

REZONING REVIEW – Briefing Report

Date of Referral:	30/10/17	
Department Ref. No:	PGR_2017_SYDNE_001_00	
LGA:	City of Sydney	
LEP to be Amended	Sydney Local Environmental Plan 2012	
Address:	4-6 Bligh Street, Sydney	
Reason for review:	<input checked="" type="checkbox"/> Council notified the proponent that it will not support a proposed amendment	<input type="checkbox"/> Council failed to indicate support for proposal within 90 days, or failed to submit the proposal after indicating its support
Is a disclosure statement relating to reportable political donations under s147 of the Act required and provided?	<input type="checkbox"/> Provided <input checked="" type="checkbox"/> Not required Comment: The application form states that there are no reportable political donations or gifts to disclose.	

SUMMARY OF THE PROPOSAL

Background

- Architectus, on behalf of One Investment Management Pty Limited, submitted a rezoning review request to amend Sydney Local Environmental Plan 2012 (SLEP 2012) to include a site-specific provision to increase the maximum floor space ratio (FSR) control at 4-6 Bligh Street, Sydney for a commercial and hotel development.
- The applicant has submitted the request as City of Sydney Council notified the proponent on 4 September 2017 that it will not support the proposed amendment (**Attachment C**).
- A chronology of key activities regarding the planning proposal is at (**Attachment D**).
- On 19 October 2017, the Department of Planning and Environment's Deputy Secretary, Planning Services wrote to Architectus stating the proposal is eligible for a rezoning review (**Attachment G**).

Locality and context

- The site is in Central Sydney in an area largely characterised by modern high-rise commercial and hotel buildings interspersed with lower-scale heritage items (**Attachment E**).
- To the south-west and adjoining the site is the 12-storey former City Mutual Life Assurance building at 10 Bligh Street and 66 Hunter Street.
- To the north and adjoining the site is the 16-storey Sofitel Sydney Wentworth Hotel at 2 Bligh Street and 61-101 Phillip Street.
- To the south-east and adjoining the site is the 13-storey former Qantas House building at 68-96 Hunter Street, also known as 1 Chifley Square.

- To the north-west of the site opposite Bligh Street is the 4-storey former New South Wales Club building at 31 Bligh Street.
- The proposal states 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);
 - NSW Art Gallery (650 metres to the south-east); and
 - Barangaroo / Darling Harbour (900 metres to the west).

Site description

- The site is occupied by an 18-storey commercial office building known as Bligh House.
- The site has a single frontage to Bligh Street of approximately 38 metres and an approximate depth of 32 metres contributing to an area of 1,216sqm.
- The site comprises four 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.

Current planning provisions

- The site is zoned B8 Metropolitan Centre under SLEP 2012.
- The site is subject to a maximum building height of 235 metres.
- The site is subject to a maximum FSR of 8:1.
- The site is subject to additional floor space under Clause 6.4 – Accommodation floor space of SLEP 2012. Development for a hotel or motel accommodation is eligible for additional floor space up to 6:1, and office premises or retail premises may achieve an additional floor space up to 4.5:1.
- The planning proposal calculates the eligible bonus accommodation floor space as a percentage of the maximum bonus floor space available.
- The total bonus accommodation floor space for which the proposed development is eligible for is approximately 5.3:1. This includes a hotel accommodation FSR of approximately 4.3:1 (71.6% of 6:1) and office and retail uses FSR of approximately 1:1 (22.6% of 4.5:1).
- An additional 10% (of base FSR and accommodation floor space) allowed under Clause 6.21 Design Excellence will bring the total maximum FSR to approximately 14.43:1.
- It is noted that the total FSR calculation of 14.88:1 in the planning proposal is incorrect.
- The zoning, floor space and maximum building height maps are provided in **Attachment F**.

Proposed planning provisions

- The proposal seeks to include a site-specific provision under SLEP 2012 to increase the maximum FSR from approximately 14.88:1 (including bonuses) to a maximum of 22:1 for a commercial and hotel development.
- The proposed amendments to SLEP 2012 will facilitate the development of a mixed-use hotel and commercial building with a height of 55 storeys or 205 metres (height of RL 225.88) and FSR of 20.3:1. An additional floor space is to be allowed for during the design competition, which will bring the maximum FSR to 22:1.
- The indicative architectural scheme (**Attachment O**) comprises:
 - a 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);
 - 4 levels at rooftop including hotel club lounge, function space, restaurant and bar, and publicly accessible landscaped terrace; and
 - 4 basement levels including 17 car parking spaces, 2 loading spaces, plant, end of trip facilities and waste management facilities.
- The proposed development will have a total gross floor area of 24,825sqm.

INFORMATION ASSESSMENT

Does the proposal seek to amend a zone or planning control that is less than 5 years old?

Yes. The proposal seeks to amend SLEP 2012.

STRATEGIC MERIT TEST

Consistency with the relevant regional plan outside of the Greater Sydney Region, 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.

Proponents will not be able to depend on a draft regional, district or corridor/precinct plan when the Minister for Planning, Greater Sydney Commission or Department of Planning and Environment have announced that such a plan will be updated before being able to be relied upon.

Revised Draft Eastern City District Plan

- The site is located within the Eastern City District formally known as Central District.
- The Revised Draft Eastern City District Plan identifies Central Sydney as the Harbour CBD.
- The plan recognises the Eastern City District as one of the world's premier tourism and major events destinations and identifies approximately 8 million visitors stayed overnight in the District in 2015-2016.
- The proposal references the former Draft Central District Plan and states it is consistent with the Productivity Action to grow and manage the visitor economy including Aboriginal experiences' by:
 - investigating opportunities to improve Aboriginal cultural tourism;
 - investigating opportunities to expand business tourism;
 - investigating opportunities through the planning system to encourage tourism infrastructure, including hotel accommodation and conference centres; and

- providing supporting evidence to better understand future tourism needs and how our planning can support the industry.
- The Revised Draft Eastern City District Plan which replaces the former Draft Central District Plan identifies the Productivity Action to consider opportunities to enhance the tourist and visitor economy in the District, including a coordinated approach to tourism activities, events and accommodation.

Consistency with a relevant local strategy that has been endorsed by the Department.

- The proposal states it is consistent with Council's draft Central Sydney Planning Strategy 2016-2036. The strategy has not been endorsed as a local strategy by the Department. The strategy and planning proposal has been submitted to the Department for a Gateway determination. The Department is currently awaiting a response from Council to address a number of matters before a determination can be made.

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.

- For demographic trends, the proposal states it responds to a shortfall in tourist accommodation in Central Sydney. It notes Council's Tourism Action Plan 2013 which acknowledges a shortage of hotel accommodation in Central Sydney and 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. The proposal also notes Council's Visitor Accommodation Action Plan (Hotels and Serviced Apartments) 2015 which states Central Sydney has been experiencing high occupancy rates over 80 per cent since 2007, with the long-term average about 75 per cent and the demand for hotel accommodation is forecasted to increase.
- The proposal states it responds to investment in new infrastructure, such as the construction of the Martin Place Metro Station. The subject site is within 60 metres of the proposed Martin Place Metro Station at the corner of Castlereagh and Hunter Street.
- The proposal states the site is a short distance from the CBD Light Rail, which is currently under construction along George Street and at Circular Quay.

SITE-SPECIFIC MERIT TEST

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

The proposal includes technical studies that have been undertaken to assess any environmental effects resulting from the proposed development. The relevant effects for analysis include wind, daylight, pedestrian accessibility, views, contamination, geotechnical, acoustic and vibration, civil (including stormwater and flooding), ecologically sustainable development, waste, heritage, overshadowing and traffic.

Natural environment

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

Contamination

- A preliminary site investigation has been prepared by Coffey Services Australia Pty Ltd (**Attachment H**). The study identified areas of environmental concern which included hazardous building material in current site structures, isolated leaks and spills from mechanical plant infrastructure within the basement and suspected underground storage tanks. The study concludes that the site can be made suitable for the proposed

commercial development subject to implementation of a detailed site investigation and a ground penetrating radar search.

Geotechnical and rail impact

- A Stage 1 desktop geotechnical study and rail impact statement have been prepared by Coffey Geotechnics Pty Ltd (**Attachment I**).
- The study includes a desktop assessment of subsurface conditions and potential engineering measures that may be required to enable the construction of the proposed development. However, it recommends that a Stage 2 detailed study be undertaken and geotechnical model prepared to accompany any development application for the site.
- The study reviewed the impacts of the proposed Metro rail corridor, which is proposed to run parallel on either side to the site's eastern and western boundaries. The study indicates that the impact of the proposed excavation for the Metro rail corridor would be minimal. However, it recommends 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 further definitive information is received relating to the location and extent of the underground Metro infrastructure.

Heritage

- The site is not identified as a heritage item. However, it adjoins and is within the area of several heritage items (**Attachment J**).
- The site is in the vicinity of the following local heritage items:
 - Item 1673: Richard Johnson Square;
 - Item 1674: Sofitel Wentworth Hotel at 2 Bligh Street; and
 - Item 1708: Chifley Square.
- The site is in the vicinity of the following state heritage items:
 - Item 1675: Former City Mutual Life Assurance Building at 10 Bligh Street;
 - Item 1676: Former NSW Club Building at 31 Bligh Street; and
 - Item 1811: Former Qantas House at 1 Chifley Square.
- A statement of heritage impact was prepared by GBA Heritage in July 2017 (**Attachment K**). The study concludes that the proposed development will not generate unacceptable impacts as the contexts and settings of the heritage items in the vicinity of the site are retained and protected.

Flooding

- The proposal states that the subject site is not affected by the 100-year average recurrence interval flooding event, and flood depths within the probable maximum flood do not exceed the kerb line.

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

- The subject site is bound on three sides by existing heritage-listed buildings.
- The proposal states that the site is located within the financial and tourism core of Central Sydney and the proposed uses are compatible with the surrounding hotel, commercial and retail uses.
- The proposal states the surrounding sites are likely to remain in situ due to their location and constraints on any potential for redevelopment. The constraints include the heritage significance of the buildings and the fact the sites have either been strata subdivided (the

former City Mutual Life Assurance building and the former Qantas House) or are subject to restrictions on title (Sofitel Wentworth), which limit the potential for additional floor space for redevelopment.

- The proposal notes the street block and 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 additional overshadowing of public open space.

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.

Traffic

- A traffic impact assessment has been prepared for the future development of the site by the Transport Planning Partnership (**Attachment L**). The report finds that the proposed car parking, loading and service position are 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 proposal seeks to provide 17 car parking spaces and 2 loading spaces within the basement car park. The traffic report considers the car parking provisions satisfactory to serve the proposed development.

Infrastructure

- The site is located within existing and proposed public transport infrastructure and existing road connections to the site.
- The site is approximately:
 - 200 metres walking distance to Martin Place Station;
 - 450 metres walking distance to Wynyard Station;
 - 500 metres to Circular Quay transport interchange;
 - 250 metres to the light rail under construction along George Street; and
 - 60 metres from the proposed Martin Place Metro Station at Hunter Street.

Services

- The planning proposal includes a building services report prepared by ARUP (**Attachment M**). The report identifies existing service provisions for electricity, water, sewer, gas, stormwater and telecommunications infrastructure at the site. The proposal states 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 development application for the site.

VIEWS OF COUNCIL AND AGENCIES

- The Department wrote to City of Sydney Council on 30 October 2017 advising of the rezoning review request. Council responded on 20 November 2017 (**Attachment N**).
- Council believes the rezoning review has been improperly made and should not be progressed as the proponent has never submitted a request to prepare a planning proposal.
- The documentation provided by the proponent to Council on 4 August 2017 was presented and acknowledged by the proponent as a 'pre-planning proposal information

package'. Council has not received a formal planning proposal request, request form or applicable fee.

- The request was not made within 42 days of Council's letter of 7 September 2017.
- The documentation submitted for the review is not consistent with the documentation provided to Council. The proponent has provided more than 10 additional supporting documents including studies and plans that were not made available to Council for comment.
- Council has advised it is willing to consider a planning proposal for the site and recommends the rezoning review request be discontinued.
- In July 2016, Council and the Central Sydney Planning Committee endorsed the Central Sydney Planning Strategy, Central Sydney Planning Proposal, development control plan and affordable housing program for public exhibition following a Gateway determination.
- Council advised the proponent on 7 September 2017 that until the NSW Government had issued a Gateway determination for the Central Sydney Planning Proposal and the proposed strategy was on public exhibition, Council would not consider increases in FSRs.
- The Department wrote to Council on 20 October 2017 advising that the current status of the draft strategy should not preclude Council considering individual proposals.
- Council wrote to the proponent on 27 October 2017 stating it would accept a planning proposal for the site and clarifying the requirements for lodgement (**Attachment N**).
- Council states the proposal in its present form has strategic merit, however requires refinement and clarification.
- Council is willing to progress a planning proposal that meets the following key strategy aims:
 - 6 stars for the commercial component and 5 stars for the hotel component for NABERS Energy, and 4.5 star NABERS water score for commercial office and hotel;
 - utilising Council's well-established design excellence provisions, with the development being the subject of a full architectural design competition in line with Council's competitive design policy;
 - promotes employment uses through LEP provisions that provide for the envelope only if the development does not include residential or serviced apartments;
 - light and air easements on the adjoining sites where suitable setback concessions have been requested;
 - additional wind testing and sky view factor assessments that assess whether the building envelope will be equal to or better than a compliant scheme;
 - a public benefit offer that provides sufficient contribution to infrastructure as growth occurs as suggested in Council's letter of 27 October 2017; and
 - the proponent's indicative design demonstrates a FSR of 20.4:1, whereas the request is to increase the FSR to 22:1. Clarification and consistency are sought to appropriately assess the amenity impact of the additional 1,927 square metres of the building envelope and clarify the maximum in relation to other bonuses and incentives.
- Under the established planning pathway, Council's development control plan (DCP) would be amended to support development outcomes such as an appropriate building envelope, setbacks and sustainability. However, the proposal to include a substantial hotel would see a state significant development planning pathway triggered, to which DCP provisions do not apply. Development outcomes would need to be addressed through the planning proposal.

Consistency of supporting documents

- Council states the following supporting documents submitted as part of the Rezoning Review request were never submitted to Council for consideration:
 - 4-6 Bligh Street - Planning Proposal (26 October 2017)
 - Attachment G - Ecologically Sustainable Development Strategy (26 July 2017)
 - Attachment C - Land Title and Lot and Deposited Plan (28 July 2017)
 - Attachment D - Traffic and Transport Report (17 August 2017)
 - Attachment L - Pedestrian Assessment Study (1 September 2017)
 - Attachment I - Statement of Heritage Impact (July 2017)
 - Attachment E - Geotechnical and Rail Impact Study (26 July 2017)
 - Attachment F - Services Report (26 July 2017)
 - Attachment J - Preliminary Site Investigation (25 July 2017)
 - Attachment M - Acoustic Assessment (24 July 2017)
 - Attachment N - Waste Management Plan (25 July 2017)
- In addition, the following studies have been amended since they were submitted to Council:
 - Attachment K - Sky View Factor Report (21 August 2017)
 - Attachment H - Pedestrian Wind Environment Study (24 August 2017)
- If the additional studies were not supplied to Council, the Planning Assessment Commission should not consider them as part of their assessment.

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