

C1 Zoning Review – Commercial Zone between Melville and Brisbane Streets

C1.1 Background

Work was commissioned by the City of Hobart to consider potential absolute maximum building height limits in the Central Business Zone. In the resultant report by Leigh Woolley, Building Height Standards – Review Report June 2018, different areas of the central area of Hobart have been identified as having different capacity for building heights. These different height areas take into account the topography of the city, townscape values and important view lines. Generally, the central area of the zone is considered able to accommodate development above 45m in some limited cases, and surrounding bands are able to accommodate development from 18-45m, with 18-30m and 12-18m closer to the Sullivans Cove area. Some land that is currently zoned Commercial is included in the 18-45m height band, and it is this land that is considered for rezoning to Central Business to align with the development potential of adjacent areas (see Figure 1).

C1.2 Study area

There are 4 block study areas considered for rezoning. Two of the study areas are only part of a block, and one includes a full street block as well as some properties of an adjacent block (see Figure 1 below).

- **Study block 1** is in the block bounded by Brooker Avenue, Bathurst Street, Campbell Street and Brisbane Street.
- **Study block 2** is the full block bounded by Argyle Street, Melville Street, Campbell Street and Brisbane Street.
- **Study block 3** is in the block bounded by Elizabeth Street, Melville Street, Argyle Street and Brisbane Street.
- **Study block 4** includes the whole street block bounded by Harrington Street, Melville Street, Murray Street and Brisbane Street, and also includes properties with frontage to Murray Street from the adjacent block.

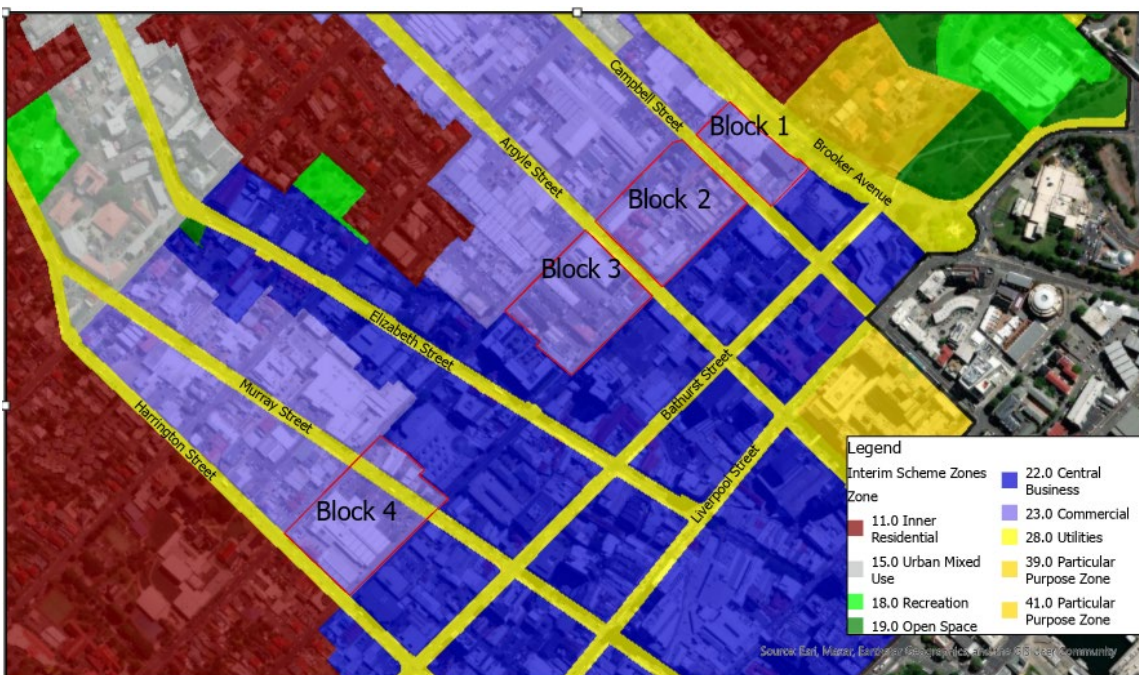


Figure C1: Study block areas, showing current zoning

C1.3 Assessment

C1.3.1 Purpose statements

The purpose statements of the Central Business Zone generally, and more specifically in the Hobart Central Business Zone Specific Area Plan (SAP), encourage the strengthening of the area as the primary activity centre for Hobart with highest order of activity centre uses and development, while maintaining a pleasant human scale environment of active frontages and through-links. Residential development and visitor accommodation are encouraged above ground floor level and the contribution of heritage places is respected.

The purpose statement of the Hobart Commercial Zone SAP is to provide a diversity of uses that reflects the transition between the Central Business Zone and inner residential areas and provide for residential use primarily above ground floor level.

C1.3.2 Land use

Allowable use classes under the proposed Tasmanian Planning Scheme (TPS) are reasonably different between the Central Business Zone and the Commercial Zone, as compared in the table below.

Table C1: Comparison of use class status under the Commercial and Business Zone in the TPS.

| Use status | Commercial Zone | Central Business Zone* |
|--------------------------|---|---|
| No Permit Required (NPR) | Natural and Cultural Values Management | Business and Professional Services |
| | Passive Recreation | Food services other than drive through take away |
| | Utilities | General retail and hire if not sex product shop or supermarket greater than 400m ² |
| | Residential (home based business) | Natural and Cultural Values Management |
| | | Passive Recreation |
| | | Residential (home based business) |
| | | Utilities (minor) |
| Permitted (P) | Bulky Goods Sales (vehicle sales fronting Argyle, Murray, Campbell) | Bulky Goods Sales |
| | Emergency Services | Community Meeting and Entertainment |
| | Equipment Machinery and Hire | Education and Occasional Care |
| | Residential (above ground floor) | Emergency Services |

| Use status | Commercial Zone | Central Business Zone* |
|-------------------|--|--|
| | Service Industry | Hotel Industry (not Adult Entertainment Venue) |
| | Storage (not liquid or solid fuel depot) | Research and Development |
| | | Residential (above ground floor) |
| | | Sport and Recreation (above ground floor) |
| | | Tourist Operation |
| | | Visitor Accommodation (above ground floor, not camping and caravan park or overnight camping area) |
| Discretionary (D) | Bulky Goods Sales (if not P) | Custodial Facility (not remand centre) |
| | Business and Professional Services | Equipment and Machinery Sales and Hire |
| | Community Meeting and Entertainment | Hospital Services |
| | Educational and Occasional Care | Hotel Industry (Adult Entertainment Venue) |
| | Food Services | Manufacturing and Processing (alterations and extensions to existing) |
| | General Retail and Hire | Residential (if not NPR/P) |
| | Hotel Industry (alterations or extensions to existing) | Resource Processing (food and beverage production) |
| | Manufacturing and Processing | Service Industry (alterations or extensions to existing) |
| | Research and Development | Sports and Recreation (if not P) |
| | Residential (if not NPR/P) | Storage (not liquid, solid or gas fuel depot) |

| Use status | Commercial Zone | Central Business Zone* |
|----------------|--|---|
| | Resource Processing (food and beverage production) | Transport Depot and Distribution (public transport facility) |
| | Sports and Recreation | Utilities (if not NPR) |
| | Transport Depot and Distribution | Vehicle Fuel Sales and Service |
| | Tourist Operation | Vehicle Parking |
| | Utilities | Visitor Accommodation (not camping and caravan park or overnight camping area or listed as P) |
| | Vehicle Fuel Sales and Service | |
| | Vehicle Parking | |
| | Visitor Accommodation | |
| Prohibited (X) | All other uses | All other uses |

*Qualifications relating to the Active Frontage Overlay are removed as the study blocks are not in this overlay.

In general terms, the Commercial Zone has fewer NPR or P uses and slightly more D uses in comparison to the Central Business Zone. The most notable discrepancies relate to more relaxed service, machinery and manufacturing use provisions but tighter retail, food, entertainment and office use provisions in the Commercial Zone compared to the Central Business Zone. The current uses, and potential change in use status following a rezoning is considered below for each study block:

Block 1

There are 4 properties in the block, consisting of 3191 m², 750 m², 1089 m² and 2289 m² in area. Land uses are General Retail and Hire (large floor area - Officeworks), business and professional services, visitor accommodation and residential.

Under the current Commercial zoning, all 4 uses are discretionary (accounting for residential uses being at least partly at ground floor level). Under the Central Business Zone, 2 uses would be NPR and 2 would be discretionary (accounting for Visitor Accommodation and Residential at least partly at ground floor level).

Block 2

There are 3 large properties in study block 2 (with 2 including more than one title), consisting of 1825 m², 5800 m² and 7365 m² in area per property. Land uses are for two of the properties are Emergency Services (fire station and ambulance station), and the third property is a convict penitentiary which operates as a public historical site, entertainment and hire (community meeting and entertainment/Tourist operation).

Study Block 2 has two out of three properties with a permitted use and one with a discretionary use under the Commercial Zone. Under the Central Business Zone, all three of these property uses would be permitted.

Block 3

There are 13 properties in study block 2 (with 2 including more than one title), ranging from 268 m² to 2704 m². Current land uses in study block 2 are for Hotel Industry, Residential, Bulky Goods Sales, Food Services, Educational and Occasional Care, Community Meeting and Entertainment, Business and Professional Services and Service Industry. One property is currently vacant, with an approved permit for redevelopment for Business and Professional Services.

Under the current commercial zoning, the block has 4 properties with permitted use and 8 properties with discretionary use. Under a Central Business zoning, 4 properties would have an NPR use, 5 properties would have a p use and 3 properties would have a d use. One of these discretionary uses (Service Industry) includes the qualification that only extensions and alterations to an existing use a discretionary, whereas a new use of that type would be prohibited. The vacant site's approved use (Business and Professional Services) is currently D but would be NPR under the Central Business Zone.

Block 4

There are 7 properties in the block, one including more than one title. Properties range in size from 109 m² to 11400 m² in area. The largest property is a bulky goods sales use (K&D Warehouse), and other uses are Business and Professional Services, Residential, Food Services, General Retail and Hire and Service Industry.

Under the current commercial zoning, 2 properties would be in permitted use (accounting for residential use being above ground floor level) and 5 in discretionary use. Under a Central Business zoning, this would change to 4 properties with an NPR use, 2 permitted and 1 Discretionary (noting that Service Industry is only discretionary if alterations and extensions to existing, with new proposed uses prohibited).

The number of uses that would be permitted or no permit required would increase under a Central Business zoning as opposed to the existing Commercial zoning in all study blocks. Only one use (Service Industry) would change from being permitted to discretionary/prohibited under a rezoning scenario. There are two uses in this category in the study areas - a panel beaters and a tire service centre. These uses would not become a 'non-conforming use' under the Central Business Zone as they are existing uses that are able to be altered and extended under discretion.

It is noted that, while service industry uses are not completely precluded under the Central Business Zone, they are not encouraged, and these sites would likely be redeveloped into 'higher' uses for the zone if they were no longer commercially zoned. While it is convenient for some service industry uses to be available in reach of the city, these city blocks are located in areas that could support more intensive development for more optimal Central Business related uses. Areas of the Commercial Zone will still remain around the CBD, although it is noted that as development pressure increases, service related uses may well cease being viable in these locations. The comprehensive future of the Commercial Zone may be subject to separate consideration as the prevailing mix of uses changes over time.

C1.3.3 Development potential

Land under the Central Business Zone is subject to a higher level of development potential compared to land in the Commercial Zone. For example, the permitted height limit under the Commercial Zone of the LPS is proposed to be 12m/3 storeys (or 15m/4 storeys if providing residential accommodation), with an absolute maximum of 18 m, and the proposed permitted height in the Central Business Zone height area 4 is 15 m on south-facing frontages and 18m on north-facing frontages with an absolute maximum of 45 m. Over this height area, the Central Business Zone SAP proposed provisions for discretionary development require a gradual transition of the height of development from the core to the surrounding zones. As all study blocks would be on the outer edge of height area 4, it is unlikely development would have the

capacity to reach the absolute maximum limit of 45 m, although the development potential would still be higher than if zoned Commercial.

The Central Business Zone SAP provides additional height controls for buildings that are adjacent to heritage listed places, which restricts development at frontages to no more than 1 storey above an adjacent heritage place. This may reduce the permitted development height of some lots in the study blocks if they were to be rezoned, however as this heritage adjacency provision applies only for the first 15m of a frontage, and therefore in many instances increased potential to the rear of the same lot would balance this heritage restriction. The overall development gain would far outweigh potential small scale individual reductions in development potential due to the heritage adjacency provisions.

Despite this gain in potential development potential, it is likely that Block 1 in particular does not have significant practical potential for development at this point in time. Out of three properties, one is a significant heritage listed place that is owned by the National Trust, and the other two are owned by the Crown and are used for emergency services (fire and ambulance). There is still benefit in including this block in the Central Business Zone, however, as any future expansion of the emergency services on the site would be more easily accommodated in the height provisions of this zone.

Development on all blocks would be restricted to some degree due to limitations such as heritage listings and lot size/lot ownership. These restrictions would be the same despite the zoning, although it is considered that a Central Business Zoning may provide more incentive to accumulate and amalgamate land into larger development sites.

A property of note in the study area is the K&D Warehouse site at 103 Melville Street. Rezoning this large site Central Business to encourage it to be developed efficiently and to its maximum potential is considered logical. It is noted that this site is across the road from the Inner Residential Zone, however, and therefore any development would need to reflect a transition between the residential zone and the Central Business Zone. Provisions in the Central Business Zone SAP have been drafted to ensure there is a sufficient transition over these fringe areas of the Central Business Zone

C1.3.4 Southern Tasmania Regional Land Use Strategy

The rezoning is considered to meet the provisions of the Southern Tasmania Regional Land Use Strategy (STRLUS), in particular:

PI1 maximise the efficiency of existing physical infrastructure.

AC1.1 Implement the Activity Centre Network through the delivery of retail, commercial, business, administration, social and community and passenger transport facilities.

AC2 Reinforce the role and function of the Primary and Principal Activity Centres as providing for the key employment, shopping, entertainment, cultural and political needs for Southern Tasmania.

The rezoning represents a relatively minor adjustment of the current Central Business Zone boundary and includes land that is substantially utilised by uses that are expressly supported by the Central Business Zone purpose and allowable use classes. It allows for some additional development potential which consolidates Hobart as the primary activity centre, as per the Activity Centre Hierarchy detailed in the STRLUS. Increasing development potential also maximises the efficiency of the existing physical infrastructure in an appropriate location.

C1.3.5 Planning system objectives and State Policies

It is considered that the rezoning would satisfy the objectives of Schedule 1 of the *Land Use Planning and Approvals Act 1993* (the Act), in particular it would:

- Assist sound strategic planning by not prejudicing the achievement of the relevant Zone Objectives or the STRLUS objectives.
- Be consistent with the objective to establish a system of planning instruments to be the principal way of setting objectives, policies and controls for the use, development and protection of land.
- Provide greater flexibility to address changes in local environmental, social and economic circumstances.
- Allow for a more efficient use of the existing infrastructure and facilities.
- Facilitate the integration of compatible and complementary land use activities in a managed and safe environment.
- Provide for the exercise of greater flexibility to fully consider the capability of the land.

It is not considered that the zoning change will compromise the achievement of any State Policy objectives.

C1.4 Conclusion

It is considered that all four study blocks are appropriate for rezoning from Commercial to Central Business. The zoning will more accurately reflect the current uses on the blocks and will generally allow for increased development potential in a well located and well serviced area on the fringe of the CBD.