

Item 7.

Public Exhibition - Planning Proposal - Pitt and Hunter Streets, Sydney - Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012 Amendment

File No: X038757

Summary

A planning proposal has been prepared for 15-25 Hunter Street and 105-107 Pitt Street, 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 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.

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 infrastructure.

Under the Strategy, site specific planning proposals within guidelines set by the City are one of the mechanisms to implement its objectives. This enables the private sector to bring forward bespoke site amalgamations for a collaborative planning process with the City.

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, and commands the highest rents. As Sydney's most prestigious office sub-market, the quality of tenant amenity and the public domain is critical to maintain this market position. The site also adjoins one of two over-station developments that will service the Hunter Street Metro station.

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. The key controls enable development of:

- approximately 46,000 square metre commercial office tower, approximately 52 storeys in height and within the Martin Place Sun Access Plane;
- a podium to match to the height of the former Pangas House, which will be undeveloped and heritage listed as part of this proposal, and be sympathetic to adjoining podiums in Pitt Street;
- a publicly accessible 24/7 through-site link connecting Hunter and Pitt Street, with fine-grain retail premises; and
- ecologically sustainable development benchmarks to ensure an energy efficient building is delivered.

The planning proposal also seeks to list 15-17 Hunter Street, formerly known as Pangas House, in Schedule 5 – Environmental Heritage of the LEP, as a local heritage item.

The Milligan Group, with the agreement of the owners of the site, has submitted a public benefit offer to enter into a planning agreement which includes ensuring payment of the 3 per cent developer contribution prior to construction certificate stage, as well as sustainability commitments and the provision of a through site link and public art.

This report recommends approval of the planning proposal for submission to the Department of Planning 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.

Recommendation

It is resolved that:

- (A) the Central Sydney Planning Committee approve Planning Proposal – 15-25 Hunter Street and 105-107 Pitt 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) the Central Sydney Planning Committee approve Planning Proposal – 15-25 Hunter Street and 105-107 Pitt Street, 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) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage, Environment and Planning Committee on 20 June 2022 that Council seek authority from the Minister for Planning and Homes 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 – 15-25 Hunter Street and 105-107 Pitt Street, Sydney;
- (D) the Central Sydney Planning Committee note the recommendation to Council's Transport, Heritage, Environment and Planning Committee on 20 June 2022 that Council approve the Draft Sydney Development Control Plan 2012 – 15-25 Hunter Street and 105-107 Pitt 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 – 15-25 Hunter Street and 105-107 Pitt 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 – 15-25 Hunter Street and 105-107 Pitt Street, Sydney Amendment to correct any drafting errors or ensure it is consistent with the Planning Proposal following the Gateway Determination; and
- (G) authority be delegated to the Chief Executive Officer to prepare and exhibit a draft planning agreement in accordance with the letter of offer dated 1 April 2022 at Attachment C to the subject report and the requirements of the Environmental Planning and Assessment Act 1979.

Attachments

- Attachment A.** Planning Proposal – 15-25 Hunter Street and 105-107 Pitt Street, Sydney - Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012 Amendment, and appendices
- Attachment B.** Draft Sydney Development Control Plan 2012 – 15-25 Hunter Street and 105-107 Pitt Street, Sydney
- Attachment C.** Planning Agreement - Public Benefit Offer - 15-25 Hunter Street and 105-107 Pitt Street, Sydney

Background

1. To maintain and strengthen Central Sydney's status as a globally competitive city, it must continue to attract business investment and an attractive 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 Central Sydney Planning Strategy (the Strategy), adopted by Council in December 2020.
2. The Strategy's objectives are intended to be achieved in part through site specific planning proposals. This process enables the private sector to amalgamate sites and collaborate with the City on development propositions that meet the City's guidelines and realise the Strategy's objectives.
3. Increasing the capacity for business and employment in Central Sydney is crucial for supporting a robust, resilient and competitive economy for Central Sydney, New South Wales and the nation. Capacity for new businesses and employment growth facilitates opportunities for investment and development projects with a global focus. This is particularly important in the current climate, noting the need to plan for development throughout and after the Covid-19 pandemic.
4. The Strategy incentivises floor space for business, economic activity and employment 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.
5. The planning proposal request for the site comprising 17-25 Pitt Street and 105-107 Pitt Street (the Site) was prepared by the applicant, Ethos Urban, on behalf of Milligan Group, and formally lodged in March 2022. The planning proposal request is to facilitate the redevelopment of the site consistent with the Strategy by increasing employment floor space for new commercial, retail and other business uses. The proposal will include early provision of developer contributions to fund improvements to infrastructure and the public domain, along with sustainability commitments, a through site link and public art.
6. 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 and commands the highest rents. 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 this market position. The planning proposal facilitates the delivery of a boutique A-grade development that is served by the new Hunter Street Metro station that adjoins the western boundary of the site.

The site

7. The site is irregular in shape and has a total area of 2,108 square metres. It consists of five properties, (with one property comprising 3 lots) as detailed in Table 1.

Address	Lot reference
15-Hunter Street	Lot A DP 109825 Lot B DP 109825 Lot 1 DP 630190
19-21 Hunter Street	Lot 1 DP 59754
23 Hunter Street	SP 69888
105 Pitt Street	SP 60693
107 Pitt Street	Lot 1 DP 63968

Table 1: Properties comprising the site

8. A diagram and aerial image of the subject site and surrounds are shown in Figure 1 and Figure 2 below.



Figure 1: Site Location showing the site outlined in red



Figure 2: Aerial Photo of the Site with the site outlined in red

Existing development on the site

9. There are five buildings currently located on the site. These are:
- 15-17 Hunter Street: formerly known as Pangas house, this is a four storey building with ground floor retail and commercial uses above,
 - 19-21 Hunter Street: this is a four to five storey building with ground floor retail and commercial uses above,
 - 23 Hunter Street: this is a 15 storey commercial building with retail on the ground floor,
 - 105 Pitt Street: this is an eight storey commercial building with retail at ground, and an extra level below ground level via stairs. This property includes Empire Lane off Pitt street, which is not a public laneway, but on the title of 105 Pitt Street. It provides vehicle access to basement parking for this property,
 - 107 Pitt Street: this is an eight storey building with retail at ground floor retail and commercial uses above.



Figure 3: Subject site on the corner of Hunter and Pitt Streets, looking south along Pitt Street



Figure 4: Subject site on the corner of Hunter and Pitt Streets, looking west along Hunter Street

Adjoining development

10. Development adjoining the site is as follows:

- West: adjoining the western boundary of the site is 7-13 Hunter Street known as the Hunter Connection, with retail on lower levels and office above. Further west in Hunter Street is 5 Hunter Street which is a 12 storey commercial building with retail on the ground floor, and 296 George Street which is a 3 storey state heritage listed building known as the Former Skinners Family Hotel.
- South: adjoining the southern side of the site is 109-113 Pitt Street which is a 15 storey commercial tower above a 5 storey podium with ground floor retail and lobby. This site includes a public commercial car park, with driveway crossover immediately to the south of 107 Pitt Street.
- North: there are a number of properties on the northern side of Hunter Street opposite the site, including heritage items:
 - 20 Hunter Street is a 17 storey commercial building with retail and lobby on ground floor,
 - 30-32 Hunter Street is a six storey State heritage listed building known as the Grand Hotel with ground floor bar, and hotel accommodation,
 - The laneway between 20 Hunter Street and 30-32 Hunter Street is known as Hamilton St, which is a State heritage listed laneway,
 - 97-99 Pitt on the corner of Pitt and Hunter Streets is the “The Tank Stream” hotel, which is 14 storeys, ground floor with retail and reception.
- North East: opposite the site fronting Pitt, Hunter and O’Connell Street is the state heritage listed building known as the Former Wales House, currently used as the Radisson Blu Hotel.
- East: the opposite side of Pitt Street includes the following:
 - 68 Pitt Street – commercial tower with ground floor retail,
 - 70 Pitt – 10 storey, ground floor retail, commercial above,
 - 72 and 74 Pitt Street – pair of buildings with historic façades but not heritage listed.



Figure 5: North of the site, in Hunter Street, including the sandstone Radisson Blu Hotel building



Figure 6: East of the site, looking to the south-east corner of Hunter and Pitt

Development intent for the site

11. An indicative development scheme has been prepared by the applicant is shown in figures 7 and 8. The scheme envisages a new commercial tower up to the height of the Martin Place Sun Access Plane which is approximately 52 storeys at its maximum point.
12. The indicative development proposes approximately 46,000 square metres of floor space for commercial uses including office, retail and other business uses.



Figure 7: Proponent's reference scheme looking south west to the corner of Pitt and Hunter Streets



Figure 8: Proponent's reference scheme looking east along Hunter Street

Design Advisory Panel - pre lodgement design review

13. The proposal was referred to the City's Design Advisory Panel (DAP) February 2021, and in November 2021 following amended plans, prior to lodgement. The City's DAP made a number of comments and recommendations for the proposal presented in November 2021. These included:
 - support for the commitment to heritage list 15-17 Hunter Street and noted the need to acknowledge the heritage listed Tank Stream in the public domain;
 - the pedestrian priority laneway with outdoor dining should avoid conflicts with vehicle access and servicing requirements. In addition, vehicle queuing and courier spaces in the pedestrian priority lane is not acceptable;

- issues with flooding and universal access in the laneways need to be resolved;
 - the number of car parking spaces for private vehicles should be minimised to reduce demand for vehicle access and potential queuing issues with the vehicle stacking arrangement;
 - the City's work on a public domain strategy for Hunter Street should be considered including issues with flooding and universal access;
 - concern about how five underground levels will interface with the Tank Stream tunnels, the viability of underground retail if it is not connected to the Metro station and the further impact on loading and servicing issues;
 - any through-site pedestrian links to the future Metro to the west will need core coordination regarding access widths and levels;
 - planning envelope should provide the recommended 15 per cent articulation provision; and
 - cycle access and amenity should be reviewed as there appears to be a conflict with vehicles and pedestrians.
14. The proponent's proposal for the site was amended following the DAP meeting to respond to the concerns raised by the panel.

Lodgement of planning proposal request

15. On 24 March 2022, the planning proposal request was formally lodged. The request seeks to insert site-specific provisions in the Sydney Local Environment Plan 2012 (LEP) in line with the City's recently adopted Central Sydney Planning Framework.
16. Site-specific provisions were requested to enable development of the site for:
- a new commercial tower consisting of approximately 46,000 square metres of commercial floor space, which will include floor space for retail and other business uses at the podium level, and below ground;
 - maximum building height set by the Martin Place Sun Access Plane. The street wall height of the podium is proposed to match the height of 15-17 Hunter Street, and be sympathetic to the street wall heights in Pitt Street to the south; and
 - provision of ground floor retail and other active uses fronting a through-site link and improved pedestrian environment.
17. The proposal includes the listing of Pangas House as a local heritage item in the LEP.
18. In preparation of their request, the proponent 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.

Planning proposal - amendments to the LEP

19. The planning proposal at Attachment A proposes to amend the LEP to insert new site-specific provisions for 15-25 Hunter Street and 105-107 Pitt Street under Division 5 Site specific provisions. The provisions are as follows:
- (a) allow maximum floor space ratio of up to 22:1 above ground (inclusive of any design excellence bonus) comprising:
 - (i) mapped floor space of 8:1;
 - (ii) accommodation floor space of 4.5:1;
 - (iii) site specific floor space of 7.5:1; and
 - (iv) additional floor space up to 10 per cent if the proposal demonstrates design excellence, to a maximum floor space ratio of 22:1;
 - (b) allow a maximum floor space of 2:1 below ground, ineligible for design excellence bonus; and
 - (c) development consent can only be granted if the proposal delivers employment generating uses and a through-
 - (d) site link.
20. The planning proposal also seeks to list 15-17 Hunter Street, formerly known as Pangas House, in Schedule 5 – Environmental Heritage of the LEP, as a local heritage item.

Draft development control plan

21. 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 including setbacks and street wall heights;
 - through site link with opening to the sky;
 - active frontages;
 - parking and vehicular access;
 - design excellence;
 - environmentally sustainable development targets over and above the existing controls; and
 - public art.

Key Implications

Overall Benefits of the Planning Proposal and Draft DCP

22. The planning proposal and accompanying draft DCP facilitates the redevelopment of the subject site. The key benefits are:
- opportunity to unlock additional business and employment floor space to meet demand in this part of Central Sydney for high quality office space, retail and other business uses;
 - maximise ground floor fine grain retail that supports activation of the surrounding public domain, and a through-site link between Hunter and Pitt Streets; and
 - ambitious environmentally sustainable development targets.

Consideration of Environmental Impacts

23. The planning proposal is informed by detailed studies prepared on behalf of the applicant, and assessment of potential impacts by the City, including the advice from the City's Design Advisory Panel. 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.

Planning Envelope - Size, Setbacks and Height

24. The Central Sydney Planning Framework provides opportunities to modify controls relating to setbacks and building height that result in a positive urban design outcomes, and do not result in adverse impacts to public domain amenity, especially wind impacts and daylight levels (or sky view factor).
25. The assessment of the proposed envelope resulted in the requested floor space ratio above ground being reduced from 22.26:1 to 22:1, and the resulting maximum gross floor area above ground reduced from 46,927 square metres to 46,376 square metres. This ensures that the articulation requirements for the envelope will still be achieved, and provides sufficient allowances for building efficiency and floor heights.
26. The proposed planning envelope for the site seeks to vary the following controls:
- street wall height; and
 - tower setbacks to street and side boundaries.
27. The podium of the proposed envelope has been designed to be consistent with the height of former Pangas House on the Hunter Street frontage, and sympathetic with the height of the podium on the adjoining property in Pitt Street.
28. The proposed envelope includes tower setbacks of 4m to Hunter Street and 7-8m to Pitt Street. Side setbacks are 4m to the south, and 5m (generally) to the west. Upper level setbacks of the envelope are tapered to ensure adequate daylight and views to the sky. These variations to the setback controls are in accordance with Schedule 11 (later to become Schedule 12) of the draft Central Sydney DCP and achieve an equivalent or better outcome in terms of wind and daylight. Figures 9 and 10 show the dimensions of the planning envelope.

29. The planning envelope includes an articulation allowance of 15 per cent to address the issues raised by DAP and allow for flexibility in the planning envelope for the design competition phase of a future development on the site.

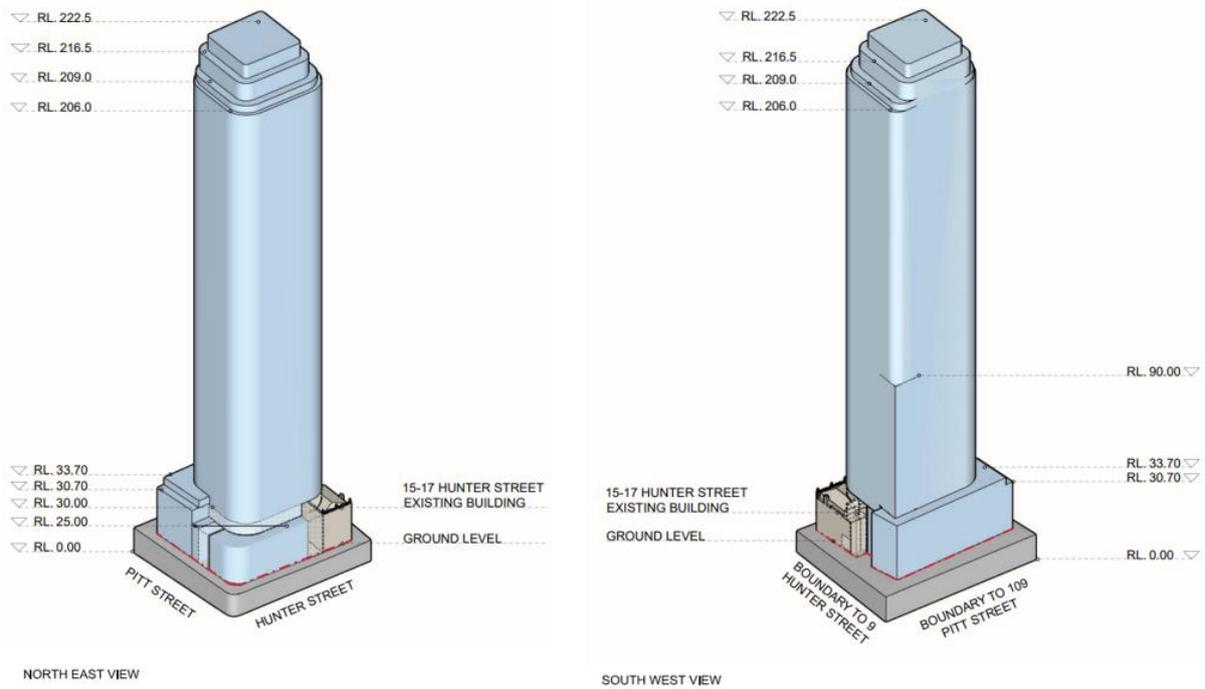


Figure 9: Axiomatic view of the planning envelope

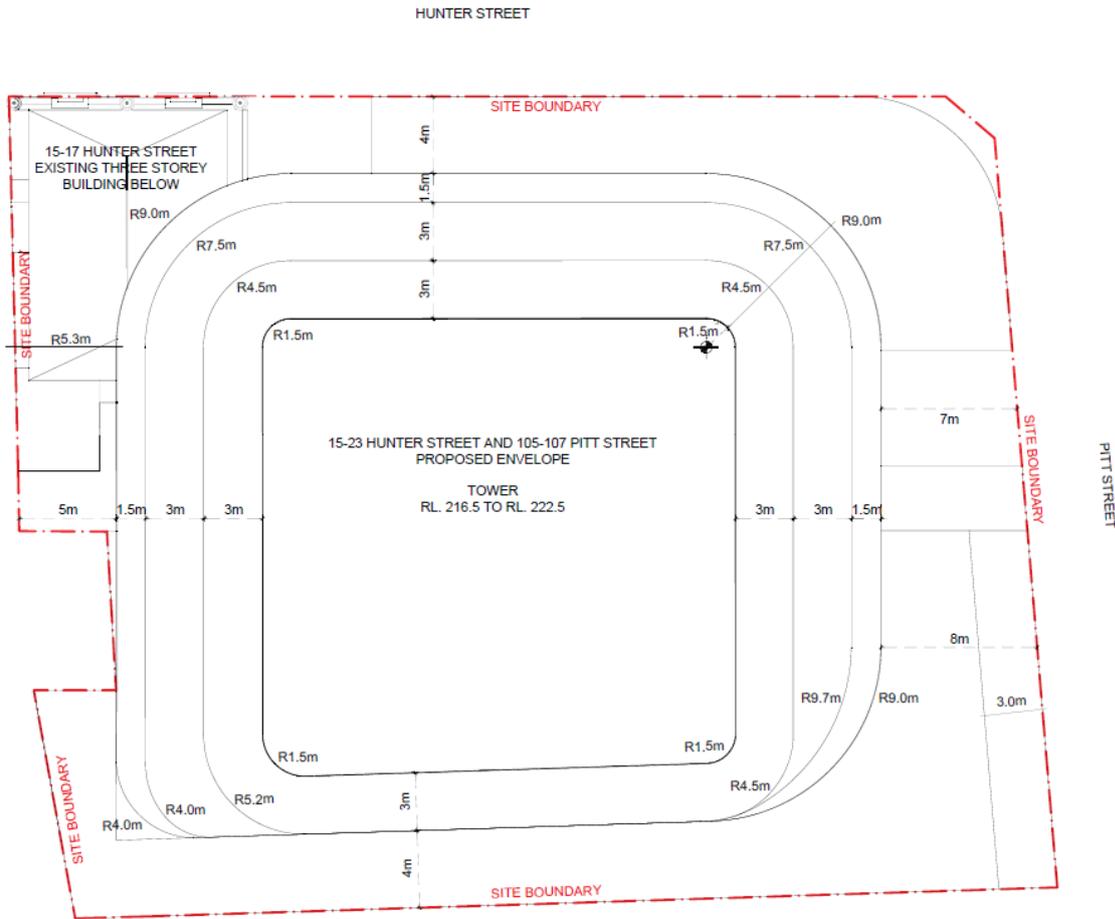


Figure 10: Setbacks of the planning envelope

Public Amenity Testing

30. The amenity assessment in Schedule 11 (later adopted as Schedule 12) of the 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 to have a satisfactory outcome for public places.
31. Discussions on the proposal had been underway for some time prior to the finalisation of the Central Sydney Planning Framework, when modifications were made to the Schedule 11, and was later adopted as Schedule 12. Noting that discussions and significant planning had been carried out in good faith on the basis of the earlier version of the Schedule, these assumptions were carried forward in this instance.

Sky view

32. The Sky View Factor Report prepared by BIM Consulting found the proposed envelope results in a minor improvement compared to the Schedule 11 Procedure B Base Case envelope, and therefore meets the control.

Wind Assessment

33. A wind assessment report was prepared by MEL Consultants and is included as an attachment of this report. The wind tunnel testing found the proposed planning envelope retained the same wind comfort standard as the base case envelope, which is suitable for pedestrian standing activities.
34. The wind tunnel testing however found that the proposed planning envelope resulted in a worse outcome compared to the base case model for wind speed. As the base case envelope did not include the proposed through-site link, the City agreed to refined testing so that both envelopes included the through-site link, and did not penalise the proposed envelope for including this beneficial design feature. The resultant CFD wind testing found that the proposed planning envelope would result in an improved wind speed compared to the base case envelope.
35. 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.

Overshadowing

36. The height of the proposed planning envelope is below the Martin Place Sun Access Plane to protect this important public space, and meets the requirements of the existing planning controls.
37. A detailed solar access and overshadowing analysis will be included as part of a development application for a new tower on the site to demonstrate that the impacts will meet the requirements of the existing planning controls.

View Analysis

38. A view analysis for the proposed reference scheme is included in the Urban Design Report appendix to the planning proposal, which explored the visual impact of the design from key viewpoints in Central Sydney.
39. The proposed tower will be visible from adjoining streets and public places. It is considered that the proposal will not result in significant impacts on public views due to the setbacks of the tower of 4m to Hunter Street and 7-8m to Pitt Street, as well as the setback to the western boundary of approximately 5m, which varies due to the irregular shaped boundary.
40. It is considered that the proposal will not result in significant impacts on views, including looking east along Hunter Street, and north along Pitt Street towards the heritage listed Radisson Blue hotel building on the corner of Pitt, Hunter and O'Connell Streets.

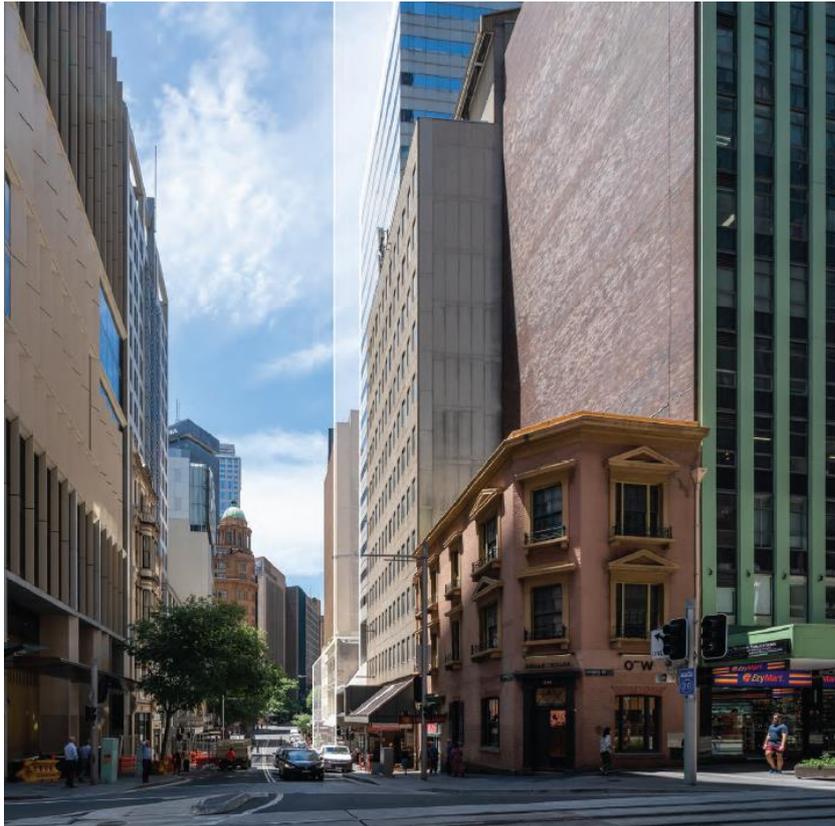


Figure 11: View analysis of planning envelope, looking east along Hunter Street

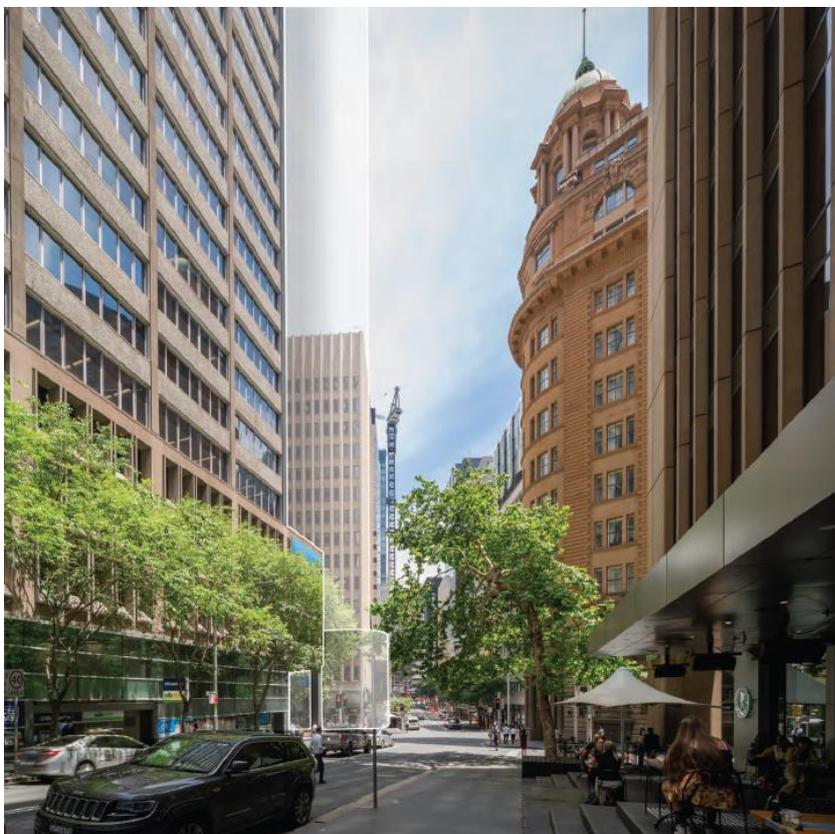


Figure 12: View analysis of planning envelope, looking north along Pitt Street

Through-site link

- 41. The proposal includes a pedestrian through-site link to connect Pitt and Hunter Street and provide for potential access to the Metro station west of the site. Controls will be included to ensure that a through-site link with 24/7 public access is delivered if the additional FSR controls are used.
- 42. The design of the through-site link includes an opening for natural daylight. This is achieved through the gap between the podium and the tower fronting Hunter Street.
- 43. The proposed location of the through-site link from Pitt Street is slightly north of the existing Empire Lane, which has historical significance as the service lane for Regent Terraces around the 1830s, and is a rare example of the survival of an early Victorian era lane in the northern CBD. It is recommended that the future development on the site improve the alignment, where possible, of the east west component of through-site link, by moving the link further south. The preferred alignment is shown at Figure 14.



Figure 13: Proponent's reference scheme showing indicative ground floor plan including through-site link and connection to future Metro to the left of the diagram

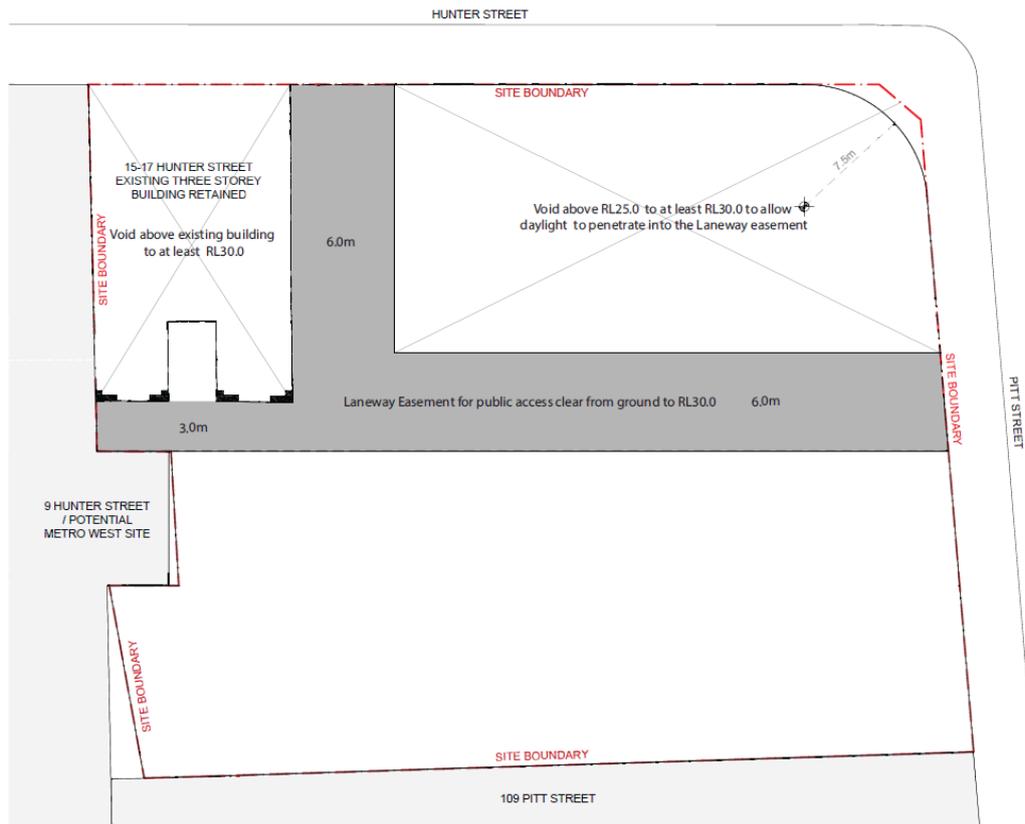


Figure 14: Recommended location of the through-site link within the site

44. The planning proposal request sought internal bridges to be provided within the through-site link, above 9.5 metres, approximately the third level of the podium. At the initial DAP consideration they did not support a bridge over the through-site link on level 1 nor level 2. To ensure the through-site link achieves a high level of functionality and amenity, it is recommended that the draft DCP include provisions for any pedestrian bridge to be provided for the upper floor of the podium only, with a maximum dimension of 3 metres in width, and be constructed of lightweight and visually permeable materials.
45. The design details of the through-site link will be addressed through controls included in the DCP for the site.

Traffic and Parking

46. The site will be serviced by the Sydney Metro West with the future Hunter Street station to adjoin the western boundary of the site. The proposals for the Metro station and over-station development are currently under assessment by the City.
47. A second Metro line, the Sydney Metro City and South-west line is due to be completed in 2024. The Martin Place Metro station includes an entrance in Hunter Street, within 200m of the site. This 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.

48. The car parking and service vehicle parking numbers will be assessed under the controls for these in place at the time the development application for the detailed development stage is lodged.
49. The proponent's reference scheme includes a basement containing a total of 16 service vehicle spaces, with lower levels providing bicycle spaces and end of trip facilities. A total of 41 private vehicle spaces by a car-stacker facility is proposed, which is the maximum number of spaces that can be provided under the current controls. Access is proposed from a new driveway from Pitt Street in the southern part of the site.



Figure 15: Reference scheme indicative Pitt Street frontage including driveway access and through-site link

50. The number of bicycle parking and end of trip facilities proposed in the reference scheme is acceptable, however a future application to redevelop the site would need to demonstrate that access to these would meet the City's requirements.
51. 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.

Public Domain treatments

52. The current Sydney DCP 2012 identifies active frontages on the Hunter and Pitt Street boundaries of the site, and the proposed reference scheme identifies how this could be delivered to ensure adjoining public spaces.
53. The subject site is close to several upgrades to the pedestrian, cycle and road network, including the cycle path along Pitt Street.

54. No additional controls are recommended for this proposal.

Heritage

55. The Tank Stream, which includes tanks and tunnels, runs underneath a portion of the site, including below former Pangas House at 15-17 Hunter Street.
56. The building at 15-17 Hunter Street, formerly known as Pangas House, is proposed to be listed as a local heritage item in the LEP. This building will be retained, conserved, and adaptively reused as part of any future development on the site.
57. The City had been considering including this property as a heritage item in the LEP for some time and worked closely with the proponent to retain the building, include its heritage listing into their planning proposal, and encourage its adaptive reuse and incorporation into the proposed tower development.
58. While the proposed envelope in the planning proposal retains the former Pangas House, some minor demolition is likely to occur at the lower levels at the rear of the structure and a future application will include an improved presentation to Hunter Street at ground level and are acceptable towards the rear. No sub-surface/ excavation works are proposed beneath the buildings due to the proximity of the Tank Stream. The proposed tower form partly cantilevers over the proposed heritage building. Overall, the proposed extent of works will have limited impact upon the heritage significance of the property, and its incorporation into the development, conservation and adaptive reuse will have a positive heritage impact.



Figure 16: Former Pangas House at 15-17 Hunter Street

59. Potential impacts on heritage items, including the Tank Stream, will need to be considered in detail as part of the development application for the future development on the site.
60. Heritage listed buildings are located opposite the site to the north, including 64-66 Pitt Street which is a State item known as Wales House and currently used a Radisson Blu hotel. The Grand Hotel building at 30-32 Hunter Street is also a State item. Hamilton street, which is a laneway off Hunter Street adjoining the Grand Hotel, is also a State listed item.



Figure 17: Heritage items opposite the site in Hunter Street

61. The podium heights and tower setbacks offer a built form that sympathetically relates to the adjoin heritage items.

Pedestrian activity and comfort

62. The planning proposal is accompanied by a Preliminary Pedestrian Comfort Assessment which assessed the impacts of the proposed scheme on the pedestrian condition along the site frontages to Pitt and Hunter Streets. This has assessed pedestrian comfort using the City of Sydney's methodology.
63. For an Office and Retail precinct, an acceptable Pedestrian Comfort Level is anything above C minus. The current condition was rated at grade C or higher. This means that the pedestrian environment is becoming increasingly uncomfortable, with the majority of people experiencing conflict or closeness with other pedestrians and movement in opposite directions becoming difficult.

64. The report anticipates that as a result of future development on the site, there will be an increase in the number of pedestrian movements along the site frontage. With the inclusion of the through-site link, which is considered to be used for approximately 10 per cent of pedestrians in this location, the Hunter and Pitt Street frontages will maintain a grade C or higher rating.

Flooding

65. The site is flood affected along the northern and eastern boundaries, adjoining Hunter and Pitt Streets, especially the low point in Hunter Street (in the vicinity of the Tank Stream location). Due to the slope of the land, this creates a high flood hazard risk. The reference scheme has indicated finished floor and ground levels up to RL 10.7 metres, which have been used to inform the floor area for the site.
66. A future development application for the redevelopment of the site under the proposed controls would need to demonstrate that the application would meet the City's relevant flood controls, including Council's Interim Flood Guideline 2014.

Design Excellence

67. Future development on site will be subject to an architectural design competition consistent with clause 6.21 of the LEP 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

68. 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 public register.
69. 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.
70. The offer from the proponent at Attachment C to this report outlines the public benefits as part of this proposal. It includes:
- securing payment of the three per cent development contribution required under the Central Sydney Contributions Plan prior to construction certificate stage;
 - creation of an access easement for a publicly accessible through-site link between Hunter and Pitt Streets;
 - provision of on-site public art; and
 - environmental sustainability commitments including delivery of a minimum 6 star Green Star Building rating, and ensures that development includes net zero energy operation.

71. 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 in accordance with the Act, being at the same time as the planning proposal or as soon as is practicable. Noting the complex landownership and planning proposal timeframes imposed by the NSW Government, some flexibility in the timing of the exhibition may be needed. However, the planning proposal will not be progressed to finalisation until the planning agreement is also finalised and registered on the land title.

Strategic Alignment

Strategic Alignment - Central Sydney Planning Strategy

72. 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.
73. 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.
74. 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 business and employment floor space in the City Core precinct, increasing the capacity and contributing to economic 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 - this proposal secures 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
 - (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

75. 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.
76. 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 George Street and Martin Place Metro stations. 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 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 publicly accessible through site link 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 new and 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

77. 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 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 which are also secured by the planning agreement.
 - (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 Wynyard, and Martin Place train stations, bus stops, light rail stops and the future Sydney Metro West Hunter Street and Martin Place Stations.

- (d) Direction 4 - A City for Walking and Cycling - the existing development provides a though site link connecting Pitt and Hunter Streets and provides for a potential link to the Sydney Metro West Hunter Street Station development adjoining the western boundary of the site. The site also adjoins the Pitt Street cycleway, providing ease of cycling access to the site.
- (e) Direction 5 - A Lively and Engaging City Centre - the development control plan will include a number of controls including future development to include active frontages at key locations, pedestrian through site link, and provisions for the delivery of public art to support activation to this part of the city, contributing to a livelier, engaging city.
- (f) Direction 6 - Vibrant Local Communities and Economies - Vibrant local communities and economies - this planning proposal will enhance the City Core precinct with increased business opportunities for investment, employment and opportunities for 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 9 - Sustainable Development, Renewal and Design - future development will be subject to the attainment of key sustainability benchmarks.

Relevant Legislation

- 78. Environmental Planning and Assessment Act 1979.
- 79. Environmental Planning and Assessment Regulation 2000.

Critical Dates / Time Frames

- 80. 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 and Environment in accordance with section 3.34 of the Act for a Gateway Determination to proceed with consultation or resubmit the planning proposal. The Gateway will set timeframes for the exhibition and completion of the planning proposal.

Public Consultation

- 81. 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 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.
82. It is likely that the public exhibition for the planning proposal would be a minimum of 20 working days (which excludes weekends and public holidays), with notification in accordance with the Gateway Determination and the City's Community Participation Plan. The draft Planning Agreement and draft DCP will be exhibited for 28 days.
83. 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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