

**ITEM 6. RELEVANT PLANNING AUTHORITY FOR PLANNING PROPOSAL -  
4-6 BLIGH STREET, SYDNEY****FILE NO: X011838****SUMMARY**

In August 2016, *Planning Circular PS16-004 Independent Reviews of Plan Making Decisions* was released, replacing the previous pre-Gateway review process. The Planning Circular provides guidance on the available process of a rezoning review in certain circumstances.

In August 2017, Architectus, on behalf of the site owner SC Capital Partners Group, provided preliminary information to the City for a potential planning proposal for 4-6 Bligh Street, to increase the maximum Floor Space Ratio (FSR) to enable a hotel tower above an office podium. The information was generally in line with the City's proposed Central Sydney Planning Strategy adopted by Council and the CSPC in July 2016; however, at the time of writing this has not been endorsed by the Department of Planning and Environment.

The City responded to the potential planning proposal welcoming continued dialogue in line with the City's proposed Strategy. However, an increase in FSR it was felt should not be considered until the NSW Government had issued a gateway determination for the draft Strategy and associated Central Sydney Planning proposal to enable public exhibition.

In response to the City's letter to await the Strategy, the proponent sought advice from the Department of Planning and Environment to clarify if the letter would satisfy the requirements for a rezoning review. The Department advised the proponent, and the City, that site specific planning proposal requests can be submitted and are to be assessed on their merits, and further that the proposal was eligible for consideration by the Planning Assessment Commission under a Rezoning Review process.

In light of the Department's view, the City advised the proponent to lodge a planning proposal providing the necessary details.

The proponent lodged a rezoning review with the Department of Planning and Environment on 27 October 2017. All rezoning reviews within the City of Sydney are considered by the Planning Assessment Commission (the Commission). This rezoning review is the first to occur in central Sydney since the draft Central Sydney Planning Strategy being considered by Council.

The Commission's review of the proposal occurred in December 2017.

The Department's letter of 11 January 2018, provided at **Attachment A**, advises the City that the Commission recommended the proposal proceed to gateway determination stage. Further, the letter invites Council to be the relevant planning authority, to prepare a planning proposal and submit it for a gateway determination.

This report recommends the Central Sydney Planning Committee note Council's intent to accept the role of the relevant planning authority. Following acceptance of the role as relevant planning authority, Council will have 42 days to send the proposal to the Department for a gateway determination.

On the basis of the information provided as part of the rezoning review process, the City can prepare a planning proposal for consideration at the Council and the Central Sydney Planning Committee meetings in March 2018. The proposal requires some refinement and clarification which has been sought from the proponent.

Should Council not wish to accept appointment as the relevant planning authority in this matter, an alternative relevant planning authority will be appointed. For the City of Sydney, the Secretary of the Department of Planning and Environment can be the relevant planning authority.

### **RECOMMENDATION**

It is resolved that the Central Sydney Planning Committee note the recommendation to Council's Planning and Development Committee on 12 February 2018, that Council accept the role of the relevant planning authority to prepare a planning proposal.

### **ATTACHMENTS**

**Attachment A:** Letter – Department of Planning and Environment invitation to be relevant planning authority

**BACKGROUND**

1. *Planning Circular PS16-004 Independent Reviews of Plan Making Decisions* was released on 30 August 2016 replacing the previous pre-Gateway review process.
2. The Planning Circular outlines the circumstances when a rezoning review can be sought.

*If a proponent (e.g. developer, landowner) has requested that a council prepare a planning proposal for a proposed instrument, the proponent may ask for a rezoning review if:*

- A. *The council has notified the proponent that the request to prepare a planning proposal is not supported, or*
  - B. *The council has failed to indicate its support 90 days after the proponent submitted a request, accompanied by the required information, or has failed to submit a planning proposal for a Gateway determination within a reasonable time after the council has indicated its support.*
3. In August 2017, Architectus on behalf of site owner, SC Capital Partners Group, provided preliminary information to the City for a potential planning proposal. The potential proposal sought to increase the maximum Floor Space Ratio (FSR) to facilitate the site's development as a hotel tower above an office podium.
4. In September 2017, the City responded to the preliminary information welcoming continued dialogue in line with the City's proposed Central Sydney Planning Strategy. However, an increase in FSR under the draft Strategy would not be considered until the NSW Government had issued a gateway determination for the associated Central Sydney Planning Proposal to enable public exhibition.
5. On 20 October 2017, the Department of Planning and Environment (the Department) advised they had formed the opinion the proponent's initial pre-planning proposal request for advice was eligible for consideration by the Planning Assessment Commission (the Commission) under a rezoning review process, as the City did not support the planning proposal.
6. The Department's letter acknowledged Council's Strategy as an important step in establishing a new planning framework for Central Sydney, however, the current status of the Strategy should not preclude Council giving due consideration to individual proposals.
7. On 27 October 2017, a rezoning review request was lodged with the Department and referred to the Commission.
8. In light of the Department's view the City advised the proponent, along with the Department, that it would consider a planning proposal request if lodged.

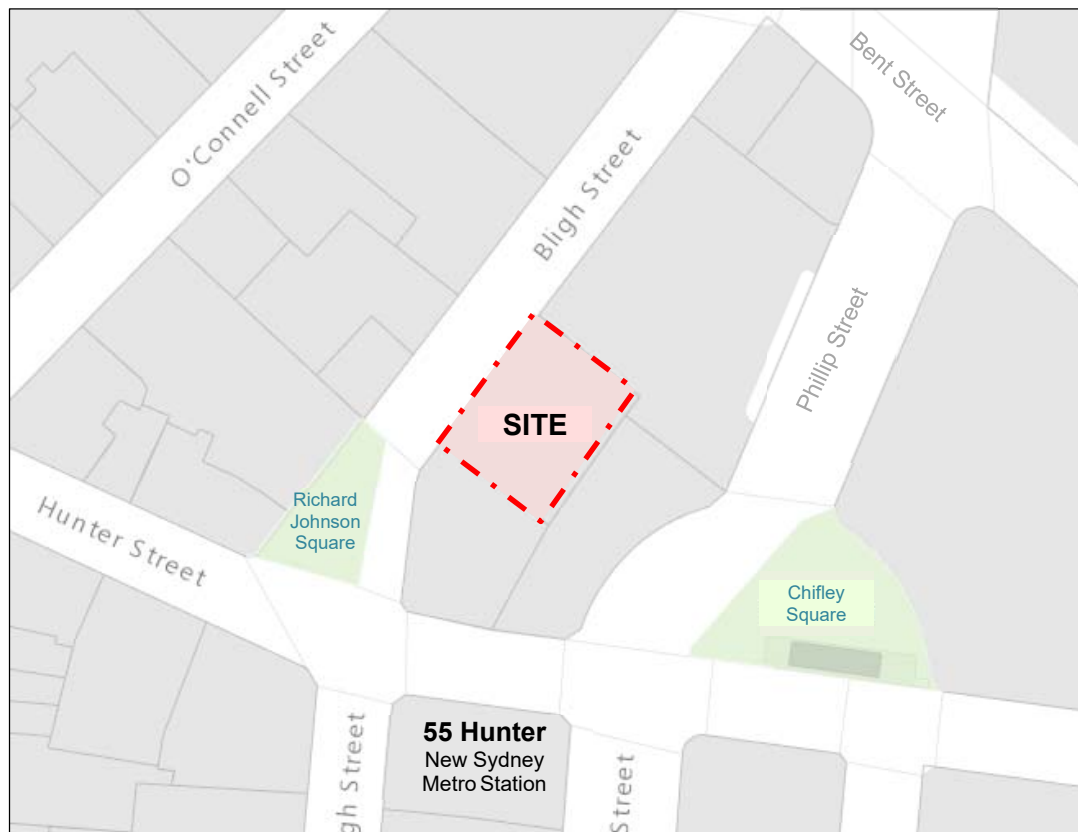
**Rezoning Review**

9. The Commission reviewed the proposal in early December 2017, inviting the City and the proponent to provide further information. City representatives briefed Commissioners on 4 December 2017.

10. On 22 December 2017, the Commission provided its report to the Department recommending the proposal proceed to gateway determination as it has strategic and site specific merit. In summary, it was noted the proposal has:
  - (a) Strategic merit through alignment with the draft Eastern District Plan's most relevant priorities and actions by increasing investment in both high quality office space and tourism accommodation offerings and infrastructure funding.
  - (b) Site specific merit, demonstrated through the material provided. Specifically, the provision of office space and tourism facilities, aligns with the need for hotels detailed in the City's *Visitor Accommodation Action Plan 2013*.
11. The Commission noted the proponent's view that the project is consistent with the aims and planning controls of the draft Strategy; however, the Commission is of the view that, as the strategy has not been publicly exhibited or endorsed by the Department, it is not a relevant consideration in assessing strategic merit.

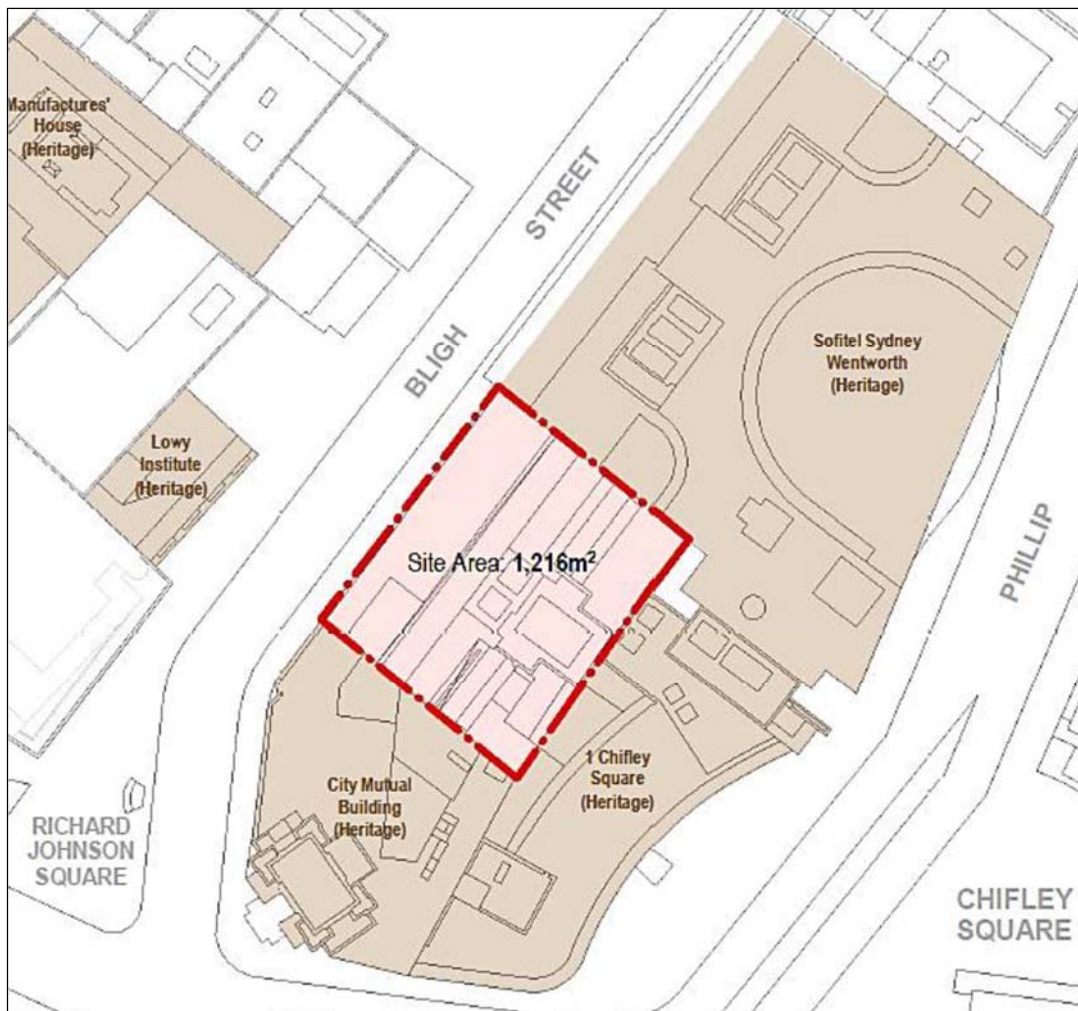
### Site details and context

12. 4-6 Bligh Street, Sydney (the Site) comprises an 18 storey commercial office building known as "Bligh House", on four lots being Lot 1 DP 919932, Lot 1 and 2 DP 134866 and Lot A DP 184770, with a total area of 1,216 square metres.
13. The site is located in the north of central Sydney, in a block bounded by Bligh, Bent, Phillip and Hunter Streets. It is a highly accessible location with access to train, bus and ferry services, including the new Sydney Metro station currently under construction at 55 Hunter Street. Site location and context are shown in **Figure 1**.



**Figure 1: Location plan**

14. The site is surrounded by a number of state and local heritage listed buildings, including the Sofitel Sydney Wentworth Hotel to the north, the former “Qantas House” building to the east and the former “City Mutual Life Assurance” building to the south, as shown in **Figure 2**.
15. The existing building located on site was constructed in 1964 and is known as Bligh House. The building is a B grade commercial office building comprising approximately 16,500 square metres of retail (ground floor) and commercial floor space. It is 74 metres in height (20 storeys) and has basement level car parking, accessed via Bligh Street.
16. Current controls under Sydney Local Environmental Plan 2012 (SLEP 2012), permit a maximum height of 235 metres, and maximum FSR of 8:1, with eligibility for additional accommodation floor space of 6:1 for hotel accommodation and 4.5:1 for office, business and retail premises. In addition, the site is eligible for 10% bonus FSR or height if a competitive design process is carried out and excellence demonstrated.



**Figure 2: Surrounding heritage items**

**Planning Proposal**

17. The proposal, as submitted to the Commission for review, seeks to facilitate the site's redevelopment by allowing additional floor space to increase the total maximum floor space ratio control up to 22:1.
18. The building envelope, shown at **Figure 3**, envisages a new 55 storey mixed use building with a total gross floor area of 24,825 square metres comprising:
  - (a) a 10 storey podium, including hotel and commercial lobbies, food and beverage facilities, 5,004 square metres of commercial office floor space, and recreation space;
  - (b) a 37 storey tower of hotel (407 rooms);
  - (c) four (4) levels at rooftop, including hotel club lounge, function space, restaurant bar and publicly accessible landscape terrace; and
  - (d) four basement levels, including 17 car parking spaces and end-of-trip facilities.

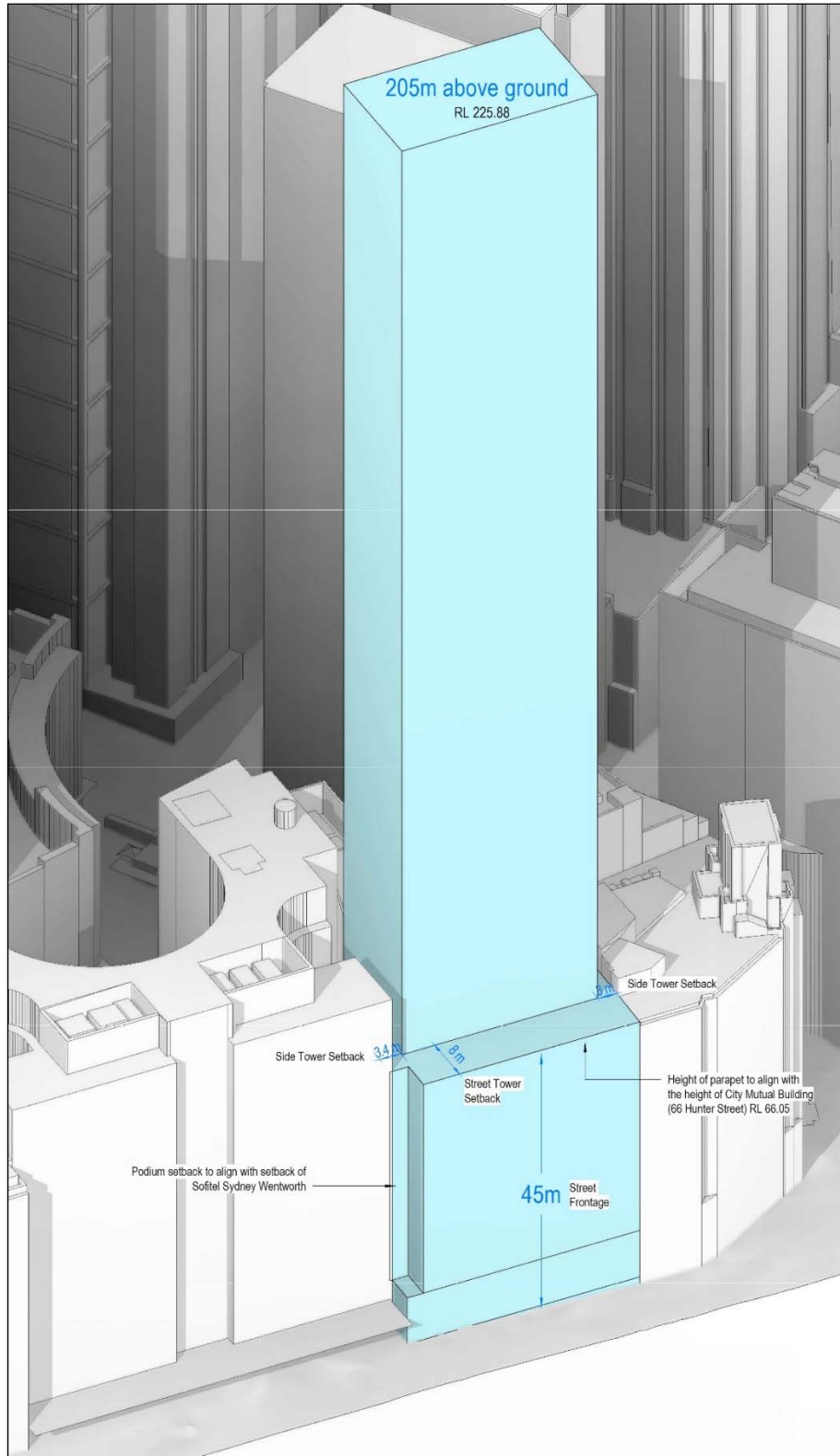


Figure 3: Building envelope

**KEY IMPLICATIONS**

19. The proposal as submitted to the Commission requires refinement and clarification to achieve a supportable proposal consistent with Council's Strategy, including:
  - (a) future development is not to be used for residential accommodation and/or serviced apartments;
  - (b) future hotel and office development is subject to an invited architectural design competition, including net-zero carbon, zero waste and water sensitive outcomes as well as and NABERS energy and water commitments;
  - (c) addressing environmental impacts of the proposed building envelope; and
  - (d) addressing how it provides for community and service infrastructure commensurate with the additional floor space being proposed.
20. A full assessment of the proposal will be subject of a March Committee report if Council accept the role of relevant planning authority.

**Relevant planning authority**

21. On 11 January 2018, the Department issued a letter providing Council the opportunity to be the relevant planning authority to prepare a planning proposal for gateway determination. A copy of the letter is provided at **Attachment A**. Council must respond within 42 days, being 21 February 2018.
22. The City has considerable experience working with proponents to successfully process planning proposals. Based on the recommendations of the Commission's report, as well as discussions with the proponent, a supportable proposal can be prepared for Council's consideration.
23. This report recommends that Council accept the role of relevant planning authority and progress a planning proposal to seek a gateway determination. Staff will be in a position to provide a full assessment to enable Council to consider a proposal at the next meeting cycle.

**Strategic Alignment**

24. 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.
  - (a) Direction 10 – Implementation through effective partnerships. Accepting the role as the relevant planning authority will enable the City to work with the proponent and the Department of Planning and Environment to achieve a positive outcome for the site, and contributes to the City.

**RELEVANT LEGISLATION**

25. *Environmental Planning and Assessment Act 1979.*



**CRITICAL DATES / TIME FRAMES**

26. Council has 42 days to respond to the invitation to be the relevant planning authority.
27. Council will then have a further 42 days to submit a planning proposal for a gateway determination. A planning proposal will be reported for Council and Central Sydney Planning Committee consideration at the next meeting cycle.

**OPTIONS**

28. If Council does not accept the role, an alternative relevant planning authority will be appointed. For the City, the Secretary of the Department can be directed to be the relevant authority to prepare the planning proposal. If an alternative relevant planning authority is appointed, the Central Sydney Planning Committee will have no further role in relation to this planning proposal.

**GRAHAM JAHN, AM**

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