

Attachment A

**Independent Assessment Report prepared
by the External Heritage Consultant**

Award of Heritage Floor Space - Corporation Building, Haymarket

File No: X023843

Summary

The City of Sydney's Heritage floor space scheme acts as an incentive for the conservation of heritage buildings within Central Sydney. Heritage floor space is awarded on the basis of completed conservation work that is in accordance with a Conservation Management Plan, and the placement of covenants on title which prevent development on the site that increases the gross floor area of any buildings on the site or increases the height of the heritage building. Once awarded, this floor space may be transferred to other approved developments within Central Sydney. These awards may be made only once every 25 years per heritage building.

The City of Sydney has applied as the owner for an award of heritage floor space for works undertaken on the Corporation Building. These works were undertaken by the Council from 1999. They were extensive and included restoration of facades, adaptive reuse of the building, new steel framed glazed shopfronts, alterations and repairs to the awning on Hay and Parker Streets, upgrades to services, new rainwater goods, repairs to skylights and roof elements, and repair of reconstruction of timber framed windows. No notable conservation works have been carried out since then, and the application by the City is therefore partially a retrospective one that seeks to take these historic works into account. The retrospective award of heritage floor space is not prohibited by the provisions of the Sydney Local Environmental Plan 2012, nor by the Sydney Development Control Plan 2012. The 2017 award of heritage floor space for earlier conservation works carried out on the Hyde Park Barracks is an example of this kind of award.

A condition assessment carried out by Mott MacDonald on behalf of the City has identified a number of urgent works required to conserve the fabric of the building. The independent consultant assessment of the application has identified some other necessary works. A planning report prepared by Urbis on behalf of the City proposed a staged award of heritage floor space, with 70 per cent of the amount to be awarded at time of approval of this staged heritage floor space application, and the remaining 30 per cent to be awarded upon the completion of the required conservation works.

This report recommends that Council approve the staged award of 1,241.25 square metres of heritage floor space, with 60 per cent to be awarded at the time of the approval, and 40 per cent to be awarded upon completion of the required conservation works. This change from the percentage split recommended by Urbis is due to the additional necessary works that have been identified in the course of preparing this report.

Recommendation

It is resolved that:

- (A) Council approve the Corporation Building Conservation Management Plan, prepared by Urbis Pty Ltd, dated 13 August 2019, as required by the Sydney Local Environmental Plan 2012 and provided at Attachment C to the subject report;
- (B) Council approve the award of 744.75 square metres of heritage floor space (60 per cent of the total heritage floor space that could be awarded), subject to:
 - (i) placing covenants on title, as required by the Sydney Local Environmental Plan 2012, to ensure that no development can occur on the site that either:
 - (a) increases the gross floor area of the heritage building; or
 - (b) increases the height of the heritage building;
 - (ii) placing covenants on title that ensure the continued maintenance and conservation of the building in line with the Corporation Building Conservation Management Plan, prepared by Urbis Pty Ltd, dated 13 August 2019. This covenant must include a requirement for ongoing provision of adequate insurance and a maintenance fund, as required by the Sydney Development Control Plan 2012;
- (C) Council approve the award of the balance of the total heritage floor space being 496.5 square metres (40 per cent of the total heritage floor space that could be awarded) upon the completion of the conservation works set out in Attachment B to the subject report. These works must be completed and verified by a suitably qualified person prior to registration of the heritage floor space in the Heritage Floor Space Register, and within 18 months of the registration of the initial award; and
- (D) authority be delegated to the Chief Executive Officer to confirm the calculation of the final award and finalise the deed and required covenants in accordance with parts (B) and (C) above.

Attachments

- Attachment B.** Conservation works to be completed for the second stage of the award, prepared by Hector Abrahams Architects, 6 November 2019
- Attachment C.** Conservation Management Plan - Corporation Building, prepared by Urbis Pty Ltd, dated 13 August 2019
- Attachment D.** Conservation Works - Corporation Building, prepared by Lynette Gur, Urbis Pty Ltd, dated 18 February 2019

Background

1. Since 1996, under the provisions of its Sydney Local Environmental Plan 2012, the City of Sydney's heritage floor space scheme has acted as an incentive for the conservation of heritage buildings within Central Sydney. Heritage floor space is awarded on the basis of completed conservation work that is in accordance with the Conservation Management Plan, and covenants on title which prevent development on the site that increases the gross floor area (of all buildings on the site) or height (of the heritage building). Once awarded, this floor space may be transferred to other approved developments within Central Sydney. These awards may be made only once every 25 years per building.
2. The proposed application is for a retrospective award of heritage floor space. The retrospective award of heritage floor space is not prohibited by the provisions of the Sydney Local Environmental Plan 2012, nor by the Sydney Development Control Plan 2012. There is a recent example of a retrospective award for heritage floor space. In 2017 Council awarded an amount of heritage floor space to Sydney Living Museums based on the completion of earlier restoration works to the Hyde Park Barracks. That award was the first of its kind.

Subject site

3. The subject site of the Corporation Building is Lot 2 of DP1002966, located at 181-187 Hay Street, Haymarket NSW 2000.
4. The site is bounded by Hay Street to the north, and Parker Lane to the west, and Parker Street to the east. It is adjacent to the site of 13 Parker Street to the south. It contains one building, the Corporation Building, which occupies the entire site.
5. The Corporation Building is listed in Schedule 5 Environmental Heritage of the Sydney LEP 2012 as "Corporation Building" including interior', 1854*. The building is also listed on the NSW State Heritage Register as 'Municipal Building', item no. 00693. There are no other statutory heritage listings of the building, and the site is not within a heritage conservation area. The boundaries of the site and heritage listing are shown on the extract from the Sydney LEP 2012 Heritage Map, below.
6. The site is owned by the City of Sydney as a result of a compulsory acquisition from the Crown in 1999 in accordance with the provisions of the Land Acquisition (Compensation) Act 1991 (Urbis, Planning Report, 4).

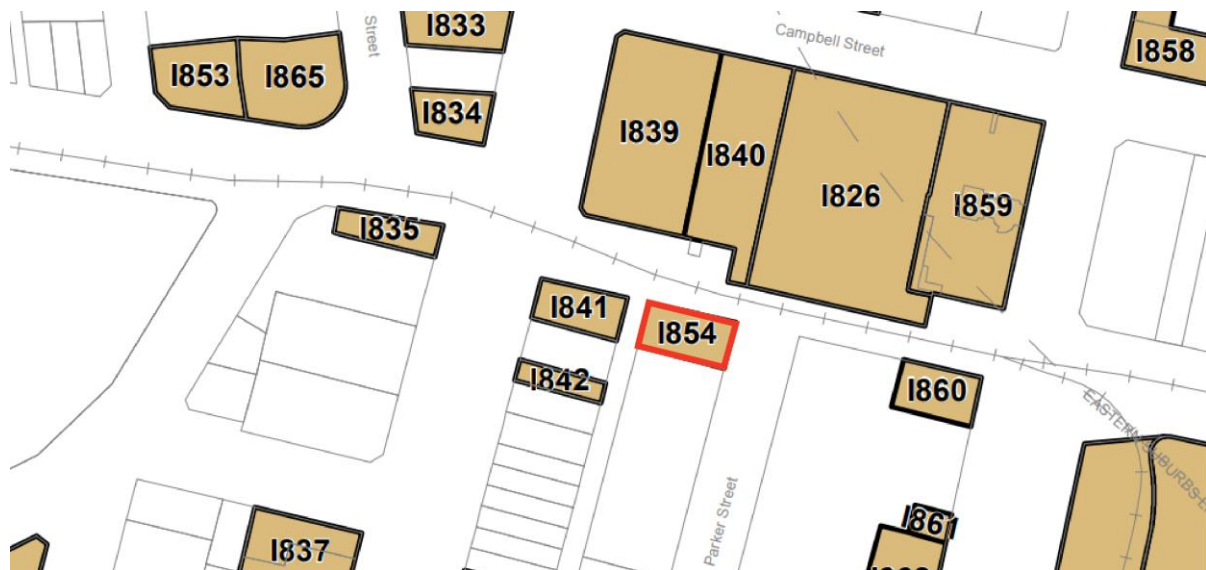


Figure 1 Sydney LEP 2012 Heritage Map excerpt.

History

7. The subject site occupies the land of the Gadigal people of the Eora nation and Dharug language group. Little research has been conducted into the Aboriginal history and heritage of the site or its immediate vicinity (Urbis, CMP, 33).
8. Until 1863, the land was a vacant lot crossed by a creek. At this time the Council decided after representations from residents to construct the Hay Street sewer (Urbis, CMP, 38-9).
9. The first Corporation Stores were commissioned by the Council and completed on the site in 1867 (Urbis, CMP, 45). The site was part of a larger grant to the City Council by the Department of Lands in 1873, under the City Leasing and Improving Act 1873. The City had applied for the grant "for market purposes" (41).
10. By 1891, these stores were in a dilapidated state and the Council approved plans for a new building by the City Architect George McRae in 1892 (Urbis, CMP, 48-50) in the Federation Anglo-Dutch style, incorporating ornate sandstone details. The building was completed in 1894 (50). McRae was also instructed to design an iron awning for the building and this original awning incorporated posts (53, 57).
11. Shop fronts were added to the ground floor in the 1920s as the original market function was "no longer relevant" having been superseded by other markets nearby. The colonnaded cast iron verandah was replaced in 1935 with a new cantilevered awning which featured a patterned pressed-metal ceiling (Urbis, CMP, 65).
12. The building had a range of tenants throughout the 20th century, but of particular significance was Cyril's Fine Foods, a delicatessen run by Czech immigrant Cyril Vincenc which is credited with influence on the cuisine culture of Sydney. Cyril's Fine Foods occupied two separate tenancies in the building from 1954 to 2015, and traded continuously during this time (Urbis, CMP, 65).
13. The building remained largely unaltered until it was damaged by fire in 1979, necessitating the replacement of the roof and demolition of the original central stairs. The slate roof was replaced with corrugated iron sheeting (Urbis, CMP, 70).

Significance

14. According to its listing in the State Heritage Inventory, the Corporation Building is significant at a local level because of its historical, aesthetic, representative, social, and rarity values. It is additionally significant at a State level for its aesthetic values. The Conservation Management Plan, dated 13 August 2019, prepared by Urbis Pty Ltd (the CMP) additionally identifies significance at a local level for its associative and research potential values, and at a state level for its rarity.
15. As written in the CMP, the building *'is an excellent example of the Federation Anglo-Dutch style, with largely intact exteriors ... the building's intricate exterior detailing including fine face brickwork, sandstone and terracotta, classical/gothic decorative motifs and overall intact form, provides a rare and fine example of the Federation Anglo-Dutch style.'* (105)
16. The CMP also identifies the following according to the significance criteria:
 - (a) its historical significance as a *'location of commercial activity ... since the early nineteenth century'* (104),
 - (b) its associative significance as *'a unique, early and important work of George McRae'* (105),
 - (c) its social significance for its association with the *'diverse social and ethnic mix'* of the Haymarket precinct (106),
 - (d) its research potential as an area of archaeological potential and also offering *'some research potential into the construction techniques ... particularly the decorative terracotta work'* (107),
 - (e) its rarity as one *'of only a few remaining Federation Anglo-Dutch style buildings within Sydney and the state'* (107), and
 - (f) its representative significance as a work of Federation Anglo-Dutch style architecture, as a work by City Architect George McRae, of a significant period of development within the Haymarket precinct, and of a group of late nineteenth century commercial and public buildings restored during the 1980s and 1990s for their heritage values (108).
17. Additionally, Hector Abrahams Architects (as authors of this report), note that the work of Melocco and Moore contributes to the aesthetic significance of the place, for its quality of design, craftsmanship and association with a prominent minimalist practice, who apparently regard it as important in their output. Of particular interest are the stair, steel windows, and awning interpretative works.

Relevant development applications

18. In 1999 and 2000, the City of Sydney lodged three development applications - D/1999/135, 210/99, and D/2000/840. These were, respectively, in order to carry out an internal fit out, restoration of the entire building, and alterations to the fit out for use as a cultural art centre on the first floor and part of the ground floor, including a new central internal stair and a lift (Urbis, *Planning Report*, 5). Each was approved. No further applications have since been made and prior applications are not directly relevant to this application for Heritage Floor Space.

Conservation works and management plan

19. The conservation works completed in 2000 included partial restoration of the exterior and adaptive reuse of the building to accommodate retail at ground level and the 4A gallery on the first level. They were carried out to a generally high standard of crafts and were accurate to the available documentary evidence. Accordingly, they can be said to have been in line with the principles of the Burra Charter that guide the conservation of heritage places in Australia.
20. The restoration of the exterior involved the stripping of paint to reveal the terracotta coloured bricks, which were repointed. Failing sandstone was replaced or repaired. Some timber windows and frames were reconstructed, there were repairs to the roof covering including replacement of the Zinalume custom orb roof and repair of the ogee and conical roofs.
21. Other alterations to the exterior included the insertion of a glazed cut in the awning, new gutters, downpipes and flashing, and new shop front windows in steel by Melocco & Moore. Key alterations to the interior included a new central stair and lift, upgrade to all services, and rearrangement of the fire stair (Urbis, *Conservation Management Plan*, 74). A full list of the restoration works undertaken is found in the document Corporation Building, Conservation Works dated 18 February 2019, prepared by Urbis Pty Ltd, Attachment D.
22. An independent assessment of these conservation works by Hector Abrahams Architects has confirmed that they were undertaken. It has also identified some further works that are required in order to conserve the state significant aesthetic values of the place, these are identified in Paragraph 26. A condition assessment by Mott McDonald identified some necessary further maintenance works which form part of the requirements for the second stage award of heritage floor space under this application. These are reproduced in Paragraph 26.
23. A Conservation Management Plan was prepared by Urbis Pty Ltd and dated 13 August 2019 (the CMP) and is provided at Attachment C. All conservation work was therefore completed before the CMP was written. The CMP is of a suitable standard and the conservation works are in accordance with the policies set out in it.

Key Implications

Eligibility for a heritage floor space award

24. Clause 6.10(2) of Sydney LEP 2012 provides that Council may record an amount of heritage floor space in the Heritage Floor Space Register, subject to the eligibility criteria shown in Table 1.

Table 1: Compliance with Sydney LEP 2012	
Sydney LEP 2012, clause 6.10(2)	Independent Assessment
(a) the person is the owner or the nominee of the owner of a building that is a heritage item shown marked “*” in Schedule 5 (a heritage building)	Complies – The City is the owner. The item is a heritage building.
(b) the heritage building is on land in Zone B8 Metropolitan Centre	Complies
(c) conservation works have been carried out on the heritage building and have been completed in accordance with a heritage conservation management plan approved for the building by the consent authority	<p>Complies in principle – Conservation works have been carried out. The Conservation Management Plan was prepared after the works have been completed, but the plan is of a suitable standard and the works are in accordance with its recommendations and with the principles of the Burra Charter. It is recommended that Council approve the Conservation Management Plan to satisfy this condition.</p> <p>This independent assessment supports the award of 60% of the heritage floor space based on these works, and a further 40% based on works specified in this report.</p>
(d) a covenant is registered that prevents development that increases the total gross floor area of all buildings on the site on which the heritage building is located or that increases the height of the heritage building	Capable of compliance – Council officers are responsible for finalising the covenants on title. These covenants will be registered prior to the registration of heritage floor space.
(e) an amount of heritage floor space has not been recorded in the previous 25 years (under this clause or under a similar scheme in force before the commencement of this Plan) in respect of the heritage building	Complies
(f) no other building has utilised floor space that was available to it only because, at the time the floor space was utilised, the building was on a site that included the heritage building or that included part of the site occupied by the heritage building	Complies – No other development has used the floor space contained on this site.

Table 1 – Compliance with Sydney LEP 2012

25. Provisions 5.1.9.1 and 5.1.9.2 of Sydney DCP 2012 provide additional eligibility criteria and prerequisites for the award of heritage floor space as show in Table 2, below.

Table 2: Compliance with Sydney DCP 2012	
5.1.9.1 (1)(a) building is located in the Central Sydney area	Complies – The building is within the bounds of the area of Central Sydney, as identified by the Sydney DCP 2012.
(b) subject to conservation works in accordance with an approved Conservation Management Plan	Complies in principle - Conservation works have been carried out. The Conservation Management Plan was prepared after the works have been completed, but the plan is of a suitable standard and the works are in accordance with its recommendations and with the principles of the Burra Charter. It is recommended that Council approve the Conservation Management Plan to satisfy this condition. This independent assessment supports the award of 60% of the heritage floor space based on these works, and a further 40% based on works specified in this report.
(c) not subject to works that would increase the external envelope and floor space of the building, other than a minor increase to facilitate the adaptive reuse of the heritage building	Complies
5.1.9.2 (1) Prior to registration of the HFS the applicant must complete the conservation works in accordance with the CMP and enter into legal agreements and grant covenants on the land which (a) limit any future redevelopment of the site to the total gross floor area and height of the conserved heritage building	Capable of compliance – The works outlined in paragraph 26 of this report should be completed prior to the registration of 40% of the Heritage floor space award. Council officers are responsible for finalising the covenants on title. These covenants will be registered prior to the registration of heritage floor space.
(b) ensure the ongoing conservation of the building by regular maintenance including the provision of adequate insurance and a maintenance fund.	Capable of compliance – Council officers are responsible for finalising the covenants on title. These covenants will be registered prior to the registration of heritage floor space.

Table 2: Compliance with Sydney DCP 2012	
(2) A Conservation Management Plan for the heritage item is to be approved by the consultant authority and is to generally include:	Complies in principle - The Conservation Management Plan is of a suitable standard and accords with the principles of the Burra Charter. It is recommended that Council approve the Conservation Management Plan to satisfy this condition.
(a) works to conserve the existing fabric of the building	Complies in principle - The Conservation Management Plan addresses the cyclical maintenance of the building.
(b) removal of elements that detract from the significance of the building	Complies in principle - The Conservation Management Plan is of a suitable standard and accords with the principles of the Burra Charter. It addresses the ongoing maintenance and conservation of the building.
(c) the schedule of maintenance works	
(d) reinstatement of original fabric based on documentary evidence where appropriate	
(e) other works compatible with significance of the building.	

Table 2 – Compliance with Sydney DCP 2012

26. The objective of the Heritage floor space scheme is “to provide an incentive for the conservation and on-going maintenance of heritage buildings within Central Sydney” (Sydney LEP 2012, s.6.10(1)). As such, conservation works must be carried out in advance of a registration of heritage floor space. The outstanding conservation works on the Corporation Building are listed below in Table 3. These works must be completed and verified by a suitably qualified person prior to the registration of the heritage floor space.

Table 3: Works required before the second stage award of Heritage Floor Space.

Proposed Work	Timeframe	Comments
Consult a stonemason to assess the condition of discoloured and degraded sandstone in the façade and carry out works as identified.	Within 18 months of the initial HFS registration.	To be undertaken as part of a planned Building Remediation Program.
Point between coping stones and install flashing over coping stones to protect sandstone and bricks from shed rainwater.	Within 18 months of the initial HFS registration.	To be undertaken as part of a planned Building Remediation Program.
Carry out opening up works as needed to allow inspection of first floor and ground floor framing. Removal of ceiling linings or floor boards may be necessary if existing hatches do not allow sufficient access for inspections.	Within 18 months of the initial HFS registration.	To be undertaken as part of a planned Building Remediation Program.
Carry out inspection of awning framing and fixings to base building.	Within 18 months of the initial HFS registration.	To be undertaken as part of a planned Building Remediation Program.
Engage a roofer to inspect the full roof structure and advise on how to achieve water tightness. Full reroofing of the building may be required.	Within 18 months of the initial HFS registration.	To be undertaken as part of a planned Building Remediation Program.
Inspect and test all rainwater goods, replace, repair or unblock where necessary.	Within 18 months of the initial HFS registration.	To be undertaken as part of a planned Building Remediation Program.
Test all inground storm water to ensure that storm water can get away from the building. Replace, repair or unblock as needed.	Within 18 months of the initial HFS registration.	To be undertaken as part of a planned Building Remediation Program.
Repair and repaint exterior of casement windows, rekey the lockable casement fasteners, replace rubber seals around windows, prepare and repaint the interiors of the windows including removing painters filling compounds.	Within 18 months of the initial HFS registration.	

Table 3: Works required before the second stage award of Heritage Floor Space.

Proposed Work	Timeframe	Comments
Re-point all joints where pointing is missing. By injection stabilise crack in string course of first floor window continuous across the facades.	Within 18 months of the initial HFS registration.	
Replace corrugated roof material with slate tiles as shown in historic photos.	Within 18 months of the initial HFS registration.	This work is required in order to conserve the aesthetic value of the place, which is of state significance.
Replace copper tray roof on corner conical roof with copper shingles, with quad gutter, as shown in historic photos and original drawings.	Within 18 months of the initial HFS registration.	This work is required in order to conserve the aesthetic value of the place, which is of state significance.
Reset finial behind conical roof tower	Within 18 months of the initial HFS registration.	
Over flash in lead the major projection of stone above the first-floor windows and the pediment.	Within 18 months of the initial HFS registration.	
Remove random hooks and nails and redundant gas and other service fittings from Hay Street elevation. If possible, remove remnant paint.	Within 18 months of the initial HFS registration.	
Reconstruct doorway and windows in southern bay on Parker Street elevation as per original drawings and historic photos.	Within 18 months of the initial HFS registration.	This work is required in order to conserve the aesthetic value of the place, which is of state significance.
On Parker Lane elevation reconstruct upper section of downpipe up stand on fourth bay to match the third bay including lead pipe through the wall.	Within 18 months of the initial HFS registration.	

Table 3: Works required before the second stage award of Heritage Floor Space.		
Proposed Work	Timeframe	Comments
Re-paint 'Cyril's Fine Food' sign at western end of awning. Reconstruct detail of the top of the riveted fascia.	Within 18 months of the initial HFS registration.	This work interprets the building's history as the location of prominent deli Cyril's Fine Food.

Table 3 - Works required before the second stage award of Heritage Floor Space.

27. This report recommends that Council approve an award of heritage floor space on the basis of the building complying, or being capable of complying, with the above statutory criteria and requirements. The works outlined above must be completed and verified by a suitably qualified heritage specialist or heritage architect prior to the registration of the awarded floor space.

Calculations for heritage floor space award and covenants

28. Section 5.1.9.3 of the Sydney DCP 2012 provides a formula, Formula 1, for the calculation of heritage floor space for a government-owned building. The formula is:

$$\text{HFSH} = 0.5\text{AS} \times \text{FSRH}$$

Where HFSH is the maximum amount of heritage floor space that may be awarded, AS is the site area in square metres occupied by the heritage building, and FSRH is the maximum FSR of the site of the heritage building.

29. According to the survey plan prepared by Craig & Rhodes for Urbis Pty Ltd, the area of the site is 331sqm. The FSR for the site is 7.5:1, as per the Sydney LEP 2012. This means that the HFSH can be calculated as follows:

$$\text{HFSH} = 0.5(331) \times 7.5 = 1,241.25 \text{ sqm}$$

30. A deed is to be prepared, and required covenants placed on title, in order for the award to be finalised and registered.

Strategic Alignment - Sustainable Sydney

31. 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. This report is aligned with the following strategic directions and objectives:
- (a) Direction 7 - A Cultural and Creative City - Strategic direction 7 acknowledges that the City's culture extends beyond the arts to lifestyle, heritage and the natural environment. The ongoing conservation of the Corporation Building, which is enabled in part by the sale of heritage floor space, ensures its continued positive contribution to the cultural fabric of Sydney.

Relevant Legislation

- 32. Environmental Planning and Assessment Act 1979.
- 33. Environmental Planning and Assessment Regulation 2000.

Options

- 34. There are no alternative options for this proposal.

Public Consultation

- 35. The application was notified for a period of 28 days from 2 October to 30 October 2019. In response to the notification period, one submission was received. The response was supportive of the heritage floor space award scheme in general and made no negative comment about this particular application.

REPORT PREPARED BY HECTOR ABRAHAMS ARCHITECTS, EXTERNAL CONSULTANT.