

## Item 2.

### **Public Exhibition - Planning Proposal - 133-145 Castlereagh Street, Sydney - Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012 Amendment**

**File No: X037086**

#### **Summary**

A planning proposal has been prepared for 133-145 Castlereagh Street, Sydney, following a request by the applicant to amend the planning controls for the site. The proposed changes to the controls are to facilitate redevelopment of the site for a new commercial tower consistent with the Central Sydney Planning Strategy.

The draft Central Sydney Planning Strategy was adopted by Council in December 2020. It was prepared to ensure Central Sydney continues to be Australia's leading economic centre by attracting business investment and being a preferred location for workers, residents and visitors. The Strategy supports opportunities for additional building height and density in the right locations, as long as the new development contributes to environmental sustainability, design excellence and infrastructure.

A key part of maintaining Central Sydney's competitive advantage is encouraging the growth and renewal of employment floor space to meet market needs. Increasing the capacity of employment floor space in Central Sydney will help to attract new investment, highly skilled workers and strengthen economic and social resilience during and after the Covid-19 pandemic.

The site, also known as the Piccadilly Centre, is located between Market and Park Streets in the Midtown precinct of Central Sydney. This precinct has excellent levels of transport accessibility and a broad range of retail and entertainment premises. However, there is less large floor-plate premium and A-grade office space in this precinct compared to the City Core precinct in northern Central Sydney. Pedestrian and environmental amenity in this precinct would also benefit from improvements to attract more investors and tenants to this part of the city.

The planning proposal seeks to amend planning controls for this site to enable the delivery of additional, high quality employment generating floor space to support commercial activities including retail and other uses. This will also include floor space to continue the Uniting Church of Australia's Wesley Mission community services and church services. The associated public domain improvements will improve the quality and attractiveness of surrounding public places. The planning proposal consists of site-specific controls in the Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012, consistent with the Central Sydney Planning Strategy. The reference design scheme describes the future development, which includes:

- approximately 103,000 square metre commercial office tower, approximately 37 storeys in height and within the Hyde Park Sun Access Plane
- a 3-10 storey podium to match adjoining building and podium heights
- floor space to be used for the Wesley Mission/Uniting Church (the landowner), with the maximum 250 car parking spaces proposed for the site to be available for use for church services
- a publicly accessible 24/7 through-site link connecting Castlereagh and Pitt Street, lined with fine-grain retail premises
- removal of the basement vehicle ramp parallel to Castlereagh Street and reinstatement of the footpath alignment
- removal of the two pedestrian skybridges over Pitt and Castlereagh Streets
- ecologically sustainable development benchmarks to ensure an energy efficient building is delivered.

Consistent with the City's Guideline for Site Specific Planning Proposals in Central Sydney, Stockland, on behalf of the applicant, has submitted a public benefit offer to enter into a planning agreement which includes a monetary contribution towards affordable housing and community infrastructure.

This report recommends approval of the planning proposal for submission to the Department of Planning, Industry and Environment seeking a gateway determination, followed by public exhibition. It also recommends that a draft site-specific development control plan is endorsed for exhibition, and a draft planning agreement be prepared based on the public benefit offer. It is proposed that all documents are exhibited concurrently.

## Recommendation

It is resolved that:

- (A) Council approve Planning Proposal – 133-147 Castlereagh Street, Sydney, as shown at Attachment A to the subject report, to be submitted to the Minister for Planning and Public Spaces with a request for gateway determination;
- (B) Council approve Planning Proposal – 133-145 Castlereagh Street, Sydney, as shown at Attachment A to the subject report to public authority consultation and public exhibition in accordance with any conditions imposed under the gateway determination;
- (C) Council seek authority from the Minister for Planning and Public Spaces to exercise the delegation of all the functions under section 3.36 of the Environmental Planning and Assessment Act 1979 to make the local environmental plan and to put into effect Planning Proposal – 133-145 Castlereagh Street, Sydney;
- (D) Council approve the Draft Sydney Development Control Plan 2012 – 133-145 Castlereagh Street, Sydney Amendment, shown at Attachment B to the subject report for public authority consultation and public exhibition concurrent with the Planning Proposal;
- (E) authority be delegated to the Chief Executive Officer to make any variations to Planning Proposal – 133-145 Castlereagh Street, Sydney, following receipt of the gateway determination;
- (F) authority be delegated to the Chief Executive Officer to make any minor variations to Draft Sydney Development Control Plan 2012 – 133-145 Castlereagh Street, Sydney Amendment to correct any drafting errors or ensure it is consistent with the Planning Proposal following the gateway determination;
- (G) authority be delegated to the Chief Executive Officer to prepare a draft planning agreement in accordance with the letter of offer dated 22 April 2021 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.

## Attachments

- Attachment A.** Planning Proposal - 133-145 Castlereagh Street, Sydney and Appendices
- Attachment B.** Draft Sydney Development Control Plan 2012 - 133-145 Castlereagh Street, Sydney
- Attachment C.** Planning Agreement - Public Benefit Offer

## Background

### Strategic context of the planning proposal

1. To maintain and strengthen Central Sydney's status as a globally competitive city, it must continue to attract business investment and be a preferred location for workers, residents and visitors. The planning vision to grow Central Sydney's competitive economic position and further strengthen its attractive qualities is set out in the draft Central Sydney Planning Strategy, which was adopted by Council in December 2020.
2. Increasing the capacity for employment growth in Central Sydney is crucial for supporting a robust, resilient and competitive economy for Central Sydney, New South Wales, and the nation. Where there is capacity for employment growth, opportunities for investment and development projects with a global focus and highly skilled jobs will arise. This is particularly important in the current climate, noting the need to plan for development throughout and after the Covid-19 pandemic.
3. The Central Sydney Planning Strategy (the Strategy) seeks to incentivise employment generating floor space by providing opportunities for additional building height and density in the right locations. It requires new development to deliver high quality public domain outcomes, including pedestrian amenity and protection of public spaces, and achieve environmental sustainability goals.
4. In September 2020, Stockland, on behalf of the applicant, The Trust Company, submitted a planning proposal request for 133-145 Castlereagh Street, Sydney. The planning proposal request is to facilitate the redevelopment of the site consistent with the Strategy by increasing employment floor space for commercial, retail and the Uniting Church's Wesley Mission welfare and community services. The proposal will also improve the public domain and connectivity around the site.
5. The site is located in the Midtown precinct of Central Sydney. The Strategy describes this precinct as having a mixture of commercial offices, retail, entertainment, and tourist accommodation uses. The strategy identifies the Midtown precinct has having predominantly A and B-grade office space, retailing and entertainment activities. It is noted that the commercial supply pipeline is the smallest compared to the City Core and Western Edge and therefore large floor plate developments could provide more diversity and choice for tenants.
6. The precinct is also identified in the Strategy as having some amenity challenges which could detract from investor and occupier interest, and improvements to the public domain could result in greater demand for employment floor space in this part of Central Sydney.

**The site**

- The legal description of the land affected by this planning proposal is Lot 10 DP 828419. The site is referred to in this report as 'the site' or '133-145 Castlereagh Street'. A diagram and aerial image subject site and surrounds are shown in Figure 1 and Figure 2 below.

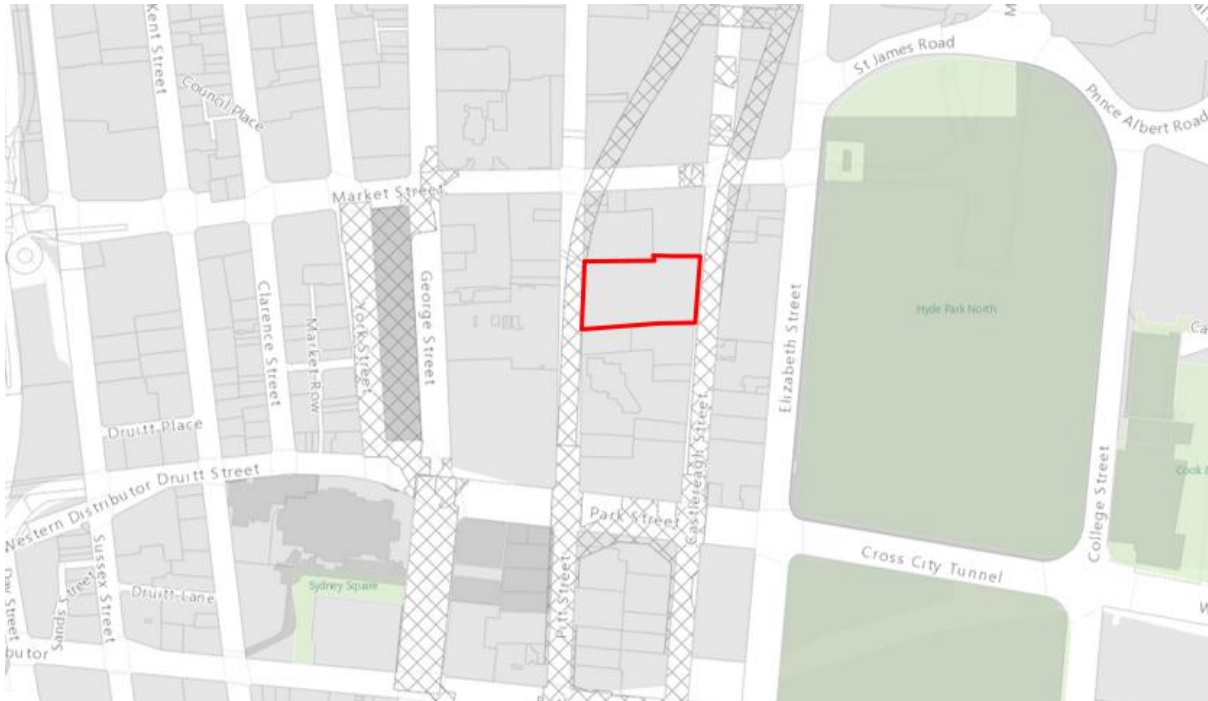


Figure 1 Site location

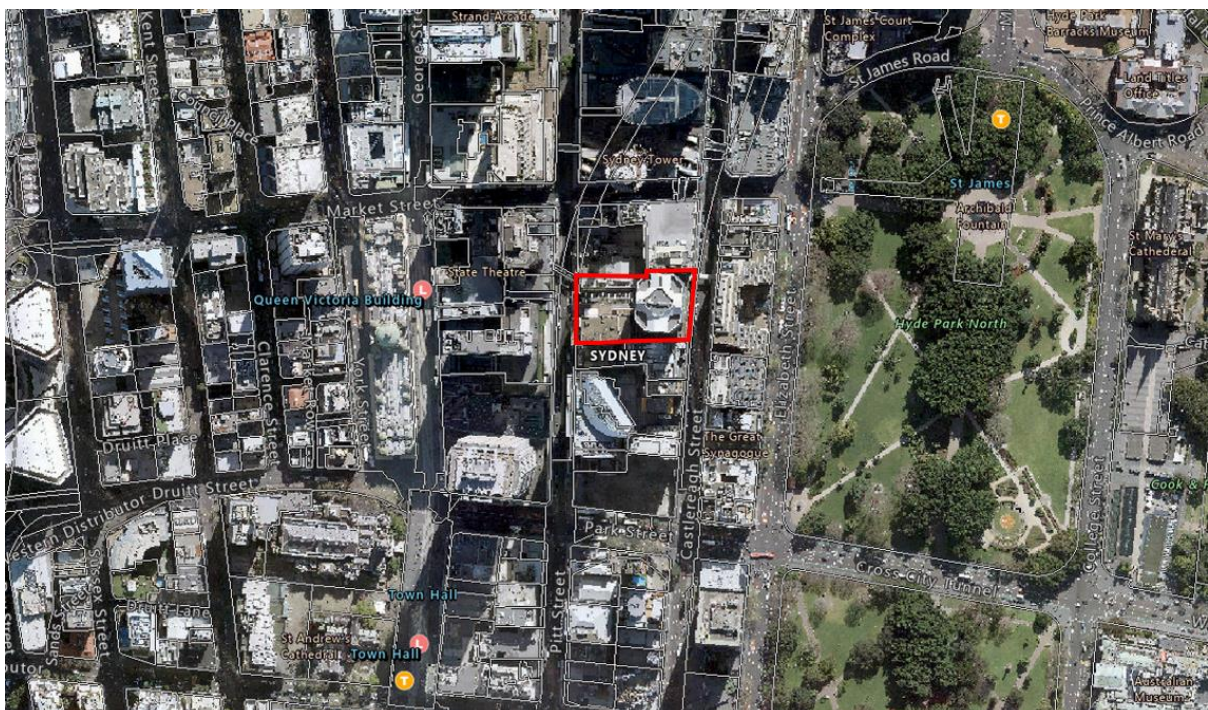


Figure 2 Aerial photo of the site

8. The site is irregular in shape and has a total area of 4,800sqm. It has two street frontages, to Castlereagh Street on the eastern boundary, and Pitt Street on the western boundary.

#### Existing development on the site

9. There are three buildings on the site collectively known as the Piccadilly Centre complex, comprising a 2 storey building with retail premises and Wesley Mission entry foyer, and two office towers 14 and 31 storeys in height. The 31 storey tower currently exceeds the Hyde Park Sun Access Plane.
10. Retail premises extend across the ground floor of the site, providing a pedestrian connection between Castlereagh and Pitt Streets. Food premises and tower lobbies are located on the first floor. The Wesley Mission entry foyer is located at ground level, with the facilities including the lyceum, theatre, church and other services located below ground.
11. Vehicular access to the basement is via a ramp parallel to Castlereagh Street, which is a dedicated public road. A separate basement exit driveway is further south and perpendicular to Castlereagh Street. The existing basement contains 4 to 5 levels, with the Wesley Mission facilities (which are also used for church service by the Uniting Church) on the upper two levels, and car parking on the levels below. A total of 274 parking spaces are provided with most used as a casual, paid publicly accessible car park, with 35 permanent spaces, and a further 225 temporary spaces allocated for use for church services.
12. Two defunct pedestrian skybridges currently connect to this site; one over Castlereagh Street to the Sheraton on the Park Hotel, and one over Pitt Street to the building at 55 Market Street which will be removed.



Figure 3 Castlereagh Street (left) and Pitt Street (right) frontages of the site, including skybridges

### Adjoining Development

13. The northern boundary of the site adjoins two sites. The David Jones Market Street building at 65-77 Market Street is being redeveloped to have a total height of 32 storeys. The Tattersalls Club at 196-204 Pitt Street has a Stage 1 concept plan approval for a total height of approximately 50 storeys.



Figure 4 Photomontages of the proposed David Jones Market Street redevelopment (left) and Tattersalls Club concept plan (right)

14. The southern boundary adjoins two sites, which are the heritage-listed “Banking House” building fronting Pitt Street (shown in Figure 3) and a more contemporary tower at 147-153 Castlereagh Street with a total height of 43 storeys.
15. Development in the vicinity of the site includes the existing ANZ House further south of the site at 161 Castlereagh Street. This is a 45 storey commercial tower and the tallest building on the block. The Pitt Street over-station development is planned for the southern-most part of this block, extending across the block from Pitt Street to Castlereagh Street. A detailed design application was approved in February 2021 for a commercial building up to 38 storeys in height.



Figure 5 Photo of ANZ House at 161 Castlereagh Street (left) and photomontage of the proposed Pitt Street over-station development proposal from the east (right)

### Development intent for the site

16. This planning proposal is the result of detailed and collaborative consultation between Stockland for the applicant and the City to ensure a good fit and consistency with the Central Sydney Planning Strategy, as well as to respond to the urban design issues relating to this site.
17. The site is owned by the Uniting Church in Australia Property Trust (NSW), which has consented to the lodgement of the request to prepare a planning proposal for the site. The Wesley Mission is part of the Uniting Church in Australia's community services network, and provides community, welfare and advocacy services.
18. An indicative development scheme has been prepared by the applicant, shown in figures 6 and 7. The scheme envisages a new commercial tower up to the height of the Hyde Park Sun Access Plane which is approximately 37 storeys at its maximum point.
19. The indicative development proposes approximately 103,000 sqm of floor space for commercial, retail, and Wesley Mission/Uniting Church uses. This is an increase of around 47,000sqm compared to the existing 56,000sqm of floor space in the Piccadilly Centre complex.



20. The proposal will consolidate the floor space on the site into a single building, to meet demand for premium and A-grade office space in this precinct of Central Sydney and provide improved public domain outcomes.
21. The proposed tower will have frontages to Castlereagh and Pitt Streets. Vehicle access to the basement carpark, off-street loading and end of journey facility will be accessed from Castlereagh Street, via a single driveway. This will result in the demolition of the access ramp parallel to Castlereagh Street and realignment of the footpath along this street to improve accessibility.
22. The proposal includes a redeveloped basement reducing the number of car parking spaces from approximately 274 spaces to a maximum of 250 spaces. It is intended that all of these spaces would be made available for Uniting Church services on Sundays, Easter and Christmas.
23. The proposal includes a new at-grade pedestrian through-site link connecting Castlereagh and Pitt Streets, with an atrium to provide natural light, as well as the removal of the two skybridges over Pitt and Castlereagh Streets.



Figure 6 Photo montage of the future development concept



Figure 7 Artist's impression of the podium, through site link and Pitt Street frontage of the future development concept

### Design Advisory Panel - pre lodgement design review

24. The proposal was also referred to the City's Design Advisory Panel (DAP) in December 2019 prior to lodgement.
25. The City's DAP made a number of comments and recommendations for the proposal. This included:
  - (a) comments about amenity within the building and in the street as a result of the proposed mass of the building and depth of the floor plate.
  - (b) wind impacts at the street level and overall air flow within the city should be considered.
  - (c) sky view factor, sun access plane and setbacks should meet the requirements of the Central Sydney Planning Framework.
  - (d) the proposal should be considered in relation to surrounding buildings including upcoming development on adjacent sites (including the David Jones Market Street building and City Tattersalls Club).
  - (e) consideration should be given to alternative, less bulky forms including two slender towers.
  - (f) the proposal for the through-site link was welcomed, although there were concerns about the amenity of the link, and that such links and other publicly accessible spaces should be open to the sky and not in constant shadow.

26. The proposal has since responded to all of these concerns and these are addressed in the Consideration of Environmental Impacts section of this report.

### **Lodgement of planning proposal request**

27. In September 2020, Stockland, on behalf of the applicant, The Trust Company, submitted a planning proposal request for 133-145 Castlereagh Street, Sydney. The request seeks to insert site-specific provisions in the Sydney Local Environmental Plan 2012 (LEP) in line with the City's recently adopted Central Sydney Planning Framework, as well as the Guideline for site-specific planning proposals in Central Sydney.
28. Site-specific provisions were requested to enable the redevelopment of 133-145 Castlereagh Street, Sydney to include the following key components:
- (a) a new tower consisting of approximately 103,000 square metres of commercial floor space, which will include floor space for retail uses at lower levels, and floor space for Wesley Mission/Uniting Church facilities.
  - (b) maximum building height set by the Hyde Park Sun Access Plane. The street wall height of the podium is proposed to range from 3-10 storeys to match adjoining street wall heights.
  - (c) provision of ground floor retail and other active uses fronting an enhanced public domain and improved pedestrian environment.
29. In preparation of their request, the applicant has commissioned a range of studies to support the proposed changes to the planning controls. These studies are appendices to the planning proposal at Attachment A to this report.

### **Planning proposal - amendments to the LEP**

30. The planning proposal at Attachment A proposes to amend the LEP to insert new site-specific provisions for 133-145 Castlereagh Street under Division 5 Site specific provisions. The objectives of the provisions are as follows:
- (a) to permit new development that demonstrates the appropriate distribution of built form and floor space that is consistent with the surrounding context;
  - (b) allow maximum floor space ratio of up to 21.53:1 (inclusive of design excellence bonus) comprising:
    - (i) mapped floor space of 8:1
    - (ii) accommodation floor space of 4.5:1 (anticipated to be delivered as part of the changes to the LEP in the Central Sydney planning proposal or this proposal whichever is drafted first)
    - (iii) site specific floor space of 6.04:1
    - (iv) additional floor space up to 10 per cent if the proposal demonstrates design excellence to a maximum floor space ratio of 21.53:1

- (v) a maximum floor space of 20.67:1 above ground
- (vi) a maximum floor space of 0.86:1 below ground
- (c) development consent can only be granted if the proposal delivers employment generating uses, a through-site link public domain improvements and sky bridge removals
- (d) provision for a maximum of 250 car parking spaces across the site to be available to be used for Uniting Church services.

### **Draft development control plan**

31. A site-specific draft development control plan (draft DCP) is at Attachment B to this report and provides further guidance for development of the site consistent with the LEP amendments. The draft DCP provisions include:
  - (a) maximum building envelope including setbacks and street wall heights
  - (b) through site link and atrium
  - (c) active frontages
  - (d) public domain
  - (e) parking and vehicular access
  - (f) design excellence.
  - (g) environmentally sustainable development targets; and
  - (h) public art
32. It is recommended that Council approve the draft DCP, shown at Attachment B to this report, for public exhibition in parallel with the planning proposal and draft planning agreement.

### **Key Implications**

#### **Overall Benefits of the Planning Proposal and Draft DCP**

33. The planning proposal and accompanying draft DCP facilitates the redevelopment of the subject site. The key benefits are:
  - (a) opportunity to unlock additional employment generating floor space to meet demand in this part of Central Sydney for premium and A-Grade office space and retail uses
  - (b) maximise ground floor fine grain retail that supports activation of the surrounding public domain, and through site link between Castlereagh and Pitt Streets
  - (c) public domain upgrades including removal of the vehicle entry ramp and realignment of the footpath in Castlereagh Street, and removal of two skybridges

- (d) enhancements of pedestrian connections to be more accessible and activated by fine-grain retail premises
- (e) removal of current exceedance of the Hyde Park Sun Access Plane.

**Consideration of Environmental Impacts**

34. The planning proposal is informed by detailed studies prepared on behalf of the applicant. The studies are included as appendices to the planning proposal at Attachment A and will be publicly exhibited as supporting documentation. The key relevant findings of the studies are discussed below.

**Planning Envelope - Size, Setbacks and height**

- 35. The Central Sydney Planning Framework provides opportunities to modify controls relating to setbacks and building height that do not result in adverse impacts to public domain amenity, especially wind impacts and daylight levels (or sky view factor).
- 36. The amenity assessment in Schedule 11 of the draft Central Sydney DCP requires a base case envelope to be prepared where heights and setbacks are proposed to be varied. The base case envelope establishes a performance benchmark to test the impact of a proposed planning envelope, in relation to daylight levels (or sky view factor) and wind performance. Any proposed planning envelope must achieve an improved performance compared to the base case envelope in order to have a satisfactory impact on public places.
- 37. The proposed maximum planning envelope for the site seeks to vary the following controls:
  - (a) street wall height
  - (b) tower setbacks to street and side boundaries

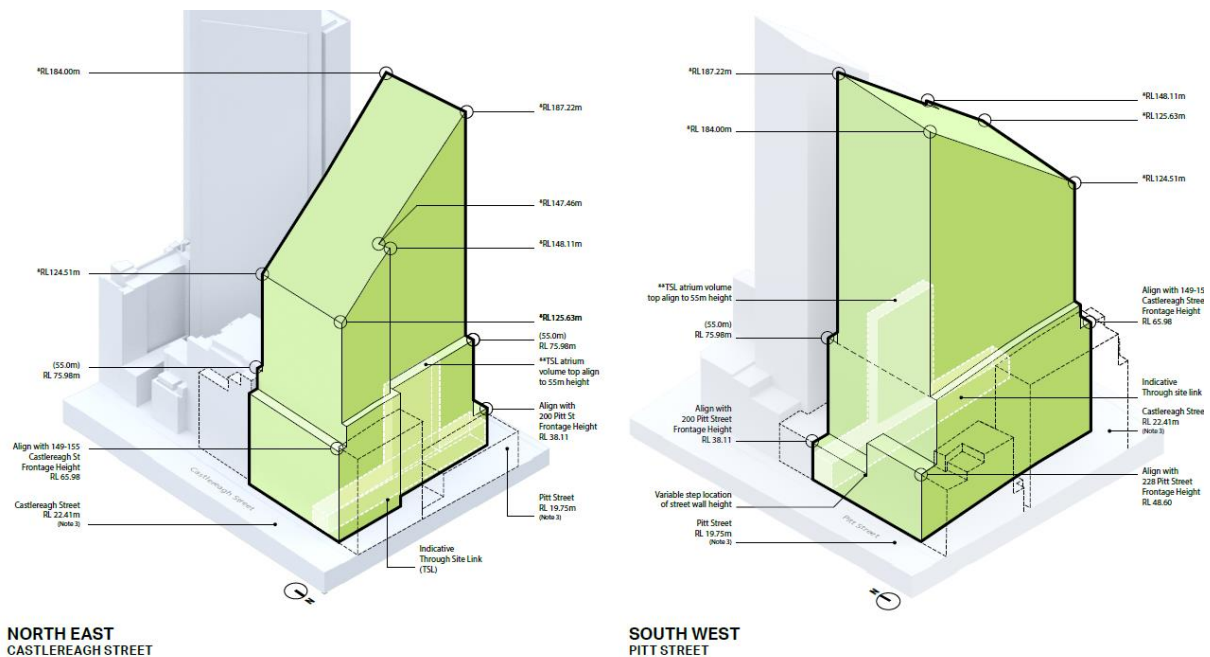


Figure 8 The proposed maximum planning envelope

38. The sky view factor and wind testing were carried out and the proposed envelope resulted in an improvement for adjoining public places compared to the base case model. These results are discussed later in this report.
39. The podium of the proposed envelope modifies the required maximum 25m street wall to Pitt Street, and required maximum 45m street wall to Castlereagh Street. The proposed street walls, of around 19-29m to Pitt Street and around 43m to Castlereagh Street, match the adjacent street wall heights.
40. The proposed envelope includes tower setbacks of 3m to 4.5m to the north, and 3m to the south. These variations to the setback controls are in accordance with Schedule 11 of the draft Central Sydney DCP.
41. The size of the floor plate within the tower resulting from the proposed setbacks was identified by the Design Advisory Plan (DAP) as having potential amenity issues for future tenants and the public domain. It is noted that the proposed building envelope has a horizontal dimension of 94m within the tower portion, but this is less than the maximum horizontal dimension of 100m under Section 4.1.1.4 (1)(b) of the draft Central Sydney DCP. The applicant has addressed this issue in the proposal, through the location of the lift core, and how the space can be used to maximise amenity for tenants. This is shown in Figure 9.

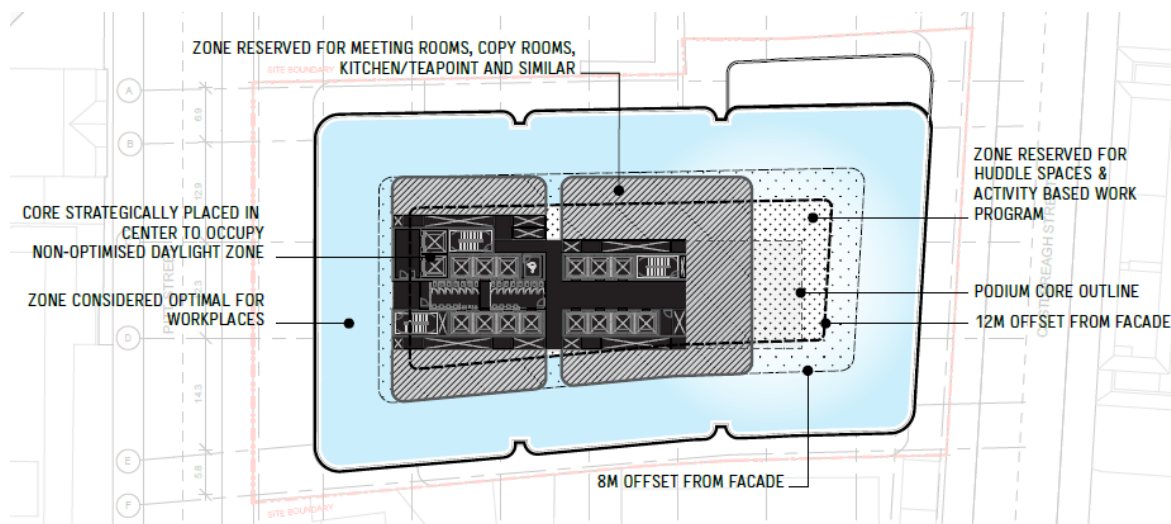


Figure 9 Typical floor plate to demonstrate internal amenity

42. DAP also raised concerns about the apparent size and scale of the building compared to adjoining development. It is noted that the proposed redevelopment of the David Jones Market Street building and the City Tattersalls Club site will screen most of the proposed building when viewed from the north. Other large, prominent buildings on the block, including ANZ House and the proposed Pitt Street over station development, will also block much of the views of the proposed development on the site when viewed from the south.
43. The proposed reference scheme provides articulation of the northern and southern elevation of the tower to visually 'break up' the massing of these elevations, which will further address the concerns raised by DAP. To ensure that this approach is incorporated into the design of future development, draft DCP controls have been proposed.

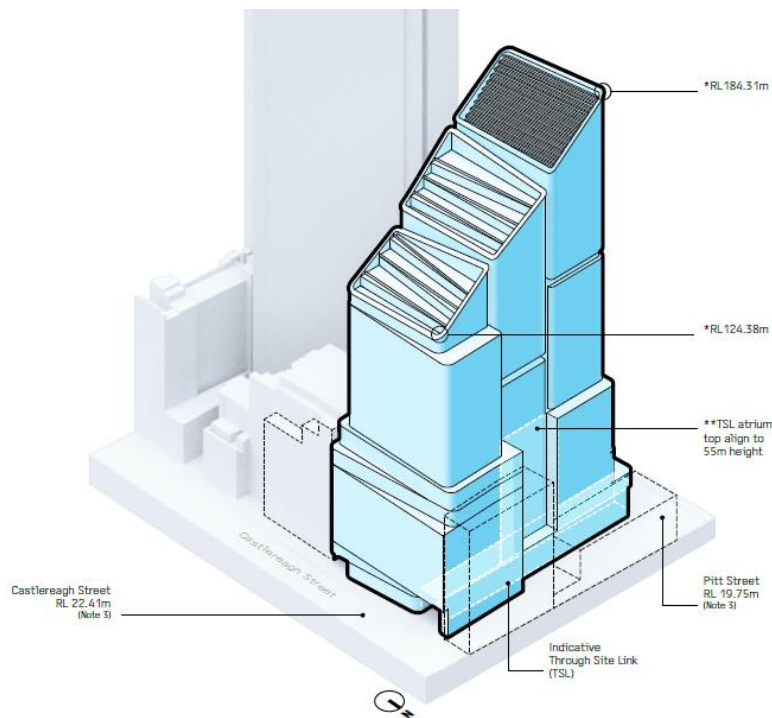


Figure 10 Provision for articulation for future development on the site

### Wind Assessment

44. An Environmental Wind Impact Assessment was prepared by ARUP and was revised on 5 March 2021 to address an error with the base case model for testing. This report is included at Attachment A12 of this report. It assessed pedestrian wind comfort for the site, including a wind tunnel testing for 17 locations around the site. The wind equivalence testing compared the results for the base case envelope and the proposed building envelope.
45. The assessment found that the proposed building envelope would result in improved overall wind conditions compared to the base case envelope. Conditions would generally remain within the comfort range, which is suitable for pedestrian standing activities.
46. It is anticipated that once a detailed design is established following a full design competition, additional wind tunnel testing will take place. The draft DCP includes provisions and mitigation measures to ensure public domain conditions are sufficiently addressed.

### Daylight/Sky View Factor

47. A Sky View Factor Report prepared by BIM Consulting is included at Attachment A19 of this report. It assessed the sky view factor, which is the extent of sky visible above various points in proximity of the site as a proportion of the total possible sky above each point.
48. The daylight analysis found the proposed envelope results in a minor improvement compared to the base case envelope and would maintain an acceptable level of daylight access to the public domain to meet the requirements of the draft Central Sydney DCP.

### Overshadowing

49. A shadow analysis is contained within the Urban Design Study at Attachment A7 of this report.
50. The proposal will see an improvement in overshadowing of Hyde Park and Park Street due to the removal of the existing exceedance of the sun access plane, as shown in Figure 11.



Figure 11 Existing sun access plane breach by the existing building (in yellow) and proposed envelope within the sun access plane (in blue)

51. There will also be an improvement in solar access to Pitt and Castlereagh Streets resulting from the removal of the two skybridges.
52. No additional significant overshadowing in adjoining streets would occur due to the existing building, and those under construction, in Castlereagh and Elizabeth Streets.
53. A detailed solar access and overshadowing analysis will be included as part of a detailed development application.

### View Analysis

54. A view analysis for the proposed reference scheme is included in the Urban Design Study appendix to the planning proposal, which explored the visual impact of the design from key viewpoints in Central Sydney.
55. The proposed tower will be visible from Hyde Park, and from adjoining streets. It is considered that the proposal will not result in significant impacts on views due to it being within the maximum height controls for the site and having a similar height and bulk to other existing and proposed towers on this block.
56. The depth of the building will benefit from its location and being in part obscured by the surrounding development at David Jones Market Street and the City Tattersalls Club sites from the north, and from existing and proposed developments to the south.
57. Removal of the two skybridges will also improve views and outlook within Castlereagh and Pitt Streets, by opening up views along the street, and views to the sky. The impacts shown in Figure 13.



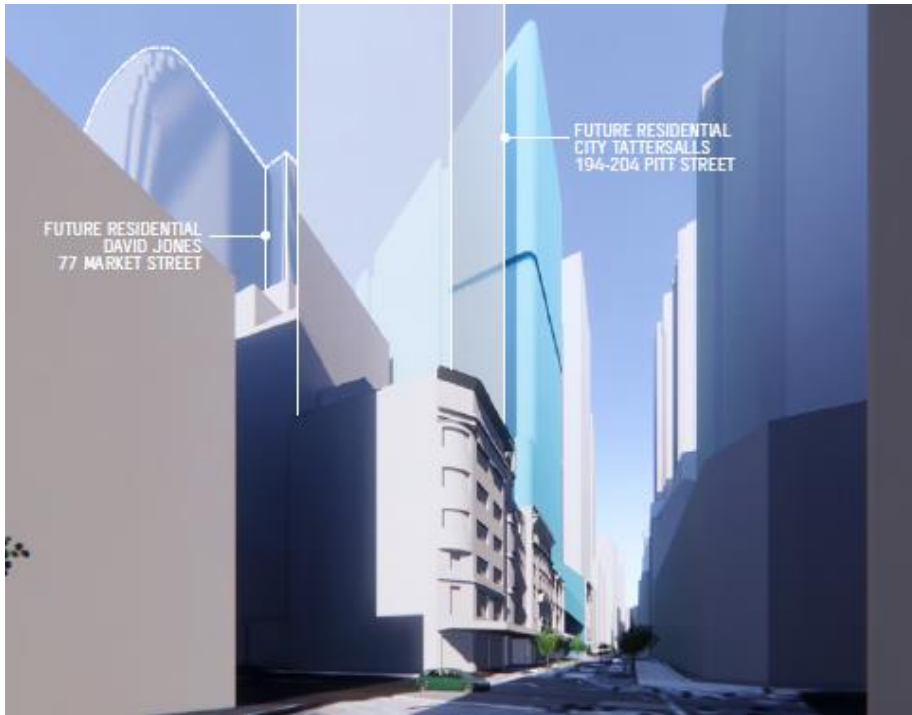


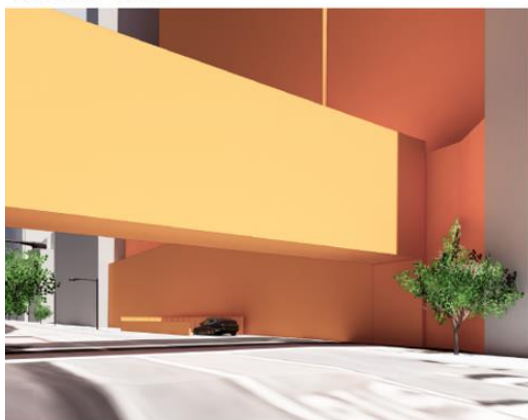
Figure 12 View to the site from the corner of Market and Pitt Streets



Pitt Street - Existing



Pitt Street – Proposed Scheme



Castlereagh Street - Existing



Castlereagh Street – Proposed Scheme

Figure 13 Massing images of the existing buildings and sky bridges (in yellow), and proposed development scheme with sky bridges removed (in blue).

**Traffic and Transport**

58. The planning proposal includes a provision which sets a cap at 250 car parking spaces on the site. This is less than the existing 274 spaces for the current floor space.
59. The reference scheme submitted with the planning proposal request, includes basement providing loading facilities, bicycle parking, end of journey facility, and car parking. The basement is to be accessed through a consolidated driveway on Castlereagh Street at the south of the site, supplying a maximum 250 car parking spaces.
60. Under the LEP, 250 car parking spaces is permissible based on the uses and floor space in the reference scheme. The planning proposal request sought controls to ensure that 250 car parking spaces would be permitted as required by the landowner. The Uniting Church will use all the car parking spaces provided on the site for place of public worship uses throughout the year on Sundays, Easter and Christmas in rebuilt church premises.
61. The proposed car parking on this site is supported at the Planning Proposal stage due to the unique circumstance of the Uniting Church being landowner and continuing to use the site as a place of public worship for a diverse and dispersed congregation, as well as consistency with LEP. The church services include 11 separate congregations, with people travelling from all over Sydney, including families with young children, and elderly attendees.
62. Due to the unique land use mix proposed, notably the place of public worship uses, this would result in changes to the demand for car spaces on site across the week. Therefore, the parking will need to be managed through the DCP so suitable parking is available for other uses, including for loading and servicing for the remainder of the time.
63. Draft DCP provisions are proposed to ensure that car parking and service spaces on the site are managed appropriately. These include a management plan to be approved as part of any detailed design development application to demonstrate how the onsite management of car spaces can accommodate changes in the land uses on the site within an average week.
64. The applicant has agreed to remove public car parking and this shall not be part of the redevelopment going forward.
65. No further changes are proposed to parking controls as part of this planning proposal as further detailed traffic, access and parking assessment will occur as part of any future detailed application for the redevelopment of the site.

**Pedestrian activity and comfort**

66. The planning proposal is accompanied by a Pedestrian Footpath Analysis at Attachment A13 which assessed the impacts of the proposed scheme on the pedestrian network. The study found that most surrounding footpaths could safely accommodate the increased pedestrian numbers.

67. The modelling found that the Pitt Street footpath would require widening to handle the increase in pedestrian numbers. The Pitt Street façade is set back to provide for this. Existing development on site includes a pedestrian connection linking Castlereagh Street and Pitt Street through a convoluted private retail arcade environment across the site. The proposed indicative concept will significantly improve this connection by providing a new at grade through site link, providing a wider, more direct and accessible connection lined by fine-grain retail premises and entries to the commercial tower. The through site link is to feature a gradient no more than 1:20 to meet accessibility requirements, an atrium for natural light, and will be required to be open to the public at all times.

#### Public domain treatments

68. The subject site is close to several upgrades to the pedestrian, cycle and road network identified in the Central Sydney Planning Framework.
69. Removal of the basement entry ramp parallel to Castlereagh Street eliminates the additional driveway crossover to this site. It will also allow for the realignment of the footpath to provide a continuous and level pedestrian path along this part of Castlereagh Street. The arrangements for the removal of the ramp and ownership arrangements of this existing public road will form part of the draft Planning Agreement that will be prepared as part of the planning proposal process.



Figure 14 Artist's impression of the Castlereagh Street frontage of the future development concept subject to future competitive design process

70. The proposal includes the removal of the two skybridges over Pitt and Castlereagh Streets. Removal helps improve sky view factor and wind impact requirements under Schedule 11 of the draft Central Sydney DCP. Importantly, they will remove visual clutter from the streets and increase views to the sky.

## Heritage

71. The site is not identified as a heritage item, nor is it located in a special character area. Three heritage items adjoin the site, with two items adjoining the northern boundary known as the David Jones Market Street buildings and the City Tattersalls Club. The building known as “Banking House” adjoins the southern boundary, facing Pitt Street. All three adjoining items are local items.
72. The redevelopment of the site facilitated by this planning proposal does not include the demolition of any heritage item. Notwithstanding, the planning proposal was accompanied by a Heritage Impact Statement which advised that the proposed building envelope will be sympathetic to surrounding development and be consistent with the overall scale of development in this part of Central Sydney. This is especially considering the redevelopment of the David Jones and City Tattersalls Club buildings, which will also feature towers above the heritage listing components.
73. The podium heights and tower setbacks of proposed reference scheme directly adjoining the heritage items offers a design that is capable of relating sympathetically to its context.

## Design Excellence

74. Future development on site will be subject to an architectural design competition consistent with clause 6.21 of the LEP, the Central Sydney planning proposal and the Guideline for Site Specific Planning Proposals. The accompanying site-specific draft DCP establishes a design excellence strategy which includes provisions for an architectural design competition.

## Planning Agreement

75. Section 7.1(1) of the Environmental Planning and Assessment Act 1979 (Act) enables a proponent to provide a material public benefit by entering into an agreement with a public authority. A planning agreement is the legal instrument for securing public benefits. Planning agreements are voluntary and must be freely entered into by the public authority and a proponent. They are also publicly exhibited and held on a publicly accessible register.
76. 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.
77. The letter of offer from Stockland (who is representing the applicant) at Attachment C to this report outlines the public benefits as part of this proposal. The owner of the site, the Uniting Church in Australia Property Trust (NSW), has provided consent to the making of this public benefit offer. The offer includes:
  - (a) Construction of a through-site link between Pitt and Castlereagh Streets with an easement for public access
  - (b) Removal of the parallel Castlereagh Street vehicle ramp and re-instatement of footpath and kerb
  - (c) Monetary contribution towards community infrastructure
  - (d) Monetary contribution towards the provision of affordable housing

- (e) Environmental sustainability commitments to deliver a minimum 6 star Green Star design and construct rating, a minimum 5.5 NABERS Energy rating and minimum 4 NABERS Water rating.
78. It is recommended that a draft planning agreement be prepared to secure the public benefits outlined in the letter of offer, so they can be delivered through the redevelopment of the site. This report also recommends that the draft planning agreement be publicly exhibited together with the planning proposal and amendments to the DCP.
79. The public benefit offer includes a commitment to pay a levy of 3% of the cost of the development. This will offset any contributions otherwise payable under the relevant developer contributions plan at the time.

### **Strategic Alignment**

#### **Strategic Alignment - Central Sydney Planning Strategy**

80. As the economic heart of Australia's most global city, Central Sydney plays a critical role in the continued growth and economic success of Greater Sydney, the state and national economy. The Central Sydney Planning Strategy sets a planning approach to grow employment and productivity, create high quality places and deliver on the City's Sustainable Sydney 2030 program.
81. The Strategy includes opportunities for additional height and density in the right locations, balanced with environmental sustainability initiatives, and sets criteria for excellence in urban design.
82. This planning proposal is aligned with the following relevant key moves of the Central Sydney Planning Strategy:
- (a) Key Move 1: Prioritise employment growth and increase capacity - this planning proposal will facilitate additional employment generating floor space in the Midtown precinct, increasing the capacity and contributing to growth in Central Sydney.
  - (b) Key Move 2: Ensure development responds to context - by ensuring compliance with wind and daylight requirements, this planning proposal ensures future development is responsive to its context and will not result in adverse impacts in the public domain.
  - (c) Key Move 5: Ensure infrastructure keeps pace with growth - in accordance with the Guidelines, this proposal facilitates a contribution towards community infrastructure in Central Sydney and towards the provision of affordable housing.
  - (d) Key Move 6: Move towards a more sustainable city - the draft DCP for the subject site includes sustainability targets in accordance with the Strategy and Guidelines.
  - (e) Key Move 7: Protect, enhance expand Central Sydney's heritage, public places and spaces
  - (f) Key Move 8: Move people more easily - the subject site is well located to capitalise on existing and planned public and active transport investment including the light rail, metro and upgrades to the pedestrian network, making it easier for people to move in Central Sydney.

- (g) Key Move 9: Commitment to design excellence - future development will be subject to an architectural design competition.
83. The City has been in ongoing discussion with Stockland, the applicant's representative for some time since the draft Strategy was initially endorsed. This planning proposal is consistent with the vision and key moves of the Strategy.

### Strategic Alignment – Regional and Local Planning

84. The Greater Sydney Commission's Greater Sydney Region Plan and Eastern City District Plan are used to shape strategic planning and infrastructure in metropolitan Sydney and align planning from the broadest regional area to the local area. The City's Local Strategic Planning Statement sets the overall land use planning strategy for the city which is required to align with the Region and District Plans. The City's planning controls are then required to give effect to the strategic plans.
85. The Region Plan, District Plan and Local Strategic Planning Statement adopt planning priorities of similar themes, being productivity, liveability, infrastructure, sustainability and governance. How this proposal gives effect to these priorities is discussed in detail in the planning proposal and summarised below:
- (a) **Productivity** - the proposal will deliver additional employment generating floor space close to existing and planning transport connections, including the Pitt Street Metro station. It will also provide additional premium and A-grade office space within the Midtown precinct of Central Sydney. In addition to meeting this objective of the Greater Sydney Region Plan, the proposal gives effect to productivity strategic planning priorities, particularly:
- (i) Eastern City District Plan Priorities
- a. E7 - Growing a stronger and more competitive Harbour CBD
  - b. E10 - Delivering integrated land use and transport planning for a 30 minute city
  - c. E11 - Growing investment, business opportunities and jobs in strategic centres
  - d. E13 - Supporting growth of targeted industry sectors in the District Plan
- (ii) Local Strategic Planning Statement Priorities
- a. P1 - Growing a stronger, more competitive Central Sydney
- (b) **Liveability** - the proposed indicative concept includes retail activation and upgrades to the surrounding public domain including improving the amenity for workers and visitors in the surrounding area. In addition to meeting this objective of the Greater Sydney Region Plan, the proposal gives effect to liveability strategic planning priorities, particularly
- (i) Eastern City District Plan Priorities
- a. E6 – Creating and renewing great places and local centres, and respecting the District's heritage in the District Plan
- (ii) Local Strategic Planning Statement Priorities
- a. L5 - Creating great places in the Local Strategic Planning Statement

- (c) **Infrastructure** - redevelopment of the site will benefit from the planned additional transport infrastructure capacity and will contribute towards new community infrastructure to be delivered in Central Sydney. In addition to meeting this objective of the Greater Sydney Region Plan, the proposal gives effect to the infrastructure strategic planning priorities particularly:
- (i) Eastern City District Plan Priorities
    - a. E1 - Planning for a city supported by infrastructure in the District Plan
  - (ii) Local Strategic Planning Statement Priorities
    - a. I1 - Movement for walkable neighbourhoods and a connected city
    - b. I2 - Align development and growth with supporting infrastructure
- (d) **Sustainability** - the planning proposal will facilitate the redevelopment of the subject site with a new with markedly improved sustainability outcomes. In addition to meeting this objective of the Greater Sydney Region Plan, the proposal gives effect to the sustainability strategic planning priorities particularly:
- (i) Eastern City District Plan Priorities
    - a. E19 - Reducing carbon emissions and managing energy, water and waste efficiently in the District Plan.
  - (ii) Local Strategic Planning Statement Priorities
    - a. S11 - Creating better buildings and places to reduce emissions and water and use water more efficiently in the Local Strategic Planning Statement.

### Strategic Alignment - Sustainable Sydney 2030

86. 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 plan is aligned with the following strategic directions and objectives:
- (a) Direction 1 - A globally competitive and innovative city - the proposal will support and foster new employment and investment opportunities through the provision of employment generating floor space.
  - (b) Direction 2 - A leading environmental performer - the draft DCP that accompanies this planning proposal delivers ambitious sustainability targets for future development on the site.
  - (c) Direction 3 - Integrated transport for a connected city - the subject site is well located to capitalise on existing and future public transport infrastructure at Central train station, bus stops, the new light rail stop and the future Metro station at Pitt Street.
  - (d) Direction 4 - A city for walking and cycling - the proposal will provide an improved pedestrian through site link between Pitt and Castlereagh Streets, and will deliver public domain upgrades removal of the basement entry ramp and reinstatement of the footpath alignment in Castlereagh Street.

- (e) Direction 5 - A lively and engaging city centre - a mix of active uses including fine grain retail, at-grade pedestrian through-site link and public art will deliver greater levels of activation to this part of the city, contributing to a livelier, engaging city.
- (f) Direction 6 - Vibrant local communities and economies - this planning proposal will enhance the Midtown precinct with increased business opportunities for investment, employment and upgraded public domain for workers and visitors.
- (g) Direction 7 - A cultural and creative city - the draft DCP includes provisions to ensure public art is delivered on site, supporting creative and cultural experiences.
- (h) Direction 8 - Housing for a diverse population - the planning proposal will facilitate a contribution towards the provision of affordable housing in the City of Sydney local government area.
- (i) Direction 9 - Sustainable Development, Renewal and Design - future development will be subject to the attainment of key sustainability benchmarks.

### Relevant Legislation

- 87. Environmental Planning and Assessment Act 1979.
- 88. Environmental Planning and Assessment Regulation 2000.

### Critical Dates / Time Frames

- 89. Should Council and the Central Sydney Planning Committee endorse the attached planning proposal for public exhibition, it will be forwarded to the Department of Planning, Industry and Environment in accordance with section 3.34 of the Act for gateway determination to proceed with consultation or resubmit the planning proposal.
- 90. Following the gateway determination, the typical timeframe is 21 days for public authority consultation and 28 days for public exhibition. The gateway determination will also determine the general date for the completion for the amendment to the LEP.
- 91. Section 7.5(1) of the Act requires a draft planning agreement be publicly exhibited for at least 28 days and where possible, the agreement be exhibited with any other related publicly notifiable matters. As such, this report recommends that the City prepare a planning agreement to be exhibited with the planning proposal and draft DCP.
- 92. Following public authority consultation and public exhibition, the outcomes will be reported back to Council and the Central Sydney Planning Committee.

### Organisational Impacts

- 93. The removal of the two skybridges will result in a reduction in lease income to the City however, they will be removed at no cost to the City if this redevelopment proceeds. Skybridges are no longer regarded as a positive urban outcome in the City's planning vision and controls.



**Public Consultation**

94. The public exhibition process for this planning proposal will be determined by the Department of Planning, Industry and Environment. It is proposed that the public exhibition of the planning proposal, draft DCP and notification of the planning agreement will run concurrently. The consultation will be in accordance with the requirements of:
- (a) the gateway determination issued by the Department of Planning, Industry and Environment under section 3.34 of the Act;
  - (b) the Environmental Planning and Assessment Regulation 2000;
  - (c) in relation to the Planning Agreement, section 7.5(2) of the Act; and
  - (d) the City of Sydney Community Participation Plan 2019.
95. It is likely that the public exhibition for the planning proposal would be a minimum of 28 days, with notification in accordance with the Gateway Determination and the City's Community Participation Plan.
96. The public exhibition, draft DCP and draft planning agreement will be publicly exhibited online on the City of Sydney website in accordance with the Planning and Assessment for Councils during COVID 19 guidelines issued by the Department of Planning, Industry and Environment in April 2020, and in accordance with the Environmental Planning and Assessment Regulation 2000.

**GRAHAM JAHN, AM**

Director City Planning, Development and Transport

Michelle Cramsie, Specialist Planner