

**ITEM 5. POST EXHIBITION - AMP CIRCULAR QUAY PRECINCT - PLANNING PROPOSAL, DRAFT DEVELOPMENT CONTROL PLAN, PLANNING AGREEMENTS AND AMENDMENT TO CITY OF SYDNEY COMPETITIVE DESIGN POLICY**

**FILE NO: S088527**

**SUMMARY**

To ensure that the New South Wales economy remains robust and continues to grow, it is necessary to provide adequate capacity for employment growth and create opportunities for investments and development projects which attract highly skilled employees and have a global focus. In order to attract the investment required for this growth, Sydney must also ensure that commercial buildings are of high quality and that good public domain design and amenity outcomes are achieved.

Delivering commercial office development to support Sydney's economic development is increasingly challenging. The development of commercial office space in Central Sydney is strongly influenced by the market's preference for office buildings with large floor plates and competition from residential development. It is a challenge to deliver large floor plate office buildings, due to block orientations, street widths and the need to consolidate sites. Central Sydney's broad zoning creates significant competition amongst a range of uses: residential; commercial; tourist accommodation and retail.

Planning can help to address these market problems and support the desirable development. In doing so, the City has the opportunity to show leadership, unlock economic opportunities and investment in jobs, and support public improvements that make Sydney an attractive place for business, residents, workers and visitors.

In December 2012, AMP Capital Office & Industrial Pty Limited (AMP) submitted a planning justification report to the City of Sydney requesting the City prepare site-specific amendments to *Sydney Local Environmental Plan 2012* and *Sydney Development Control Plan 2012* to enable significant redevelopment and a revitalisation of the AMP Circular Quay Precinct (the Precinct).

The Precinct comprises two important street blocks in Circular Quay - the Young and Loftus Street block, and the Bridge and Alfred Street block - and is a key location in terms of the City of Sydney's economic, cultural and historical make-up. Due to a number of site constraints that limit the realisation of permissible floor space on the Young and Loftus Street block, little development activity has occurred in the Precinct over the last few decades, and a number of existing buildings are due for replacement or upgrading to contemporary design requirements and environmental standards.

The City has been in close consultation with AMP in developing a Master Plan Concept prepared by Hassell Architects for the Precinct. The Master Plan Concept vision sets out to create a new and revitalised destination for Sydney, and presents a unique opportunity for a major city-making and regeneration project which will act as a catalyst for the renewal of Circular Quay. In order to enable this vision, a number of changes to the planning controls that currently apply to the Precinct are required because the Precinct vision relies on transferring permissible floor space area from a constrained city block to an adjacent city block across a road. Currently, *Sydney Local Environmental Plan 2012* does not include a mechanism for floor space to be transferred in this manner.

On 24 June 2013 and 20 June 2013, respectively, Council and the Central Sydney Planning Committee resolved to seek a Gateway Determination from the Department of Planning and Infrastructure to allow exhibition of a Planning Proposal which will enable the realisation of the Master Plan Concept. After receipt of the Gateway Determination in July 2013, the Planning Proposal, an accompanying development control plan and an amendment to the *City of Sydney Competitive Design Policy* were publicly exhibited for a period of 28 days. Two draft Planning Agreements were also exhibited - one between the City and AMP, and a second between the City, the Gallipoli Club and AMP as Guarantor for the Gallipoli Club.

In response to the public exhibition, a total of 12 submissions were received. The purpose of this report is to provide a summary of the issues raised and to address particular matters raised by the community and government agencies.

This report recommends no significant changes to the exhibited planning control documents as a consequence of public exhibition. It recommends that the Central Sydney Planning Committee approve the Planning Proposal for finalisation and making as a local environmental plan; and note the recommendation to Council's Planning and Development Committee on 3 December 2013 to approve the Development Control Plan, approve amendments to the *City of Sydney Competitive Design Policy* and enter into Planning Agreements with the relevant landowners.

The local environmental plan will not be made until the Planning Agreement between the City and AMP is entered into and registered on title. If the Planning Agreement between the City, the Gallipoli Club and AMP is not entered into, then the Gallipoli Club land parcel will be excluded from the local environmental plan.

If Council and the Central Sydney Planning Committee approve the Planning Proposal, it will be submitted to the Office of Parliamentary Counsel requesting the plan be legally drafted. It will then be made under Section 59 of the *Environmental Planning and Assessment Act 1979*, with final sign off by the Chief Executive Officer under powers delegated by the Minister for Planning and Infrastructure. This is the final step in the plan making process. Once finalised, the plan will be submitted to the Department of Planning and Infrastructure for notification on the New South Wales legislation website.

## RECOMMENDATION

It is resolved that:

- (A) the Central Sydney Planning Committee note the matters raised in response to the public exhibition of the *Planning Proposal: AMP Circular Quay Precinct, Sydney Development Control Plan 2012 – AMP Circular Quay Precinct, Amendment to the City of Sydney Competitive Design Policy* and Planning Agreements with AMP Circular Quay Precinct land owners as shown at **Attachment C** and in the subject report;
- (B) the Central Sydney Planning Committee approve *Planning Proposal: AMP Circular Quay Precinct*, as shown at **Attachment D** to the subject report, to be made as a local environmental plan under section 59 of the *Environmental Planning and Assessment Act 1979*;

- (C) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 3 December 2013 to approve the *Sydney Development Control Plan 2012 – AMP Circular Quay Precinct*, as amended and shown at **Attachment E** to the subject report, specifying the date of publication of the subject local environmental plan as the date the approved development control plan comes into effect, in accordance with Clause 21 of the *Environmental Planning and Assessment Regulation 2000*;
- (D) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 3 December 2013 to approve the *Amendment to the City of Sydney Competitive Design Policy*, as shown at **Attachment F** to the subject report;
- (E) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 3 December 2013 that authority be delegated to the Chief Executive Officer to make any minor amendments to the *Planning Proposal: AMP Circular Quay Precinct; Sydney Development Control Plan 2012 – AMP Circular Quay Precinct*, and *Amendment to the City of Sydney Competitive Design Policy* to correct any minor drafting errors;
- (F) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 3 December 2013 that authority be delegated to the Chief Executive Officer to make any minor amendments to the Planning Agreements, as shown at **Attachment G and Attachment H** to the subject report, and to enter into the Agreements on behalf of Council with the relevant proponents in accordance with the *Environmental Planning and Assessment Act 1979*;
- (G) the Central Sydney Planning Committee note that the local environmental plan will not be made until the Planning Agreement shown at **Attachment G** has been entered into by the Council and the relevant proponents and registered on title of the relevant properties; and
- (H) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 3 December 2013 that authority be delegated to the Chief Executive Officer to amend *Planning Proposal: AMP Circular Quay Precinct* shown at **Attachment D** to defer the Gallipoli Club site at 12 Loftus Street, Sydney (Lot 1 DP87960) from the local environmental plan amendment described in clause (B) above, in the event that the Planning Agreement shown at **Attachment H** is not entered into by the Council and the relevant proponents within a reasonable period of time from the date at which the Planning Agreement shown at **Attachment G** is entered into.

## ATTACHMENTS

**Attachment A:** Resolutions of Council of 24 June 2013 and Resolution of the Central Sydney Planning Committee of 20 June 2013

**Attachment B:** Gateway Determination from Department of Planning and Infrastructure - July 2013

**Attachment C:** Summary of Submissions

**Attachment D:** Planning Proposal – Sydney Local Environmental Plan 2012 - AMP Circular Quay Precinct

**Attachment E:** Sydney Development Control Plan 2012 - AMP Circular Quay Precinct

**Attachment F:** Amendment to the City of Sydney Competitive Design Policy

**Note:** Attachments G and H will be circulated separately from the Agenda Paper and to Central Sydney Planning Committee members and relevant senior staff only. They will be available for inspection on Council's website and at the One Stop Shop and Neighbourhood Service Centres.

**Attachment G:** Planning Agreement between The Council of the City of Sydney ("Council") and AMP Capital Investors Limited in its capacity as trustee of the AMP Capital Wholesale Office Fund, ACPP Office Pty Limited in its capacity as trustee of the ACPP Office Trust, Kent Street Pty Limited in its capacity as trustee of the Sydney Cove Trust, Kent Street Pty Limited in its capacity as trustee of the Loftus Street Trust (each a "Land Owner")

**Attachment H:** Planning Agreement between The Council of the City of Sydney ("Council") and The Gallipoli Memorial Club Limited and AMP Capital Investors Limited in its capacity as trustee of the AMP Capital Wholesale Office Fund ("Guarantor")

**BACKGROUND**

1. In December 2012, AMP Capital Office & Industrial Pty Limited (AMP) submitted a planning justification report to the City of Sydney (the City) requesting that the City prepare site-specific amendments to *Sydney Local Environmental Plan 2012* (SLEP2012) and *Sydney Development Control Plan 2012* (SDCP2012).
2. The proposed amendments allow for the redevelopment of the 'AMP Circular Quay Precinct' (the Precinct) in accordance with a Master Plan Concept prepared by Hassell Architects on behalf of AMP. The Precinct comprises two street blocks, being the 'Bridge and Alfred Street' block and the 'Young and Loftus Street' block, as shown in Figure 1 below.

**Figure 1 – Location of the AMP Circular Quay Precinct**



3. AMP is the land owner of the properties within the two blocks except for the Gallipoli Club located at 12 Loftus Street, which is owned by the Gallipoli Memorial Club Limited.

4. AMP's planning justification report followed a period of consultation with the City to refine the Master Plan Concept, which seeks to revitalise the Precinct and deliver significant public and economic benefits. The Master Plan Concept envisages a "*significant city-making and regeneration project of international standing*" that will facilitate the renewal of Circular Quay and reinforce the City of Sydney's status as a global city.
5. AMP's Master Plan Concept proposes a premium grade commercial tower on 50 Bridge Street, which is to be built as an extension to the north of the existing 1976 AMP tower envelope on the Bridge and Alfred Street block. The Master Plan Concept envisages that the Young and Loftus Street block will be a lower scale, fine grain and active mixed-use precinct which will support a variety of uses, such as retail, commercial, hotel, serviced apartments, educational, residential, bars and restaurants. It proposes retail opportunities along Loftus Lane, which is to be pedestrianised and supported by active frontages and through-site links.
6. Following an assessment by Council officers of AMP's planning justification report, the Central Sydney Planning Committee and Council resolved, in June 2013, to endorse for concurrent public authority and community consultation a planning control package to enable redevelopment of the Precinct in accordance with the master plan. The exhibited package included the following suite of planning control documents:
  - (a) *Planning Proposal: AMP Circular Quay Precinct;*
  - (b) *Draft Sydney Development Control Plan 2012 – AMP Circular Quay Precinct;*
  - (c) *Draft Amendment to the City of Sydney Competitive Design Policy;* and
  - (d) two draft Voluntary Planning Agreements with the Developer and Relevant Landowners.
7. The resolution of Council of 24 June 2013 and the resolution of the Central Sydney Planning Committee of 20 June 2013 are at **Attachment A**.
8. The key changes to the City's planning controls proposed by the above planning control documents are:
  - (a) each land parcel within the Precinct to be taken as the 'site area' for the purposes of calculating permissible floor space;
  - (b) floor space 'bonuses' generated by a competitive design process relating to the Young and Loftus Street block to be used for development within the 50 Bridge Street site;
  - (c) an exception to the sun access plane provisions governing height across 50 Bridge Street site, that is, the site of the existing 1976 AMP Tower;
  - (d) an amendment to clause 6.8 Lanes development floor space in SLEP2012 to encourage new fine grain tenancies fronting Loftus Lane;
  - (e) an amendment to the *City of Sydney Competitive Design Policy*, introducing new Clause 5.3 which allows for a two phase architectural design competition process for the Precinct; and

- (f) Planning Agreements which will require, amongst other things, the dedication of air space rights above the Young and Loftus Street block, easements for public access for through-site links and public spaces, covenants for fine grain lanes development, funding for public domain works and public art.
9. The proposed planning controls form an 'alternative' planning regime for the Precinct. If the alternative development controls are not taken up by a proponent then a development proposal may still be submitted, based on the existing controls in SLEP2012. The changes do not increase the floor space ratio across the Precinct, but facilitate the redistribution of floor space from one block to another.

### Planning Agreements

10. Two draft Voluntary Planning Agreements (VPAs) were prepared and exhibited: one between the City and AMP; and a second between the City, the Gallipoli Club, and AMP as Guarantor for the Gallipoli Club. This differs from the resolution of Council of 24 June 2013, which did not specifically resolve that multiple VPAs be prepared. The request for two VPAs was from AMP, who are involved in commercial negotiations with owners of the Gallipoli Club.
11. An amendment to SLEP2012, as proposed by the exhibited Planning Proposal, will not be made until the VPA between the City and AMP is registered on title of relevant properties. In the event that the VPA between the City, the Gallipoli Club and AMP as Guarantor for the Gallipoli Club is not entered into, then the Gallipoli Club land parcel will be deferred from the LEP amendment.
12. If the Gallipoli Club land parcel is deferred, then some public benefits, such as heritage conservation of the Gallipoli Club and the dedication of air space rights above it, will not occur as part of this planning process. Furthermore, since the parcel would be excluded from site area calculations, unrealised floor space from the Gallipoli Club site cannot be transferred to the Bridge and Alfred Street block.
13. The resolution of Council of 24 June 2013 required that the draft VPA include provisions for a monetary contribution equal to one per cent of the Capital Investment Value of development to Council and that this contribution is to be used for urban design upgrades within and near the Precinct. The resolution stated that this contribution would be in addition to any contributions payable to Council under Section 61 of the *City of Sydney Act 1988*. In the finalisation of VPAs, AMP sought that a cap also be placed on the one per cent Section 61 contribution which would provide greater certainty to AMP regarding their commitments. The VPAs were exhibited with this cap in place and those provisions are contained within the VPAs at **Attachments G** and **Attachment H** to this report.
14. The *Environmental Planning and Assessment Act 1979* allows Council to agree to the VPAs partly excluding the operation of Section 61 of the *City of Sydney Act 1988*, so that the proposed capping on the relevant contributions can occur, as proposed. It is noted that this cap does not materially affect the delivery and extent of public benefits required by the VPAs.

### Public exhibition and consultation

15. A Gateway Determination was issued on 10 July 2013 from the Department of Planning and Infrastructure to allow consultation to take place. The Gateway Determination is at **Attachment B** to this report.

16. The Gateway Determination specified that the Planning Proposal must be made publicly available for a minimum of 28 days and that consultation is undertaken with the following public authorities:
  - (a) Office of Environment and Heritage;
  - (b) Transport for NSW;
  - (c) RailCorp;
  - (d) Roads and Maritime Services;
  - (e) Department of Planning and Infrastructure – Sydney Harbour Foreshore Authority;
  - (f) Sydney Opera House Trust; and
  - (g) The Royal Botanic Gardens and Domain Trust.
17. The Gateway Determination also authorised the Council to exercise the functions of the Minister for Planning and Infrastructure and make an amendment to SLEP2012 in accordance with the Planning Proposal. This means that Council officers will liaise directly with the Office of Parliamentary Counsel to draft the legal instrument that gives effect to the Planning Proposal.
18. The public exhibition period commenced on 10 September 2013 and continued to 9 October 2013. Exhibition materials were made available for viewing at the One Stop Shop, Customs House and on the City's website. Approximately 450 public exhibition notification letters were sent to owners and occupants of properties within a 100 metre radius of the Precinct.
19. Public agency consultation was undertaken in accordance with the Gateway Determination, with responses received from three of the nominated agencies. Roads and Maritime Service raised no objections. Transport for NSW raised issues relating to future consultation, and how transport and access in the Precinct may impact on proposed light rail. The Office of Environment and Heritage supported the proposal, but identified concerns about possible impacts on pedestrian safety and circulation. The issues raised by the agencies are discussed in detail later in this report.
20. Six submissions were received from residents/owners of nearby properties. Four submissions were received from residents/owners in the Bridgeport Apartments, which is immediately to the south of the Young and Loftus Street block at 38-42 Bridge Street. The submissions from Bridgeport Apartments were generally supportive. However, some raised issues regarding the pedestrianisation of Loftus Lane, and vehicle access to the Young and Loftus Street block.
21. The significant majority of the resident concerns were raised in submissions from the owners and an occupant of 'The Astor', an apartment building located at 123 Macquarie Street, approximately 70 metres south-east from the Precinct. The key concerns related to height, sunlight access, overshadowing, traffic, views, floor space, heritage, the public domain, fine grain, building bulk and public benefits.



22. A submission from the Sydney Business Chamber supported the expansion of commercial and retail opportunities in Circular Quay. A late submission was also received from AMP seeking amendments to the draft DCP.
23. The key issues raised in response to public exhibition are discussed below, and addressed in detail in the submissions table at **Attachment C**.
24. No significant changes are proposed to the exhibited planning control documents, or the Voluntary Planning Agreements as a result of matters raised in submissions. Some minor changes are proposed to the draft DCP to provide clarification regarding the purpose of the DCP in relation to vehicle movements, and to 'fine-tune' maps relating to vehicle access and active frontages. The draft DCP is at **Attachment E**. Proposed changes to text are shown in ***bold italics*** or ~~strikethrough~~ and changes to the DCP maps are circled in red.

## KEY ISSUES RAISED IN SUBMISSIONS

### Submissions from an occupant and the owners of 'The Astor' – 123 Macquarie Street

25. Matters raised by the Astor, and the City's response, are provided in detail in the table in **Attachment C**. In summary, the Astor's key concerns are discussed in the following paragraphs.

### Impacts on the amenity of the neighbourhood

26. The Astor's key amenity concerns are:
  - (a) the size of the 50 Bridge Street tower floor plate is excessive and inappropriate;
  - (b) the proposed controls allow a 200 metre tower on 50 Bridge Street with no setback from Young Street;
  - (c) the proposal will increase pedestrian congestion and vehicle movements;
  - (d) there is a lack of consideration of disability access;
  - (e) impacts from new late night trading premises in the Precinct; and
  - (f) loss of fine grain and small business premises.

### Summary Response: Amenity Impacts can be substantially addressed through a staged development application and competitive design process.

27. The proposed planning controls provide a planning framework for the development of a scheme that can improve and enhance the existing urban amenity within and around the Precinct. The controls set the broad physical parameters for development which allow for refinement and modification of building bulk and scale through a staged development application process and a competitive design process. The proposed controls provide certainty in building form and flexibility for future development to respond appropriately to the character of the precinct, including on-site and nearby heritage buildings.

28. Future development for the Precinct will be required to undergo a competitive design process in accordance with *Sydney Local Environmental Plan 2012*. Development will have to demonstrate how it responds to, and integrates with, its surroundings including the public domain, heritage buildings, streetscapes, and other developments, etc.
29. Precinct specific provisions in the *City of Sydney Competitive Design Policy* will permit a process that is tailored to accommodate the uniqueness of the Master Plan Concept, and will ensure that design integrity is continued into detailed development proposals for individual buildings. The proposed changes to the *City of Sydney Competitive Design Policy* are shown in **bold italics** or ~~strike through~~ at **Attachment F**.
30. It is not specifically intended that the proposed tower form will be constructed to the Young Street frontage, noting that the draft DCP envelope sets the maximum permissible extent of the built form on 50 Bridge Street. The envelope is designed to allow the flexibility and to explore opportunities for the tower form to appropriately respond to the character of the precinct, and to minimise impacts on sun access to the Royal Botanic Gardens.
31. Matters such as pedestrian congestion, disability access, late night trading, and traffic impacts can be fully resolved when a specific development proposal has been prepared. Prior to lodgement of a Stage One development application for the Precinct, AMP and city officers will consult closely to ensure amenity impacts are appropriately addressed by the development application and supporting studies. Potential impacts will be subject to further scrutiny during public exhibition of the Stage One development application and subsequent stage two development applications.
32. The existing “fine grain” form within the Young and Loftus Street block will benefit from the regeneration that can be facilitated by the proposed planning controls. The Proposal provides a significant opportunity to activate and add vibrancy. The Precinct is currently characterised by poor amenity and intervention will improve street activation, increase use of public spaces, activate laneways, improve engagement with heritage buildings, and improve the quality of streetscapes. The proposed controls will enable approximately 10 small tenancies of less than 100 square metres with frontages to laneways within the Young and Loftus Street block.

#### **Impacts on sunlight access to the Astor and nearby buildings**

33. The key concerns raised by the Astor are:
  - (a) that the Proposal will reduce sunlight access to the Astor and therefore contravene the minimum sunlight access requirements for dwellings in SDCP2012;
  - (b) the potential impacts on sunlight access to facades of sandstone buildings in special character areas; and
  - (c) providing AMP with an exception to the sun access plane provisions is unfair and that AMP should instead apply for an exception under *SLEP2012 Clause 4.6 – Exceptions to development standards*.

**Summary Response: Sunlight access impacts on private dwellings are minor and acceptable. There will be significant improvements to sunlight access to the public domain.**

34. The Sun Access report that accompanies the exhibited Planning Proposal shows that at 2pm midwinter the proposed building envelope for the tower extension will result in a minor additional overshadowing impact to the Astor. At 3pm the current tower at 50 Bridge Street already overshadows the Astor building. Based on the primary east and north orientation of the Astor building, the Astor apartments receive direct sunlight access between 9am and 1pm. Subsequently, the overshadowing to some elements of the Astor building at 2pm is considered an acceptable impact.
35. The proposed building envelopes will pose some additional overshadowing on the facades of nearby sandstone buildings within the 'Bridge Street, Macquarie Place and Farrer Place' Special Character Area. Where the additional shadow does occur on the sandstone facades, this is for relatively short periods during the Winter Solstice, LEP control date and Spring Equinox. This is considered an acceptable impact.
36. The Proposal represents a substantial departure from the existing planning controls, including those set out in clause 4.5 Calculation of floor space ratio and site area. Clause 4.6(4)(a)(ii) in SLEP2012 requires a consent authority, before granting a variation of a development standard, to be satisfied that the proposed development meets certain criteria, including that it is consistent with the objectives of the relevant standard. Thus clause 4.6 is applied to development applications where a variation to the development standard would have negligible or neutral impacts, and its use is generally confined to smaller scale development, and rarely above 10% for key development standards such as floor space ratio. A variation under Clause 4.6 is therefore not considered appropriate in this case.
37. It is important to note that there will be a significant public benefit, by way of increased sunlight access, resulting from the reduction in scale of the built form of the Young and Loftus Street block. Specifically, the existing building on 2-10 Loftus Street will provide an increase in morning sunlight to Macquarie Place in mid-winter. The proposed built form and massing across the Young and Loftus Street block will improve the existing levels of sun access by providing 420 square metres of additional sun access at the control time of 10am in mid-winter. It is noted that there will be 680 square metres of additional sun access to Macquarie Place at 9am in mid-winter.

#### **Impacts on the Astor's views**

38. The Astor's views have been degraded over time and the current Planning Proposal will further impact them.

#### **Summary Response: The view loss to the Astor is not significant**

39. Currently, some of the Astor apartments have minor narrow views towards Walsh Bay between the two AMP towers currently on the Bridge and Alfred Street block. The views do not extend to the Harbour Bridge or north towards Sydney Harbour, due to obstruction from existing buildings.

40. Because the notional building massing permitted by existing controls in SLEP2012 already affects views between the AMP towers, the proposed controls do not exceed potential view impacts from the application of existing controls in SLEP2012. It is noted that the proposed envelope controls are a theoretical maximum and a detailed assessment of view loss will be undertaken once detailed design has been prepared.

#### **Impacts on the Bridge Street/Macquarie Place/Bulletin Place Special Character Area**

41. Key concerns raised by the Astor are:
- (a) the Proposal will not provide appropriate height transitions within the Bridge Street Special Character Area;
  - (b) the 50 Bridge Street building envelope breaches existing 55 metre height control which extends either side of Bridge Street and that the vista along Bridge Street to The Conservatorium of Music should be maintained by conforming to existing SLEP2012 height controls; and
  - (c) the draft DCP discards the principles in SDCP2012 regarding the Bridge Street and Macquarie Place Special Character Areas.

#### **Summary Response: The Bridge Street/Macquarie Place/Bulletin Place Special Character Area will retain its integrity**

42. The 50 Bridge Street building envelope allowed by the proposed planning controls will not detract, nor impede, the current significant vistas within the Bridge Street/Macquarie Place/Bulletin Place Special Character Area. In particular, the vista along Bridge Street to the Conservatorium of Music will not change from its current character. The building envelopes allowed by the proposed planning controls have regard to the existing built form on 50 Bridge Street which already exceeds the Royal Botanic Gardens sun access plane. The AMP Planning Proposal does not change the height controls as expressed in the Height of Buildings Map for the site. Therefore, the 55m maximum building height on the northern side of Bridge Street and sun access planes would still apply.
43. The draft DCP amendment does not contain any character statements or change the area of the Bridge Street/Macquarie Place/Bulletin Place Special Character Area. Therefore, the principles set out for the character area still apply and are not discarded by the draft DCP.

#### **Impacts on the owners of heritage buildings**

44. The Astor contends that by allowing floor space to be transferred across a street, AMP does not need to buy as much heritage floor space (HFS), thus undermining the value of HFS. The City should instead allow a tower under the provisions of Clause 4.6 of SLEP2012, which permits variations to development standards, such as height and FSR. The application of this clause would require AMP to purchase more HFS than under the proposed controls.

**Summary Response: The Proposal will not undermine the City's HFS scheme**

45. The amount of HFS required to be purchased under the scheme, with the revised definition of 'site area', would be greater than if the individual properties within the Precinct were developed separately. This is because if each of the properties were developed as separate sites, the HFS required to be purchased would be offset by awards of HFS to the three heritage items. In the AMP proposal, the heritage items within the Precinct will not receive awards of HFS because their development potential will be used within the Precinct. By developing in this manner, AMP would need to purchase more rather than less HFS and will therefore not undermine the value of HFS.
46. The most appropriate process for achieving a substantial departure from development standards is to prepare a planning proposal to amend the controls. The planning proposal process allows for both community consultation and oversight by the State Government to ensure that the planning proposal is consistent with State Government planning policy. (Refer to the discussion earlier in this report regarding the appropriateness of applying Clause 4.6 in SLEP2012 to vary development standards within the Precinct.)

**Voluntary Planning Agreements and Public Benefits**

47. The Astor has also raised objections to the nature of the public benefits outlined in the VPAs and in the Planning Proposal. The Astor questions whether or not the VPAs are in the public interest and whether there will actually be a net public benefit for the wider community.
48. The Astor's key concerns regarding the public benefits are: that the Proposal is mostly in terms of economic benefits; a number of the stated benefits already exist; it is unclear what public domain improvements will be delivered; that there should be a greater focus on improving existing public art in the Precinct; spending a monetary contribution on land that is not within the Precinct is not acceptable for a VPA; and that heritage works to existing heritage buildings are not a public benefit.

**Summary Response – The proposed planning controls combined with the Voluntary Planning Agreements will deliver substantial public benefits**

49. Benefits of the exhibited VPAs include the dedication of air space rights above the Young and Loftus Street block, easements for public access for through-site links and public spaces, covenants for fine grain lanes development, funding for public art and public domain works. The VPAs, as publicly exhibited, are at **Attachment G** and **Attachment H**.
50. The Planning Proposal, draft DCP and the VPAs combine to provide a comprehensive package of public benefits that could not otherwise be achieved unless a whole of Precinct planning approach is taken. If sites within the Precinct were to be redeveloped individually, public benefits can only be tied to individual sites. The Planning Proposal therefore provides an opportunity for an integrated suite of 'cross-site' public benefits, rather than a piecemeal approach, based on multiple unrelated development applications.

51. For example, the dedication of air space to the City over the Young and Loftus Street block effectively extinguishes the possibility of development in this space. It delivers long-standing planning objectives to preserve the existing view corridor above the block deep into Central Sydney and improve sun access to Macquarie Place. This public benefit will be preserved in perpetuity.

### Agency Submissions

52. Four submissions were received from the following public agencies:
- (a) two submissions from Roads and Maritime Services;
  - (b) Transport for NSW; and
  - (c) the Office of Environment and Heritage.
53. Roads and Maritime Services raised no objections. Issues raised by Transport for NSW and the Office of Environment and Heritage are discussed in the following section of this report.

### Transport for NSW

54. In summary, the key issues raised are:
- (a) that Transport for NSW is consulted during the design development stage to provide input into pedestrian connectivity, public domain, building access points, and impacts on bus operations/pedestrians/cyclists etc.;
  - (b) for the Young and Loftus Street block, it may be preferable to promote access via Loftus Street, as buses will no longer run on this street once light rail is in operation;
  - (c) Transport for NSW does not support any removal of bus layover spaces, as these spaces may be required for future bus operations;
  - (d) that a condition of approval ensures that the CBD and South East Light Rail project team be consulted by the site construction project management to ensure that any construction traffic interface issues are addressed prior to commencement of construction; and
  - (e) a cycle route on Phillip Street, as shown in the Traffic Report, is not supported. An updated transport assessment should reflect the preferred CBD cycleway in the *Sydney City Centre Access Strategy*.

### Response

55. As requested, the City will consult with Transport for NSW as part of the development application process regarding transport, access and public domain matters. The CBD and South East Light Rail will also be consulted in relation to potential construction interface issues.
56. The draft DCP is not inconsistent with Transport for NSW's submission regarding vehicle access to the Young and Loftus Street block.

57. The City has recently made a formal submission to Transport for NSW on the *Sydney City Centre Access Strategy* and will continue to liaise with them to ensure that there are improvements to Circular Quay access arrangements for commuters, pedestrians, cyclists and vehicles. Of particular importance will be improving layover arrangements in Circular Quay and their interface with the Precinct.
58. As the draft DCP does not contain any specific written provisions relating to bus layover spaces, diagrams indicating bus layover aspirations in the draft DCP have been removed. Any decision to change bus layover space and resultant development design will be undertaken in consultation with Transport for NSW.
59. The revised Traffic Report for the Stage 1 development application for the Precinct is to reflect the proposed cycleway in the *Sydney City Centre Access Strategy*.

### Office of Environment and Heritage

60. In summary, the key issues raised in the submission include:
  - (a) support for opportunities for improved pedestrian links and pedestrian friendly environments, as well as the activation of street level facades of the buildings;
  - (b) support for no new overshadowing to the Museum of Sydney forecourt;
  - (c) concern is raised regarding future transport and pedestrian impacts resulting from the exit of cars onto Phillip Street, and relocating buses from the Young Street layover to Phillip Street. The pedestrian experience can be improved by better management of buses in Phillip Street; and
  - (d) Sydney Living Museums (SLM) would like the City of Sydney to use this opportunity to integrate way-finding and orientation signage at Circular Quay and Alfred Street to encourage movement to SLM sites, and to investigate opportunities to partner with SLM to develop a more joined up cultural offer at Customs House and the Museum of Sydney and the Justice and Police Museum.

### Response

61. Detailed assessment of impact on surrounding intersections will be undertaken as part of the development application process. (Refer to the response earlier in this report regarding the preferred approach to addressing and resolving transport and access issues.)
62. Following Council's recent adoption of the Sydney Wayfinding Strategy, the design and development of signage elements is underway and will include civic locations like museums. The City's wayfinding system will have cultural destinations marked on mapping and directional signage at appropriate locations.

### Submission from AMP

63. A late submission was received from AMP seeking amendments to the 'Active Frontages' and 'Vehicular Access' maps in the draft DCP. AMP request the following amendments to the maps:

- (a) relocate the basement entry points on the southern section of the Young and Loftus Street block;
  - (b) remove the active street frontages along the southern sections of the Young and Loftus Street block; and
  - (c) the addition of an alternative loading basement entry point for 33 Alfred Street off Young Street.
64. AMP have also identified some minor drafting errors in the draft DCP relating to Young and Loftus Street block building envelopes.

### Response

65. Relocating the Young and Loftus Street basement entry points could provide more efficient vehicle ingress and egress to 9-17 Young Street and, therefore, a change to the draft DCP is supported. *Figure 6.39 - Vehicular Access* and *Figure 6.35 – Active Frontages Map* in the draft DCP have been amended to reflect AMP's request. The addition of an alternate loading basement entry point for 33 Alfred Street is not supported at this time as this has the potential to compromise the proposed through site link south of the 1963 AMP Tower and does not align with an objective of the draft DCP to reduce conflicts between vehicles and pedestrians.
66. Minor revisions have been made to the envelopes in Figures 6.37 and 6.38 of the draft DCP to correct errors to ensure that the envelopes align with the roof forms of existing buildings within the Young and Loftus Street block. The revised envelopes will not reduce existing views and outlook of residential apartments to the south of the Young and Loftus Street block as they reflect the massing of existing buildings.

### KEY IMPLICATIONS

#### Strategic Alignment - Sustainable Sydney 2030 Vision

67. *Sustainable Sydney 2030* is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. The planning proposal is aligned with the following SS2030 strategic directions and objectives:
- (a) *Direction 1 - A Globally Competitive and Innovative City* - The proposed Master Plan will strengthen the role and function of the Precinct as a key global financial and economic hub within the Sydney CBD.
  - (b) *Direction 2 - A Leading Environmental Performer* - AMP has committed to delivering a precinct "that exceeds the highest standards for ecologically sustainable development".
  - (c) *Direction 3 - Integrated Transport for a Connected City* - The Precinct can take advantage of excellent public transport links nearby, but also reduce the number of private vehicle access points and potentially restrict overall vehicle movements through the Precinct.



- (d) *Direction 4 - A City for Walking and Cycling* - Improvements to the local traffic network and public domain will enhance pedestrian activity and safety, connecting through the front of the site to other parts of Circular Quay. Permeability through the site will be improved with new east-west links across the block.
- (e) *Direction 5 - A Lively and Engaging City Centre* - The Master Plan Concept provides for the establishment of retail, restaurants, bars and the like at the ground floor interface across the Precinct to activate the laneways and public spaces.
- (f) *Direction 6 - Vibrant Local Communities and Economies* - The redevelopment of the Precinct provides an opportunity to potentially introduce public learning, education and training facilities in the Young and Loftus Street block.
- (g) *Direction 7 - A Cultural and Creative City* - The invigoration of the public domain will contribute to Circular Quay's position as Sydney's major focal point for culture and festivals. Ongoing liaison between AMP and relevant cultural partners will be undertaken through the life time of the project.
- (h) *Direction 8 - Housing for a Diverse Population* – The Young and Loftus Street block will provide increased city living opportunities within a unique location.
- (i) *Direction 9 - Sustainable Development, Renewal and Design* - AMP has committed to delivering a sustainability strategy for the Precinct. Design development at the Stage One development application phase will include investigation of appropriate ESD performance standards.
- (j) *Direction 10 - Implementation through Effective Governance and Partnerships* - AMP has expressed strong commitment to engage with neighbours and key stakeholders throughout all phases of the planning, design and delivery of the project.

## BUDGET IMPLICATIONS

68. The exhibited voluntary Planning Agreement offers include a monetary contribution equal to one per cent of the Capital Investment Value of future development within the Precinct, and will be provided in addition to any contributions that are payable to Council under Section 61 of the City of Sydney Act 1988. The contribution is to be used by Council, subject to any deductions being made for any offsets allowed under the terms of the Planning Agreement, for urban design upgrades within and near the Precinct. It is estimated that the value of the contribution will be approximately \$6.7 million.

## RELEVANT LEGISLATION

69. *Environmental Planning and Assessment Act 1979, Environmental Planning and Assessment Regulation 2000, City of Sydney Act 1988.*

## CRITICAL DATES / TIME FRAMES

70. The Gateway determination requires the Local Environmental Plan to be completed by 17 July 2014.

71. The Council is required to provide public notification of any approval of a new Development Control Plan within 28 days of its approval.
72. The Council is required to provide a copy of the Planning Agreement(s) to the Minister for Planning and Infrastructure within 14 days of being entered into.

**Next Steps**

73. Following the registration of the Planning Agreement(s) on the title of the relevant properties, the Planning Proposal at **Attachment D** to this report will be submitted to the Office of Parliamentary Counsel requesting the plan be legally drafted. It will then be made under Section 59 of the *Environmental Planning and Assessment Act 1979*, with final sign off by the Chief Executive Officer under powers delegated by the Minister for Planning and Infrastructure. This is the final step in the plan making process. Once finalised, the plan will be submitted to the Department of Planning and Infrastructure for notification on the New South Wales legislation website.

**GRAHAM JAHN, AM**

Director City Planning, Development and Transport

(Nicholas Knezevic, Specialist Planner)