

2 February 2018

Ms Monica Barone
 Chief Executive Officer
 City of Sydney
 GPO Box 1591
 Sydney NSW 2001

Architecture
 Urban Design
 Planning
 Interior Architecture

**RE: 4-6 Bligh Street, Sydney
 Planning Proposal Addendum**

Dear Ms Barone,

I write on behalf of our client, One Investment Management Pty Limited ATF Recap IV Management No. 4 Trust, being an affiliate of SC Capital Partners Group (collectively “SC Capital Partners Group”), landowner of 4-6 Bligh Street Sydney.

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This letter is intended as an addendum to the Planning Proposal which was considered as part of the Rezoning Review process and is intended to address the concerns of Council as raised in the email from Andrew Thomas, A/ Director City Planning, Development & Transport, dated 22 January 2018 (**Attachment A**), and the corresponding meeting held between the applicant and City of Sydney staff on 30 January 2018 (Meeting minutes provided at **Attachment B**).

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This letter is intended to be read in conjunction with the Planning Proposal and supporting documentation and provides further information in relation to the following matters:

- Amend the site area of the subject site (detailed survey provided at **Attachment C** to the Planning Proposal);
- Clarification of the maximum floor space ratio (FSR) being sought by the Planning Proposal and the quantum of floor space proposed for each of the proposed uses and amendments to the Reference Design to reflect this;
- Confirm the commitment of the applicant to undertake an invited design competition in accordance with the City of Sydney’s *Competitive Design Policy*;
- Confirm the applicant’s commitment to industry best practice energy and water standards;
- Amend the Draft Public Benefit Offer (PBO) to reflect ongoing discussions with the City of Sydney;
- Provide the results of further Sky-view Factor (SVF) analysis; and
- Address issues raised by Council in relation to light and air easements on neighbouring private land.

Please find enclosed with this letter:

- A hard copy of the Planning Proposal and supporting documentation;
- Request to Prepare a Planning Proposal Application form;
- A bank cheque made out to City of Sydney Council for payment of the application fee; and

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Managing Director:
 Nominated Architect:
 Ray Brown
 NSWARB 6359

- A USB containing all relevant documentation.

With the exception of the items listed below, there has been no change to the Planning Proposal document and supporting documentation since submission to the Department of Planning and Environment for a Rezoning Review:

- The Building Envelope and Urban Design Study (**Attachment A** to the Planning Proposal) has been updated to reflect the updated site area;
- The Reference Design (**Attachment B** to the Planning Proposal) has been updated to reflect the proposed FSR of 22:1, the quantum of GFA being sought for each proposed use, and the updated site area; and
- The Pedestrian Assessment Study (**Attachment L** to the Planning Proposal) has been submitted as a final version with minor amendments to the previous draft version provided to the City of Sydney on 1 September 2017).

Where there is any inconsistency between this letter and the Planning Proposal and supporting documentation, this letter is intended to supersede the information previously submitted.

1. Site Area

A detailed site survey has been provided at **Attachment C** to the Planning Proposal which provides for a site area of 1,217.8 sqm. A Plan of Consolidation of the subject lots has also been prepared which provides a site area of 1,218 sqm and will be formalised through a separate process prior to lodgement of a Development Application for the proposed development.

The information previously submitted states a site area of 1,216 sqm, which had been based on the land title information. With the exception of **Attachment A** and **Attachment B** to the Planning Proposal, the Planning Proposal and supporting documentation submitted with this letter continues to state the previous site area of 1,216 sqm.

This change is considered to be very minor and does not result in any additional impact which has not been previously considered in the preparation of the Planning Proposal or supporting documentation.

2. FSR and Reference Design

The Planning Proposal seeks a maximum FSR of 22:1 inclusive of all applicable bonuses under the Sydney Local Environmental Plan (LEP) 2012. The proposed FSR would facilitate a maximum gross floor area (GFA) for the building of 26,796 sqm.

The division of uses throughout the building will be determined through detailed design, however, no less than 17,319 sqm (approx. 64.6% of the total development) will comprise 'hotel or motel accommodation' as defined by the SLEP 2012.

For further information regarding proposed uses and GFA refer to the Reference Design provided as **Attachment A** to the Planning Proposal, which has been updated to provide greater certainty of proposed uses.

3. Design Competition

The applicant is committed to undertaking an invited design competition prior to lodgement of a detailed comprehensive DA. The design competition will be undertaken in accordance with clause 6.21 of the Sydney Local Environmental Plan 2012 (SLEP 2012), clause 3.3 of the Sydney Development Control Plan 2012 (DCP 2012) and the City of Sydney's *Competitive Design Policy*.

4. Commitment to energy and water standards

In his email dated 22 January (**Attachment A**), Andrew Thomas requested that a letter of offer be provided which included a commitment to the following environmental performance standards:

- NABERS 6-star commercial
- NABERS 5-star hotel
- 4-star water rating

The applicant subsequently engaged ARUP to consider the implications of this on the project. In response to this request, the letter titled 'NABERS targets and environmental excellence' has been prepared (**Attachment C**) and the draft Public Benefit Offer (provided under separate cover) has been updated to provide a commitment to industry best practice environmental performance.

It is understood that Council's request is based on the objectives of the draft *Central Sydney Planning Strategy* in relation to 'strategic floor space' to "ensure that planning proposals commit to achieving sustainable development above minimum standards". The draft Strategy goes on to provides actions and objectives of ensuring that future tower developments achieve a minimum 5 star NABERS rating for commercial developments. There is no reference in the draft Strategy to a target for 6 star NABERS for commercial, nor is there any reference to any specific target for hotels.

As detailed in the letter prepared by ARUP, the applicant is committed to environmental excellence and the development will aim to achieve industry-leading environmental standards, however, for the reasons detailed in the attached letter, the targets requested by Council are not appropriate for this specific project and will have a substantial impact on project viability.

The following targets have been included in the draft PBO and are based on the recommendations of ARUP:

- 5 star NABERS Energy for the base building Commercial/Office component;
- 4 star NABERS Energy for the Hotel component; and
- 3.5 star NABERS Water for the commercial component.

These targets ensure the project is consistent with the aims of the draft *Central Sydney Planning Strategy* to improve building sustainability standards and are also consistent with the applicant's ambition for environmental excellence and industry best practice, while also allowing a viable development outcome for the site.

5. Draft Public Benefit Offer

The draft PBO has been updated to reflect ongoing discussions in relation to the applicant's contribution towards the proposed Central Sydney Infrastructure Delivery Fund and also to incorporate sustainability targets, as discussed in **Section 2** above.

6. Sky-View Factor (SVF) Analysis

As an outcome of discussions with Jessie McNicoll of the City of Sydney Council, further Sky-View Factor Analysis has been undertaken to supplement the results of the previously prepared Sky-View Factor Report (**Attachment L** to the Planning Proposal).

Council had identified that the raster images prepared for the SVF Report were of a low resolution and queried whether a higher resolution analysis would achieve different results. It is noted that the analysis was initially undertaken as a low resolution due to the high volume of analysis points required (3,151) to satisfy Council's proposed methodology. Additional analysis was undertaken at a far higher resolution at 15 locations within Bligh Street as illustrated in Figure 1 and Figure 2 below. The SVF views produced for the compliant and proposed building envelopes at an increased image resolution are provided in Figures 3 to 7 below.

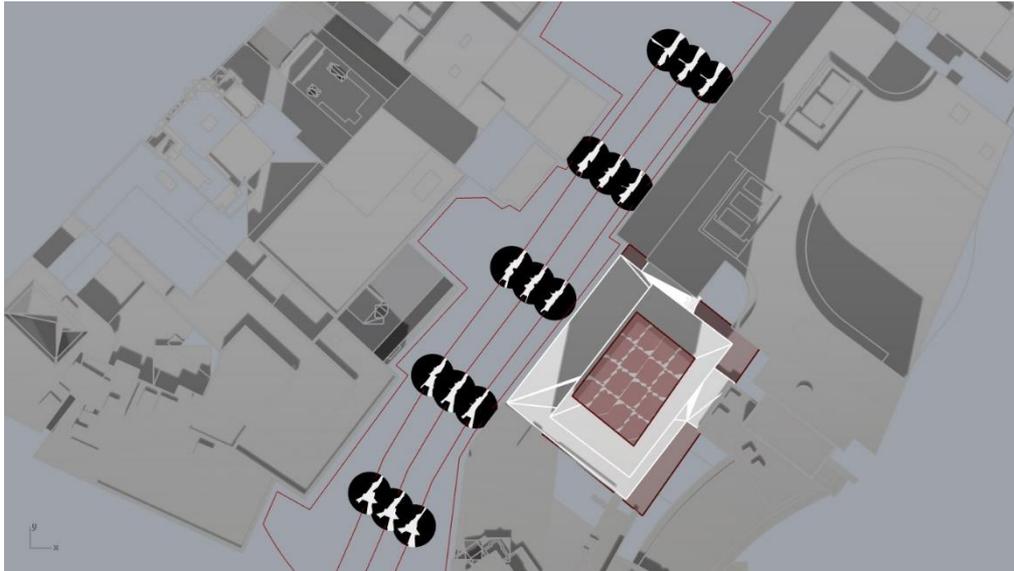


Figure 1 Compliant building envelope SVF Analysis

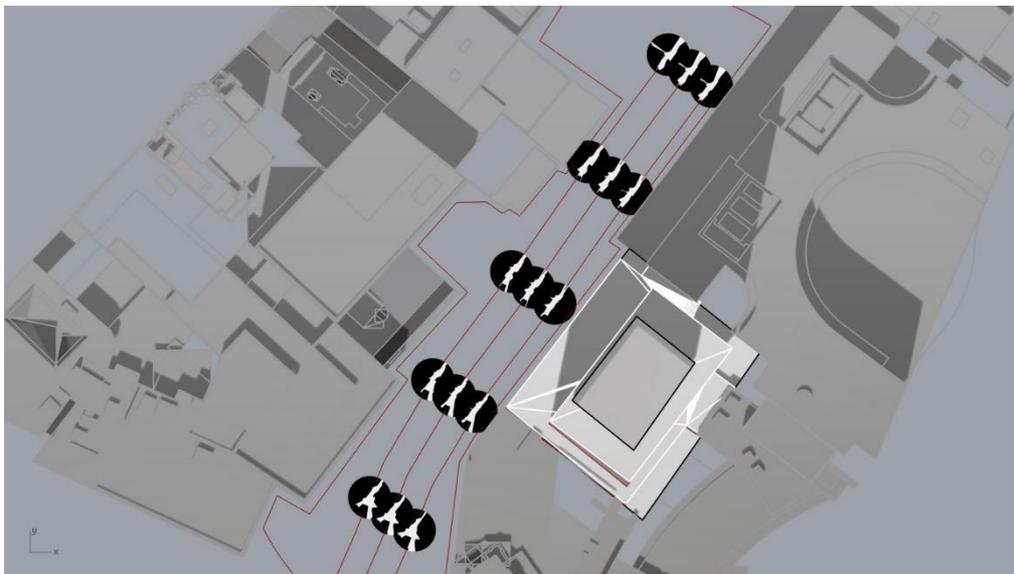


Figure 2 Proposed building envelope SVF Analysis

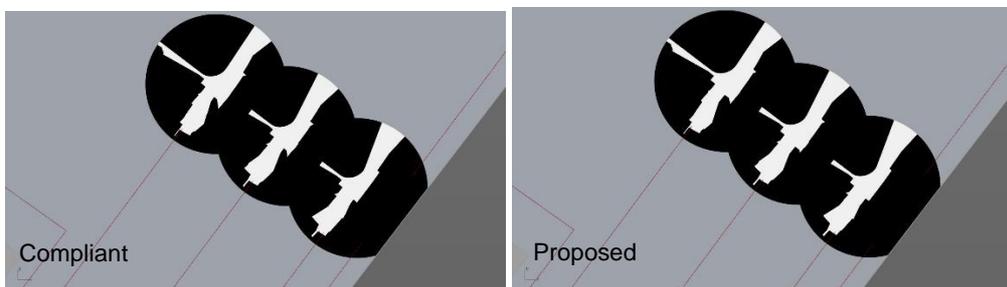


Figure 3 Analysis Point 1 – Compliant vs Proposed

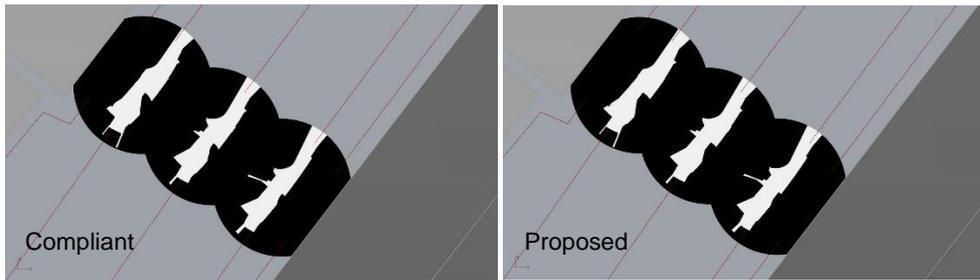


Figure 4 Analysis Point 2 – Compliant vs Proposed

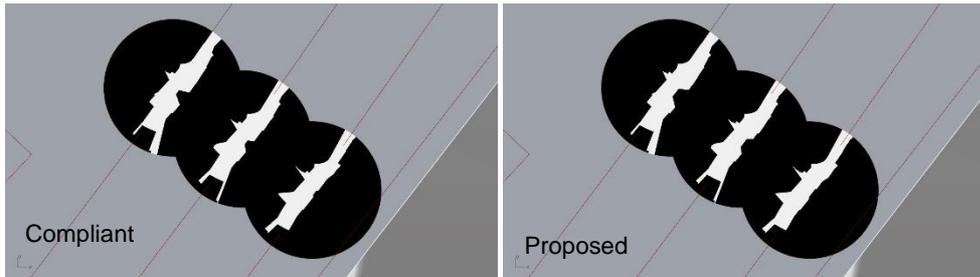


Figure 5 Analysis Point 3 – Compliant vs Proposed

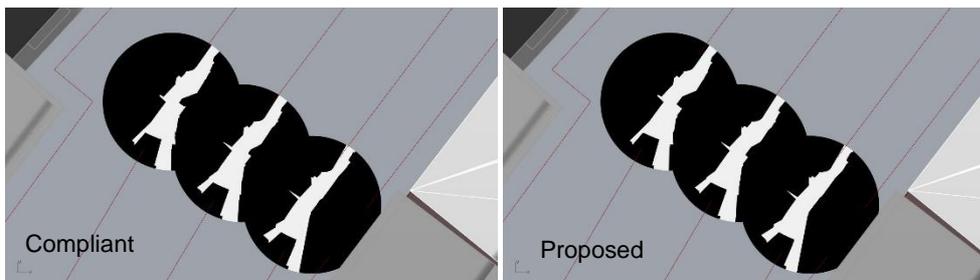


Figure 6 Analysis Point 4 – Compliant vs Proposed

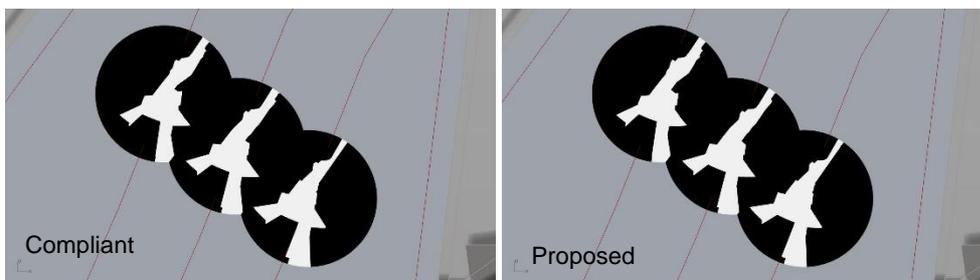


Figure 7 Analysis Point 5 – Compliant vs Proposed

Overview of previous results

The SVF Report previously prepared and submitted (**Attachment L** to the Planning Proposal) considered and tested three options to achieve an equivalent or improved SVF. An overview of those options is provided below:

Option 1: Reduce tower height

Option 2: Reduce tower width

Option 3: Increase tower front setback

Of the above options, Option 3 was not able to achieve an equivalent SVF and Options 1 & 2 could only achieve an equivalent outcome through a significant reduction in building envelope area.

Option 1 required a reduction in maximum building height to 127 metres and Option 2 required a reduction in tower width of 6.28 m, which equated to 5,228.1sqm of GFA throughout the building.

No changes were considered to the podium, given the podium height (approx. 45.17m) has been designed to specifically relate to the adjoining State heritage listed, 12-storey former 'City Mutual Life Assurance' building.

Revised analysis

The SVF results for the 15 analysis points at both a high and low resolution are provided in Table 1 and Table 2 below.

Table 1 Results overview of 15 analysis points used for visualisations (low resolution)

Reference Point	Complying scheme	Proposed scheme	Difference
1	0.1331	0.1328	- 0.0003
2	0.1247	0.1239	- 0.0008
3	0.0961	0.0954	- 0.0007
4	0.1020	0.1005	- 0.0015
5	0.1215	0.1206	- 0.0009
6	0.1408	0.1406	- 0.0002
7	0.1063	0.1053	- 0.001
8	0.0926	0.0922	- 0.0004
9	0.1233	0.1231	- 0.0002
10	0.1457	0.1457	0
11	0.1209	0.1210	+ 0.0001
12	0.1011	0.1010	- 0.001
13	0.0887	0.0888	+ 0.0001
14	0.1167	0.1167	0
15	0.1533	0.1534	+ 0.0001
Average SVF	0.117786667	0.1174	- 0.000446667

Table 2 Results overview of 15 analysis points used for visualisations (high resolution)

Reference Point	Complying scheme	Proposed scheme	Difference
1	0.1327	0.1322	- 0.0005
2	0.1275	0.1264	- 0.0011
3	0.1035	0.1022	- 0.0013
4	0.1083	0.1069	- 0.0014
5	0.1218	0.1208	- 0.001
6	0.1385	0.1379	- 0.0006
7	0.1034	0.1026	- 0.0008
8	0.0979	0.0973	- 0.0006
9	0.1241	0.1238	- 0.0003
10	0.1465	0.1463	- 0.0002
11	0.1304	0.1302	- 0.0002
12	0.102	0.1017	- 0.0003
13	0.0892	0.0893	+ 0.001
14	0.1129	0.1131	+ 0.0002
15	0.1446	0.1445	- 0.0001
Average SVF	0.118886667	0.1174	- 0.00054

Using only the 15 analysis points detailed in this letter, Option 1 (reduced tower height) was again tested to assess the reduction in building height required and whether the resolution of the raster images influenced the results. The results are as follows:

Low resolution: Maximum building height 151 m

High resolution: Maximum building height 144 m

Conclusion

While the above results clearly indicate that the resolution of the raster image affects the results of the analysis, the impact on the proposed development are similarly considered to be major and would have a critical impact on project viability.

Council may wish for further analysis to be undertaken to better understand the proposed SVF methodology and the impacts on this particular project, however, given that a reduced podium height cannot be considered under the circumstances of the project, it is unlikely that an equivalent SVF is capable of being achieved without a significant impact on the building.

Given the very minor difference in SVF between the proposed building envelope and the compliant envelope, it is evident that impacts on pedestrian amenity will be negligible and under the circumstances the SVF from Bligh Street is largely predicated by the existing street width and height of existing building street frontages.

7. Light and air easements

Council has reiterated that given the tower setback distances proposed, outlook should be secured across the adjoining heritage buildings, particularly outlook across the Sofitel Wentworth building to the north.

As detailed in the Planning Proposal, the site is surrounded on three sides by buildings with limited or no development potential. Specifically, the Sofitel Wentworth has also extinguished its heritage floor space and is subject of a restriction on title which restricts any additional GFA.

The applicant notes Council's concerns in relation to this matter and will consider the possibility of securing light and air easements, however continues to query the necessity of this and notes that securing these easements is likely to be challenging.

In any case, this matter is likely something that can be addressed as the development progresses through the Planning Proposal and development assessment processes.

8. Site-specific DCP

The timing of demolition is of critical importance to the viability of the project. As detailed in the email to Sally Peters, Manager Central Sydney Planning at the City of Sydney (**Attachment D**), clause 7.19 of the SLEP 2012 states the following:

7.19 Demolition must not result in long term adverse visual impact

Development consent must not be granted to development involving the demolition of a building unless the consent authority is satisfied that:

- a) *any land affected by the demolition:*
 - i. *in the case of land to which any provision of Division 5 (Site specific provisions) of Part 6 applies—is subject to a site-specific development control plan, or*
 - ii. *in any other case—will be comprehensively redeveloped under the development consent (if granted) or under an existing development consent relating to the site, and*
- b) *adequate measures will be taken to assist in mitigating any adverse visual impacts that may arise as a result of the demolition with regard to the streetscape and any special character area.*

In order to enable demolition to commence in a timely fashion, it is appropriate that a site-specific DCP be prepared for the land. This will enable the applicant to lodge a Development Application (DA) with the City of Sydney seeking consent for demolition and early works prior to finalisation of the Planning Proposal and adoption of the site-specific DCP and for concurrent assessment and determination of the demolition DA.

It is requested that Council formally endorse this approach and seek to make a site-specific DCP for the land, a draft of which will be provided by the applicant shortly.

Given a site-specific DCP will not apply to the future State Significant Development, should Council for any reason not wish to endorse this approach then a Concept DA under Section 83B of the *Environmental Planning and assessment Act 1979* will need to be lodged which seeks consent for the proposed building envelope and demolition/early works. To ensure timely project delivery, the SSDA would need to be lodged and considered concurrently to the Planning Proposal, with a Request for SEARs and delegation of the DA(s) to Council made shortly after a Gateway determination of the Planning Proposal.

8. Conclusion

I trust this information is sufficient to enable consideration of the Planning Proposal. Should you have any queries or wish to discuss this matter further, please do not hesitate to contact me on (02) 8252 8400 or Michael.Harrison@architectus.com.au.

Yours sincerely,



Michael Harrison

Director, Urban Design and Planning
Architectus Group Pty Ltd

Attachments:

Attachment A: Email from Andrew Thomas dated 22 January 2018

Attachment B: Minutes of meeting 30 January between applicant and CoS

Attachment C: Letter from ARUP detailing commitment to environmental excellence

Attachment D: Email to Sally Peters dated 31 January 2018

Under separate cover: Revised draft Public Benefit Offer

Attachment A – Email from Andrew Thomas dated 22 January 2018

Attachment B - Minutes of meeting dated 30 January

Attachment C – ARUP letter Environmental Commitments

Attachment D – Email to Sally Peters dated 31 January 2018