

Submission Cover Sheet

Fishermans Bend Planning Review Panel

17

Request to be heard?: Yes

Precinct: Montague

Full Name: Thomas Kaldor

Organisation: Elmarn Pty Ltd (owner)

Affected property: 70-104 Gladstone Street Southbank

Attachment 1: FB_Framework_s

Attachment 2:

Attachment 3:

Comments: Refer attached file

6 December 2017

Fishermans Bend Planning Review Panel
Planning Panels Victoria
Via web submission

Dear Panel Members,

Response to Draft Framework Plan from 70-104 Gladstone Street Southbank

This submission is made in relation to the above property located in Montague precinct. 70-104 Gladstone Street ("Subject Site") is comprised of three lots under a plan of sub-division and is owned by three unrelated parties.

We understand that the Fishermans Bend Planning Review Panel is seeking submissions in response to the draft Framework Plan ("Plan") and this letter sets out our response to the following proposals contained in the draft Plan:

1. An FAR of 3:1 to apply to the subject site, and
2. A new public open space at 87 Gladstone Street South Melbourne

Our responses to the above proposals are detailed in succeeding sections of this letter.

The Site

The subject site comprises approximately 1442 sqm of land and is located on the north side of Gladstone Street immediately to the south of the light rail line and depot and between Montague and Ferrars Streets.

The site is approximately rectangular with a long frontage of approximately 61 metres to Gladstone Street. Gladstone Lane runs along the rear of the subject site and dog-legs to meet Gladstone Street at the north-eastern site interface.

Upon the site is a three lot strata-subdivided single level older style warehouse building containing multiple tenancies including vehicle repair, car sales, real estate sales and a locksmith.

Site Analysis

We offer the following analysis of the subject site and its context:

- The site size and its proximity to the Montague Street light rail stop, being a 2 minute walk, offers considerable opportunity for higher density mixed-use development.
- It is centrally located in the Montague precinct in close proximity to key infrastructure including the Montague Community Park (150m), South Melbourne Primary School (250m) and Montague Street light rail stop (200m).
- It is located immediately adjacent to (i.e. between) two core activity areas defined in the Plan:
 - Southern activity core bounded by Gladstone, Kerr, Buckhurst and Montague Streets, and
 - Northern activity core bounded by Normanby Road and Woodgate and Montague Streets.

Proposal 1 -- 3:1 FAR for Subject Site

Figure 11 in the Plan identifies the subject site as non-core with an FAR of 3:1.

It is noted that, in the immediate vicinity of the subject site, properties fronting Gladstone Street on the south side of that road and properties on the south side of Normanby Road are both deemed to be within core activity areas with FARs of 6.1:1.

The writers submit that an FAR of 3:1 for the subject site is too low for the following reasons:

The large site area and location support higher density

Plus Architecture prepared massing diagrams and shadow studies to assess the impacts of developing the subject site for the three current owners in 2015. Our planners, Urbis, considered that the site could readily accommodate a street wall height of 19 metres and a minimum of 12 levels of development (43 metres) without adversely affecting the site's surroundings.

The above findings were contained in a June 2016 submission to the Fishermans Bend Working Group by the owners in response to the Recast Vision and can be provided as 'in confidence' drawings upon request.

A catalyst is needed for redevelopment of north side of Gladstone Street

Without the underpinning of attractive planning controls, the north side of Gladstone Street to the east of Montague Street is at risk of becoming a series of small stranded sites containing buildings providing low levels of amenity with un-activated street and lane frontages. Owners find it uneconomic to redevelop their small sites. The current stock of dated single-level industrial buildings will not provide investment returns to their owners in the face of increasing statutory and other outgoings. Owners are and will continue to be reluctant to invest additional capital into their existing buildings leading to degradation and increased difficulty attracting quality tenants. The opportunity to upgrade the north side of Gladstone Street for future uses, improve the amenity of that section of the street and activate its surrounding laneways in concert with development of surrounding areas will be lost.

Uniquely, the subject site has sufficient land to catalyse redevelopment of the north side of Gladstone Street however it will only be achievable through amalgamation of the 3 comprising lots and the proposed FAR of 3:1 does not permit a sufficiently large building envelope to gain the benefit of amalgamation. On the other hand, if the 3 lots comprising the subject property, held as they are by separate owners, are assessed by their owners for their individual development potential, they too will face the same development constraints as do the owners of other smaller properties on the north side of Gladstone Street.

The north side of Gladstone Street is "Core" but is deemed to be at Montague's "Edge"

While tapering of FAR's and height controls at the boundaries of Montague Precinct, such as properties facing City Road and Boundary Street, has merit because of their interface to residential areas, the properties on the north side of Gladstone Street to the east of Montague Street are located directly between two of Montague's higher density activity cores and cannot be regarded as being within an Edge area.

FAR, Discretionary Height Limit and overall population target for precinct

We note that a Discretionary Height Limit of 8 stories is proposed to apply to the subject site and that it is somewhat inconsistent with the proposed 3:1 FAR when the usually preferred design outcome for a new development is to build to all site boundaries up to podium level. The result is that a Discretionary Height Limit of 8 stories is meaningless in the context of a 3:1 FAR. With FAR as the primary density control, the practical maximum height would be 3-4 stories (excl. FAU).

We also note that the Plan refers to FAR controls within a precinct having been established to align with the overall population target for that precinct. Given the small size of the subject site relative to the Montague precinct as a whole, an increase in the FAR for the site will not adversely impact Montague's target population density.

OUR RESPONSE: Assign 6.1:1 FAR to subject site to encourage transformation, consistent with that applied to sites to the immediate north and south.

Proposal 2 -- New public open space at 87 Gladstone Street

Objective 3.7 and Figure 17 in the Plan propose the establishment of a new public open space at 87 Gladstone Street.

That site is occupied by a 4-level office/studio/warehouse building (known as Industry Business Hub) that was recently developed, strata sub-divided and sold as individual strata lots.

There would likely be dozens of individual lot owners and it will require a very significant outlay of tax-and/or rate-payer monies to acquire them all, demolish the building and redevelop the site into a park. This is not an effective use of public money given the alternatives. To plan to outlay money for a park at this location risks significant reputational damage to many stakeholders when this inevitably comes to the attention of the media. Recall the negative publicity attached to the 2015 acquisition for \$19M of the MAP Coffee site on the corner of Gladstone and Ferrars Streets after it had been rezoned for residential use.

OUR RESPONSE: Terminate proposal to acquire 87 Gladstone Street. Acquire nearby undeveloped land or offer FAU over an approved development in exchange for portion of land to be set aside as public open space.

Conclusion

The owners of 70-104 Gladstone Street Southbank are all long term investors in the property. Indeed two out of the three owners have been since the mid 1980's. Over that period we have developed a deep understanding of the local market and investigated and assessed repositioning, refurbishment and redevelopment options for our assets on numerous occasions based on the prevailing planning controls.

It is our hope that supportive planning controls are implemented that will finally kick start transformation of the north side of Gladstone Street between Montague and Ferrars Streets which today continues to look unappealing and neglected. It is noteworthy that every property along the south side of that section of Gladstone Street has either been recently redeveloped, has an approved permit for major development or has been acquired for public open space. On the other hand, not a single property on the north side of the same section of street has been the subject of any, even minor, development initiative. It is self-evident that planning controls need to play a key role in effecting any change.

Therefore, we seek for the subject site an FAR of 6.1:1 to positively encourage development. Implementation of a 3:1 ratio is insufficient to catalyse renewal. It will merely prolong the status quo for yet another cycle with realisation of the full potential of our section of Gladstone Street as a viable, attractive and activated mixed-use destination continuing to fail to materialise.

We look forward to your consideration of our submission and would be pleased to meet with you to discuss any aspect. The writer may be contacted via the details provided in the web submission.

Yours sincerely,



T Kaldor