

26 October 2017

Ms Carolyn McNally  
 Secretary  
 Department of Planning and Environment  
 GPO Box 39  
 Sydney NSW 2001

Architecture  
 Urban Design  
 Planning  
 Interior Architecture

**RE: 4-6 Bligh Street, Sydney  
 Rezoning Review for Planning Proposal**

Dear Ms McNally,

I write on behalf of our client, One Investment Management Pty Limited ATF Recap IV Management No. 4 Trust, being an affiliate of SC Capital Partners Group (collectively “SC Capital Partners Group”), landowner of 4-6 Bligh Street Sydney. Our client is seeking a Rezoning Review for a Planning Proposal by the Planning Assessment Commission (PAC) for a proposed mixed-use hotel and commercial development at 4-6 Bligh Street, Sydney (the site). The Planning Proposal has its genesis in the *Draft Central Sydney Planning Strategy 2016-2036* which opens up height and FSR limits to support the growth of Central Sydney, particularly for employment generating uses.

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The City of Sydney Council (Council) have advised, in a letter dated 4 September 2017, that they are not willing to accept lodgement of a Planning Proposal seeking additional floor space for the site. Council’s letter was subsequently conveyed to the Department of Planning and Environment (DPE) on 11 September 2017 and a request was made for the Secretary to carry out the plan-making functions for the Planning Proposal, or otherwise for a Rezoning Review of the Planning Proposal to be carried out. Marcus Ray, Deputy Secretary Planning Services, responded by way of a letter dated 19 October 2017 stating that he had formed the opinion that the proposal is eligible for a Rezoning Review. This letter has been provided as **Attachment L**.

This letter provides an overview of the Planning Proposal, including the site and its context, the strategic and site-specific merit, and the consultation undertaken to date with both Council and DPE. Please find enclosed with this letter:

- A hard copy of the Planning Proposal and supporting documentation;
- A copy of relevant correspondence with the Council and DPE;
- A signed Rezoning Review Application Form;
- A bank cheque for the \$20,000 application fee for the Rezoning Review made out to NSW Department Planning and Environment; and
- A USB containing all relevant documentation.

**1. The site and context**

The site subject of the Planning Proposal is known as 4-6 Bligh Street, Sydney, and comprises the following land parcels:

- Lot 1 DP 919932;
- Lot 1 DP 134866;

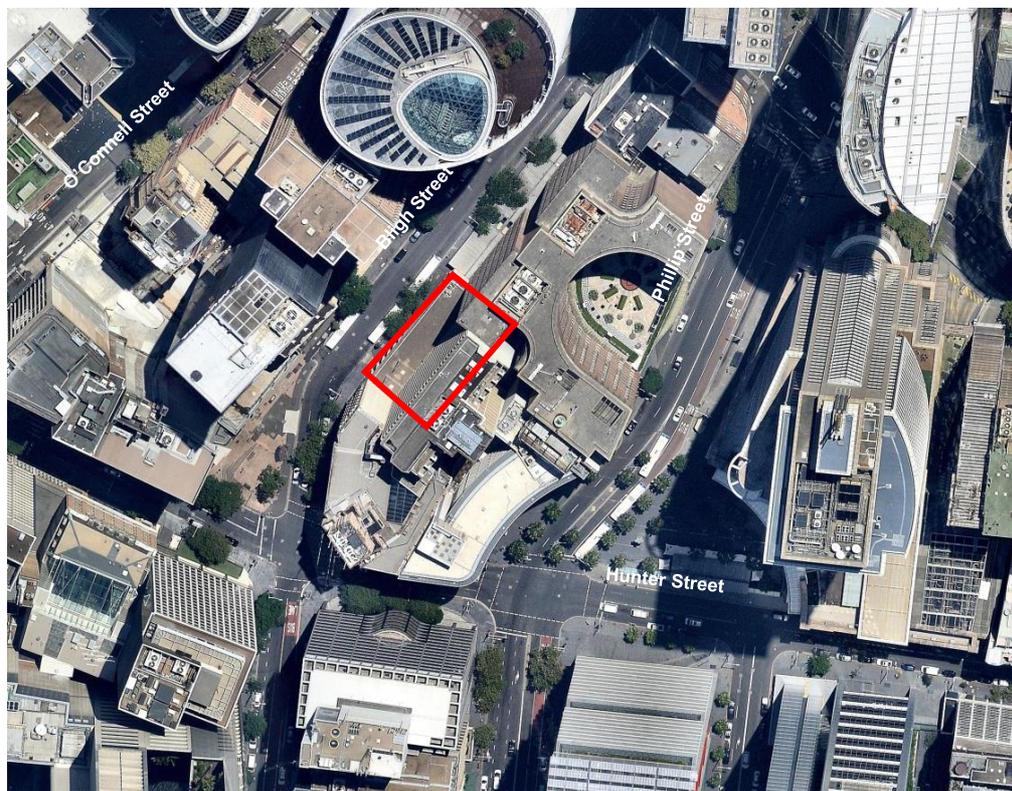
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- Lot 2 DP 134866; and
- Lot A DP 184770.

The site has a total area of 1,216sqm with a single frontage to Bligh Street. The site is centrally located within the financial core of Central Sydney, which is largely characterised by modern high-rise commercial and hotel buildings interspersed with lower scale heritage buildings.

The site in its context is illustrated in **Figure 1** below.



**Figure 1 Site context plan**

Site outlined in red

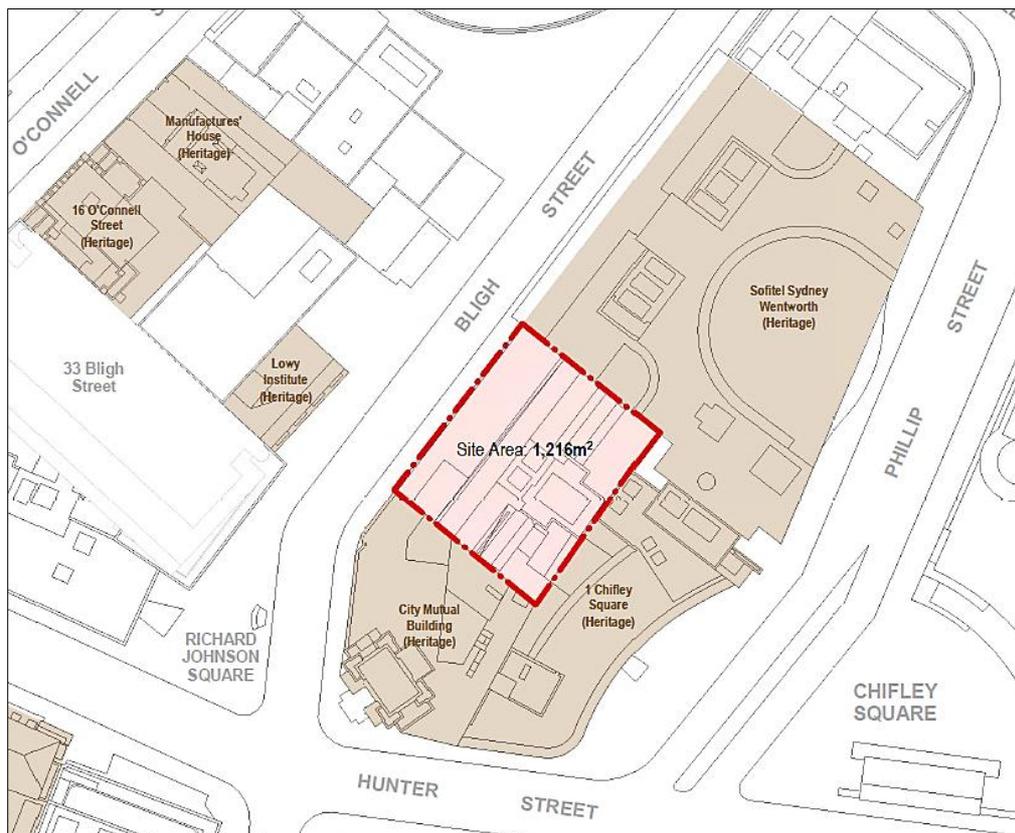
Source: NearMaps

Importantly to the Planning Proposal, the site is surrounded by heritage items with limited or no potential for future redevelopment. An overview of the heritage significance of these sites is provided below:

- Adjoining the site to the south-west is the former ‘City Mutual Life Assurance’ building. This building is a State heritage item (I1675), constructed in 1936 and is currently used as a strata 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.
- The Sofitel Sydney Wentworth Hotel is located immediately to the north and east of the site. 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*”. The Sofitel Wentworth Hotel is subject to a restriction on title which prohibits any GFA being added to the building.

- Immediately to the south east is the Former ‘Qantas House’ building. This building is a State heritage item (I1811), constructed in 1957 and is currently used as a strata 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.

The location of the buildings identified above relative to the subject site is illustrated in **Figure 2** below.



**Figure 2 Site surrounds and heritage context map**  
 Site outlined in red and surrounding heritage shaded brown  
 Source: *Building Envelope & Urban Design Study, Architectus*

## 2. The Proposal

The intended outcome of this Planning Proposal is to amend the Sydney LEP 2012 to provide a site-specific FSR control that would increase the maximum FSR applying to the site, to facilitate the redevelopment of 4-6 Bligh Street as a high quality and efficient mixed-use hotel, commercial, retail, and indoor gym/pool development. The Planning Proposal has its genesis in the *Draft Central Sydney Planning Strategy 2016-2036* which allows for additional height and FSR to support the growth of Central Sydney, particularly for employment generating uses.

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 22.0:1 as proposed can be accommodated on the site without resulting in negative environmental impacts and while providing a building that will provide significant benefits to employment, tourism and the economy of Central Sydney.

The proposed amendment to the LEP 2012 is sought to allow for the optimal development capacity of the site. 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. 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*.

It is noted that a future development of the site as envisaged by the Planning Proposal will constitute State Significant Development Application as provided by item 13(2) of Schedule 1 of State Environmental Planning Policy (State and Regional Development) 2011 as the hotel component of the development will have a capital investment value (CIV) greater than \$100 million.

### 3. 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 understood that a proposal that seeks to amend controls that are less than 5 years old will only be considered where it clearly meets the Strategic Merit Test. While it is noted that the Sydney LEP 2012 was gazetted in December of 2012 and is therefore nearly 5 years old at the time of writing, it is relevant to note that the planning controls for Central Sydney which apply under the LEP 2012, including the maximum FSR, predate the current LEP and are in fact more than 5 years old.

- ***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.***

The proposal will allow for the delivery of a high quality mixed-use hotel and commercial development consistent with the *A Plan for Growing Sydney*, the *draft Greater Sydney Region Plan 2056*, and the *Draft Central District Plan*, as detailed below.

#### **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 four goals with Goal 1 of particular relevance to this Planning Proposal: "Goal 1: A competitive economy with world-class services and transport".

The site and the Sydney CBD fall within the Central Subregion and is identified as a key Strategic Centre within the strategy. Overarching actions in support of this Planning Proposal include:

- Plan Global Sydney as a transformational place;
- Plan for Sydney CBD as Australia's premier location for employment;
- Provide capacity for long-term office growth in the CBD; and
- Provide capacity for additional mixed use development in Global Sydney including offices and tourism.

Specific priorities are identified for the Sydney CBD, including:

- “Investigate a potential commercial core in Sydney CBD for long-term employment growth; and
- 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 tourist and visitor accommodation sector 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. The hotel accommodation is well positioned centrally to the Cultural Ribbon to enable ease of walking to many of these attractions.

A key action under the Plan is to “Create new and innovative opportunities to grow Sydney CBD office space by identifying redevelopment opportunities and increasing building heights in the right locations. The Planning Proposal seeks uplift for the purpose of mixed office and hotel development, in a location in accordance with the Draft Central Sydney Planning Strategy.

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

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 CBD 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. The facilities available to visitors effects their experience and the draft Plan recognises 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 of Sydney. In November 2016 the *Draft Central District Plan* was released by the Greater Sydney Commission which sets out aspirations and proposals for Greater Sydney's Central District, including the City of Sydney LGA.

One of the 'key directions' of the *Draft Central District Plan* is a focus on planning, productivity and investment in Sydney City. Actions to achieve improved productivity that are of particular relevance to this Planning Proposal include Action P4 "*Grow and manage the visitor economy*", 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*, 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*.

– ***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 forms the basis of its own Planning Proposal currently under assessment by DPE.

Of particular relevance 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 *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 3** below.



**Figure 3 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*.

At the time of writing of this report, the Council’s Draft Strategy, Central Sydney Planning Proposal and DCP have not been formally endorsed by DPE. Notwithstanding, DPE 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 this email correspondence on this at **Attachment D**.

The Planning Proposal is also consistent with Council's *Sustainable Sydney 2030: Community Strategic Plan 2017-2021* as it 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.

– ***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, in line with the *Draft Central Sydney Planning Strategy 2012-2036* and the *Central Sydney Planning Proposal* (which forms part of the suite of documents associated with the draft Strategy). At the time of writing, these documents have not been endorsed by State Government.

Specifically, the *Draft Central Sydney Planning Strategy* proposes the introduction of Strategic Floor Space provisions, which would allow for the achievement of additional floor space on certain sites where development for employment uses is proposed (which would include the proposed hotel and commercial uses). 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.

The proposed site-specific FSR control 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. Specifically, application of the existing FSR control (up to 14.88:1 FSR based on the proposed mix of uses) applying to the site means a new hotel building would not be feasible and only a refurbishment of the existing building could be undertaken.

A response to the key change in circumstances, being a shortfall in tourist accommodation in Central Sydney, and a response to recent investment in new transport infrastructure, is set out below.

***Response to shortfall in tourist accommodation in Central Sydney***

Until recently, with the new Sofitel Darling Harbour hotel, there has not been a new major hotel in Central Sydney since the Westin in 1999. This is reflective of a range of factors, including the existing planning controls, hotels not being the highest and best use, lack of available sites, the holding costs of land, and the long approval timeframes for redevelopment in Central Sydney. While the existing planning controls attempt to incentivise hotel development in Central Sydney by allowing for additional 'accommodation floor space', these incentives have been ineffective in encouraging hotel development due to higher returns on other development types, particularly residential development. This has been recognised by Council with the advent of their draft Strategy and the promotion of employment uses in Central Sydney.

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)* which 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)* 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. It also acknowledges that Central Sydney has

historically generally experienced 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."*

### **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 the current FSR development standard 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.

The Planning Proposal directly responds to changes in circumstances which had not been foreseen in preparing the current planning controls. In particular to significant investment in public transport infrastructure through the Sydney Metro and CBD Light Rail, and also the significant shortfall in tourist and visitor accommodation in Central Sydney needing urgent action to enable the visitor economy to grow.

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 the shortfall in tourist and visitor accommodation, and 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.

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 and Stage 1 Contamination Assessment provided with the Planning Proposal there are no geotechnical nor contamination issues that would preclude the undertaking of the development and the proposed development will have no impact on either existing or proposed underground rail infrastructure.

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

As provided further above, 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 surrounding 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 22.0:1 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 the Planning Proposal, 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 as part of a pre-Planning Proposal submission and is intended to fund infrastructure delivery and affordable housing in Central Sydney. Given that Council's proposed guidelines on this matter have not yet been made publicly available, the value of the PBO was informed by advice received from Graham Jahn of the City of Sydney and similar contribution policies which are currently available both within the City of Sydney and elsewhere in Greater Sydney. Ongoing negotiations with Council as to the value and terms of the PBO will continue as a separate process.

## 5. Background

A chronology of the key activities concerning this Planning Proposal is set out at **Attachment B**.

Following a 10-month process of consultation with both the Council and the DPE, on 7 September 2017 Architectus received a letter by email from Graham Jahn, Director of City Planning at Council (letter dated 4 September 2017) advising that the Council was not willing to accept lodgement of a Planning Proposal for the site. In summary, this letter advises:

- Council *“will not be considering increases in floor space above the LEP until the Strategy has been exhibited, received community feedback and potentially adopted by the Council and the Central Sydney Planning Committee”*; and
- *“The wind testing and sky view factor assessment should graphically explore alternate building envelopes and shapes that can result in an equivalent or better outcome than a compliant scheme.”* (Note: these matters were addressed in the sky view factor (SVF) analysis and detailed wind tunnel testing which were provided to Council. The SVF Analysis concluded a negligible reduction in visible sky of 0.046% and the wind tunnel testing concluded that the proposal achieves an improved outcome over a “compliant” scheme).

Refer to **Attachment J** for this letter from Council.

This letter was received after a 10-month process of consultation with both the Council and the DPE which is detailed in the table at **Attachment B**, which included multiple meetings and a comprehensive pre-submission package.

On 11 September 2017 Architectus wrote to Marcus Ray, Deputy Secretary Planning Services, DPE, advising of Council's letter and notification that lodgement of a Planning Proposal for the site would not be accepted. This letter is provided as **Attachment K**. Marcus Ray responded in a letter dated 19 October 2017, which has been provided as **Attachment L**. In summary, the letter states:

- *“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.”

In November 2016 when Architectus and SC Capital Partners Group initially met with Council, timing for progression of the draft Strategy was unknown, but it was understood that Council were assuming a Gateway determination in early 2017. At present, the draft Strategy has not yet received a gateway determination.

Timing is of critical importance to this project and this has been made clear to both Council and DPE on a number of occasions. The building is currently leased and occupied by NSW Property and the master-lease is due to expire in mid-2018. SC Capital Partners Group is therefore at a critical junction where major decisions need to be made about the future of the site. In the short-term, the land owner needs certainty that the Planning Proposal is likely to progress, otherwise they will need to cease the project and likely commence a refurbishment of the existing 1960’s commercial building in order to re-lease the premises, meaning that the potential for the redevelopment of the site will be lost for the foreseeable future. This would be a poor outcome for Sydney and a major loss to the State’s vital tourism economy.

Architectus has met all of Council’s requests for information throughout the pre-lodgement process, including commissioning detailed studies relating to their Draft DCP requirements (wind tunnel testing, sky view factor analysis, and pedestrian assessment study) at significant cost to the landowner. Such studies would not normally be required of a Planning Proposal, and in particular, prior to its submission. It is understood that if the PAC determines that the project has merit and should be submitted to Gateway then Council will be given the opportunity to become the relevant planning authority (RPA). Should this occur, Architectus will continue to work with Council to progress the Planning Proposal.

Given the extended timeframes involved in this project to date without the ability to lodge a Planning Proposal, the coming Christmas holiday period, and as previously suggested in meetings with Department officers, it is requested the Department expedite the Rezoning Review process to the PAC so that the Rezoning Review process is completed prior to Christmas. Architectus submitted a Draft Planning to the DPE on 3 October 2017 and it would be hoped this would assist with expediting referring the matter to a PAC meeting.

Furthermore, as suggested in the recent meeting with Department officers on the project, it is requested that Council be provided with a reduced timeframe for acceptance of the role of RPA, while acknowledging the Christmas holiday period may influence this timeframe. As previously stated, the land owner is at a critical junction where decisions need to be made about the future of the site. Given that Council is already acutely familiar with the Planning Proposal, it is considered that 21 days is a reasonable timeframe to provide a response.

On behalf of SC Capital Partners Group, Architectus is requesting DPE to facilitate a Rezoning Review through the PAC. Given that a substantial amount of time has passed since consultation with the CoS commenced and that the Council has now stated it is not willing to accept lodgement of a Planning Proposal for the site until the draft Strategy is approaching finalisation, Architectus considers that it is essential that the PAC give consideration to the merits of the Planning Proposal as a matter of urgency, to enable the project to proceed.

As to the matter of Relevant Planning Authority (RPA) should the Planning Proposal progress beyond the Rezoning Review, our client SC Capital Partners Group would be pleased for Council to assume the RPA role. We consider it is imperative that Council are instrumental in the plan-making process for Central Sydney.

I trust this information is sufficient to enable consideration of the Planning Proposal for a Rezoning Review and your assistance with this matter is greatly appreciated. Should you have any queries or wish to discuss this matter further, please do not hesitate to contact me on (02) 8252 8400 or [Michael.Harrison@architectus.com.au](mailto:Michael.Harrison@architectus.com.au).

Yours sincerely,



Michael Harrison

Director, Urban Design and Planning  
Architectus Group Pty Ltd

Attachments:

- Attachment A: Planning Proposal (and supporting documents) – Under separate cover
- Attachment B: Overview of key consultation and correspondence with Council and DPE
- Attachment C: Letter from Architectus to DPE dated 27 March 2017
- Attachment D: Email from Marcus Ray, DPE to Michael Harrison, dated 18 May 2017
- Attachment E: Email from Architectus to City of Sydney, dated 9 June 2017
- Attachment F: Email from Architectus to City of Sydney, dated 5 July 2017
- Attachment G: Email from Architectus to City of Sydney, dated 19 July 2017
- Attachment H: Pre-submission Request from City of Sydney Council, dated 21 July 2017
- Attachment I: Pre-submission package, submitted to City of Sydney Council 4 August 2017
- Attachment J: Letter from Graham Jahn, City of Sydney, dated 4 September
- Attachment K: Letter from Architectus to Marcus Ray, DPE, dated 11 September 2017
- Attachment L: Letter from Marcus Ray, DPE, to Michael Harrison dated 19 October 2017

Attachment A – Under separate  
cover

# Attachment B

**Consultation and correspondence with Council and the Department**

Date	Consultation or correspondence
29 November 2016	<p><b>Meeting with the City of Sydney</b></p> <p>Architectus met with the City of Sydney to present the site and proposed development intent, including presentation of three preliminary design options which reflected the built form controls under 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.</p> <p>Council attendees included:</p> <ul style="list-style-type: none"> <li>• Tim Wise, Senior Specialist Planner;</li> <li>• Sally Peters, Manager Central Sydney Planning, Strategic Planning and Urban Design; and</li> <li>• Graham Jahn, Director City Planning.</li> </ul> <p>Council generally supportive of proposed built form and proposed uses. Council raised concerns that insufficient “outlook” was proposed for the proposed hotel tower. Architectus consider that the inability for adjoining sites to develop due to heritage and other constraints need to be considered.</p> <p>Comments made by Council that the proposal was preemptive and that they were still awaiting a Gateway determination for their proposal and that they would wish to finalise their Central Sydney Planning Strategy before considering site-specific Planning Proposals.</p>
27 March 2017	<p><b>Architectus issued Planning Proposal briefing letter to NSW Department of Planning and Environment (Attachment C)</b></p> <p>Architectus submitted a briefing letter to the Department of Planning and Environment to provide an overview of the proposed development and a request for the Department to be the Relevant Planning Authority (RPA) for the Planning Proposal.</p> <p>This letter included an overview of the following:</p> <ul style="list-style-type: none"> <li>• An overview of the site and context</li> <li>• An overview of the proposed development</li> <li>• Relationship of the proposal to the draft Central Sydney Planning Strategy;</li> <li>• The views of the City of Sydney Council towards the proposed development;</li> <li>• Request and justification for the Minister for Planning to make the EPI, including reasons as to why DPE should be the RPA (the development will be SSDA and the Planning Proposal may therefore be considered to be of “state or regional environmental planning significance” under section 54 of the EP&amp;A Act 1979)</li> </ul> <p>This letter also included a copy of the Urban Design Study and reference design for the proposed mixed-use hotel development.</p>
30 March 2017	<p><b>Meeting with NSW Department of Planning and Environment</b></p> <p>In response to the briefing letter above, a meeting was held with the Department to discuss the proposed development, Planning Proposal and request for the Minister to make the EPI, particularly in light of the subsequent State Significant Development Application (SSDA) processes.</p> <p>Department attendees included:</p> <ul style="list-style-type: none"> <li>• Stephen Murray, Executive Director - Regions;</li> <li>• Anthea Sargeant, Executive Director – Key Sites and Industry Assessments;</li> <li>• Sandy Chappel, Director, Sydney Region East; and</li> <li>• Ben Lusher, Director – Key Sites Assessments.</li> </ul>

18 May 2017	<p><b>Email from Marcus Ray, Deputy Secretary Planning Services, NSW Department of Planning and Environment (Attachment D)</b></p> <p>Following the preceding meeting above, email correspondence was received from the Department stating that the Department does not see any impediment to considering the Planning Proposal before the finalisation of the draft Central Sydney Planning Strategy and also that the Department would be likely to support any Planning Proposal advanced by the City of Sydney Council in conformity with proposed standards under the Draft Central Sydney Planning Strategy.</p> <p>This letter however provides that the circumstances which may trigger the Department as the RPA are not established at this time, and that the City of Sydney Council is to be RPA, whilst noting that the rezoning review process is available as an option should Council not support the proposal or fails to reach a decision within 90 days of receiving the Planning Proposal.</p>
9 June 2017	<p><b>Email to the City of Sydney (Attachment E)</b></p> <p>Due to there being an extended wait time for a meeting with the City of Sydney (originally approx. 6 weeks and later brought forward, so being 1 month after the request) Architectus requested some advice and feedback in advance of the meeting. The following queries were raised:</p> <ol style="list-style-type: none"> <li><b>1. Timing of Request for SEARs</b> A concurrent PP and SSDA process is preferred by Architectus as this would allow for the more efficient assessment and consideration of the proposal, and also give greater certainty to the consent authority and RPA as to the future built form outcomes, given that the DCP would not apply the SSD.</li> <li><b>2. Delegation of SSDA Assessment Function</b> Architectus queried whether it would be the City's preference to have the assessment function of the SSDA delegated</li> <li><b>3. Timing of consent for demolition and early works</b> Queries in relation to Clause 7.19 of the Sydney LEP 2012 which have an implication on project timing, and specifically the applicant's desire to progress demolition and early works as early as possible in the process.</li> </ol> <p>A response to these matters was provided by Benjamin Pechey by phone on 23 June 2017. In summary, the response was, the Council would not support submission of Request for SEARs until the Planning Proposal had been on exhibition and endorsed by Council and CSPC; Council would support the SSDA being delegated to them to determine; and that demolition could form part of a Stage 1 DA [note later discussions with Council specified their preference for a single DA – this meant that demolition could only occur later in the process].</p>
29 June 2017	<p><b>Meeting with the City of Sydney</b></p> <p>Following receipt of confirmation from the Department that the City of Sydney should be the RPA, a meeting was held with the City of Sydney to present the proposal and to detail Architectus' intent to lodge a site-specific Planning Proposal ahead of the finalisation of the Draft Central Sydney Planning Strategy – with emphasis placed on the need for prompt progression of a Planning Proposal if the project is to proceed, given the impending lapsing of the lease with NSW Property.</p> <p>Council attendees included:</p> <ul style="list-style-type: none"> <li>• Graham Jahn;</li> <li>• Chris Coradi;</li> <li>• Benjamin Pechey;</li> <li>• Sarah Hotchin; and</li> <li>• Tim Wise.</li> </ul> <p>Council was generally supportive of the proposal and noted that proposed setbacks, despite not being strictly consistent with the Draft DCP (Note: DCPs do not apply to State Significant Development), would likely be supportable subject to demonstrating that these would not result in any unsatisfactory impacts in terms of wind and daylight access to Bligh Street. Council suggested that the Planning Proposal could be prepared in such a way as to not require the preparation of a Stage 1 SSDA.</p>
5 July 2017	<p><b>Email to Benjamin Pechey, Acting Executive Manager Strategic Planning &amp; Urban Design; and Chris Corradi, Area Planning Manager – City of Sydney (Attachment F)</b></p>

	<p>Email sent as follow up to the above meeting proposing submission documentation and proposed planning pathway, given complexity around SSD and satisfaction of Clause 7.20 which requires the preparation of a site-specific DCP (which would then not apply to the development).</p> <p>No response formally provided but discussions with Tim Wise over the phone suggested an in-principle support for the proposed pathway, but Council hesitant to respond.</p>
<p>19 July 2017</p>	<p><b>Email to Tim Wise, Senior Specialist Planner, City of Sydney (Attachment G)</b></p> <p>Email sent to advise Council of intent to lodge a planning proposal on 28 July 2017 containing the material listed in the email of 5 July 2017, with the exception of pedestrian analysis and wind tunnel testing (which had at the time commenced, but not been completed).</p> <p>Queried applicable fee at lodgement.</p>
<p>21 July 2017</p>	<p><b>Email from Tim Wise, Senior Specialist Planner, City of Sydney (Attachment H)</b></p> <p>The email from Council to Architectus responds to matters discussed at the preceding meeting above and requests a Planning Proposal pre-submission be provided including documentation package.</p> <p>Key points raised by Council and items requested as part of this pre-submission included:</p> <p><b>Documentation requested</b></p> <ul style="list-style-type: none"> <li>• Detailed covering letter outlining the proposed development, including an assessment against the Central Sydney Planning Strategy (Including associated Central Sydney Planning Proposal and Draft DCP);</li> <li>• Concept urban design study and built form drawings (including indicative site layout, building envelopes, proposed heights and floor space ratio);</li> <li>• Wind assessment;</li> <li>• Pedestrian assessment;</li> <li>• Daylight (sky view factor) analysis; and</li> <li>• Indicative public benefit offer.</li> </ul> <p><b>Planning Proposal must demonstrate compliance with the Draft Central Sydney Planning Strategy</b></p> <ul style="list-style-type: none"> <li>• Advice that any Planning Proposal (including pre-submission) must demonstrate compliance with the Draft Central Sydney Planning Strategy, and “<i>must not rely on existing controls for justification</i>”.</li> <li>• For the purposes of this assessment, the Draft Central Sydney Planning Strategy is take to include:             <ul style="list-style-type: none"> <li>○ The Draft Central Strategy Planning Strategy 2016-2036</li> <li>○ Central Sydney Planning Proposal;</li> <li>○ Draft Central Sydney Affordable Housing Program; and</li> <li>○ Sydney DCP 2012 (Central Sydney Planning Strategy Amendment).</li> </ul> </li> </ul> <p><b>Advice on request of SEARs</b></p> <ul style="list-style-type: none"> <li>• Councils position was provided that SEARs should not be requested until after Council and CSPC have approved a post exhibition planning proposal.</li> </ul> <p><b>Architectural design competition</b></p> <ul style="list-style-type: none"> <li>• Council provided advice that the proposal is to be subject to a full architectural design competition</li> </ul> <p><b>LEP 2012 – Clause 19 Demolition</b></p> <ul style="list-style-type: none"> <li>• That the development must be staged or designed having regard to this clause.</li> </ul> <p>Council specified they would provide the Planning Proposal form and confirm lodgement fees once all is provided to their satisfaction.</p> <p>The pre-submission Planning Proposal incorporates all matters raised by Council within this email.</p>
<p>4 August 2017</p>	<p><b>Architectus issued pre-submission Planning Proposal documentation to the City of Sydney (Attachment I)</b></p> <p>Planning Proposal pre-submission letter and documentation package provided to Council, including, however not limited to:</p> <ul style="list-style-type: none"> <li>• Detailed covering letter, prepared by Architectus;</li> <li>• Architectural plans prepared by Architectus;</li> </ul>

	<ul style="list-style-type: none"> <li>• Building envelope and urban design study prepared by Architectus;</li> <li>• Assessment of compliance against the Draft Central Sydney Planning Strategy;</li> <li>• Sky view analysis prepared by Architectus;</li> <li>• Preliminary Pedestrian Wind Environment Statement prepared by Windtech;</li> <li>• Draft Public Benefit Offer prepared by Architectus; and</li> <li>• Capital Investment Value Report, prepared by WT Partnership.</li> </ul> <p>Note it was agreed beforehand with Council that the Wind Tunnel Testing, and the Pedestrian Assessment Study would be provided at a later date.</p>
7 August 2017	<p><b>Meeting with City of Sydney to discuss Pedestrian Analysis requirements.</b></p> <p>Council attendees included:</p> <ul style="list-style-type: none"> <li>• Jesse McNicoll, Urban Design Coordinator; and</li> <li>• Tim Wise, Senior Specialist Planner</li> </ul> <p>Brief discussion also held in relation to Daylight (Sky View Factor) Analysis. Council asked for an updated report which detailed what would be required to be done to the building envelope to achieve equivalent or improved outcome in sky visibility compared with a compliant building envelope.</p>
23 August 2017	<p><b>Submission of Updated Sky View Factor Analysis to Council</b></p> <p>Submission of updated Sky View Factor Analysis prepared by BIM Consulting (Architectus) to Council via email addressing requirements specified in above meeting.</p>
25 August 2017	<p><b>Submission of Detailed Pedestrian Wind Environment Study to Council</b></p> <p>Detailed Pedestrian Wind Environment Study (wind tunnel testing) prepared by WindTech and issued to Council via email.</p>
1 September 2017	<p><b>Submission of Draft Pedestrian Assessment Study to Council</b></p> <p>Draft Pedestrian Study submitted to Council via email. Study issued by Sarah Zhang (AECOM) to Council Officers Jesse McNicoll and Tim Wise.</p>
4 September 2017 (received 7 September 2017)	<p><b>Letter from Graham Jahn, Director of City Planning, City of Sydney (Attachment J)</b></p> <p>The letter addressed to Michael Harrison of Architectus provides that the City of Sydney will not consider a planning proposal for 4-6 Bligh Street until the Draft Central Sydney Planning Strategy has the support of the NSW Government and has been publicly exhibited.</p>
11 September 2017	<p><b>Letter sent to Marcus Ray, Deputy Secretary Planning Services, NSW Department of Planning and Environment (Attachment K)</b></p> <p>A letter was sent the Marcus Ray and DPE officers advising of Council's position regarding lodgement of a Planning Proposal and requesting that either:</p> <ul style="list-style-type: none"> <li>– The Department take on the role of the RPA and progress the Planning Proposal; or</li> <li>– Facilitate a Rezoning Review</li> </ul>
3 October 2017	<p><b>Meeting with Department of Planning and Environment to discuss progressing the Planning Proposal</b></p> <p>Following on from the letter sent to Marcus Ray on 11 September, a meeting was held with DPE officers to discuss options for progressing the Planning Proposal. The history of the project and the potential for the DPE/PAC to be the RPA was discussed. DPE attendees included:</p> <ul style="list-style-type: none"> <li>• Karen Armstrong – Director, Sydney Region East; and</li> <li>• Wayne Williamson – Team Leader, Sydney region East</li> </ul> <p>The Department indicated that they considered the Proposal to have merit and that there the letter from Graham Jahn dated 4 September 2017 provided sufficient grounds to enable a Rezoning Review to occur.</p> <p>At this meeting Architectus provided the Department with a copy of the draft Planning Proposal and key supporting documents.</p>
19 October 2017 (received 20 October)	<p><b>Response from Marcus Ray to Architectus' letter dated 11 September 2017 (Attachment L)</b></p>

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In a letter provided as a response to Architectus' letter dated 11 September 2017 requesting the Department to facilitate a Rezoning Review, Marcus Ray, Deputy Secretary Planning Services, DPE, advised:

- *“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.”*
-

# Attachment C

27 March 2017

Mr Marcus Ray  
Deputy Secretary  
Department of Planning and Environment  
GPO Box 39  
Sydney NSW 2001

Architecture  
Urban Design  
Planning  
Interior Architecture

**RE: 4-6 Bligh Street, Sydney – proposed hotel development  
Briefing on proposed request for Minister to make EPI and for concurrent EPI  
and SSD application**

Dear Mr Ray,

This letter has been prepared to brief the Department of Planning and Environment on the intent to request the Minister for Planning (or delegate) to make an Environmental Planning Instrument (EPI) to amend the Floor Space Ratio (FSR) control under Sydney Local Environmental Plan (LEP) 2012 for the site at 4-6 Bligh Street, Sydney.

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Specifically, we are seeking a concurrent Planning Proposal and State Significant Development (SSD) application, with the proposed instrument and Stage 1 Development Application to be generally exhibited and determined at the same time. The proposed development triggers SSD as the hotel component is over \$100 million Capital Investment Value.

Adelaide  
Auckland  
Brisbane  
Melbourne  
Shanghai  
Sydney

This letter sets out background and justification for the request.

## 1. Background

### 1.1 The proposal

The site is known as 4-6 Bligh Street, Sydney, and is legally defined as Lots 1 & 2 DP 134866; Lot 1 DP 919932; and Lot A DP 184770. The site has a total area of 1,216 sqm.

The site is situated within in a highly accessible area of the financial core of Central Sydney, approximately 200 metres north of Martin Place and 70 metres north of the proposed Martin Place Metro station. The location is also ideally situated to provide additional tourist accommodation, being in close proximity to major destinations including the Royal Botanic Gardens (approx. 200 metres) and Circular Quay (approx. 450 metres).

The property is owned by SC Capital Partners Group ([www.sccpasia.com](http://www.sccpasia.com)), a Singapore-based real estate investment management firm with assets under management of US\$4.0bn. SC Capital is an active property investor across Asia-Pacific, including 49 hotel properties, predominantly in Japan.

The objective for 4-6 Bligh Street is to develop a mixed-use building on the site comprising ground floor retail and combined hotel/office lobby, podium level commercial office uses up to 45m high and a hotel tower setback above. Refer to the revised architectural scheme provided under separate cover.

It is proposed the site-specific planning proposal will increase the FSR control applying to the land from approximately 14.6:1 (including accommodation floor space and design excellence bonus) to 22.0:1, consistent with the Draft Central Sydney Planning Strategy 2016 - 2036.

Architectus Group Pty Ltd  
ABN 90 131 245 684

Managing Director:  
Nominated Architect:  
Ray Brown  
NSWARB 6359

## 1.2 Relationship to draft Central Sydney Planning Strategy

The planning proposal is consistent with the City of Sydney's proposed framework, the Draft Central Sydney Planning Strategy 2016 – 2036, which will allow for increased height and/or FSR to be achieved on sites where it can be demonstrated that this will not result in any unacceptable impacts on adjoining properties or on the public domain. The draft Strategy allows for a number of sites to achieve an FSR of between 20:1 and 25:1, subject to site-specific planning proposals.

The proposed 180 metre height of the building is below the current height limit of 235 metres and the proposed building will not result in any additional overshadowing of any 'Public Place'.

The proposed scheme is consistent with the relevant controls under the current Sydney DCP 2012, and requires only minor variations to setback and outlook provisions under the proposed controls due to increased setback and outlook requirements under the draft provisions.

A comparison of the current and proposed controls is provided at **Attachment A**. It is expected there will be no unacceptable impacts on adjoining properties or the public domain from the proposed development. For example, the shadow impacts have been tested and there will be no additional overshadowing of Chifley Square during the protected times.

We consider the City of Sydney's proposal to use a DCP as a trigger for site-specific Planning Proposals as going against the role of DCPs under Section 79C(3A) of the Environmental Planning and Assessment Act 1979 (EP&A Act). And furthermore, Clause 11 of the State Environmental Planning Policy (State and Regional Development) 2011 provides DCPs do not apply to SSD, in which case, the City of Sydney's proposal for the DCP as a trigger for site-specific Planning Proposal is not appropriate for a site of State or regional planning significance and the SSD pathway. This emphasises the appropriateness of the Minister making an EPI for the site.

It is noted that the Draft Central Sydney Planning Strategy identifies revising state significant cost thresholds for certain developments, including hotels, as a key action (refer action no. 1.3). Given the lack of supply of new hotels, forecast increases in demand, and the fact that hotels are typically not the highest and best use for large sites, incentives such as quicker approval processes must be available to make hotels a more attractive investment option.

## 1.3 The views of the City of Sydney Council

Architectus and the client met with the Graham Jahn, Director of Planning, Development and Transport at the City of Sydney, along with representatives of Council's Strategic Planning team on 29 November 2016. The purpose of the meeting was to discuss the project in the context of the Draft Central Sydney Planning Strategy, particularly in relation to Council's proposed guidelines for preparing planning proposals, which would allow for additional FSR to be achieved. The scheme which was presented to Council had an FSR of 20:1 and 6 metre side and rear setbacks. Note the CIV value of the hotel component of the project was not known at the time of the meeting and therefore that it would trigger a SSD approval pathway.

The following matters were discussed at the meeting:

- There was no certainty regarding timing for the progression of the draft Strategy and preparation and exhibition of the proposed guideline for site-specific planning proposals, however, it was generally agreed that there was a lengthy process ahead for finalisation of the draft controls and the proposed planning proposal framework.
- The Council was generally supportive of the scheme, however were concerned that insufficient outlook was being provided within the setbacks of the site. In response justification was provided by Architectus that the adjoining sites had limited or no development potential due to their heritage significance, site dimensions, and existing architectural elements that would restrict any development above the existing buildings. Council expressed that compliance with all built form controls under the draft DCP would be required before additional FSR could be agreed to, irrespective of the site-specific circumstances.

## 2. Justification for Minister to make EPI

We provide justification below for the Minister to make the EPI in accordance with the provisions of Planning Circular (PN 09-004) and Section 54 of the EP&A Act 1979.

### 2.1 The objectives or intended outcomes of the proposed LEP

The objective of the proposed LEP is to increase the FSR control applying to the land from approximately 14.6:1 (including accommodation floor space and design excellence bonus) to 22.0:1.

The outcome for the proposed LEP is to facilitate the development of a new mixed use building, with podium office uses and hotel rooms in a tower above. The proposed LEP would enable the hotel to be of a sufficient size and accommodate a minimum of 12 hotel rooms per floor, to achieve sufficient operational efficiencies for a hotel to be viable. Under the current maximum FSR control it would not be feasible to construct a hotel on the site, due to the residual value of the existing office 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 (as outlined elsewhere in this letter).

### 2.2 The reasons why the proposed LEP should be prepared by someone other than the local council

#### ***Proposal is State Significant Development***

Section 54 of the EP&A Act 1979 provides the circumstances in which the Minister may direct that the Secretary (or any other person or body prescribed by the regulations) is the relevant planning authority for a proposed instrument and includes the following:

- (a) *the proposed instrument relates to a matter that, in the opinion of the Minister, is of State or regional environmental planning significance or of environmental planning significance to a district within the meaning of Part 3B*

The aims of the SEPP (State and Regional Development) 2011 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 CIV greater than \$100 million. Accordingly, it is asserted that the planning proposal which relates to a State Significant DA is of State significance.

#### ***Unmet and urgent need for hotel development***

The deficiency and urgent need for new hotel development in Sydney CBD is well documented in State, regional/metropolitan and local planning policies and strategies to support metropolitan, State and national business and tourism, and the economy.

The proposed LEP is of strategic importance because of its importance to industry sectors, including tourism and hospitality, and is intended to achieve various Government policy goals. This is demonstrated as follows:

- At a Federal level, the ‘Tourism 2020’ strategy recognises the importance of tourism to the economy, outlines projected demand in visitor accommodation, and aims to grow visitor accommodation capacity.
- At a State level, ‘A Plan for Growing Sydney’ strategy identifies the visitor economy (tourism) as a priority industry.
- At a metropolitan / regional level, the ‘Draft Central District Plan’ recognises the need to identify areas where there is unmet visitor accommodation, and support growth of a greater number of hotels across a range of price points.
- At a local level, the City of Sydney’s:
  - “Visitor Accommodation Action Plan’ recognises:

- Visitor accommodation 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 between 5,000 to 9,000 additional hotel rooms are required in the next decade to meet the demand of growing tourist numbers in Sydney."
  - That "faster application processing [for hotels] can reduce holding costs and improve feasibility."
- The Draft Central Sydney Planning Strategy identifies there is a strong demand for hotel space in Central Sydney and sets priority actions to facilitate increased accommodation supply.

The relevant priority actions of Government and Council strategies and Action Plans have been provided at **Attachment B**.

***Timing critical factor to project***

The primary reason we are seeking for the Minister or delegate to make an EPI concurrent to the SSD application, is that timing is a critical factor to the project. This is within the context of unmet and urgent demand for hotel development in Sydney CBD, and the viability of the hotel development.

Should the EPI be submitted to the Greater Sydney Commission (in effect the City of Sydney), this will lengthen the project timeframes and compromise the viability of the project. The associated timeframe issues are discussed below:

- There is uncertainty about timing for the Central Sydney Planning Strategy. Council is unlikely to support a site-specific Planning Proposal until the Strategy has been endorsed by the Department, and the city-wide Planning Proposal has been on exhibition and reported back to the consent authority. This is expected to be a minimum of one year away.
- If a site-specific Planning Proposal is submitted to Council, the Applicant could utilise the Rezoning Review provisions if the Council has failed to indicate its support after 90 days, or the Council notifies the Applicant it does not support their plans, whereby the Planning Assessment Commission (PAC) would review the decision. However, this would still delay the process more than it should (expected by a minimum of 6 months), and it is not guaranteed the PAC would support the site-specific Planning Proposal in advance of the City Planning Proposal in any case.
- As the development is SSD requiring assessment by the Department, the planning proposal should also be considered by the Department to allow for concurrent lodgement and efficient assessment.
- There are future stages of the development approval process, i.e. design competition and Stage 2 DA, which will again lengthen the process more than it should. Design excellence of the development can still be ensured through other processes (such as specially appointed design review panel) without strictly complying with the City of Sydney design competition requirements or staged DA process.
- A Stage 1 DA will be required to satisfy Clause 7.20 of Sydney LEP 2012. It is noted that the Minister can direct future stages of the development to be determined by Council, however, Architectus will be requesting that this not occur under the circumstances, due to timing constraints on the project. Architectus has reviewed the City of Sydney's DA tracker for current and recent DA's and found that on average, for Stage 2 DAs that were subject to Stage 1 approvals and a design competition, the assessment of the Stage 2 DA takes approximately 10 months.

### 2.3 Conclusion

Uncertainty around the timing of finalisation of the draft Central Sydney Planning Strategy and the lengthy process which is likely to lie ahead for the adoption of the related planning controls is such that we will be seeking to proceed with a site-specific planning Proposal and Stage 1 SSDA as soon as possible with concurrent lodgement of both the PP and SSDA to the Department. As provided above, there are strong planning grounds for the Minister (or delegate) to make the site-specific EPI, and for the Planning Proposal and SSD application to be assessed and exhibited concurrently. In summary, these include:

- The development is already State significant development;
- The unmet need and demand for visitor accommodation;
- Timing is a critical factor for the project from the point of view of viability for the project, and providing critical visitor accommodation beds in Sydney CBD as soon as possible; and
- The City of Sydney under their Draft Central Sydney Planning Strategy proposes that site-specific Planning Proposals for uplift are triggered through new DCP controls. The reliance on a DCP for a Planning Proposal for development that is otherwise SSD when DCPs do not apply to SSD, is clearly not appropriate.

For the reasons provided above it therefore follows that the Minister (or delegate) is the appropriate RPA to make the EPI.

We would like to discuss these issues at our meeting with the Department arranged for 30<sup>th</sup> March 2017. Note at this meeting we would also like to briefly discuss the requirement of design competitions and the staged DA process, and the timeframes and implications these components would add to project.

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Should you wish to discuss any matters contained in this report further, please feel free to contact Jane Fielding, Senior Associate, or Taylor Vernon, Senior Planner or on 8252 8400 or [jane.fielding@architectus.com.au](mailto:jane.fielding@architectus.com.au) or [taylor.vernon@architectus.com.au](mailto:taylor.vernon@architectus.com.au) respectively.

Regards,



Michael Harrison  
Director, Urban Design and Urban Planning  
Architectus Group Pty Ltd

## ATTACHMENT A

LEP 2012	Current planning controls	Draft Central Sydney Planning Strategy	Comment
<b>Land Use Zoning</b>	The subject site is zoned <i>B8 Metropolitan Centre</i> . This zone permits a range of commercial office, retail, education, community, education, hotel, tourist accommodation and residential uses.	No change.	The development is permitted with consent.
<b>Height</b>	A height of up to 235 metres is permissible on the site.	Additional height may be achieved under a Planning Proposal process (an amendment to the planning controls). This may allow for a height of up to RL 270 (approx. 255 metres).	Complies. No additional height will be sought through the planning proposal.
<b>Floor Space Ratio</b>	The maximum floor space ratio for: <ul style="list-style-type: none"> <li>Commercial development: 12.5:1 (or 13.75:1 with 10% design excellence bonus)</li> <li>Hotel development: 14:1 (or 15.4:1 with 10% design excellence bonus).</li> <li>Some additional floor space may also be provided if end of trip facilities are provided (up to 0.3:1).</li> </ul>	No change, however the draft controls provide the opportunity for some sites to achieve additional floor space through a Planning Proposal process, provided the increase in height and density does not overshadow significant public spaces or penetrate the airport's obstacle height limit.	The proposed increase in FSR is consistent with the Strategy.
<b>Design Excellence and Stage 1 Development Application</b>	<ul style="list-style-type: none"> <li>The design excellence provisions allow for an increase in height or floor space of 10% if a design competition is held.</li> <li>A design competition is required for development which exceeds 55 metres in height, has a capital investment value of over \$100 million or has a site area of over 1,500 sqm.</li> </ul>	It is understood that the intent of the draft strategy is that there will be no reduction in the maximum permissible FSR, however, 'key use' floor space has not been listed under Clause 6.21 as being eligible for inclusion in the calculation of the additional 10% FSR. This would need to be clarified with the Council.	A Stage 1 DA will be required to satisfy Clause 7.20 of Sydney LEP 2012. It is noted that the Minister can direct future stages of the development to be determined by Council, however, Architectus will be requesting that this not occur under the circumstances, due to timing constraints on the project.
<b>Overshadowing</b>	No additional overshadowing of Chifley Square between 12:00 – 14:00	Chifley Square removed as a protected place.	Complies. The proposed development results in no additional overshadowing of Chifley Square during the protected times.
<b>Heritage Floor Space</b>	For any floor space above the FSR of 8:1, a purchase of 'heritage floor space' will need to be made for half of the floor space area.	No change.	Noted.
DCP 2012	Current planning controls	Draft Central Sydney Planning Strategy	Comment
<b>Car parking rates – hotel</b>	<b>Serviced apartments and hotel or motel accommodation</b> Maximum car parking: <ul style="list-style-type: none"> <li>1 space for every 4 bedrooms up to 100 bedrooms, and</li> </ul>	No change.	Development can comply

LEP 2012	Current planning controls	Draft Central Sydney Planning Strategy	Comment
	<ul style="list-style-type: none"> <li>1 space for every 5 bedrooms more than 100 bedrooms.</li> </ul> <p><b>Commercial and retail premises</b></p> <ul style="list-style-type: none"> <li>Generally based on SITE AREA / 50</li> </ul>		
<b>Street frontage height</b>	A podium height of 20-45 metres is required, however adjacent heritage buildings should also be considered.	No change	Complies. The podium height has been designed to align with the adjacent former "City Mutual Life Assurance" building.
<b>Tower setback</b>	<p>The tower should be setback 8m above the podium.</p> <p>The side and rear setbacks should be at least 6 metres for principle windows.</p>	<p>No change to tower setback from podium.</p> <p>With regards to side and rear setbacks, 5 metres is required between 55 and 120 metres. For buildings between 120 metres and 240 metres, the side setback should be 3.33% of the height – 6 metres.</p> <p>The draft DCP permits variations to side and rear setbacks where it can be demonstrated that the proposed building massing provides equivalent or improved wind comfort, wind safety and daylight levels in adjacent Public Places.</p>	<p>Non-compliance.</p> <p>It is not envisaged that a reduced side setback would result in any additional wind impact above a strictly compliant massing, given that the required setback of 8 metres to the front of the building (above the street frontage height) is being maintained, which will provide adequate wind mitigation to ensure that the building complies with council's requirements.</p> <p>Shadow diagrams have been provided in the attached architectural concept demonstrating that the additional overshadowing resulting for the reduced setback has a negligible impact on the public domain.</p>
<b>Massing</b>	N/A	New controls proposed requiring that between 120-240 metres, the tower footprint is to occupy no more than 90% of the site areas, and above 240 metres, no more than 80%.	Development can comply.
<b>Outlook</b>	N/A	New controls proposed requiring a 9 metre outlook from hotel windows and balconies within the site boundaries.	<p>Non-compliance.</p> <p>The adjoining sites are unlikely to undergo any significant redevelopment due to their heritage significance, size, and existing architectural design. It is therefore considered that sufficient outlook will be retained in perpetuity for a development on the subject site.</p>

## ATTACHMENT B

<b>National</b>	
<b>Tourism 2020 (2011)</b> (Tourism Australia)	<p>“Tourism is a significant industry for Australia. 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.”</p> <p>The Strategy finds 40,000 - 70,000 new rooms are required to meet potential. One of the aims is to increase accommodation capacity.</p>
<b>State</b>	
<b>A Plan for Growing Sydney</b> (NSW Department of Planning & Environment)	<p><b>Direction 1.1: Grow a more internationally competitive Sydney CBD</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Direction 1.9: Support priority economic sectors</b></p> <ul style="list-style-type: none"> <li>Action 1.9.1: Support the growth of priority industries with appropriate planning controls.</li> </ul> <p>The ‘visitor economy (tourism)’ is identified as a priority industry in the A Plan for Growing Sydney.</p> <p><b>Priorities for Strategic Centres: Global Sydney</b></p> <ul style="list-style-type: none"> <li>Work with the City of Sydney and North Sydney Council to: <ul style="list-style-type: none"> <li>Provide capacity for additional mixed-use development in the precincts that make up Global Sydney for offices, retail, tourism, arts, culture, services and housing.</li> </ul> </li> </ul>
<b>Regional</b>	
<b>Draft Sydney Central District Plan</b> (Greater Sydney Commission)	<p><b>3.3.4 Supporting international tourism destinations</b></p> <p>Opportunities exist to increase the District's appeal to tourists by:</p> <ul style="list-style-type: none"> <li>identifying areas where there is unmet demand for tourist and visitor accommodation and investigating how to encourage growth in this sector</li> <li>supporting a greater number of hotels across a range of price points</li> </ul> <p><b>Action P4: Grow and manage the visitor economy including Aboriginal experiences.</b></p> <ul style="list-style-type: none"> <li>Investigate opportunities through the planning system to encourage tourism infrastructure, including hotel accommodation and conference centres.</li> </ul>
<b>Local</b>	
<b>Planning Proposal: Central Sydney</b> (City of Sydney)	<p>Visitor accommodation</p> <p>It is forecast that accommodation room supply will increase by 5,759 rooms to 2021 and then by 5,499 rooms from 2022 to 2030. Supply will peak through 2018 to 2020 before falling back with another development cycle towards the late 2020s.</p> <p>Development use trends</p> <p>Reflected in high occupancy rates and growth in room rates, the demand for space in the hotel and accommodation sector is strong. Currently however, the large-scale development of new hotels is not financially feasible unless part of a mixed-use development.</p> <p>The Central Sydney Planning Strategy will aim to achieve the following Priority Actions identified in the CSPS:</p> <p><b>2.7 Provide an additional incentive for key land uses that support Central</b></p>

	<p><i>Sydney's global city functions, such as hotel or motel accommodation, community facilities, childcare centres.</i></p> <p><b>2.13</b> <i>Limit access to Strategic Floor Space to strategic sites, to office premises, business premises, hotel accommodation and community and cultural facilities.</i></p>
<p><b>Visitor Accommodation Action Plan</b> (City of Sydney)</p>	<ol style="list-style-type: none"> <li>1) <i>Create a positive environment for development and investment in visitor accommodation.</i></li> <li>2) <i>Review the City's planning controls to ensure opportunities for appropriate accommodation development.</i> <ol style="list-style-type: none"> <li>a) <i>The City will prioritise visitor accommodation as a strategic land use in the Central Sydney Planning Review.</i></li> <li>b) <i>The City will ensure visitor accommodation is not disadvantaged in the Central Sydney Planning Review's consideration of floor space ratio controls.</i></li> <li>c) <i>The City will investigate planning barriers in precincts around infrastructure projects such as Darling Harbour Live, Light Rail and Barangaroo and existing major demand drivers.</i></li> <li>d) <i>The City will consider visitor accommodation, and encourage proponents to investigate visitor accommodation, when proposing planning controls for strategic or major development sites.</i></li> <li>e) <i>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.</i></li> </ol> </li> <li>3) <i>Continue monitoring supply and demand and engaging with the industry.</i></li> </ol> <p>Visitor accommodation is identified as a strategic use as it contributes to the visitor economy and supports other sectors including business, retail and education.</p> <p>The shortage in hotel accommodation in the city, with different industry forecasts showing that between 5,000 to 9,000 additional hotel rooms are required in the next decade to meet the demand of growing tourist numbers in Sydney.</p> <p>The <i>Visitor Accommodation Action Plan</i> notes that residential development has been incentivised in Central Sydney since the mid-1990s and despite incentives commercial development remained dominant. Incentives have also been available for hotel and serviced apartment development over this time with few accommodation projects being developed. The <i>Visitor Accommodation Action Plan</i> provides the following summary of planning incentives for encouraging desirable development:</p> <ul style="list-style-type: none"> <li>– Transferable floor space allows for the unused development potential of one site to be sold to and used on another. The City's Heritage Floor Space scheme is an example and helps fund conservation works.</li> <li>– Height incentives, similar to floor space incentives, encourage desirable outcomes by creating more valuable floor space higher up.</li> <li>– Dispensations on development controls may encourage or make desirable uses easier by not setting as high a standard, often in recognition of the public benefit being provided.</li> <li>– Approval processing procedures such as fast track processing can reduce the holding costs for proponents and improve returns.</li> </ul>
<p><b>Economic Development Strategy</b> (City of Sydney)</p>	<p>The <i>Economic Development Strategy</i> provides that the City of Sydney is working in partnership with industry and Government to stimulate investment in hotel development to address the current capacity constraints, enabling tourism to diversify, grow and develop. The City will work in conjunction with Destination NSW and Tourism Australia to attract overnight visitors to Sydney.</p>
<p><b>Tourism Action Plan (2013)</b></p>	<p>The <i>Tourism Action Plan</i> includes priority actions that advocate to other levels of government and the property sector to increase the levels of new</p>

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(City of Sydney)

hotel accommodation, particularly in the 3–4 star range, throughout the city, but particularly in the city centre 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.
-

# Attachment D

**From:** Marcus Ray <[Marcus.Ray@planning.nsw.gov.au](mailto:Marcus.Ray@planning.nsw.gov.au)>  
**Date:** 18 May 2017 at 8:02:35 am GMT+1  
**To:** Michael Harrison <[Michael.Harrison@architectus.com.au](mailto:Michael.Harrison@architectus.com.au)>  
**Cc:** Jane Freeman <[jane.freeman@architectus.com.au](mailto:jane.freeman@architectus.com.au)>  
**Subject:** 4-6 Bligh

Dear Mr Harrison

As discussed with you on 17 May 2017, the Department has carefully considered the merits of your request to assess the State Significant Development (SSD) application and planning proposal concurrently and to appoint the Secretary as Relevant Planning Authority (RPA) for the proposed development at 4-6 Bligh Street.

Since the introduction of the SSD provisions in 2011, applications for SSD must be determined against the controls in the relevant environmental planning instrument. When the controls in an EPI prevent development from being carried out due to a prohibition of a use or because of an inappropriate variation to one or more development standards, a concurrent rezoning is generally required. While the Government has determined that tourist development with a capital investment value of greater than \$100 million is State significant development, decisions on rezonings for prohibited development generally remain with local councils. In limited circumstances, the Greater Sydney Commission (within Sydney) and the Minister for Planning (outside Sydney) can step in to request the secretary, or relevant planning panel to carry out that role.

The limited circumstances where the Secretary or planning panel may take over the role include State and regional significance, non-performance by a council of its functions or where an independent panel recommends a planning proposal proceeds where the council objects. The mere fact that a development is categorised as State significant if it were permissible, cannot lead automatically to the characterisation that a planning proposal to 'unprohibit' the development will always also be State significant. Such an approach would effectively be similar to what applied under the former Part 3A of the planning legislation where local planning controls were not given determinative weight for SSD applications.

Consequently the State or regional significance of a planning proposal falls to be considered on its merits individually and your submission does not establish a sufficient public benefit or benefit to the State or regional economy for the Department to recommend the appointment of an alternative planning authority on this ground.

I note that as you have not yet submitted the proposal to Council, the other circumstances that might trigger the appointment of an alternative planning authority have not been satisfied.

In considering your submission, the Department notes the positive benefits that would result from the development within central Sydney and notes that it is broadly in line with the proposed height and floor space ratios in the Central Sydney Planning Strategy. In light of this, the Department would be likely to support any planning proposal advanced by Council in conformity with these proposed standards. In particular, the Department does not see any impediment to either considering the proposal before the finalisation of the Central Sydney Planning Strategy and considering the planning proposal concurrently with any SSD application. I also note that, if requested by the applicant, the Minister would consider delegating the assessment of the SSD application to the Council so that the concurrent

assessments can be managed more effectively without duplication.

I understand that the timing is a critical factor to the project. The rezoning review process is available as an option if Council does not support the proposal or fails to reach a decision within 90 days of receiving the planning proposal. Rezoning reviews are considered by the Planning Assessment Commission in the case of the City of Sydney. The rezoning review process provides the opportunity for matters that have strategic and site specific merit to proceed and is also intended to remove undue delays in the planning process.

Should further discussions be required please contact Ms Sandy Chappel on 9274 6591

Marcus Ray

Deputy Secretary, Planning Services

Department of Planning and Environment

320 Pitt Street SYDNEY NSW 2000 | GPO Box 39 SYDNEY NSW 2001

T 02 9274 6396 | E [marcus.ray@planning.nsw.gov.au](mailto:marcus.ray@planning.nsw.gov.au)

# Attachment E

## Taylor Vernon

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**From:** Taylor Vernon  
**Sent:** 9 June, 2017 5:23 PM  
**To:** 'bpechey@cityofsydney.nsw.gov.au'  
**Cc:** Jane Fielding; Michael Harrison  
**Subject:** 4-6 Bligh Street, Sydney

Hi Ben,

Thank you for discussing 4-6 Bligh Street, Sydney, with me yesterday. While we had hoped to be able to meet with you to discuss some of the specifics of the project ahead of our meeting with Graham Jahn on 6 July, I understand that you would prefer to discuss matters by email until that time. I also understand that there is a way to go yet on progressing the draft Central Sydney Planning Strategy, and as we discussed over the phone, this will require us to seek to progress a site-specific planning proposal for the site ahead of the strategy, as to wait for the strategy would mean that the project would not be viable from our clients perspective and refurbishment of the existing commercial building will become the favoured option. We consider that this would be a lost opportunity for Sydney, as our client's vision for the site as a boutique-style hotel which is strongly integrated with the commercial uses below and a high quality food and beverage offering, particularly the rooftop bar and restaurant (which is a pivotal aspect of the development from our client's perspective) would appeal to hotel guests and outside visitors alike, and be a valuable addition to Central Sydney.

We met with Graham Jahn and the City of Sydney last on November 29 last year to discuss our intent for the site. We felt that the meeting was quite a positive one and that there was some support for our plan to develop the site for a hotel and commercial building, however the uncertainty around the status of Strategy was discussed. As the draft Strategy has not yet progressed and given it will still be subject to a lengthy process before being adopted and formally amending the LEP and DCP, we will be seeking to lodge a site-specific PP ahead of finalisation of the Strategy.

Timing is a critical aspect to this development from our client's perspective. The likely timing of a planning proposal, staged development application process and competitive design competition (where a concurrent planning proposal and SSDA process is sought) would still be such that approval of a Stage 2 DA is unlikely until early-mid 2020. Prolonging physical commencement of the project beyond that time is not an option from our client's perspective and so the opportunity to deliver a high quality hotel and commercial development, uses which the Council has advocated for through various policies, will be lost. While we understand that the City is aiming to progress the draft Strategy as soon as it can, we also recognise that there is some work to go before that occurs. To impede the progress of proposals which are aligned with the intent and vision of the Strategy until it is finalised would be an unfortunate outcome for the City, and this particular circumstance, effectively meaning that the development does not proceed.

As we discussed on the phone, our proposal is in an unusual situation whereby typically a site-specific planning proposal would be accompanied by a site-specific DCP, which would satisfy the requirements of Clause 7.20 of the Sydney LEP 2012. In our unique circumstance, we could prepare a site-specific DCP, however, this would not apply to the eventual development as the development will be State Significant Development (capital investment value for the hotel exceeding \$100 million) and DCPs do not apply to SSD. Consequently, a concurrent Stage 1 DA would appear the most appropriate approach to demonstrate the future development of the site, and concurrent lodgement of the two separate, but highly related applications, would allow the future development outcome of the PP to be properly understood and considered by Council. Any feedback you have on this approach would of course be welcomed.

We met with the Department of Planning and Environment to brief them on the project on 30 March. Following that meeting, Michael Harrison also discussed the project with Marcus Ray, the Deputy Secretary of the Department of Planning and Environment. On 18 May Marcus sent an email to Michael Harrison acknowledging the positive benefits that the proposal would provide for Central Sydney and that the proposal is broadly in line with the heights and floor space ratios envisaged under the Central Sydney Planning Strategy. The email also stated that the Department sees no impediment in either considering the planning proposal ahead of the finalisation of the draft Central Sydney Planning Strategy, or to consideration of a planning proposal concurrently with any SSD application. Further, it was stated that the Department would be likely to support any site-specific PP for 4-6 Bligh Street advanced by the Council in-line with our proposed standards.

As discussed over the phone, there were a few points which we were hoping to be able to discuss before our scheduled meeting of 6 July, so that we can stay on track for lodgement of a planning proposal on 13 July. These are mostly related to timing, and us wanting to try and expedite the necessary processes as much as possible. These are summarised below:

- 1. Timing of Request for SEARs:** To enable us to lodge a Stage 1 DA as soon as possible after lodgement of the planning proposal and to allow for concurrent assessment of the PP and SSDA, we would need to lodge a Request for SEARs with the Department of Planning as soon as possible, as the issue of the SEARs is likely to take approx. 28 days. Given that a lot of the information required to support a planning proposal lodged with Council will also be required to support the Stage 1 SSDA, it is not a significantly larger undertaking for us to be able to prepare these concurrently and also allow for concurrent assessment. We understand that the Council will be consulted in the preparation of the SEARs, and we would like to get the support of Council to request the SEARs as soon as possible, given that the Request for SEARs will identify that the FSR being sought under the SSDA will be facilitated through a separate PP.
- 2. Delegation of SSDA assessment function to Council:** Marcus Ray in his email acknowledged that timing is a critical factor in this application and commented that the assessment of the SSDA may be more efficient if we were to request that the assessment function be delegated to Council. We would like to discuss whether this would be the City's preference and the potential implications of this. The alternative being that the PP alone is considered by Council and the SSDA by the Department, but also, timing-wise, as concurrent processes (as to wait until the site-specific PP was finalised before lodgement of the SSDA is unrealistic, as this would likely mean that should a Stage 2 SSDA consent be issued for the project, this would likely not be until mid-2021).
- 3. Timing of consent for demolition and early works:** On 2 June 2017 Amendment No. 35 to the Sydney LEP 2012 was gazetted. The PP relating to this LEP amendment indicated that the intent of amending Clause 7.19 was to allow demolition at an earlier stage in the development process. It is our understanding that Clause 7.19(a)(ii) would be most relevant to our proposal, as although it is our intent to have a site-specific provision applying to our site under Division 5 of Part 6 of the LEP, the site will not be subject of a site-specific DCP, as it will instead be subject of a Stage 1 SSDA. In any case, Clause 7.19(a)(ii) provides that development consent must not be granted to development involving the demolition of buildings unless the Consent authority (assuming delegation of the assessment to Council) is satisfied that the site will be comprehensively redeveloped under the development consent and adequate measures will be undertaken to mitigate any adverse visual impact that may arise as a result of the demolition. It is our opinion that this could be extended to mean that approval could be granted as part of a Stage 1 approval, and therefore allow demolition of the existing building to occur following a Stage 1 approval and concurrent to the consideration of the Stage 2 DA.

Demolition is likely to take in the order of 9 months. If this process is brought forward then construction would likely be able to commence on-site shortly after the Stage 2 consent is granted. It is our understanding that standard demolition conditions of consent would be imposed on the Stage 1 DA to mitigate any potential adverse impacts associated with the demolition. As the previous approach of Council has been to prolong granting consent for demolition until a later stage in the development process, we would just like to clarify the information/reports that Council would require if the assessment of the SSDA were to be delegated and the demolition and excavation were to be brought forward as much as possible to allow construction to commence shortly after a Stage 2 consent is issued.

I understand that you will need to consult internally before you are able to provide a response to these items. If it is at all possible to provide an indication of when we may be able to have a response to the points above it would be greatly appreciated. We are currently in the process of preparing plans and documentation to accompany our PP application and given the wait to get a meeting with Graham, as much assistance as you can provide us beforehand is greatly appreciated.

If there is anything that I can assist in clarifying, please do not hesitate in contacting me.

Regards,

Taylor Vernon  
Senior Urban Planner

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# Attachment F

## Taylor Vernon

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**From:** Taylor Vernon  
**Sent:** 11 July, 2017 9:55 AM  
**To:** 'Benjamin Pechey'; Christopher Corradi  
**Cc:** Jane Anderson; Michael Harrison; Jane Fielding; Tim Wise; Terrence Chau; Sally Peters  
**Subject:** RE: 46B - SEARs

Hi Ben,

A minor amendment to the proposed pathway, Schedule 2 of the EP&A Regulation 2000 provides the following:

*(9) The Secretary may at any time waive (unconditionally or subject to conditions) the requirement for an application under this clause in relation to any particular development or activity or any particular class or description of development or activity other than the following:*

- (a) integrated development,*
- (b) State significant development that, but for **section 89J of the Act**, would require an authorisation specified in that section,*
- (c) State significant development in respect of which an authorisation (other than a consent under section 138 of the Roads Act 1993) must be given under section 89K of the Act,*
- (d) State significant development that is:*
  - (i) on land that is, or is a part of, critical habitat, or*
  - (ii) likely to significantly affect threatened species, populations or ecological communities, or their habitats.*

Section 89J of the Act states:

### **89J Approvals etc legislation that does not apply**

*(1) The following authorisations are not required for State significant development that is authorised by a development consent granted after the commencement of this Division (and accordingly the provisions of any Act that prohibit an activity without such an authority do not apply):*

- (a) the concurrence under Part 3 of the Coastal Protection Act 1979 of the Minister administering that Part of that Act,*
- (b) a permit under section 201, 205 or 219 of the Fisheries Management Act 1994,*
- (c) an approval under Part 4, or an excavation permit under section 139, of the Heritage Act 1977,*
- (d) an Aboriginal heritage impact permit under section 90 of the National Parks and Wildlife Act 1974,*
- (e) an authorisation referred to in section 12 of the Native Vegetation Act 2003 (or under any Act repealed by that Act) to clear native vegetation or State protected land,*
- (f) a bush fire safety authority under section 100B of the Rural Fires Act 1997,*
- (g) a water use approval under section 89, a **water management work approval under section 90 or an activity approval (other than an aquifer interference approval) under section 91 of the Water Management Act 2000.***

Section 90 and Section 91 approvals will be required for the proposed development due to proposed excavation and interaction with groundwater. We will seek legal confirmation of this, but it is likely that we will not be able to waive the requirement for SEARs.

Please advise the earliest time in the process of consideration of the PP that Council would consider it appropriate to request the SEARs for the proposed development.

Thanks,

Taylor Vernon  
Senior Urban Planner

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**From:** Benjamin Pechey [mailto:[bpechey@cityofsydney.nsw.gov.au](mailto:bpechey@cityofsydney.nsw.gov.au)]

**Sent:** 6 July, 2017 6:13 PM

**To:** Taylor Vernon <[taylor.vernon@architectus.com.au](mailto:taylor.vernon@architectus.com.au)>; Christopher Corradi <[ccorradi@cityofsydney.nsw.gov.au](mailto:ccorradi@cityofsydney.nsw.gov.au)>

**Cc:** Jane Anderson <[Jane.Anderson@architectus.com.au](mailto:Jane.Anderson@architectus.com.au)>; Michael Harrison <[Michael.Harrison@architectus.com.au](mailto:Michael.Harrison@architectus.com.au)>; Jane Fielding <[Jane.Fielding@architectus.com.au](mailto:Jane.Fielding@architectus.com.au)>; Tim Wise <[twise@cityofsydney.nsw.gov.au](mailto:twise@cityofsydney.nsw.gov.au)>; Terrence Chau <[Terrence.Chau@architectus.com.au](mailto:Terrence.Chau@architectus.com.au)>; Sally Peters <[speters@cityofsydney.nsw.gov.au](mailto:speters@cityofsydney.nsw.gov.au)>

**Subject:** RE: 46B - Council Meeting Follow-up

Hi Taylor,

Thanks for sending through the proposed process. We'll review and get back to you.

Regards

Ben

Benjamin Pechey  
Acting Executive Manager  
Strategic Planning & Urban Design



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---

**From:** Taylor Vernon [mailto:[taylor.vernon@architectus.com.au](mailto:taylor.vernon@architectus.com.au)]

**Sent:** Wednesday, 5 July 2017 1:42 PM

**To:** Benjamin Pechey <[bpechey@cityofsydney.nsw.gov.au](mailto:bpechey@cityofsydney.nsw.gov.au)>; Christopher Corradi <[ccorradi@cityofsydney.nsw.gov.au](mailto:ccorradi@cityofsydney.nsw.gov.au)>

**Cc:** Jane Anderson <[Jane.Anderson@architectus.com.au](mailto:Jane.Anderson@architectus.com.au)>; Michael Harrison <[Michael.Harrison@architectus.com.au](mailto:Michael.Harrison@architectus.com.au)>; Jane Fielding <[Jane.Fielding@architectus.com.au](mailto:Jane.Fielding@architectus.com.au)>; Tim Wise

<[twise@cityofsydney.nsw.gov.au](mailto:twise@cityofsydney.nsw.gov.au)>; Terrence Chau <[Terrence.Chau@architectus.com.au](mailto:Terrence.Chau@architectus.com.au)>

**Subject:** RE: 46B - Council Meeting Follow-up

Hi Ben and Chris,

Thank you for meeting with us last week regarding the proposed mixed-use development of 4-6 Bligh Street, Sydney.

As a follow up to the matters we discussed at the meeting and the implications of the relevant SSD provisions on the proposal, we thought it appropriate to propose the planning pathway that we believe addresses the matters raised by Graham Jahn and ask that you be able to confirm that the City of Sydney would be supportive of such an approach. Once we are satisfied that the City is supportive of our approach, we will seek legal advice to ensure that all relevant legislation has been properly considered and complied with and provide this to the Council.

The key steps in the planning process we propose are:

### **Planning Proposal**

We propose that a very detailed site-specific LEP control be applied to the site through the PP, potentially including setbacks, maximum building height, land use and FSR (essentially locking in our envelope) – the PP will demonstrate that the current DCP as well as the Draft Strategy have been thoroughly considered and addressed.

As a minimum we propose providing the following information in support of the PP:

- Concept Proposal and Urban Design Study
- Architectural concept
- Traffic and Transport Report
- Geotechnical and Rail Impact Study
- Services Report
- ESD Report
- Detailed Wind Assessment
- Site Survey
- Statement of Heritage Impact
- Phase 1 Contamination Assessment
- Design Excellence Strategy
- Daylight analysis
- Pedestrian amenity study
- Model – CAD and physical
- A draft VPA or Letter of Offer – this will also be submitted to Council with lodgement of the PP, should the proposed approach as outlined in this email be supported.

Additionally, we have already sought the following to support preparation of the reference design and building envelope. If Council consider that it would assist in its consideration, we are also capable of providing the following reports:

- Waste Management Plan
- BCA Statement
- Accessibility Report

Please advise whether you would like for us to include these additional plans and reports.

Given that a DCP does not apply to SSD, we also propose that the PP include discussion and supporting arguments that the requirement for a site-specific DCP under Clause 7.20 is “unreasonable or unnecessary in the circumstances” as:

- The future development will be SSD and therefore DCPs do not apply
- There is legal uncertainty around the alternative staged DA process as a result of recent Bay Simmer case (which found that a Staged DA process must assume multiple future development applications for multiple buildings) (**Note:** we understand that the NSW Government has released a draft public consultation bill to amend the EP&A Act 1979 to introduce Concept DAs to replace the current term of Staged DAs to remedy the current implications of this case)
- Detailed site-specific LEP controls are proposed which lock-in envelope.

**Request to waive SEARs, delegate assessment to Council, and seek formal waiver of Staged DA process**

By way of a letter to the Minister, Architectus will seek to waive the requirement for SEARs to be issued for the proposed development and concurrently seek to delegate the assessment of the SSDA to the City of Sydney Council. This will enable the Council to waive the requirement for a site-specific DCP and staged DA process.

Council may be concerned about the potential risk of considering a proposal to which the DCP does not apply, however this is no different to the current situation for SSD. Additionally, detailed site-specific LEP controls will apply to the proposal which would not typically be the case for other SSD projects.

The high level of detail which is proposed to be provided with the PP will enable Council to consider the impacts of the proposal early in the process and delegation of the assessment of the comprehensive SSDA to Council will enable detailed consideration of impacts to be undertaken at that time, as would be the case under a typical DA process (i.e. where a Staged DA process is not required). Further, Council will have a key involvement in the architectural design competition process and will again be able to provide input to the project at that stage.

### **Architectural Design Competition**

A design competition brief will be prepared in consultation with the City of Sydney and a competitive design competition subsequently undertaken.

We consider that the design competition could take place at any time after the issue of a Gateway determination, should a Gateway determination be issued for the project.

A Design Excellence Strategy will accompany the PP and outline the intended competitive design process.

### **Lodge DA for demolition and early works**

Architectus will seek to lodge a separate DA for the demolition of the existing commercial building and excavate the site to the level of the proposed basement.

Please advise the earliest point within the process which Council would be willing to accept this DA.

### **Lodge comprehensive (Stage 2) DA**

This will occur once the PP has been finalised, the outcome of the design competition is known, and the detailed DA documentation has been prepared.

### **Conclusion**

It would be greatly appreciated if Council could confirm the above proposed planning pathway approach and advise whether it sees any potential issues with this process.

Should Council indicate its support for the proposed planning pathway, then legal advice will be sought to confirm that all relevant legislation has been properly considered and addressed and that all processes, as required by the relevant legislation, are proposed to be undertaken. Additionally, if Council considers that legal advice should be sought in relation to any specific matter, please advise us of this so that we may procure a response to those matters.

If you require any clarification or if you wish to discuss, please do not hesitate in contacting me.

Regards,

Taylor Vernon  
Senior Urban Planner

**architectus™**

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# 1 Parramatta Square

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# Attachment G

## Taylor Vernon

---

**From:** Taylor Vernon  
**Sent:** 19 July, 2017 11:47 AM  
**To:** Tim Wise  
**Cc:** Jane Fielding; 'Pettano, Rosanna'  
**Subject:** 4-6 Bligh Street - Planning proposal lodgement

Hi Tim,

I have tried calling but haven't been able to reach you.

I was wanting to advise that we intend on lodging the planning proposal for 4-6 Bligh Street on Friday of next week (28 July).

Some of the reports that we have discussed are currently being prepared and will be provided as soon as they become available. Those being:

- Pedestrian analysis
- Wind Tunnel testing

The level of detail contained within these documents is unusually high for a planning proposal, especially prior to a Gateway determination. In any case, we are happy to provide these and will do so as soon as they have been completed. At lodgement we will provide the desktop wind analysis that has already been prepared and supplement that with the wind tunnel analysis in approximately 3 weeks.

As we have stressed in the past, timing is pivotal to the project from our client's perspective and we consider that it is important that we submit as soon as we can. We will be providing a high level of detail as part of the planning proposal and it would benefit the project if we could allow Council to begin its assessment and consideration of the information we have prepared.

We need to confirm the scope of the pedestrian study before the survey commences. My understanding is that the study is to encompass the length of the Bligh Street frontage to our site under existing and proposed scenarios. Could you please confirm whether this is correct?

Could you please also advise whether standard process for lodgement of a planning proposal at the City of Sydney is that a cheque be provided at the time of lodgement or whether this is provided later. Also, could you please advise to who the cheque is to be made out – presumably City of Sydney – but it would be appreciated if that could be confirmed.

I will be on leave from today and returning Monday 31 July. If you wish to discuss the proposal in the interim, please contact Jane Fielding who I have copied to this email. I have also copied Rosanna Pettano who is the project manager assisting us on the project.

Thanks,

Taylor Vernon  
Senior Urban Planner

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# 1 Parramatta Square

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# Attachment H

## Taylor Vernon

---

**From:** Tim Wise <twise@cityofsydney.nsw.gov.au>  
**Sent:** 21 July, 2017 9:28 AM  
**To:** Jane Fielding  
**Cc:** Petteno, Rosanna; Taylor Vernon; Jane Anderson; Sally Peters  
**Subject:** RE: 4-6 Bligh Street - Planning proposal lodgement

Jane and Taylor,

Standard practice is that before preparing a Planning Proposal request Proponents must seek written pre-request advice from the City.

It is noted that to date whilst some of the following has been covered in meetings, no package of documents containing the following has been submitted for the City's consideration:

- an assessment against the Central Sydney Planning Strategy, Planning Proposal and Draft DCP
- concept level urban design analysis and built form drawings, including indicative site layout, building envelopes, proposed heights and floor space ratio (including a schedule of the areas within the development)
- wind, daylight/sky view factor testing, and
- indicative public benefit offer.

Standard practice is that once we have this information the City may seek comment from the Central Sydney Planning Committee (CSPC), Design Advisory Panel (DAP) and/or VPA steering committee on the merits of the potential Request and public benefit offer.

To lodge a request the Proponent requires a Request to Prepare a Planning Proposal form, Request Checklist and confirmation of fee. These are only provided when the City has provided written advice that the City will support lodgement of a Request for assessment.

Your client's timeframe is noted. It is suggested that what information you do have is forwarded through ASAP so that the City can consider it prior to issuing you with written pre-request advice, a Request to Prepare a Planning Proposal form, Request Checklist and confirmation of fee.

In relation to the proposed planning pathway, please note the following comments (this feedback is provided on the assumption that the issues surrounding the staged development application process raised by the Bay Simmer court case have been resolved).

### **Planning Proposal**

The ability for Council to waive the requirement for a development control plan (stage 1 development application) under Clause 7.20 only exists at development application stage when Council is considering a detailed development application.

To date the City has not received any detailed pre-lodgement information in relation to a planning proposal for 4-6 Bligh Street for review. As such we are in no position to advise whether or not the content of said planning proposal could come close to meeting the requirements detailed under Clause 7.20 to which a development control plan is to address.

As you have noted, by virtue of NSW Government legislation, development control plans do not apply to State Significant Development applications. This situation highlights the absurdity of having 2 separate planning pathways for major development within Central Sydney, and the City encourages the land owner to highlight this absurdity to the NSW Government as a hindrance to investment in Central Sydney.

For Council to be satisfied that the requirement for a site specific development control plan or staged development application process is unreasonable or unnecessary the detailed requirements of Clause 7.20 must be addressed in any application. The City highlights potential issues with this given that:

- a) the requirements of 7.20 are detailed and address matters that normally fall outside of the LEP, and
- b) to elevate the matters detailed within 7.20 to the LEP would require Department of Planning and Environment and Parliamentary Counsel support.

Recent court cases (Bay Simmer and Sir Stamford) highlight the importance of maintaining the integrity of the staged development application process. In determining reasonableness for requiring a staged 1 development application for the subject site the City will follow due process as outlined by clause 7.20 in making its recommendation.

### **Demonstrating compliance with the Strategy**

Demonstrating compliance with the Central Sydney Planning Strategy means demonstrating compliance with the Strategy, Planning Proposal Central Sydney, Draft Central Sydney Affordable Housing Program and Sydney DCP 2012 (Central Sydney Planning Strategy Amendment). An application cannot rely on existing controls for justification.

### **SEARs**

As you have noted, SEARs for the subject proposal cannot be waived as the development constitutes Integrated Development. The earliest SEARs should be requested is after Council and CSPC have approved a post exhibition planning proposal.

### **Architectural Design Competition**

The site must be subject to a full architectural design competition.

### **Lodge DA for demolition and early works**

Clause 7.19 is clear about what situations a demolition development consent can be granted:

- a) when a site specific development control plan is in place, or
- b) when the site will be comprehensively redeveloped under the development consent or an existing consent relating to the site.

Without one of these in place the City cannot issue a consent for demolition.

### **Pedestrian analysis and Wind Tunnel testing – Detailed reports**

Both reports are essential to consideration of the proposal and any proposed non-compliant setbacks. We would accept later submission provided a commitment was provided around their completion within 3 weeks of today. In relation to the Pedestrian Study, it needs to take in the whole intersections at either end of the block and it needs to consider the walking route to the nearest station (ie future Martin Place North Metro).

Regards,

Tim Wise  
Senior Specialist Planner  
Strategic Planning & Urban Design



Telephone: +612 9265 9314  
[cityofsydney.nsw.gov.au](http://cityofsydney.nsw.gov.au)

---

**From:** Jane Fielding [mailto:Jane.Fielding@architectus.com.au]

**Sent:** Friday, 21 July 2017 9:19 AM

**To:** Tim Wise <[twise@cityofsydney.nsw.gov.au](mailto:twise@cityofsydney.nsw.gov.au)>

**Cc:** Petteno, Rosanna <[Rosanna.Petteno@coffey.com](mailto:Rosanna.Petteno@coffey.com)>; Taylar Vernon <[taylar.vernon@architectus.com.au](mailto:taylar.vernon@architectus.com.au)>; Jane Anderson <[Jane.Anderson@architectus.com.au](mailto:Jane.Anderson@architectus.com.au)>

**Subject:** RE: 4-6 Bligh Street - Planning proposal lodgement

Hi Tim

I'm just following up Taylor's email below. Is there any chance we can receive a response from you by 11:00am this morning as we have a meeting with the client then to discuss lodgement. Thank you in advance.

Kind regards,  
Jane

Jane Fielding  
Senior Associate Planning

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---

**From:** Taylar Vernon

**Sent:** Wednesday, 19 July 2017 11:47 AM

**To:** Tim Wise <[twise@cityofsydney.nsw.gov.au](mailto:twise@cityofsydney.nsw.gov.au)>

**Cc:** Jane Fielding <[Jane.Fielding@architectus.com.au](mailto:Jane.Fielding@architectus.com.au)>; Petteno, Rosanna <[Rosanna.Petteno@coffey.com](mailto:Rosanna.Petteno@coffey.com)>

**Subject:** 4-6 Bligh Street - Planning proposal lodgement

Hi Tim,

I have tried calling but haven't been able to reach you.

I was wanting to advise that we intend on lodging the planning proposal for 4-6 Bligh Street on Friday of next week (28 July).

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completed. At lodgement we will provide the desktop wind analysis that has already been prepared and supplement that with the wind tunnel analysis in approximately 3 weeks.

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Thanks,

Taylor Vernon  
Senior Urban Planner

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# Attachment I

4 August 2017

Ms Monica Barone  
Chief Executive Officer  
City of Sydney  
GPO Box 1591  
Sydney NSW 2000

**RE: 4-6 Bligh Street, Sydney – proposed mixed hotel and commercial development  
Pre-request advice on Planning Proposal**

Dear Ms Barone,

This letter seeks pre-request advice from the City of Sydney Council (Council) on a Planning Proposal for the site at 4-6 Bligh Street, Sydney (the site). This pre-request and supporting information has been prepared on the advice of Council Officer Tim Wise, Senior Specialist Planner, in email correspondence dated 21 July 2017.

The Planning Proposal proposes a site-specific increase to the maximum Floor Space Ratio (FSR) applicable to the site under the Sydney Local Environmental Plan (LEP) 2012 of 7.12:1, to facilitate the redevelopment of the site for the purposes of a mixed-use development comprising commercial premises, hotel and motel accommodation and a recreation facility. This will facilitate an increase in the maximum FSR applicable to the proposed development from approximately 14.88:1, inclusive of accommodation floor space and design excellence bonus, to a maximum FSR of 22.0:1 inclusive of accommodation floor space, design excellence bonus and proposed site-specific FSR control.

The proposed development triggers State Significant Development (SSD) provisions, pursuant to Clause 13 Schedule 1 of the State Environmental Planning Policy (State and Regional Development) 2011 (SEPP), as the hotel component is over \$100 million Capital Investment Value. Subsequent concept and staged detailed applications will be lodged in accordance with the proposal, with SEARs to be requested following approval of the post-exhibition Planning Proposal by Council and the CSPC.

This letter sets out background and justification for the pre-Planning Proposal request and is accompanied by the following supporting documentation:

- Assessment of compliance against the Draft Central Sydney Planning Strategy, Planning Proposal Central Sydney, Sydney Development Control Plan (Central Sydney Planning Strategy Amendment) (DCP) (**Attachment A**);
- Architectural plans prepared by Architectus (**Attachment B**);
- Building envelope and urban design study prepared by Architectus (**Attachment C**);
- Sky view analysis prepared by Architectus (**Attachment D**);
- Pedestrian Wind Environment Statement prepared by Windtech (**Attachment E**);
- Draft Public Benefit Offer (**Attachment F**); and
- Capital Investment Value Report (**Attachment G**)

Please refer to a detailed overview of the site and Planning Proposal below.

## 1. Background

### 1.1 The site

The site is known as 4-6 Bligh Street, Sydney. 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. The site is zoned B8 - Metropolitan Centre pursuant to the LEP 2012.

### 1.2 Site context

The site is situated within a highly accessible area of the financial core of Central Sydney, located approximately 200 metres north of Martin Place and 70 metres north of the proposed Martin Place Metro station. The location is also ideally situated to provide additional tourist accommodation, being in close proximity to major destinations including the Royal Botanic Gardens (approximately 200 metres) and Circular Quay (approximately 450 metres).

The property is owned by One Investment Management Pty Ltd as trustee for Recap IV Management No. 4 Trust, being an affiliate of SC Capital Partners Group (SC Capital).

SC Capital ([www.sccpasia.com](http://www.sccpasia.com)) is a Singapore-based real estate investment management firm with assets under management of US\$4.0bn. SC Capital is an active property investor across Asia-Pacific, including interests in 62 hotels, predominantly in Japan.

## 2. Overview of Planning Proposal

### 2.1 The proposal

The proposal seeks to develop a mixed-use building on the site comprising ground floor retail and combined hotel/office lobby, podium level commercial office uses up to 45m high and a hotel tower setback above, to a maximum height of 205.0m. The development as proposed exceeds existing FSR allowances at the site pursuant to the LEP 2012.

Please refer to the proposed detailed architectural scheme provided at **Attachment B**.

### 2.2 Current controls

The site is currently subject to a base FSR of 8.0:1 pursuant to clause 4.4 of the LEP 2012, however a mixed-use development based on the proposed distribution of land uses is eligible for a maximum FSR of approximately 14.88:1, pursuant to the combined bonuses provided under clause 6.4 (Accommodation Floor Space) and clause 6.21 (Design Excellence) respectively.

The site is subject to a maximum building height of 235.0m pursuant to clause 4.3 of the LEP 2012. The proposal does not seek to alter existing building height limits at the site.

### 2.3 Proposed controls

The Planning Proposal proposes a site-specific increase to the maximum FSR control of 7.12:1, where the development is for the purpose of commercial premises, hotel or motel development, and recreation facility (indoor). This would 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, but only where it relates to the aforementioned land uses.

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 1** below. It is noted that **Table 1** 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 1: 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)	Hotel accommodation – max 6:1 (proposed 71.6% of development = 4.296:1) Office and retail uses – 4.5:1 (proposed 22.6% of development = 1.017:1) Total accommodation floor space for the which the development is eligible – 5.5313:1 <b>Note 1:</b> Proposed gymnasium component not eligible for accommodation floor space (approximately 5.8% of development). <b>Note 2:</b> All indicative proportions have been based on the reference design ( <b>Appendix B</b> ) and may be subject to change.	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	<b>22:1</b>
	<b>Total</b>	<b>22.0:1</b>

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 a greater proportion of hotel or motel accommodation than has been illustrated in the reference design at **Attachment B** may be proposed which would result in an FSR in excess of 22.0:1, accordingly an upper limiting floor space ratio 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.

**2.4 Objective of proposed controls**

The objective of the proposed LEP amendment is to enable the proposed hotel development to be of a sufficient size as to achieve operational efficiencies for a hotel to be viable. Due to the residual value of the existing building on the site, it is not feasible to construct a new hotel on the site under the current maximum FSR control.

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 and Council’s Tourism Action Plan 2030.

### 3. 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 of any of the following purposes:*
  - (a) *Commercial premises;*
  - (b) *Hotel or motel accommodation; and*
  - (c) *Recreation facility (indoor)*

*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.*

### 4. Relationship to Draft Central Sydney Planning Strategy

The Planning Proposal is consistent with the City of Sydney's proposed framework, the Draft Central Sydney Planning Strategy 2016 – 2036, which will allow for increased height and/or FSR to be achieved on sites where it can be demonstrated that this will not result in any unacceptable impacts on adjoining properties or on the public domain.

The proposed height of the building (205m) is below the current height limit of 235 metres and the proposed building will not result in any additional overshadowing of any 'Public Place'.

The proposed scheme is consistent with the relevant controls under the current Sydney DCP 2012, and is generally consistent with the Draft DCP, with the exception of only minor variations to setback and outlook provisions due to increased setback and outlook requirements under the draft provisions. These proposed minor variations will not result in any unsatisfactory impact on the pedestrian amenity in surrounding public places, or on the amenity of adjoining properties. Overall it is considered that an equivalent outcome has been achieved as one which would be considered a compliant built form massing under the proposed controls, while allowing for a buildable and economically viable floorplate to be achieved as part of a tower development on the site.

A comparison of the current and proposed controls is provided at **Attachment A**. There will be no unacceptable impacts on adjoining properties or the public domain from the proposed development. For example, the shadow impacts have been tested and there will be no additional overshadowing of Chifley Square during the protected times.

The proposed FSR is therefore consistent with the Draft Central Sydney Planning Strategy 2016 - 2036.

### 5. Conclusion

This pre-request seeks advice from the City on a Planning Proposal for an additional site-specific Floor Space Ratio (FSR) of 7.12:1 under the Sydney Local Environmental Plan (LEP)

2012 for the purposes of a mixed-use commercial premises, hotel and motel accommodation, and recreation facility (indoor) development. This will facilitate an increase in the total maximum FSR on the site, inclusive of bonuses and additional floor space to which the development would be eligible, from approximately 14.88:1, to a maximum FSR of 22.0:1. Architectus respectfully request Council also provide copies of the following documentation and items to facilitate lodgement of the Planning Proposal:

1. Planning Proposal Application Form;
2. Planning Proposal Application Checklist; and
3. Confirmation of Planning Proposal Lodgement Fees.

I look forward to your prompt response as to allow progression of this project.

Should you wish to discuss any matters contained in this report further, please feel free to contact Jane Fielding, Senior Associate, or Taylor Vernon, Senior Planner on 8252 8400 or [jane.fielding@architectus.com.au](mailto:jane.fielding@architectus.com.au) or [taylor.vernon@architectus.com.au](mailto:taylor.vernon@architectus.com.au) respectively.

Regards,



Michael Harrison  
Director, Urban Design and Urban Planning  
Architectus Group Pty Ltd

# ATTACHMENT A

	Draft Central Sydney Planning Strategy	Comment
<p><b>Vision and Aims</b></p>	<p>The Central Sydney Planning Strategy (the Strategy) adopts the following nine Principles:</p> <p><b>Green</b></p> <ul style="list-style-type: none"> <li>• Promoting sustainable buildings with great design and architecture;</li> <li>• Creating opportunities for beautiful parks and places; and</li> <li>• Enabling the protection and adaption of our heritage.</li> </ul> <p><b>Global</b></p> <ul style="list-style-type: none"> <li>• Ensuring a resilient and diverse economy;</li> <li>• Promoting efficient and effective transportation; and</li> <li>• Making efficient use of land.</li> </ul> <p><b>Connected</b></p> <ul style="list-style-type: none"> <li>• Supporting great streets;</li> <li>• Resulting in a city for people; and</li> <li>• Ensuring strong community and service infrastructure is provided as growth occurs.</li> </ul>	<p>The proposal seeks amendment to Floor Space Ratio (FSR) controls applicable to the site to facilitate construction of a proposed hotel development.</p> <p>Through revision of the FSR control and construction of the hotel development, the proposal is considered to be making efficient use of the land whilst providing high quality and much sought after visitor accommodation, where there has otherwise been an acknowledged shortage by both Council and the market in recent years.</p> <p>Notwithstanding the proposal being subject to a detailed (Stage 2) design, the proposal is considered to be consistent with the visions and aims of the Strategy.</p>
<p><b>Land Use (Visitor Accommodation)</b></p>	<p>The strategy provides an overview of key land uses within Central Sydney, including visitor accommodation. The strategy notes that over the past decade, the annual number of visitors staying in city hotels has increased by nearly 1 million and is expected to grow.</p> <p>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</p>	<p>The objective of the proposed LEP amendment is to enable the proposed hotel development to be of a sufficient size as to achieve operational efficiencies for a hotel to be viable. This is not possible under the current FSR control pertaining to the site.</p> <p>Through revision of the FSR control and construction of the hotel development, this is considered to be making efficient use of the land whilst providing high quality and much sought after visitor accommodation, where there has otherwise been an acknowledged shortage by both Council and the market in recent years.</p> <p>The proposal is therefore consistent with land use (visitor accommodation) provisions within the strategy.</p>

	Draft Central Sydney Planning Strategy	Comment
<p><b>Affordable rental housing</b></p>	<p>Planning for affordable housing in the City of Sydney for low-income earners is critical for the economic and socially sustainable growth of Central Sydney.</p> <p>The provision of affordable housing is to be assisted by the implementation of the Draft Central Sydney Affordable Housing Program, which includes the introduction of a levy for all development within Central Sydney to make contributions towards affordable housing across the LGA.</p>	<p>The strategy proposes the introduction of an Affordable Housing Scheme and associated levy for all development within Central Sydney and therefore applies to the proposal.</p> <p>It is proposed that a contribution be made to Council for the above amount, as part of the draft Public Benefit Offer (PBO) held at <b>Appendix F</b>. The proposal is therefore consistent with the Draft Central Sydney Affordable Housing Program.</p>
<p><b>Public Transportation</b></p>	<p>There are many important developments for Central Sydney relating to public transportation and promotes an integrated approach between transport connections and key employment areas.</p> <p>Specifically, the strategy seeks to project future potential high-growth pedestrian areas using pedestrian movement data to inform priority projects and precincts.</p>	<p>The planning proposal is to be submitted with a Traffic Impact Assessment as well as a Pedestrian Impact Study. Specifically, the traffic and pedestrian studies are to incorporate and consider the proximity and relationship to major transport projects within the locality, specifically the future Martin Place North metro station and the resultant likely change to traffic and pedestrian movements as a result.</p>
<p><b>Public Art</b></p>	<p>The strategy seeks to increase the number of public artworks and to ensure that public art is integrated with new development.</p> <p>The strategy provides for the continued application of the City'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 moderately sized projects sliding to 0.5 per cent for very large projects.</p>	<p>Subject to design competition processes and subsequent detailed (Stage 2) design, the proposal is capable of complying with the City's existing Public Art Policy</p>
<p><b>Wind</b></p>	<p>The strategy seeks to incorporate detailed wind provisions and standards for safety and comfort into Central Sydney planning controls based on wind speed and frequency.</p>	<p>This pre-submission is accompanied by a Pedestrian Wind Environment Statement prepared by Windtech at <b>Attachment E</b>, which details that the proposed tower setback from the podium levels is expected to help mitigate the effect of any wind down-washing off the tower façade and impacting on the street level.</p> <p>Further, it is expected that the existing effect of southerly winds being funnelled along Bligh Street will not be worsened by the proposed development</p> <p>The planning proposal is to be submitted with a detailed wind assessment which is expected to demonstrate compliance with the strategy.</p>
<p><b>Floor Space</b></p>	<p>The Floor Space Ratio (FSR) control is the "base" floor space that may be achieved on all sites in Central Sydney. Expressed as a floor space permitted to site area ratio (floor space permitted: site area), the FSR across Central Sydney is predominantly 8:1, with a slightly lower base of 7.5:1 for the Southern precinct.</p>	<p>The strategy does not propose any alteration to the existing base FSR at the site of 8.0:1. Notwithstanding, the proposal seeks an increase to the cumulative accommodation and bonus floor space floor space available for the site.</p> <p>This floor space above the base FSR for the purposes of a hotel is considered to be a strategic planning outcome, given there is</p>

Draft Central Sydney Planning Strategy		Comment
	<p>Floor space permitted above the FSR control has historically been successfully used in Central Sydney to incentivise strategic planning outcomes.</p> <p>Please also refer to Strategic Floor Space matters below.</p>	<p>unmet demand and an acknowledged shortage of visitor accommodation within Central Sydney.</p> <p>Please also refer to Strategic Floor Space matters below.</p>
<b>Strategic Floor Space</b>	<p>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.</p>	<p>The strategy identifies the lodgement of a site-specific planning proposal to achieve Strategic Floor Space, being employment use floor space that exceeds the existing controls. Guidelines for such site-specific planning proposal have not yet been released.</p> <p>The proposed development seeks to provide for hotel, and commercial uses at the site. Accordingly, the additional floor space sought by this proposal would therefore constitute strategic floor space as defined by the strategy.</p> <p>The proposed amendment to FSR as sought by this planning proposal is for the purposes of 'unlocking' this strategic floor space at the site for the purposes of a hotel and commercial mixed-use development which is otherwise not possible under the current controls. It is noted that the proposal demonstrates compliance with all other development standards applicable to the site and that the proposed hotel development can be accommodated at the site without unreasonable impact to the locality and environment.</p> <p>The planning proposal to be submitted to Council has been prepared in accordance with the Department of Planning and Environment "Guide to Preparing Planning Proposals" and is therefore consistent with the intent of this clause and current practice for Planning Proposals.</p>
Planning Proposal Central Sydney		Comment
<b>Land Use Zoning</b>	No change for subject site.	The proposed development is permitted within the B8 Metropolitan Centre Zone.
<b>Height</b>	No change for subject site.	Complies. No additional height will be sought through the planning proposal.
<b>Floor Space Ratio</b>	<p>No change to base FSR.</p> <p>Minor changes in allocation of additional floor space provisions and method of calculation however no overall change for purposes of a hotel in Area 1:</p> <ul style="list-style-type: none"> <li>Accommodation floor space (including hotel) – 4.5:1; and</li> <li>Key use floor space (including hotel – 1.5:1).</li> </ul>	As detailed within the covering letter the proposed increase in FSR is consistent with the Draft Central Sydney Planning Strategy.
<b>Design Excellence and Stage 1</b>	No change.	The proposed hotel constitutes State Significant Development (SSD) and will be

Planning Proposal Central Sydney		Comment
<b>Development Application</b>		subject to subsequent concept and staged State Significant Development Applications (SSDAs). Please refer to a discussion of design excellence within the covering letter.
<b>Overshadowing</b>	Chifley Square removed as a protected place.	Complies. The proposed development results in no additional overshadowing of Chifley Square during the protected times.
<b>Heritage Floor Space</b>	No change.	Noted.
Sydney DCP 2012 (Central Sydney Planning Strategy Amendment)		Comment
<b>Character area locality statements</b>	Introduction of new and revised locality statements.	The subject site is not located within any character area under the Draft DCP.
<b>Car parking rates – hotel</b>	No change.	The proposed development is capable of complying.
<b>Street frontage height</b>	Minor changes for tall buildings however no change given the subject site adjoins heritage items.	Complies. The podium height has been designed to align with the adjacent former “City Mutual Life Assurance” building.
<b>Tower setback</b>	<p>No change to tower setback from podium.</p> <p>With regards to side and rear setbacks, 4 metres is required between 55 and 120 metres. For buildings between 120 metres and 240 metres, the side setback should be 3.33% of total building height.</p> <p>The draft DCP permits variations to side and rear setbacks where it can be demonstrated that the proposed building massing provides equivalent or improved wind comfort, wind safety and daylight levels in adjacent Public Places.</p>	<p>Minor non-compliance with proposed controls.</p> <p>It is not envisaged that a reduced side setback would result in any additional wind or sky view impact above a strictly compliant massing, given that the required setback of 8 metres to the front of the building (above the street frontage height) is being maintained, which will provide adequate wind mitigation to ensure that the building complies with council’s requirements. This is supported by both the Sky View Analysis prepared by Architectus at <b>Attachment D</b>, and the Pedestrian Wind Environment Statement prepared by Windtech and held at <b>Attachment F</b>.</p> <p>Shadow diagrams have been provided in the attached architectural concept demonstrating that the additional overshadowing resulting for the reduced setback has a negligible impact on the public domain.</p> <p>Notwithstanding the above, it is additionally noted that the proposed hotel development and subsequent SSDAs constitute SSD and therefore does not apply to either current nor draft DCPs.</p>
<b>Massing</b>	New controls proposed requiring that between 120-240 metres, the tower footprint is to occupy no more than 90% of the site areas, and above 240 metres, no more than 80%.	The proposed building envelope provided at <b>Attachment C</b> does not allow for tapering as outlined by this provision. Sky View Analysis prepared by Architectus at <b>Attachment D</b> demonstrates that impact on sky-view as a result of the non-compliance are negligible. It is further noted that the proposed development will be subject of a design competition and future development applications which are likely to result in greater articulation of built form than has been proposed at the Planning Proposal stage.

	Sydney DCP 2012 (Central Sydney Planning Strategy Amendment)	Comment
<b>Outlook</b>	New controls proposed requiring a 12-metre outlook from primary hotel windows and balconies, and 9 metres for other windows and balconies, within the site boundaries.	<p>Minor non-compliance against the Draft DCP however is otherwise considered acceptable against the heritage context of the site and limited development capacity of adjoining properties.</p> <p>The adjoining sites are unlikely to undergo any significant redevelopment due to their heritage significance, size, and existing architectural design. It is therefore considered that sufficient outlook will be retained in perpetuity for a development on the subject site and the proposed development therefore satisfies the objectives of this section.</p>
<b>Other Plans and Policies</b>		
<b>National</b>		
<b>Tourism 2020 (2011)</b> (Tourism Australia)	<p>“Tourism is a significant industry for Australia. 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.”</p> <p>The Strategy finds 40,000 - 70,000 new rooms are required to meet potential. One of the aims is to increase accommodation capacity. The proposed hotel development is therefore consistent with this strategy.</p>	
<b>State</b>		
<b>A Plan for Growing Sydney</b> (NSW Department of Planning & Environment)	<p><b>Direction 1.1: Grow a more internationally competitive Sydney CBD</b></p> <ul style="list-style-type: none"> <li>• <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></li> </ul> <p><b>Direction 1.9: Support priority economic sectors</b></p> <ul style="list-style-type: none"> <li>• <i>Action 1.9.1: Support the growth of priority industries with appropriate planning controls.</i></li> </ul> <p>The ‘visitor economy (tourism)’ is identified as a priority industry in the <i>A Plan for Growing Sydney</i>.</p> <p><b>Priorities for Strategic Centres: Global Sydney</b></p> <ul style="list-style-type: none"> <li>• <i>Work with the City of Sydney and North Sydney Council to:</i> <ul style="list-style-type: none"> <li>○ <i>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></li> </ul> </li> </ul>	

Regional	
<p><b>Draft Sydney Central District Plan</b> (Greater Sydney Commission)</p>	<p><b>3.3.4 Supporting international tourism destinations</b></p> <p>Opportunities exist to increase the District's appeal to tourists by:</p> <ul style="list-style-type: none"> <li>• identifying areas where there is unmet demand for tourist and visitor accommodation and investigating how to encourage growth in this sector</li> <li>• supporting a greater number of hotels across a range of price points</li> </ul> <p><b>Action P4:</b> Grow and manage the visitor economy including Aboriginal experiences.</p> <ul style="list-style-type: none"> <li>– Investigate opportunities through the planning system to encourage tourism infrastructure, including hotel accommodation and conference centres.</li> </ul>
Local	
<p><b>Planning Proposal: Central Sydney</b> (City of Sydney)</p>	<p>Visitor accommodation</p> <p><i>It is forecast that accommodation room supply will increase by 5,759 rooms to 2021 and then by 5,499 rooms from 2022 to 2030. Supply will peak through 2018 to 2020 before falling back with another development cycle towards the late 2020s.</i></p> <p>Development use trends</p> <p><i>Reflected in high occupancy rates and growth in room rates, the demand for space in the hotel and accommodation sector is strong. Currently however, the large-scale development of new hotels is not financially feasible unless part of a mixed-use development.</i></p> <p>The Central Sydney Planning Strategy will aim to achieve the following Priority Actions identified in the CSPS:</p> <p><b>2.7</b> Provide an additional incentive for key land uses that support Central Sydney's global city functions, such as hotel or motel accommodation, community facilities, childcare centres.</p> <p><b>2.13</b> Limit access to Strategic Floor Space to strategic sites, to office premises, business premises, hotel accommodation and community and cultural facilities.</p>
<p><b>Visitor Accommodation Action Plan</b> (City of Sydney)</p>	<ol style="list-style-type: none"> <li>1) Create a positive environment for development and investment in visitor accommodation.</li> <li>2) Review the City's planning controls to ensure opportunities for appropriate accommodation development.             <ol style="list-style-type: none"> <li>a) The City will prioritise visitor accommodation as a strategic land use in the Central Sydney Planning Review.</li> <li>b) The City will ensure visitor accommodation is not disadvantaged in the Central Sydney Planning Review's consideration of floor space ratio controls.</li> <li>c) The City will investigate planning barriers in precincts around infrastructure projects such as Darling Harbour Live, Light Rail and Barangaroo and existing major demand drivers.</li> <li>d) The City will consider visitor accommodation, and encourage proponents to investigate visitor accommodation, when proposing planning controls for strategic or major development sites.</li> <li>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.</li> </ol> </li> <li>3) Continue monitoring supply and demand and engaging with the industry.</li> </ol> <p>Visitor accommodation is identified as a strategic use as it contributes to the visitor economy and supports other sectors including business, retail and education.</p>

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	<p>The shortage in hotel accommodation in the city, with different industry forecasts showing that between 5,000 to 9,000 additional hotel rooms are required in the next decade to meet the demand of growing tourist numbers in Sydney.</p>
	<p>The <i>Visitor Accommodation Action Plan</i> notes that residential development has been incentivised in Central Sydney since the mid-1990s and despite incentives commercial development remained dominant. Incentives have also been available for hotel and serviced apartment development over this time with few accommodation projects being developed. The <i>Visitor Accommodation Action Plan</i> provides the following summary of planning incentives for encouraging desirable development:</p>
	<ul style="list-style-type: none"> <li>– Transferable floor space allows for the unused development potential of one site to be sold to and used on another. The City's Heritage Floor Space scheme is an example and helps fund conservation works.</li> <li>– Height incentives, similar to floor space incentives, encourage desirable outcomes by creating more valuable floor space higher up.</li> <li>– Dispensations on development controls may encourage or make desirable uses easier by not setting as high a standard, often in recognition of the public benefit being provided.</li> <li>– Approval processing procedures such as fast track processing can reduce the holding costs for proponents and improve returns.</li> </ul>
<p><b>Economic Development Strategy</b> (City of Sydney)</p>	<p>The <i>Economic Development Strategy</i> provides that the City of Sydney is working in partnership with industry and Government to stimulate investment in hotel development to address the current capacity constraints, enabling tourism to diversify, grow and develop. The City will work in conjunction with Destination NSW and Tourism Australia to attract overnight visitors to Sydney.</p>
<p><b>Tourism Action Plan (2013)</b> (City of Sydney)</p>	<p>The <i>Tourism Action Plan</i> 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 the city centre and urban renewal areas.</p> <p>The following Actions relate to improving development capacity and are of particular note for the proposed LEP:</p> <ul style="list-style-type: none"> <li>– Provide an investment and regulatory environment for the City of Sydney that supports and encourages private investment in accommodation facilities.</li> <li>– Capitalise on the tourism potential of urban renewal sites and key development precincts in the city.</li> </ul>

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# Attachment J

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Town Hall House  
456 Kent Street  
Sydney NSW 2000

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council@cityofsydney.nsw.gov.au

GPO Box 1591 Sydney NSW 2001  
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04 September 2017

Our Ref: S064204.013  
File No: 2017/441230

Michael Harrison  
Director, Urban Design and Urban Planning  
Architectus Group Pty Ltd  
Level 18, MLC Centre, 19 Martin Place  
Sydney NSW 2000  
[michael.harrison@architectus.com.au](mailto:michael.harrison@architectus.com.au)

Dear Michael,

#### **4-6 Bligh Street Information Package – Initial Feedback**

Thank you for providing the City with the information package for 4-6 Bligh Street, Sydney. The City has reviewed the documentation and provides the below comments to guide you and any development proposal which include this site.

The draft Central Sydney Planning Strategy has no formal planning status at this stage, and has not been agreed to be exhibited by the NSW Department of Planning and Environment. While the City will consider planning proposals to vary the height and distribution of floor space to 'unlock' sites (such as Wanda, AMP, Lend Lease, Mirvac), we will not be considering increases in floor space above the LEP until the Strategy has been exhibited, received community feedback and potentially adopted by the Council and the Central Sydney Planning Committee.

The draft Strategy and its supporting documents are the outcome of significant design analysis and testing, and we are confident that it provides a framework to promote the best and most efficient development outcomes in Central Sydney, while protecting the environmental amenity.

From the information provided, the key concern at this stage is the impact of the reduced setbacks. As buildings increase in height and floor space, separation and setbacks for new buildings become even more critical, especially in Sydney's narrow street configuration. Planning proposals seeking additional floor space in Central Sydney should align with our established 'fine grain' urban design principles, which amongst other things, define setbacks, which influence daylight and wind conditions.

The setback approach set out in the draft Strategy is designed to balance public domain amenity and capacity. Any departure from this approach, would need to demonstrate that a minimum daylight and wind amenity will not be worse than a compliant scheme. A compliant scheme for this site under the draft Strategy would have a 25 metre street wall height. The wind testing and sky view factor assessment should graphically explore alternate building envelopes and shapes that can result in an equivalent or better outcome than a complaint scheme. Even small variations to setbacks for tall buildings can have significant impacts at street level.

Further, an easement for light and air over neighbouring sites would be required for any non-complaint setbacks.

*city of villages*



We look forward to continuing our dialogue with you regarding this site. However, at this time we are not considering planning proposals based on the draft Strategy until it has the support of the NSW Government and is progressed through the steps outlined above.

Should you wish to speak with a Council officer about the above, please contact Sally Peters, Manager Central Sydney Planning, on 9265 9465 or at [speters@cityofsydney.nsw.gov.au](mailto:speters@cityofsydney.nsw.gov.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G Jahn', with a large loop at the end of the last name.

Graham Jahn AM  
**Director**  
City Planning | Development | Transport

# Attachment K

11 September 2017

Mr Marcus Ray  
Deputy Secretary  
Department of Planning and Environment  
GPO Box 39  
Sydney NSW 2001  
Email: Marcus.Ray@planning.nsw.gov.au

Architecture  
Urban Design  
Planning  
Interior Architecture

cc. Mr Stephen Murray, Executive Director, Regions  
Email: Steve.Murray@planning.nsw.gov.au

RE: 4-6 Bligh Street, Sydney  
Request for GSC/Secretary to be RPA under s54 (2) (d) of EP&A Act

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Dear Marcus,

I write on behalf of our client, One Investment Management Pty Limited ATF Recap IV Management No. 4 Trust, landowner of 4-6 Bligh Street Sydney, concerning a Planning Proposal for proposed mixed use hotel and commercial development on the site. The Capital Investment Value of the development is estimated at \$311,771,577 excl GST split between the commercial component, \$52,839,007 (excl GST) and hotel component, \$258,932,570 (excl GST).

Auckland  
Brisbane  
Melbourne  
Shanghai  
Sydney

There has been previous liaison with the Department of Planning and Environment on this project as the proposal will be a future State Significant Development Application (SSDA). We met with your officers on 30 March 2017, and I have liaised with you by phone, letter and email. Our request to the Department was for the Greater Sydney Commission/Secretary to be Relevant Planning Authority (RPA) for the Planning Proposal in accordance with Section 54 (2) (a) of the Environmental Planning and Assessment Act 1979 (EP&A Act).

Since our correspondence, and your email in response dated 18 May 2017 advising the City of Sydney Council should be the RPA for the Planning Proposal, we have been liaising with the Council regarding the Planning Proposal, including a meeting with Graham Jahn on 29 June 2017. Following this meeting, Council requested information on 21 July 2017 for the purposes of a pre-submission Planning Proposal. This information was first provided to Council on 4 August 2017, and more information since then. An overview of the key consultation and correspondence with Council and the Department is set out at **Attachment A**.

Architectus received a letter by email from Graham Jahn, Director of City Planning at Council on 7 September 2017 (letter dated 4 September 2017). In summary, this letter advises:

- Council “will not be considering increases in floor space above the LEP until the Strategy has been exhibited, received community feedback and potentially adopted by the Council and the Central Sydney Planning Committee”; and
- “The wind testing and sky view factor assessment should graphically explore alternate building envelopes and shapes that can result in an equivalent or better outcome than a compliant scheme.” [Note these matters were addressed in our sky view factor analysis submitted to Council and wind tunnel testing undertaken by Windtech and provided to Council concluded that the proposal achieves an improved outcome over a “compliant” scheme].

Architectus Group Pty Ltd  
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Managing Director:  
David Sainsbery  
Nominated Architect  
NSWARB 5551  
ARBV 13176

Refer to **Attachment B** for this letter from Council.

Our client is frustrated they are now in the same position as at 30 March 2017 when we first met with the Department over 5 months ago, and over 9 months since first meeting with Council. Timeframes are critical to this project since the master-lease to Government Property NSW for the entire building on site expires in 9 months. The land owner needs certainty that the Planning Proposal is likely to progress otherwise they will need to cease the project which would be a significant loss to tourism and the economy of Sydney.

Council has clearly not met their obligations in relation to making of the proposed instrument, as Council has refused to accept lodgement because of the Draft Central Sydney Planning Strategy not having Gateway Approval. There can be no legitimate grounds to prevent lodgement of a Planning Proposal by a RPA, except if there is a lack of sufficient information at lodgement, including if reasonable additional information requirements from the RPA have not been met by the proponent. In response to this:

- We have met all of Council's requests for information, including commissioning detailed studies relating to their Draft DCP requirements (wind tunnel testing, sky view factor analysis, and pedestrian assessment study) at significant cost to the landowner. Such studies would not normally be required of a Planning Proposal, and in particular prior to formal submission of a Planning Proposal, and DCPs are not a statutory consideration for State Significant Development.
- The Draft Central Sydney Planning Strategy, Planning Proposal Central Sydney and Sydney Development Control Plan (DCP) 2012 (Central Sydney Planning Strategy Amendment) together have sufficient detail in terms of planning strategy and development controls for Central Sydney, to inform and direct our Planning Proposal. Our Planning Proposal is consistent with maximum building height and Floor Space Ratio controls under the Planning Proposal Central Sydney. As the case with Council's documents, our site-specific Planning Proposal will go on exhibition should it progress to, and beyond, Gateway.
- A significant amount of time has elapsed since we first met with Council (29 November 2016) and the Department (30 March 2017) on this project. Council has clearly stated they do not wish to deal with the Planning Proposal now. Even if they were forced to do so this would likely result in further delays to the project than would result from appointing an alternative RPA for the Planning Proposal now.

It is appropriate for a site-specific Planning Proposal to be considered now in accordance with the Draft Central Sydney Planning Strategy.

Having regard to the circumstances outlined in this letter, it is open to the Minister under section 54(2)(d) of the EP&A Act to direct that the Greater Sydney Commission be the RPA for the Planning Proposal as the Council has failed to comply with its obligations in respect of the Planning Proposal. If appointed as the RPA, it is understood the Greater Sydney Commission is likely to delegate its functions to the Department of Planning and Environment.

Alternatively, we seek a Rezoning Review of the Planning Proposal by the Planning Assessment Commission on the basis that "the council has notified the proponent that the request to prepare a planning proposal is not supported". This criterion has been satisfied by Council not supporting lodgement of the Planning Proposal because the Draft Central Sydney Planning Strategy does not have Gateway Approval.

We please request a meeting to discuss these matters with you as soon as possible. Further information can be provided to you on request, including the pre-submission documentation that was provided to Council, or copies of written correspondence with Council.

We have greatly appreciated your advice on this project to date, including from your colleagues at the Department. Please do not hesitate to call me on 0411 708 963 or [Michael.Harrison@architectus.com.au](mailto:Michael.Harrison@architectus.com.au) to discuss. Otherwise please contact my colleagues working on the project: Jane Fielding, Senior Associate Planning (Ph: 0414 442 833 / email: [Jane.Fielding@architectus.com.au](mailto:Jane.Fielding@architectus.com.au)) or Taylar Vernon, Senior Planner ((02) 8252 8400 / [Taylar.Vernon@architectus.com.au](mailto:Taylar.Vernon@architectus.com.au)).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michael Harrison', followed by a period.

Michael Harrison  
Director, Urban Design and Planning  
Architectus Group Pty Ltd

Attachments:

Attachment A: Overview of key consultation and correspondence with Council and the Department

Attachment B: Letter from City of Sydney Council dated 4 September 2017

# Attachment L



Mr Michael Harrison  
Director, Urban Design and Planning  
Architectus Group Pty Ltd  
Level 3, 341 George Street  
SYDNEY NSW 2000

Dear Mr Harrison *Michael*

I refer to your correspondence dated 11 September 2017 and recent meeting with the Department's Sydney Region East team, regarding your planning proposal request for 4-6 Bligh Street, Sydney.

I understand that Council has advised you that it will not be progressing this proposal request until the draft Central Sydney Planning Strategy is close to finalisation.

While acknowledging Council's draft strategy as 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.

The Department's Rezoning Review process allows proponents to seek an independent review of a planning proposal request where a Council has not supported or progressed the matter within a reasonable 'assessment timeframe'.

Given Council's decision to not consider the proposal request prior to the draft Strategy being close to finalisation, I have formed the opinion that you are eligible for a Rezoning Review.

If you wish to seek a Rezoning Review of your proposal by the Planning Assessment Commission, you should provide a completed application form, address the strategic and site specific merit test and include all relevant documentation and required fee. Further details can be found in our guidelines at <http://www.planning.nsw.gov.au/Plans-for-your-area/Local-Planning-and-Zoning/The-Gateway-Process>.

Should you have any further questions in relation to this matter, please contact Karen Armstrong, Director, Sydney Region East at the Department on 9274 6249.

Yours sincerely

**Marcus Ray**  
**Deputy Secretary**  
**Planning Services**

*19/10/17*