

ITEM 2. PUBLIC EXHIBITION - PLANNING PROPOSAL: 4-6 BLIGH STREET, SYDNEY – SYDNEY LOCAL ENVIRONMENTAL PLAN 2012 AND SYDNEY DEVELOPMENT CONTROL PLAN 2012 AMENDMENT AND VOLUNTARY PLANNING AGREEMENT

FILE NO: X011838

SUMMARY

4-6 Bligh Street is located within Central Sydney's financial, professional and business services core, 200 metres north of Martin Place and 470 metres south of Circular Quay. It is in a highly accessible location with access to existing train stations, bus services on Bent, Phillip and Hunter streets and is less than 100 metres from the new Sydney Metro station currently under construction at 55 Hunter Street.

The site is one of three remaining potential development sites within the predominantly heritage listed street block of Bligh, Bent, Phillip and Hunter streets. Its built heritage setting combined with its proximity to the heritage listed Chifley Square to the east and Richard Johnson Square to the west means it benefits from a lower scale context in which an appropriately designed tower could respectfully respond.

Its context means it is well separated from existing surrounding office towers and its redevelopment provides the opportunity to resolve one of the last development sites within the block in line with Council's endorsed aims for planning proposals under the *Draft Central Sydney Planning Strategy*, including; promoting sustainable buildings with great design and architecture; ensuring a resilient and diverse economy; and, ensuring strong community and service infrastructure is provided as growth occurs.

In August 2017, Architectus on behalf of site owner, SC Capital Partners Group, submitted information to the City for a potential planning proposal to increase the maximum Floor Space Ratio (FSR) to facilitate its development as a hotel tower above an office podium under a future development application.

The estimated value of the future hotel and office development, being over \$100 million, categorises it as State Significant Development under *State Environmental Planning Policy (State and Regional Development) 2011*.

The City responded to the potential planning proposal welcoming continued dialogue in line with the *draft Central Sydney Planning Strategy (proposed Strategy)*. However, an increase in FSR under the *proposed Strategy* would not be considered until the NSW Government had issued a gateway determination in relation to the *proposed Strategy* and associated Central Sydney Planning Proposal to enable public exhibition and the consideration of the suite of Central Sydney proposals together.

The Department of Planning and Environment (the Department) advised "*The current status of the draft Strategy should not preclude Council giving due consideration to individual proposals*". The Department advised the proponent that the proposal was eligible for consideration by the Planning Assessment Commission under a Rezoning Review process as the City did not support the planning proposal.

A Rezoning Review request was subsequently lodged and referred to the Planning Assessment Commission (Commission). Independently, on the same day, taking into consideration the Department's opinion and that the development would be classified as State Significant Development, the City advised the Department and the proponent it would consider a planning proposal based on its merit if lodged.

The proponent advised it would not be lodging a planning proposal with the City and lodged a Rezoning Review request, which was referred to the Commission.

The Commission recommended the planning proposal proceed to Gateway because it has strategic and site specific merit. Council has been provided the opportunity to be the relevant planning authority, to prepare a planning proposal and submit it for a Gateway determination.

The proposal has potential merit, however, required refinement and clarification. The City has worked with the proponent to progress a planning proposal which is generally in line with the key aims of the proposed Strategy.

Following the resolution of Council of 19 February 2018 to accept the relevant planning authority role, this report recommends that Council support the planning proposal for 4-6 Bligh Street for submission to the Greater Sydney Commission seeking a Gateway Determination. If the proposal receives Gateway Determination, it will be placed on public exhibition in accordance with the requirements of that determination.

RECOMMENDATION

It is resolved that:

- (A) Council approve *Planning Proposal: 4-6 Bligh Street, Sydney*, shown at **Attachment A** to the subject report, for submission to the Greater Sydney Commission with a request for a Gateway Determination;
- (B) Council approve the *Planning Proposal: 4-6 Bligh Street, Sydney* for public authority consultation and public exhibition in accordance with any conditions imposed under the Gateway Determination;
- (C) Council seek confirmation from the Minister or the Greater Sydney Commission whether it has the authority to exercise the plan making functions of the Greater Sydney Commission under section 3.36 of the *Environmental Planning and Assessment Act 1979* to make the amending local environmental plan;
- (D) Council approve the *Draft Sydney Development Control Plan 2012 - 4-6 Bligh Street, Sydney*, shown at **Attachment B** to the subject report, for public authority consultation and public exhibition in parallel with the draft Planning Proposal and draft Planning Agreement, and in accordance with the Gateway Determination;
- (E) authority be delegated to the Chief Executive Officer to make any minor variations to *Planning Proposal – 4-6 Bligh Street, Sydney* following receipt of the Gateway Determination; and
- (F) authority be delegated to the Chief Executive Officer to prepare a draft voluntary Planning Agreement in accordance with the terms of the letter of offer dated 6 March 2018, shown at **Attachment C** to the subject report, and the requirements of the *Environmental Planning and Assessment Act 1979*, to be exhibited concurrently with the Planning Proposal and Draft Development Control Plan amendment for the site.

ATTACHMENTS

Attachment A: Planning Proposal: 4-6 Bligh Street, Sydney

(Note – appendices to this attachment will be circulated separately from the Agenda Paper in limited numbers. They will be available for inspection on Council’s website and at the One Stop Shop)

Attachment B: Draft Sydney Development Control Plan 2012 – 4-6 Bligh Street, Sydney

Attachment C: Letter of Offer

BACKGROUND

1. In July 2016, Council and the Central Sydney Planning Committee (CSPC) endorsed *draft Central Sydney Planning Strategy* (proposed Strategy), Central Sydney Planning Proposal, *draft Sydney DCP 2012 – Central Sydney Planning Review Amendment* (draft Sydney DCP 2012) and draft Affordable Housing Program for public exhibition following a gateway determination.
2. Council and the CSPC also endorsed the aims of the proposed Strategy as matters to be addressed in any planning proposal for a site in Central Sydney that seeks to amend SLEP 2012:
 - (a) promoting sustainable buildings with great design and architecture;
 - (b) creating opportunities for beautiful parks and places;
 - (c) enabling the protection and adaptation of our heritage;
 - (d) ensuring a resilient and diverse economy;
 - (e) promoting efficient and effective transportation;
 - (f) making efficient use of land;
 - (g) supporting great streets;
 - (h) delivering a city for people; and
 - (i) ensuring strong community and service infrastructure is provided as growth occurs.
3. A request for gateway determination for the Central Sydney Planning Proposal, supported by the proposed Strategy, was submitted in August 2016.
4. In August 2017 Architectus, on behalf of 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 yet to be endorsed by the Department of Planning and Environment.
5. The estimated value of the future hotel and office development, being over \$100 million, categorises it as State Significant Development under State Environmental Planning Policy (State and Regional Development) 2011. As such, Council and the CSPC would not be the consent authority for the future development application and Sydney Development Control Plan 2012 would not apply unless delegated as was the case with 201 Elizabeth Street.
6. In September 2017, the City responded to the potential planning proposal welcoming continued dialogue in line with the proposed Strategy. However, it was felt that an increase in FSR of this scale should not be considered until the NSW Government had issued a gateway determination for the proposed Strategy and associated Central Sydney Planning Proposal to enable public exhibition of that proposal and the proposed Strategy.

7. On 27 October 2017, a Rezoning Review request was lodged and referred to the Planning Assessment Commission. Independently, on the same day, taking into consideration the Department's opinion, the City advised it would consider a planning proposal request, if lodged.
8. On 1 December 2017, the Commission reviewed the proposal and recommended it proceed to Gateway Determination because it has strategic and site specific merit.
9. On 11 January 2018, the Department issued a letter inviting Council to be the planning authority to prepare a planning proposal for Gateway Determination. Council accepted this role at its meeting on 19 February 2018.
10. On 2 February 2018, the proponent formally lodged a planning proposal request with the City, including some refinements and clarifications to the building envelope, additional studies and updated letter of offer.
11. This report seeks Council approval to submit the planning proposal to the Greater Sydney Commission for a Gateway Determination.

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 1,218 square metres.
13. The site is located within the northern part of Central Sydney in a block bounded by Bligh Street, Bent Street, Phillip Street and Hunter Street. It is in 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 within 100 metres. The site location and surrounding 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 maximum permissible height is 235 metres, and maximum floor space ratio is 8:1. Located within Area 1 on the floor space ratio map of SLEP 2012, this site is eligible for additional floor space of 6:1 for hotel or motel accommodation and 4.5:1 for office, business or retail premises. Further, the proposal is eligible for 10% bonus floor space or height if a competitive design process is carried out and design excellence demonstrated.
16. 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.

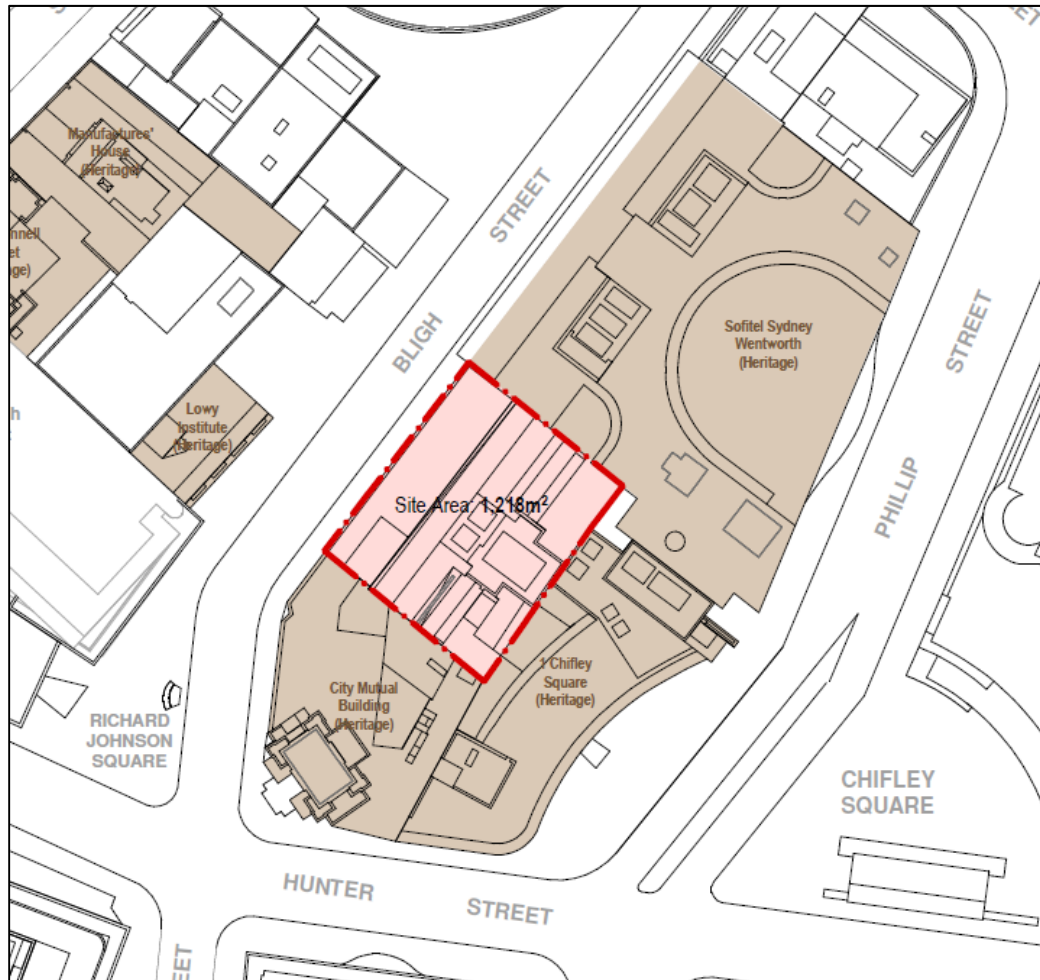


Figure 2: Surrounding heritage items

Planning Proposal – Amendments to SLEP 2012

17. The planning 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 to 22:1 under *Sydney Local Environmental Plan 2012* (Sydney LEP 2012).
18. The planning proposal request lodged with Council has a building envelope, shown at Figure 3, envisaging a new 56 storey mixed use building with a total gross floor area of 26,793 square metres comprising:
 - (a) a 10 storey podium, including hotel and commercial lobbies, food and beverage facilities, and 8,135 square metres of commercial office floor 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 10 car parking spaces, gym, pool and end-of-trip facilities.

19. SLEP 2012 amendments will include:
- (a) Allowing additional FSR to achieve a maximum of 22:1, but only for uses other than residential and serviced apartments. This maximum FSR is inclusive of all other bonuses, for example, accommodation floor space, end-of-trip facilities and the like, as well as any floor space eligible to be awarded as a result of design excellence.
 - (b) Setting a maximum FSR of 21.3:1 above ground level, including all other bonuses, and any floor space eligible to be awarded as a result of design excellence.
 - (c) A maximum floor plate area of any floor above the podium limited to 600 square metres.
 - (d) A maximum height of 205m, however, within a specified distance from the boundaries, the maximum height control is 45m.
 - (e) Requiring:
 - (i) Provision of an end-of-trip facility.
 - (ii) A full architectural design competition for the development.
 - (iii) Meeting 5.5 star NABERS Energy rating for commercial, 5 stars for hotel and 4 star NABERS water score for commercial and hotel.
 - (f) Not allowing development standards within these site specific controls to be varied under Clause 4.6.

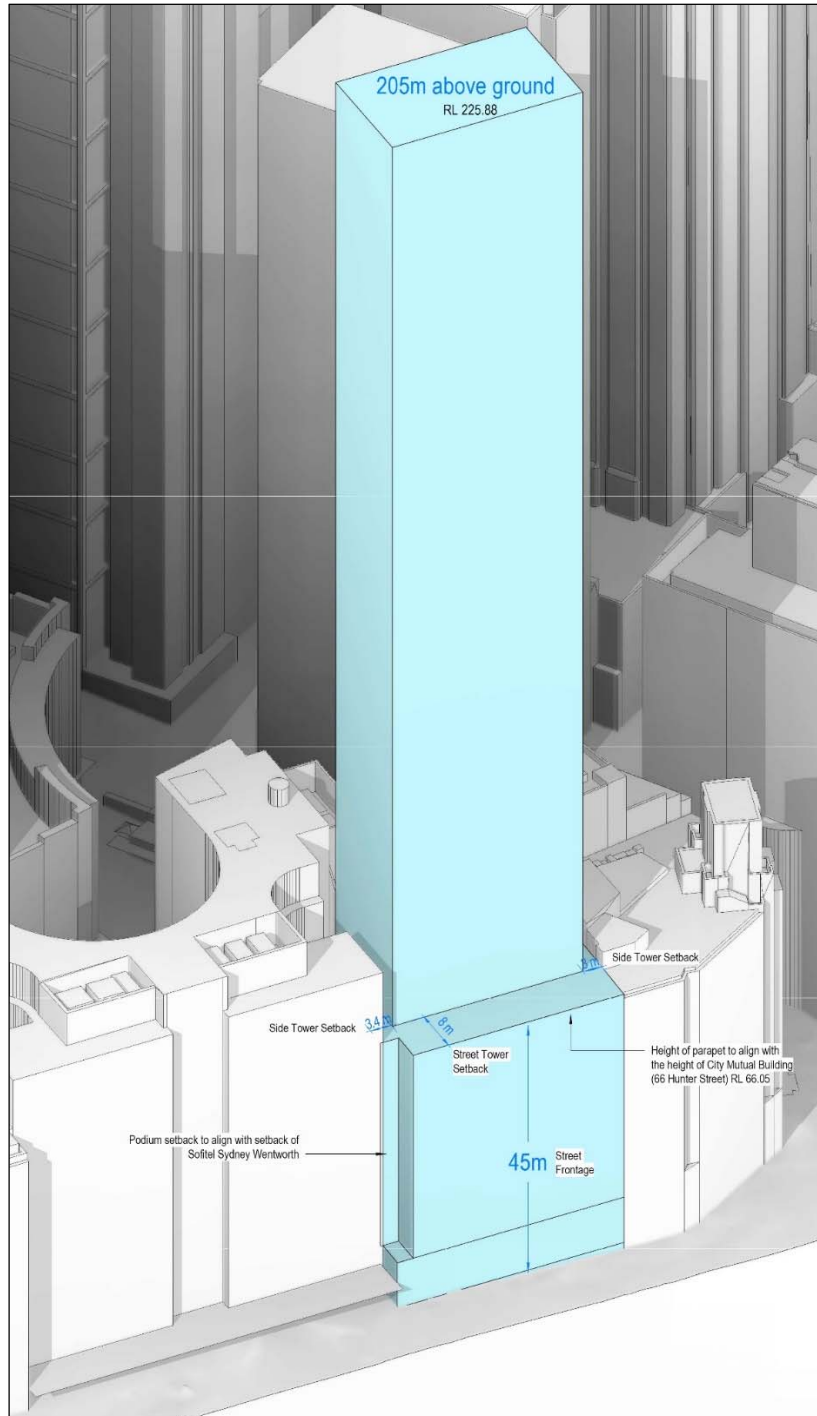


Figure 3: Building envelope

Planning Proposal – Amendments to SDCP 2012

- 20. Notwithstanding future development is likely to be State Significant, it is also proposed to amend *Sydney Development Control Plan 2012* to establish detailed controls to guide development.
- 21. The draft DCP at **Attachment B** includes provisions relating to:

- (a) setback;
 - (b) development adjacent to heritage items;
 - (c) managing wind impacts;
 - (d) parking and vehicular access;
 - (e) design excellence strategy; and
 - (f) sustainability.
22. The draft DCP will provide guidance on the development and the architectural design competition and allow timely development of the site.

KEY IMPLICATIONS

Planning Assessment Commission recommendation

23. The Planning Assessment Commission (Commission) reviewed the proposal and recommended it should be submitted for a Gateway Determination, as the proposal has demonstrated Strategic Merit and Site Specific Merit.
24. The Commission notes:
- (a) The strategic merit of the project is intrinsically linked to the proposed development of hotel accommodation and modern office space.
 - (b) The strategic merit of the project is also intrinsically dependent on the provision of infrastructure funding and satisfactory arrangements are required for the proposal to progress to finalisation.
 - (c) The proposal should clarify how the additional FSR is to be accommodated or the maximum FSR should be reduced to reflect what is achievable.
 - (d) Refinements will be required to fully characterise the potential impacts of the development; these assessments can be finalised as part of the detailed design process, the completion of the architectural design competition and the detailed review of the planning proposal.

Merits and Implications

25. The site is a mid-block site on the eastern side of Bligh Street. It is one of three remaining potential development sites within the predominantly heritage listed street block of Bligh, Bent, Phillip and Hunter streets. Its built heritage setting, combined with its proximity to the heritage listed Chifley Square to the east and Richard Johnson Square to the west, means it benefits from a lower scale context in which an appropriately designed tower could respectfully respond.

26. Its context means it is well separated from existing surrounding office towers and its redevelopment provides the opportunity to resolve one of the last development sites within the block in line with Council's endorsed aims for planning proposals under the Draft Central Sydney Planning Strategy, including: great streets; promoting sustainable buildings with great design and architecture; ensuring a resilient and diverse economy; and ensuring strong community and service infrastructure is provided as growth occurs.
27. The City has worked with the proponent to achieve outcomes that closely align with, and address, the nine aims of the proposed Strategy, including addressing the following:

Use

28. Consistent with the endorsed aim for a resilient and diverse economy, and to prioritise employment growth, this planning proposal amends SLEP 2012 to ensure that future development on the site utilising the FSR uplift cannot be used for residential accommodation and/or serviced apartments.

Design excellence

29. Well-designed buildings enhance the urban and public domain character of a city, contributing positively to the overall architectural quality of the city, and provide development that is sustainable and appropriate to its context. High quality design is essential to the image and market attractiveness of centres. Given the substantial increase in floor space capacity in this planning proposal, an architectural design competition is required to demonstrate the design competitive process.
30. The planning proposal ensures that the future hotel and office development is subject to a full architectural design competition.
31. The development will be required to meet 5.5 star NABERS Energy rating for the commercial component and 5 star for the hotel component and 4 star NABERS water score for commercial office and hotel through a commitment agreement. This is an increase from the commitment offered.

Tower setbacks

32. The proposed development does not include tower setbacks that comply with those identified in draft Sydney DCP 2012 associated with the proposed Strategy.
33. The indicative planning proposal shows a compliant 8 metre tower setback above podium height to Bligh Street, but non-compliant side and rear setbacks to the north, east and south, as shown in **Figure 4**.
34. As the future hotel and office development is categorised as State Significant Development, development control plans do not apply. The planning proposal articulates height controls to influence built form to ensure an acceptable outcome can be achieved at the development application and design competition stage.

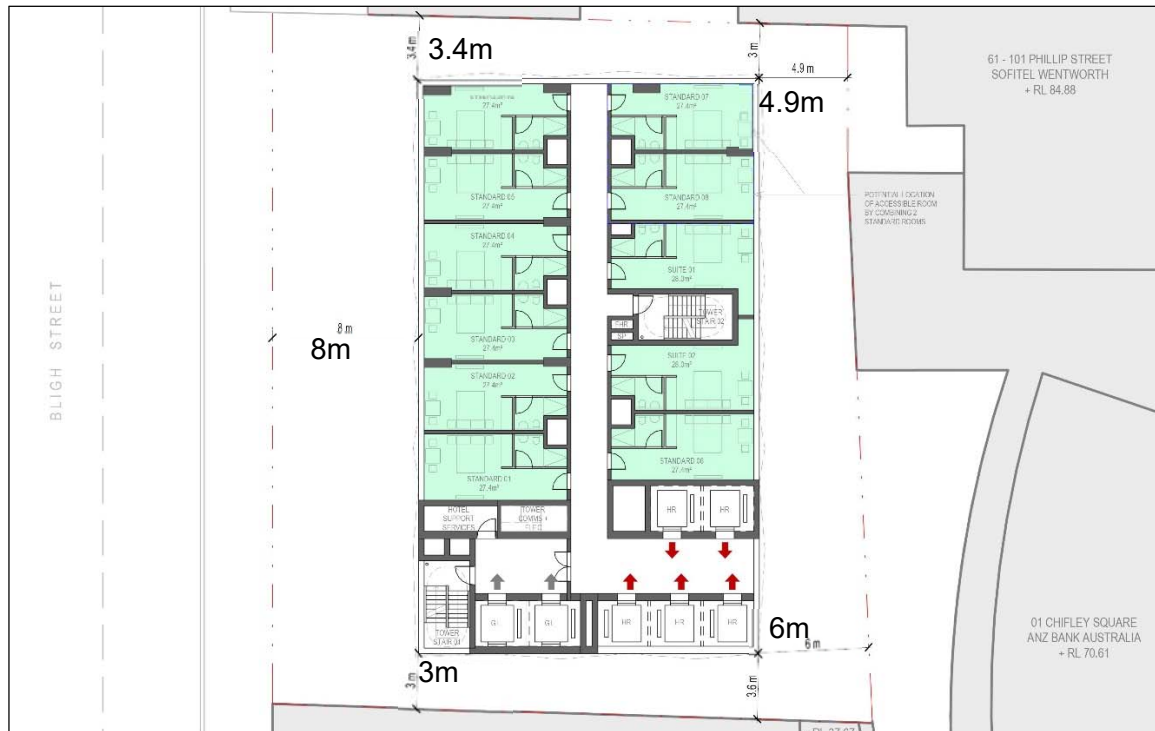


Figure 4: Indicative tower floor plate with setbacks shown

Floor Space Ratio Calculations

35. The requested FSR is for an additional 7.12:1 to enable a total maximum FSR for the site, including bonuses, of 22:1. This is based on the permissible floor space under existing controls in SLEP2012, including up to 10% design excellence bonus.
36. The proponent has clarified how the indicative scheme can accommodate a maximum FSR of 22:1, with 21.2:1 above ground level, including any floor space eligible to be awarded as a result of design excellence.
37. As development must exhibit design excellence to be eligible for up to 10% bonus, and this process has not yet taken place, the maximum FSR control is set at 20:1, allowing achievement of a total maximum of 22:1.
38. The indicative plans show two basement levels containing a gym and pool of approximately 957m² Gross Floor Area (GFA). Even though this GFA would be included in the total calculation of GFA for the building, it does not affect the building envelope, which relates to the building above ground level. Therefore, the indicative scheme, with a maximum building height of 205m, shows that a maximum of 25,939m² is achievable within the envelope, being approximately 21.2:1 or 19.3:1, excluding any floor space awarded as a result of design excellence. This is also the form with which the proponent has undertaken solar, wind and sky view impact assessments, reviewed by the Commission and lodged with Council.
39. Taking into consideration the building envelope requested, the site would require an additional FSR control of approximately 6.5:1 to fulfil the requested envelope, depending on the exact mix of development contributing to Accommodation Floor Space.

Voluntary planning agreement

40. Section 7.4(1)(a), (previously section 93F(1)(a)), of the Environmental Planning and Assessment Act 1979 enables a proponent to provide a material public benefit through entering into an agreement with a planning authority. A Planning Agreement is the legal mechanism for securing public benefits. Planning Agreements are voluntary and must be freely entered into by a planning authority and a proponent. They are also publicly exhibited and held on a publicly accessible register.
41. The City's position on Planning Agreements is informed by the City's needs, as outlined in our strategic plans. Opportunities to enter into Planning Agreements arise as the City changes and improves planning controls to meet its strategic aims.
42. The letter of offer from One Investment Management Pty Ltd, shown at Attachment C, outlines the public benefits that will be provided, which include a monetary contribution for the affordable housing program, infrastructure delivery fund, and ESD commitments.
43. It is recommended a Planning Agreement be prepared as the preferred mechanism to ensure the public benefits outlined in the letter of offer can be delivered.
44. The detailed terms of the Planning Agreement are yet to be finalised. A recommendation of this report is that the draft Planning Agreement be publicly exhibited, together with the planning proposal.
45. The public benefit offer does not affect or off-set any development contributions that may be payable under section 61 of the *City of Sydney Act 1988*.

Consideration of Environmental Impacts

46. The planning proposal is informed by a number of studies undertaken on behalf of the landowner. The studies are included as appendices to the planning proposal at **Attachment A**.
47. The key findings of these studies are described below.

Solar Access and Overshadowing

48. A shadow analysis has been undertaken by Architectus of the building envelope provided in the Urban Design Study at Appendix 2 to **Attachment A**.
49. The shadow analysis shows the proposed building envelope will not cause additional overshadowing to Pitt Street Mall. There will be negligible overshadowing impacts on Chifley Square, which is already mostly in shadow from surrounding developments, as recognised by the proposed Strategy which proposes to remove the provision for no further overshadowing to Chifley Square.

Daylight and Wind Impacts

50. The indicative tower setbacks varying between 3m and 8m are not consistent with the proposed Strategy. Accordingly, a sky view factor report, prepared by BIM consulting (Architectus), and a pedestrian wind environment study, prepared by Windtech Consultants Pty Ltd, at Appendix 10 to **Attachment A**, are required to demonstrate the impact of the varied setbacks is acceptable.

51. The sky view factor report concludes the sky visibility will not be the equivalent or better than a compliant scheme under the *draft Sydney DCP 2012 – Central Sydney Planning Review Amendment*. The resulting overall average reduction in sky visibility is less than 0.01% and is acceptable.
52. The pedestrian environment wind report concludes wind impacts will be equivalent or better than a compliant scheme, and all ground level areas along Bligh Street satisfy the appropriate wind comfort and safety criteria, as outlined in the draft Sydney DCP 2012. The report indicates a number of areas on the proposed podium roof will experience exceedances of the comfort criteria, but no exceedance of the safety limit.

View Impacts

53. Architectus has undertaken a View Analysis, as part of the Building Envelope and Urban Design Study at Appendix 2 to **Attachment A**. Analysis includes the visual impact of the building envelope, as well as photomontage of key viewpoints, being:
 - (a) Bligh Street looking south.
 - (b) Phillip Street looking south.
 - (c) The Domain looking west.
 - (d) Hunter Street looking west.
 - (e) Elizabeth Street looking north.
 - (f) Corner of Hunter and Bligh Street.
54. A review of the images confirms that the tower will not detrimentally impact on important public views and view corridors, given the narrow street and existing street frontage heights in Bligh Street and the existing towers in the northern part of the CBD.



Figure 6 – Bligh Street looking south and view from the Domain looking west (Source: Architectus)

Access, road carparking and public transport

55. An assessment of the traffic and parking implications of the proposal has been undertaken by The Transport Planning Partnership at Appendix 6 to **Attachment A**. The report shows car parking and loading provisions to be satisfactory.

56. A further detailed traffic, access and parking assessment will be required as part of any future detailed development application. Attention should be given to the large number of vehicle movements and servicing requirements expected for the four levels of function space proposed on the upper levels of the building. All loading should be done on site.

Geotechnical and Rail Impact

57. A Desktop Geotechnical Study was undertaken by Coffey and the report prepared is provided at Appendix 7 to **Attachment A**.
58. The report indicates that development is feasible from a geotechnical perspective. Careful consideration is required for the potential impact on the Sydney Metro tunnel, which is programmed to be constructed prior to the proposed development. It is unlikely that the development will impose significant engineering challenges to the rail tunnel.
59. Further investigation and detailed assessment should be required as part of any future detailed development application.

Heritage

60. There are no listed heritage items within the site. However, there are a number of heritage items of local significance in the vicinity of the site, including Richard Johnson Square, the Sofitel Wentworth Hotel, Former City Mutual Assurance building, the Former NSW Club Building and the Former Qantas Building.
61. The heritage impacts of the indicative redevelopment scheme have been considered by GBA Heritage in the report at Appendix 11 to **Attachment A**.
62. The study concludes:
- (a) the proposed new site specific FSR controls are in keeping with the intended future use and character of the area;
 - (b) the significance of the heritage items in the vicinity and their ability to contribute to the streetscape will be retained;
 - (c) the proposed development does not generate any unacceptable impacts, as the contexts and settings of the four heritage items in the vicinity of the site are retained and protected; and
 - (d) the proposed envelope has been designed and sited to minimise visual dominance and respect the heritage items directly adjacent and in the vicinity.
63. The proposed podium height aligns with the heritage item to the south and is generally acceptable. Further investigation and detailed assessment should be required as part of any future detailed development application for the redevelopment of the site.

Strategic Alignment

64. *The draft Greater Sydney Region Plan* is a State Government strategic document that sets the 40 year vision and 20 year plan for all of Greater Sydney. The Plan outlines how Greater Sydney will manage growth and change and guide infrastructure delivery, and is to be implemented at a local level by District Plans.
65. The Plan identifies key challenges facing Greater Sydney, which is forecast to grow from 4.7 million people to 8 million people by 2056. Greater Sydney must provide for an additional 817,000 jobs by 2036 and will need to provide 725,000 more homes over the next 20 years.
66. The planning proposal is consistent with the relevant objectives and planning priorities of the draft Plan. By facilitating the development of commercial premises and hotel use on a site that is highly accessible by public transport, as well as contributing to the infrastructure and affordable housing fund and promoting sustainable development, it will support the achievement of:
 - (a) Objective 2: Infrastructure aligns with forecast growth – growth infrastructure compact.
 - (b) Objective 18: Harbour CBD is stronger and more competitive.
 - (c) Objective 22: Investment and business activities in centres.
 - (d) Objective 24: Economic sectors are targeted for success.
 - (e) Objectives 33, 34 and 35: A low carbon city contributes to net-zero emissions by 2050 and mitigates climate change.
67. The draft Eastern City District Plan sets the local planning context for the City of Sydney local government area. It provides a 20-year plan to manage growth and achieve the 40-year vision of the draft Greater Sydney Region Plan. The planning proposal is consistent with the following relevant planning priorities and actions of the draft Eastern City District Plan:
 - (a) Planning Priority E7: Growing a stronger and more competitive Harbour CBD.
 - (b) Planning Priority E9: Growing international trade gateways.
 - (c) Planning Priority E11: Growing investment, business opportunities and jobs in strategic centres.
 - (d) Planning Priority E13 Supporting growth of targeted industry sectors.
 - (e) Planning Priority E19: Reducing carbon emissions and managing energy, water and waste efficiently.
68. *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 proposal will support a future high quality urban design outcome that will provide new employment opportunities. The investment into the site will help contribute to make Sydney attractive to global investors, including through ensuring a mixed use building is delivered on the site.
 - (b) Direction 2 – A leading environmental performer - The planning proposal will support a more ecologically sustainable development on the site, with a target to meet a NABERS energy rating of 5.5 stars for the commercial component and 5 stars for the hotel component of the development, and 4 star NABERS water score for commercial office and hotel.
 - (c) Direction 3 – Integrated transport for a connected city - The proposal will capitalise on its close proximity to existing heavy rail train stations, future light rail, and a significant number of high frequency bus and ferry routes. The site's proximity to a broad range of services will also further limit potential future trips by vehicle and encourage sustainable transport behaviour.
 - (d) Direction 5 – A lively and engaging city centre - The mix of uses on the site will continue and significantly improve the levels of activation in this part of the City.
 - (e) Direction 6 – Vibrant local communities and economies - The planning proposal facilitates development that will enhance the CBD and Harbour area by increasing business opportunities for workers, local residents, and tourists. This Planning Proposal will allow a significant investment into Central Sydney and provide for commercial floor space and hotel facilities.
 - (f) Direction 9 – Sustainable development, renewal and design - The planning proposal includes building envelope controls that are aimed at delivering design excellence. In addition, the proposal will support a future development that is expected to include a range of sustainable building features.
69. Council and the CSPC also endorsed the aims of the proposed Strategy as matters to be addressed in any planning proposal for a site in Central Sydney that seeks to amend Sydney Local Environmental Plan 2012 (SLEP 2012).
70. The planning proposal is generally consistent with the aims of the proposed Strategy. It will enable the redevelopment as a hotel tower above an office podium to contribute to a resilient and diverse economy. Increasing floor space capacity for employment uses is an efficient use of land, as the site is well serviced by public transport and benefits from a lower scale context of adjoining heritage items, in which an appropriately designed tower could respectfully respond.
71. The development is required to undertake an architectural design competition and achieve sustainability ratings, and a building envelope supporting great streets with minimal amenity impacts. The proposal also contributes to some community and service infrastructure.
72. As this planning proposal request was submitted prior to the granting of a Gateway determination in relation to the Central Sydney Planning Proposal and the exhibition process for the Central Sydney Planning Proposal, it is noted that it does not provide a precedent of the process and manner in which such planning proposals should proceed in the future.

RELEVANT LEGISLATION

73. *Environmental Planning and Assessment Act 1979*

CRITICAL DATES / TIME FRAMES

74. Having accepted the role of the relevant planning authority and advising the Department on 21 February 2018, the City is to prepare and submit a planning proposal for Gateway determination by 4 April 2018, being 42 days from accepting the role of relevant planning authority.

Planning Proposal process

75. Should Council and the Central Sydney Planning Committee approve the attached planning proposal for exhibition and consultation, it will be forwarded to the Greater Sydney Commission in accordance with section 3.34 of the *Environmental Planning and Assessment Act 1979*. The Greater Sydney Commission will then provide a Gateway Determination to either proceed to consultation, with or without variation, or to resubmit the planning proposal.
76. The typical timeframe following a Gateway Determination has been 21 days for public authority consultation and 28 days public exhibition. The Gateway will also establish the timeframe for completion of the Local Environmental Plan amendment.
77. In relation to any future Planning Agreement, Section 7.4(1)(a) of the *Environmental Planning and Assessment Act 1979* enables a proponent to provide a material public benefit by entering into an agreement with the City. Section 7.5(1) requires that a draft Planning Agreement be publicly exhibited for at least 28 days and section 7.5(2) requires that, where possible, the Agreement be exhibited concurrent with any other publicly notifiable matters relating to the Agreement.
78. As the City and the proponent are not yet in a position to finalise the terms of a Planning Agreement – required to legally capture the public benefit of the proposal – the recommendation of this report requests that the City prepare a draft Planning Agreement ready for public exhibition alongside the draft planning proposal. The draft Planning Agreement will reflect the terms of the public benefit offer made by the proponent shown at Attachment C.
79. Following public authority consultation and public exhibition, the outcomes will be reported to Council and the Central Sydney Planning Committee.

Delegation of plan-making functions

80. In October 2012, the Minister for Planning delegated plan-making functions to councils to improve the local plan-making process. In December 2012, Council resolved to accept the delegation.
81. Council needs to receive an authorisation on a case-by-case basis to exercise the delegation. The authorisation is given through the Gateway process. Exercising the delegation means a faster plan-making process with less involvement of the Department of Planning and Environment.

82. This report recommends Council seek confirmation of its delegated authority to exercise the plan-making functions of the Greater Sydney Commission (as part of an amended Gateway Determination) under section 3.36 of the *Environmental Planning and Assessment Act 1979* to make the local environmental plan.

PUBLIC CONSULTATION

83. The public exhibition process for the planning proposal will be determined by the Greater Sydney Commission. It is proposed that public exhibition of the planning proposal and the notification of the Planning Agreement run concurrently. The consultation would take place in accordance with the requirements of:
- (a) Gateway Determination to be issued by the Greater Sydney Commission under section 3.34 of the *Environmental Planning and Assessment Act 1979*;
 - (b) the *Environmental Planning and Assessment Regulation 2000*; and
 - (c) in relation to the Planning Agreement, section 7.5 of the *Environmental Planning and Assessment Act 1979*.
84. This means the public exhibition would be a minimum of 28 days, with notification:
- (a) on the City of Sydney website; and
 - (b) in newspapers that circulate widely in the City of Sydney Local Government Area.
85. Section 7.5(1) of the *Environmental Planning and Assessment Act 1979* requires that a draft Planning Agreement be publicly exhibited for at least 28 days and section 7.5(2) requires that, where possible, the agreement be exhibited concurrent with any other publicly notifiable matters relating to the agreement.

GRAHAM JAHN, AM

Director City Planning, Development and Transport

(Karen Judd, Specialist Planner)