

## Item 8.

### Post Exhibition - Planning Proposal - Sydney Metro West Hunter Street Station Sites, Sydney - Sydney Local Environmental Plan 2012 Amendment

File No: X089148

#### Summary

The Central Sydney Planning Framework, adopted in December 2020, works to safeguard Central Sydney's position as Australia's leading economic centre, by attracting new business investment and ensuring it remains the preferred location for workers, residents and visitors. The Framework identifies opportunities for additional building height and density where development protects comfortable wind and daylight conditions for pedestrians, contributes to the public domain and delivers design excellence and environmental sustainability.

A planning proposal has been prepared for two sites fronting Hunter Street to accommodate the future Sydney Metro West Hunter Street station. This planning proposal follows a request from the proponent, Sydney Metro, to amend the planning controls for the two sites to facilitate redevelopment for new integrated office towers consistent with the Framework. The planning proposal consists of new site-specific provisions to amend the Sydney Local Environmental Plan 2012 (LEP) along with accompanying Design Guidelines. The planning controls were approved by the Central Sydney Planning Committee and Council in September 2022 to be submitted for Gateway Determination and for public consultation.

This report details the outcomes of the public consultation of the planning proposal and the accompanying draft Design Guidelines (Guidelines) and voluntary planning agreement (VPA) for the site. The documents were exhibited from 15 December 2022 to 30 January 2023. The City received 32 submissions relating to the planning proposal from adjoining occupants and landowners, companies, community members and public authorities.

Matters raised in submissions include concerns that the increase in building height and density is excessive and will adversely impact on public domain amenity and to the cityscape, adverse impacts to surrounding heritage buildings and that future development will exacerbate congestion in the pedestrian network. Adjoining occupants and landowners raised specific impacts to pedestrian connections and retail businesses due to the closure of the former Hunter Connection retail arcade and adverse impacts to residential amenity arising from the over-station development.

The proposed planning envelopes have been prepared to be responsive to the character of the surrounding area, including adjoining heritage buildings through carefully considered setbacks and appropriate street wall heights. The planning envelopes protect solar access to key public places and ensure acceptable pedestrian amenity conditions and visibility of key buildings. The draft Design Guidelines include detailed provisions relating to the delivery of connections to adjoining sites to help deliver a pedestrian network. The Guidelines have been updated to ensure adjoining residential amenity remains a key consideration and to amend a minor error noted in a submission. A summary of submissions and the City's response is at Attachment A, with key issues are also discussed in this report.

This report recommends Council and the Central Sydney Planning Committee approve the planning proposal, draft Design Guidelines and notes the City will enter into the planning agreement.

## Recommendation

It is resolved that:

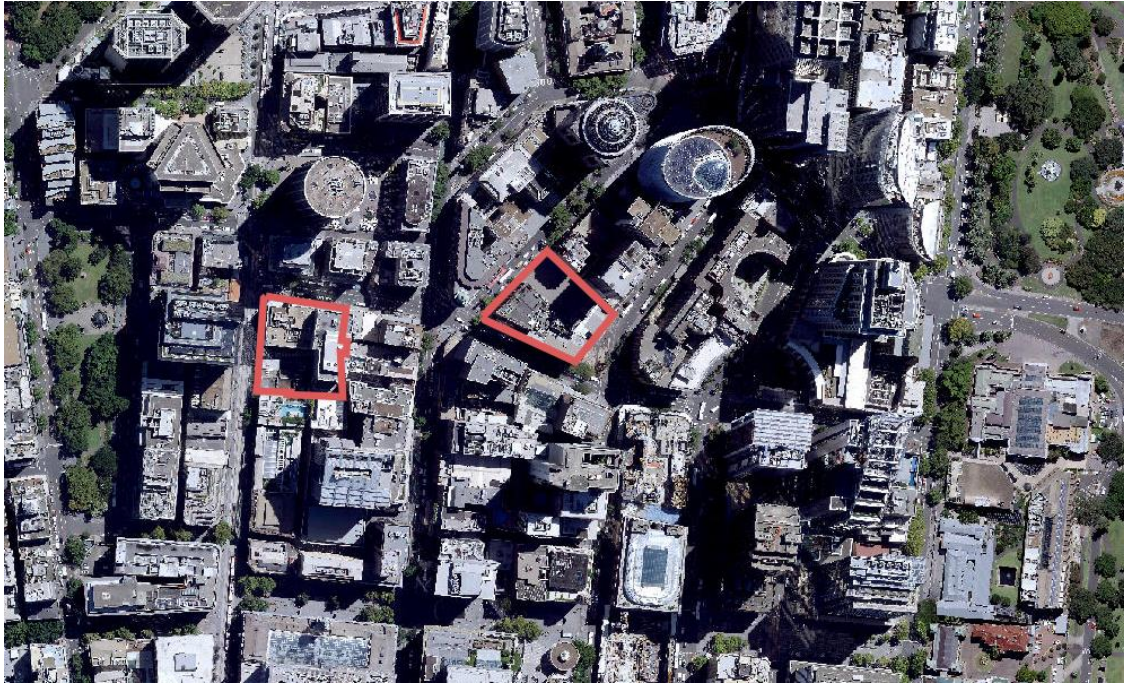
- (A) the Central Sydney Planning Committee note the matters raised in response to the public exhibition of Planning Proposal - Sydney Metro West Hunter Street Station sites, Sydney, draft Design Guidelines - Sydney Metro West Hunter Street Station sites, Sydney and the draft Planning Agreements for the east and west sites as shown in Attachment A to the subject report;
- (B) the Central Sydney Planning Committee approve Planning Proposal - Sydney Metro West Hunter Street Station sites, Sydney, shown at Attachment B to the subject report, to be sent to the Department of Planning and Environment to be made as a local environmental plan;
- (C) the Central Sydney Planning Committee note the recommendation to the Transport, Heritage, Environment and Planning Committee on 8 May 2023 that Council approve the draft Design Guidelines - Sydney Metro West Hunter Street Station sites, as amended, shown at Attachment C to the subject report, noting the design guidelines will be endorsed by the Planning Secretary and come into effect on the date of publication of the subject Local Environmental Plan;
- (D) authority be delegated to the Chief Executive Officer to make any minor amendments to the Planning Proposal - Sydney Metro West Hunter Street Station sites, Sydney and draft Design Guidelines - Sydney Metro West Hunter Street Station sites, Sydney to correct any minor errors, omissions or inconsistencies prior to finalisation; and
- (E) the Central Sydney Planning Committee note the draft Voluntary Planning Agreements for the east and west sites, as shown at Attachment D to the subject report, will be executed under delegation of Council in accordance with the Environmental Planning and Assessment Act 1979.

## Attachments

- Attachment A.** Summary of Submissions
- Attachment B.** Planning Proposal - Sydney Metro West Hunter Street Station Sites, Sydney - amended November 2022
- Attachment C.** Draft Design Guidelines - Sydney Metro West Hunter Street Station Sites, Sydney - amended May 2023
- Attachment D.** Voluntary Planning Agreements - Sydney Metro West Hunter Street Station East and West Sites
- Attachment E.** Gateway Determination
- Attachment F.** Resolutions of Council and the Central Sydney Planning Committee - September 2022

## Background

1. This report follows the public exhibition of Planning Proposal - Sydney Metro West Hunter Street Station Sites, Sydney (Planning Proposal), the accompanying Design Guidelines - Sydney Metro West Hunter Street Station sites (Design Guidelines) and voluntary planning agreements for each site. The subject sites are shown at Figures 1 and 2.



**Figure 1:** Aerial image of the two subject sites (outlined in red) and immediate vicinity



**Figure 2:** Diagram of location of the two sites and surrounding area

2. Site details, current planning controls, proposed planning controls and public benefit offer are described in detail in the pre-exhibition report to the Transport, Heritage, Environment and Planning Committee and the Central Sydney Planning Committee (CSPC), available at: <https://city.sydney/sep22minutes> (item 5).
3. This planning proposal, included at Attachment B, seeks to amend the LEP to insert new site-specific provisions to facilitate development over two Sydney Metro West Hunter Street station sites. The objectives of the provisions are to:
  - (a) facilitate redevelopment for new towers on the two subject sites, including the adaptive reuse of heritage item, the former Skinner Family Hotel building;
  - (b) permit two new towers in the form of concurrent over-station development, to a maximum height and floor space ratio of:
    - (i) eastern site:
      - a. maximum building height of RL 269.1 metres; and
      - b. maximum floor space ratio of 22.8:1, above ground;
    - (ii) western site:
      - a. maximum building height RL 220 metres; and
      - b. maximum floor space ratio of 18.8:1, above ground;
  - (c) ensure that development consent may only be granted if the following criteria is met:
    - (i) the proposal delivers employment generating uses;
    - (ii) delivery of new through-site connections and an increased area to Richard Johnson Square;
    - (iii) provision of end-of-journey facilities;
    - (iv) consideration of the endorsed Design Guidelines; and
    - (v) the development demonstrates design excellence;
  - (d) provision of a maximum of 70 car parking spaces across the two sites;
  - (e) allocation of heritage floor space of 2.25:1, equal to 50 per cent of the difference between the floor space ratios of 8:1 and 12.5:1;
  - (f) provision to ensure future development applications do not further vary the development controls that apply to the site, under clause 4.6;
  - (g) removal of the asterisk that applies to the former Skinner Family Hotel's heritage listing under Schedule 5 of the LEP as it is no longer eligible to be awarded heritage floor space under the scheme; and
  - (h) switch off requirements for a standard competitive design competition. Future development will be subject to a specialised approach to design excellence through a competitive selection (tender) process.

4. The proposed LEP provisions require consideration of Design Guidelines in any future development application for the two subject sites. The draft Design Guidelines at Attachment C to this report include the following provisions:
- (a) building envelopes, with setbacks that respect the local context, deliver acceptable public domain wind conditions and daylight amenity and an appropriate relationship to neighbouring heritage items;
  - (b) provision of high-quality through-site links and pedestrian connections between the Metro station, adjacent streets and future connections to adjoining sites;
  - (c) delivery of improved public domain conditions, including expansion of Richard Johnson Square and extensive activation through fine-grain retail;
  - (d) development responses to future public domain upgrades to accommodate increased pedestrian numbers;
  - (e) delivery of heritage interpretation and public art that is appropriate and responsive to its setting;
  - (f) encourage greater use of active and public transport through equitable pedestrian access, bicycle parking and end of journey facilities;
  - (g) ensure sufficient servicing and loading space is provided to meet the needs of future development, prior to the allocation of private parking;
  - (h) best practise provisions for water and flood management and waste;
  - (i) achieve a high standard of ecological sustainable development; and
  - (j) a design excellence strategy.

- 5. An indicative reference scheme that details a possible built form outcome that may result from the proposed planning controls is shown in Figures 3 and 4 below.



**Figure 3:** Proponent's reference scheme of the two over-station development towers, outlined in red



**Figure 4:** The podium and tower of the proponent's indicative reference scheme of the eastern site and larger Richard Johnson Square

6. Council and the CSPC at their meetings on 19 September 2022 and 15 September 2022 respectively, approved for Gateway Determination and public exhibition the planning proposal, draft design guidelines and public benefit offer. The Council and CSPC resolutions are shown at Attachment F to this report.
7. In October 2023, the Department of Planning and Environment issued the Gateway Determination for the two subject sites as shown at Attachment E to this report. Due to the complexities of the proposal, Council was not authorised to be the local plan-making authority. As such, following approval by Council and the Central Sydney Planning Committee, the City will advise the Department of this approval and request the amendments to the local environmental plan (LEP) be made.
8. This report recommends approval of the planning proposal to amend the LEP and approve the accompanying draft design guidelines.

### **Public exhibition**

9. The planning proposal, draft design guidelines and planning agreements were exhibited from 15 December 2022 to 30 January 2023.
10. The City sent 1,030 letters to landowners and occupants of neighbouring properties within 75 metres of the two subject sites, notifying them of the public exhibition and provided information on how to view the supporting documentation, which was featured on the City's Sydney Your Say website and the NSW Planning Portal.
11. The planning proposal was exhibited concurrently with two state significant development (SSD) applications for the concept approval of the over-station developments above the Hunter Street metro station. These SSD applications are currently being assessed by the Department of Planning and Environment (the Department).
12. The proponent, Sydney Metro, ran two drop-in community information sessions on 15 December 2022, where representatives of the City of Sydney and the Department were available to answer questions and provide assistance to the community regarding the planning proposal and SSD applications.
13. A total of 35 submissions were received by the City relating to the planning proposal, three of which were in support of the proposal. Further, a total of 31 submissions were received by the Department relating to the SSD applications and have been forwarded to the City for consideration. Some of the submissions received by the City touched on the same issues that were raised in submissions received by the Department. However, some submissions that were received by the Department raised issues that were not submitted to the City. These submissions have been reviewed and considered by the City.
14. The City's response to the issues raised in submissions received by the City and the Department are summarised below and discussed in greater detail in the submissions table at Attachment A.

**Public agency submissions**

- 15. Public agency consultation was carried out in accordance with the Gateway Determination. Heritage NSW, Sydney Airport Corporation, Commonwealth Department of Infrastructure, Regional Development, Communication and the Arts, Sydney Water, Transport for NSW and Sydney Metro were all consulted.
- 16. In addition to the above agencies, the Royal Botanical Gardens / The Domain also provided comment on the proposal. The agency submissions and the City's response is detailed in the submissions table at Attachment A to this report.
- 17. No changes are recommended. Key issues related to overshadowing of the Royal Botanic Gardens and heritage are addressed by maintaining the sun access plane height limit and detailed heritage provisions and setbacks to respond to nearby heritage items.

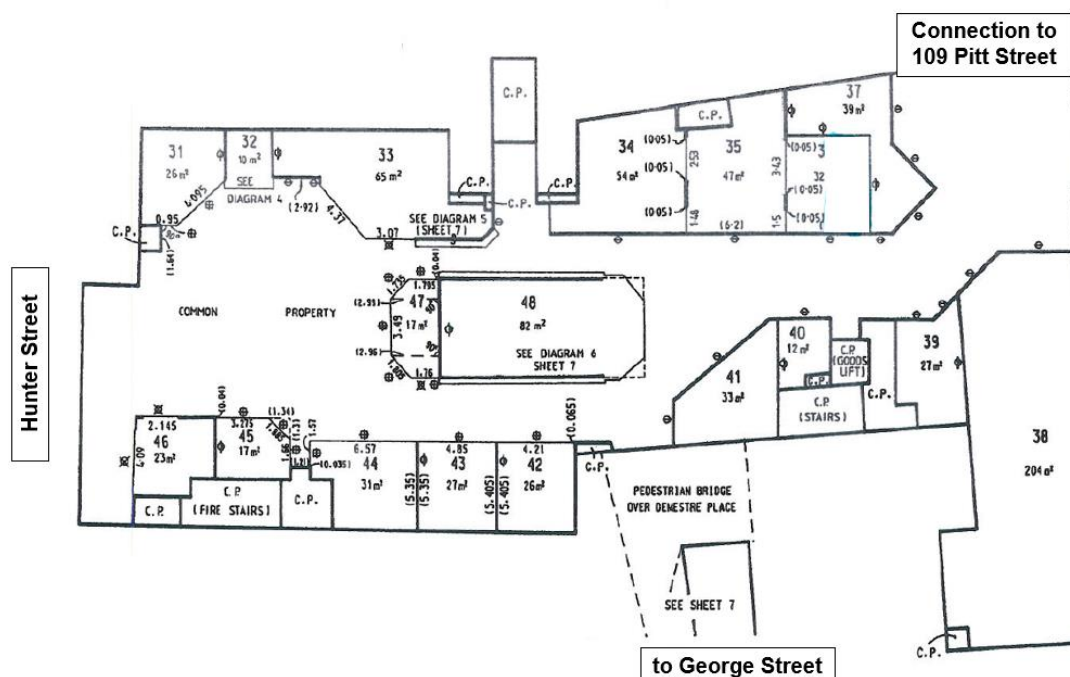
**Issues raised in submissions**

**Support**

- 18. During public exhibition, three submissions were received in support of the proposal, commending the scale of future development and its contribution to making Sydney a world-class city and the delivery of new retail and commercial floor space and pedestrian connections.

**Reinstatement of existing pedestrian connections**

- 19. Sixteen submissions were received from the landowners of 109 Pitt Street which adjoins the west site along its eastern boundary. The submissions raised concern that there is no guarantee that future development would be connected with 109 Pitt Street, reinstating the previous pedestrian link to the Hunter Connection retail arcade, which provided underground connections from Pitt and Hunter Streets to Wynyard Station, through what is now the west site.



**Figure 5:** Survey plan of the former Hunter Connection retail arcade detailing connections between George Street and Wynyard Station to Hunter Street and the 109 Pitt Street building



20. Submissions noted that the failure to reinstate this connection would adversely impact the existing retail spaces in the 109 Pitt Street building and would not achieve the stated aspirations for the project in creating a pedestrian precinct, impacting accessibility and the local retail economy around the subject site.
21. Hunter Connection comprised retail tenancies, a food court and an underground and protected link between Wynyard Station, Hunter Street and Pitt Street through the 109 Pitt Street Building. The Hunter Connection building was acquired by Sydney Metro and forms part of the future Hunter Street Station western site.
22. An objective of the Design Guidelines is to “Improve permeability, pedestrian movement and connectivity with the provision of generous retail activated through-site links”. The provisions detail the locations of future through-site links for greater permeability, movement and connectivity, and to reinstate existing and historical connections.
23. The below figure from the draft Design Guidelines shows the location for future through-site connections from the western site. As shown, it is recommended a connection is maintained into the 109 Pitt Street site (shown in blue outline), maintaining links to this section of the former Hunter Connection.



**Figure 3:** Western site layout - through site-links, retail activation and access

**Figure 6:** The site layout figure for the Western Site as shown in the Design Guidelines, detailing the identified connection to the 109 Pitt Street, shown in blue

24. The indicative design that accompanies the concept SSDA includes through-site links, demonstrating the subject sites are capable of incorporating pedestrian connections as detailed in the Design Guidelines. This will be further resolved through the detailed design and development application stages where issues relating to level alignment and heritage will need to be resolved. The City will continue to advocate for the detailed design to address this provision. It is recommended the owners of 109 Pitt Street continue to actively engage with Sydney Metro and the Department of Planning and Environment to ensure this pedestrian link is reinstated.

## Residential amenity impacts

25. One submission was received by the Department from the occupant of a residential apartment on O'Connell Street that adjoins the east site along its northern boundary citing impacts from future development on residential amenity.
26. The submission noted that the proposal would result in a loss of privacy from the office building and cause glare, noise impacts from plant equipment in the podium and adverse outlook impacts onto O'Connell Street. The submission recommended that the tower be set further south and the northern setback be increased up to 25 metres with no impact to occupants.
27. The building on the eastern site has been sited to minimise any significant adverse amenity impacts. In particular, the street wall height aligns with that of the adjoining heritage building to the north, as well as 5.4 metre tower setback from the northern boundary closest to the subject residential apartment. The street wall height and setback is considered acceptable as views from the residential apartment and daylight access will not be detrimentally impacted and given the sites' context within the commercial core of Central Sydney and that the proposed building envelope has demonstrated acceptable and equivalent public domain amenity conditions to that of a Development Control Plan compliant envelope.
28. The Design Guidelines have been updated to include provisions requiring privacy screening to any façades that are close to residential apartments and for plant equipment be located away from these locations or include acoustic treatment.

## Building height, design, and appearance

29. Five submissions raised concerns regarding the building height, design and appearance of the future development. Submissions were against increasing the building height due to adverse daylight and wind impacts and reduced pedestrian amenity and enjoyment. Future development would also result in view loss and overshadowing of parks and public spaces.
30. The two subject sites are located within a designated tower cluster area in Central Sydney. These are areas identified as part of the Central Sydney planning framework because of their capacity to grow and change without overshadowing parks or special places. Planning proposals for additional building height and floor space must demonstrate the building envelope will result in equivalent or improved pedestrian amenity, namely wind and daylight conditions.
31. This planning proposal is consistent with these requirements as it will comprise commercial uses, primarily in the form of office and retail uses in an envelope that addresses the relevant urban design considerations. In particular, the proposed planning envelopes have been prepared to include carefully determined setbacks to maintain acceptable daylight conditions and sky view and protect important views such as along Hunter Street, towards Richard Johnson Square and in George Street towards Australia Square.
32. The proposed building height on both the eastern and western sites sits within the various sun access and no additional overshadowing planes which protect prominent public spaces such as Martin Place, Hyde Park, the Royal Botanical Gardens and the Domain. This is consistent with the controls for the site and Central Sydney planning framework.

## Heritage

33. Five submissions raised concerns on the impact of future development on adjacent heritage items and to the surrounding character. Submissions commented that the proposal had the potential to overwhelm adjoining heritage and the proximity of the tower to these items was not sympathetic, they recommended greater separation. Submissions also commented on the loss of cultural heritage fabric from the closure of the Hunter Connection retail arcade, a unique architectural and food and drink offering.
34. The former Hunter Connection was acquired for the future Hunter Street Station site and is subject to a separate State Significant Infrastructure application. This planning proposal facilitates the future over-station development. The Design Guidelines provide for heritage interpretation opportunities within publicly accessible sections of the building reflecting the history of the site.
35. The proposed planning envelopes are sensitive and responsive of its heritage context, with street wall heights that match adjoining heritage items. Further, building height and bulk has been further setback from such heritage items to provide an appropriate setting. The Design Guidelines include provisions requiring development to respect surrounding heritage through the use of materials, articulation and to reinforce the character of heritage buildings and the consistent streetscapes.

## Pedestrian network impacts

36. In their submissions, the community also raised concerns on the impact of future development on the pedestrian network around the subject site, in terms of the closure of the undercover pedestrian link to Wynyard Station through the former Hunter Connection retail arcade. Submitters also commented that footpaths in the vicinity of the site currently experience congestion which will worsen as a result of the proposal.
37. The planning envelope and associated provisions in the Design Guidelines provide for more publicly accessible open space and new pedestrian connections across the two subject sites, which will help improve the permeability of Central Sydney for pedestrians.
38. Additionally, this planning proposal supports the City of Sydney's recent amendments to the City North Public Domain Plan which identifies opportunities for new public space (subject to TfNSW and other approvals), including pedestrianisation projects on Hunter and O'Connell Streets.

## Key Implications

### Post exhibition changes

39. Following review of the submissions received by the City and the Department, the draft Design Guidelines have been amended to include additional considerations related to the amenity of adjoining residential properties.
40. The Design Guidelines have also been amended to fix the incorrect NABERS listing of 6.5 to the correct 5.5 Star NABERS Energy Commitment Agreement, which is consistent with net zero energy requirements.

### Strategic Alignment

41. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. The proposed planning controls are aligned with the strategic directions and objectives.
42. The proposed planning controls give effect to the infrastructure, liveability, productivity and sustainability priorities in the Greater Sydney Commission's Greater Sydney Region Plan and Eastern City District Plan and the City's Local Strategic Planning Statement.
43. The details of the strategic alignment are set out in the previous Council and Central Sydney Planning Committee reports. The minor changes do not change this alignment.

### Relevant Legislation

44. Environmental Planning and Assessment Act 1979.
45. Environmental Planning and Assessment Regulation 2021.

### Critical Dates / Time Frames

46. The Gateway Determination requires that the amendment to the Sydney LEP 2012 is completed by 25 October 2023.
47. The Gateway Determination did not authorise Council to be the local plan making authority to make amendments to the local environmental plan. The Department advised in their covering letter accompanying the Gateway Determination that Council's request for the Department to draft and finalise the LEP should be made two months in advance of the date the LEP is projected to be made, which is 25 August 2023.
48. Once this process is complete and the plan is made, the amendment to the Sydney LEP 2012 will come into effect when published on the NSW Legislation website.
49. If approved, the draft design guidelines will come into effect on the same day as the amendment to the LEP.
50. The planning agreements are to be executed prior to the finalisation of the amendment to the LEP and the design guidelines.

### GRAHAM JAHN AM

Director City Planning, Development and Transport

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