

**ITEM 7. POST EXHIBITION - REVISED PLANNING PROPOSAL, DEVELOPMENT CONTROL PLAN AND VOLUNTARY PLANNING AGREEMENT - LEND LEASE CIRCULAR QUAY SITE - ALFRED PITT DALLEY AND GEORGE STREET BLOCK**

**FILE NO: S108395**

**SUMMARY**

This Planning Proposal will allow redevelopment of the land at 174-186 George Street and 33-35 Pitt Street, Sydney (the Site), will allow for a new 248 metre premium grade commercial tower and a better located public plaza fronting George Street. Located in the heart of the financial district, close to the future light rail, it will support the New South Wales economy by providing capacity for employment growth and investment in Central Sydney.

By reflecting the current ownership pattern within the Alfred Pitt Dalley George Street (APDG) block, an alternative development option in the planning controls will allow realisation of significant renewal.

The attached voluntary Planning Agreement will provide a George Street plaza and community building on the plaza, a public cycle facility below the plaza, and the lease of business innovation space in the podium of the commercial tower, as well as a network of laneways, spaces and public art.

The Planning Proposal, draft Development Control Plan (draft DCP) and voluntary Planning Agreement were placed on public exhibition from 18 May to 15 June 2016. Eight submissions were received, four submissions from surrounding landowners and occupants and five from government agencies.

A few minor clarifications are recommended to the Planning Proposal and draft DCP as a result, for consistency and to further clarify intent in the controls.

This report details the outcomes of the recent public exhibition of the Planning Proposal, draft Development Control Plan (draft DCP), and voluntary Planning Agreement for the Site, and recommends Council and the Central Sydney Planning Committee (CSPC) approve the Planning Proposal, the draft DCP and notes that the City will enter into the voluntary Planning Agreement.

**RECOMMENDATION**

It is resolved that:

- (A) the Central Sydney Planning Committee note matters raised in response to the public exhibition of *Planning Proposal - APDG Site Block 4* and the *draft Sydney Development Control Plan 2012 - APDG Site Block 4*, as shown at **Attachment A** to the subject report;
- (B) the Central Sydney Planning Committee approve the revised *Planning Proposal - APDG Site Block 4*, as shown at **Attachment B** 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 19 July 2016 to approve the revised *Draft Sydney Development Control Plan 2012 - APDG Site Block 4*, as shown at **Attachment C** 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 19 July 2016 that authority be delegated to the Chief Executive Officer to make any minor variations to *Planning Proposal - APDG Site Block 4* and *Draft Sydney Development Control Plan 2012 - APDG Site Block 4* to correct drafting errors prior to finalisation of the local environmental plan;
- (E) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 19 July 2016 that the Planning Agreement, as shown at **Attachment D** to the subject report, is to be executed on behalf of Council with Lend Lease in accordance with *Environmental Planning and Assessment Act 1979*;
- (F) the Central Sydney Planning Committee note that the local environmental plan will not be made until the Planning Agreement, as shown at **Attachment D**, has been entered into by the Council and the relevant proponents, and registered on title of the relevant properties; and
- (G) the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 19 July 2016 to approve the transfer of the 'Mirvac Triangle' being Lots 2 and 3, DP 1213767 to Lend Lease in accordance with the Planning Agreement.

## ATTACHMENTS

**Attachment A:** Summary of submissions

**Attachment B:** Planning Proposal - APDG Site Block 4 (revised June 2016)  
(Note: Due to their size, a hard copy of the appendices to Attachment B has not been circulated. They are available for inspection on Council's website).

**Attachment C:** Sydney Development Control Plan 2012 - APDG Site Block 4 (revised January 2016)

**Attachment D:** Voluntary Planning Agreement – APDG Site Block 4  
(Note: Hard copies of Attachment D will be circulated separately from the agenda paper in limited numbers. It will be available for inspection on Council's website and at the One Stop Shop and Neighbourhood Service Centres.)

## BACKGROUND

### Request to amend City of Sydney planning controls

1. Lend Lease Development Pty Ltd (Lend Lease) requested a planning proposal be prepared to amend the planning controls applying to land within the city block bound by Alfred, Pitt, Dalley and George Streets, Sydney (the APDG block) to facilitate a development proposal at 174-186 George Street and 33-35 Pitt Street, Sydney.
2. Following consideration of Lend Lease's planning justification report dated September 2014, Council on 29 June 2015, and the Central Sydney Planning Committee (CSPC) on 25 June 2015, resolved to approve Planning Proposal - APDG Site Block 4 for submission to the Minister for Planning with a request for a Gateway determination. At the same time, the related draft Development Control Plan was approved for exhibition.
3. The Minister's delegate issued a Gateway determination for the Planning Proposal - APDG Site Block 4 on 18 August 2015. However, as Lend Lease subsequently initiated discussions with Council staff to amend the approved planning proposal, it was not exhibited.
4. In December 2015, Lend Lease submitted a revised planning justification report seeking amendments to Planning Proposal - APDG Site Block 4 to allow for changes to their development proposal. Updated studies to support the revised scheme, along with an updated public benefit offer were provided.
5. In February 2016, Council and the CSPC resolved to seek a Gateway determination from the Department of Planning and Environment to allow public exhibition of the revised Planning Proposal to amend Sydney Local Environmental Plan 2012 (SLEP2012), alongside a supporting site specific draft Development Control Plan (draft DCP). The Council also authorised that the Chief Executive Officer prepare a draft voluntary Planning Agreement based on the proponent's public benefit offer and that this be exhibited concurrently with the revised Planning Proposal and draft DCP.
6. A Gateway determination was issued in April 2016, allowing community and public authority consultation. The revised Planning Proposal, draft DCP and voluntary Planning Agreement were placed on public exhibition from 18 May to 15 June 2016. Documents were made available for viewing at the One Stop Shop, Customs House Library and on the City's website. Letters to surrounding building owners and tenants were sent. A public notice was also placed in The Sydney Morning Herald on 18 May 2016. The outcomes of public exhibition are discussed in detail in this report.
7. The plan making functions of the Minister for Planning have been delegated to the Council for this Planning Proposal. If the Council and the CSPC approve the changes to the City's planning controls recommended in this report, the City has delegation to amend SLEP2012 and to make the changes bringing them into effect.

### Site details

8. The revised Planning Proposal relates to a collection of properties close to Circular Quay with frontage to Pitt and George Streets, referred to in this report as the Site. A location map is shown at Figure 1 and the relevant properties are identified on the diagram at Figure 2.

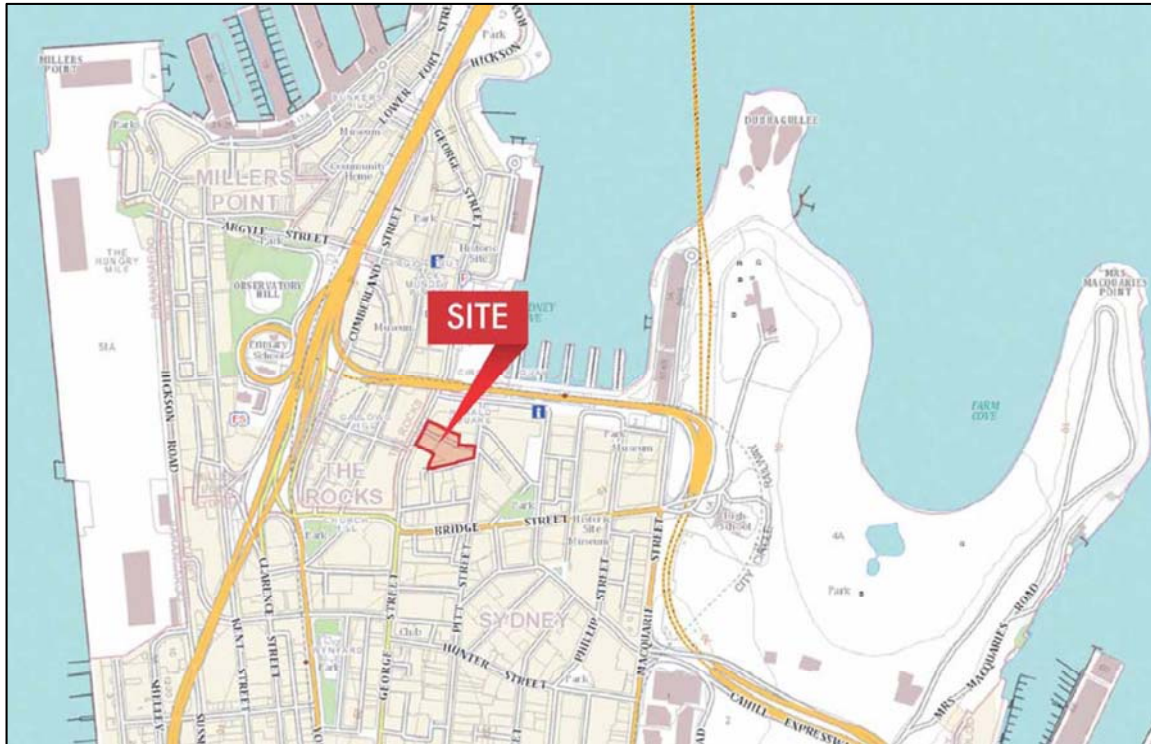


Figure 1: Location map

9. The total site area is approximately 4,600m<sup>2</sup>, excluding the Rugby Club, or 5,036m<sup>2</sup>, including the Rugby Club.
10. Since commencing the initial Planning Proposal process, the Rugby Club has been acquired by Wanda One Pty Ltd, the adjoining landowner to the north of the site. Consistent with the existing APDG block controls, the Rugby Club remains an optional extension of the development site.
11. The revised Planning Proposal includes the City owned Crane Lane which is classified as operational land under the *Local Government Act 1993*. Available for disposal, as it is not classified as a public road, Crane Lane will be the subject to a separate report to be considered by Council.
12. Under a current Planning Agreement with Mirvac (relating to the development at 200 George Street), Mirvac has transferred a triangular portion of land known as the 'Mircac Triangle' to the City. Under the currently proposed voluntary Planning Agreement for this site, it is proposed that the City will transfer the Mircac Triangle to Lend Lease in return for constructing the alternate public domain.

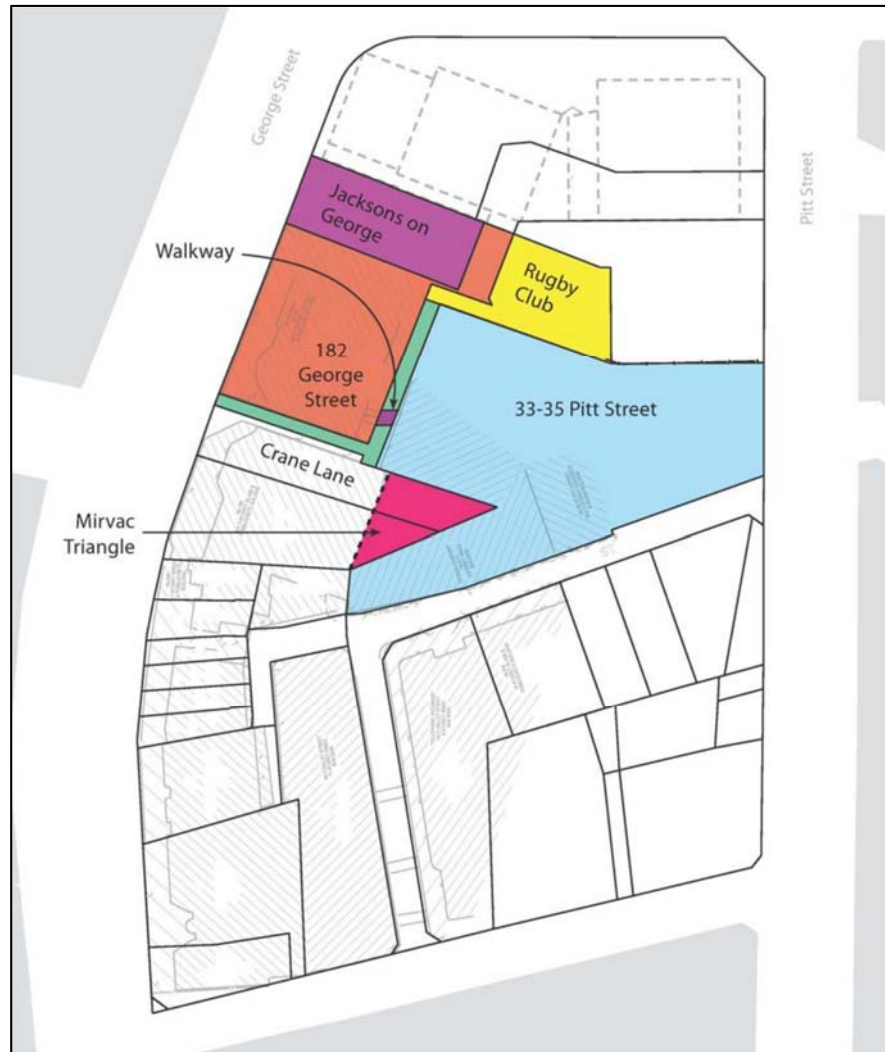


Figure 2: Properties subject to new controls in the planning proposal

### The Revised Planning Proposal

13. The revised Planning Proposal seeks to amend SLEP2012 to enable an alternative development configuration for the APDG block. Based on recent ownership changes, block 4 is established as an alternative for block 1. The revised Planning Proposal is provided at **Attachment B**.
14. The key elements of the development concept are:
  - (a) a major new public plaza at George Street level, with comparable dimensions and overall size to Australia Square, along with a secondary plaza at the lower Pitt Street level;
  - (b) a new laneway network at Pitt Street level, creating key connections and providing fine grain active uses along all frontages;
  - (c) a new world class, sustainable commercial tower with an elevated lobby providing a controlled through-site link to Pitt Street and retail activated lower levels to contribute to a more lively, engaging City;

- (d) a new high quality community building located on the George Street plaza; and
- (e) the remodelling of the Jacksons on George building.

#### **Amendments to Sydney Local Environmental Plan 2012**

15. The revised Planning Proposal at **Attachment B** will amend SLEP 2012 by allowing an alternative development scenario within the APDG block by identifying land not previously included in the development block. It will set a revised building height with a maximum of 248 metres, and ensure only non-residential uses are permitted within the site.
16. New clauses will clarify site area for the calculation of floor space. This will exclude the "Mirvac Triangle", having already been included in site area for the 200 George Street development.
17. An additional site specific clause will exclude the gross floor area of public benefits that are part of the voluntary Planning Agreement, including the community stratum building, public cycle facility and a maximum of 4,000 square metres of office space to be used as business innovation space, from the calculation of floor space ratio.
18. The Lanes Development Floor space controls will be amended to apply to new development and dedicated lanes.

#### **Amendments to Sydney Development Control Plan 2012**

19. The draft DCP is provided at **Attachment C** and provides further guidance relating to the proposed amendments to SLEP2012. The draft DCP retains the existing alternate controls for the APDG block, inserting a parallel set of controls in the event development proceeds in accordance with development of block 4.
20. The draft DCP includes provisions relating to:
  - (a) streets, lanes and through-site links;
  - (b) new squares;
  - (c) active frontages;
  - (d) awnings;
  - (e) building height;
  - (f) street frontage heights and setbacks;
  - (g) building design and bulk, including design excellence strategy and wind impact mitigation provisions;
  - (h) parking and vehicular access; and
  - (i) amendment to Late Night Trading Area Map to include the two plazas in the Late Night Management Area.

### Voluntary Planning Agreement

21. A voluntary Planning Agreement (VPA) at **Attachment D** was prepared and exhibited concurrently with the revised Planning Proposal and draft DCP. The key public benefits that will be delivered via the VPA are:
  - (a) a large public plaza on George Street;
  - (b) a community building fronting the George Street plaza;
  - (c) a public cycle facility underneath the George Street plaza;
  - (d) an expanded laneway network and small plaza on the Pitt Street level;
  - (e) one per cent of the Capital Investment Value for a public artwork; and
  - (f) monetary contribution for the fitout of the business innovation space.
22. The VPA also includes land dedication to widen Underwood Street and commitment to Environmental Sustainable Development targets in the commercial tower. The VPA also includes terms for the transfer of the 'Mirvac Triangle' to Lend Lease. The transfer of the Mirvac Triangle contributes to the George Street plaza that will be dedicated back to Council.
23. The VPA includes a commitment to make available three floors of approximately 3,900 square metres of office space within the lowest levels of the podium or tower for the City to provide affordable rental space for tech startups or other innovative high growth businesses. Lend Lease is offering to lease the space to the City at the cost of outgoings only for 20 years or at a discount to market value, plus outgoings, for 99 years. It will be designed, constructed and fitted out at no cost to Council. The decision on whether Council takes a 20 year or 99 year option will be the subject of a future Council report.
24. The amendment to SLEP2012, as proposed by the revised Planning Proposal, will not be made until the VPA between the City and land owner is registered on title.

### KEY IMPLICATIONS

#### Outcomes of public exhibition and public authority consultation

25. Public authority consultation was also carried out in accordance with the Gateway determination
26. Responses from Sydney Airport, the Commonwealth Department of Infrastructure and Regional Development, Airservices Australia, the Office of Environment and Heritage and Transport for NSW raise no objection or specify matters to be considered at the development application stage.
27. Four public submissions were received, two in support, one objection on behalf of the land owners at Grosvenor Place, and one on behalf of Lend Lease requesting minor changes to the proposed controls.
28. Key issues raised in public consultation are discussed below. All matters raised in submissions are addressed in detail in the table at **Attachment A**.

## Key issues raised in submissions

### Tower Crowding

#### *Submission*

29. The submission claims a fourth tower within the APDG block is inconsistent with the original intent of the APDG controls, stating:
- (a) the new tower will not result in high quality urban design outcomes as a consequence of tower crowding. Potential for adverse outcomes is further exacerbated by the uncertainty of the Mirvac proposal to the immediate south;
  - (b) one of the key objectives of the current DCP for the APDG block requires new towers above 75 metres having a minimum separation of 28 metres above the relevant street frontage heights. The proposal will not achieve this and will result in very narrow building separations between the new 200 George Street building (6 metres) and the approved Stage 1 development for Wanda One Pty Ltd (9 metres); and
  - (c) the separation of the towers in the APDG block is inadequate to achieve reasonable view corridors between buildings and be respectful of the city skyline.

#### *Response*

30. The revised Planning Proposal provides block 4 as an alternative development option to block 1. It allows for the relocation of a tall tower from one part of the APDG block to another. A proposal by Mirvac immediately to the south is being assessed in the context of this proposal.
31. The proposal is consistent with the objective of the APDG block “to provide for additional building height on parts of certain sites, if the development provides for publicly accessible open space, lanes and other links through the site.” The urban design outcome of the proposal is an improved public square location with improved solar access.
32. The location of the tower will result in buildings that are located closer together than in the original APDG controls. This revised Planning Proposal removes the minimum tower separation requirement from the APDG block controls which was a reflection of assumed land amalgamation at the time of the original Master Plan. The location and separation of the tower to surrounding buildings will be subject to the same minimum building separation requirements and built form character as other buildings in Central Sydney. The proposed configuration of buildings and public domain will allow for views and sunlight access. The tower location is acceptable and consistent with proximity of other tall buildings in Central Sydney.
33. Located at the heart of the financial district, the proposed tower is within a precinct of other tall towers, and will be viewed as a cluster of new buildings. Despite the proximity, the buildings will still be read as individual buildings in the skyline, and are consistent with the location and context of the site. The separate visual presence of the proposed tower is maintained by the adjoining towers of a similar, but lower and varied heights. The proposed tower would not significantly adversely affect corridors with a view of significant public buildings or places.



34. Figure 4 shows the existing and proposed visual impact of the tower from Sydney Cove, with existing buildings and approved surrounding developments shown in grey. The proposed tower envelope will not be a dominant individual feature in the skyline, but rather one of a cluster of new, landmark commercial and residential towers which will mark the revitalised APDG Block. The visual impact is considered to be acceptable and consistent with the location and context of the site.

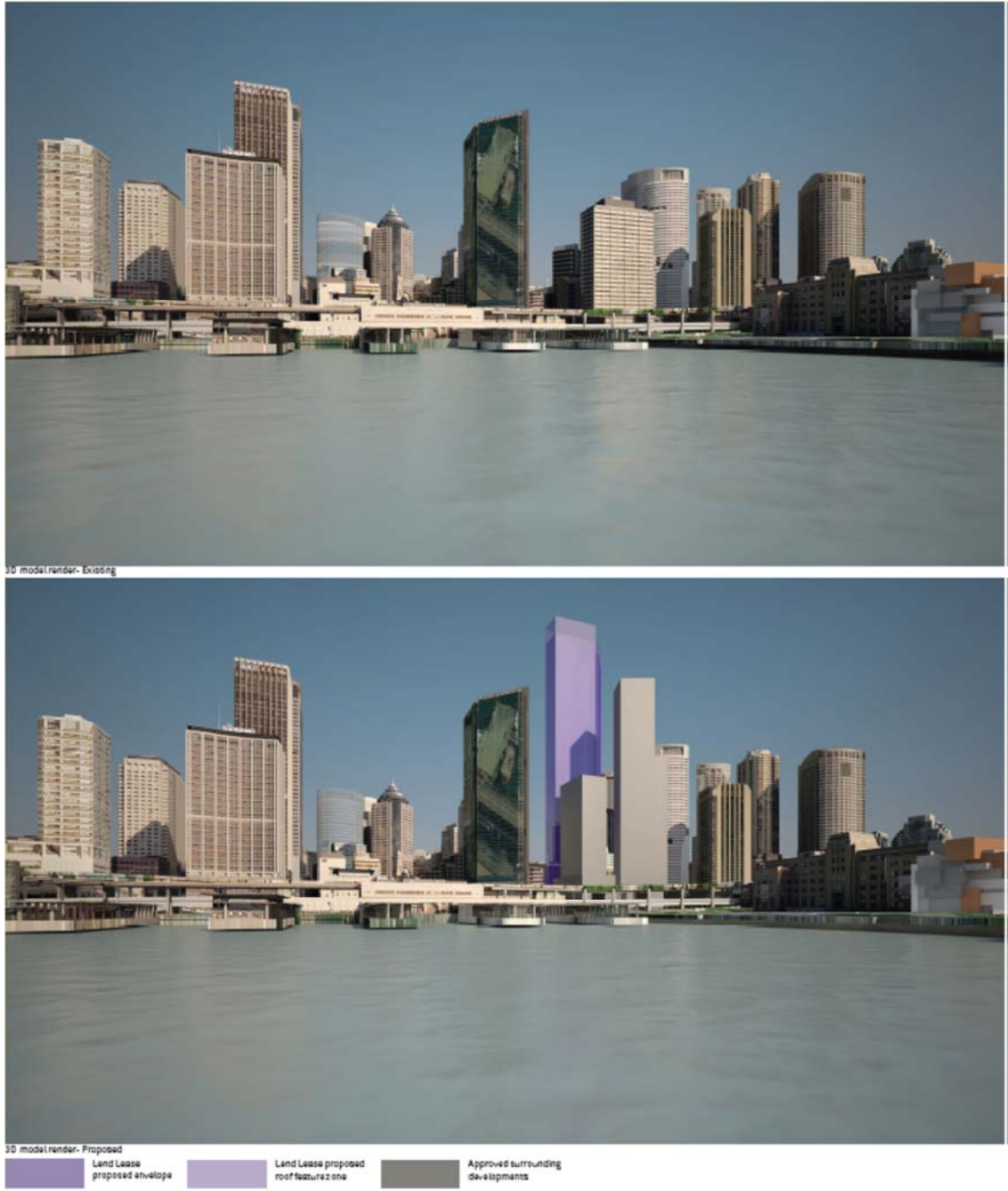


Figure 4: View impacts from Sydney Cove waterway

## Height and Bulk of Building Envelope

### *Submission*

35. The submission states that:
- (a) the proposed planning controls allow for a significant tower of up to 248 metres, not including a 15m roof articulation zone. This will result in a building significantly higher than any other building within the precinct. The proposed tower is excessive in height and bulk and should be reduced in scale, and to be more akin to the height of 200 George Street and 1 Alfred Street;
  - (b) the result of the proposal will be a built form that will dominate and detract from the city skyline, dwarf other adjacent buildings and, owing to very narrow building separation, result in tower crowding and loss of visual amenity. There is no tapering of the built form at the higher levels of the building, as encouraged in Sydney DCP 2012; and
  - (c) the proposed building height has been inflated by the use of the lower levels for "GFA exempt" incubator commercial space of up to 4,000 square metres. The level of additional incentive floor space should be reduced to facilitate a built form that is more considerate to the established building scale in this precinct.

### *Response*

36. The existing APDG controls provide for a 200 metre tower which is already greater than the built or approved heights of development at 1 Alfred Street and 200 George Street.
37. The proposal will increase the maximum height of a tower in the block by 48 metres and allow one of the tallest towers in Central Sydney. As with other developments, the roof articulation zone is not included in the maximum height and is provided for under the SLEP2012, however, in assessing the potential impacts, the roof articulation zone was included. The assessment shows the increase in height does not adversely impact surrounding public spaces in terms of solar and wind impacts.
38. The planning proposal provides a building envelope within which tapering, as encouraged in Sydney DCP 2012, along with further detailed design can occur. The revised Planning Proposal does not increase the maximum floor space control and the envelope includes the potential design excellence bonus of up to 10 per cent gross floor area. The business innovation space is exempt from the calculation of gross floor area, however, this has been capped at a maximum of 4,000 square metres. This responds to research of space requirement that would enable startups to connect, share ideas, mentor and partner with each other.
39. The proposed height is considered acceptable in the context and location of the site. In addition, given the efficient use of land, increase in employment floor space for Central Sydney and no adverse impact from the development, the building envelope is acceptable.

## View Loss

### Submission

40. The submission believes the revised Planning Proposal will permit a development scale that will impact on the skyline and panoramic views enjoyed by Grosvenor Place, including towards the heads of Sydney Harbour. The view impacts are unreasonable, excessive and should be ameliorated through reductions in building height and scale.

### Response

41. Visual impact modelling provided in the submission is shown in Figures 5 and 6. The proposed envelope, shown with dotted outline, would be peripheral to the view from the northern and eastern part of the floor plate. It would obstruct views of existing buildings, as well as a small portion of an already fragmented harbour view. Views towards the heads of Sydney Harbour may also be affected, noting a large portion is already obstructed by the Gateway building. The views of the Harbour Bridge and Opera House are not obstructed by the proposed envelope.

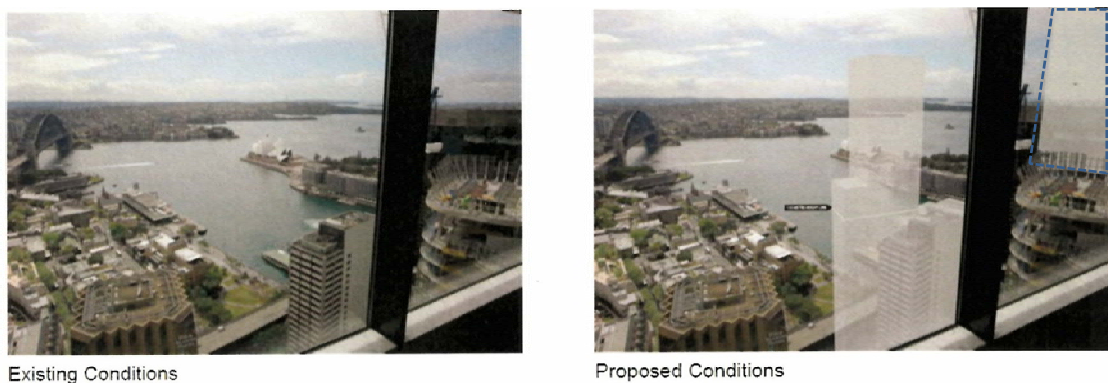


Figure 5: View impacts from Grosvenor Place Level 44 – northern end of floor plate, with the proposed tower envelope shown dotted (right) and Wanda One Pty Ltd development envelope shown white in the foreground

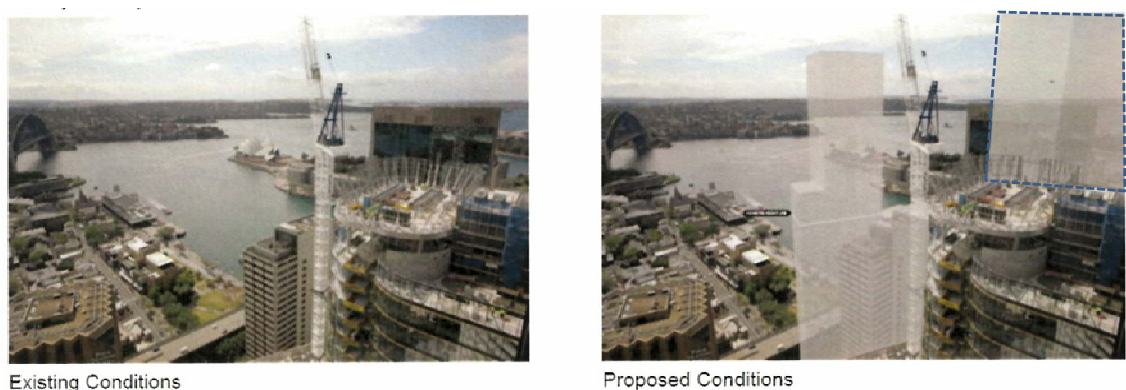


Figure 6: View impacts from Grosvenor Place Level 44 – eastern end of floor plate with the proposed tower envelope shown dotted (right) and Wanda One Pty Ltd development envelope shown white in the foreground.

42. The modelling from the southern part of the floor plate in Figure 7 shows a reasonable view impact. This view does not include iconic views to the Harbour Bridge or the Opera House and views to the Harbour and towards the heads are already affected by the Gateway building at 1 Macquarie Place. The proposed envelope affects a small portion of the fragmented harbour views, with parts of the harbour still visible. The view loss is reasonable.

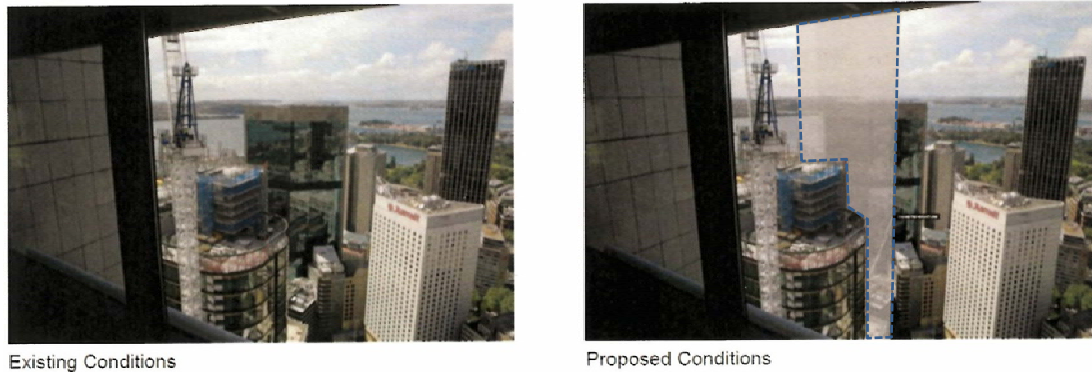


Figure 7: View impacts from Grosvenor Place Level 44 – southern end of floor plate

43. The proposed envelope controls are a theoretical maximum and a detailed assessment of view loss will be considered following detailed design.

#### Changes to Planning Proposal and draft DCP

44. On behalf of Lend Lease (Circular Quay) Pty Ltd a request was made for a number of changes to the revised Planning Proposal and draft DCP as exhibited. Many of the changes are not considered necessary or supported as they are inconsistent with the objectives of the APDG block. These are addressed in **Attachment A**.
45. Minor inconsistencies proposed to be amended are:
- (a) in the revised Planning Proposal, under Part 2 – Explanation of the Provisions:
    - (i) clarify that a new clause to exclude from the calculation of FSR on block 4, the amount of GFA, of any office premises that is located within the *“podium or the lower levels of the tower”*, instead of *“the podium or the tower”*; This change would make it consistent with the exhibited draft voluntary Planning Agreement;
    - (ii) in the same clause, revise the amount of GFA to be excluded from the calculation of FSR up to a maximum of 3,900m<sup>2</sup>, not 4000m<sup>2</sup>, to be consistent with the draft VPA;
    - (iii) clarify the maximum 238 metre and 248 metre tower height controls by inserting RL 240.8 metres and RL 250.8 metres respectively.
  - (b) in the draft DCP:
    - (i) under Section 6.1.6.1(1) Building Height, insert reference to height in RL, as well as in metres, noting Figure 6.10A contains both;

- (ii) under Section 6.1.6.4(1) Design Excellence, the words “*Stage 2*” in relation to a development application, will be replaced by “*detailed*” development application;
  - (iii) amend Figure 6.10A to show maximum tower height of 238 metres (RL 240.8 metres) and 248 metres (RL 250.8 metres); and
  - (iv) amend Figure 6.15A to allow vehicular access to land at the rear of the Jacksons on George building, as it will be a publicly accessible lane.
46. It is also noted that there were minor inconsistencies in the representations of the public square in Figures 6.7A and 6.15A, showing a small part to be an optional extension of the square adjoining the community building. In addition, the time limited vehicle access on the new north south laneway between Rugby Place and Underwood Street will be removed so that there will be no vehicular access in that section to ensure consistency with the VPA and desired character of the laneway.
47. The figures are amended to be consistent with the public square as shown in the remainder of the draft DCP.
48. The changes to the revised Planning Proposal are identified at **Attachment B** and the changes to the draft DCP are identified at **Attachment C**, with deleted wording shown in red ~~strike through~~ and additional wording shown in red *italics*.
49. No changes are proposed to the draft voluntary Planning Agreement as a consequence of the public exhibition.

#### **Key benefits arising from the revised planning controls**

50. The revised Planning Proposal and revised draft DCP will facilitate a broad range of public benefits from promoting economic growth to public domain improvements that will enhance people’s day-to-day enjoyment of Central Sydney.
51. In summary, the key benefits are:
- (a) a realistic and achievable opportunity to unlock the floor space potential of the site and meet demand for high end global office space in central Sydney within a commercial tower building;
  - (b) significant revitalisation of the block bounded by Alfred, Pitt, Dalley and George Streets;
  - (c) design excellence embedded in the Site;
  - (d) remodelling of the Jacksons on George building;
  - (e) a large public square on George Street, with excellent solar access during the lunch time peak in mid-winter;
  - (f) a public square on Rugby Place;
  - (g) creation of a fine-grain network of lanes and a through-site link that will improve pedestrian connections between Circular Quay and the commercial core and between George and Pitt Streets;

- (h) a new retail destination with maximised active frontages;
- (i) a new late-night trading precinct which will enhance the city's night-time economy;
- (j) reduced vehicular movements within the block and rationalisation of loading dock and vehicular access points;
- (k) the delivery of community facilities, including a public cycle facility; and
- (l) the delivery of a business innovation space, as proposed in the City's Tech Startups Action Plan, including the cost of fitout.

### **Strategic Alignment- A Plan for Growing Sydney and Sustainable Sydney 2030 Vision**

52. *A Plan for Growing Sydney* (the Plan) is a State Government strategic document that outlines a vision for Sydney over the next 20 years.
53. The Plan identifies key challenges facing Sydney, including a population increase of 1.6 million by 2034, 689,000 new jobs by 2031, and a requirement for 664,000 new homes. The Plan sets out the following four goals for Sydney, which are supported by 22 directions and numerous associated actions:
- (a) a competitive economy with world-class services and transport;
  - (b) a city of housing choice with homes that meet our needs and lifestyles;
  - (c) a great place to live with communities that are strong, healthy and well connected; and
  - (d) a sustainable and resilient city that protects the natural environment and has a balanced approach to the use of land and resources.
54. The revised Planning Proposal remains consistent with relevant goals, directions and actions of the Plan. By facilitating the development of commercial premises on a site that is highly accessible by public transport, it will support the achievement of *Goal 1: A competitive economy with world class services and transport* and *Direction 1.1: Grow a more internationally competitive CBD*. In particular, the revised Planning Proposal is consistent with the action *create new and innovative opportunities to grow Sydney CBD office space by identifying redevelopment opportunities and increasing building heights in the right locations*.
55. *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 revised planning proposal and amendments to Sydney Development Control Plan 2012 continue to be aligned with the following SS2030 strategic directions and objectives:
- (a) Direction 1 - A Globally Competitive and Innovative City – The revised Planning Proposal 'unlocks' capacity to provide for employment growth in Central Sydney. It provides the opportunity to design a large floor-plate, quality commercial tower as favoured by globally oriented organisations.



- (b) Direction 3 - Integrated Transport for a Connected City - The revised Planning Proposal allows for development that will integrate with the light rail and the Circular Quay transport hub by providing increased employment and public facility opportunities nearby.
  - (c) Direction 4 - A City for Walking and Cycling - The revised Planning Proposal provides for enhanced pedestrian access via activated laneways between George Street and Pitt Street. It also provides for the incorporation of cycling facilities that would complement the proposed Pitt Street cycleway.
  - (d) Direction 5 - A Lively and Engaging City Centre - The revised Planning Proposal will facilitate transformation of the Site into a new, activated destination, with laneway retail, dining and bars. With its concentration on 'fine grain' development at the ground plane, redevelopment of the site will contribute to a livelier, engaging city.
  - (e) Direction 9 - Sustainable Development, Renewal and Design - The revised Planning Proposal includes building envelope controls that are aimed at delivering design excellence. It also provides for new public squares and development that will activate the public domain.
56. In June 2016, the City adopted the *Tech Startups Action Plan* which outlines how the City can work with partners to create an environment that enables technology entrepreneurs to start and grow successful global businesses.
57. The *Tech Startups Action Plan* proposes that, to increase the density of the tech startup ecosystem, the City will:
- (a) use planning regulations to encourage more innovation spaces and/or affordable office spaces; and
  - (b) create affordable work spaces.
58. The revised Planning Proposal and VPA give effect to these actions and provide the opportunity for the City to secure well-located, leased workspace to support fledgling and innovative high-growth businesses, such as tech startups.

## BUDGET IMPLICATIONS

59. There are no budget implications for the revised Planning Proposal itself, however, there are budget implications for the sale of Crane Lane, and leases associated with business innovation space. The report on the sale of Crane Lane will be considered at the same Council meeting as this report. The business innovation space lease will be reported to Council later this year.

## RELEVANT LEGISLATION

60. *Environmental Planning and Assessment Act 1979; Environmental Planning and Assessment Regulation 2000; and the City of Sydney Act 1988.*

**CRITICAL DATES / TIME FRAMES****Planning Proposal process**

61. If Council and the CSPC approve the revised Planning Proposal, it will be submitted to NSW Parliamentary Counsel for drafting. The LEP can be made by the Chief Executive Officer, under delegation. Once finalised, the plan will be submitted to the Department of Planning and Environment for notification on the New South Wales legislation website.
62. The Gateway determination set the completion date for the revised Planning Proposal as February 2017.

**GRAHAM JAHN, AM**

Director City Planning, Development and Transport

(Karen Judd, Specialist Planner)