Item 3.

Public Exhibition - Planning Proposal - 2 Chifley Square, Sydney - Sydney Local Environment Plan 2012 and Sydney Development Plan 2012 Amendment

File No: X038910

Summary

A planning proposal has been prepared for 2 Chifley Square, 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 Central Sydney Planning Strategy was endorsed for exhibition in 2016 and adopted by Council in December 2020. It ensures Central Sydney continues to be Australia's leading economic centre by attracting new business investment and being a preferred location for workers, residents and visitors. The Strategy supports opportunities for additional building height and floor area in the right locations, and contribute to environmental sustainability, design excellence and infrastructure.

Central Sydney's competitive advantage will be sustained by encouraging the growth of attractive and high-quality space for business, enterprise and other activities in the limited opportunities available within the bounds of Central Sydney. This new space will help to attract new investment, innovative business, highly skilled workers, and strengthen economic resilience after the Covid-19 pandemic within Central Sydney where there is significant investment in quality public transport.

The site is located within the 'City Core' precinct of Central Sydney. This precinct is the largest office sub-market in Australia, favoured by financial, legal, property and technology sectors. It contains the largest number of premium office buildings in Central Sydney, with floor plates over 1,200sqm. As Sydney's most prestigious office sub-market, the quality of tenant amenity and the public domain is critical to maintain this market position. This precinct is expected to see continued growth in its major industry sectors especially for premium grade developments.

The planning proposal seeks to amend planning controls for this site to enable the delivery of additional, high quality space to support business, office and retail uses. The planning proposal consists of new site-specific controls in the Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012, consistent with the Central Sydney Planning Strategy and will add to our 2030 employment target. The key controls enable development of:

- a second commercial office tower on the existing site of variable height, up to The Domain Sun Access Plane, to a maximum height of approximately RL 213m
- a podium up to RL 61.1 metres in height to provide for a strongly defined podium which relates to the existing podium in the north of the site, while being sympathetic to the Chifley Square Special Character Area
- maximisation of active frontages adjoining Hunter Street, Bent Street and Chifley Square

- pedestrian connection through the podium, connecting Bent Street with Hunter Street
- significant reduction in car parking and the removal of the existing public car park
- leading ecologically sustainable development benchmarks to ensure an energy efficient building is delivered.

Charter Hall, the owner of the site, has submitted a public benefit offer to enter into a planning agreement which includes a monetary contribution towards 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 – 2 Chifley Square, 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 – 2 Chifley Square, Sydney, as shown at Attachment A to the subject report, for 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 – 2 Chifley Square, Sydney;

(D) Council approve the Draft Sydney Development Control Plan 2012 – 2 Chifley Square, 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 – 2 Chifley Square, 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 – 2 Chifley Square, 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 27 October 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 - 2 Chifley Square, Sydney, and appendices

Attachment B. Draft Sydney Development Control Plan 2012 - 2 Chifley Square, Sydney

Attachment C. Planning Agreement - Public Benefit Offer

Background

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 knowledge 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 Central Sydney Planning Strategy, adopted by Council in December 2020.

2. Increasing the capacity for commercial growth in Central Sydney is crucial for supporting a robust, resilient and competitive economy for Central Sydney, New South Wales, and the nation. Capacity for business growth will support opportunities for investment and development projects with a global focus and highly skilled jobs. 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 floor space for business and economic generating activities by providing opportunities for additional building height and density in the right locations. It requires new development to contribute to Centra Sydney's attractiveness by delivering high quality urban design and public domain outcomes, including pedestrian amenity and protection of public spaces, and achieving environmental sustainability goals.

4. The planning proposal request for 2 Chifley Square was prepared by the applicant, Ethos Urban on behalf of Charter Hall, and formally lodged in September 2021 after much pre lodgement consideration. The planning proposal request is to facilitate the redevelopment of southern part of the site consistent with the Strategy by increasing floor space for business, office and retail uses in a second commercial tower with a redesigned podium.

5. The site is located in the City Core precinct of Central Sydney. The Strategy describes this precinct as the largest office sub-market in Australia, favoured by financial, legal, property and technology sectors. It contains the largest number of premium office buildings in Central Sydney and the most commercial floor space. Premium floor space (over 1,200sqm) has been traditionally sought here, and continued growth in these industry sectors is expected to result in increased demand for large floor plates and premium grade developments. As Sydney's most prestigious office sub-market, the quality of tenant amenity and the public domain, and minimisation of land use conflicts, is critical to maintain Central Sydney's competitive advantage.

The site

6. The legal description of the land affected by this planning proposal is Lot 10 DP 777545. The site is referred to in this report as 'the site' or '2 Chifley Square'. A diagram and aerial image of the subject site and surrounds are shown in Figure 1 and Figure 2 below.

Figure 1: Site Location

Figure 2: Aerial Photo of site

7. The site is irregular in shape and has a total area of 6,438 square metres. It has three street frontages, to Hunter Street on the southern boundary, Phillip Street along the western boundary, and Bent Street along part of the northern boundary. The south-western portion of the site adjoins Chifley Square.

Existing development on the site

8. The site contains a five-storey podium and a 42 storey commercial tower. The building was designed by New York architects Kohn Pedersen Fox in association with Sydney architectural firm Travis Partners.

Figure 3: Existing Chifley Tower and podium (source: Chifley website)

9. The lower three storeys of the podium contain the office tower lobby, and a range of retail and food and beverage services, as well as a gym and child-care centre. The two upper storeys of the podium contain office floor space, with a terrace on the podium roof. The main entrances to the podium are from Chifley Square and Phillip Street, with secondary entrances from Hunter and Bent Street.

10. Vehicular access to the basement is via a driveway crossover from Bent Street, with separated entry and exit ramps. The existing basement contains four levels, with 13 loading dock spaces and 361 car parking spaces, including 103 spaces operated as a public car park. There also 200 bicycle spaces on the first basement level with end-of-trip facilities.

Chifley Square

11. The south-western corner of the site adjoins Chifley Square, a public place.

12. The semi-circular form of Chifley Square was originally proposed in 1908 by John Sulman in response to the Royal Commission into the Improvement of Sydney, and realised in 1947 when it was officially named Chifley Square in 1961 in honour of the late Hon J.B. Chifley, former Prime Minister of Australia.

13. The curved form of buildings constructed to the new street alignments for Chifley Square, including Qantas House in 1957, Wentworth Hotel in 1966, then Chifley Tower in 1993, reinforce the amphitheatre effect of the space. Further works to the public square were constructed in the 1990s to reclaim and improve the public square.

14. Two artworks are located in the square, a large statue, "Ben Chifley", and a glass wall structure along the Hunter Street boundary of the square titled "Crucimatrilux". A café adjacent to the Crucimatrilux artwork is located on a property within the square known as 1 Chifley Square and which is owned by the City. Several Cabbage Tree Palms are located within the square.

Figure 4: Chifley Square

Adjoining Development

15. Development adjoining the site is as follows:

- West: on the western side of Phillip Street is Qantas House, containing retail and office uses, the Sofitel Wentworth Hotel, and 25 Bent Street known as the Union, University and Schools Club on the corner of Phillip and Bent Streets.

- North: on the northern side of Bent Street is “Aurora Place” containing a 41-storey commercial tower and an 18-storey residential building, known as the “Macquarie Apartments”.

- South: on the opposite side of Hunter Street is 126 Phillip Street, known as Deutsche Bank Place, a 37-storey commercial tower, and 183 Macquarie Street, a 15-storey commercial building. To the south west is 8-12 Chifley Square, a commercial office building of approximately 24 storeys, which includes an extension of the public domain at street level.

- East: Located to the east of the site are two heritage listed properties in Macquarie Street known as “Wyoming”, an 8-storey commercial building, and “Horbury House”, a three-storey commercial building. Further north, at 165-169 Macquarie Street (also known as 167 Macquarie Street) is a 20-storey mixed use building known as Macquarie House, which also adjoins part of a northern boundary with the site.

Figure 5: Qantas House (left) and 8-12 Chifley (right)

Figure 6: Wyoming (left) and Horbury House (right)

Development intent for the site

16. This planning proposal is the result of extensive and collaborative pre-lodgement discussions with the proponent and their consultants, as well as advice from the City's Design Advisory Panel and assessment by City staff. During this process, the proposal has progressed through a number of iterations that have been further refined in order to address the specific challenges of the site.

17. The proposal is to facilitate the construction of a second tower on the site, south of the existing Chifley Tower. The two towers would share the one podium, which would be redesigned to accommodate the operation of the second tower.

18. The existing vehicle access to the basement carpark from Bent Street will be retained, with the basement reconfigured to accommodate the new tower, including new plant and core, and the reduction in car parking and removal of the commercial public car park. The overall depth and extent of the basement is not proposed to change.

19. The proposed scheme envisages a new commercial tower up to the height of The Domain Sun Access Plane, approximately 37 storeys at its maximum point.

20. The indicative development proposes approximately 131,391 square metres of floor space across the existing and proposed towers which would provide for commercial uses including office, retail, and food and beverage uses at lower levels.

Planning proposal - amendments to the LEP

21. The City has considered the request to amend the planning controls to deliver a second commercial tower on the site. In response to further design advice from DAP and review by City staff, the proposed envelope and supporting controls have been further modified to ensure future development will be consistent with the Central Sydney Planning Strategy and contribute to the vision and aims of the Strategy.

22. The planning proposal at Attachment A proposes to amend the LEP to insert new site-specific provisions for 2 Chifley Square. The objectives of the provisions are:

(a) to permit new development that demonstrates the appropriate distribution of built form and floor space that is consistent with the surrounding context by;

(i) allowing a net addition of 44,108 square metres of floor space on the site, inclusive of design excellence bonus. This would be additional floor space to that which exists on the site at the moment, indicatively an FSR of 20.4:1 for the site;

(b) include provisions noting the total floor space to be the subject of the competitive design process is 64,654 square metres covering approximately 44% of the site;

(c) include provisions to ensure the requirement to purchase heritage floor space, through the application of accommodation floor space; and

(d) development consent can only be granted if the proposal delivers employment generating uses and includes the removal of the public car park.

Draft Development Control Plan

23. 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:

- maximum building envelope;
- street wall heights;
- setbacks;
- design interface to Chifley Square;
- active frontages;
- wind;
- parking and vehicular access;
- design excellence strategy;
- pedestrian connection through the podium;
- environmentally sustainable development targets; and
- public art.

24. 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.

Lodgement of planning proposal request

25. Ethos Urban, on behalf of the owner, Charter Hall, lodged the request for the planning proposal in September 2021. 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. It is noted that although the Central Sydney Planning Proposal is close to being made, it has not yet been finalised.

26. Site-specific provisions were requested to enable the redevelopment of 2 Chifley Square to include the following key components:

    - a net increase of 44,108 square metres of additional commercial floor space, (including design excellence bonus following a competition) on the site;
    - provide for a new commercial tower to the southern portion of the site;
    - demolition and rebuild of the podium, predominantly the southern portion, which will include floor space for retail uses at lower levels;
    - maximum building height set by The Domain Sun Access Plane; and
    - the street wall height of the podium is proposed to be up to RL 61.1 metres.

27. In preparing their request, the proponent 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.

28. Following lodgement of the planning proposal request, the proposal was referred to the DAP for additional advice. Working with DAP, City staff further refined the building envelope to ensure the location and form of the envelope sits appropriately within its urban context and it has a respectful relationship to adjoining development. Further direction was provided noting the importance of the design excellence process to ensure this highly visible site with its prominent location and the retention of a distinctive office building delivers for Central Sydney.

29. Key elements of the revised envelope are discussed in detail below.

Key Implications

Overall Benefits of the Planning Proposal and Draft DCP

30. The planning proposal and accompanying draft DCP facilitates the redevelopment of the subject site. The key benefits are:

    - opportunity to unlock additional business, office and retail floor space to meet demand in this part of Central Sydney for premium office space and retail uses;
    - a high-quality presentation to Chifley Square;
    - maximisation of ground floor fine grain retail that supports activation of the surrounding public domain;

- continued provision of a pedestrian connection through the podium linking Bent and Hunter Streets;
- ambitious environmental sustainability targets; and
- a reduction in existing car parking including the removal of the existing public car park of approximately 103 spaces.

Consideration of Environmental Impacts

31. The planning proposal is informed by detailed studies prepared on behalf of the proponent, and assessment of potential impacts by the City, including the advice from the City's DAP. The proponent's studies are included as appendices to the planning proposal at Attachment A and will be publicly exhibited as supporting documentation. The key findings of the studies are discussed below.

Building Envelope - Size, Setbacks and height

32. The Central Sydney Planning Framework provides opportunities to modify controls relating to setbacks and building height that result in positive urban design outcomes, and do not result in adverse impacts to public domain amenity, especially wind impacts, daylight levels (or sky view factor) and urban design relationships.

33. The Urban Design Addendum prepared by the City, at Attachment A provides a detailed explanation and assessment of the revised envelope.

34. The revised planning proposal envelope differs from the proponent's requested envelope with regards to size and setbacks above the podium. The revised envelope will improve on the lodged envelope by providing for greater flexibility and design innovation to support an appropriate urban design response to its context, including better views to the sky in Hunter Street, adequate separation to Deutsche Bank Place, and parallel alignment with Macquarie Street. It also provides for modulation as the building rises, like the existing Chifley Tower does.

35. The revised envelope will continue to meet the maximum height, determined by The Domain Sun Access Plane, as well as the maximum street wall height.

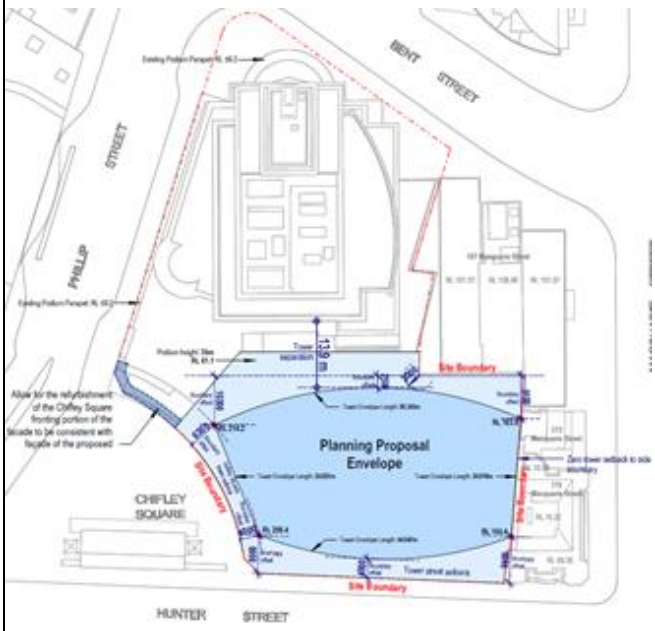
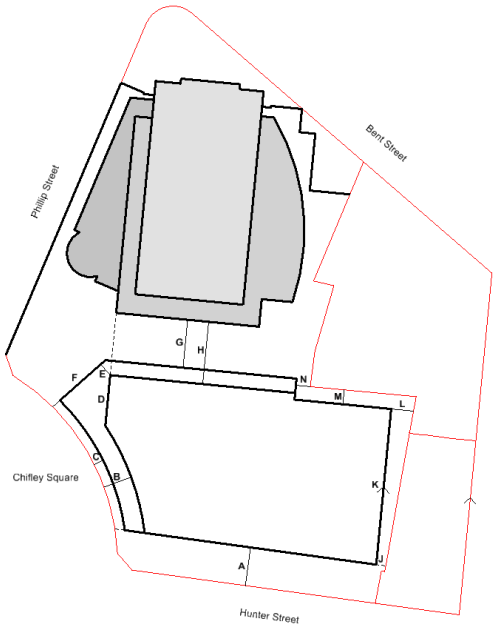
Requested planning envelope	City's planning envelope
	

Figure 7: Comparison of the requested planning envelope on the left and the City's planning envelope on the right

36. In summary, the changes to the proposed envelope are:

- an increased setback to Hunter Street from 4m to 8m;
- a curved setback parallel to the curved geometry of Chifley Square, with a 2 metre setback to a height of 120 metres and 6 metre setback above 120 metres;
- a minimum 2 metre setback to the eastern side boundary and parallel to the Macquarie Street alignment;
- reduced separation to the existing tower, and a geometry that aligns with the site boundaries and the geometry of the existing tower; and
- a separation of 10 metres between the existing Chifley Tower and the proposed envelope to a height of 120 metres, and then a separation of 13 metres above 120 metres.

Public Amenity testing

37. 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 building envelope, in relation to daylight levels (or sky view factor) and wind performance. Any proposed building envelope must achieve an improved performance compared to the base case envelope in order to have a satisfactory impact on public places.

Sky view

38. Sky view testing has been undertaken for the planning envelope, which shows the Sky View Factor is better than the Schedule 11 Procedure B Base Case, and therefore meets the control.

Wind Assessment

39. Wind tunnel testing followed by a desk top study of the City's revised planning envelope considered general wind effects and identifiable localised effects.

40. The study identified that the City's planning envelope is expected to result in wind conditions comparable to previously tested envelopes for this site, and is not expected to result in significant variations in wind effects compared to the existing conditions. It is also expected that the revised scheme will not result in any significant wind effects that would affect safety limits at ground level, surrounding the site.

41. Any potential exceedances in wind comfort levels for the revised planning envelope would be comparable to previous envelopes tested, including the base case model, and these could be addressed at the detailed design development application stage.

42. The draft DCP requires additional wind tunnel testing after a detailed design is established following a full design competition. The draft DCP includes provisions and mitigation measures to ensure public domain conditions are sufficiently addressed.

Overshadowing

43. The height of the proposed planning envelope is consistent with The Domain Sun Access Plane to protect this important public space, and meets the requirements of the existing planning controls.

44. The proposed planning envelope casts some additional shadow to the square in the summer months. Chifley Square is already shadowed in winter. The additional shadow in summer is balanced by the increased setback to Hunter Street, which would allow more early morning sun into Hunter Street between the autumn and spring equinoxes. The overall overshadowing changes are very minor in winter due to the shadows already cast by existing tall buildings surrounding the site, and is therefore considered to be an acceptable outcome.

45. Although Clause 6.19(1)(b) of the LEP doesn't allow any additional overshadowing of Chifley Square between 12 noon and 2pm on certain days of the year, this control is was endorsed to be removed as part of the Central Sydney Planning Proposal. The planning proposal for 2 Chifley has been prepared on the basis that Chifley Square is no longer a protected space under Clause 6.19(1)(b). For clarity, Clause 6.19(1)(b) will no longer apply to Chifley Square once the Central Sydney Planning Proposal comes into effect. A provision has been included in this planning proposal to ensure it does not apply, in the event that there is a delay with the making of the LEP amendment.

View Analysis

46. A view analysis for the proponent's 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. The Urban Design Addendum prepared by the City also considered the view impacts from the City's proposed planning envelope.

47. A proposed tower within the planning envelope will be visible from The Domain and from adjoining streets and public places. It is considered that the proposal will not result in significant impacts on public views due to it being within the maximum height controls for the site, and an acceptable setback to Hunter Street for views along Hunter Street.

Figure 8: View analysis of the planning envelope looking from Hunter Street to the east (left) and from The Domain (right)

Floor Space Ratio

48. This proposal includes the demolition of the southern portion of the podium and a new tower, remodelling of the north podium to integrate with the new tower as well as the retention of the existing tower on the site.

49. The proposal seeks an additional net floor space of 44,108 square metres, including design excellence, providing for an FSR of 20.4:1 across the site. The City's existing controls will apply including accommodation floor space and the requirement for the allocation of heritage floor space, as well as design excellence incentives.

50. The extent of the design excellence process will cover approximately 44% of the site, southern portion, with design excellence to be calculated on the basis of the extent of the site subject to the competition. The total floorspace to be the subject of the competitive design process is 64,654 square metres.

51. The proposed floor space controls are as follows:

    (a) allow an additional 44,108 square metres of floor space to the site (inclusive of design excellence bonus). This would be additional floor space to that which exists on the site providing a maximum floorspace ratio of 20.4:1;

    (b) the existing floor space incentives of heritage floor space and design excellence would apply to the proposed development on the southern portion of the site; and

    (c) the design excellence bonus of 10% is to be based on the extent of the site to be the subject of the design competition if the building demonstrates design excellence.

Traffic and Transport

52. Chifley Square will be serviced by the Sydney Metro City and South-West line upon completion in 2024, with the northern entry to the Martin Place Metro station around 100 metres from Chifley Square. The metro line will operate 15 services an hour during peak periods connecting the CBD to Tallawong in north-west Sydney and Bankstown in south-west Sydney. The recently announced Hunter Street metro station will also be located near the site.

53. The existing basement contains a four-level basement car park and loading dock area. The first basement level contains 13 loading dock spaces, with the three levels below providing car parking with 361 car spaces, including a public car park of 103 spaces. On the first level 200 bicycle spaces and end of trip facilities are provided.

54. Based on the proponent's reference scheme, 34 service vehicle spaces would be required, although only 21 are shown to be provided. The suggested justification is that the loading demand will remain proportionate to the demand for the existing building. This issue will be determined at the detailed design stage and be dependent on the final design of the development.

55. The maximum number of car parking spaces for the site will also be determined as part of the development application process. Noting the reduction in existing car parking, it will be consistent with the City's parking controls in place at the time, and subject to a detailed assessment of traffic and access impacts.

56. The proposal includes the removal of the operation of the commercial public car park, with a DCP clause to be included to ensure that these spaces are not converted to additional tenant car parking spaces on the site. This aligns with the planned delivery of additional rail capacity in coming years for the area to provide additional public transportation in this part of the city.

57. Charter Hall has offered to provide a break-though panel in the basement to provide for shared vehicle access to a basement should the site at 167 Macquarie Street redevelop, subject to agreement with the owner. This would reduce the number of crossovers on the street creating opportunities for more activation and a better pedestrian environment along with a more efficient use of crossovers.

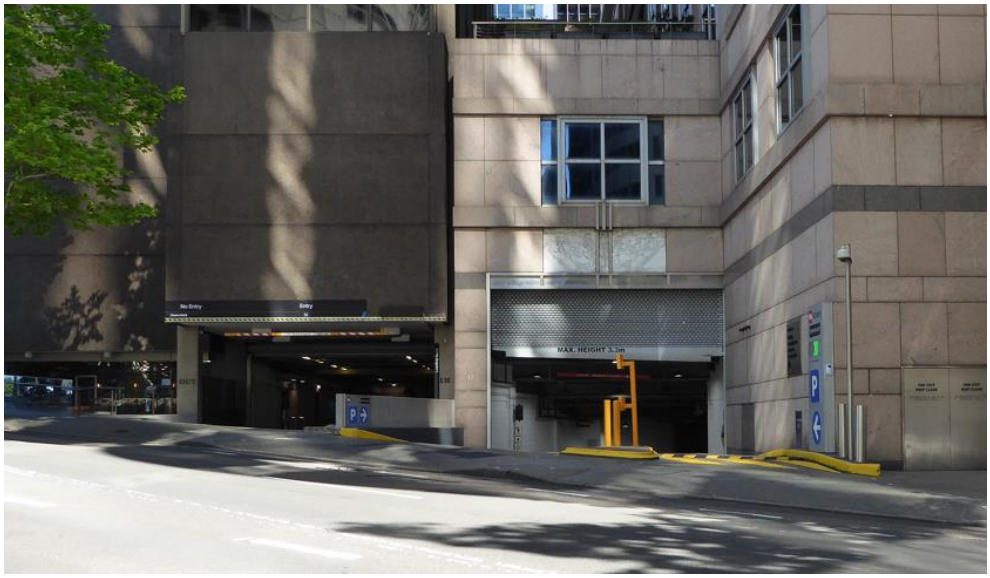


Figure 9: Driveway access to the site, with the driveway for 167 Macquarie Street to the left

Pedestrian Activity and Comfort

58. The proponent's transport study states that the key driver of increased pedestrian demands in the street network is anticipated to be the introduction of Sydney Metro. It is noted there are existing poor conditions (level C or D) along the eastern side of the footpath in Philip Street and Hunter Street/Elizabeth Street intersection. These conditions are expected to continue with the opening of the Martin Place Metro station.

59. Retaining a pedestrian connection through the podium, linking Bent Street to Hunter Street, will assist in maximising the options for pedestrian movement in this part of the city, especially during peak times of the operation of the Metro station.

60. To support attractive and high quality pedestrian environment, controls are also proposed for the DCP to maximise active frontages along Bent, Phillip and Hunter Street as part of future redevelopment of the site.

61. The transport study notes that other improvements to pedestrian comfort could be achieved through reconfiguration of Chifley Square, or increased pedestrian space at the corner of Hunter and Elizabeth Street, adjusting signal phase timing and increased pedestrian crossing line widths. These works and actions would need to be undertaken by the City or NSW Government and are not part of this proposal. The City's Public Domain North Plan guides upgrades in this part of Central Sydney and the forth coming Central Sydney Contributions Plan includes public space upgrades in City North in the works list. The development will provide a contribution to public infrastructure in line with the draft Central Sydney contributions plan.

Public domain

62. The draft DCP sets out controls to provide a high quality unified presentation to Chifley Square, as well as maximising active frontages with retail and business uses at ground level to Phillip, Bent and Hunter Streets.

63. In addition to a contribution in line with the draft Central Sydney Contributions Plan of 3% of capital investment value, a contribution of $900,000 towards public domain upgrades in or around the square is part of the public benefit offer. The draft Contributions Plan includes public space upgrades in City North in the works list attached to the draft Plan and will inform the expenditure of these funds.

64. Charter Hall note there could be an opportunity as part of the detailed design stage to discuss with Council the potential for removing the existing steps for improved integration with Chifley Square. However, any changes to Chifley Square would require consideration and endorsement by the Council and will need to address the following:

    - stormwater/flooding impacts;
    - impact on public artworks;
    - impacts of loss of income or investment by the city for the café located within the square at 1 Chifley Square; and
    - impacts on trees.

Heritage

65. The site is not identified as a heritage item but is located within the Chifley Square Special Character Area. A number of heritage items adjoin the site, including Chifley Square, a local heritage item. Wyoming and Horbury House, which are local items, are located to the east in Macquarie Street. The former Qantas House, a State item, is located on the western side of Phillip Street, along with the Wentworth Hotel, a local item.

66. The podium heights and tower setbacks of the City's planning proposal allows for a future development that is capable of relating sympathetically to these heritage items in terms of building separation and height.

Design Excellence

67. 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, in addition to its built form controls, establishes a design excellence strategy which includes provisions for a full architectural design competition for the site.

68. The City's Design Advisory Panel (DAP) provided considerable input on the proposal at the pre-lodgement stage, and following lodgement of the planning proposal request. This advice informed the revised planning envelope, and considerations for the requirements of a design competition brief. Specifically, the advice included that the design competition brief consider the architecture and materials of the existing Chifley Tower to create a cohesive urban ensemble. These have been included in the DCP.

69. Noting the competition is limited in extent to the southern portion of the site, the design excellence bonus will be apportioned based on the percentage of the site that will be subject to the design competition.

Planning Agreement

70. Section 7.4(1) of the Environmental Planning and Assessment Act 1979 (Act) enables a proponent who is seeking a change to the LEP 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.

71. 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.

72. The offer from the proponent at Attachment C to this report outlines the public benefits as part of this proposal. It includes:

    - monetary contribution towards community infrastructure which aligns with and offsets the 3 per cent required under the forthcoming Central Sydney Contributions Plan and payable at construction certificate stage;

    - provision of on-site public art;

    - driveway break-through panel adjoining 167 Macquarie Street to be available for shared driveway access if that site redevelops;

- an offer of $900,000 for public domain upgrades to Chifley Square or public domain in the vicinity of the site; and

- leading environmental sustainability commitments including delivery of a minimum 6 star Green Star Building rating, and that a future building is capable of meeting the City's net zero energy requirements.

73. 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.

Strategic Alignment

Strategic Alignment - Central Sydney Planning Strategy

74. 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.

75. 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.

76. 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 commercial and business floor space in the City Core precinct, increasing the capacity and contributing to growth and competitiveness of Central Sydney.

    (b) Key Move 2: Ensure development responds to context - by ensuing 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.

    (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 - the proposed built form responds to nearby heritage, public spaces such as Chifley Square, and surrounding streets.

    (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.

Strategic Alignment – Regional and Local Planning

77. 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.

78. 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 business, office and retail generating floor space close to existing and planned transport connections, including the Martin Place Metro station. It will also provide additional premium office space within the City Core 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

(ii) Local Strategic Planning Statement Priorities

a. P1 - Growing a stronger, more competitive Central Sydney

(b) **Liveability -** the planning proposal includes the maximisation of retail activation and provision of a pedestrian connection through the site to improve the amenity of 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

(ii) Local Strategic Planning Statement Priorities

a. L2 - Creating great places

(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

(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 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

(ii) Local Strategic Planning Statement Priorities

a. S2 - Creating better buildings and places to reduce emissions and water and use water more efficiently

Strategic Alignment- Sustainable Sydney 2030

79. 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 [choose an item] 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 provides a road map for the City to become 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 Circular Quay, Wynyard, and Martin Place train stations, bus stops, light rail stops and the future Martin Place Metro station, and new future Metro station in Hunter Street.

(d) Direction 4 - A City for Walking and Cycling - the existing development provides a though site link connecting Bent Street with Chifley Square and Hunter Street. The DCP will include a control for pedestrian connections through the podium to be retained, linking Bent Street with Hunter Street.

(e) Direction 5 - A Lively and Engaging City Centre - the draft DCP will have controls to support activation in this part of the city, contributing to a livelier, engaging city, including active frontages at key locations, pedestrian connections through the site, and delivery of public art.

(f) Direction 6 - Resilient and Inclusive Local Communities - this planning proposal will enhance the City Core precinct with increased business opportunities for investment, employment and opportunities for upgrading the quality of the 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 9 - Sustainable Development, Renewal and Design - future development will go through a design competition and be required to achieve sustainability benchmarks.

Relevant Legislation

80. Environmental Planning and Assessment Act 1979.

81. Environmental Planning and Assessment Regulation 2000.

Critical Dates / Time Frames

82. 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.

83. 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 provide the general date for the completion for the amendment to the LEP.

84. 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.

85. Following public authority consultation and public exhibition, the outcomes will be reported back to Council and the Central Sydney Planning Committee.

Public Consultation

86. 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.

87. 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.

88. The planning proposal, draft DCP and draft planning agreement will be publicly exhibited online on the City of Sydney website and in accordance with the Environmental Planning and Assessment Regulation 2000.

GRAHAM JAHN, AM

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