



Prepared for
One Investment Management Pty Ltd

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Planning Proposal

4-6 Bligh Street, Sydney

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This report is considered a draft unless signed by a Director



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Michael Harrison, Director Urban Design and Planning

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Executive summary

This Planning Proposal has been prepared by Architectus on behalf of One Investment Management Pty Limited ATF Recap IV Management No. 4 Trust, owners of the property, for the site at 4-6 Bligh Street, Sydney (the site).

The Planning Proposal proposes a site-specific Floor Space Ratio (FSR) control under Sydney Local Environmental Plan (LEP) 2012, comprising:

- Increase from a base FSR of 8:1 under Clause 4.4 of the LEP 2012 (plus additional FSR provided under Clause 6.4 of the LEP 2012) to a maximum FSR of 22:1.

This proposed amendment to the LEP 2012 is sought to allow for the delivery of a mixed-use development, including a high-quality hotel and commercial office space, for the site and for the optimal development capacity of the site to be realised.

No other amendments to the LEP 2012 are sought by this Planning Proposal.

The site

This report relates to the site at 4-6 Bligh Street, Sydney (the “subject site”). The subject site is located centrally within the Sydney CBD, and is identified in **Figure 1** below.

The subject site is an irregularly shaped allotment that consists of four lots, legally described as Lot 1, DP 919932, Lot 1, DP134866, Lot 2, DP 134866, and Lot A, DP 184770. The site has a total area of approximately 1,216sqm.



Figure 1 Subject site

Site outlined in red

Source: NearMaps

Under the current controls, the site is subject to a maximum building height of 235 metres and maximum FSR of 8:1, not including additional accommodation floor space permitted under Clause 6.4, or design excellence bonus under Clause 6.21. The site is zoned B8 - Metropolitan Centre, permitting a range of land uses, including commercial premises, tourist and visitor accommodation and recreation facilities (indoor).

This Planning Proposal has been drafted in accordance with Section 55 of the Environmental Planning and Assessment Act 1979 (EP&A Act) and *A Guide to Preparing Planning Proposals*, NSW Department of Planning and Environment (2016). In line with these documents, this Planning Proposal explains the intended effect of the proposed instrument and sets out the justification for the making of the proposed instrument.

Strategic and planning context

This Planning Proposal responds to metropolitan, district and local strategic targets to increase the supply of commercial and accommodation floor space in the City of Sydney.

The site is well located in Central Sydney, with easy access to transport services, including Martin Place, Wynyard and Circular Quay train stations within 500 metres of the site, as well as the future Martin Place North Metro Station, located approximately 60m south of the site.

Strategic merit test

This Planning Proposal has strategic merit and should be supported. This Planning Proposal seeks to amend the FSR controls applicable to the site under the LEP 2012 to allow for the delivery of a mixed-use hotel and commercial development, and for the optimal development capacity of the site to be realised. This would otherwise not be possible under the current maximum FSR controls applicable to the site and to the proposed development.

Development for the purpose of a hotel is considered to be of strategic importance for Central Sydney, where there is an acknowledged shortage of tourist and visitor accommodation. This is noted in Council's *Tourism Action Plan (2013)* and *Visitor Accommodation Action Plan (Hotels and Serviced Apartments) (2015)*, detailing that Central Sydney historically generally experiences high occupancy rates, being over 80 per cent since 2007 (with a long-term average about 75 per cent), and which seek "to provide an investment and regulatory environment that supports and encourages visitor accommodation which includes hotels" as well as prioritisation of visitor accommodation overall as a strategic land use.

The *Tourism Action Plan* also recognises the shortage in hotel accommodation in the Central Sydney, and notes that 5,000 to 9,000 additional hotel rooms will be required in the next decade (to 2023) to meet the demand of growing tourist numbers in Sydney.

The proposed amendments to the FSR control are consistent with *Draft Central Sydney Planning Strategy 2012-2036*, specifically, the proposed Strategic Floor Space provisions. These Strategic Floor Space provisions enable the achievement of additional floor space on a site, however limited to employment uses, including the proposed use of the site as a hotel. However, this additional Strategic Floor Space may only be achieved or 'unlocked' by way of a site-specific Planning Proposal.

This Planning Proposal therefore specifically seeks an increase in the FSR applicable to the site for the purposes of a hotel development, being development for an employment use, consistent with Strategic Floor Space Provisions under the *Draft Central Sydney Planning Strategy 2012-2036*.

Site specific merit test

This Planning Proposal holds site specific merit and should be supported. The proposed development would not be feasible under the current maximum FSR control as the site is surrounded on three sides by existing heritage listed buildings, meaning it is unable to amalgamate with adjoining sites to achieve a sufficient scale of development to warrant demolition of the existing commercial building.

Accordingly, under the current LEP 2012 controls, refurbishment of the existing commercial building would be the most likely development scenario for the site. This would be a lost opportunity to deliver a new hotel in an ideal location within Central Sydney, for which there is substantial unmet demand for hotel accommodation. Allowing for a site-specific FSR control to permit a maximum FSR of 22:1 is therefore the most

appropriate way to achieve increased density on the site to facilitate the proposed hotel development.

There is no likely future development of land in the vicinity of the site that would affect the uplift in density sought by this Planning Proposal, nor would the proposal affect nor preclude the development capability of surrounding sites.

Proposed amendments to the Sydney LEP 2012

The following amendments to the LEP 2012 are proposed to facilitate the proposed development, evidencing design led planning:

- Floor Space Ratio – allow for a site-specific FSR control of 22:1 for the purposes of hotel or motel accommodation, commercial premises, or recreational facilities (indoor). This will increase the maximum FSR on the site from a base of 8:1 under Clause 4.4 of the LEP 2012 (plus additional FSR provided under Clause 6.4 of the LEP 2012) to a maximum of 22:1.

This Planning Proposal does not seek any other amendments to the LEP 2012.

Assessment

A number of assessments have been undertaken to accompany the Planning Proposal and investigate potential issues within the proposed legislative amendments, including

- Concept Proposal and Urban Design Study, prepared by Architectus (**Attachment A**);
- Architectural Concept, prepared by Architectus (**Attachment B**);
- Land Title and Deposited Plan (**Attachment C**);
- Traffic and Transport Report, prepared by The Transport Planning Partnership (**Attachment D**);
- Geotechnical and Rail Impact Study, prepared by Coffey Geotechnics (**Attachment E**);
- Services Report, prepared by ARUP (**Attachment F**);
- Ecologically Sustainable Development Report, prepared by ARUP (**Attachment G**);
- Detailed Wind Assessment, prepared by Windtech (**Attachment H**);
- Statement of Heritage Impact, prepared by GBA Heritage (**Attachment I**);
- Phase 1 Contamination Assessment, prepared by Coffey Services (**Attachment J**);
- Sky View (Daylight) Analysis, prepared by Architectus (**Attachment K**);
- Pedestrian Amenity Study, prepared by Aecom (**Attachment L**);
- Acoustic Impact Assessment, prepared by Acoustic Logic (**Attachment M**);
- Operational Waste Management Plan, prepared by Foresight Environmental (**Attachment N**);
- Capital Investment Value (CIV) Report, prepared by WT Partnership (**Attachment O**);
- Assessment against the Central Sydney Planning Proposal and DCP 2012 (Central Sydney Planning Strategy Amendment), prepared by Architectus (**Attachment P**);
- Letter of support from John O’Sullivan, Managing Director, Tourism Australia (**Attachment Q**); and
- Email of support from Marcus Ray, Deputy Secretary Planning Services, Department of Planning and Environment (**Attachment R**).

These assessments demonstrate that the statutory amendments sought in this Planning Proposal would be feasible and have acceptable impacts.

Justification

We consider this Planning Proposal to be well justified on the following basis:

- The proposal will provide much needed hotel accommodation (up to 407 hotel rooms) and associated tourist and visitor facilities in a prominent central CBD location, where there is currently substantial unmet demand, consistent with the objectives of Council's *Tourism Action Plan* and *Visitor Accommodation Action Plan*;
- This proposal will provide for a high quality mixed-use hotel and commercial development, consistent with the actions and objectives of the *Draft Central District Plan* which seeks to grow and manage the visitor economy;
- This Planning Proposal seeks an increase in the FSR applicable to the site for the purposes of a hotel development, being development for an employment use, consistent with Strategic Floor Space Provisions under the *Draft Central Sydney Planning Strategy 2012-2036*;
- There is no likely future development of land in the vicinity of the site that would affect the uplift in density sought by this Planning Proposal, nor would the proposal affect nor preclude the development capability of surrounding sites;
- This Planning Proposal is considered to facilitate a high-quality outcome for the site providing a strategically desirable mixed-use hotel outcome without unreasonable environmental, economic or social impact.

Recommendation

The Planning Proposal is recommended for support to proceed to a Gateway determination.

1. Introduction

This section outlines the structure of the Planning Proposal and provides detail on the preparation of the Planning Proposal and the project team.

1.1 Preliminary

This Planning Proposal has been prepared by Architectus on behalf of One Investment Management Pty Limited ATF Recap IV Management No. 4 Trust, owners of the property, for the City of Sydney Council in relation to the proposed development of a mixed-use development at 4-6 Bligh Street, Sydney. The future development is proposed to include a hotel, high quality commercial office space and retail uses.

The Planning Proposal proposes a site-specific FSR control under the Sydney Local Environmental Plan (LEP) 2012 to allow for a total FSR of 22:1 and the optimal development capacity of the site to be realised.

The site is situated on a block bounded by Bligh Street to the west, Hunter Street to the south, Chifley Square/Phillip Street to the east, and Bent Street to the north. The wider locality is characterised by high-rise commercial and mixed-use buildings comprising the Sydney CBD. Refer to the local context plan at **Figure 2**.

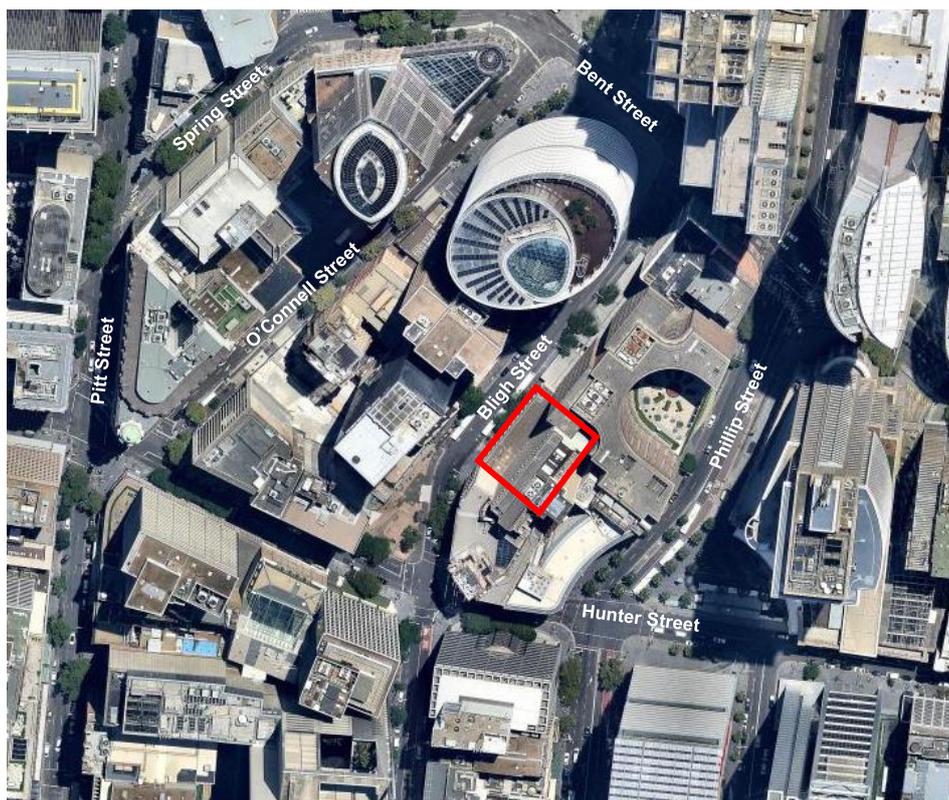


Figure 2 Context plan

Site outlined in red

Source: *Nearmaps*

1.2 Structure of this report

This report is prepared in accordance with the NSW Government's 'A Guide to Preparing Planning Proposals', and is set out as follows:

- **Section 2:** The site and context – provides an overview of the site to which the Planning Proposal is intended to apply.

- **Section 3:** The proposal – outlines the design principles and built form philosophy that have been identified to inform the proposed development.
- **Section 4:** Objectives or intended outcomes – provides a concise statement of the proposal objectives and intended outcomes.
- **Section 5:** Explanation of provisions – outlines the proposed amendments to the planning provisions within the Parramatta Local Environmental Plan 2011 to achieve the proposal.
- **Section 6:** Justification – provides the urban planning argumentation/reason to support the proposal.
- **Section 7:** Mapping – identification of the land subject to the Planning Proposal, existing land zoning and development standards and proposed land zoning and development standards.
- **Section 8:** Consultation – outlines the community consultation program that should be undertaken in respect of the proposal.
- **Section 9:** Project Timeline – outlines expectations for timeframe of the progression of the proposal.
- **Section 10:** Conclusion – concludes the report with a summary of findings and recommendations.

This report should be read in conjunction with **Attachments A to R**.

1.3 Preparation of the planning proposal

This Planning Proposal has been prepared by Tylar Vernon, Senior Urban Planner at Architectus with input from Jonathan Archibald, Senior Planner, and Jane Anderson, Planner.

Jane Fielding, Senior Associate and Urban Planner, and Michael Harrison, Director of Urban Design and Planning, both of Architectus, have provided quality assurance and project direction.

1.4 Proposed hotel - State Significant Development

The proposed development will trigger State Significant Development (SSD) provisions, pursuant to Clause 13 Schedule 1 of the State Environmental Planning Policy (State and Regional Development) 2011 (SRD SEPP), as the proposed hotel component is over \$100 million CIV. A CIV Report providing evidence to this effect accompanies this Planning Proposal.

Architectus consider that it is appropriate to consider the Planning Proposal concurrent to a Concept Development Application (DA) seeking consent for building envelope and proposed uses, both to streamline the development assessment process and allow the timely delivery of the proposed development.

Architectus consider the most appropriate time to seek Secretary Environmental Assessment Requirements (SEARs) for a Concept DA for the project to be post-Gateway determination, while in preliminary discussions with Council, it was recommended that any request for SEARs be made after Council and CSPC have approved a post exhibition Planning Proposal.

1.5 Project team

The Project team is set out below:

Table 1 4-6 Bligh Street Project Team

Applicant	One Investment Management Pty Limited ATF Recap IV Management No. 4 Trust
Project Manager	Coffey
Architect	Architectus Group
Town Planner	Architectus Group
Services/Mechanical Engineering	ARUP
ESD	ARUP
Heritage	GBA Heritage
Civil Engineering	ARUP
Geotechnical Engineering	Coffey
Contamination	Coffey
Traffic and Transport	The Transport Planning Partnership Pty Ltd
Wind Engineering	Windtech
Quantity Surveyor	WT Partnership
Waste Management	Foresight Environmental
Surveyor	CMS Surveyors
Acoustic Consultants	Acoustic Logic

2. Site and context analysis

This Section provides an overview of the site's urban context and identifies the legislation, planning instruments and planning controls applicable to the Planning Proposal.

2.1 Site details and existing land use

The subject site is located at 4–6 Bligh Street, Sydney. The site has a single frontage to Bligh Street of approximately 38 metres and approximate depth of 32 metres contributing to an area of 1,216sqm. Refer to the site context plan at **Figure 3** below.



Figure 3 Site context plan

Site outlined in red

Source: NearMap

The site is occupied by an existing commercial office building known as 'Bligh House', an 18-storey commercial office building completed in 1964.

The legal description and land ownership details are provided below.

Legal description

The subject site comprises four (4) allotments, legally described as:

- Lot 1 in Deposited Plan 919932;
- Lot 1 in Deposited Plan 134866;
- Lot 2 in Deposited Plan 134866; and
- Lot A in Deposited Plan 184770.

Refer to the lot boundary plan at **Figure 4** below, and the Land Title and Lot and Deposited Plan at **Attachment D**.

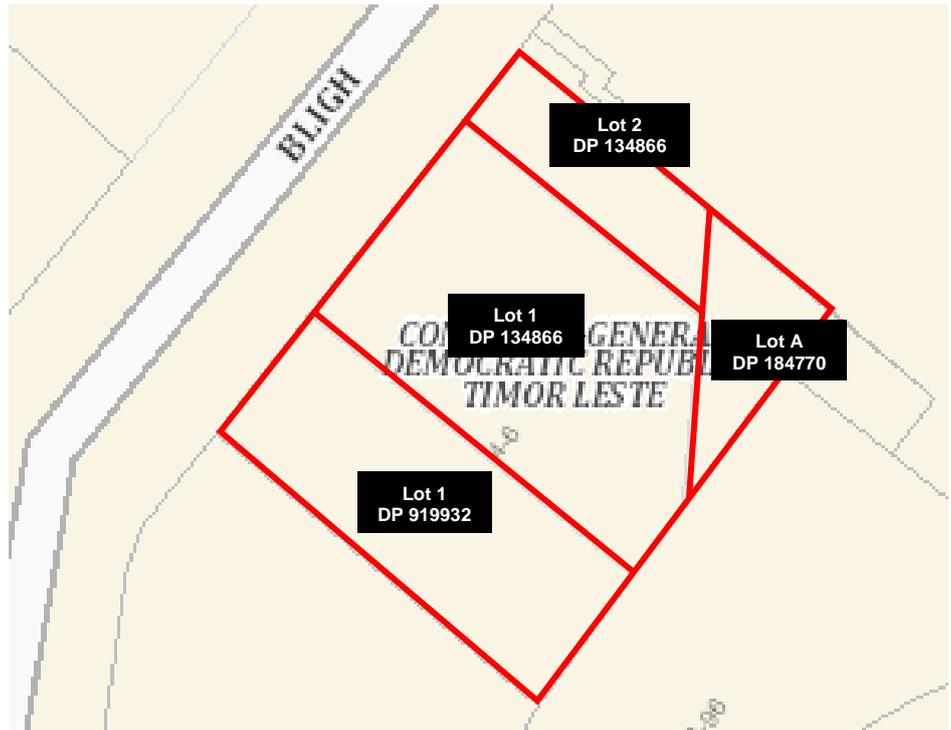


Figure 4 Lot boundary plan

Site outlined in red

Source: SixMaps

Land ownership

The land is owned by One Investment Management Pty Limited ATF Recap IV Management No. 4 Trust, who is also the applicant for this Planning Proposal.

2.2 Site surrounds and heritage context

The subject site is not a heritage item itself however it is surrounded by, and must be viewed in the context of, a number of heritage listed buildings outlined below:

- Immediately to the south west and adjoining the site is the former ‘City Mutual Life Assurance’ building, a twelve (12) storey building located at No. 10 Bligh Street and No. 66 Hunter Street. This building is a State heritage item (I1675), constructed in 1936 and is currently used as a commercial office building with a number of restaurants at street level. The former ‘City Mutual Life Assurance’ building is known as *“one of the most impressive and innovative of Australia’s Interwar Art Deco commercial office buildings and a notable exemplar of its style and period”* and is recognised as *“the finest achievement in this style of its notable architect, Emil Sodersten”*. The building has aesthetic significance given the *“dramatic exploitation of its important corner site”* and its context as a backdrop to Richard Johnson Square.
- Immediately to the north and adjoining the site is the Sofitel Sydney Wentworth Hotel, a sixteen (16) storey building located at No. 2 Bligh Street and No. 61-101 Phillip Street. This building is a Local heritage item (I1674), constructed in 1966 and used for hotel purposes since. The Wentworth Hotel is noted as aesthetically significant for the *“huge copper canopy over the entrance, which at the time of construction, was one of the largest completely fabricated awnings in the world”* and as scientifically significant for the *“largest air conditioning system, column free ballroom, and as the largest brick structure in the southern hemisphere”*.
- Immediately to the south east and adjoining the site is the Former ‘Qantas House’ building, a thirteen (13) storey building located at No. 68-96 Hunter Street, also known as No. 1 Chifley Square. This building is a State heritage item (I1811), constructed in 1957 and is currently used as a commercial office building with

several cafés at street level. The former Qantas House is considered historically significant as it reflects the “*importance of international travel as an expression of increasing middle-class affluence in post-war Australia*”. It is aesthetically significant for its well resolved detailing to its interior and exterior, and scientifically significant for its early and unique use of curtain wall façade system which incorporates aerofoil shaped aluminium framing and double glazing.

- To the north west of the site, opposite Bligh Street, is the former ‘New South Wales Club’ building, a four (4) storey building located at No. 31 Bligh Street. This building is a State heritage item (I676), constructed in 1887 and is currently used as commercial offices. This site is also bound by a thirty-one (31) storey commercial office building located at No. 25 Bligh Street, known as ‘Bligh Chambers’ to the west (rear).

The location of the buildings identified above relative to the subject site is illustrated in **Figure 5** below.

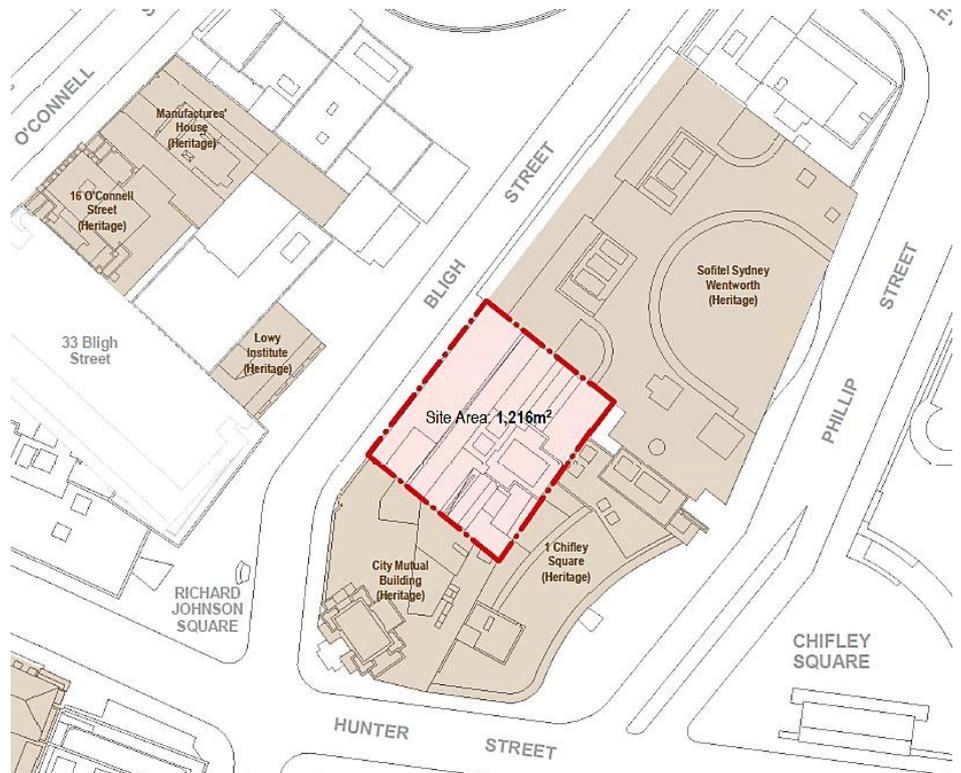


Figure 5 Site surrounds and heritage context map

Site outlined in red and surrounding heritage shaded brown

Source: *Building Envelope & Urban Design Study, Architectus*

A Statement of Heritage Impact was prepared by GBA Heritage in July 2017. The Statement establishes the significance of the heritage items in the vicinity of the subject site and provides a heritage impact assessment of the proposed development. Refer to the report at **Attachment J**.

2.3 Metropolitan context

The subject site occupies a highly accessible and well serviced central location within the Sydney CBD, located centrally within the block bound by Bent Street to the north, Hunter Street to the south and Phillip Street to the east.

In the vicinity of the site are the following landmarks:

- Circular Quay (500 metres to the north);
- Royal Botanic Gardens (250 metres to the north east);
- Martin Place (200 metres to the south);
- Pitt Street Mall shopping precinct (500 metres to the south);

- The NSW Art Gallery (650 metres to the south east); and
- Barangaroo / Darling Harbour (900 metres to the west).

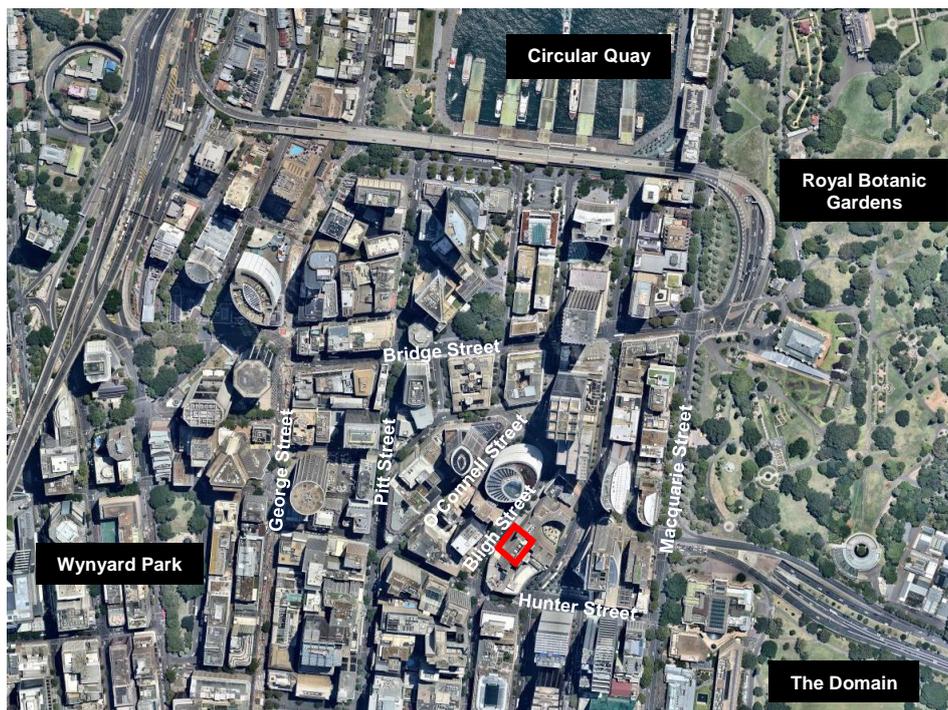


Figure 6 Local context plan

Site outlined in red

Source: *Nearmap*

The subject site occupies a strategic position within Central Sydney, in the City of Sydney Local Government Area (LGA). Sydney's CBD is Australia's global city centre, providing employment, housing and entertainment in close proximity to services and transport connections which service metropolitan areas and greater Sydney.

Central Sydney forms part of Sydney's Global Economic Corridor. *A Plan for Growing Sydney* (2014) recognises the need to create new opportunities to grow and diversify Central Sydney to ensure Sydney remains internationally competitive city, attracting key business investment and ensuring the provision of infrastructure and services to support the continued economic growth of the city. Direction 1.1 of *A Plan for Growing Sydney* notes the following:

"Sydney's global reputation is built around its dominant CBD and iconic harbour setting. More commercial and residential capacity, easier access between CBD precincts and a bustling mix of retail and world-class culture and arts consolidate Sydney's global reputation and draw capital and skilled works from around the world."

As discussed further within this report The *Draft Central District Plan* released by the Greater Sydney Commission in November 2016 also further reinforces the need to provide new tourist accommodation and supporting services in Central Sydney.

Transport context

The site is approximately 200 metres walking distance to Martin Place Station, approximately 450 metres walking distance to Wynyard Station, and approximately 500 metres to Circular Quay transport interchange. Bus stops are conveniently located along Pitt, Elizabeth and Macquarie streets, providing access to Sydney's eastern, northern and inner suburbs. The light rail line currently under construction along George Street is approximately 250 metres west of the site.

The future Martin Place Metro Station will be approximately 60 metres from the site, located at the Hunter Street, Bligh Street and Castlereagh Street intersection. Combined,

this proximity provides for excellent access to metropolitan and greater Sydney and regional NSW.

The new Sydney Metro rail service will span from Bankstown to Rouse Hill via the Sydney CBD and provide new nearby stops to Barangaroo, Pitt Street, Central and Waterloo. It is anticipated the new metro rail network will service a target capacity of more than 40,000 customers per hour in each direction. The service is intended to deliver a train every two minutes through the CBD at peak hour.

The Sydney Metro project will be a major catalyst for urban renewal and densification within its corridor, both within Central Sydney and beyond, resulting in significant change to the urban form within the walkable catchment of its stations, including the subject site.

In addition to rail connections, Bligh Street also accommodates one way directional vehicle traffic between Bent Street and Hunter Street, including bus services originating in the Sydney CBD and servicing metropolitan areas. It is however noted that Bligh Street itself does not hold any bus stops, with the nearest bus stops located within Phillip Street, Castlereagh Street and Elizabeth Street surrounding the site. Bligh Street does not have capacity for public parking and contains a small loading zone toward the north of the block.

A Traffic Impact Assessment prepared by The Transport Planning Partnership, dated 17 August 2017, provides an assessment of the site's existing transport conditions, forecast traffic generation, road network impacts, parking provisions, access arrangements and public transport availability. Refer to the Traffic Impact Assessment at **Attachment E**.

As detailed in the Traffic and Transport Assessment and in respect to vehicular traffic in the vicinity of the site, surrounding intersections are considered to be performing at an acceptable level. Due to the location of the proposed development and the proposed uses, traffic generation and demand for private vehicle use as a result of the proposal will be minimal.

3. Planning Context

This section outlines the Planning Context of this for the redevelopment of the site.

3.1 Applicable Planning Framework

The following Environmental Planning Instruments (EPI), Development Control Plans (DCP), and other plans and policies (including draft plans and policies) are applicable to the proposal:

Legislation	Environmental Planning and Assessment Act 1979 (EP&A Act)
Strategic plans	<ul style="list-style-type: none">– <i>Tourism 2020</i>, 2011– <i>NSW 2021: A Plan to Make NSW Number One</i>, 2011– <i>A Plan for Growing Sydney</i>, 2014– <i>Draft Central District Plan</i>, 2016– <i>Draft Greater Sydney Region Plan: A metropolis of three cities</i>, 2017– <i>Draft Central Sydney Planning Strategy 2016-2036</i>, 2016
Current planning controls	<p>Environmental Planning Instruments:</p> <ul style="list-style-type: none">– State Environmental Planning Policy (State and Regional Development) 2011– State Environmental Planning Policy (Infrastructure) 2007– State Environmental Planning Policy No. 55 – Remediation of Land– Sydney Local Environmental Plan 2012 <p>Development Control Plans:</p> <ul style="list-style-type: none">– Sydney Development Control Plan 2012
Other plans and policies	<ul style="list-style-type: none">– <i>Sustainable Sydney 2030: Community Strategic Plan</i>, 2017– <i>Tourism Action Plan</i>, 2013– <i>Visitor Accommodation Action Plan (Hotels and Serviced Apartments)</i>, 2015– <i>Economic Development Strategy</i>, 2013– <i>Final Report of the Visitor Economy Taskforce</i>, 2012

The Planning Proposals consistency with the above is detailed in **Section 6** of this Planning Proposal.

3.2 Current planning controls

State Environmental Planning Policy (State and Regional Development) 2011

The aims of the SRD SEPP include “*to identify development that is State significant development*”.

Pursuant to Clause 13 of Schedule 1 of the SEPP, the development is State significant, as it includes a hotel with a Capital Investment Value greater than \$100 million.

A future State Significant Development Application (SSDA) (or applications) will be lodged seeking development consent for the proposed mixed-use development and will be subject to the provisions relating to SSD of the EP&A Act 1979 and the SRD SEPP.

State Environmental Planning Policy (Infrastructure) 2007

State Environmental Planning Policy Infrastructure 2007 (SEPP Infrastructure) applies to all land within New South Wales within proximity to, or the potential to affect infrastructure assets. Relevant to the proposal, the SEPP Infrastructure identifies matters to be considered in the assessment of development adjacent to infrastructure assets.

Accordingly, the SEPP Infrastructure is to be considered given the proximity of the site to the future subterranean Sydney Metro rail corridor, including the proposed Martin Place North Station on the southern side of Hunter Street between Castlereagh and Elizabeth streets. Transport for NSW will be consulted with during the preparation of the future DA for the site.

State Environmental Planning Policy No. 55 – Remediation of Land

State Environmental Planning Policy No. 55 – Remediation of Land (SEPP 55) applies to all land within New South Wales and has an overall aim to promote the remediation of contaminated land and reduce the risk to human health and the environment:

Council records do not indicate any known contamination at the site and the site is not identified on the NSW EPA contaminated land register. A Preliminary Site Investigation (PSI) is provided at **Attachment K**, and concludes that the site can be made suitable for the proposed commercial development in accordance with SEPP 55, subject to detailed site investigations which will be undertaken prior to a development application being lodged.

Sydney Local Environmental Plan 2012

The Sydney LEP 2012 applies to the site. An extract of the key LEP controls and development standards applicable to the site and the proposed development is provided below.

Land Use Table and Zoning

The subject site is currently zoned B8 - Metropolitan Centre under the LEP 2012.

Objectives of the zone	<p><i>“To recognise and provide for the pre-eminent role of business, office, retail, entertainment and tourist premises in Australia’s participation in the global economy.</i></p> <p><i>To provide opportunities for an intensity of land uses commensurate with Sydney’s global status.</i></p> <p><i>To permit a diversity of compatible land uses characteristic of Sydney’s global status and that serve the workforce, visitors and wider community.</i></p> <p><i>To encourage the use of alternatives to private motor vehicles, such as public transport, walking or cycling.</i></p> <p><i>To promote uses with active street frontages on main streets and on streets in which buildings are used primarily (at street level) for the purposes of retail premises.”</i></p>
Permitted without consent	<p><i>“Nil”</i></p>
Permitted with consent	<p><i>“Child care centres; Commercial premises; Community facilities; Educational establishments; Entertainment facilities; Function centres; Information and education facilities; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Respite day care centres; Restricted premises; Roads; Tourist and visitor accommodation; Any other development not specified in item 2 or 4”</i></p>
Prohibited	<p><i>“Nil”</i></p>

An extract of the LEP 2012 Zoning and land use map of the site and the surrounding area is illustrated at **Figure 7**.



Figure 7 Land use zoning map

Site outlined in red

Source: *Sydney LEP 2012, Sheet LZN_014*

The range of proposed uses for the site, including retail premises, commercial premises, indoor recreation facility (indoor) and hotel or motel accommodation are permitted with consent in the zone. Further, the proposed development is considered to be consistent with the objectives of the zone as it provides a range of uses within a mixed-use building which are commensurate with Sydney's global status which will serve the workforce, visitors and the wider community.

Active uses are proposed at the street level to activate Blyth Street, and the proximity of the development to both existing and future public transport infrastructure is such that workers and visitors to the site are highly unlikely to be travel in a private motor vehicle. To further incentive the use of alternative modes of transport, the future development of the site will include provision of car parking significantly below the maximum permitted by the Sydney LEP 2012.

Clause 4.3 – Height of Building

The maximum building height for development on the site is controlled under Clause 4.3 of the LEP 2012. The site and surrounding locality is subject to a maximum building height of 235 metres, pursuant to Clause 4.3(2) of the LEP 2012.

The objectives of the maximum height of building controls under Clause 4.3 are as follows:

- a) to ensure the height of development is appropriate to the condition of the site and its context,
- b) to ensure appropriate height transitions between new development and heritage items and buildings in heritage conservation areas or special character areas,
- c) to promote the sharing of views,
- d) to ensure appropriate height transitions from Central Sydney and Green Square Town Centre to adjoining areas,
- e) in respect of Green Square:
 - i. to ensure the amenity of the public domain by restricting taller buildings to only part of a site, and
 - ii. to ensure the built form contributes to the physical definition of the street network and public spaces

The maximum building height plan for the site and the surrounding area is illustrated at **Figure 8**.



Figure 8 Maximum building height map
Site outlined in red
Source: Sydney LEP 2012, Sheet HOB_014

Clause 4.4 – Floor Space Ratio

The maximum FSR for development on the site is controlled under Clause 4.4 of the LEP 2012. The site and surrounding locality is subject to a maximum FSR of 8:1. The objectives of the maximum FSR controls under Clause 4.4 are as follows:

- a) *to provide sufficient floor space to meet anticipated development needs for the foreseeable future,*
- b) *to regulate the density of development, built form and land use intensity and to control the generation of vehicle and pedestrian traffic,*
- c) *to provide for an intensity of development that is commensurate with the capacity of existing and planned infrastructure,*
- d) *to ensure that new development reflects the desired character of the locality in which it is located and minimises adverse impacts on the amenity of that locality.*

The maximum FSR for the site and the surrounding area is illustrated at **Figure 9**.



Figure 9 FSR map

Site outlined in red Source: Sydney LEP 2012, Sheet FSR_014

Clause 6.3 – Additional floor space in Central Sydney

Clause 6.3 stipulates that the gross floor area of a building on land in Central Sydney may exceed the maximum permitted by Clause 4.4 (and the associated FSR Map) by the sum of the following, for which the development may be eligible:

- a) *any accommodation floor space,*
- b) *any amount determined by the consent authority under clause 6.21 (7) (b),*
- c) *any car parking reduction floor space, end of journey floor space, entertainment and club floor space, lanes development floor space or opportunity site floor space.*

For the purposes of Clause 6.4 - Accommodation floor space, the site is located in "Area 1". Hotel or motel accommodation is eligible for an amount of additional floor space up to 6:1, and office premises or retail premises may achieve up to an additional up to 4.5:1.

Sydney Development Control Plan 2012

The Sydney Development Control Plan (DCP) 2012 applies to most of the City's LGA, including the site at 4-6 Bligh Street. The DCP was adopted by the City of Sydney Council on 14 May 2012 and came into effect on 14 December 2014.

As noted above, pursuant to SRD SEPP 2011, the future development will be State Significant, as it includes a hotel with a Capital Investment Value greater than \$100 million, and therefore the Sydney DCP 2012 will not be a statutory consideration for the future development application.

4. Objectives and intended outcomes

This section outlines the objectives of the Planning Proposal and the vision and objectives for the redevelopment of the site.

4.1 Intended outcome of this Planning Proposal

The intended outcome of this Planning Proposal is to amend the Sydney LEP 2012 to facilitate the redevelopment of 4-6 Bligh Street as a high quality and efficient mixed-use hotel and commercial development.

Drawing on Council's controls and strategies, technical consultant reports prepared for the proposed development and the site-specific design study, Architectus has identified the need to provide a site-specific FSR control that would increase the maximum FSR applying to the site under the LEP 2012 to facilitate its redevelopment for the purpose of a mixed hotel and commercial building.

Based on the detailed analysis of the site's capacity to accommodate the proposed mixed-use development and detailed consideration given to any potential impacts on adjoining sites or the public domain, it is considered that the maximum FSR of 22:1 as proposed can be accommodated on the site without resulting in negative environmental impacts. The impacts are discussed further within this report at **Section 6.3**.

4.2 Objectives of this Planning Proposal

Key objectives of this Planning Proposal and proposed redevelopment of the site are:

- To achieve an outstanding built form and design outcome for the site.
- To achieve a mix of uses on the site which will serve the local workforce, visitors, and the wider community.
- To provide for an intensity of development commensurate with the global significance of the Sydney CBD and the site's highly accessible location.
- To provide for an intensity of development commensurate with the increased frequency and capacity of public transport infrastructure in the vicinity of the site, including the Martin Place Metro Station (approximately 60 metres south) and the CBD Light Rail.
- To achieve a built form capable of accommodating a minimum of eleven (11) rooms per floor, necessary for servicing and operational efficiencies to enable a commercially viable hotel development at the site.
- To facilitate the development of additional tourist accommodation in Central Sydney to service the growing tourism industry.
- To enable the most efficient economic outcome for the site.
- To positively address the site's features and context.

The proposed amendment to the LEP 2012 is sought to allow for the optimal development capacity of the site to be realised. Due to the residual value of the existing 1960's commercial building on the site, it is not economically feasible to construct a new hotel on the site under the current maximum FSR control. Additionally, the quantum of uplift proposed allows for a hotel of a sufficient size to achieve a level of operational efficiency which will appeal to a hotel operator with a world-class reputation for quality.

The site is situated in a prime location in Central Sydney, surrounded by high quality commercial offices, hospitality and heritage buildings. The location is considered to be ideally situated to provide tourist accommodation, being in close proximity to major destinations, including the Royal Botanic Gardens and Circular Quay.

Refurbishment of the existing commercial building would be the most likely development scenario for the site under the existing controls. This would be a lost opportunity to deliver a new hotel in an ideal location within Central Sydney, for which there is substantial unmet demand as publicly acknowledged by Council, including as detailed in the *Draft Central Sydney Planning Strategy 2016-2036* and Council's *Tourism Action Plan 2030*.

4.3 Concept proposal

An indicative development concept proposal has been prepared by Architectus to indicate the proposed built form, building massing and relationship with the adjacent heritage listed buildings and site surrounds. The Architectural concept is appended to this Planning Proposal at **Attachment B**.

4.4 Land use

The intended outcome of the Planning Proposal is to facilitate the development of a new 55-storey mixed use building at 4-6 Bligh Street, Sydney, including commercial, hotel and retail uses.

The accompanying indicative architectural scheme provides for a new mixed-use hotel and commercial building with height of 55-storeys or 205 metres (height of RL 225.88), and FSR of 20.3:1. An additional floor space efficiency factor is to be allowed for during the design competition which will bring the maximum FSR to 22:1.

The indicative architectural scheme comprises:

- Ten (10) storey podium, including hotel entrance lobby, commercial lift lobby, food and beverage facilities, plant, commercial offices, meeting/conference rooms, gym space, and landscaped podium with formal hotel lobby;
- 37 storeys of hotel (each level including 11 rooms, with a total of 407 rooms);
- Four (4) levels at rooftop including hotel club lounge, function space, restaurant and bar, and publicly accessible landscaped terrace; and
- Four (4) basement levels including 17 car parking spaces, 2 loading spaces, plants, end of trip facilities and waste management facilities.

The proposed development will have a total gross floor area (GFA) of 24,825sqm.

Active uses are proposed at the ground floor, with approximately 1,168sqm of retail throughout the building and a mixed hotel and commercial lobby. The tower element will be setback from Bligh Street by 8 metres to reduce the visual impact of the development when viewed from the street, with the tower to appear as a visually recessive element behind the podium.

The proposed uses are permitted with consent in the B8 - Metropolitan Centre zone and are consistent with the objectives of the zone.

It is the intent of the Planning Proposal to stipulate that the additional FSR sought to facilitate the proposed development will not apply to residential accommodation or serviced apartments.

4.5 Design philosophy

The tower is envisaged as a “lifestyle, affordable luxury” boutique hotel in the range between 4 to 5 stars. The tower will deliver 407-rooms across 37 levels. Guests will have access to the podium gym levels, hotel club lounge, function space, restaurant and bar, and landscaped terrace.

The main hotel lobby is proposed to be located at the roof of the podium with shuttle lift access from the ground level of Bligh Street. This site's prime location will give the elevated lobby and external communal terrace area unrivalled visibility and a key aspect looking back down Bligh Street to the south.

The podium is aimed to achieve 5 Green Star ratings while providing flexible work spaces with high levels of connectivity. Active ground floor spaces, such as cafes, restaurants and bars, will also accommodate interesting meeting and social places. There will also be two storeys of world class gym space and a semi-outdoor swimming pool and premium workout areas.

Light wells are proposed to be located at the north eastern and south-eastern corner of the podium, and will bring natural daylight into the podium floor plates and enhance the quality of the existing light wells of the adjacent heritage buildings, including the Sofitel Sydney Wentworth Hotel and former 'Qantas House' building. At the base of the light wells there will be an outdoor landscaped terrace which will be accessed via Level 1.

End of trip facilities will be located in basement Level 2, and include secure bike parking, lockers and shower facilities for commercial tenants, retail tenants and visitors to the site.

Vehicle, loading and servicing access to the basement car parking spaces will be provided off Bligh Street adjacent to Sofitel Wentworth Hotel.

4.6 Relationship with adjoining properties

The proposed new building will provide an enhanced interface with the adjacent heritage buildings over what is existing. The building will include a podium height that aligns with the height of the adjoining former 'City Mutual Life Assurance' building, being a State heritage item. It is envisaged that building materials to the Bligh Street façade will incorporate the use of sandstone, which will be complementary to the adjacent building and the broader built heritage within the site surrounds.

The proposed reduced setbacks to the north and south of the building will result in a larger tower footprint which appropriately relates to surrounding development of large commercial buildings, and thereby provide an appropriate relationship to the local context. Amenity impacts on adjoining properties are considered negligible, given heritage constraints on any redevelopment of the adjoining buildings above their existing height, a restriction on the title of the Sofitel Wentworth Hotel to the north which restricts the gross floor area of any building on that site to what is existing, and strata-titling of Qantas House and the 'former City Mutual Life Assurance Building'. The design of the tower and proposed setbacks to the north, south and east will consider outlook from hotel room windows within the tower.

The proposed tall and slender tower form is desirable in Central Sydney as it will allow daylight into the surrounding public places and will not impact the sun access planes to Chifley Square and Pitt Street Mall.

4.7 Need for redevelopment

The existing 18-storey commercial building on the site, 'Bligh House', was completed in 1964. The building was constructed as part of the post-World War II development boom which occurred in Central Sydney, facilitated in part by regulatory changes at the time which enabled buildings to be built above 150 feet, which had been the height limit imposed on the city since 1912. Upon its completion, it was the eighth tallest building in Sydney at a height of 240 feet.

'Bligh House' has been long-term tenanted by NSW Government Property. With the imminent lapsing of the lease of the property and the release of the *Draft Central Sydney Planning Strategy 2016-2036*, the owners of the site approached Architectus seeking architectural and planning advice as to the site's capacity to accommodate a hotel and commercial building.

The proposed development of 4-6 Bligh Street is of strategic importance because of its importance to key industry sectors, including tourism and hospitality, and is intended to

achieve various Government policy goals. The deficiency and urgent need for the development of additional tourist accommodation in Central Sydney is referred to consistently in relevant State, regional/metropolitan and local planning policies and strategies (referred to elsewhere in this report). Growth in the tourism industry is commonly identified as being pivotal to growing the global role of Sydney and in economic growth for the State.

The *Central Sydney Planning Strategy 2016-2036*, for example, identifies that the demand for hotel space in Central Sydney is strong and sets priority actions to facilitate increased accommodation supply. The Strategy notes the annual number of visitors staying in hotels in Central Sydney has increased by nearly 1 million over the past decade, and growth in demand is expected to continue.

The site is not constrained by any of the existing or proposed sun access planes which restrict building height across large parts of Central Sydney, meaning there is the capacity for a tall building on the site without resulting in additional overshadowing of any protected public space.

Under the current maximum FSR control it would not be feasible to construct a hotel on the site. The site is surrounded on three sides by existing heritage listed buildings, meaning it is unable to amalgamate with adjoining sites to achieve a sufficient scale of development to warrant demolition of the existing commercial building. Refurbishment of the existing commercial building would be the most likely development scenario for the site under the existing controls. This would be a lost opportunity to deliver a new hotel in an ideal location within Central Sydney, for which there is substantial unmet demand.

4.8 Evolution of the design

Consultation with the Department of Planning and Environment and City of Sydney Council has been undertaken at the preliminary stage and as the Planning Proposal has been prepared. Discussions with the Department of Planning and Environment included a meeting on 30 March 2017. Consultation with the City of Sydney Council included meetings on 29 November 2016, 29 June 2017, and 7 August 2017. Consultation has involved the sharing of information on a range of issues to inform the Planning Proposal.

Through the consultation process and also through ongoing development of the reference design at **Attachment B**, the proposed built form design has evolved to accommodate a feasible development outcome which results in minimal impact on adjoining properties and surrounding public places.

At the initial meeting with the City of Sydney Council three options were presented which reflected the built form controls under the Draft *Central Sydney Planning Strategy*, having differing boundary setbacks based on proposed building height. Those options are provided in **Figures 10 through 12** below.

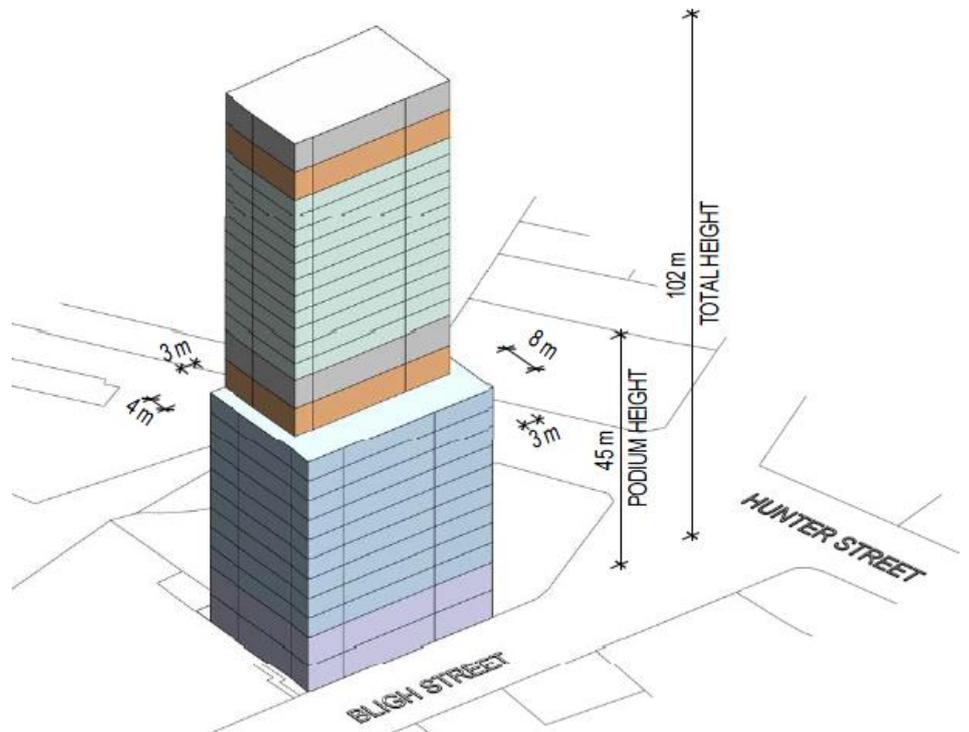


Figure 10 Massing option 1 - Complies with current height and FSR controls under LEP 2012

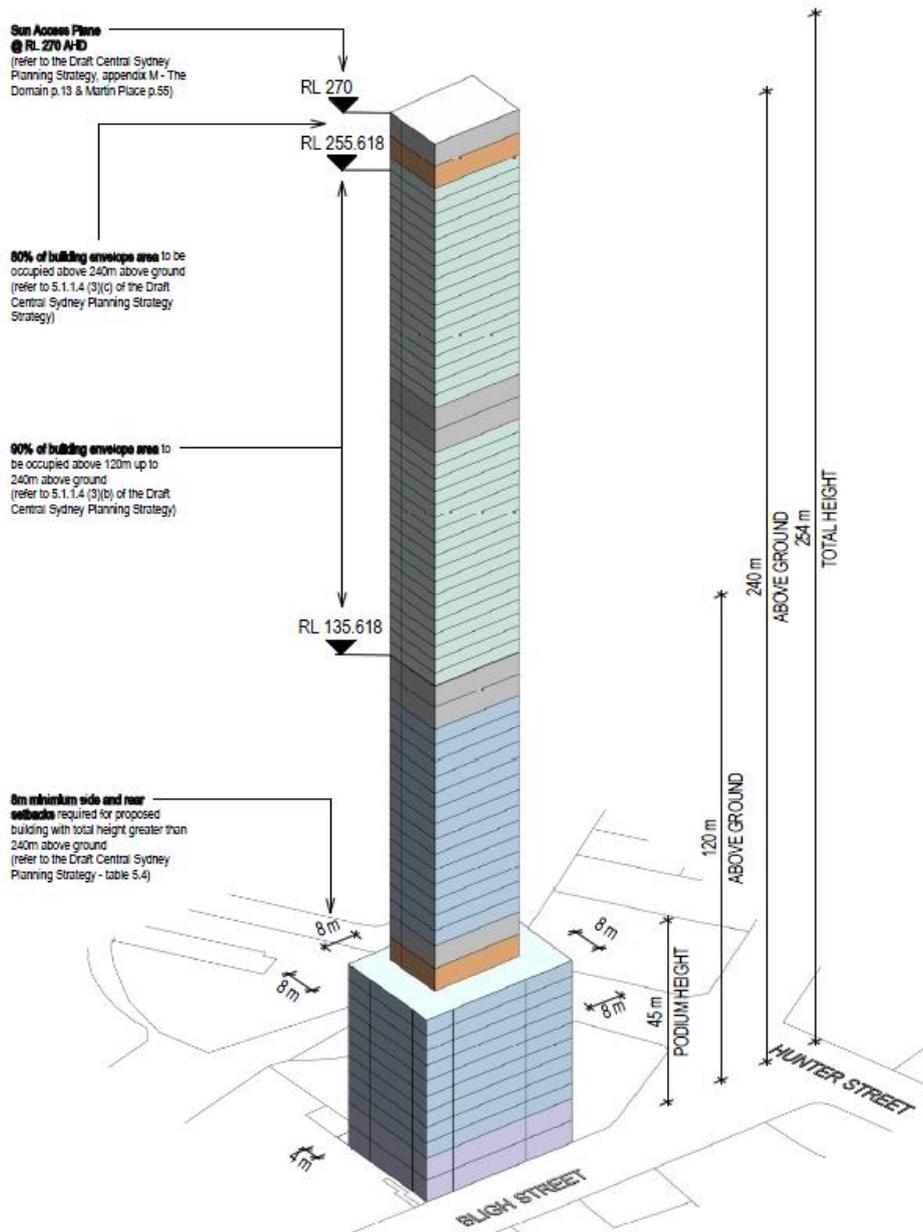


Figure 11 Massing option 2 – Built form outcome for building above 240m under draft controls

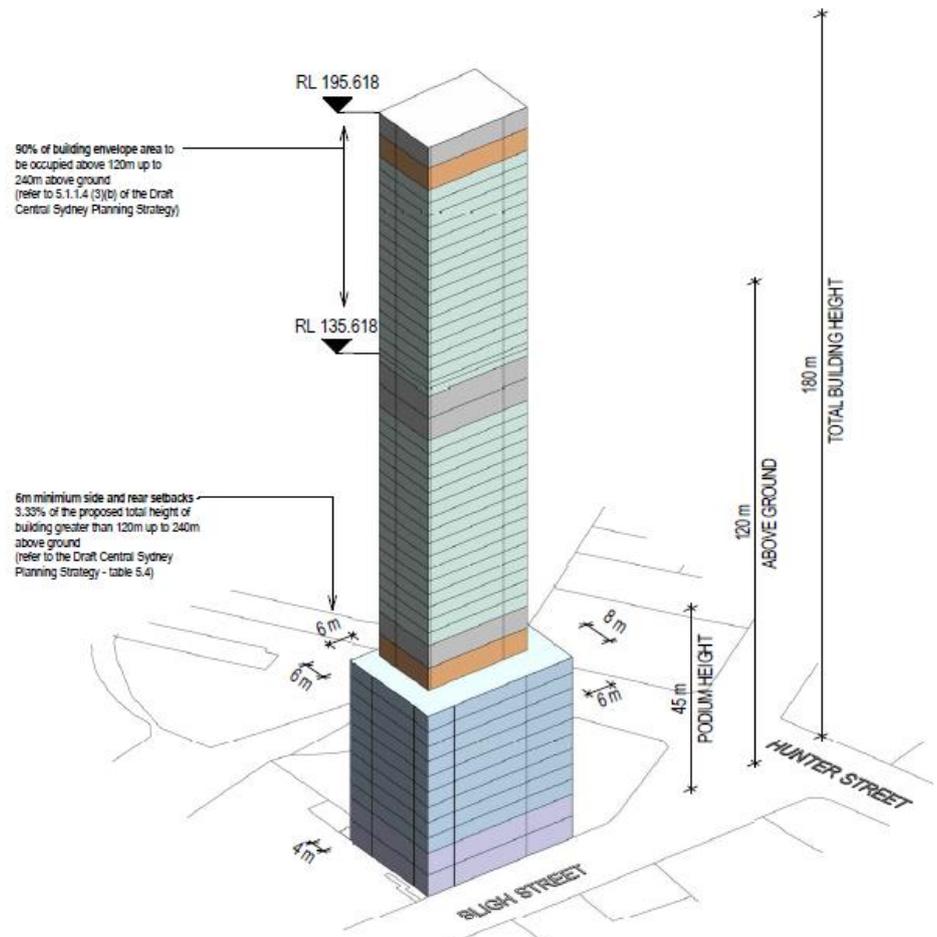


Figure 12 Massing option 3 – Built form outcome for building of 180m height under draft controls

Of the options presented, Option 3 was the preferred option, as it was at the time understood to be able to accommodate a floor plate of sufficient size for a hotel development and also provided setbacks which complied with the Draft *Central Sydney Planning Strategy*. Conceptually, the building envelope allowed for an FSR of 20:1. It is noted that at the time the design of the building was highly conceptual and servicing and lifting requirements of the building were not yet properly understood, nor was the capital investment value of the building known.

Option 1 does not allow for a sufficient uplift in floor space above what is existing on the site for a redevelopment to be feasible, whilst Option 2 resulted in too small a floor plate to allow for an acceptable level of operational efficiency for a hotel to be achieved. Further, it was agreed by both Council officers and the project team that Option 2 resulted in the most appropriate scale of development for the site when viewed in the context of the site and surrounding development. A photograph of the model presented to Council at this meeting in the City of Sydney Central Sydney model is provided in **Figure 13** below.



Figure 13 Physical model of option 3 in Central Sydney Model
Note: subject building shown in white

A pivotal consideration in the design of a high-rise hotel development is the number of hotel rooms which can be accommodated on each level. The fewer rooms per floor, the greater the proportion of floor space in the building is required for storage of cleaning and maintenance equipment etc., given these will typically need to be replicated on each level to avoid conflict between housekeeping staff travelling in guest lifts or having to wait for goods lifts, which typically have a much lower level of service and therefore longer wait times. Therefore, the larger the hotel floor plate, the more attractive it will be to a hotel operator due to improved operating efficiency.

Once an assessment of the capital investment value was undertaken, and given further consideration of the need to achieve an acceptable level of operational efficiency for the hotel component of the proposed development, a further option was developed and was subsequently presented to the Department of Planning and Environment which conceptually allowed for an FSR of 22:1, with the increase in gross floor area compared with previous schemes being through a reduction in setbacks to the north and south from 6 metres to 4 metres. The proposed reduction was considered acceptable, given it is greater than the minimum required setback of 3 metres under the current DCP 2012 and owing to the prohibitive constraints on redevelopment of the adjoining sites. This further option is provided in **Figure 14**.

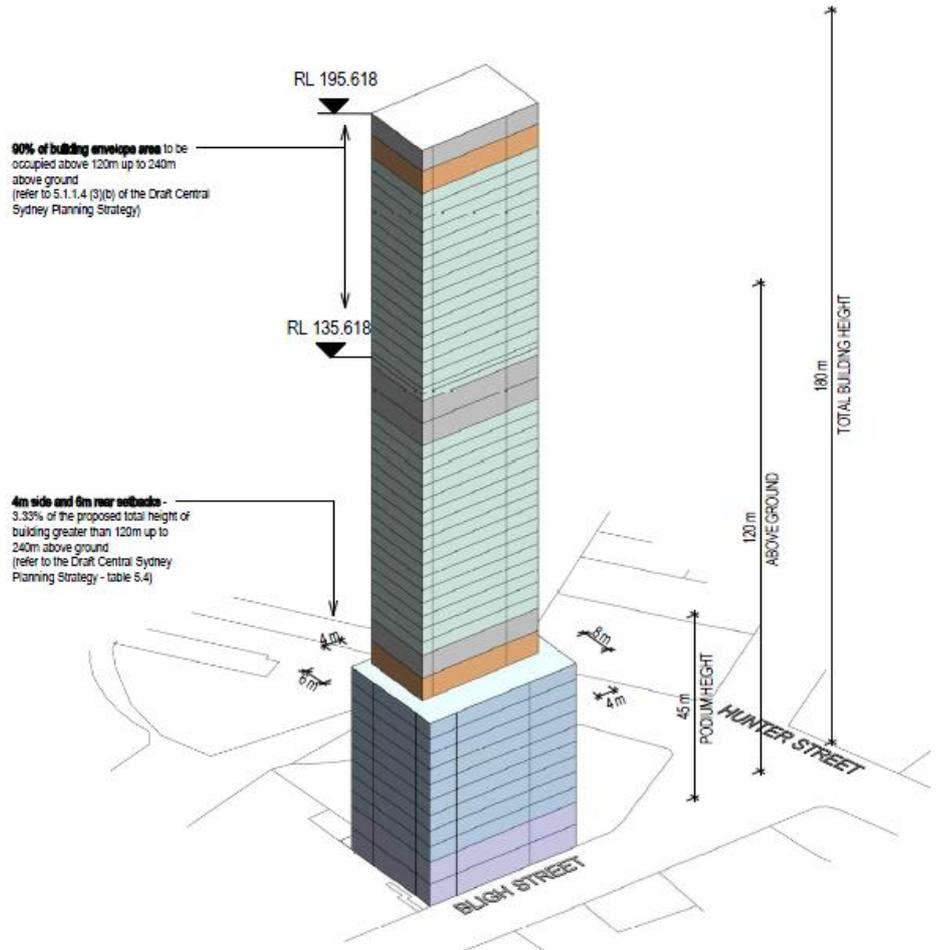


Figure 14 4 metre setback option

Through further refinement and design of the proposed development, incorporating feedback from a variety of technical experts, particularly in relation to vertical transport, heritage impacts, and building services, the building envelope was again revised to allow the required quantum of floor space to be achieved. The setbacks to the north and south were decreased to 3 metres, necessitated by a large portion of the proposed building envelope will be occupied by vertical transport and service risers. The proposed setback to these boundaries complies with the current Sydney DCP 2012 and results in negligible impact on surrounding properties, due the inability for these sites to develop in the future. The height of the building was also increased to RL 220.88 metres. The resultant scheme (provided in **Figure 15** below) was presented to the City of Sydney on 29 June 2017.

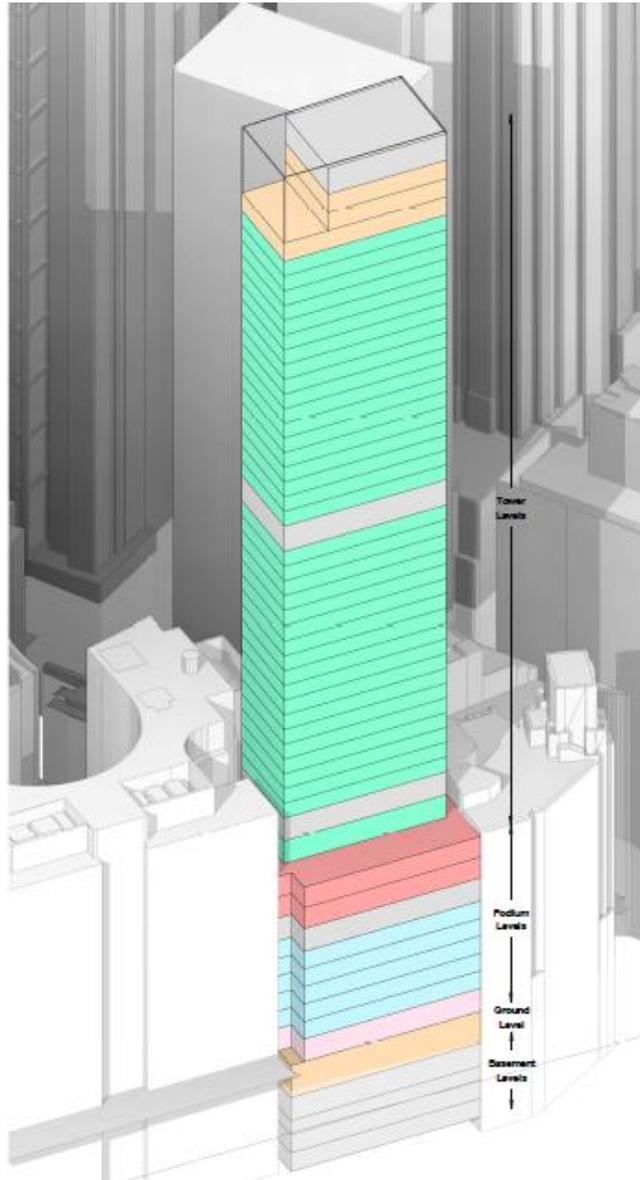


Figure 15 Built form massing presented Council 29 June 2017

Relatively minor changes were made to the reference design and proposed building envelope following this meeting and prior to finalisation of the Planning Proposal and supporting documentation.

5. Explanation of Provisions

To achieve the objectives and the intended outcomes of the Planning Proposal, a site-specific amendment to the LEP 2012 is required which would allow for additional FSR as part of a hotel and commercial development.

5.1 Floor Space Ratio

The current maximum FSR achievable on the site is prescribed by Clauses 4.4 and 6.3 of the LEP 2012. Clause 4.4 provides the base FSR applicable to the site of 8:1, and Clause 6.3 provides that the base FSR may be exceeded by the sum of any of the following for which the building may be eligible:

- Any accommodation floor space, as provided by Clause 6.4;
- Any design excellence bonus under Clause 6.21; and
- Any car parking reduction floor space, end of journey floor space, entertainment and club floor space, lanes development floor space or opportunity site floor space.

To achieve the objectives of the Planning Proposal, it is proposed to provide a site-specific increase to the maximum FSR relating to the site, but only where the development is for the purpose of commercial premises, hotel or motel development, and/or recreation facility (indoor). It is proposed to increase the maximum FSR applying to the land under the LEP 2012 from approximately 14.88:1 (including bonuses) to a maximum of 22.0:1 FSR where development for the aforementioned land uses is proposed.

On the basis of the mix of uses provided by the architectural concept at **Attachment B** (break down of floor space approximately 22.6% commercial, 71.6% hotel, and 5.8% indoor gym and pool), the maximum FSR that would be applicable to a building on the site is set out in **Table 2** below. It is noted that **Table 2** includes a 7.3% efficiency factor for additional GFA to allow for flexibility during the design competition process (for example if a proponent puts in a faster or more efficient lift which may mean less lifts are required and would result in more GFA but not a different building form).

Table 2 Overview of Floor Space Ratio Calculation

LEP Provision	Floor Space Ratio	Sub-total
Clause 4.4 Floor Space Ratio (base)	8.0:1	8.0:1
Clause 6.4 Accommodation floor space (Area 1)	<p>Hotel accommodation – max 6:1 (proposed 71.6% of development = 4.296:1)</p> <p>Office and retail uses – 4.5:1 (proposed 22.6% of development = 1.017:1)</p> <p>Total accommodation floor space for the which the development is eligible – 5.5313:1</p> <p>Note 1: Proposed gymnasium component not eligible for accommodation floor space (approximately 5.8% of development).</p> <p>Note 2: All indicative proportions have been based on the reference design (Attachment B) and may be subject to change.</p>	13.53:1
Clause 6.21 Design Excellence	Up to additional 10% (of base FSR and accommodation floor space)	14.88:1
Clause 6.5 Car parking reduction	Not eligible	–
Clause 6.6 End of Journey	Not eligible (applies to development for the purpose of commercial premises only)	–
Clause 6.7 Entertainment and club	Not eligible	–
Clause 6.8 Lanes development	Not eligible	–
Proposed site-specific clause	Additional 7.12:1	22.0:1
	Total	22.0:1

It is proposed to add a site-specific provision under Division 5 of Part 6 of the LEP 2012 which provides that where development of the site is for the purposes of hotel or motel accommodation, commercial premises (which includes retail premises) and an indoor recreation facility, the development is eligible for an additional FSR of 7.12:1.

It is not proposed to amend clause 4.4 or the associated FSR map (the base FSR), or to amend clause 6.4 (Accommodation Floor Space) or clause 6.21 (Design Excellence). For the purposes of determining additional design excellence floor space to which the development is eligible under clause 6.21(7)(b) as result of a competitive design process, the 10% bonus will apply only to the mapped base FSR of 8:1 and any accommodation floor space to which the development is eligible. Additional FSR being sought through this Planning Proposal will not be eligible for any design excellence bonus.

It is noted that if a greater proportion of hotel or motel accommodation is proposed beyond that illustrated in the reference design at **Attachment B**, this may result in an FSR in excess of 22.0:1. This is because of the structure of Clause 6.4 of the LEP 2012 which grants Accommodation Floor Space proportionally to the use(s) of the site.

Accordingly, an upper limiting FSR is proposed at Section 3.0 below which would prevent this from occurring, while still allowing flexibility in the future floor space distribution of uses throughout the development.

5.2 Draft LEP Clause

It is proposed that the draft LEP clause take the following form:

Clause 6.37 – 4-6 Bligh Street, Sydney

- (1) *The objective of this clause is to provide for additional floor space for development for any of the following purposes:*
 - (a) *Commercial premises;*
 - (b) *Hotel or motel accommodation; and*
 - (c) *Recreation facility (indoor)*
- (2) *This clause applies to 4-6 Bligh Street, being Lot 1, DP 919932, Lot 1, DP134866, Lot 2, DP 134866, and Lot A, DP 184770.*
- (3) *A building on land to which this clause applies that is used for any of the purposes referred at subclause (1) is eligible for an amount of additional floor space, in excess of that permitted by the Floor Space Ratio Map and any other additional floor space that is otherwise permitted by this plan, by applying a floor space ratio of 7.12:1.*
- (4) *Development consent must not be granted to development under this clause if the development will result in a building in the site having a floor space ratio greater than 22:1.*

6. Justification

This section provides justification of the Planning Proposal in line with the 'Questions to consider when demonstration justification' set out within the NSW Government's 'A guide to preparing Planning Proposals'.

6.1 Section A – Need for the Planning Proposal

6.1.1 *Is the planning proposal a result of any strategic study or report?*

Yes, this Planning Proposal has resulted from and is intended to address the priorities and actions highlighted within the following strategic studies and reports:

Federal:

- *Tourism 2020.*

State:

- *NSW 2021: A Plan to Make NSW Number One (2011); and*
- *Final Report of the Visitor Economy Taskforce (2012).*

Regional and sub-regional:

- *A Plan for Growing Sydney (2014);*
- *Draft Central District Plan (2016); and*
- *Draft Greater Sydney Region Plan: A metropolis of three cities (2017)*

Council:

- *Draft Central Sydney Planning Strategy 2016-2036;*
- *Sustainable Sydney 2030 (2017);*
- *Tourism Action Plan (2013);*
- *Visitor Accommodation Action Plan (Hotels and Serviced Apartments) (2015); and*
- *Economic Development Strategy (2013).*

An overview and assessment of compliance with each of these studies or reports is provided below and within the following sections.

Tourism 2020, Tourism Australia 2011

Tourism 2020 was prepared by Tourism Australia in 2011 and is a “*whole-of-government and industry long-term strategy to build the resilience and competitiveness of Australia’s tourism industry and grow its economic contribution*”.

The Report identifies tourism’s significance as an industry for Australia, noting that it “*generates \$94 billion in spending and contributes nearly \$34 billion to Australia’s GDP, directly employs over 500,000 people and earns nearly 10% of our total export earnings, making it Australia’s largest service export industry.*” The Report finds 40,000-70,000 new rooms are required in Australia to meet potential.

One of the key objectives of *Tourism 2020* is to increase accommodation capacity by allowing businesses to more easily “*invest in new visitor accommodation and tourism infrastructure by governments removing red tape barriers and facilitating major new projects*”.

The objective of this Planning Proposal is to facilitate the development of a high quality mixed use commercial and hotel building for the site, which will contribute to Sydney’s profile as a global city with world class facilities.

NSW 2021: A Plan to Make NSW Number One, NSW State Government 2011

NSW 2021 is the NSW Government's 10-year plan to guide policy and budget decision making. It establishes long-term goals and measurable targets, and outlines actions to enable the Government to deliver on community priorities.

NSW 2021 is based around five strategies:

- *Rebuild the economy;*
- *Return quality services;*
- *Renovate infrastructure;*
- *Strengthen our local environment and communities; and*
- *Restore accountability to government.*

The Government's number one priority is to restore economic growth and establish NSW as the first place in Australia to do business. One of the key targets in achieving this is to increase tourism within NSW to double the visitor expenditure by 2020.

Whilst the likely timing of delivery of the proposed hotel development is outside of the timeline for achieving the targets established by NSW 2021, the project is consistent with the Government's vision and intent of attracting tourists to NSW and providing the necessary accommodation and facilities to enable growth within the tourism industry.

Final Report of the Visitor Economy Taskforce, NSW Trade and Investment 2012

The *Final Report of the Visitor and Economy Taskforce* was prepared by NSW Government (NSW Trade and Investment) in 2012. The Report identifies the NSW Government's target is to double overnight visitor expenditure (in nominal terms) in NSW from 2012 to 2020.

The Report identifies that "*Sydney is reaching capacity with hotel occupancy exceeding 80 per cent per annum (the highest in Australia); it will become increasingly more expensive and uncompetitive unless capacity for growth is found*".

Strategic Imperative 2 of the Report is to grow the physical capacity of hotel rooms and other accommodation in Sydney to ensure there is accommodation capacity to promote additional visitation into Sydney.

Proposed Actions provided in the Report to achieve *Strategic Imperative 2* that are relevant to the proposed development include:

- *Action 5A: Work with the City of Sydney on future land-use and development standards to be incorporated in the Sydney LEP and DCP to encourage and incentivise visitor accommodation in key Sydney precincts.*

This Planning Proposal aims to facilitate the development of a mixed-use building including a 407-room hotel to deliver tourist accommodation in a well-connected and high amenity location within Central Sydney.

The other policy and strategic studies referred above are discussed at **Section 6.2.3**.

6.1.2 Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

Yes. There are no alternative processes to achieve the intent of this Planning Proposal due to the current planning controls that apply to the site under the LEP 2012.

Various built form options were tested and discounted as discussed at **Section 4.8** 'Evolution of Design' above.

The development of a mixed-use hotel and commercial building would not be feasible under the current maximum FSR control. The site is surrounded on three sides by existing heritage listed buildings, meaning it is unable to amalgamate with adjoining sites to achieve a sufficient scale of development to warrant demolition of the existing commercial building. As such, refurbishment of the existing commercial building would

be the most likely development scenario for the site under the existing controls. This would be a lost opportunity to deliver a new hotel in an ideal location within Central Sydney, for which there is substantial unmet demand. Amending the current maximum FSR control to permit a maximum FSR of 22:1 is therefore the most appropriate way to achieve increased density on the site.

The proposed built form and scale of the redevelopment is considered to be appropriate for the reasons identified below:

- The proposed redevelopment of the site will provide for an intensity of development commensurate with the global significance of the Sydney CBD and the site's highly accessible location.
- The proposed new development will provide an outstanding built form and design outcome for the site.
- The proposed new development will have an appropriate interface with the adjacent heritage buildings, including: a podium height that will align with the podiums of the former 'City Mutual Life Assurance' building and the Wentworth Hotel; appropriate building setbacks to the northern and southern sides of the development; and complementary building materials to the Bligh Street façade including the use of sandstone.
- The redevelopment will enable the most efficient economic outcome for the site.
- There will be negligible adverse impacts from the proposal.

6.2 Section B – Relationship to strategic planning framework

6.2.1 *Is the planning proposal consistent with the objectives and actions of the applicable regional, sub-regional or district plan or strategy (including any exhibited draft plans or strategies)?*

Yes. The Planning Proposal is consistent with the objectives and actions of the following strategies.

A Plan for Growing Sydney, 2014

The Sydney Metropolitan Strategy, *A Plan for Growing Sydney*, was released in December 2014 and is the NSW Government's 20-year plan for the Sydney metropolitan area. It provides direction for Sydney's productivity, environmental management, and livability; and for the location of housing, employment, infrastructure and open space.

The Strategy's vision for Sydney is "*a strong global city, a great place to live*". This vision is supported by the following four goals, with Goal 1 and Goal 4 being of particular relevance to this Planning Proposal:

- *Goal 1: A competitive economy with world-class services and transport;*
- *Goal 2: A city of housing choice, with homes that meet our needs and lifestyles;*
- *Goal 3: A great place to live with communities that are strong, healthy and well connected; and*
- *Goal 4: A sustainable and resilient city that protects the natural environment and has a balanced approach to the use of land and resources."*

The site and the Sydney CBD fall within the Central Subregion and is identified as a key Strategic Centre within the strategy. Complementary to the strategy's goals, the following overarching actions have been established by the strategy and are identified below:

- *"Recognise and plan Global Sydney as a transformational place;*
- *Plan Sydney CBD as Australia's premier location for employment, supported by a vibrant mixture of land uses and cultural activity, and iconic places and buildings including Sydney Harbour, the Opera House and the Sydney Harbour Bridge;*

- Provide capacity for long-term office growth in Sydney CBD; and
- Provide capacity for additional mixed-use development in the precincts that make up Global Sydney for offices, retail, tourism, arts, culture, services and housing”.

In addition to these overarching actions above, the following specific priorities are identified for the Sydney CBD, being

- “Investigate a potential commercial core in Sydney CBD for long-term employment growth;
- Revitalise and expand the State’s existing cluster of world-class cultural institutions and attractions through investment in the Cultural Ribbon.”

This Planning Proposal seeks to add a site-specific FSR control applicable to the site, to optimise the site’s capacity for increased density and to provide for much needed hotel accommodation and commercial office space within a highly accessible and prominent central CBD location.

The proposed hotel will provide additional room capacity in the tourist and visitor accommodation sector, and is a vital supporting land use for the proper economic function of Sydney. Through provision of additional room capacity, the proposal will support and contribute to a vibrant mixture of land uses and cultural activity, being well located within Central Sydney and connected to a variety of commercial, tourism and cultural networks.

A further discussion of relevant directions from *A Plan for Growing Sydney* are provided at **Table 3** below.

Table 3 A Plan for Growing Sydney

Strategy or Strategic Plan	Consistency	Comment
GOAL 1: A competitive economy with world-class services and transport	Yes	This Planning Proposal will provide a high quality mixed-use hotel development which will provide for an intensity of development at the site, commensurate with the global significance of the Sydney CBD and site’s highly accessible location.
<i>Direction 1.1: Grow a more internationally competitive Sydney CBD</i> <i>Action 1.1.1: Create new and innovative opportunities to grow Sydney CBD office space by identifying redevelopment opportunities and increasing building heights in the right locations.</i>	Yes	The proposed development will be for the purpose of a mixed-use hotel development comprising commercial office space, visitor accommodation, retail space and food and beverage facilities, which are appropriate land uses given the site’s highly accessible and central location. The development will support Sydney as an internationally competitive city.
<i>Direction 1.7: Grow strategic centres - providing more jobs closer to home</i>	Yes	Sydney CBD is identified as a ‘strategic centre’ in the strategy. The proposed development is infill development that will renew the site within the Sydney CBD and will provide tourist and visitor accommodation and associated employment opportunities in a location with high quality public transport infrastructure and in the vicinity of the site.
<i>Direction 1.9: Support priority economic sectors</i> • <i>Action 1.9.1: Support the growth of priority industries with appropriate planning controls.</i> <i>Priorities for Strategic Centres: Global Sydney</i> • <i>Work with the City of Sydney and North Sydney Council to: Provide capacity for additional mixed-use development in the precincts that make up Global Sydney for offices, retail, tourism, arts, culture, services and housing.</i>	Yes	The visitor economy is identified as a ‘priority industry’ in the strategy. The proposed development will support the visitor economy by providing a 407-room hotel and thereby increasing the supply of tourist accommodation in Central Sydney.

Draft Greater Sydney Region Plan: A metropolis of three cities, 2017

The Draft *Greater Sydney Region Plan* was released in October 2017 and provides a vision of Sydney in 2056 as a city where people live within 30-minutes of jobs, education and health facilities, services and great places. The vision seeks to meet the needs of a growing and changing population by transforming Greater Sydney into a metropolis of three cities – the Western Parkland City, the Central River City and the Eastern Harbour City. It brings new thinking to land use and transport patterns to boost Greater Sydney's liveability, productivity and sustainability by spreading the benefits of growth.

The site is located within the Harbour CBD in the Eastern Harbour City, which will “build on its credentials and leverage its strong financial, professional, health and education sectors and extend its capabilities with an innovation precinct that will boost productivity and global connections.”

The draft Plan provides ‘Ten Directions’ to guide the growth of the city. Of particular relevance to the Planning Proposal is ‘*jobs and skills for the city*’ – which includes the following objectives:

- ‘*Objective 18 - Harbour is stronger and more competitive*’
- ‘*Objective 22 - Investment and business activity in centres*’
- ‘*Objective 24 - Economic sectors are targeted for success*’

The draft Plan identifies that the strength of the financial services sector in Sydney results in high demand for premium-grade commercial floor space. It also states that it is critical that planning controls enable the growth needs of the financial and professional sector. The Planning Proposal will facilitate the renewal of the site which will include a podium of A-Grade commercial office space, which will be a significant improvement on the existing 1960's office building currently on the site.

Under this objective it is also recognised that building heights are constrained in the Harbour CBD by aviation height limits associated with Sydney airport and the need to protect sun access to public open space. The Planning Proposal seeks an increase to the maximum FSR for the site without resulting in any additional overshadowing of any protected public open space under the draft *Central Sydney Planning Strategy* and has been demonstrated to have a negligible impact on daylight access to surrounding streets. This objective also seeks to enhance the night-time economy and grow the vibrancy of the CBD, which will be improved by the proposed tourist accommodation.

The visitor economy is identified as a key economic sector for the Eastern Harbour City. The draft Plan states that Greater Sydney receives approximately 3.75 million international visitors annually who spend \$9.03 billion and contribute \$15.4 billion to the economy. Visitors experiences are effected by the facilities available and how their needs are met by the city and the draft Plan recognizes the need to encourage the development of a range of well-designed and located facilities. The subject site is ideally located close to major tourist destinations and is will provide a well-designed, vibrant mixed-use development which will enhance the tourist experience of Sydney.

Draft Central District Plan, 2016

The site is located within the Central District and is applicable to the *Draft Central District Plan* (2016). The *Draft Central District Plan* was released in November 2016 by the Greater Sydney Commission to support the role of the Commission and the implementation of *A Plan for Growing Sydney* for specific local areas. The *Draft Central District Plan* sets out aspirations and proposals for Greater Sydney's Central District, including the City of Sydney LGA.

The *Draft Central District Plan* outlines how the Government will make decisions on planning policy, public spaces, community facilities, housing, jobs, transport options, schools and hospitals to meet the needs of communities across greater Sydney.

One of the 'key directions' of the *Draft Central District Plan* is a focus on planning, productivity and investment in Sydney City as well outlying areas including, however not limited to, Randwick, Ultimo-Camperdown, Sydney Airport and Port Botany.

The *Draft Central District Plan* provides overall Actions to achieve improved productivity. Of particular relevance to this Planning Proposal is Action P4 "*Grow and manage the visitor economy including Aboriginal experiences*", which identifies the Greater Sydney Commission's intent to work with Destination NSW, the Department of Premier and Cabinet and other relevant stakeholders to further "*investigate opportunities through the planning system to encourage tourism infrastructure, including hotel accommodation and conference centres*".

As referenced within the *Draft Central District Plan*, as well as in Council's *Tourism Action Plan (2013)* and *Visitor Accommodation Action Plan (Hotels and Serviced Apartments) (2015)*, there is an acknowledged shortage of hotel accommodation in Central Sydney, including the need for up to 9,000 additional hotel rooms that will be required up to 2025, to meet the demand of growing tourist numbers in Sydney.

This Planning Proposal seeks to increase the maximum FSR controls for the site to provide for much needed hotel accommodation (up to 407 hotel rooms) and associated tourist and visitor facilities in a prominent central CBD location, where there is currently substantial unmet demand. The proposed development will facilitate the delivery of high quality hotel accommodation in a prominent central CBD location and is therefore consistent with the *Draft Central District Plan*.

The relevant directions from the *Draft Central District Plan* are noted at **Table 4** below.

Table 4 *Draft Central District Plan*

Strategy or Strategic Plan	Consistency	Comment
Productivity Actions		
<i>Action P4: Grow and manage the visitor economy including Aboriginal experiences</i>	Yes	The proposed development will provide for a new high-quality hotel at the site, contributing to the visitor economy.
<i>Investigate opportunities to improve Aboriginal cultural tourism</i>	Yes	Whilst the site is not identified as containing any Aboriginal heritage, opportunities to improve Aboriginal cultural tourism will be explored as part of future DA approval processes for the site.
<i>Investigate opportunities to expand business tourism</i>	Yes	The proposed development will contribute to the visitor economy by providing much needed hotel accommodation in central Sydney, on a site that is well connected to transportation networks and tourism infrastructure.
<i>Investigate opportunities through the planning system to encourage tourism infrastructure, including hotel accommodation and conference centres</i>	Yes	As contained within the <i>Draft Central Sydney Planning Strategy 2016-2036</i> (discussed further within this section), development for the purposes of hotel accommodation is classified as Strategic Floor Space, being an identified use where additional floor space for this purpose, beyond that allowed under current controls, may be achieved on sites by way of a site-specific Planning Proposal. This Planning Proposal seeks amendment of the FSR controls to allow for the proposed hotel development and is consistent with this objective of the <i>Draft Central District Plan</i> .
– <i>Provide supporting evidence to better understand future tourism needs and how our planning can support the industry.</i>	Yes	This Planning Proposal seeks to amend the FSR controls applying to the site to allow for the proposed development. Development for the purposes of a hotel is not viable at the site under the current

6.2.2 Assessment Criteria (strategic and site-specific merit)

Does the proposal have strategic merit?

This Planning Proposal holds strategic merit and should be supported. A response to each of specific criteria for demonstrating whether a Proposal has strategic merit is provided below.

It is considered that the third criterion is particularly relevant to the Planning Proposal, which relates to a change in circumstances, such as investment in infrastructure which had not been foreseen in preparing the relevant planning controls. This Planning Proposal has been prepared in response to the planned delivery of the Martin Place Metro Station, which will significantly increase the public transport capacity within Central Sydney (from approx. 120 trains per hour during peak times to up to 200 trains) and also as a result of the preparation of the *Draft Central Sydney Planning Strategy*, which itself seeks to provide additional capacity for growth in employment generating and tourism related uses within Central Sydney.

It is understood that demonstrating that a Planning Proposal poses strategic merit is particularly relevant where changes are proposed to an LEP which is less than 5 years old. While it is noted that the Sydney LEP 2012 was gazetted in December of 2012 and is therefore very nearly 5 years old at the time of writing, it is relevant to note that the planning controls which apply under the LEP 2012, including the maximum FSR, predate the current LEP.

Given the City of Sydney has advanced its own review of the existing controls through preparation of the *Draft Central Sydney Planning Strategy 2016-2036* with which this Planning Proposal is consistent, and given that the existing constraints on providing additional density in Central Sydney associated with public transport capacity will be alleviated by the Metro project (as well as the need to maximise efficiency gains of the project by providing higher densities within the walkable catchment of future station) the Planning Proposal is considered to have strategic merit.

- ***Is it consistent with the relevant regional plan outside of the Greater Sydney Region, the relevant district plan within the Greater Sydney Region, or corridor/precinct plans applying to the site, including any draft regional, district or corridor/precinct plans released for public comment.***

As detailed within **Section 6.1.1** of this report, the proposal will allow for the delivery of a high quality mixed-use hotel and commercial development consistent with the site's B8 – Metropolitan Centre zoning, and with provisions of *A Plan for Growing Sydney*, and the *Draft Central District Plan*.

- ***Is it consistent with a relevant local council strategy that has been endorsed by the Department?***

This Planning Proposal is consistent with Council's *Draft Central Sydney Planning Strategy 2016-2036* which is directly applicable to the proposed development and which forms the basis of its own Planning Proposal currently under assessment by the Department of Planning and Environment. The Planning Proposal is also consistent with the *Draft Central Sydney Planning Strategy 2016-2036*, and the *Sustainable Sydney 2030: Community Strategic Plan 2017-2021*. At the time of writing this report, these strategies have not been formally endorsed by the Department.

The Department of Planning and Environment has advised Architectus they are likely to support a Planning Proposal for the site with the LEP development standards as contemplated under this Planning Proposal, which are broadly consistent with the proposed controls under the *Draft Central Sydney Planning Strategy 2016-2036*. Refer to the email correspondence on this at **Attachment T**.

- ***Is it responding to a change in circumstances, such as the investment in new infrastructure or changing demographic trends that have not been recognised by existing planning controls?***

This Planning Proposal proposes a site-specific FSR control to increase the FSR for the site under the LEP 2012 to allow for the delivery of a mixed-use hotel and commercial development. This would allow for the optimal development capacity of the site to be realised, which would otherwise not be possible under the current maximum FSR controls applicable to the site and the proposed development.

Response to shortfall in tourist accommodation in Central Sydney

As noted within this report there is an acknowledged shortage of tourist and visitor accommodation, including hotel rooms, across Central Sydney. This is noted in Council's *Tourism Action Plan (2013)* and *Visitor Accommodation Action Plan (Hotels and Serviced Apartments) (2015)* which seeks "to provide an investment and regulatory environment that supports and encourages visitor accommodation which includes hotels" as well as prioritisation of visitor accommodation overall as a strategic land use.

The *Tourism Action Plan* recognises the shortage in hotel accommodation in Central Sydney, and notes that 5,000 to 9,000 additional hotel rooms will be required in the next decade (to 2023) to meet the demand of growing tourist numbers in Sydney.

The more recently published *Visitor Accommodation Action Plan (Hotels and Serviced Apartments) (2015)* also acknowledges that Central Sydney has historically generally experiences high occupancy rates, being over 80 per cent since 2007, with a long-term average of about 75 per cent occupancy rate. Further, this plan provides that forecast demand for hotel accommodation will continue to grow in response to large scale development projects, specifically Sydney International Convention Exhibition (ICE), Entertainment Precinct and Barangaroo, all of which have either been completed or are in the advanced stages of construction since this plan was published.

Of particular note are the following actions (8)(2)(c) & (8)(2)(d) of *Council's Visitor Accommodation Action Plan (Hotels and Serviced Apartments) (2015)*, provided as follows:

- a) *"The City will ensure visitor accommodation is not disadvantaged in the Central Sydney Planning Review's consideration of floor space ratio controls.*
- b) *The City will consider visitor accommodation, and encourage proponents to investigate visitor accommodation, when proposing planning controls for strategic or major development sites."*

The proposed amendments to the FSR control are in line with recent policy initiatives by the City of Sydney Council, including in particular the *Draft Central Sydney Planning Strategy 2012-2036*. Specifically, the *Draft Central Sydney Planning Strategy 2016-2036* proposes the introduction of Strategic Floor Space provisions, which would allow for the achievement of additional floor space on a site, however limited to developments for employment uses (which would include the proposed hotel development, being an employment use). The strategy proposes that this additional Strategic Floor Space may only be achieved or 'unlocked' on a site by way of a site-specific Planning Proposal.

This Planning Proposal therefore specifically seeks an increase in the FSR applicable to the site for the purposes of mixed hotel and commercial development, being development for an employment use, consistent with Strategic Floor Space Provisions under the draft Strategy.

Response to investment in new infrastructure

This Planning Proposal has been motivated by the announcement of the Sydney Metro, including specifically the Martin Place Metro Station, which will have its northern access approximately 60 metres from the site at the corner of Castlereagh Street and Hunter Street. The Sydney Metro Project will significantly increase public transport capacity within Central Sydney (from approx. 120 trains per hour during peak times to up to 200 trains) and drive productivity through integrated transport and land use planning,

resulting in significant change to the urban form within the walkable catchment of its stations.

The site is ideally located for the proposed employment uses due its location in proximity to Martin Place Metro Station, which provides impetus to increase densities at the site owing to enhanced accessibility and productivity outcomes. The location of the site relative to the future Martin Place Metro Station is such that staff and visitors will be encouraged to use sustainable modes of transport.

The site is also located a short distance from the CBD Light Rail which is currently under construction along George Street and at Circular Quay, which will provide significant improvements to connectivity throughout the CBD and into the south-eastern suburbs upon completion

The Planning Proposal has also been prepared as a result of the preparation of the Draft Central Sydney Planning Strategy, which itself seeks to provide additional capacity for growth in employment generating and tourism related uses within Central Sydney as a result of the significant investment in public transport infrastructure currently occurring and which had not been foreseen in the preparation of the current controls.

Summary of strategic merit

The proposed increase in density beyond current development standards is both consistent with Council's intent under the *Draft Central Sydney Planning Strategy 2016-2036*, including for hotel development, does not have any unreasonable impacts to the locality or the environment, and is necessary to facilitate the delivery of the proposed hotel development.

Accordingly, the Proposal relates specifically to a change in circumstances, comprising response to shortfall in tourist accommodation, and new transport infrastructure, which is not adequately recognised by the existing controls and on this basis, is considered to have strategic merit.

Does the proposal have site-specific merit, having regard to the following?

This Planning Proposal, holds site-specific merit for the reasons outlined below, and should therefore be supported.

– The natural environment (including known significant environmental values, resources or hazards).

The site is located centrally within the Sydney CBD and does not hold any significant environmental values, resources or hazards. The site is not a critical habitat and does not hold any threatened species, populations or ecological communities.

As detailed in the accompanying Geotechnical and Rail Impact Study (**Attachment F**) and Stage 1 Contamination Assessment (**Attachment K**), there are no geotechnical nor contamination issues that would preclude the undertaking of the development.

– The existing uses, approved uses, and likely future uses of land in the vicinity of the proposal.

The site is bound on three sides by existing heritage listed buildings and is therefore unable to amalgamate with these adjoining sites to achieve a sufficient scale of development to warrant demolition of the existing commercial building. As such, refurbishment of the existing commercial building would be the most likely development scenario for the site under the existing controls. This would be a lost opportunity to deliver a new hotel in an ideal location within Central Sydney, for which there is substantial and acknowledged unmet demand.

By virtue of the unique setting of the site and surrounding heritage context, development of the scale proposed would not be possible within the immediate surrounds of the site and the subject site is the only site within the street block capable of accommodating a tower form. It is further noted that the street block and the subject site are identified by the draft *Central Sydney Planning Strategy* as being within a potential future tower cluster, where additional floor space capacity is capable of being achieved without

resulting in any additional overshadowing of public open space. It is further noted that in the unlikely scenario whereby development is to occur either above the existing buildings or in the place of the existing heritage buildings, the proposed built form which would result from this Planning Proposal provides side and rear setbacks which would not preclude the development of those sites.

The site is located within the financial and tourism core of the Central Sydney and the proposed uses are highly compatible with the surrounding hotel, commercial and retail uses – which are likely to continue in perpetuity on those sites due to their location being well suited to such uses, and also constraints on any potential for redevelopment of those sites for other uses due not only to the heritage significance of those buildings, but also given these sites have either been strata subdivided (former “City Mutual Life Assurance” building and the former “Qantas House”) or are subject to restrictions on title which restrict the addition of any additional floor space (Sofitel Wentworth).

There is no likely future development of land in the vicinity of the site that would affect the uplift in density sought by this Planning Proposal, nor would the proposal affect or preclude the development capability of surrounding sites. Conversely, the proposed development is considered to result in a high-quality outcome for the site providing a high quality mixed-use hotel outcome without unreasonable environmental, economic or social impact. Therefore, there is specific merit to support the Planning Proposal.

Amending the maximum FSR control to permit a maximum FSR of 22:1 is therefore the most appropriate way to achieve increased density on the site to facilitate the proposed hotel development and would not result in any unsatisfactory impacts on surrounding private property or on the private domain.

- ***The services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for infrastructure provision.***

As detailed within this report, there is adequate infrastructure to support the Planning Proposal. The site is located centrally within the Sydney CBD and seeks to utilise existing and future public transport infrastructure and road connections to the site. Existing service provisions also exist for electricity, water, sewer, gas, stormwater infrastructure and telecommunications infrastructure at the site.

Following discussions with Council, a Draft Public Benefit Offer (PBO) was submitted to Council on 4 August 2017 which constitutes a one-off monetary contribution consistent with, and calculated against, the *Draft Central Sydney Affordable Housing Program*; and the value of Council’s proposed Infrastructure delivery fund (not yet published at the time of writing), which has been informed by advice from the City of Sydney. Ongoing negotiations with Council as to the value and terms of the PBO will continue as a separate process.

6.2.3 *Is the planning proposal consistent with a Council’s local strategy or other local strategic plan?*

Yes. The Planning Proposal is consistent with Council’s applicable local strategies and other local strategic plans including *Sustainable Sydney 2030: Community Strategic Plan 2017-2021*; as well as the *Draft Central Sydney Planning Strategy 2016-2036* as detailed below.

Draft Central Sydney Planning Strategy 2016-2036, 2016

The *Draft Central Sydney Planning Strategy 2016-2036* was released in July 2016 outlining Council’s 20-year vision for Central Sydney and proposes significant changes to the planning framework across the city centre. It is noted the *Draft Central Sydney Planning Strategy 2016-2036* is the background to a Planning Proposal which, at the time of writing, is currently under consideration by the Department of Planning and Environment.

For the purposes of this section, the *Draft Central Sydney Planning Strategy 2016-2036* is taken to include, and encompasses the following documents and components:

- *Draft Central Sydney Planning Strategy 2016-2036*;
- Planning Proposal - Central Sydney (draft LEP amendments) (currently lodged with the Department of Planning and Environment);
- Draft Central Sydney Affordable Housing Program; and
- *Sydney DCP 2012 (Central Sydney Planning Strategy Amendment)*.

The *Draft Central Sydney Planning Strategy 2016-2036* provides a holistic approach across economic, social and environmental spheres to maintain Sydney's prominence as a global city, whilst maintaining a great place to live, work, study and visit. The Strategy provides for significant revisions to the Sydney LEP 2012 and DCP 2012 to allow for significant uplift in density to certain areas of the CBD, in accordance with the overall ten 'Key Moves'.

The following 'Key Moves' are of relevance to this Planning Proposal:

- 1) *Prioritise employment growth and increase capacity;*
- 2) *Ensure development responds to context;*
- 4) *Provide for employment growth in new tower clusters;*
- 6) *Move towards a more sustainable city;*
- 7) *Protect, enhance and expand Central Sydney's heritage, public places and spaces;*
and
- 9) *Reaffirm commitment to design excellence.*

This Planning Proposal presents an opportunity to respond to the priorities identified in the Strategy, including ensuring "development responds to context", to "protect, enhance and expand Central Sydney's heritage, public places and spaces" and to "reaffirm commitment to design excellence".

Relevant to this Planning Proposal are the objectives and priority actions associated with Strategic Floor Space, which allows for additional floor space to be achieved on appropriate sites for "for key land uses that supports Central Sydney's global city functions, such as hotel or motel accommodation, community facilities and child care centres" (Priority Action 2.7).

The *Draft Central Sydney Planning Strategy 2016-2036* defines Strategic Floor Space as:

"Strategic Floor Space in the short to medium term represents floor space that exceeds the Floor Space Ratio and Additional Floor Space and may be achieved on sites by way of a site-specific planning proposal that complies with a planned guideline to preparing site-specific planning proposal requests in Central Sydney. Strategic Floor Space is limited to developments for employment uses."

The achievement of this Strategic Floor Space is to be achieved through site-specific Planning Proposals, and therefore forms the basis for this Planning Proposal.

The *Draft Central Sydney Planning Strategy 2016-2036* identifies potential tower clusters in Central Sydney where heights and densities above established maximum limits may be achieved. The *Draft Central Sydney Planning Strategy 2016-2036* notes opportunities for tower clusters are focused in areas of Central Sydney less constrained by sun access planes. The subject site is located within the northern cluster where the entire street block is identified as a potential cluster. It is noted that as the site is surrounded by heritage items, the subject site is the only lot on the street block that has the capacity to be developed for a tower. Refer to **Figure 16** Error! Reference source not found. below.



Figure 16 Potential tower clusters

Approximate location of the site shown in red

Source: *Draft Central Sydney Planning Strategy 2016-2036*

This Planning Proposal seeks to optimise the site's capacity for increased density and providing for much needed hotel accommodation and high-quality commercial floor space within a highly accessible location, contributing to the prioritisation of employment growth and capacity in a tower form that responds to the site context. This Planning Proposal is therefore consistent with Strategic Floor Space provisions and Council's vision for the site under the *Draft Central Sydney Planning Strategy 2016-2036*.

An overview of this Planning Proposal against the *Draft Central Sydney Planning Strategy 2016-2036* is provided at **Table 5** overleaf.

An overview of this Planning Proposal against the Central Sydney Planning Proposal (draft LEP amendments) and the Draft DCP is provided at **Attachment R**.

Table 5 Draft Central Sydney Planning Strategy 2016-2036

Objective	Consistency	Comment
1.1 Vision and Aims		
<p>Green</p> <p><i>Promoting sustainable buildings with great design and architecture;</i></p> <p><i>Creating opportunities for beautiful parks and places; and</i></p> <p><i>Enabling the protection and adaptation of our heritage.</i></p>	Yes	This Planning Proposal seeks a site-specific FSR control to facilitate construction of a proposed hotel development. For the reasons discussed within this report, the proposal is considered to be consistent with the vision and aims of the <i>Draft Central Sydney Planning Strategy 2016-2036</i> .
<p>Global</p> <p><i>Ensuring a resilient and diverse economy;</i></p> <p><i>Promoting efficient and effective transportation; and</i></p> <p><i>Making efficient use of land.</i></p>	Yes	
<p>Connected</p> <p><i>Supporting great streets;</i></p> <p><i>Resulting in a city for people; and</i></p> <p><i>Ensuring strong community and service infrastructure is provided as growth occurs</i></p>	Yes	
2.7 Land Use		
<p>Visitor Accommodation</p> <p>The strategy provides an overview of key land uses within Central Sydney, including visitor accommodation. The strategy notes that:</p> <p><i>“Over the past decade, the annual number of visitors staying in city hotels has increased by nearly 1 million and is expected to grow.”</i></p> <p><i>“Continued visitor growth is expected to be driven by international visitors, particularly from Asia and most notably China. Room night demand will continue to grow with softer growth to 2017 then increasing to 2021.”</i></p>	Yes	The proposed hotel will respond to unmet demand for hotels within Central Sydney by providing 407-hotel rooms at the site.
Priority Actions		
Land Use		
<p><i>“1.3: Increase public confidence in local planning decisions by working with the NSW Government to revise state significant cost thresholds for: Hotels (new and refurbishments) over \$100 million”</i></p>	Yes	The proposed hotel development triggers SSD provisions, pursuant to Clause 13 Schedule 1 of the Major Development SEPP, as the hotel component is over \$100 million Capital Investment Value.
Density		
<p><i>“2.1: Amend density objectives and controls in Sydney LEP 2012 to prioritise opportunities for employment floor space”</i></p>	Yes	This Planning Proposal seeks to amend FSR provisions applicable to the site to allow for the delivery of a mixed-use hotel and commercial development and therefore constitutes employment floor space under the <i>Draft Central Sydney Planning Strategy 2016-2036</i> .
<p><i>“2.7: Provide an additional incentive for key land uses that supports Central Sydney’s global city functions, such as hotel or motel accommodation, community facilities and child care centres”</i></p>	Yes	The proposal seeks to provide a hotel development at the site, identified as a key land use that supports Sydney’s functions as a global city. The incentives referred to within this clause relates to the provision of Strategic Floor Space, whereby a site-specific Planning Proposal may be

Objective	Consistency	Comment
		submitted to achieve greater floor space on a certain site, however limited for these specific identified uses. This Planning Proposal seeks to amend the FSR controls applicable to the site to provide for a hotel development and is therefore consistent with this action.
Strategic Floor Space		
<i>"2.12 Prepare a guideline for site-specific Planning Proposal requests in Central Sydney to set a clear framework for how Strategic Floor Space can be accessed, which include compliance with solar access protection controls, setbacks and massing provisions"</i>	Yes	Whilst referenced within this clause, at the time of writing no guidelines have been published by Council for site specific Planning Proposals seeking to unlock this Strategic Floor Space. Notwithstanding, this Planning Proposal has been prepared in accordance with the Departments 'A Guide to Preparing Planning Proposals' (2016) and in consultation with the City of Sydney. Please refer to an assessment against Solar Access protection, setbacks and massing provisions discussed further within this report.
<i>"2.13 Limit access to Strategic Floor Space to strategic sites, to office premises, business premises, retail premises, hotel accommodation and community and cultural facilities"</i>	Yes	The proposal seeks to provide a mixed-use hotel and commercial development at the site and is therefore eligible for Strategic Floor Space.
<i>"2.14 Ensure Planning Proposals that seek amendments to height and/or floor space ratio controls are for the purpose of employment development"</i>	Yes	This Planning Proposal seeks amendments to the FSR controls applicable to the site for the purposes of a hotel development, a form of employment floor space.
Height		
<i>"3.1 Strengthen controls in Sydney LEP 2012 to ensure that tall buildings are suited to their site size and context"</i>	Yes	This Planning Proposal does not seek to alter existing height limits applicable to the site.
Sun Protection		
<i>"4.1 Revise and update Sun Access Plane controls in Sydney LEP 2012 to improve accuracy and levels of protection of important public places"</i>	N/A	The site is not subject to any sun access plane controls under the existing LEP 2012 nor the <i>Draft Central Sydney Planning Strategy 2016-2036</i> .
<i>"4.2 Introduce controls in Sydney LEP 2012 that will protect significant, new and planned public places that require protection as Central Sydney grows."</i>	Yes	The site is not subject to any sun access plane under the <i>Draft Central Sydney Planning Strategy 2016-2036</i> , and the proposal development will not result in any additional overshadowing of any protected public place.
Public Views		
<i>"5.1 Identify and map significant views from public places and construct view planes to preserve and protect the following views: 1. View and silhouette of Central Station Clock Tower; 2. View of western sky looking from Martin Place; 3. View and silhouette of Sydney GPO clock tower looking from Martin Place; 4. View and silhouette of Sydney Hospital looking from Martin Place;"</i>	Yes	The proposed development will not affect any existing significant views nor any proposed views identified in this action.

Objective	Consistency	Comment
<p>5. View of the harbour from Observatory Hill;</p> <p>6. View of Macquarie Lighthouse looking from Observatory Hill; and</p> <p>7. View of the horizon between Thompson's Corner and Observatory Park, Pennant Hills, looking from Observatory Hill."</p>		
Design Excellence		
<p>"6.1 Encourage a design-led iterative process between Proponent and Consent Authority to be used to maximise strategic floor space prior to the lodgement of a Planning Proposal."</p>	Yes	<p>This Planning Proposal is the result of a detailed Urban Design Study (Attachment A) and reference architectural design (Attachment B), being a design led approach in order to achieve an optimal development outcome at the site. Through this process, consultation has been held with both the Council and the Department of Planning and Environment, having particular regard to the <i>Draft Central Sydney Planning Strategy 2016-2036</i>.</p>
General Built Form Controls		
<p>"7.1 Stipulate street frontage heights, street setbacks, and side and rear setbacks to ensure that tall buildings develop as a tower on a podium form ensuring amenity in public places".</p>	Yes	<p>The podium height of the proposed development has been designed to align with the adjacent former "City Mutual Life Assurance" building, ensuring consistency in the streetscape and to this adjoining heritage item.</p>
Street Frontage Height and Street Setbacks		
<p>"8.1 Ensure new development is consistent with street frontage height and street setback provisions"</p>	Yes	<p>As noted above, the proposed development includes a podium feature up to 45m, including a zero alignment to Bligh Street, consistent with surrounding development and provisions contained within the Draft Central Sydney DCP.</p>
Side and Rear Setbacks, Separation and Outlook		
<p>"9.1 Ensure new development is consistent with side and rear setback provisions"</p> <p>"9.5 Allow variation to side and rear setbacks through modelling of equivalent daylight and wind conditions in the public domain"</p> <p>"9.7 Side and rear setbacks and outlook are measured from the site boundary and do not include easements, setbacks or heritage items on adjacent sites"</p>	See Comment	<p>The proposed development represents a minor variation to proposed side and rear setback and outlook controls, however is considered reasonable under the site circumstances and is supported by the submitted shadow diagrams (Attachment A), Wind Analysis (Attachment I) and Sky View Analysis (Attachment M). Please refer to Table 9 for further detail of the proposed Draft DCP controls.</p>
Built Form Massing – Tapering and Maximum Dimensions		
<p>"10.1 Ensure new development is consistent with provisions regulating maximum tower dimensions, street overhangs and building tapering."</p>	See Comment	<p>The proposed development represents a minor variation to proposed building tapering dimensions however is considered reasonable under the site circumstances. Please refer to Table 9 for further detail of the proposed Draft DCP controls.</p>
Heritage		
<p>"11.1 Undertake a site-by-site analysis to determine whether to allow vertical</p>	Yes	<p>Whilst not identified as a heritage item, the subject site both adjoins,</p>

Objective	Consistency	Comment
<i>additions to or development above each heritage item”</i>		and is within proximity to a number of heritage items surrounding the site. A detailed site analysis has been undertaken to understand this heritage context and inform this Planning Proposal, as detailed in the Statement of Heritage Impact, prepared by GBA Heritage and held at Attachment J .
<i>“11.2 Require careful consideration of heritage value before permitting vertical additions to or development above heritage items”</i>	Yes	
Special Character Areas		
<i>“12.1 Provide clear guidance about permissible heights and setbacks in Special Character Areas by way of detailed Special Character Area Maps”</i>	N/A	The subject site is not located within any character area under the <i>Draft Central Sydney Planning Strategy 2016-2036</i> .
Heritage Floor Space		
<i>“13.1 Extend the Heritage Floor Space Scheme to expanded Central Sydney areas”</i>	Yes	Subject to detailed design and application processes, the proposal will be applicable to existing Heritage Floor Space provisions applying to the site.
Delivery of Infrastructure and Affordable Housing		
<i>“14.1 Introduce an affordable housing contribution framework”</i>	Yes	The <i>Draft Central Sydney Planning Strategy 2016-2036</i> proposes the introduction of an Affordable Housing Scheme and associated levy for all development within Central Sydney and therefore applies to this Planning Proposal. It is proposed that a contribution be made to Council in accordance with the provisions of this draft levy. The proposal is therefore consistent with the Draft Central Sydney Affordable Housing Program.
<i>“14.2 Develop contributions framework for Planning Proposals that seek to increase floor space”</i>		
<i>“14.6 Develop a policy framework for the public to share in the value created by changes to the planning controls as a means of providing the additional infrastructure needed to support the additional growth. Sharing in the value may be via dedicating land or floor space, for example for improved public domain, or via monetary contribution for the provision of infrastructure”</i>		
Pedestrians		
<i>“15.1 Produce in partnership with the NSW Government, a pedestrian guidance for Central Sydney that includes Level of Service tools and guidelines for footpath widths, arrangement and design”</i>	Yes	At the time of writing, pedestrian guidelines referred to within this clause have not been published. Notwithstanding, a detailed pedestrian study is currently being undertaken for the proposed development and will be submitted to Council shortly following submission of this Planning Proposal.
Cycling		
<i>“16.3 Ensure end-of-trip facilities are available for all cyclists”</i>	Yes	End of trip facilities will be provided as part of the detailed design for the proposed development.
Public Transportation		
<i>“17.1 Plan for and protect future routes for additional light rail services and combine these with future new pedestrian streets (for example, Elizabeth Street)”</i>	Yes	The proposed development will not preclude any future light rail development.
<i>“17.4 Project future potential high-growth pedestrian areas using pedestrian movement data to inform priority projects and precincts”</i>	Yes	A detailed pedestrian study is currently being undertaken for the proposed development and will be submitted to Council shortly following submission of this Planning Proposal. This study is being prepared following preliminary feedback by Council Officers and will incorporate pedestrian movements from whole

Objective	Consistency	Comment
		intersections to both Bligh Street/Bent Street and Bligh Street/Hunter Street/Castlereagh Street as well as consideration to walking routes to the existing Martin Place Station, as well as the future Martin Place North Metro Station.
Private Motor Vehicles		
<i>“18.1 Promote changes to the local street network and new connections within the arterial network to reduce and eventually eliminate through traffic from Central Sydney”</i>	Yes	Whilst the proposal does not seek any alteration to traffic movements along Bligh Street, subject to a detailed design the proposal will minimise private motor vehicle movements to and from the site through reduced car parking provision.
Loading and Servicing		
<i>“19.1 Develop incentives for a precinct-based approach to commercial vehicle management, including the use of innovative open-access loading docks or shared servicing facilities. These will be capable of accommodating demand from new developments, while also serving existing heritage sites and small sites which may not have on-site parking or loading”</i>	Yes	Appropriate service access is available to the site.
Car Parking		
<i>“20.1 Investigate planning and market mechanisms to limit total parking supply while facilitating the retirement and/or transfer of some existing parking supply to new development sites”</i>	Yes	Subject to a subsequent detailed design, appropriate car parking is able to be provided on site.
Streets, Lanes and Footpaths		
<i>“21.6 Ensure private developments incorporate space at ground level for appropriate pedestrian circulation at entries, while ensuring active frontages”</i>	Yes	A detailed pedestrian study is currently being undertaken for the proposed development and will be submitted to Council shortly following submission of this Planning Proposal.
Open Space and Public Domain		
There are no open space and public domain actions applicable to this Planning Proposal.		
Ground-level frontages		
<i>“23.1 Incorporate detailed planning provisions in the Sydney Development Control Plan that will ensure high-quality ground-level design outcomes in Central Sydney.”</i>	Yes	Subject to detailed design process, the proposal will provide for activation to Bligh Street, ensuring high-quality ground level design outcomes.
Awnings and Colonnades		
There are no awning or colonnade actions applicable to this Planning Proposal.		
Public Art		
<i>“25.1 Support the continued application of the City of Sydney’s existing Public Art Policy by developing a rate for contribution to public art linked to capital investment value, generally in the order of 1 per cent for moderate sized projects sliding to 0.5 per cent for very large projects”</i>	Yes	Subject to design competition processes and a subsequent detailed design, the proposal is capable of complying with the City’s existing Public Art Policy, including any levy as proposed within the draft Strategy.

Objective	Consistency	Comment
Energy and Water Efficiency		
<i>“26.1 Require all new tower development to meet BASIX+ targets and minimum 5 star NABERS ratings”</i>	Yes	Subject to detailed design processes, the proposal is capable of complying with energy and water efficiency targets, including NABERS requirements.
Wind		
<i>“27.1 Incorporate detailed wind provisions and standards for safety and comfort into Central Sydney planning controls based on wind speed and frequency.”</i>	Yes	<p>Whilst detailed wind standards have not been implemented by Council at the time of writing, a detailed wind modelling has been undertaken and this Planning Proposal is supported by a detailed Pedestrian Wind Analysis prepared by Windtech at Attachment I.</p> <p>This analysis details that the proposed tower setback from the podium levels is, whilst representing a departure from setback contained within the Draft DCP, will result in an improved outcome for the site. Wind tunnel testing for a compliant scenario provided results that were similar to or worse than the proposed test scenario and existing site conditions</p>
Planning Governance		
The proposal will not affect any Planning Governance processes.		

Sustainable Sydney 2030

Sustainable Sydney 2030: Community Strategic Plan 2017–2021 identifies ten Strategic Directions. This Planning Proposal will contribute to the Directions to achieve a “*lively, engaging city centre*” and the “*sustainable development, renewal and design*” of this centrally located site.

The City of Sydney’s *Sustainable Sydney 2030: Community Strategic Plan 2017–2021* also sets a number of relevant objectives and actions for Central Sydney which this Planning Proposal addresses, including:

- “*The city has adequate space and the required infrastructure to support sustainable economic growth*” (Objective 1.1(1))
- “*The city economy is competitive, prosperous and inclusive*” (Objective 1.2)
- “*The city enhances its global position and attractiveness as a destination for people, business and investment*” (Objective 1.5)
- “*Sydney is positioned locally, nationally and internationally as a destination for business, investment, education, culture and tourism*” (Objective 1.5(2))
- “*Partnerships are in place to deliver world-class social, cultural and tourism infrastructure, events and services*” (Objective 1.5(9))
- “*Innovative, creative, retail, hospitality, tourism and small business activity is supported in the city centre*” (Objective 5.3)

The proposed development will contribute to the City of Sydney’s vision for Sydney as a significant global city and international gateway by providing additional tourist accommodation within Central Sydney, will leverage off planned public transport projects including the Sydney Light Rail and the Sydney Metro, and will achieve outstanding environmental performance, including measures to reduce energy, water and waste water demands. The proposal is therefore consistent with *Sustainable Sydney 2030: Community Strategic Plan 2017-2021*.

Please refer to a detailed assessment against *Sustainable Sydney 2030: Community Strategic Plan 2017–2021* in **Table 6** below.

Table 6 Sustainable Sydney 2030: Community Strategic Plan 2017–2021 Strategic Directions & Objectives

	Consistency	Comment
Strategic Directions		
<i>A globally competitive and innovative city</i>	Yes	The proposal will provide for a high-quality hotel development, providing much needed hotel accommodation within Central Sydney, contributing to the city's economy and global competitiveness.
<i>A leading environmental performer</i>	Yes	Subject to a detailed design, the proposed development is capable of achieving optimal environmental performance.
<i>Integrated transport for a connected city</i>	Yes	The site is well located within proximity to existing public transport infrastructure, including in particular the future Martin Place North metro station, approximately 60m south of the site.
<i>A city for walking and cycling</i>	Yes	The site is well located within proximity to existing transport infrastructure and will promote pedestrian activity to, from and past the site.
<i>A lively and engaging city centre</i>	Yes	This Planning Proposal will enable the delivery of much needed hotel accommodation in Central Sydney, contributing to a lively and engaging city centre.
<i>Resilient and inclusive local communities</i>	Yes	The proposed development is located centrally within the northern end of the CBD and will not affect nor isolate any local communities.
<i>A cultural and creative city</i>	Yes	This Planning Proposal is required to facilitate the construction of a mixed-use hotel development at the site, contributing to a cultural and creative city.
<i>Sustainable development, renewal and design</i>	Yes	This Planning Proposal will allow for redevelopment of the site for the purposes of a mixed-use hotel development. Subject to detailed design processes, the proposal will allow for optimal renewal of the constrained CBD site and provide for an economically and environmentally sustainable development outcome.
Strategic Objectives		
<i>1.1 Plans are in place to accommodate growth and change in the city centre and other key economic areas</i>	Yes	The proposal will provide for a new hotel development, where there is currently an acknowledged shortage of hotel rooms within Central Sydney. Amendment of the planning controls sought by this Planning Proposal is therefore required to facilitate the proposal and provide sustainable economic growth in the tourist and visitor accommodation sector.
<i>1.2 The city economy is competitive, prosperous and inclusive</i>	Yes	The proposed hotel development holds a capital investment value in excess of \$311.7m and will contribute to the economic prosperity of the city.
<i>1.3 The city economy is an integrated network of sectors, markets and high performing clusters</i>	Yes	As noted within this strategy, Central Sydney is Australia's leading economic hub and contains leading economic sectors, recognised on a metropolitan, national and international scale. The proposed development will provide both hotel facilities and associated commercial conference rooms to support local, national and international business.
<i>1.4 The city economy is resilient</i>	Yes	This Planning Proposal is required to facilitate the construction of a hotel development within

	Consistency	Comment
		Central Sydney, where there is an acknowledged shortage of, and increasing demand for, tourist and visitor accommodation. The proposal will therefore provide capacity and therefore resilience to the city in the tourist and visitor accommodation sector.
1.5 <i>The city enhances its global position and attractiveness as a destination for people, business and investment</i>	Yes	As noted within this plan, Sydney is positioned locally, nationally and internationally as a destination for business, investment, education, culture and tourism. The proposal seeks to provide much needed visitor accommodation to support these sectors and the attractiveness of the city as a destination for people, business and investment.

Tourism Action Plan, 2013

The *Tourism Action Plan*, prepared by Council in 2013, recognises the shortage in hotel accommodation in Central Sydney, and notes that 5,000 to 9,000 additional hotel rooms will be required in the next decade to meet the demand of growing tourist numbers in Sydney.

The *Tourism Action Plan* includes priority actions that advocate to other levels of government and the property sector to increase the levels of new hotel accommodation, particularly in the 3–4-star range throughout the city, but particularly in Central Sydney and urban renewal areas.

The following Actions relate to improving development capacity and are of particular note for the proposed LEP:

- “Provide an investment and regulatory environment for the City of Sydney that supports and encourages private investment in accommodation facilities.”
- “Capitalise on the tourism potential of urban renewal sites and key development precincts in the city.”
- “Faster development application processing and less onerous submission requirements would also assist accommodation development.”

This Planning Proposal aims to facilitate the development of a mixed-use building including a 407-room hotel to deliver tourist accommodation in an ideal location within Central Sydney.

The objective of this Planning Proposal is to facilitate the development of an outstanding built form and design outcome for the site, which will contribute to Sydney’s profile as a global city with world class facilities.

Visitor Accommodation Action Plan (Hotels and Serviced Apartments), 2015

The *Visitor Accommodation Action Plan (Hotels and Serviced Apartments)* was prepared by the City of Sydney in 2015. The *Visitor Accommodation Action Plan* recognises that tourist and visitor accommodation is important to the success of Sydney’s visitor economy and action is needed to support this important industry sector.

Specifically, the *Visitor Accommodation Action Plan* focuses on “*how the City’s planning framework and processes can provide an investment and regulatory environment that supports and encourages visitor accommodation which includes hotels and serviced apartments*”.

Key actions identified in the *Visitor Accommodation Action Plan* that are of relevance to this Planning Proposal include:

- 1) “Create a positive environment for development and investment in visitor accommodation.
- 2) Review the City’s planning controls to ensure opportunities for appropriate accommodation development.

- c) *The City will prioritise visitor accommodation as a strategic land use in the Central Sydney Planning Review.*
- d) *The City will ensure visitor accommodation is not disadvantaged in the Central Sydney Planning Review's consideration of floor space ratio controls.*
- d) *The City will consider visitor accommodation, and encourage proponents to investigate visitor accommodation, when proposing planning controls for strategic or major development sites.*
- e) *Investigate encouraging 3 Star hotels in the western, southern and core precincts of Central Sydney by reducing development costs including development contributions and heritage floor space.*

3) *Continue monitoring supply and demand and engaging with the industry."*

The *Visitor Accommodation Action Plan (Hotels and Serviced Apartments)* includes key actions that relate to the revision of the City's planning controls in the *Draft Central Sydney Planning Strategy 2016-2036, 2016* and provides recommendations to ensure opportunities for appropriate accommodation development are provided. Key actions include:

- *"Prioritising visitor accommodation as a strategic land use";*
- *"Ensuring visitor accommodation is not disadvantaged in the Central Sydney Planning Review's consideration of floor space ratio controls";* and
- *"Encouraging proponents to investigate visitor accommodation when proposing planning controls for strategic or major development sites"*

The *Visitor Accommodation Action Plan* includes the following planning incentive for encouraging visitor accommodation: *"Approval processing procedures such as fast track processing can reduce the holding costs for proponents and improve returns"*. Further, visitor accommodation is identified as a strategic use as it contributes to the visitor economy and supports other sectors including business, retail and education.

The shortage in hotel accommodation in the city, with different industry forecasts showing that 5,000–9,000 additional hotel rooms are required in the next decade to meet the demand of growing tourist numbers in Sydney. This Planning Proposal seeks to amend the FSR planning control applicable to the site to allow development which will increase the supply of visitor accommodation on the site that is competitive with market standards and is therefore consistent with the *Visitor Accommodation Action Plan (Hotels and Serviced Apartments)*.

Economic Development Strategy, City of Sydney 2013

The City of Sydney's *Economic Development Strategy*, prepared in 2013, provides that Council is working in partnership with industry and Government, including Destination NSW and Tourism Australia to stimulate investment in hotel development, to address current capacity constraints, and to enable tourism to diversify, grow and develop.

The *Economic Development Strategy* identifies three key strategic priorities including:

- *"1. Strengthen Sydney's competitiveness";*
- *"2. Improve productivity and capacity";* and
- *"3. Promote opportunity"*.

The *Economic Development Strategy* identifies tourism as one of 'seven key sectors' in Sydney, with an average annual growth rate from 2012 of 3.1%. Increasing the supply of visitor accommodation in the City is required to enable the tourism industry to diversify and grow. The *Economic Development Strategy* notes that Council will *"focus on enhancing the quality of the visitor experience, strengthening partnerships to maximise visitation potential and encouraging the development of product and infrastructure"*.

This Planning Proposal supports this *Economic Development Strategy* by facilitating a development that will contribute to visitor accommodation in Central Sydney, and enable

the tourism industry to diversify and grow. The proposed development will also provide high quality commercial office space that is competitive with market standards, which will support other sectors of Sydney's economy.

6.2.4 *Is the planning proposal consistent with applicable State Environmental Planning Policies?*

As outlined below, the Planning Proposal does not preclude consistency with any State Environmental Planning Policy. Refer to the full assessment of SEPPs at **Table 7** below.

Table 7 Response to State Environmental Planning Policies

State Environmental Planning Policy	Consistency	Comment
State Environmental Planning Policy No 1— Development Standards	N/A	N/A
State Environmental Planning Policy No 14— Coastal Wetlands	N/A	N/A
State Environmental Planning Policy No 19— Bushland in Urban Areas	N/A	N/A
State Environmental Planning Policy No 21— Caravan Parks	N/A	N/A
State Environmental Planning Policy No 26— Littoral Rainforests	N/A	N/A
State Environmental Planning Policy No 30— Intensive Agriculture	N/A	N/A
State Environmental Planning Policy No 33— Hazardous and Offensive Development	N/A	N/A
State Environmental Planning Policy No 36— Manufactured Home Estates	N/A	N/A
State Environmental Planning Policy No 44— Koala Habitat Protection	N/A	N/A
State Environmental Planning Policy No 47— Moore Park Showground	N/A	N/A
State Environmental Planning Policy No 50— Canal Estate Development	N/A	N/A
State Environmental Planning Policy No 52— Farm Dams and Other Works in Land and Water Management Plan Areas	N/A	N/A
State Environmental Planning Policy No 55— Remediation of Land	Yes	As noted within this report, a Preliminary Site Investigation has been prepared for the site by Coffey Services Australia Pty Ltd and is at Attachment K . This Preliminary Site Investigation concludes that the site can be made suitable for the proposed commercial development with minimal access to soils in accordance with SEPP55, however recommends that a Detailed Site Investigation be undertaken to effectively characterize the site as part of any detailed design. On this basis, it is considered that the subject site is suitable for the proposed development and is satisfactory with regard to Clause 6 of SEPP 55.
State Environmental Planning Policy No 62— Sustainable Aquaculture	N/A	N/A

State Environmental Planning Policy	Consistency	Comment
State Environmental Planning Policy No 64—Advertising and Signage	N/A	N/A
State Environmental Planning Policy No 65—Design Quality of Residential Apartment Development	N/A	N/A
State Environmental Planning Policy No 70—Affordable Housing (Revised Schemes)	N/A	N/A
State Environmental Planning Policy No 71—Coastal Protection	N/A	N/A
State Environmental Planning Policy (Affordable Rental Housing) 2009	N/A	N/A
State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004	N/A	N/A
State Environmental Planning Policy (Exempt and Complying Development Codes) 2008	N/A	N/A
State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004	N/A	N/A
State Environmental Planning Policy (Infrastructure) 2007	Yes	SEPP Infrastructure is to be considered given the proximity of the site to the future subterranean Sydney Metro rail corridor, including the proposed Martin Place North Station. Transport for NSW will be consulted with during the preparation of the future DA for the site.
State Environmental Planning Policy (Kosciuszko National Park—Alpine Resorts) 2007	N/A	N/A
State Environmental Planning Policy (Kurnell Peninsula) 1989	N/A	N/A
State Environmental Planning Policy (Major Development) 2005	N/A	N/A
State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007	N/A	N/A
State Environmental Planning Policy (Miscellaneous Consent Provisions) 2007	N/A	N/A
State Environmental Planning Policy (Penrith Lakes Scheme) 1989	N/A	N/A
State Environmental Planning Policy (Rural Lands) 2008	N/A	N/A
State Environmental Planning Policy (SEPP 53 Transitional Provisions) 2011	N/A	N/A
State Environmental Planning Policy (State and Regional Development) 2011	Yes	Having regard to the reference design at Attachment B , pursuant to Schedule 1, Clause 13(2), of the SEPP (State and Regional Development) 2011, the hotel component of the proposed development has a total CIV in excess of \$100m and therefore constitutes SSD. It is intended that subsequent concept SSDA is to be lodged concurrently with this Planning Proposal.

State Environmental Planning Policy	Consistency	Comment
State Environmental Planning Policy (Sydney Drinking Water Catchment) 2011	N/A	N/A
State Environmental Planning Policy (Sydney Region Growth Centres) 2006	N/A	N/A
State Environmental Planning Policy (Three Ports) 2013	N/A	N/A
State Environmental Planning Policy (Urban Renewal) 2010	N/A	N/A
State Environmental Planning Policy (Western Sydney Employment Area) 2009	N/A	N/A
State Environmental Planning Policy (Western Sydney Parklands) 2009	N/A	N/A

6.2.5 *Is the planning proposal consistent with applicable Ministerial Directions (s.117 directions)?*

A review of the consistency of the Planning Proposal with the Ministerial Directions for LEPs under Section 117 of the EP&A Act 1979 is discussed at **Table 8** below.

Table 8 Response to S117 Directions

No.	Direction	Objectives	Consistency	Comment
1	Employment and Resources			
1.1	Business and Industrial Zones	<ul style="list-style-type: none"> – Encourage employment growth in suitable locations; – Protect employment land in business and industrial zones; and – Support the viability of identified strategic centres. 	Yes	The Planning Proposal does not propose to reduce the total potential floor space area for employment uses and is consistent with the objectives of the direction as it encourages employment growth in Central Sydney.
1.2	Rural Zones	–	N/A	
1.3	Mining, Petroleum Production and Extractive Industries	–	N/A	
1.4	Oyster Aquaculture	–	N/A	
1.5	Rural Lands	–	N/A	
2	Environment and Heritage			
2.1	Environment Protection Zones	–	N/A	
2.2	Coastal Protection	–	N/A	
2.3	Heritage Conservation	– Conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance.	Yes	The Planning Proposal does not propose to amend the heritage status of any of the heritage items surrounding the site.

No.	Direction	Objectives	Consistency	Comment
2.4	Recreation Vehicle Areas	–	N/A	
2.5	Application of E2 and E3 Zones and Environmental Overlays in Far North Coast LEPs	–	N/A	
3 Housing, Infrastructure and Urban Development				
3.1	Residential Zones	<ul style="list-style-type: none"> – Encourage a variety and choice of housing types to provide for existing and future housing needs; – Make efficient use of existing infrastructure and services and ensure that new housing has appropriate access to infrastructure and services; and – Minimise the impact of residential development on the environment and resource lands. 	Yes	While it is noted that the Planning Proposal does not relate to residential development, the Planning Proposal is consistent with this direction as it will not reduce the permissible residential density on the site.
3.2	Caravan Parks and Manufactured Home Estates	–	N/A	
3.3	Home Occupations	–	N/A	
3.4	Integrating Land Use and Transport	<ul style="list-style-type: none"> – Improving access to housing, jobs and services by walking, cycling and public transport; – Increasing the choice of available transport and reducing dependence on cars; – Reducing travel demand including the number of trips generated by development and the distances travelled, especially by car; – Supporting the efficient and viable operation of public transport services; and 	Yes	<p>The site is well located in Central Sydney, with easy access to transport services, including Martin Place, Wynyard and Circular Quay train stations within 500 metres of the site and access to various bus routes.</p> <p>The Planning Proposal will enable the intensification of tourist accommodation in a well-connected site and will encourage use of public transport services.</p>

No.	Direction	Objectives	Consistency	Comment
		<ul style="list-style-type: none"> Providing for the efficient movement of freight. 		
3.5	Development Near Licensed Aerodromes	<ul style="list-style-type: none"> Ensure the effective and safe operation of aerodromes; Ensure that their operation is not compromised by development that constitutes an obstruction, hazard or potential hazard to aircraft flying in the vicinity; Ensure development for residential purposes or human occupation, if situated on land within the Australian Noise Exposure Forecast (ANEF) contours of between 20 and 25, incorporates appropriate mitigation measures so that the development is not adversely affected by aircraft noise. 	Yes	<p>For the purposes of this direction, Sydney Kingsford Smith Airport (1-PMBD) is the closest licensor aerodrome to the subject site.</p> <p>There is no change proposed to the maximum permissible building height applying to the site. It is however noted that a future DA for the development of the site as envisaged by the Planning Proposal will be above the Obstacle Limitation Surface (OLS) and consultation with the relevant public authority following a Gateway determination may therefore be required.</p>
3.6	Shooting Ranges	–	N/A	
4	Hazard and risk			
4.1	Acid Sulfate Soils	–	N/A	
4.2	Mine Subsidence and Unstable Land	–	N/A	
4.3	Flood Prone Land	–	N/A	
4.4	Planning for Bushfire Protection	–	N/A	
5	Regional Planning			
5.1	Implementation of Regional Strategies	–	N/A	
5.2	Sydney Drinking Water Catchment	–	N/A	
5.3	Farmland of State and Regional Significance on the NSW Far North Coast	–	N/A	

No.	Direction	Objectives	Consistency	Comment
5.4	Commercial and Retail Development along the Pacific Highway, North Coast	–	N/A	
5.5	Development in the vicinity of Ellalong, Paxton and Millfield (Cessnock LGA)	<i>(Revoked 18 June 2010)</i>		
5.6	Sydney to Canberra Corridor	<i>(Revoked 10 July 2008)</i>		
5.7	Central Coast	<i>(Revoked 10 July 2008)</i>		
5.8	Second Sydney Airport: Badgerys Creek	–	N/A	
5.9	North West Rail Link Corridor Strategy	–	N/A	
5.10	Implementation of Regional Plans	–	N/A	
6 Local Plan Making				
6.1	Approval and Referral Requirements	– Ensure that LEP provisions encourage the efficient and appropriate assessment of development.	Yes	The Planning Proposal does not include any provisions which would require the concurrence, consultation or referral of any development application to a Minister or public authority and does not identify any development as designated development.
6.2	Reserving Land for Public Purposes	– Facilitate the provision of public services and facilities by reserving land for public purposes; and – Facilitate the removal of reservations of land for public purposes where the land is no longer required for acquisition.	Yes	The Planning Proposal does not propose to create, alter or reduce any existing zoning or reservation on the land for a public purpose.
6.3	Site Specific Provisions	– Discourage unnecessarily restrictive site specific planning controls.	Yes	The Planning Proposal does not propose any unnecessarily restrictive site specific planning controls. Extensive analysis and design of the envisaged built form outcome of the Planning Proposal has been undertaken to ensure that impacts on surrounding private property and public space is minimised and to produce a viable building form.

No.	Direction	Objectives	Consistency	Comment
7	Metropolitan Planning			
7.1	Implementation of <i>A Plan for Growing Sydney</i>	–	N/A	
7.2	Implementation of Greater Macarthur Land Release Investigation	–	N/A	
7.3	Parramatta Road Corridor Urban Transformation Strategy	–	N/A	
7.4	Implementation of North West Priority Growth Area Land Use and Infrastructure Implementation Plan	–	N/A	

6.3 Section C – Environmental, social and economic impact

6.3.1 *Is there any likelihood that critical habitat or threatened species, populations, or ecological communities, or their habitats, will be adversely affected as a result of the proposal?*

There are no impacts envisaged. The subject site is located in the centre of Sydney's CBD and there is no critical habitat, threatened species, populations, ecological communities or their habitats are located on the site or immediately surrounding land.

6.3.2 *Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?*

Technical studies have been undertaken to assess any environmental effects resulting from this Planning Proposal. The relevant environmental effects for analysis include wind, daylight, pedestrian accessibility, views, contamination, geotechnical, acoustic and vibration, civil (including stormwater and flooding), ESD, waste, heritage, overshadowing, and traffic. Refer to the assessments, and if applicable, proposed management measures below.

Wind assessment

A Pedestrian Wind Environment Statement has been prepared by Windtech Consultants (24 August 2017). The assessment presents the likely impact of the indicative architectural scheme on the local wind environment and the critical outdoor areas within and around the future development.

The results of the study indicate that all ground level areas along Bligh Street satisfy the appropriate wind comfort and safety criteria as outlined in the Draft Central Sydney DCP. However, the results of the study indicated that a number of areas on the proposed podium roof experience exceedances of the appropriate comfort criteria, however which may be mitigated through detailed design processes and the provision of awnings at the site.

Daylight assessment

A Sky View Factor (SVF) Report has been prepared by BIM Consulting (Architectus) for the site. The SVF analysis tests the extent of sky visible above various points in

proximity to the site as a proportion of the total possible sky hemisphere above the point. Refer to the SVF Report at **Attachment M**.

The analysis finds there will be marginal change to sky visibility between the complying scheme and the proposed scheme, with only a marginal/negligible reduction of sky visibility when averaged across all test points. A complying scheme provides a SVF value of 0.1377489 and the proposed scheme provides a SVF value of 0.1372844. The difference between average SVF of compliant and proposed scheme across the 3,151 test points is SVF value of 0.0004645. Therefore, under the proposed scheme a total of 13.73% of the sky would be visible to a pedestrian on Bligh Street. When compared to a complying scheme, where 13.77% of the sky would be visible, the proposed scheme would reduce the amount of visible sky by 0.046%.

It is noted that additional SVF testing was undertaken to test the built form requirements to achieve an 'equivalent or improved' SVF than a building which provides setbacks in accordance with the Draft DCP 2012. The testing provided that a maximum building height of 127 metres would be required to achieve an 'equivalent or improved' SVF, which would make the development unviable, and which would not require a site-specific Planning Proposal in any case.

BIM Consulting (Architectus) consider the proposed development will result in a negligible impact on daylight to Bligh Street when compared to a scheme which complies with the proposed setbacks under the Draft DCP 2012. Additionally, it is considered that the need for the development outweighs the negligible SVF impact of the proposed development. The proposed mixed-use development for the purpose of a hotel and commercial building is of strategic significance in Sydney and will achieve various Government policy goals, including addressing the urgent need for tourist accommodation consistently referred to in relevant State, regional/metropolitan and local planning policies and strategies. Given that DCPs do not apply to SSD, the merits and site-specific context of the proposed development are such that the minor inconsistency with the provisions of the Draft DCP 2012 are considered supportable.

Pedestrian assessment

A detailed pedestrian study has been prepared by ARUP (**Attachment N**) and has been prepared following preliminary feedback by Council Officers, as to ascertain the impact of the proposed development on the surrounding street network and in light of the future Martin Place North Metro Station immediately to the south of the site. As advised by Council, this pedestrian study incorporates pedestrian movements from both the Bligh Street/Bent Street and Bligh Street/Hunter Street/Castlereagh Street intersections as well as consideration to walking routes to the existing Martin Place Station, as well as the future Martin Place North Metro Station.

This study provides *"that by 2026 an additional 13,350 passengers are expected to frequent the local pedestrian network in the AM Peak due to the introduction of Sydney Metro. This is expected to have a noticeable impact on the performance of pedestrian infrastructure along Bligh Street and adjoining intersections"*.

Notwithstanding, this pedestrian assessment provides an assessment of the impact of the Sydney Metro both with and without the proposed development, noting that the construction of the proposed hotel will cause either no change immediately adjacent to the site at the Bligh Street footpath, or only minimal change at nearby Bligh Street/Bent Street and Bligh Street/Hunter Street intersections.

Views

There are no views corridors identified in the current or draft LEP and DCP that the proposed development will impede or detrimentally impact.

The building form has been so designed as to fit within its context. The street setback and height of the podium meets the street setback and height of adjacent buildings. This is shown in the 'Photomontage – Bligh Street' in 'The Building Envelope and Urban Design Study' at **Attachment A**. While a tall building, its height does not present as an

adverse visual impact from the public domain because the tower is setback from the podium and it fits within the scale of surrounding built form. The building can be appreciated in the round.

The 'Building Envelope – Visual Impact' analysis in this study presents views as a pedestrian from six vantage points in the public domain. The key view is from the Domain looking west, which shows the proposed building form and scale, fits well within the city skyline. This view has been rendered in the 'Photomontage – The Domain' found later in the study (**Attachment A**). From this vantage point the proposed building logically fits visually within the space between existing buildings.

Contamination assessment

A Preliminary Site Investigation has been prepared for the site by Coffey Services Australia Pty Ltd and is held at **Attachment K**. This Preliminary Site Investigation concludes that the site can be made suitable for the proposed commercial development with minimal access to soils, however recommends that a Detailed Site Investigation be undertaken as part of any detailed design.

Geotechnical assessment

A Stage 1 Geotechnical Desktop Study and Rail Impact Statement has been prepared by Coffey Geotechnics Pty Ltd and is at **Attachment F**. This study includes a desktop assessment of subsurface conditions and potential engineering measures which may be required to enable the construction of the proposed development, however recommends that a more detailed (Stage 2) study be undertaken and geotechnical model prepared to accompany any DA for the site.

This study has also reviewed the impacts of the proposed metro rail corridor, understood to run parallel to the site's eastern and western boundaries, and which may intersect the eastern corner of the site. Whilst the location of which has not been confirmed at the time of writing, this study indicates that the influence of the proposed excavation for the metro rail corridor would be minimal, however that a more detailed assessment of potential impacts on the metro rail corridor (and associated structures) be undertaken as part of the detailed design phase and once more definitive information is received relating to the location and extent of metro infrastructure.

Acoustic and Vibration assessment

An Acoustic Impact Assessment has been prepared by Acoustic Logic (July 2017) and is at **Attachment O**. This report provides an assessment of potential noise impacts associated with the proposed development, including external noise intrusion and emissions associated with the proposed development, any future structure borne noise impacts on the site from train movements along the proposed Sydney Metro tunnel, as well as any construction noise impacts to surrounding buildings.

With regard to acoustic matters, this assessment concludes that the proposed development is acceptable for the site, subject to recommendations including acoustic attenuation measures and treatments to be incorporated within the detailed design phase, as well as the preparation of a detailed construction noise management plan to be prepared prior to any construction certificate issued for the site. Accordingly, further acoustic attenuation details will be provided as part of subsequent DAs for the site.

This Acoustic Impact Assessment has also incorporated an assessment of vibration issues associated with the proposed development, including vibration generated by construction activities at the site to neighbouring buildings as well as vibration impacts to, or generated from, the proposed Sydney Metro tunnel, which is understood to run parallel to the sites eastern and western boundaries, and which may intersect the eastern corner of the site. It is however noted that the final layout or location of metro rail infrastructure has not been confirmed by Sydney Trains at the time of writing.

With regard to vibration matters, this assessment outlines that given that the exact location of the metro rail tunnel has not been finalised, it is not possible to determine the extent of vibration impacts on the project site from rail movements, however, assumptions have been made that the new rail line of the Metro Rail will be vibration isolated from the rail tunnel structure.

Accordingly, a further detailed assessment of vibration impacts on the project site from the operation of the future Metro Rail tunnel will be carried out once the final location of rail infrastructure is confirmed.

Civil assessment

Civil advice relating to flooding and storm water has been provided by Arup (5 June 2017). The assessment identifies that the subject site is not affected by the 100-year Average Recurrence Interval (ARI) flooding event and flood depths within the Probable Maximum Flood (PMF) flooding event do not exceed the kerb line. All entrances to the building shall therefore be above the invert of the kerb line.

Arup note that the site is subject to Water Sensitive Urban Design (WSUD) requirements as set by City of Sydney and Sydney Water which will be incorporated into the detailed design.

ESD assessment

An Ecologically Sustainable Development (ESD) report has been prepared by Arup (26 July 2017) and is provided at **Attachment H**. The report provides frameworks to achieve a positive environmental outcome for the development. The frameworks are summarised below:

- **Energy minimisation and efficiency** – glazed façades and passive shading structures are to be designed as efficiently as possible to block or allow solar loads as needed and insulate interior spaces to a sufficient level.
- **Water use minimisation through efficiency and reuse** – water efficiency is to be achieved by using low-flow fixtures in the building and specifying low water-use plants for landscaped areas.

It is noted that a well-established approach to energy and water savings is to first lower the requirements of the building as much as possible, and then to design the remaining systems as efficiently as possible.

- **Transport planning** – the site has excellent public transport access. Bike parking and clear signage to the transportation stops are to be provided.
- **Operational and construction materials reduction and tracking** – low impact materials with the shortest possible delivery distance that still meet design requirements are to be specified.
- **Societal sustainability** – the development will aim to improve the local area by increase the aesthetic quality of the city through design, minimising environmental impacts, and providing functional commercial spaces.

Arup notes that that successful implementation of the frameworks will result in a feasible development, which has reduced impact on the environment and improved societal outcomes for the local area.

Waste assessment

An Operational Waste Management Plan has been prepared by Foresight Environmental and is provided at **Attachment P**. This Waste Management Plan has been prepared in accordance with Council's *Policy for Waste Minimisation in New Developments* and details how a future development of the site for the purposes of a hotel, as envisaged by the Planning Proposal, will manage the waste and recycling generated once operational.

The Waste Management Plan confirms that consideration has been given to the adequate provision of waste facilities in the preparation of the reference design and that the conceptual design adequately caters for the projected waste generation of the future mixed-use development.

Further details relating to waste generation and management during both construction and operational phases of the development will be provided as part of subsequent DA processes.

Heritage

The site is not identified as a heritage item however is located both adjoining, and within the vicinity of a number of heritage items as noted within **Section 2.2** of this report. The proposed development has been designed in response to this heritage context, including specifically the establishment of consistent podium heights to surrounding buildings and is supported by a Statement of Heritage Impact, prepared by GBA Heritage (**Attachment J**).

This Statement of Heritage Impact provides that the proposed development does not generate any unacceptable impacts to surrounding heritage items, will not result in visual dominance over, or detract from, the context or setting of these items within the Streetscape. This Statement of Heritage Impact also provides that subject to further detailed design processes, that the potential adverse heritage impacts of the development can be adequately mitigated, resulting in a development that suitably responds to the surrounding built form and heritage context of the site.

Overshadowing

The proposed development will not result in any unreasonable shadow impact, as detailed by the shadow analysis within the accompanying Urban Design Study at **Attachment A**. The site is not constrained by any of the existing sun access planes within the LEP 2012, nor any proposed sun access planes within the *Draft Central Sydney Planning Strategy 2016-2036*, which restrict building height across large parts of Central Sydney.

It is noted that Chifley Square, located to the south of the site at the corner of Phillip and Hunter Streets, as well is currently protected by 'no additional overshadowing' provisions pursuant to Clause 6.19 of the LEP 2012, however that this restriction is proposed to be removed under the *Draft Central Sydney Planning Strategy 2016-2036* and accompanying Central Sydney – Planning Proposal, currently with the Department of Planning and Environment. Notwithstanding, the proposed development will not result in any additional overshadowing of Chifley Square and there is the capacity for a tall building on the site without resulting in additional overshadowing of any protected public space.

Traffic

A Traffic Impact Assessment has been prepared for the future development of the site by the Transport Planning Partnership and is provided at **Attachment E**. This report considers the impact of the proposed mixed-use hotel development on the surrounding road network and finds that the proposed car parking, loading and service position is satisfactory to serve the anticipated use of the site, noting that all loading and unloading activities will be managed under a loading dock management plan to ensure appropriate and efficient operation of the loading dock.

The proposed car parking provision is considered satisfactory, with appropriate allocation for service and loading facilities within basement levels at the site. The report notes that the development will have a negligible impact on the performance of key intersections in the locality, with only minor increases to intersection delays, however with no change to existing Levels of Service. The proposed development is therefore not likely expected to generate any adverse traffic impact on the surrounding road network, nor any safety or operational issues.

6.3.3 *Has the planning proposal adequately addressed any social and economic effects?*

This planning proposal will facilitate an outstanding built form and design outcome for the site which will have positive social and economic outcomes. The proposed development will achieve a mix of land uses on the site comprising hotel or motel accommodation, commercial premises, and a recreation facility (indoor) and. These uses will serve the wider community as follows:

- By providing 6,137sqm commercial floor space for the local workforce;
- By providing overnight accommodation (407 rooms) for business visitors to the CBD and therefore in turn supporting employment use, and will support tourist visitors and therefore patronage of outlying tourist facilities;
- Will generate employment opportunities comprising an estimated 225-260 FTE construction jobs (dependent on stage of construction), 325 FTE jobs during operation of the hotel and associated food and beverage, and 450 FTE jobs associated with the proposed commercial uses, as well as indirectly supporting jobs relating to business and tourism industries; and
- The CIV of the development, being \$311.8m, constitutes a building of significant value for the CBD which will provide a substantial contribution to the economy.

The development will provide additional tourist accommodation in Central Sydney where there is currently a shortfall, will service the growing tourism industry, and contribute to an intensity of development appropriate to the global significance of Sydney's CBD.

The potential for any negative social effects has been analysed in respect of the pedestrian wind assessment (refer **Section 6.3**), daylight analysis, overshadowing analysis, view analysis, heritage assessment, and pedestrian accessibility. The analysis found negligible to no adverse impacts.

In summary, the public interest is served by the development having no negative social and economic effects, by the generation of jobs, substantial contribution to the local economy, meeting the City's strong policy position of providing strategic floor space for employment use including commercial floor space and hotel use, supporting unmet demand in hotel beds for Central Sydney, and the proponent's Public Benefit Offer.

6.4 Section D – State and Commonwealth interests

6.4.1 *Is there adequate public infrastructure for the planning proposal?*

It is considered there is adequate public infrastructure to support the Planning Proposal. The site is well located and seeks to utilise existing and proposed public transport infrastructure and existing road connections to the site. A detailed pedestrian study has been prepared for the proposed development and was submitted to Council on 1 September 2017.

The site is suitable for the proposed hotel use as it is well connected to public transport infrastructure, being approximately 200 metres walking distance to Martin Place Station, approximately 450 metres walking distance to Wynyard Station and approximately 500 metres to Circular Quay transport interchange. Bus stops are conveniently located along Pitt, Elizabeth and Macquarie streets, providing access to Sydney's eastern, northern and inner suburbs. The light rail line currently under construction along George Street is approximately 250 metres west of the site.

The site is located within close proximity to the future Martin Place North Metro Station, approximately 60 metres from the site, located at the Hunter Street, Bligh Street and Castlereagh Street intersection. It is however noted that the final layout or location of metro rail infrastructure has not been confirmed by Sydney Trains at the time of writing.

Bligh Street has one way directional vehicle traffic between Bent Street and Hunter Street, including bus services originating in the Sydney CBD and servicing metropolitan

areas. Bligh Street does not hold capacity for public parking, however contains a small loading zone toward the north of the block. Sufficient parking will be provided on site.

This Planning Proposal is also accompanied by a Building Services Report, prepared by ARUP (**Attachment G**), existing service provisions exist for electricity, water, sewer, gas, stormwater infrastructure and telecommunications infrastructure at the site. It is likely that the proposed development may necessitate an upgrade of services infrastructure, the extent of which will be considered as part of the detailed design and within any future DA for the site.

6.4.2 What are the views of State and Commonwealth public authorities consulted in accordance with the Gateway determination?

Commonwealth

The proposed development has received support from Tourism Australia. Please refer to a letter of support for the proposed development from John O'Sullivan, Managing Director, Tourism Australia and is held at **Attachment S**.

Department of Planning and Environment

Given that a future DA for the development of the site as envisaged by the Planning Proposal will constitute SSD due to the CIV of the hotel component of the development, consultation has been undertaken with the Department of Planning and Environment in relation to the proposal in a meeting on 17 May 2017.

The Department considered there is no impediment to concurrent consideration of a Planning Proposal and Concept SSD application under the relevant legislation, as to do so would streamline the development process and improve timeframes. They also advised they would likely support a Planning Proposal advanced by Council (as the RPA) in conformity with the proposed height and FSR development standards under the *Draft Central Sydney Planning Strategy*. Please refer to email correspondence from the Department of Planning and Environment to this effect held at **Attachment T**.

This approach was pursued in consultation with Council, including the undertaking of further design revision and specialist consultant studies. Despite this, Council have provided in writing that *"we are not considering planning proposals based on the draft (Central Sydney) Strategy until it has the support of the NSW Government"* (Gateway Approval). Additionally, despite multiple written requests, Council was unwilling to provide formal documentation to enable lodgment of the Planning Proposal (including application form and confirmation of fees). Please refer to further details of subsequent correspondence with Council in the section below.

On 11 September 2017 Architectus sent a letter to Marcus Ray, Deputy Secretary Planning Services, Department Planning and Environment advising of Council's decision to not accept lodgment of a Planning Proposal for the site and in a letter dated 19 October 2017 a response was received advising that: responded, advising:

- *"While acknowledging Council's draft Strategy is an important step in establishing a new planning framework for Central Sydney, I note that site-specific planning proposal requests can still be submitted and are to be assessed on their merits. The current status of the draft Strategy should not preclude Council giving due consideration to individual proposals"; and*
- *"Given Council's decision to not consider the proposal request prior to the Strategy being close to finalisation, I have formed the opinion that you are eligible for a Rezoning Review."*

City of Sydney Council

Significant consultation has been held with Council through the course of design of the development and preparation of this Planning Proposal, since November 2016 to date. During this time, Council has been generally supportive of the proposed development,

subject to minor design revisions and the undertaking of additional studies and submission of additional documentation.

As noted in **Section 4.8**, a preliminary meeting was held with Council on 29 November 2016 to present the site and proposed development intent, including presentation of three preliminary design options which reflected the built form controls contained within the *Draft Central Sydney Planning Strategy* (Note: this meeting occurred prior to knowing the hotel component was over \$100 million CIV and therefore constituted SSD).

Indication was provided that Council was generally supportive of proposed built form and proposed uses, subject to minor design revisions. Comments were however made by Council that submission of a Planning Proposal was preemptive as Council had not yet received Gateway determination for the *Draft Central Sydney Planning Strategy* with the Department. Council stated that they would wish to finalise the Central Sydney Planning Strategy (i.e. post-Gateway Approval) before considering any site-specific Planning Proposals.

As advised by the Department on 17 May 2017 above, on the basis that Council was to be the RPA for any Planning Proposal at the site, a subsequent meeting was held with the Council on 29 June 2017 to present the proposal and to detail Architectus intent to lodge a site-specific Planning Proposal. During this meeting, specific emphasis was placed on timing of the project and the progression of any Planning Proposal, given the lapsing of existing lease arrangements with NSW Property in early 2018. Timing is therefore critical to the viability of the development in the immediate term.

Email correspondence was received from Council on 21 July 2017 providing feedback from this meeting including a request for a formal pre-submission package prior to lodgment of a Planning Proposal, including additional documentation to be provided as part of this pre-submission (wind assessment, pedestrian study, daylight analysis and an indicative Public Benefit Offer). This detailed pre-submission was subsequently submitted to Council on 4 August 2017. Council's email request has been provided as **Attachment U**.

Following review of this pre-submission package, a letter was subsequently received from Graham Jahn, Council's Director of City Planning, dated 4 September 2017 and received 11 September 2017, stating that the Council will not consider a Planning Proposal "*based on the draft (Central Sydney) Strategy until it has the support of the NSW Government*" (Gateway Approval). Additionally, despite multiple written requests, Council was unwilling to provide formal documentation to enable lodgment of the Planning Proposal (including application form and confirmation of fees). A copy of the letter issued by Graham Jahn is provided as **Attachment V**. The letter highlights that Council's key concern with the Proposal (other than concerns around timing) relate to a proposal to vary the proposed setbacks under the *Draft Central Sydney Planning Strategy* and subsequent impacts on pedestrian amenity. Architectus has prepared a comprehensive assessment of daylight impacts resulting from the proposed development through preparation of the Sky-View Analysis provided at **Attachment M**. In summary, the impacts are considered to be acceptable as:

- An increase in setbacks to the north and south would have a significant impact on the feasibility of the site for development as a hotel, as any increase in setbacks would result in a reduction in the number of hotel rooms per floor and therefore have a major impact on the operational efficiency of the proposed hotel;
- The analysis concludes that the loss of sky-view resulting from a shorter building with reduced side setbacks is negligible (loss in visibility of 0.046%) and is outweighed by the benefit of facilitating much-needed hotel development in Central Sydney;
- The site is located within a future cluster of tall buildings as identified by the *Draft Central Sydney Planning Strategy*, yet is surrounded by heritage buildings with limited or no development potential;

- There will be no impacts on amenity or the development potential of adjoining sites;
- The proposed development results in no additional overshadowing of any protected public open space or privately owned publicly accessible open space; and
- The proposal results in an equivalent or improved outcome compared with a ‘complying scheme’ in relation to wind impacts on the pedestrian environment (Refer to detailed Wind Impact Assessment at **Attachment I**)

Sydney Metro

Consultation has also been undertaken with Sydney Metro in relation to the proposed subterranean acquisition of part of the site to construct the Sydney Metro rail tunnel. The lowest level of excavation for the basement as detailed in the reference design has been set so as not to interfere with the delivery of the Metro and will not conflict with the proposed acquisition area.

Other Authorities

It is envisaged that further consultation with public authorities will be undertaken following a Gateway determination. It is recommended that the following State and Commonwealth authorities be consulted with and given the opportunity to comment on the Planning Proposal:

- NSW Department of Planning and Environment
- NSW Department of Primary Industries (DPI) Water
- Transport for NSW (including Sydney Metro/Sydney Trains)
- Ausgrid
- NSW Office of Environment and Heritage
- Roads and Maritime Services
- State Transit Authority – Sydney Buses
- Department of Infrastructure and Regional Development (in relation to the Obstacle Limitation Surface (OLS))
- Greater Sydney Commission

7. Mapping

The following maps identify the site, the subject of this Planning Proposal, and the current development standards relating to the site, the proposed development standard.

7.1 Existing and proposed FSR LEP map



Figure 17 Maximum FSR map - existing

Site outlined in red

Source: Sydney LEP 2012, Sheet FSR_014

This Planning Proposal proposes a site-specific FSR provision under Division 5 of Part 6 of the Sydney LEP 2012 and not to change the base FSR control. Accordingly, the LEP 2012 maximum FSR map is not proposed to be amended.

8. Consultation

The duration and requirements for public exhibition of the Planning Proposal will be provided as part of a Gateway determination. Community consultation will be undertaken in accordance with these requirements.

It is anticipated that the Planning Proposal will be publicly exhibited for a period of 28 days on the City of Sydney website and in newspapers circulated within the City of Sydney Local Government Area (LGA). It is also anticipated that adjoining and nearby property owners will be notified in writing of the Planning Proposal.

Section 6.4.2 above details the consultation undertaken to date with State and Commonwealth agencies.

Section 4.8 and **Section 6.4.2** details the key consultation activities undertaken to date with the City of Sydney.

9. Project Timeline

This section provides information regarding the timeline and staging for the proposed LEP amendments, the subject of this Planning Proposal.

9.1 Timeline

The timeframe for amendment of the LEP 2012 is expected to be dependent on the consideration by Council of the Planning Proposal and the progression of any additional information requested by Council to satisfy any matters required to be addressed as part of a Gateway determination.

It is considered that the technical studies required to progress the Planning Proposal to a Gateway determination have been submitted along with this Planning Proposal.

9.2 Staging

Detail on projected project timeframes are provided below.

Stage	Timing	Responsible Organisation
Lodgment of Planning Proposal for Rezoning Review	26 October 2017	Architectus
Consideration by the Planning Assessment Commission	December 2017	Planning Assessment Commission
Appointment of Relevant Planning Authority	January 2017	City of Sydney Council
Anticipated commencement date (date of Gateway determination)	February 2018	Minister (or delegate)
Timeframe for government agency consultation (pre-and post exhibition as required by Gateway determination)	March 2018	Applicant and City of Sydney Council
Commencement and completion dates for public exhibition period	March 2018	City of Sydney Council
Timeframe for the consideration of a proposal post exhibition	May - October 2018	City of Sydney Council
Anticipated date RPA will make the plan (if delegated)	November 2018	City of Sydney Council

10. Conclusion

This Planning Proposal has been prepared in accordance with Section 55 of the Environmental Planning and Assessment Act 1979 and *A Guide to Preparing Planning Proposals*, NSW Department of Planning and Environment (2016).

The objective of this Planning Proposal is to enable the delivery of a high quality mixed hotel and commercial building in Central Sydney, facilitate the preferred design option and support the effective utilisation of the site. The architectural concept design for the redevelopment of the site is appended at **Attachment B**.

To achieve this, it is sought that the Sydney LEP 2012 be amended:

- Floor Space Ratio –Increase from a base FSR of 8:1 under Clause 4.4 of the LEP 2012 (plus additional FSR provided under Clause 6.4 of the LEP 2012) to a maximum FSR of 22:1.

The proposed amendment to the LEP 2012 is supportable because:

- The proposal will provide much needed hotel accommodation (up to 407 hotel rooms) and associated tourist and visitor facilities in a prominent central CBD location, where there is currently substantial unmet demand, consistent with the objectives of Council's *Tourism Action Plan* and *Visitor Accommodation Action Plan*;
- This proposal will provide for a high quality mixed-use hotel and commercial development, consistent with the actions and objectives of the *Draft Central District Plan* which seeks to grow and manage the visitor economy;
- This Planning Proposal seeks an increase in the FSR applicable to the site for the purposes of a hotel development, being development for an employment use, consistent with Strategic Floor Space Provisions under the *Draft Central Sydney Planning Strategy 2012-2036*;
- There is no likely future development of land in the vicinity of the site that would affect the uplift in density sought by this Planning Proposal, nor would the proposal affect nor preclude the development capability of surrounding sites;
- This Planning Proposal is considered to facilitate a high-quality outcome for the site providing a strategically desirable mixed-use hotel outcome without unreasonable environmental, economic or social impact.

The Planning Proposal is therefore recommended for support to proceed to a Gateway determination.

Attachment A – Concept Proposal and Urban Design Study

Attachment B – Architectural Concept

Attachment C – Land Title and Lot and Deposited Plan

Attachment D – Traffic and Transport Report

Attachment E – Geotechnical and Rail Impact Study

Attachment F – Services Report

Attachment G – Ecologically Sustainable Development Report

Attachment H – Detailed Wind Assessment

Attachment I – Statement of Heritage Impact

Attachment J – Phase 1 Contamination Assessment

Attachment K – Daylight Analysis

Attachment L – Pedestrian Amenity Study

Attachment M –Acoustic Impact Assessment

Attachment N – Operational Waste Management Plan

Attachment O – Capital Investment Value (CIV) Report

Attachment P – Draft Central
Sydney Planning Proposal and
DCP 2012 (Central Sydney
Planning Strategy Amendment),
Compliance Assessment

Attachment Q – Letter of Support from John O’Sullivan, Managing Director, Tourism Australia

Attachment R – Email of support
from Marcus Ray, Deputy
Secretary Planning Services,
Department of Planning and
Environment

Attachment S – Email from the City of Sydney outlining pre-planning proposal submission requirements

Attachment T – Letter from
Graham Jahn, Director City
Planning. Development and
Transport, City of Sydney