 and 2 within the Gipps Street car park;

11.6. extension of the Mercy Private Hospital Basement for the creation of new operating theatres; and

11.7. an upgrade of the surface treatment of the existing laneway within the site.

**Key Issues**

12. The key issues relate to:

12.1. the height, bulk and design of the proposed additions to the 150 Clarendon Street building. In particular, compliance with the requirements and design objectives of Council adopted Planning Scheme Amendment C93; and

12.2. the provision of on-site car parking to meet the demand generated by the consulting suites in the upgraded St Francis Building and the new consulting suites in the 150 Clarendon Street building.

**Height and Design**

13. Currently the site is not subject to any height controls in the Planning Scheme but would be if the Minister for Planning approved Council’s adopted Planning Scheme Amendment C93. The issues of height and design have been assessed as if Amendment C93 was in operation.

14. Planning Scheme Amendment C93 proposes a mandatory maximum building height of 17m within proximity of Clarendon Street and a 14 m mandatory height further into the site. The existing building at 150 Clarendon Street is approximately 44.79m (52.5m including plant) and therefore exceeds the proposed mandatory height controls. The revised schemes for this building further increases its height to 53.3m (57.9 including plant). As the building currently exceeds the proposed height controls, the proposals under consideration can be assessed against the qualification in Amendment C93 which allows for an application to replace or extend an existing building which exceeds the maximum building height specified:

> “only if the responsible authority is satisfied any increased height above the specified maximum building height improves the design of the building and amenity and enhances the urban character of the area”.

**Intermediate Scheme**

15. The ‘intermediate scheme’ when viewed against the plans in the existing permit represents quite different built form outcome (refer to paragraph 28). While the extension to the Level 3 and 11 pergolas are considered to strengthen the building’s form, the introduction of multiple steps to the form of the building is considered to weaken the podium/tower form of the existing building and is not supported. The existing building represents an incongruous element in what is essentially a low-rise residential area. This is reflected by the 17m maximum heights proposed for the site under Amendment C93. The incremental increase in the bulk of this already incongruous element is not supported by Council officers. Serious concern is expressed by Council officers regarding the incremental increase in the building envelope of 150 Clarendon Street. Further, concern is expressed regarding the changes to the finishes of the building, in particular, the downgrading of the cladding from stone to ‘stone coloured render’.
16. It is considered that the proposed additions to the existing building under the ‘intermediate scheme’ do not result in an improvement to the design of the building and would not enhance the urban character of the area. Therefore, it is not considered to satisfy the qualification under Planning Scheme Amendment C93 for existing buildings to exceed the proposed height controls.

17. Concerns regarding the proposed building form might be partly addressed by requiring that the two top floors read as a single ‘rooftop’ form no larger than the previously approved envelope and a further review of the proposed materials. It is noted that the proposed cooling towers located above the plant enclosure are not shown on the elevations of the building and are only shown on the sections. Concern is expressed regarding the protrusion of these towers above the plant enclosure which will have an adverse affect on the amenity and urban character of the area.

*Long Scheme*

18. The increased building envelope and bulk proposed as part of the ‘long scheme’ further exacerbates the discrepancy in scale between the 150 Clarendon Street building and the surrounding East Melbourne area. It also increases the sense of a barrier between the East Melbourne area and the Fitzroy Gardens, thereby increasing the development’s impact on the gardens.

*Gipps Street Scheme*

19. The replacement of the above ground portion of the existing car park fronting onto Gipps Street is fully supported. The proposed aged care facility and apartments generally comply with the mandatory height controls proposed under Planning Scheme Amendment C93. While this scheme is generally supported there are a number of detailed design issues that need to be further resolved and can be managed via permit conditions. Some of these issues are as follows:

19.1. while the proposed aged care facility addresses the Gipps Street frontage, pedestrian and drop off access is located centrally within the site and is accessed from the north/south laneway. It is unfortunate that direct access from Gipps Street could not be practically provided. The reasons for the provision of the access is appreciated, however it is considered that design of the access to the aged care facility should be further detailed to provide lighting and signage to assist in providing for pedestrian safety;

19.2. access to part of the car park and loading/service areas is located at the eastern end of the Gipps Street frontage. This access is large because of the need to accommodate trucks and includes the provision of a large roller door fronting the street. The treatment of this vehicle entrance needs to be carefully considered so as not to detract from the appearance of the new buildings from the street, particularly given that this entrance is adjacent to the historic Nepean Terrace; and

19.3. it is suggested that the proposed rendering of all of the existing St Francis Building be reviewed. It is considered that the upgrading of the existing façade can be achieved without having to conceal all of the original brickwork.
Car Parking

20. The number of car parking spaces provided for the proposed residential uses and for staff of the aged care facility is supported. However, significant concern is expressed regarding the lack of car parking provided for the proposed consulting suites. While the number of consulting suites is quite low, the car parking demand which is likely to be generated by the suites is likely to be in the order of 45 spaces for staff and 50 spaces for patients. It is acknowledged that patient demand might be accommodated on street, although on street parking restrictions in close vicinity to the site is generally restricted to one hour or less. Given these restrictions, it cannot be expected that staff parking can be accommodated on street.

21. The applicant has put forward a case that additional demand for staff parking can be accommodated in the existing car park at 98-108 Grey Street, adjacent to the subject site. While the applicant contends that approximately 60-80 car parking spaces are available in this car park at any one time, three site inspections carried out have indicated that there is, in fact, a much higher demand for spaces and that the car park is often full. Further, a Section 173 Agreement is in place for the extension to the Mercy Private Hospital and requires the provision of staff, visitor and patient car parking in the Grey Street Car Park. As such, concern is expressed regarding the capacity of this car park to cater for any additional demand, particularly when viewed in light of the proposed retention of the 42 consulting suites in the St Francis Building which fronts onto Gipps Street and the demolition of the 224 space Gipps Street car park on the Mercy Hospital site.

22. Concern is expressed regarding the layout of the ramp which provides access to the basement area below the building at 150 Clarendon Street. This ramp provides vehicle access to this car parking area and also includes a number of spaces on each side of the access aisle. Concern is expressed regarding the layout of this portion of the car park and the potential for vehicle conflict caused by vehicles attempting to enter and exit this portion of the basement car park below 150 Clarendon Street. An analysis provided by the applicant indicates that a one-way traffic flow can be accommodated at the western end of the ramp because of the location of car parking spaces and columns and has argued that this is acceptable. It is suggested that the layout be revised to further address this issue.

Other Planning Issues

Projections

23. The proposal includes the construction of a canopy which is shown to extend over the Clarendon Street footpath and road. The extent of this projection is not supported by Council officers and it is recommended that it be reduced to be setback a minimum of 0.75m from the face of the kerb. The ground floor plan also shows changes to the kerb alignment and planting of street trees. Reference to these works requires separate approval from Council’s Engineering Services, Urban Design and Parks and Recreation Branches and should therefore be deleted from the application.

24. The plans show the extension of enclosed floor space over the laneway which is to the west of 150 Clarendon Street and which runs parallel with Clarendon Street. The projection appears to be approximately 1.75m in depth, extending for a length of approximately 85m and is located approximately 4.0m above the level of the laneway. It is understood that this laneway is private land. It is noted that if this road was a Corporation Lane the level of enclosed floor space would not be supported. Further, the minimum clearance to the underside of the projection from the road needs to be 5.0m. This minimum clearance allows for trucks and emergency vehicles to use the laneway.
Public Realm

25. The site’s interface with the adjoining public realm will be improved on three sides with the introduction of fenestration to the ground level consulting suites, a restaurant opening onto Clarendon and Grey Streets and additional pedestrian entries in Clarendon Street. However, it is considered that there is a lack of active frontage to the east elevation. The private lane provides pedestrian access to the proposed aged care building, as well as a potentially useful through-block link. It is considered that the extent of proposed garage doors, loading areas and building services do not present an attractive frontage to this lane, particularly considering the projecting floor area above and also does not contribute the safety of this area.

Time Frame

26. Notice of the applications was given to the City of Melbourne in accordance with Section 52 (1)(b) of the Planning and Environment Act, 1987. Notices for the applications were received in August and September, 2006. Comments were requested to be received within 28 unless further information was required. Further information regarding car parking was requested and subsequently, amended applications were lodged with the Department of Sustainability and Environment on 2 November, 2006, and were forwarded to the City of Melbourne.

27. Comments must be forwarded to the Department of Sustainability and Environment to enable Council’s views to be taken into consideration as part of the decision making process.

Consultation

28. The application has been advertised by the Department of Sustainability and Environment (on behalf of the Minister for Planning who is the Responsible Authority) and we understand that there are currently no objections to both schemes for the 150 Clarendon Street building and one objection to the aged care facility in Gipps Street.

Finance

29. There are no direct financial implications associated with the recommendations contained in the report.

Legal

30. The Minister for Planning is the Responsible Authority for this application. The recommendations of this report are within the functions and powers of the Council.

Background

31. A Planning Permit (City of Melbourne reference TPM-2005-11) was issued by the Minister for Planning, at the direction of VCAT. The permit allowed for the redevelopment of the former public hospital fronting onto Clarendon Street for the purpose of 143 apartments, 31 consulting suites (at ground level and to the east side of the building at first floor level), and a restaurant (north-west corner at ground level). A lap pool and sun deck are shown to be located above the restaurant. The approved works include additions to the podium level of the building and the creation of four penthouses around the existing plant room. Plans were endorsed to comply with conditions of the Permit on 23 March 2006.
32. The above approval included the addition of two levels of penthouses which wrapped around three sides of the existing double storey height plant room of 150 Clarendon Street. A lift overrun was proposed above these two levels. Balconies wrapped around each level of the refurbished tower. Council officers under delegation supported the additional residential levels on the basis that they improved the appearance of the building and therefore character of the area as the additional levels concealed the views of the very prominent and undesirable plant levels from the Fitzroy Gardens and surrounding streets. The original endorsed plans did not otherwise include any increase to the building envelope of the tower levels. Following this, two sets of amended plans were approved by the Minister for Planning. Council does not have any explanatory correspondence which fully describes the changes that were approved and these amendments were not referred to the City of Melbourne for comment.

33. However, it is understood that these amendments, approved in June and August 2006 allowed for changes to the layout of the floor plans including the deletion of the majority of the balconies which surrounded the perimeter of the building on the upper levels, the ‘squaring off’ of the upper levels of the building which is curved at the northern and southern ends, an extension to the footprint of the building at lower levels and alterations to the layout and mix of the apartments. Further, the amended plans show the deletion of plant rooms at Levels 11 and 12, the replacement of these areas with residential floor area and the inclusion of an open plant room area above Level 12. The amended plans also increased the size of the apartments resulting in a reduction in the number of apartments from 144 to 73.
FINANCE ATTACHMENT

PLANNING APPLICATION: 150 CLARENDON STREET AND 166 GIPPS STREET, EASTMELBOURNE (MERCY HOSPITAL SITE)

There are no direct financial implications associated with the recommendations contained in the report.

Joe Groher
Manager Financial Services
LEGAL ATTACHMENT

PLANNING APPLICATION: 150 CLARENDON STREET AND 166 GIPPS STREET, EASTMELBOURNE (MERCY HOSPITAL SITE)

The Minister for Planning is the Responsible Authority for this application.

In making its decision, section 60(1)(c) of the Planning and Environment Act 1987 (“the Act”) requires the Responsible Authority to consider, amongst other things, all objections and other submissions which it has received, which have not been withdrawn.

Section 60(1A) further provides that:

"Before deciding on an application, the responsible authority, if the circumstances appear to so require, may consider –

(g) any other strategic plan, policy statement, code or guideline which has been adopted by a Minister, government department, public authority or municipal council;"

Section 64 of the Act sets out the procedure to be followed by the Responsible Authority in circumstances where objections are received.

Kim Wood
Manager Legal Services