

Item 5.

Public Exhibition - Planning Proposal - 56-60 Pitt Street and 3 Spring Street, Sydney - Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012 Amendment

File No: X103370

Summary

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 Central Sydney Planning Strategy prioritises future workplace employment growth with increased capacity in areas that can accommodate greater building height. The Strategy protects Central Sydney's heritage and public places, encourages pedestrian connections and the use of public transport, and moves towards a more sustainable city.

A planning proposal, consistent with the Central Sydney Planning Strategy, has been prepared for 56-60 Pitt Street and 3 Spring Street, Sydney, following a request by the proponent to amend the planning controls for the site.

The site is located in the northern tower cluster area in Central Sydney. This precinct is the largest premium office sub-market in Australia favoured by financial, legal, property and technology sectors. It contains premium grade office buildings in Central Sydney, with floor plates of 1,200 square metres or more. As Sydney's most prestigious business locality, the quality of tenant workplace environment and the quality of the public domain is critical to maintaining a competitive edge. This precinct is expected to see renewal in its major industry sectors with the Central Sydney Planning Strategy time frame facilitating five significant premium grade developments through planning proposals.

Consistent with the City's Guideline for Site Specific Planning Proposals in Central Sydney, the proponent has submitted a public benefit offer to enter into a planning agreement for the delivery and dedication of a new dedicated public space fronting Bridge Street, an easement for 24/7 public access to the through-site link, delivery and operation of a precinct loading dock (logistics hub) and additional public art and sustainability commitments. The public benefits will be provided in addition to required contributions under the Central Sydney Contributions Plan 2020 and affordable housing contributions.

This report recommends approval of the planning proposal for submission to the Department of Planning, Housing and Infrastructure seeking a Gateway Determination, followed by public exhibition. It also recommends that a draft site-specific development control plan is endorsed and exhibited concurrently.

Recommendation

It is resolved that:

- (A) Council approve Planning Proposal – 56-60 Pitt Street and 3 Spring Street, Sydney as shown at Attachment A to the subject report, to be submitted to the Minister for Planning and Public Spaces with a request for Gateway Determination;
- (B) Council approve Planning Proposal – 56-60 Pitt Street and 3 Spring Street, as shown at Attachment A to the subject report for public authority consultation and public exhibition in accordance with any conditions imposed under the Gateway Determination;
- (C) Council seek authority from the Minister for Planning and Public Spaces to exercise the delegation of all the functions under section 3.36 of the Environmental Planning and Assessment Act 1979 to make the local environmental plan and to put into effect Planning Proposal – 56-60 Pitt Street and 3 Spring Street, Sydney;
- (D) Council approve the Draft Sydney Development Control Plan 2012 – 56-60 Pitt Street and 3 Spring Street, Sydney, 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 – 56-60 Pitt Street and 3 Spring Street, Sydney, to correct any drafting errors or to ensure consistency with the Gateway Determination;
- (F) authority be delegated to the Chief Executive Officer to make any variations to Draft Sydney Development Control Plan 2012 – 56-60 Pitt Street and 3 Spring Street, Sydney, to correct any drafting errors or ensure it is consistent with the Planning Proposal following the Gateway Determination; and
- (G) Council note the Chief Executive Officer will prepare a draft planning agreement in accordance with the letter of offer dated 4 July 2024 at Attachment C to the subject report, and the requirements of the Environmental Planning and Assessment Act 1979, to be exhibited in accordance with the Act.

Attachments

- Attachment A.** Planning Proposal: 56-60 Pitt Street and 3 Spring Street, Sydney and Appendices
- Attachment B.** Draft Sydney Development Control Plan - 56-60 Pitt Street and 3 Spring Street, Sydney
- Attachment C.** Planning Agreement - Public Benefit Offer - 56-60 Pitt Street and 3 Spring Street - dated 4 July 2024

Background

1. A planning proposal request has been lodged for a site in Central Sydney. The site is 56-60 Pitt Street and 3 Spring Street, Sydney and has frontages to Bridge Street to the north, Gresham Street to the east, Spring Street to the south-east and Pitt Street to the west, as shown in Figure 1. The site shares a common boundary with an adjoining eight storey heritage listed office building to the south.



Figure 1: Land affected by this planning proposal

2. The subject site comprises four separate addresses under single ownership with total area of 3,288 square metres. It has frontages of 35 metres to Bridge Street, 65 metres to Gresham Street, 35 metre frontage to Spring Street and 81 metres along Pitt Street. Existing development on site includes:
 - (a) 56 Pitt Street, a 26-storey commercial building comprising ground floor retail and office space on the upper levels;
 - (b) 58 Pitt Street, a 10-storey office and retail building;
 - (c) 60 Pitt Street, a 12-storey office and retail building; and
 - (d) 3 Spring Street, a 16-storey commercial building comprising office and co working space
3. Further details of the subject site, surrounding area and planning controls are included in section 2 of the Planning Proposal at Attachment A to this report. A photo of the subject site and existing development is at Figure 2 and 3.
4. Dexu, the landowner, submitted a request to prepare a planning proposal through the NSW Planning Portal in May 2024.



Figure 2: Looking south toward the subject site (in red) across Bridge Street



Figure 3: Looking west towards the subject site (in red) from Bent Street

Key Implications

Proponent requested changes to height and floor space controls to enable a commercial development, a through-site link and shared loading dock consistent with the Central Sydney Planning Strategy

5. The proponent has requested a planning proposal to facilitate redevelopment as envisaged by the Central Sydney Planning Strategy (Strategy). The proposal includes:
 - (a) a future office building to a maximum height of RL 310 metres (approximately 305 metres above Bridge Street and 70 storeys);
 - (b) approximately 90,000 square metres of premium grade office space with ground floor retail, to a maximum floor space ratio of 27.4:1;
 - (c) a new public space with deep soil fronting Bridge Street to be dedicated to the City;
 - (d) a new publicly accessible pedestrian through-site link connecting Pitt Street to Spring and Gresham Streets; and
 - (e) a shared precinct loading dock facility (logistics hub) to provide off-street loading for the subject site and nearby buildings.

The City has prepared a planning proposal to increase height and floor space for a future sustainable workplace development

6. The planning proposal details the proposed amendments to the Sydney Local Environmental Plan 2012 (Sydney LEP 2012) by inserting new site-specific provisions to incentivise commercial floor space. The provisions are to:
 - (a) permit a maximum building height of RL 310 metres (305 metres);
 - (b) increase the maximum floor space ratio of 27.4:1 inclusive of accommodation floor space, shared loading facility floor space, end of journey floor space and design excellence;
 - (c) deliver a public plaza fronting Bridge Street to be dedicated to Council and a retail activated through-site link;
 - (d) ensure development consent may only be provided subject to the following:
 - (i) the building will not be used for residential accommodation or serviced apartments;
 - (ii) includes an end of journey facility;
 - (iii) includes a logistics hub for the subject site and surrounding business; and
 - (iv) demonstrates design excellence as the winner of an architectural design competition.
 - (e) not allow variations under Clause 4.6;
 - (f) restrict against design excellence additional building height or floor space; and

- (g) allow for redevelopment of the site using the underlying controls in the LEP and DCP if all of the above cannot be met.
7. Further explanation of the provisions can be found in section 4 of the Planning Proposal at Attachment A.



Figure 4: Photomontage of concept development

Changes to the Development Control Plan will ensure the development fits within the area, provides good amenity and improves access and activation

8. A site-specific Development Control Plan (draft DCP) is at Attachment B and provides further guidance for development facilitated by this Planning Proposal. The draft DCP provisions include:
- (a) maximum building envelope including podium and tower setbacks, street wall heights and tapered form as shown at Figure 5;
 - (b) new public plaza to be dedicated to Council fronting Bridge Street in the 8 metre ground floor setback;
 - (c) through-site link extending the east-west alignment of Abercrombie Lane with a minimum height clearance of 10 metres at Pitt Street to provide clear sightlines;
 - (d) provisions to ensure all building frontages and the through-site link are activated with retail and business uses;

- (e) requirements for access and operation of the logistics hub; and
- (f) sustainability and public art provisions and a design excellence strategy.

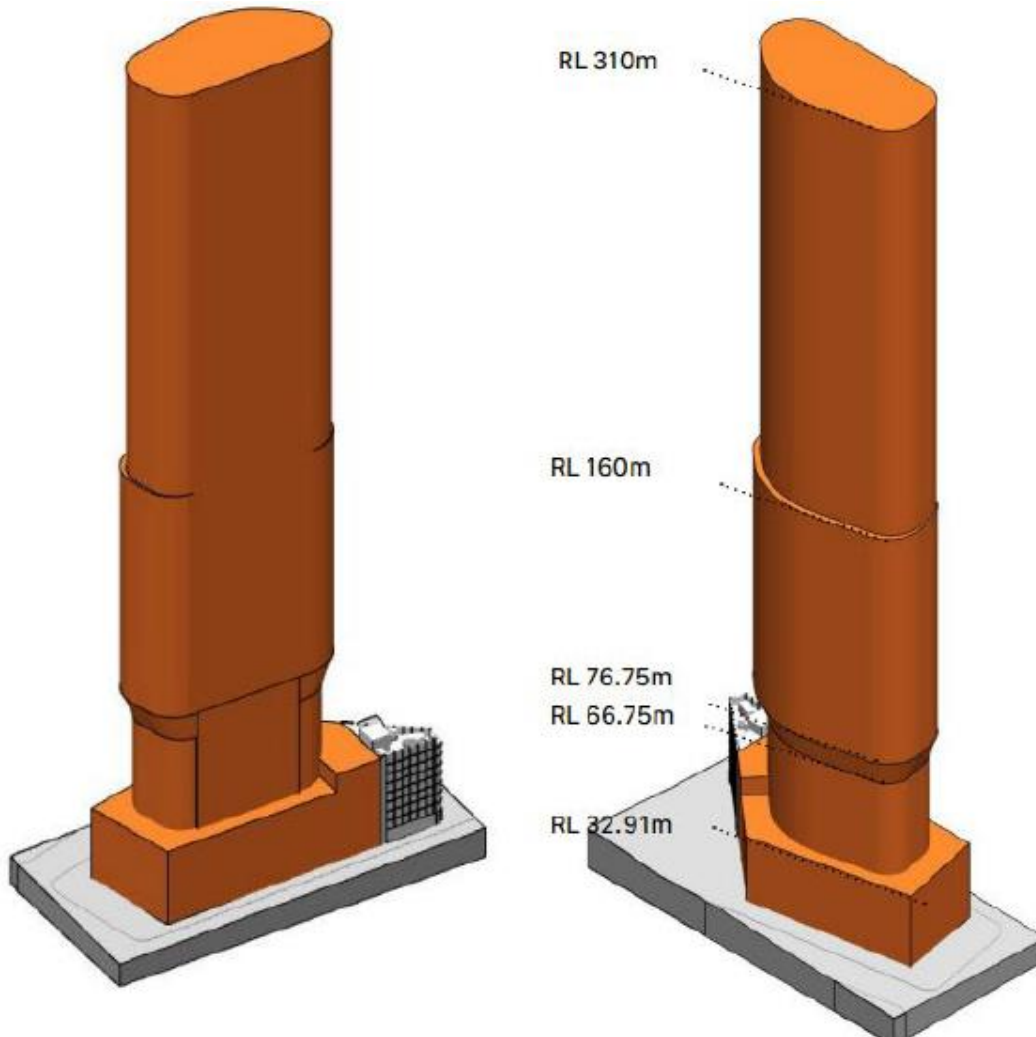


Figure 5: Proposed planning envelope

The proposal is located provides a good contextual fit and has site-specific merit

9. The subject site is in the northern tower cluster area in Central Sydney capable of accommodating increased height and density where it doesn't result in overshadowing to important public places and protects pedestrian amenity, maximising the efficient use of existing infrastructure.
10. The proposed amended controls support business and future workplace uses consistent with the City's strategies for a mixed-use Central Sydney, to reinforce its role as a destination for business, investment and talent. New employment and business opportunities in Central Sydney will become more important as the NSW Government's Transport Orientated Development (TOD) program encourages more homes close to rail stations that will in turn depend on rail and Metro to access future employment space not being provided as part of the TODs.

11. The proposal provides space consistent with its context in the commercial core of Central Sydney, delivering a future workplace tower that responds to market expectations, essential for a globally competitive city. The proposal will be able to capitalise on the future Metro infrastructure being delivered in Hunter Street and supports the competitiveness, appeal and resilience in a global mixed-use city.
12. The planning envelope is consistent with the wind and daylight equivalence testing requirements in tower clusters, ensuring the future development will provide acceptable amenity for pedestrians and the public domain. The proposed planning envelope delivers acceptable daylight to the public domain and maintains appropriate wind conditions for pedestrians.
13. The northern building setback, provides a new public space on Bridge Street. It will maximise daylight to the public domain and deliver new high-quality open space for public art or additional tree canopy. Above the podium, the tower envelope is also setback, creating an articulated recess zone, minimising the visual bulk of the tower and redirecting the wind downwash from the tower away from the public domain, ensuring acceptable pedestrian amenity.
14. The proposed envelope will not result in any additional overshadowing to protected public spaces during specified times or adverse overshadowing impacts to residential apartments.
15. The Planning Proposal addresses the urban design, environmental, social and economic impacts of the future development and is included at Attachment A to this report. It is accompanied by technical and specialist reports which have been commissioned by the proponent in support of the proposal.

Future development on the subject site will also deliver considerable public benefits and serves as a catalyst for significant upgrades to the adjacent public domain

16. The planning proposal provides improved public domain through the delivery of new public space, pedestrian connections, greater activation and relocation of nearby on-street loading spaces to a shared facility on site to create more space for pedestrians.

Bridge Street plaza

17. The planning proposal facilitates new public open space with a public plaza fronting Bridge Street in the eight metre ground level setback as shown in Figure 6. The plaza will be dedicated to the City in stratum, with a two metre deep soil allowance sitting above the basement below, and secured through a voluntary planning agreement.
18. The future plaza maximises solar access to the site and the adjacent public domain and forms a connection with Macquarie Place on the northern side of Bridge Street. The depth of the plaza space echoes that of the Royal Exchange building that formerly stood on the site preserving significant views along Bridge Street towards the former Lands Department building, resulting in greater visual prominence for the State heritage listed building.
19. Final design of the new public space to Bridge Street will be subject to its own design process, however this planning proposal will secure the delivery of plaza and accompanying draft DCP includes principles and provisions as design guidance.

20. The new public space on Bridge Street is to seamlessly integrate with the surrounding streetscape and read as a legible part of the City. Design guidance includes the provision of a significant piece of public art placed in a prominent position in the plaza, seating to encourage dwelling and mature trees. Materials and other details shall be consistent with the City's Public Domain Code to ensure this new plaza is clearly discernible as public open space. This will further be achieved by visual activation of the plaza and locating the building entry away from the plaza onto Pitt Street.



Figure 6: Indicative concept design detailing the ground floor, through-site link and Bridge Street Plaza

Public art

21. The development will provide new public art secured by the planning agreement and guided by the draft DCP and future design excellence competition. Final location for public art will be considered as part of the design and development application process. The draft DCP guidance includes locating a prominent piece of public art in the new Bridge Street space and retaining and relocating the 'Lady of Commerce' statue from the former Royal Exchange Building on site.
22. The provision of public art will be in accordance with development application requirements (0.5 per cent of Capital Investment Value), with an additional amount (0.25 per cent of Capital Investment Value) secured through a voluntary planning agreement between the City and the landowner.

Through-site link

23. This planning proposal facilitates improved walkability and pedestrian permeability. In particular, future development will feature a new publicly accessible through-site link connecting Pitt Street with the intersection of Spring and Gresham Streets with Bent Street as shown in Figure 6.
24. As the subject site comprises the majority of a city block, a new east-west connection improves pedestrian permeability by extending the Abercrombie Lane alignment, delivering a direct connection from George Street near the light rail stop to the site and beyond.
25. The draft DCP requires a generous minimum height and width for a direct visual connection from Pitt Street and Abercrombie Lane towards Bent Street and the heritage listed former Lands Building. Active retail premises are to front the through-site link. The link is to be publicly accessible at all times with public lifts to ensure the connection is clearly legible, safe and accessible to pedestrians of all levels of mobility. An artist's impression of the through-site link is included at Figure 7.



Figure 7: Indicative concept design of the through-site link looking through the future development towards Abercrombie Lane

Logistics hub

26. This planning proposal delivers a logistics hub with seven shared precinct loading spaces for use by nearby buildings. It will help meet the loading and servicing needs for nearby businesses in buildings without their own facilities. This removes on-street loading to enable more space for pedestrians on the street and improved public domain as identified in the City North Public Domain Plan.

27. The shared precinct loading spaces (logistics hub) will be in addition to the spaces needed to meet the servicing needs of the future development. The design of the logistics hub and loading dock is subject to the future design competition, however operational requirements will be secured through a voluntary planning agreement between the landowner and the City. Hours of operation and charges will be consistent with that of nearby on-street loading spaces and are in the draft DCP.

The proposal will provide acceptable wind comfort and daylight conditions in the public domain

28. The proposed planning envelope complies with the amenity controls of the Central Sydney Planning Strategy and provides suitable wind comfort and daylight conditions around the site.
29. The tower podium is responsive to its surroundings, with a lower street wall height that aligns with adjacent heritage buildings and the Bridge Street plaza acting in dialogue with Macquarie Place along Bridge Street, delivering additional daylight and a sense of openness further into the commercial core.
30. Above the podium, the low-rise tower features increased setbacks from all boundaries, creating an articulated indent zone to address potential adverse environmental amenity impacts and delivering a point of relief in the tower form. The recess zone, shown in Figure 8, between approximately RL 33 metres and RL 77 metres in height, improves the urban amenity experience by delivering a greater feeling of open sky around the site, minimising the visual bulk and scale of the tower and softens its impact.



Figure 8: View of indicative concept design from Bridge Street showing tower indent zone

31. The future workplace in the upper tower feature a rounded envelope, which works with the recess zone redirecting adverse wind flows away from the public domain to ensure comfortable wind conditions for pedestrians. The planning envelope has been subject to wind tunnel testing which found that generally comfortable wind conditions will be maintained in the public domain surrounding the site.

32. Wind tunnel testing was also undertaken on the Bridge Street plaza space, which as new public open space, requires calm and comfortable wind conditions, suitable for dwelling and outdoor seating. Testing found conditions in the Plaza will be calm and generally meet this criteria, the draft DCP includes provisions to ensure the Plaza achieves conditions consistent with the wind comfort standard for outdoor dining.

Advice from the City's Design Advisory Panel has help shaped the planning proposal

33. Prior to lodgement, the proposal was reviewed by City's Design Advisory Panel (DAP) itself and a special subcommittee of the DAP to establish a high-quality built form that safeguards acceptable environmental amenity conditions and provides for an improved public domain.
34. The DAP subcommittee provided the following advice on the planning envelope:
 - (a) align the podium with adjacent heritage buildings;
 - (b) protect views along Spring Street towards the former Lands Department clocktower;
 - (c) increase tapering of the tower to achieve an elegant form;
 - (d) minimise excessive visual dominance with the tower indent zone and generous setbacks;
 - (e) the through-site link shall ensure views through the connection are maximised; and
 - (f) the planning envelope must satisfy the wind and daylight requirements.
35. The proposed planning envelope facilitated by this planning proposal incorporates the DAP's guidance and recommendations except for the Bridge Street setback. The envelope is responsive to its context, ensures acceptable public domain wind and daylight conditions and is consistent with the requirements of the Central Sydney Planning Strategy. On balance, City Planning officers support the provision of new public open space on Bridge Street for public art, tree canopy and opening the views to the former Lands Department Building, rather than aligning with the Bridge Street boundary. The new space will sit in dialogue with Macquarie Place and First Government House place along Bridge Street.

A Voluntary Planning Agreement secures additional public benefits

36. The proponent has offered to enter into a Voluntary Planning Agreement (VPA) with Council to deliver public benefits as part of this planning proposal. The Environmental Planning and Assessment Act 1979 (the Act) allows the proponent to enter into a VPA with Council. Voluntary Planning Agreements are voluntary and must be freely entered into by the public authority and a proponent. They are also publicly exhibited and held on a publicly accessible register.
37. The letter of offer from Dexus at Attachment C to this report outlines the public benefits:
 - (a) creation of a new public space fronting Bridge Street, with associated deep soil zone, and dedication in stratum to Council;

- (b) delivery of a publicly accessible through-site link connecting Pitt Street with the intersection of Gresham and Spring Streets, secured by way of an easement registered on title for unrestricted public access;
 - (c) construction and operation of a precinct loading dock (logistics hub) providing shared loading facilities to the surrounding area, especially for businesses in buildings which lack appropriate loading facilities due to heritage constraints;
 - (d) provision of public art in publicly accessible areas in addition to any DA requirements; and
 - (e) administration of sustainability commitments to meet the energy efficiency requirements in non-residential developments.
38. This Voluntary Planning Agreement will not offset local infrastructure contributions required under a contributions plan (section 7.12 of the Act), housing and productivity contributions (division 7.1, subdivision 4 of the Act) and affordable housing contributions (clause 7.13 of the LEP).
39. The Voluntary Planning Agreement will be prepared and publicly exhibited in accordance with the Act.

Planning proposal is consistent with the City's strategic vision

40. The Central Sydney Planning Strategy is a 20-year growth strategy that facilitates opportunities for additional height and density for jobs growth where balanced with environmental sustainability initiatives and excellence in urban design. This planning proposal aligns with the Central Sydney Planning Strategy by:
- (a) prioritising employment growth and increasing capacity to enable a new 90,000 square metre premium-grade office space in the northern tower cluster area that will provide for up to 6,000 jobs;
 - (b) ensures future development is responsive to its context with appropriate street frontage heights and setbacks, in addition to a suitable urban design outcome these controls protect public domain wind and daylight conditions;
 - (c) improves and expands the pedestrian network with new public open space, new pedestrian connections and a logistics hub which moves loading and serving off-street to support the movement of people through Central Sydney; and
 - (d) future development will achieve the City's 2026 performance standards for net zero energy buildings, in particular: 100 per cent renewable energy, 6-star NABERS Energy, 4.5-star NABERS Water and 4 star NABERS Waste ratings.
41. The City's local strategic planning statement, City Plan 2036 sets the land use context, vision and planning priorities to positively guide development and outlines how the City will plan for and manage change. This planning proposal gives effect to the Plan by delivering additional floor space and capacity for economic and employment growth close to existing and future transport infrastructure, provides for public domain upgrades and community wellbeing in a new plaza featuring high-quality public art.

42. Sustainable Sydney 2030-2050 Continuing the Vision is the vision for a city that is green, global and connected achieved through sustainable growth, creativity and innovation. It sets targets, objectives and actions to achieve this vision. This planning proposal is aligned with the following strategic directions:
- (a) Direction 2: A leading environmental performer – future development will deliver ecological sustainable development on the site meeting the City's requirements.
 - (b) Direction 3: Public places for all – the surrounding public domain will be improved through the delivery of a new public plaza fronting Bridge Street and through-site link connecting Pitt street with Spring and Gresham Streets. The proposal aligns with the City North Public Domain Plan supporting the activation of Spring Street which will be pedestrianised through the Plan.
 - (c) Direction 4: Design excellence and sustainable development - future development will be informed by a competitive design process to achieve design excellence and will achieve ecological sustainable development in line with the City's sustainability requirements.
 - (d) Direction 5: A city for walking, cycling and public transport - the site is able to make efficient use of existing and future transport infrastructure, with a new through-site link and upgraded pedestrian network to improve pedestrian permeability of the CBD.
 - (e) Direction 6: An equitable and inclusive city - future development facilitated by the planning proposal will deliver a positive contribution Central Sydney through greater opportunities for business and new retail activation for local workers, residents and visitors.
 - (f) Direction 7: Resilient and diverse communities - this planning proposal will enhance the City Core precinct with increased business opportunities for investment, employment and improved public domain conditions for workers and visitors.
 - (g) Direction 8: A thriving cultural and creative life - public art delivered through the future development on the site will provide new creative and cultural experiences and opportunities for engagement with the public.
 - (h) Direction 9: A transformed and innovative economy - this planning proposal supports job growth in Central Sydney, helping to maintain the city's position as a destination for business, investment and talent.
43. Further information regarding the alignment of the planning proposal with the strategic framework can be found in section 5.3 of the Planning Proposal at Attachment A.

Relevant Legislation

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

Critical Dates / Time Frames

46. Should Council and the Central Sydney Planning Committee endorse the planning proposal for public exhibition, it will be forwarded to the Department of Planning, Housing and Infrastructure in accordance with section 3.34 of the Act for Gateway Determination. The Gateway Determination will provide the required date for the completion of the LEP amendment. Following public exhibition, the outcomes will be reported back to Council and the Central Sydney Planning Committee.

Public Consultation

47. Public exhibition for this planning proposal will be determined by the Department of Planning, Housing and Infrastructure. It is planned that the public exhibition of the planning proposal, draft Development Control Plan and Voluntary Planning Agreement will be in accordance with:
 - (a) the Gateway Determination issued by the Department of Planning, Housing and Infrastructure under section 3.34 of the Act;
 - (b) the Environmental Planning and Assessment Regulation 2021; and
 - (c) the City of Sydney's Community Engagement Strategy and Participation Plan.
48. It is likely that the public exhibition of the planning proposal would be a minimum of 28 days.
49. The planning proposal, draft Development Control Plan and draft Voluntary Planning Agreement will be publicly exhibited online on the City of Sydney website.

GRAHAM JAHN AM

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