

ITEM 5. BARANGAROO DEVELOPMENT UPDATE**FILE NO: S066816****SUMMARY**

In December 2009 the NSW Government announced Lend Lease as the preferred proponent to develop Stage 1 of Barangaroo following a selective tender process. The Barangaroo Delivery Authority also provided Lend Lease with requirements for the further development of its proposal (Attachment C).

The Lend Lease Stage 1 preferred proposal requires amendments to the approved Concept Plan, including an increase in gross floor area, increased building heights and a hotel constructed on a pier which protrudes into the harbour from the current shoreline. A copy of Lend Lease Stage 1 preferred proposal is at Attachment A.

The Department of Planning has distributed draft Director General Requirements to State Government agencies and the City of Sydney for comment. These will form the criteria to assess amendments to the Concept Plan and the first five project applications (including demolition, remediation, two commercial buildings that conform to the approved Concept Plan) for the development. Submissions close on 10 March 2010.

After finalisation of the Director General Requirements, Planning NSW will place proposed amendments to the Concept Plan and the five project applications on public exhibition.

When the Barangaroo Delivery Authority Board was established in 2009, the Lord Mayor was invited to join the Board as representative of the City of Sydney. Senior City staff and consultants have worked with the Lord Mayor to promote an effective planning framework for the redevelopment, including transport, environmental and social outcomes, and integration into the existing city fabric.

The Lend Lease concept, with further design development, has the potential to make a positive contribution to the City's amenity and vitality. The City, with the assistance of specialists including Jan Gehl, has identified preliminary key issues which require further work, including the location of the hotel, urban design, the scale and bulk of the office towers, the residential mix, affordable housing, transport and sustainability.

This report seeks Council endorsement for the "Preliminary Key Issues" in Attachment B. City staff have identified the issues from a review of documentation available to date but have not yet had time or information for a full assessment. If endorsed, the "Preliminary Key Issues" they will inform future City submissions and negotiations with NSW Planning, Barangaroo Delivery Authority and other authorities.

RECOMMENDATION

It is resolved that:

- (A) Council endorse the "Preliminary Key Issues" associated with the Lend Lease Development Concept for Stage 1 of Barangaroo Development, as outlined in Attachment B of the subject report;

- (B) authority be delegated to the Chief Executive Officer, in consultation with the Lord Mayor, to prepare further Council submissions on the Barangaroo Development in line with the Preliminary Key Issues; and
- (C) Council seek endorsement from the Minister of Planning for the Central Sydney Planning Committee to be consent authority for subsequent Project Applications.

ATTACHMENTS

Attachment A: Lend Lease Stage 1 Proposal

Attachment B: "Preliminary Key Issues" associated with the Lend Lease Development Concept for Stage 1 of Barangaroo Development

Attachment C: Barangaroo Authority Requirements for Lend Lease Stage 1 Proposal

BACKGROUND

1. The Barangaroo redevelopment is identified as a State Significant project under Part 3A of the *Environmental Planning and Assessment Act 1979* and the Minister for Planning is the approval authority. The Minister for Planning approved a Concept Plan in February 2007, which made provision for mixed use commercial, tourist, retail, residential and community uses, and 11 ha of foreshore parkland bordered by a 1.4 km foreshore walk.
2. The Concept Plan is proposed to be developed in stages, with a separate stage for the Headland Park. The first stage of commercial development, "Stage 1", includes 87% of the overall floor space.
3. In June 2008 the Concept Plan was modified to add 120,000 square metres of commercial floor space to Blocks 1 to 5, to the approved 388,300 sq metres. In January 2009 a further amendment was proposed modifying the Headland Park and Northern Cove. This amendment was approved in September 2009.
4. The City made formal submissions to the Minister for Planning in response to the exhibition of the original, and the subsequent modifications to the Concept Plan.
5. As the City of Sydney's representative on the Board, the Lord Mayor has provided consistent feedback to the Barangaroo Delivery Authority, particularly in relation to:
 - (a) environmentally sustainable outcomes: The City's participation in the global C40 Climate Leadership Group enabled Barangaroo to join the Clinton Climate Initiative "Climate Positive Program which works with large urban redevelopment projects to reduce climate impacts below zero (carbon neutral, water positive and zero waste);
 - (b) integration with the city: City staff have been working with the Barangaroo Development Authority to establish a harbour village planning framework and the Lord Mayor hosted a recent "round table" to engage the Barangaroo redevelopment partners with community representatives;
 - (c) public transport and light rail to service the new development: The recent State Government transport announcement in relation to light rail to Barangaroo and circular key responds to the City's long-standing advocacy;
 - (d) public domain planning: The City engaged Jan Gehl to work with City staff in responding to issues raised through the design and development process. The Barangaroo Delivery Authority's appointment of Peter Walker, Landscape Architect (San Francisco) in conjunction with Johnson, Pilton, Walker is key to delivering a lively and engaging public domain; and
 - (e) Other issues identified in Attachment B which also require further development, including increased residential development to provide diversity and support for local businesses, and integration of affordable to ensure a sustainable housing mix.
6. The approved Concept Plan incorporates 427,300 square metres in the Stage 1 development representing an overall Floor Space Ratio of approximately 13.8:1, averaged on the planned street blocks. The maximum Floor Space Ratios which are currently available in *Sydney Local Environment Plan 2005* are between 12.5:1 (commercial) and 14:1 (residential).

7. A competitive bidding process for Stage 1 was run by the Barangaroo Delivery Authority (BDA). Final submissions were lodged with BDA in November 2009.
8. In December 2009 the Premier announced Lend Lease as the “preferred proponent” for development of Stage 1. The Lend Lease proposal requires further amendments to the approved Concept Plan. The Department of Planning has received an application for further amendments to the Concept Plan to accommodate these Lend Lease proposed amendments. Separate to this the Department has also received project applications for the five components of development within Stage 1 that comply with the approved Concept Plan, including:
 - (a) demolition and site establishment works;
 - (b) bulk excavation and basement car parking;
 - (c) C1 Commercial building;
 - (d) C4 Commercial building; and
 - (e) remediation and land forming works.
9. The Department of Planning has distributed to State Government agencies and the City of Sydney draft Director General Requirements for assessment of amendments to the concept plan and the five project applications. Submissions close on 10 March 2010.

KEY IMPLICATIONS

10. Redevelopment of Barangaroo will play an important role in extending the City Centre to the west, as set out in the City’s 2030 Strategy.

Lend Lease Development Proposal

11. The Lend Lease proposal covers the first stage of development and delivers 87% of the overall floor space development.
12. The Lend Lease proposal incorporates further amendments to the approved Concept Plan. The key amendments include:
 - (a) an increase in gross floor area;
 - (b) amendments to the land use mix;
 - (c) increased building heights; and
 - (d) a proposed hotel on a pier projecting into the harbour.
13. City staff have not yet had time or information for a full assessment.
14. The Lend Lease concept, with appropriate design development and detailing, has the potential to make an important contribution to the City’s amenity and vitality. Positive attributes of the proposal are:
 - (a) a commitment to climate positive development;

- (b) extension of City Centre to the west;
 - (c) recognition of, and commitment to, design excellence;
 - (d) an indented shoreline and creation of a southern cove;
 - (e) extensive and permeable public domain;
 - (f) a variety of public spaces;
 - (g) a ferry terminal of four wharves;
 - (h) a new cultural and civic building;
 - (i) a clear pedestrian access route via Margaret Street to Wynyard Station; and
 - (j) Hickson Road as a boulevard and light rail route.
15. The BDA review of the Lend Lease development proposal identified requirements for further review which Lend Lease needs to address prior to being nominated as the “proposed” developer of Stage 1. A copy of the BDA requirements are at Attachment C.
16. The City will continue to work with the Barangaroo Delivery Authority and the State Government to deliver an integrated and vibrant mixed use precinct.
17. The City has identified a number of “Preliminary Key Issues” which require further review (refer Attachment B). These issues will form the basis for submissions and discussion with relevant stakeholders.
18. Ongoing interface with BDA will continue through formal submissions to all Concept Application and Project Applications, the Lord Mayor’s membership of the BDA Board, the City’s Design Director’s participation in the Design Excellence Review Panel and monthly CEO and Executive meetings with the BDA. The City also engaged Jan Gehl to assist in responding to the issues raised through the design and development process.
19. At a broader level, key advisory appointments by the BDA provide for issues of concern to the City to be addressed through the ongoing design development and review processes. These include:
- (a) appointment of Johnson Pilton Walker, in conjunction with Peter Walker & Partners Landscape Architecture (San Francisco), for the detailed design of the Headland and the Northern Cove and preparation of Public Domain Design Guidelines and an Outline Design for the whole site (including the Lend Lease development); and
 - (b) current discussions between the BDA and Jan Gehl regarding a direct appointment as an advisor to ensure that the public domain is vibrant and human scale.
20. There are a number of areas which require progress by the City to guide and optimise the Barangaroo design development and implementation process. Key priorities are:
- (a) a Cultural Infrastructure Plan, including priorities; and

- (b) the Harbour Village North Plan, being a local plan for Millers Point, Dawes Point, Walsh Bay and Barangaroo, to ensure Barangaroo is integrated in the local area and which will identify any key needs for the Barangaroo site.
21. The City proposes to seek the establishment of a series of joint working groups with the BDA and Lend Lease on key issues including transport, sustainability, community and cultural issues.
 22. It is proposed that the City seeks endorsement from the Minister for Planning for the Central Sydney Planning Committee (CSPC) to be consent authority for subsequent Project Applications. The CSPC is the appropriate consent authority because State and Council representation provides the required expertise and ensures integrations with City public domain requirements. Applications would be assessed within the Minister's approved Concept Plan, but at a more comprehensive, consultative, local level than the Environmental Planning and Assessment Act, Part 3A process provides.

BUDGET IMPLICATIONS

23. The City will need to contribute to the planning for this precinct, including a plan for the development of a Cultural Infrastructure and a Harbour Village North.
24. To ensure adequate resources are available, appropriate provisions will be included in the draft Corporate Plan 2011-2014 and 2010/11 Budgets for Council's consideration.

RELEVANT LEGISLATION

25. The Barangaroo redevelopment is identified as a State Significant project under Part 3A of the Environmental Planning and Assessment Act and the Minister for Planning is the approval authority.

CRITICAL DATES / TIME FRAMES

26. City of Sydney staff are finalising a submission on the draft Director General Requirements provided for assessment of the proposed amendments to the Concept Plan amendments and five project applications

PUBLIC CONSULTATION

27. The BDA is hosting a public display at Barangaroo between 24 February and the 20 March 2010. It provides details of the Lend Lease Stage 1 Development Concept and the approved Concept Plan modification for Headland Park and the Northern Cove.
28. As part of the formal review of development proposals, the City has been engaged in a number of technical evaluation panels reviewing the development proposals. City representatives were members of the technical advisory panels reviewing design, transport, sustainability, community, marketing and communications.

29. Representatives from the Department of Planning, relevant government agencies and the City are part of the Barangaroo Planning Development Reference Group established in March 2010. The Barangaroo Planning Reference Group has been set up to ensure a cooperative, coordinated approach to the planning approval process and facilitate timely delivery of determinations.

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