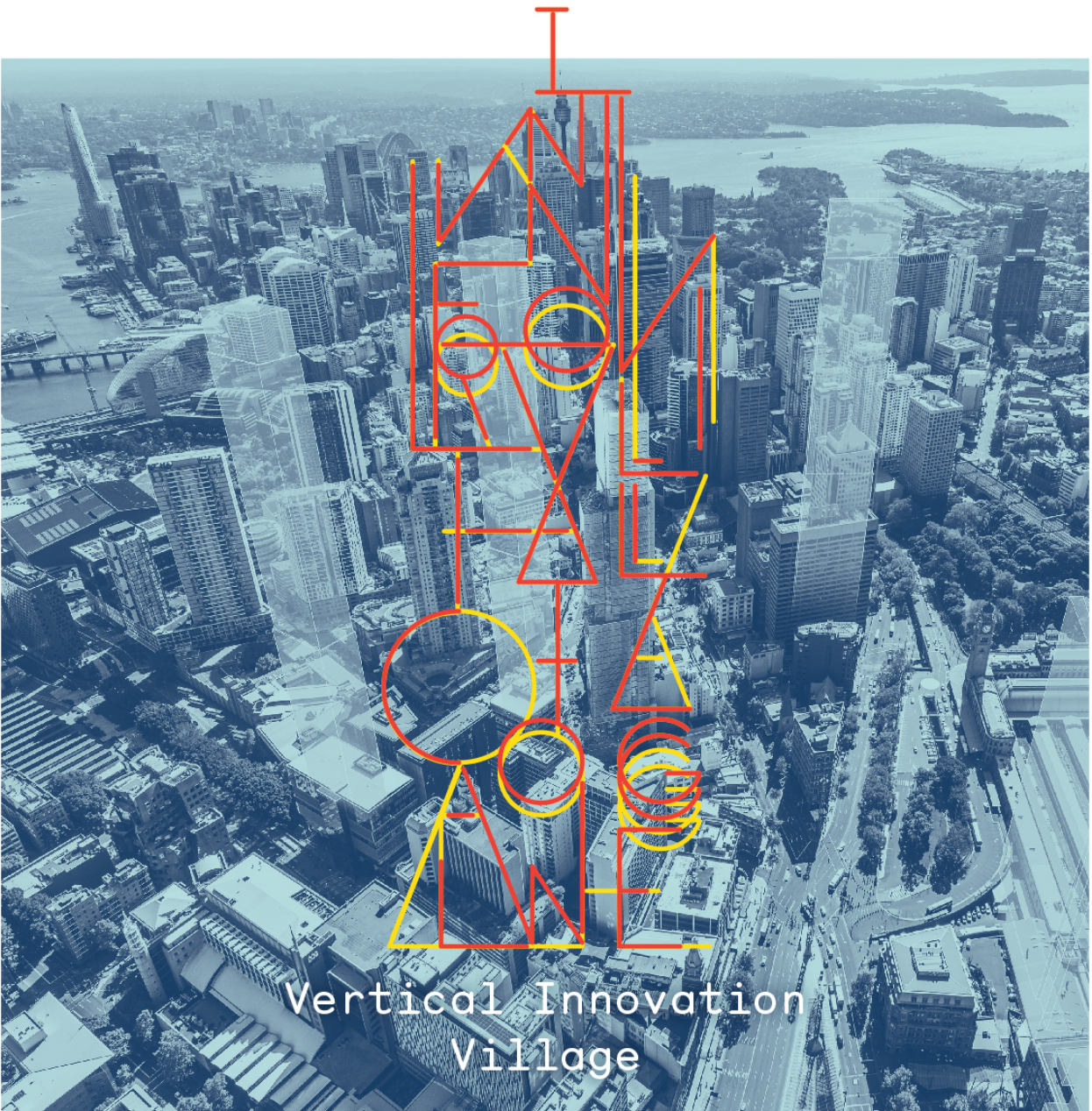


187 THOMAS PLANNING PROPOSAL



JUSTIFICATION REPORT
Part B: Planning
APRIL 2020

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Glossary

AHD	Australian Height Datum
Amended Draft CSPA	Draft Central Sydney Planning Strategy 2016 – 2036 (2019)
ASS	Acid Sulfate Soils
Base case	Building envelope which complies with Sydney DCP 2012 setback, separation and tapering controls
CPTED	Crime Prevention Through Environmental Design
CSPC	Central Sydney Planning Committee
DA	Development Application
DAP	Design Advisory Panel
DCP	Development Control Plan
DPIE	Department of Planning, Industry and Environment
ECSMP	Environmental, Construction and Site Management Plan
EIA	Economic Impact Assessment
Endorsed Draft CSPA	Draft Central Sydney Planning Strategy 2016 – 2036 (2016)
EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>
EP&A Regulation	<i>Environmental Planning and Assessment Regulation 2000</i>
FTE	Full time equivalent jobs
GSC	Greater Sydney Commission
Greaton	Greaton Development Pty Ltd
GRP	Gross Regional Product
Guideline	Draft Guideline for Site Specific Planning Proposals in Central Sydney
HIS	Heritage Impact Statement
LEP	Local Environmental Plan
NABERS	National Australian Built Environment Rating System
OLS	Obstacle Limitation Surface
PP	Planning Proposal
REP	Regional Environmental Plan
RL	Relative Level
RMS	Roads and Maritime Services
SEPP	State Environmental Planning Policy
SVF	Sky view factor
Sky view factor	Sky view factor means the extent of sky observed above a point as a proportion of the total possible sky hemisphere above the point
the City	City of Sydney Council
VPA	Voluntary Planning Agreement

Executive Summary

Introduction

The City of Sydney's *Draft Central Sydney Planning Strategy 2016 – 2036* (Endorsed CSPA) sets the City's planning vision for how Sydney will grow into the future and includes aims, objectives and actions to promote Central Sydney's role as the State and nation's economic, cultural and social engine. It is intended to unlock economic opportunities and investment in jobs, and support public improvements that make Sydney an attractive place for business, workers, residents and visitors. Notably it will unlock 2.9 million square metres of floor space, provide for over 100,000 jobs and deliver around 300-520 new affordable housing units while also delivering additional open space and essential infrastructure. These benefits are to be unlocked while ensuring innovative and world class development solutions.

Greaton Development is seeking to redevelop its property at 187 Thomas Street, Haymarket for the purposes of a 'vertical innovation village'. The proposed vertical innovation village will comprise a bold new proposition for a mixed-use building, bringing together on a single site a world-class co-working hub and fabrication laboratory for innovation and technology, a diverse range of commercial space for emerging, growing and established technology businesses, a hotel tailored to tech workers, as well as a range of retail, hospitality and service amenities to support the community working, staying and visiting the site.

The project is a transformational project in Sydney's southern CBD located at the confluence of the Harbour City as defined by the Eastern City District Plan, the State Government's Sydney Technology and Innovation Precinct and the Camperdown-Ultimo Collaboration Area. 187 Thomas forms part of the Sydney Innovation and Technology Precinct which is an emerging precinct containing knowledge intensive, creative and start-up industries.

To facilitate the redevelopment of 187 Thomas, the existing planning controls are required to be amended consistent with the intent and vision of the Endorsed Draft Central Sydney Planning Strategy, 2016 (Endorsed Draft CSPA). This report comprised Part B: Planning of a submission to the City of Sydney which seeks to amend the planning controls within the Sydney Local Environmental Plan 2012 (SLEP 2012) as they apply to 187 Thomas to allow for the realisation of the vision.

The Planning Proposal includes a Proposed DCP Envelope within which the future development of the site would be required to sit as well as two concept designs known herein as the Preferred Indicative Scheme and the Alternate Indicative Scheme. The Proposed DCP Envelope has a maximum height of RL226.80 (216.4m) and a potential volume which represents an FSR of 25:1. However, it is proposed that the overall FSR be limited to either 22:1 (21.5:1 above ground) which is represented by the Preferred Indicative Scheme (Preferred 22:1 Scheme) or 20:1 (20:1 above ground) as represented by the Alternate Indicative Scheme (Alternate 20:1 Scheme). Both concept designs fit wholly within the Proposed DCP Envelope. The Proposed DCP Envelope therefore provides an architectural articulation zone to allow for design innovation at the architectural design competition stage.



The Vision

The vision for 187 Thomas is to establish a community of innovators who recognise the potential and possibility presented by leveraging future technologies. The integrated vertical innovation village will be a home for people and businesses working in technology-driven growth industries, offering a mix of spaces, services and equipment to encourage convergence, collaboration and cross-disciplinary research and development. More than just a workplace, it will be an inclusive and energetic destination, anchored by Sydney's first publicly accessible technology fabrication lab, and complemented by a mix of practical and lifestyle amenity. It will be a place that nurtures talent and scales up new ideas by offering a variety of workspaces, tools and equipment, skills, knowledge and support, for a like-minded community.

The project will comprise an integrated community and destination for the innovation and technology sectors with the proposed mixed use building to accommodate up to approximately 51,700m² of floor space bringing together the following integrated and complementary uses:

- Tech workshop with shared equipment, facilities and services (including education, support, programming, safety management and training)
- Co-working space for the innovation industries that utilise provided technology and equipment, that changes in space and floor plate design to accommodate growing businesses
- Commercial floor space for the corporate technology sector
- Hotel that caters to the technology sector and public, and
- Retail/hospitality/public space/cultural space.

Proposed DCP Envelope and Indicative Schemes

Following a detailed site analysis and the identification of site opportunities and constraints, key urban design principles have been formulated to guide the future development at 187 Thomas and ultimately the design excellence process. These include:

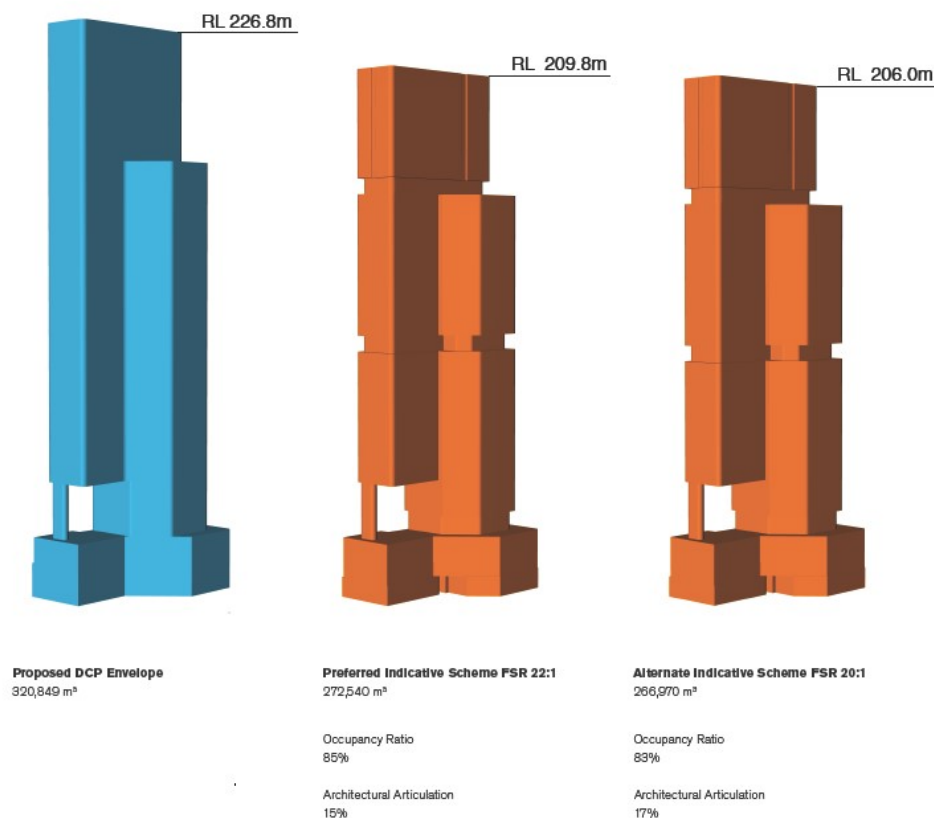
- Minimisation of daylight and shadowing
- Protection of heritage items and views
- Minimisation of wind impacts
- Orientation of CBD views
- Recognise relationship to neighbouring buildings including in particular the residential development immediately to the east

- Vary massing to break down bulk, height and scale
- Ensure consistent street wall heights
- Provide variety and flexibility in commercial and innovation floor plates
- Integrated and shared use and management of innovation and hotel facilities
- Core locations to optimise the layout of the podium and tower floorplates.

The Proposed DCP Envelope is intended to set the physical parameters within which the future detailed building design will be constrained. It provides a degree of flexibility for the design development process to facilitate future design excellence and encourage an innovative design response. The Proposed DCP Envelope is not intended to be completely filled by the future design rather it is proposed that within this envelope any future design would be controlled via a maximum FSR.

The Proposed DCP Envelope then has a maximum height of RL226.80 (216.4m) and a potential volume which represents an FSR of 25:1, with the future total development to be limited to an FSR as specified.

This Planning Proposal presents two (2) potential indicative schemes each within the Proposed DCP Envelope which has been determined based on site specific environmental considerations. The two indicative schemes are referred to herein as the Preferred Indicative Scheme (Preferred 22:1 Scheme) with a maximum FSR of 22:1 (21.5 above ground) and the Alternate Indicative Scheme (Alternate 20:1 Scheme) with a maximum FSR of 20:1 (20:1 above ground). Both schemes fit wholly within the verified Proposed DCP Envelope.



To assess the maximum potential environmental impacts and benefits of the Planning Proposal this report assesses the impacts of the larger Preferred 22:1 Scheme. As the Alternate 20:1 Scheme is smaller and fits wholly within the envelope of the Preferred 22:1 Scheme the identified potential environmental impacts and benefits are equally applicable albeit that they would be either the same or reduced.

The proposal is perfectly aligned with key applicable strategic documents and plans (including A Metropolis of Three Cities, Eastern City District Plan and the Camperdown to Ultimo Collaboration Precinct) which indicate that:

- there is a shortage of, and limited capacity for, additional employment floor space (including large floor plate commercial) in the southern CBD
- a historical shortage of large floor plate commercial exists in the southern CBD area
- there is significant demand for, and political will, to establish a technology and innovation precinct in the southern part of the CBD extending from Central to Eveleigh although planning for this is in its infancy, and
- the Greater Sydney Commission's key priority for the Camperdown to Ultimo Collaboration Precinct, in which the site is located, is to support the Area's vitality and economic growth. Issues to be addressed in the precinct include the loss of employment space for health, education, research, innovation and creative sectors, and the need for a global vision, brand and greater collaboration in the area.

187 Thomas has locational and site-specific advantages that will allow a future tech hub and innovation precinct to flourish and succeed. It represents a one-off opportunity to create an 'exemplar' development that future facilities (including the Central to Eveleigh Innovation Precinct) can learn from and leverage off. It is well located in terms of public transport, provides high amenity, is co-located in close proximity to the University of Technology Sydney and is ready to develop. Most significantly it offers the opportunity to 'kick start' the delivery of a successful Innovation Precinct in the southern CBD.

Design Excellence

The Proposal has been informed by feedback from the City's Design Advisory Panel (DAP) and includes a Proposed DCP Envelope that embeds key urban design principles into the site specific controls for the site thus ensuring further design excellence. The proposal also includes a commitment to undertake a full invited architectural design competition in accordance with City's *Competitive Design Policy*. A design excellence strategy has also been prepared in accordance with the City's requirements and will guide the future design of development on site including providing for sustainability at the highest level.

Environmental Assessment

This Justification Report: Part B Planning is supported by a range of technical assessment which have examined both the strategic and site-specific merits of the Planning Proposal and the two indicative schemes. The assessment concludes that the Planning Proposal will not give rise to any unreasonable impacts such as overshadowing of public spaces, wind impacts, heritage impacts, visual impacts, or traffic/parking/access impacts. Further it will deliver significant economic and social benefits for Sydney and the State.

Conclusion

187 Thomas is set to become an exemplar community of innovators who recognise the potential and possibility presented by leveraging future technologies. In the form of an integrated Vertical Innovation Village it will be a new home for people and businesses working in technology-driven growth industries, offering a mix of spaces, services and equipment to encourage convergence, collaboration and cross-disciplinary research and development.

More than just a workplace, it will be an inclusive and energetic destination, anchored by Sydney's first publicly accessible technology fabrication lab, and complemented by a mix of practical and lifestyle amenity. It will be a place that nurtures talent and scales up new ideas by offering a variety of workspaces, tools and equipment, skills, knowledge and support, for a like-minded community.

The future 187 Thomas will improve the urban amenity of the built environment through the provision of better public spaces, mixed-use development, high quality streetscapes and activation of the urban realm. It will stimulate land values and catalyse higher value land uses across the precinct such as retail, commercial, food and entertainment attractions.

During construction the Proposal will deliver in the order of an estimated increase in economic activity of \$452 million (including \$269.6 million in direct activity) and 1,136 FTE jobs (583 FTE directly employed in construction activity). In addition to output each year (direct, indirect and induced impacts) once complete the project will support 2,576 additional jobs directly related to activity and direct tourism spend and a further 2,586 jobs across the CBD South area (total of 5,162 jobs) with a total estimated value of \$1,776.7 million (including \$906 million in direct activity) in addition output each year (direct, indirect and induced impacts). Further research indicates that for every job that is created within an innovation precinct, over the long term a further five are created elsewhere in the economy through subsequent growth and clustering, and technology adoption alongside traditional economic expenditure multipliers of industry purchases and household expenditure.

To capture the opportunity and significant benefits offered by the Proposal it is essential that the existing planning controls applying to the site be amended to facilitate development of the site in line with the vision outlined herein. The proposal aligns with the City and State government objectives, strategies and initiatives and is uniquely positioned to deliver significant economic, social and public domain benefits. Accordingly the City's support is sought to progress the Planning Proposal to bring this innovative vision to reality.

1. INTRODUCTION

This Justification Report is submitted to the City of Sydney (the City), and Central Sydney Planning Committee (CSPC) as the Relevant Planning Authority (RPA), to request an amendment to Sydney Local Environmental Plan 2012 (SLEP 2012) as it relates to land at 187 Thomas Street, Haymarket. The subject site as illustrated in Figure 1 below comprises land legally known as Lot 100 in Deposited Plan 804958.



Figure 1: Site plan (Source: FJMT)

This Report explains the extent of, and justification for, proposed amendments to SLEP 2012 as it applies to land at 187 Thomas Street, Haymarket as provided for under the Endorsed Draft Central Sydney Planning Strategy 2016 – 2036 (2016) (Endorsed Draft CSPA). The Draft CSPA was endorsed by the City and the Central Sydney Planning Committee (CSPC) in July 2016 and seeks to unlock economic opportunities and investment in jobs, and support public improvements that make Sydney an attractive place for business, workers, residents and visitors.

The Endorsed Draft CSPA provides a framework for the subject site specific Planning Proposal which seeks to change the existing planning controls applying to the site to provide for the development of a vertical innovation village at 187 Thomas Street, Haymarket. The project will comprise an integrated community and destination for the innovation and technology sectors with the proposed mixed use building to accommodate up to approximately 51,700m² of floor space bringing together the following integrated and complementary uses:

- Tech workshop with shared equipment, facilities and services (including education, support, programming, safety management and training)
- Co-working space for the innovation industries that utilise provided technology and equipment, that changes in space and floor plate design to accommodate growing businesses
- Commercial floor space for the corporate technology sector
- Hotel that caters to the technology sector and public, and
- Retail/hospitality/public space/cultural space.



Figure 2: Vertical Innovation Village (Source: FJMT)

This report comprises Part B of a three part Justification Report to support the Planning Proposal request comprising:

Part A: Value Proposition and Vision prepared by Left Bank Co. and which outlines the research and market analysis, value proposition and vision on which this proposal is founded

Part B: Planning (this report) prepared by MG Planning Pty Ltd to set out the planning justification for the proposed LEP and DCP amendments and future development, and

Part C: Urban Design prepared by FJMT to outline the key urban design analysis which has been undertaken to inform the proposed building envelope and design concept.

The Justification Report has been prepared on behalf of the proponent and owner of the land Greateon Development.

This report has been prepared in accordance with section 3.33 of the *Environmental Planning and Assessment Act 1979* (the Act) and the relevant Department of Planning, Industry and Environment Guidelines, including *A Guide to Preparing Local Environmental Plans* and *A Guide to Preparing Planning Proposals*. In particular, it addresses the following matters as required by the Guidelines:

- Part 1 – Objectives and intended outcomes
- Part 2 – Explanation of provisions
- Part 3 – Justification
 - Need for the Planning Proposal
 - Relationship to strategic planning framework
 - Environmental, social and economic impact

- State and Commonwealth interests
- Part 4 – Mapping, and
- Part 5 – Community Consultation.

It has also been prepared in accordance with the requirements of the Endorsed Draft CSPA and the City's *Draft Guideline for Site Specific Planning Proposals in Central Sydney* (undated) as outlined below.

1.1 Background

In July 2016 the City and Central Sydney Planning Committee (CSPC) endorsed the Draft CSPA and supporting documents for public exhibition pending receipt of a Gateway determination. At the same time the City and the CSPC endorsed the aims of the proposed strategy as matters to be addressed in any planning proposal for a site in Central Sydney that seeks to amend SLEP 2012. A request for a gateway determination for the Central Sydney Planning Proposal, supported by the Endorsed Draft CSPA was submitted to the Department of Planning, Industry and Environment (the Department) in August 2016 however a gateway determination was not issued. The City and the CSPC however endorsed the aims of the Strategy as matters to be addressed in any planning proposal.

Notwithstanding that a gateway approval has not been issued for the original Central Sydney Planning Proposal (consistent with the Endorsed Draft CSPA) a Planning Proposal for 4-6 Bligh Street, Sydney has proceeded consistent with the Endorsed Draft CSPA. An amendment to SLEP 2012 has been made for this land utilising the Endorsed Draft CSPA. Further on 20 October 2017 the Department wrote to the City advising that it continued to be free to consider individual planning proposals as is provided for under the *Environmental Planning and Assessment Act 1979* notwithstanding that the Endorsed Draft CSPA had not received gateway determination.

In August 2018 Greaton Development, the owner of 187 Thomas Street, initiated discussions with the City in relation to a potential planning proposal for its site seeking to provide for an increase in development potential in line with the City's Endorsed Draft CSPA. The City indicated a willingness to consider a planning proposal in respect of the site and has been collaboratively working with the applicant on the project since that time.

On 8 December 2019, the NSW Minister for Planning and Public Spaces announced the Government's in-principle support for the Endorsed Draft CSPA subject to three key amendments. The three amendments proposed by the NSW Government (and agreed by the City in principle) were to:

- Allow for up to 50% more floor space for development in the four tower cluster areas (near Barangaroo, Circular Quay, Central and Town Hall) that demonstrate design excellence
- Encourage more office space in the CBD by removing the residential accommodation bonus instead of implementing a proposed 50% cap on residential accommodation, and
- Prepare a new development contributions plan to help fund the delivery of new public infrastructure to ensure the City retains its valued public and green spaces.

An Amended Draft CSPA in line with the above agreement was considered by the City at its meeting of 10 February 2020 and a Gateway Determination was issued for an amended Planning Proposal by the Department on 11 March 2020. It is therefore understood that exhibition of the Planning Proposal is imminent although has not occurred at the time of writing.

Notwithstanding the Amended Draft CSPA, the subject Planning Proposal Justification Report has been prepared as advised by the City in accordance with the Endorsed Draft CSPA as outlined below.

Wherever possible however, the Planning Proposal is also consistent with the detail and intent of the Amended Draft CSPA as available on the City's website.

1.2 Endorsed Draft Central Sydney Planning Strategy

The Endorsed Draft Central Sydney Planning Strategy (Endorsed Draft CSPA) is a 20-year growth strategy that proposes to revise previous planning controls and deliver on the City of Sydney's *Sustainable Sydney 2030* program for a green, global and connected city and the NSW Government's *Greater Sydney Region Plan: A Metropolis of Three Cities*.

It seeks to use the City's existing successful planning controls to ensure that Central Sydney can continue to grow in the service of its workers, residents and visitors. Its intent is to ensure that Central Sydney is well positioned to contribute to metropolitan Sydney being a globally competitive and innovative city, recognised internationally for its social and cultural life, liveability and natural environment.

The Endorsed Draft CSPA builds on past strategies adapting to current needs, with a clear plan for action and implementation that recognises Central Sydney's role in metropolitan Sydney, New South Wales and Australia, and the need for it to maintain and grow its status as a global city with a dynamic economy and high quality of life.

It is underpinned by 9 aims including:

- a) promoting sustainable buildings with great design and architecture
- b) creating opportunities for beautiful parks and places
- c) enabling the protection and adaption of our heritage
- d) ensuring a resilient and diverse economy
- e) promoting efficient and effective transportation
- f) making efficient use of land
- g) supporting great streets
- h) delivering a city for people, and
- i) ensuring strong community and service infrastructure accompanies growth.

It seeks to unlock around 2.9 million square metres of floor space along with potentially over 100,000 jobs and around 300-520 new affordable housing units with the City working collaboratively with industry and the community to deliver additional open space and essential infrastructure. This is all to be achieved whilst protecting sun access, public views and the heritage that make Sydney an attractive global city. The Endorsed Draft CSPA provides growth opportunities targeting employment floor space and income generating uses with the nine aims to be achieved through the following 10 key moves:

- 1. prioritising employment growth and increased employment capacity by implementing genuine mixed-use controls and lifting height limits along the western edge
- 2. ensuring development responds to its context by providing minimum setbacks for outlook, daylight and wind
- 3. consolidating and simplifying planning controls by integrating disconnected precincts back into the city, unifying planning functions and streamlining administrative processes
- 4. providing for employment growth in new tower clusters
- 5. ensuring infrastructure keeps pace with growth to sustain a resilient city with a strong community, economy and high standard of living
- 6. moving towards a more sustainable city with planning controls that require best practice energy and water standards and for growth sites to drive zero-net energy outcomes
- 7. protecting, enhancing and expanding Central Sydney's heritage and public places

8. moving people more easily by prioritising streets for walking and cycling and expanding the pedestrian and open space network
9. reaffirming commitment to design excellence by continuing to work in partnership with community and industry to deliver collaborative, iterative and tailored solutions, and
10. monitoring outcomes and responding to issues that arise to ensure the Strategy's ongoing success.

The Endorsed Draft CSPA is supported by the *Central Sydney Planning Proposal* and *Draft Sydney DCP 2012 – Central Sydney Planning Review Amendment* (Draft Sydney DCP 2012) and provides a framework for considering site specific planning proposal in the form of the *Draft Guideline for Site Specific Planning Proposals in Central Sydney* (Guideline). The Guideline limits the growth opportunities unlocked by the Strategy to employment floor space and promotes the efficient use of land. It provides for the delivery of cultural, social and essential infrastructure and improved public spaces that support growth.

In addition the Strategy outlines a methodology for determining a possible maximum building envelope as well as the minimum submission requirements for a site specific rezoning request including requirements for:

- community infrastructure contributions
- using land efficiently
- footpath pedestrian capacity testing, and
- site testing.

The key mechanism proposed by the Strategy is to remove numeric height and FSR controls and to instead apply controls based on environmental considerations including solar access, wind, sky view / daylight analysis etc.

The Guideline outlines matters for consideration in determining if a site specific planning proposal request has strategic merit and provides a streamlined pathway for the consideration of planning proposals to promote the planning and land use principles of the NSW Government's *Greater Sydney Region Plan* and *Eastern City District Plan* and the City's *Sustainable Sydney 2030* program, and to increase public confidence in local planning decisions by providing transparency, consistency and certainty as to process and outcomes.

Accordingly this Planning Proposal request has been prepared having regard to, and in accordance with, the Endorsed Draft CSPA and Guideline and aims to deliver an uplift in development yield to provide additional employment floor space and jobs within Haymarket Precinct of the Sydney CBD.

1.3 Proposal

Note: for the purposes of this Planning Proposal the following terms are used to refer to the proposal and its key components:

Alternate Indicative Scheme (Alternate 20:1 Scheme) – alternate concept design which proposes maximum FSR of 20:1 (20:1 above ground)

Hybrid Tower – proposed tower building comprising a mix of commercial uses physically and functionally connected.

Innovation Tech Hub – innovation space for the tech sector within the podium levels of the building sharing facilities and services with the tech hotel

Preferred Indicative Scheme (Preferred 22:1 Scheme) – preferred concept design which proposes maximum FSR of 22:1 (21.5: above ground)

Proposed DCP Envelope – proposed building envelope which complies with Draft Sydney DCP 2012 Schedule 11 equivalency or better testing for Daylight / Skyview factor and wind analysis

Vertical Innovation Village – overall proposal comprising an integrated community and destination for the innovation and technology sectors including an innovation tech hub, tech hotel, commercial offices for the corporate tech sector, shared facilities and services etc.

This Proposal seeks to amend planning controls applying to 187 Thomas to allow a future development that will comprise an integrated community and destination for the innovation and technology sectors in the form of a vertical innovation village with an estimated commercial GFA for technology and associated uses of up to 51,700m².

187 Thomas is ideally suited to the proposed use being strategically located within the identified Haymarket Activity Node and Camperdown-Ultimo Collaboration Area and at the point of confluence between the health, education and research axis along Parramatta Road and Broadway, the information, communications and technology cluster of Ultimo and Pyrmont, the financial and professional heart of the city through the CBD, and the creative and design district across Surry Hills, Chippendale and Eveleigh. Its development as proposed will support both the State government and City of Sydney vision for the growth of the collaboration area as an innovation district.

The vision for 187 Thomas is to establish a community of innovators who recognise the potential and possibility presented by leveraging future technologies. The integrated vertical innovation village will be a home for people and businesses working in technology-driven growth industries, offering a mix of spaces, services and equipment to encourage convergence, collaboration and cross-disciplinary research and development. More than just a workplace, it will be an inclusive and energetic destination, anchored by Sydney's first publicly accessible technology fabrication lab, and complemented by a mix of practical and lifestyle amenity. It will be a place that nurtures talent and scales up new ideas by offering a variety of workspaces, tools and equipment, skills, knowledge and support, for a like-minded community.

The proposed vertical innovation village will comprise a bold new proposition for a mixed-use building, bringing together on a single site a world-class co-working hub and fabrication laboratory for innovation and technology, a diverse range of commercial space for emerging, growing and established technology businesses, a hotel tailored to tech workers, as well as a range of retail, hospitality and service amenities to support the community working, staying and visiting the site.

Within a hybrid tower it is intended that the concept will deliver up to approximately 51,700m² of commercial GFA representing an investment of in the order of \$539.1 million and delivering around 1,357 jobs on site. The hybrid tower will comprise flexible interconnected floorplates of approximately: 1000m² on the ground level; 1,700m² within the podium; 610 - 760m² within the void tower; 1,200m² within the low and high rise tower; and 900m² GFA within the sky rise tower thereby catering to the full range of enterprises within the sector.

As outlined in section 4 of this report, this Planning Proposal presents two (2) potential indicative schemes each within a consistent Proposed DCP Envelope which has been determined based on site specific environmental considerations. The two indicative schemes are referred to herein as the Preferred Indicative Scheme (Preferred 22:1 Scheme) with a maximum FSR of 22:1 (21.5 above ground) and the Alternate Indicative Scheme (Alternate 20:1 Scheme) with a maximum FSR of 20:1 (20:1 above ground). Both schemes fit wholly within the verified Proposed DCP Envelope.

To assess the maximum potential environmental impacts and benefits of the Planning Proposal this report assesses the impacts of the larger Preferred 22:1 Scheme. As the Alternate 20:1 Scheme is smaller and fits wholly within the envelope of the Preferred 22:1 Scheme the identified potential environmental impacts and benefits are equally applicable albeit that they would be either the same or reduced. Section 9 of this report (and the relevant specialist reports provided as Appendices) therefore focuses on the Preferred 22:1 Scheme.

Key components of the Preferred 22:1 Scheme for the hybrid tower therefore include:

- Innovation Tech Hub (approximately 7,400m² GFA) within the basement, podium and void tower with lobby off Valentine Street including:
 - tech workshop with shared equipment, facilities and services (including education, business support, programming, safety management and training)
 - co-working space for the innovation industries that utilise provided technology and equipment, that changes in space and floor plate design to accommodate growing businesses, and
 - terrace on Level 4 of the Void Tower providing an indoor / outdoor workspace
 - facilities and services shared with the tech hotel.
- Commercial office space (approximately 33,100m² GFA) for the corporate tech sector within the low and high rise tower with lobby off Quay Street
- 4 star Tech Hotel (approximately 11,000m² GFA / 234 keys with 26 rooms per floor) within the sky rise tower with sky lobby, pool and bar with drop off and lobby off Thomas Street
- Meeting, forum, gym, pool, hospitality and other spaces integrated throughout the building and shared (and co-managed) between the innovation hub, commercial tenancies and tech hotel
- A retail offering of approximately 200m² GFA, including food and beverage which will be located on the ground level
- Upgraded (and widened) through site connection connecting Thomas Street to the west with George Street to the east via an activated retail arcade connection
- Redeveloped public space on Thomas, Quay and Valentine Street including an expanded pedestrian plaza at the corner of Thomas and Quay Streets and widening of the Valentine Street footpath
- Integration with the proposed Quay Street public domain works to accommodate increased pedestrian movement from existing and future pedestrian connections to various modes of transport, and
- Five (5) basement levels beneath the building with access off Thomas Street in the north west of the site.

The proposed basement levels would provide:

- Reduced car park provision totalling 79 car parking spaces (including 23 small car spaces, 2 car share spaces and 1 electric charging station)
- 14 motorbike parking spaces
- 382 bicycle parking spaces for staff and visitors as well as end of trip (EoT) facilities
- Hotel back of house areas
- loading dock and waste storage room, and
- plant and equipment areas.

It should be noted that while the Preferred 22:1 Scheme (21.50 above ground) and Alternate 20:1 Scheme (20:1 above ground) represents two possible designs for the proposed hybrid tower, the project will be subject to a full competitive design process in accordance with the requirements of SLEP 2012.

The Proposal also includes a public benefit offer representing a community public benefit infrastructure contribution of between \$15.53 and \$18.34 million in accordance with the City's *Draft Guideline for Site Specific Planning Proposals in Central Sydney* (undated). A Voluntary Planning Agreement will be entered into in accordance with the offer subject to agreement with the City.

1.4 Vision and Value Proposition

As outlined in **Part A of this Justification Report: Value Proposition and Vision** prepared by Left Bank Co. the vision for 187 Thomas Street is to create:

A place of possibilities

Our vision for 187 Thomas Street, Haymarket, is to establish a community of innovators who recognise the potential and possibility presented by leveraging future technologies. This integrated Vertical Innovation Village is a home for people and businesses working in technology-driven growth industries, offering a mix of spaces, services and equipment to encourage convergence, collaboration and cross-disciplinary research and development.

More than just a workplace, it is an inclusive and energetic destination, anchored by Sydney's first publicly accessible technology fabrication lab, and complemented by a mix of practical and lifestyle amenity. It is a place that nurtures talent and scales up new ideas by offering a variety of workspaces, tools and equipment, skills, knowledge and support, for a like-minded community.

The Project Principles are to create a space that is:

Cool & Curated

A truly cool place that offers a mix of spaces and services that create a desirable destination, enticing people to want to work there, stay there, spend time there and make sure they are seen there. To be successful, it must attract the early adopters and early majority by creating an entirely unique and meaningful experience that cannot be found elsewhere.

A desirable offer is delivered by curating a place with outstanding design; great business operators with excellent goods, products and services; and a genuine and meaningful approach to innovation and technology.

Attainable

A place that knows affordability is a critical prerequisite for fostering a culture of innovation and technological advances, and that commits to delivering a variety of space and services below market rates to meet industry expectations.

An attainable offer is achieved through affordable rental rates for a portion of workspaces; competitive low-cost fees for programs and memberships; competitive market rates for accommodation; and low-price points for retail and hospitality offers.

Cultural Inclusion

A place that recognises and reflects its local community and context, and that builds upon the roots of its visionary founder, by embracing a contemporary Asian sensibility.

Connects with diverse contemporary cultures, aesthetics and tastes through the mix of design and interior styling; goods and service provision; and the programming and activation of an inclusive environment where people feel they can be part of their community.

Flexible & Adaptive

A place that is designed to embrace and nurture the flexibility of today's digital nomads, and to adapt and transform around its user's needs, now and into the future.

Flexibility is created by providing workers and businesses with a range of options to suit evolving needs; designing commercial floorplates with capacity to change configurations and size; offering endless options for communal work and meeting space to get outside of fixed walls; and attracting operators whose businesses can transform for different purposes at different times of the day.

Part A of this Justification Report: Value Proposition and Vision outlines the research and consultation that has guided the formulation of the Proposal in addition to illustrating the key features of the proposed hybrid tower concept which will ensure the project achieves a truly integrated outcome. It notes that the communal public uses are purposefully distributed throughout the building to enhance shared access, while the ground and lower levels are dedicated to highly activated public activity. The design of these lower levels has been considered to encourage circulation, destination appeal and a confluence of uses that will bring people together.

The report identifies the critical success factor for the project as:

- Creating an amazing technology-driven community for the innovation and technology sector to work, stay and play.
- Strengthening Sydney's innovation and technology sector.
- Supporting tech businesses to move from early ideation and start-ups, through the ramp up phase and to a point of sustainability.
- Attracting leaders in the innovation and technology sector to provide support and growth opportunities for small business, and to ensure the credibility and sustainability of the site.
- Ensuring the sustainability of the Innovation Tech Hub for the long term.
- Catalysing the repositioning and regeneration of Haymarket as an invaluable connector between Central Sydney and the innovation corridor.

It further identifies precedents for the successful operation of the business model for the entirety of the Vertical Innovation Village and notes that it will require a number of operators, who work together

in harmony towards the vision for the site to be a home to the innovation and technology-driven community.

The proposed business model will include;

- Asset Ownership and Management - Greateon Development ownership and management of the overall vertical innovation village with a view to maintain and manage the long-term mix and success of the building, leasing out different components to carefully selected operators who align with the vision and have the right mix of skills and experience to run each component effectively.
- Experienced Advisory Panel - Appointment of a specialised and highly experienced Advisory Panel to guide the direction of the Vertical Innovation Village including leading representatives from across industry, academia, research and development, and will be tasked with reviewing and advising on decision making, providing recommendations, and offering sector-specific counsel to Greateon. Their advice will span a range of aspects including selecting the right operational partners; identifying suitable tenants; planning the facilities and equipment to suit sector needs; brokering partnerships and opportunities; and shaping program and professional development opportunities.
- Specialist Innovation Tech Hub Operator – A dedicated operational team, overseen by Greateon will operate the Innovation Tech Hub. There is a preference for this to be an existing tech-focused co-working operator or a social enterprise, ensuring a focus on a sustainable business model that cross-subsidises affordable and low income spaces with revenue-raising spaces, putting any profits back into the operations and upkeep of the Hub.
- Membership Based Business Model - The business model for the Innovation Tech Hub will be driven by memberships, allowing access to the co-working spaces and the fabrication lab, credits towards booking meeting, project and event spaces, and inclusion in the programs and support services on offer. Private office spaces will come at an additional cost. One-off and short-term access, as well as publicly accessible classes and hire of the venue and event spaces will generate additional revenue.

Greateon's commitment to the vision and vertical innovation village will form part of the architectural design competition process with the design competition brief to include a search for value-aligned operators.

Further detail is provided in Part A of this Justification Report.

2. SITE CONTEXT AND DESCRIPTION

2.1 Site Location

The subject site is known as 187 Thomas Street, Haymarket and is legally described as Lot 100 DP 804958 with a site area of 2351m².

The site is located within Central Sydney in the Haymarket area approximately 170m to the west of Central Railway Station and 875 m to the south west of Town Hall. It is sited at the intersection Thomas, Quay and Valentine Streets and is approximately 190m to the north east of UTS and 480m to the south east of the newly developed International Convention Centre Precinct at Darling Harbour.

187 Thomas is shown in **Error! Reference source not found.**3 – 5 below:

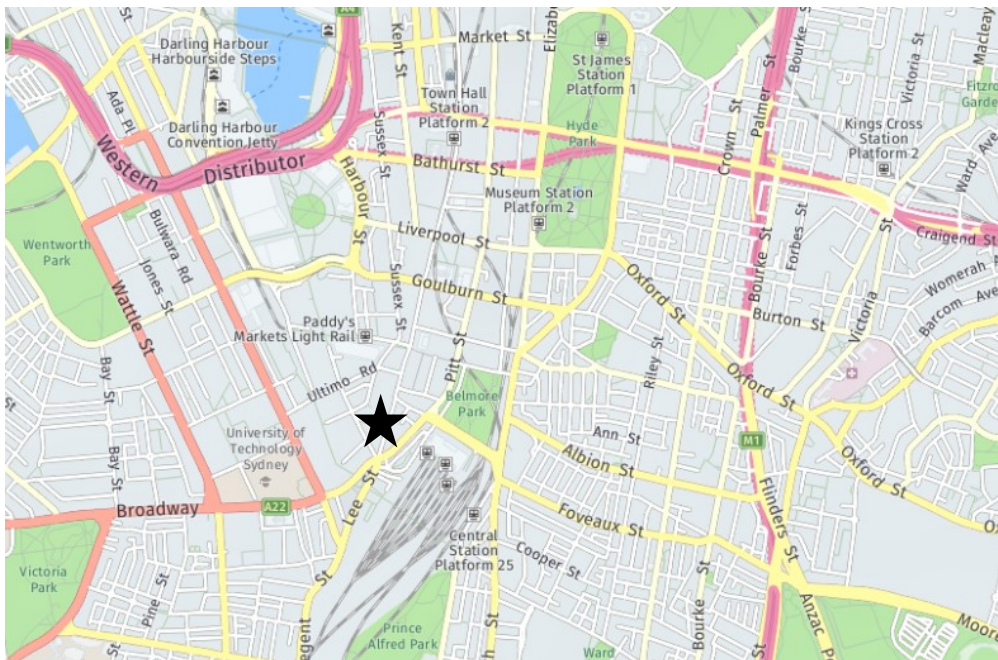


Figure 3: Site location (Source: Nearmap, Oct. 2019)

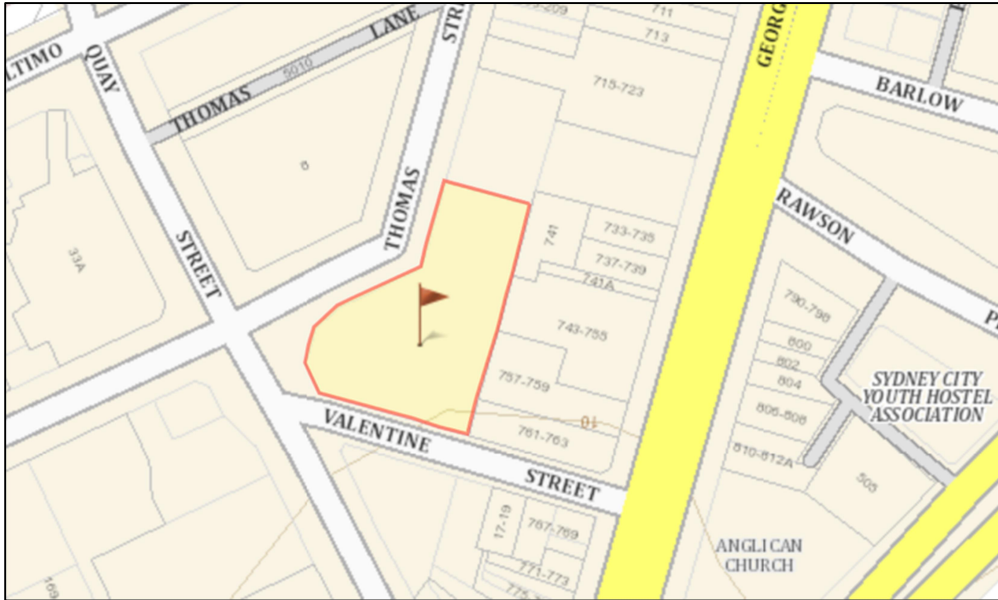


Figure 4: Site location detail (Source: SIX Maps 2019)



Figure 5: Aerial of site (Source: SIX Maps 2019)

2.2 Site Characteristics

The site has frontages to Thomas Street to the west, Quay Street to the south west and Valentine Street to the south. To the east the site is adjoined by a heritage listed building known as the former 'Sutton Forest Meat' building at 757 - 759 George Street and a 12 storey residential flat building at 743-755 George Street. To the north the site is adjoined by an 8 storey commercial building at 191-199 Thomas Street which has recently been sold.

The site has a frontage of 58.95m to Thomas Street to the west, 19.58m to Quay Street to the south west and 42.195m to Valentine Street along its southern boundary.

The site currently accommodates a circa 1986 commercial office building designed in the Post-modern architectural style. It provides 9 levels of office above ground floor retail across two tenancies and also includes basement parking for 92 cars and an auditorium annexe building. A paved courtyard / building forecourt with planter beds is located in the south western corner of the site at ground level adjacent to the intersection of Thomas, Quay and Valentine Streets. Entry to an underground commercial public car park is located off Thomas Street at the north western end of the site below the separate auditorium.

Photos of the site are provided in Photos 1 to 5 below:



Photo 1: Site viewed looking west along Valentine Street with Sutton Forest Meat building right of frame (Source: Google Streetview)



Photo 2: Site viewed looking east from Quay Street (Source: Google Streetview)



Photo 3: Site viewed looking south along Thomas Street (Source: Google Streetview)



Photo 4: Closer site view looking south along Thomas Street (Source: Google Streetview)



Photo 5: Raised forecourt on Thomas Street and car park entry (Source: Google Streetview)

2.3 Surrounding context

187 Thomas lies on the southern fringe of the Sydney CBD within the Haymarket Precinct to the west of the Central Station Precinct. Chinatown and Darling Harbour are located to the north, Surry Hills to the east, Chippendale to the west and Redfern to the south.

Major retail, dining and entertainment uses are within close proximity, including the ICC Sydney, Darling Quarter, Central Park and the Broadway Shopping Centre. Land uses across the precinct are varied and typically comprise ground floor retailing, cafés and restaurants, with upper level uses including tertiary institutions and affiliated uses, hotels of varying sizes and quality, office uses, student accommodation and some residential uses.

The area is within a significant educational precinct with the University of Technology Sydney (UTS), University of Sydney, University of Notre Dame and Sydney TAFE all in close proximity.

187 Thomas is approximately 170m to the west of Central Station, which is Sydney's busiest train station and the hub of railway services in NSW. Whilst already benefitting from excellent public transport provision, significant State Government infrastructure investment including the construction of the new Metro, and the recently completed Sydney Light Rail greatly enhance the site's accessibility.

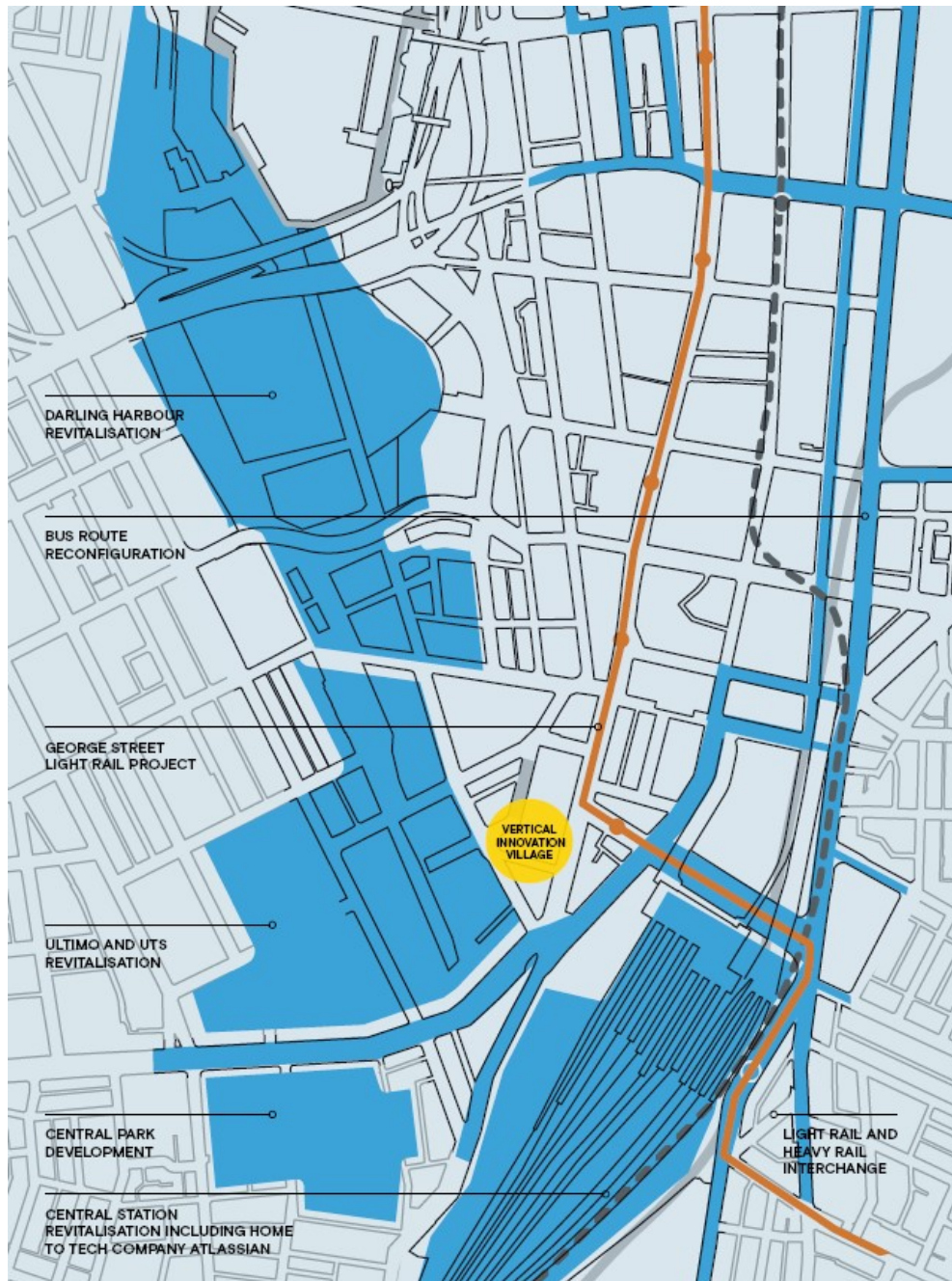


Figure 6: Surrounding context (Source: Left Bank Co.)



Figure 7: Context (Source: FJMT)

From a strategic planning view, 187 Thomas is located at the confluence of three strategic precincts:

- the Harbour City as defined by the Eastern City District Plan
- the State Government's recently announced Sydney Technology and Innovation Precinct, and
- the Camperdown-Ultimo Collaboration Area

The Greater Sydney Commission has championed Central Sydney within the Eastern City District as the place that will become more innovative and globally competitive, carving out a greater portion of knowledge-intensive jobs from the Asia Pacific Region. Within the *Eastern City District Plan*, the Camperdown to Ultimo collaboration area has been identified and defined as "...Australia's innovation and technology capital [where] industry, business, health, education and skills institutions work together, and talent, creativity, research and partnerships thrive."

Haymarket has been also identified as an 'activity node' within this collaboration area. The site therefore sits at a unique point of confluence between the health, education and research axis along Parramatta Road and Broadway, the information, communications and technology cluster of Ultimo and Pyrmont, the financial and professional heart of the city through the CBD, and the creative and design district across Surry Hills, Chippendale and Eveleigh.



Figure 8: Site at confluence of identified precincts (Source: FJMT)

187 Thomas is also located to the west of the Central State Significant Precinct (SSP) which is currently proposed for major redevelopment following the addition of the new Sydney Metro and Sydney Light Rail network. Along with this new infrastructure it is proposed to upgrade Central Station and transform the area into an innovation and technology precinct based around a key transport network. The initial stage within the Precinct is known as the “Western Gateway” and is currently the subject of a rezoning proposal by Transport for NSW to enable redevelopment for a technology and innovation precinct. Synergies therefore exist between the future Western Gateway Precinct and 187 Thomas.

Photos of surrounding development and the site’s surrounding context are provided below:



Photo 6: Thomas Street looking north showing commercial development adjoining site to north (Source: Google Streetview)



Photo 7: Development across Thomas Street and Quay Streets to the south (Source: Google Streetview)



Photo 8: Quay and Valentine Streets looking south east (Source: Google Streetview)



Photo 9: View down Valentine Street looking east showing Sutton Forest Meat building left of frame and Christ Church St Lawrence across George Street (Source: Google Streetview)

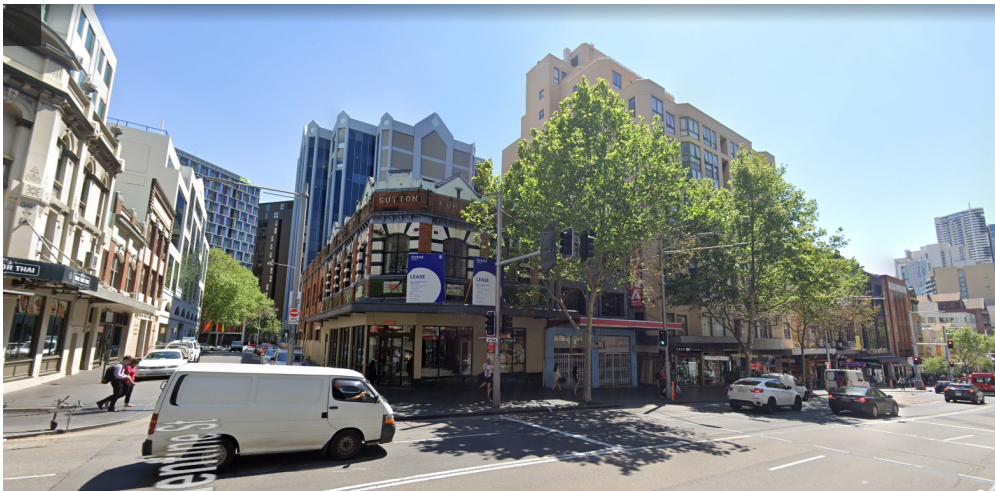


Photo 10: View looking west across George Street showing Sutton Forest Meat Building and adjacent residential building (Source: Google Streetview)

3. EXISTING PLANNING CONTROLS

3.1 Sydney Local Environmental Plan 2012

187 Thomas is zoned B8 Metropolitan Centre under the Sydney Local Environmental Plan 2012 (SLEP 2012) as shown in the extract at Figure9. It is not proposed to change the zoning as part of the subject Planning Proposal.

The objectives of the zone include supporting the pre-eminent role of business, office, retail, entertainment and tourist commensurate with Sydney’s global economic status, encouraging a diversity of compatible land uses, promoting the use of public transport, walking and cycling and providing opportunities for active street frontages. The zoning permits a broad range of uses to support the zone objectives.



Figure 9: Extract from SLEP 2012 Zoning Map

187 Thomas has a current mapped maximum floor space ratio of 7.5:1 plus a potential additional 1.5:1 for accommodation land uses in accordance with clause 6.4 of SLEP 2012 being on land known as ‘Area 4’. An extract of the floor space ratio map is provided at **Error! Reference source not found**.10.



Figure 10: Extract from SLEP 2012 FSR Map

Clause 6.4 provides that a building in Area 4 is eligible to an additional floor space 1.5:1 FSR for accommodation floor space over the maximum amount permissible on the FSR map (as shown above). Accommodation floor space is defined as including residential accommodation, serviced apartments, hotel or motel accommodation, community facilities or centre-based child care facilities. An additional bonus of 10% is also allowable under clause 6.21 Design Excellence where design excellence can be demonstrated thereby resulting in a maximum permissible FSR of 9.9:1.

The current permissible height of buildings under SLEP 2012 is 50m as shown in Figure 11 below:

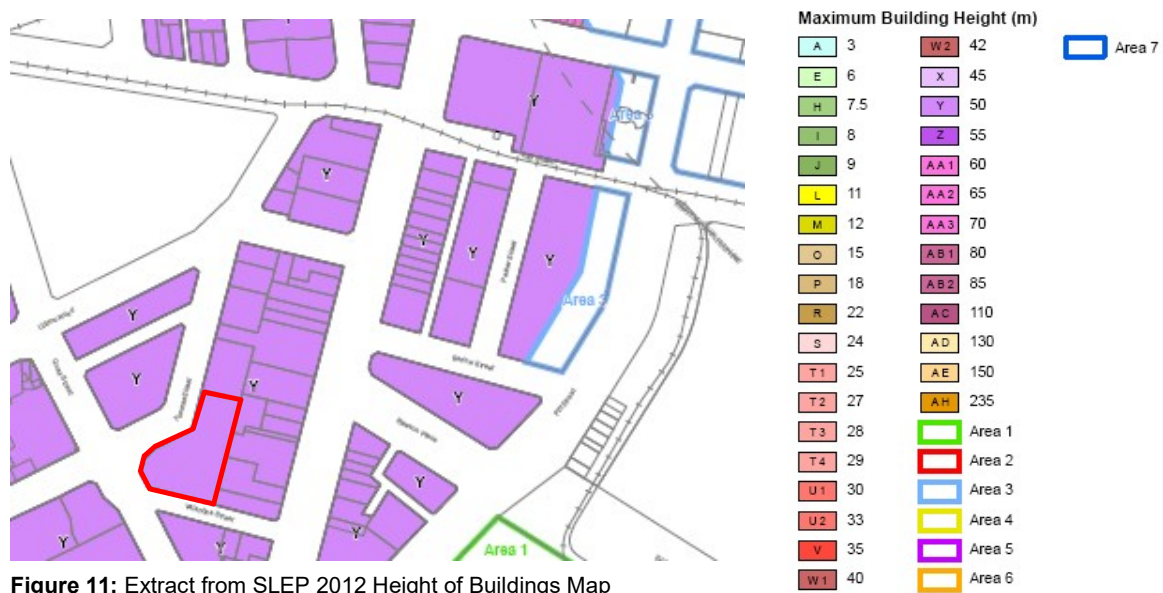


Figure 11: Extract from SLEP 2012 Height of Buildings Map

As for FSR an additional height bonus of 10% is allowable under clause 6.21 Design Excellence where design excellence can be demonstrated thereby resulting in a total maximum permissible height of 55m.

187 Thomas is immediately adjacent to a heritage item (Former commercial building 'Sutton Forest Meat' including interior) at 757 -761 George Street, Haymarket and is in close proximity to Item I844 (Commercial building group including interiors) at 767-791 George Street and Item I849 (Christ Church St Laurence group) at 814A George Street and 505 Pitt Street. It is also in the wider vicinity of a number of other heritage items as shown in Figure 12 below:

Further the site is identified as being:

- in the Central Sydney Locality for the purposes of Part 6 of the SLEP 2012
- in the Haymarket / Chinatown Special Character Area
- adjacent to Valentine Street which is a Central Sydney Lane for the purposes of clause 6.8 Opportunity Site Floor Space
- in a Category A Land Use and Transport Integration area for the purposes of Part 7 Division 1 Car Parking Ancillary to other Development Clauses 7.1 – 7.9
- in a Category D Public Transport Accessibility Level Map for the purposes of Part 7 Division 1 Car Parking Ancillary to other Development Clauses 7.1 – 7.9, and
- in an area of Class 5 Acid Sulfate Soils (clause 7.14 Acid Sulfate Soils).

187 Thomas is not affected by any sun access planes as identified under the Plan.



Figure 12: Extract from SLEP 2012 Heritage Map

3.2 Sydney Development Control Plan 2012

Sydney DCP 2012 applies to 187 Thomas and identifies that the site is within the Haymarket / Chinatown Special Character. The DCP notes that the area accommodates a number of remaining warehouses and service laneways providing evidence of its historic role as markets and its proximity to the port of Darling Harbour. The area offers evidence of its development following the establishment of Central Station in 1906 and the subsequent decline and resurgence of the area since the markets moved from the City Centre. Despite these changes, the area retains a “market” atmosphere, characterised by a diversity of uses, vibrant street life and a diverse social and ethnic mix.

As an area somewhat removed from the City Centre, the DCP notes that the Haymarket area currently retains fine grained subdivision patterns, narrow frontages, informal public spaces and generally low building heights. The consistent low street wall, and the absence of the tower form, creates a pleasant microclimate at street level, which is well sunlit and protected from winds. *Sustainable Sydney 2030* also identifies Haymarket as one of 10 Village Centres which have been identified as a focus for the City’s village communities with services and retail to generate activity into each area.

Principles for development include:

- (a) *Development must achieve and satisfy the outcomes expressed in the character statement and supporting principles.*
- (b) *Retain and enhance the urban character and scale of the Haymarket locality by requiring new buildings to:*
 - i *be built to the street alignment;*
 - ii *have street frontage heights consistent with the prevailing form of heritage items in this Special Character Area; and*
 - iii. *have building setbacks above those street frontage heights*

- (c) Maintain a high level of daylight access to the street by restricting building height and bulk*
- (d) Recognise and enhance the diversity of uses in the area*
- (e) Maintain and reinforce permeability within the area and the intricacy of the urban fabric by retaining the existing significant lanes, original street pattern, special corner treatment, small allotments and narrow frontages, and encouraging through site links*
- (f) Reinforce the distinct topography of the area by maintaining the layering of development when viewed from Darling Harbour with the City's higher buildings in the background.*
- (g) New development is to maintain and enhance vistas within the area to Darling Harbour.*
- (h) New development is to maintain and enhance vistas east along Valentine Street to Christ Church St. Lawrence at 814A George Street, Haymarket.*
- (i) Maintain and enhance the existing vista to the Anglican Christ Church of St Laurence along Valentine Street.*
- (j) Facilitate the activation of Douglass Street & Douglass Lane and Eagar Street & Eagar Lane for increased public use.*

In addition to the above area specific principles, standard development controls apply as outlined in Section 3 and 5 of the DCP. In particular Minimum Street Setbacks, Minimum Side and Rear Setbacks, Building Form Separations and Tapering controls define a standard building envelope for the site which is proposed to be varied by the subject Proposal (refer section 4 below).

4. DESCRIPTION OF PROPOSAL

4.1 Project vision and objectives

The proposal seeks to amend planning controls applying to 187 Thomas to allow a future development that will comprise an integrated community and destination for the innovation and technology sectors in the form of a vertical innovation village.

187 Thomas is ideally suited to the proposed use being strategically located within the identified Haymarket Activity Node and Camperdown-Ultimo Collaboration Area and at the point of confluence between the health, education and research axis along Parramatta Road and Broadway, the information, communications and technology cluster of Ultimo and Pyrmont, the financial and professional heart of the city through the CBD, and the creative and design district across Surry Hills, Chippendale and Eveleigh. Its development as proposed will support both the State government and City of Sydney's vision for the growth of the collaboration area as an innovation district.

The vision for 187 Thomas is to establish a community of innovators who recognise the potential and possibility presented by leveraging future technologies. The integrated vertical innovation village will be a home for people and businesses working in technology-driven growth industries, offering a mix of spaces, services and equipment to encourage convergence, collaboration and cross-disciplinary research and development. More than just a workplace, it will be an inclusive and energetic destination, anchored by Sydney's first publicly accessible technology fabrication lab, and complemented by a mix of practical and lifestyle amenity. It will be a place that nurtures talent and scales up new ideas by offering a variety of workspaces, tools and equipment, skills, knowledge and support, for a like-minded community.

The proposed vertical innovation village will comprise a bold new proposition for a mixed-use building, bringing together on a single site a world-class co-working hub and fabrication laboratory for innovation and technology, a diverse range of commercial space for emerging, growing and established technology businesses, a hotel tailored to tech workers, as well as a range of retail, hospitality and service amenities to support the community working, staying and visiting the site.



Figure 13: Render with City future massing



Figure 14: Render of Podium massing with future towers

4.2 Proposal description

Note: for the purposes of this Planning Proposal the following terms are used to refer to the proposal and its key components:

Alternate Indicative Scheme (Alternate 20:1 Scheme) – alternate concept design which proposes maximum FSR of 20:1 (20:1 above ground)

Hybrid Tower – proposed tower building comprising a mix of commercial uses physically and functionally connected.

Innovation Tech Hub – innovation space for the tech sector within the podium levels of the building sharing facilities and services with the tech hotel

Preferred Indicative Scheme (Preferred 22:1 Scheme) – preferred concept design which proposes maximum FSR of 22:1 (21.5: above ground)

Proposed DCP Envelope – proposed building envelope which complies with Draft Sydney DCP 2012 Schedule 11 equivalency or better testing for Daylight/Skyview factor and wind analysis

Vertical Innovation Village – overall proposal comprising an integrated community and destination for the innovation and technology sectors including an innovation tech hub, tech hotel, commercial offices for the corporate tech sector, shared facilities and services etc.

The proposal seeks to amend planning controls applying to 187 Thomas to allow a future development that will comprise an integrated community and destination for the innovation and technology sectors in the form of a vertical innovation village.

4.3 Design vision

The design vision for the project is articulated in **Part C: Urban Design** and briefly described below. The architectural expression of the future vertical innovation village is envisaged as a hybrid tower. The design philosophy as prepared by FJMT comprises:

A Hybrid Tower

A hybrid tower combines multiple uses within a vertical arrangement, each with their own identity and requirements but sharing common facilities in the way that a horizontal series of buildings would share a city street. Structured around an innovation hub; related functions such as hotel accommodation for business visitors, work space to support startups through education and co-location and retail and event space provide street level common facilities in a vertical village.

Work / Stay / Play / Learn / Rest / Invent

The hybrid tower approach combines synergistic spaces built around the daily needs and experiences of the innovator. The innovation hub will have close ties to business and education in the commercial tenancy floors, the hotel will provide short term accommodation for visiting collaborators, dual use event space will cater for both innovation hub and hotel needs, the sky lobby, rooftop terrace, innovation terrace and ground level retail will provide breakout and 3rd spaces for work, rest and networking.

Innovation Hub

The core of innovation hub is the incubator space for small startups with shared space and facilities including workplace, lab and equipment. Larger flexible workspace floors are provided interconnected with the innovation centre and the event space on the lower podium levels. The landscaped Innovation Terrace provides both an external workspace and relaxation area for informal collaboration and networking

Innovation Podium

The innovation hub provides work spaces that allow different sized business to expand and grow or to retract.

By creating highly flexible floorplates, and through a more bespoke and personalised approach to managing tenancies, businesses can be nurtured from start-ups and through their growth phase, utilising available space as required, rather than being forced to take on whole level tenancies that may be beyond their capacity and budget.

Innovation Park

To foster the density, connectivity and sense of community that the innovation and tech sector are seeking, the innovation hub provides spaces that are truly great in their own right. It has an excellent range of amenity, space and services; cool spaces for events and activities; an astute design aesthetic, with embedded sustainability principles. This has the potential to attract existing companies and community who are looking for long-term, secure locations to foster their business, as well as attracting a greater diversity of people including younger workers, women and children.

The Innovation Tech Hub will be a shared facility that anchors the building, co-location a range of facilities, services, equipment and tools to provide a space for technological experimentation, research, development and collaboration. Tailored to individuals, micro and small businesses developing new products and services as well as to interested members of the public, this facility should look, feel and perform as a centralised point within the Vertical Innovation Hub.

Innovation Void Tower

At the heart of this Hub is an equipped technology fabrication lab providing specialised, professional grade machinery, tools and equipment. Complementary spaces include a welcoming reception, communal forum space, and a variety of bookable and hireable spaces for both members and non-members, including meeting rooms, short-term project rooms, large teaching spaces, and a generous and flexible function venue. An outdoor terrace offers outdoor workspace and extends the function space. A co-working facility will also be integrated into the Hub to provide dedicated desk space and private offices that enable sole traders and micro-businesses a change to begin their journey to scale up.

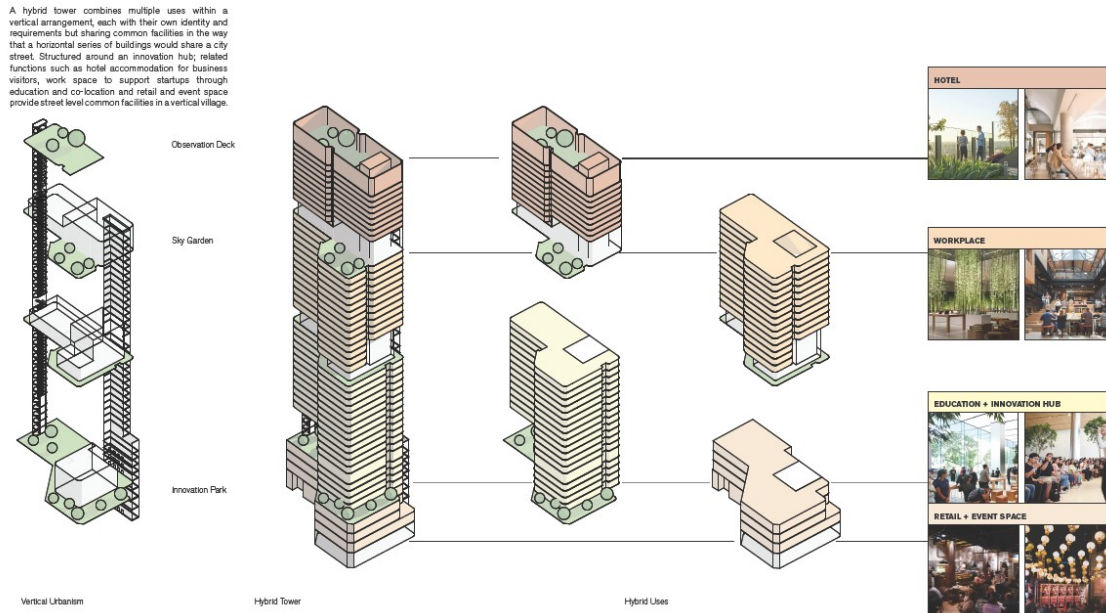


Figure 15: Hybrid Tower (Source: FJMT)

4.4 Proposed DCP Envelope and Development Options

The Proposed DCP Envelope is a 3D extrapolation of 187 Thomas' development potential. It sets the maximum vertical and horizontal parameters for the future built form, with the future detailed design to be located within the maximum planning envelope but not expected to entirely fill it. It also has regard to the technology, innovation and hotel tenant requirements and required critical mass of the interrelated components of the proposed vertical innovation village.

Following a detailed site analysis and the identification of site opportunities and constraints, FJMT prepared a series of key urban design principles to guide the future development at 187 Thomas and ultimately the design excellence process. These include:

- Minimisation of daylight and shadowing
- Protection of heritage items and views
- Minimisation of wind impacts
- Orientation of CBD views
- Recognise relationship to neighbouring buildings including in particular the residential development immediately to the east
- Vary massing to break down bulk, height and scale
- Ensure consistent street wall heights
- Provide variety and flexibility in commercial and innovation floor plates
- Integrated and shared use and management of innovation and hotel facilities
- Core locations to optimise the layout of the podium and tower floorplates.

Further detail is provided in **section 3.0** of Part C: Urban Design.

An evaluation was then undertaken of a series of potential development envelopes to understand the potential of 187 Thomas as it relates to the immediate and wider site context and connections (refer Part C: Urban Design **Section 5.0**) and how each of the key development components would be delivered. Parameters used to formulate the potential development envelopes included site specific environmental performance based controls including: setbacks, the podium void, street wall heights,

environmental performance requirements, minimum critical mass for development components, usable floor plates, tenant requirements etc. A selection of envelopes tested is illustrated in Figure 16 below including various use combinations, configurations and design efficiencies, including lifting strategies.

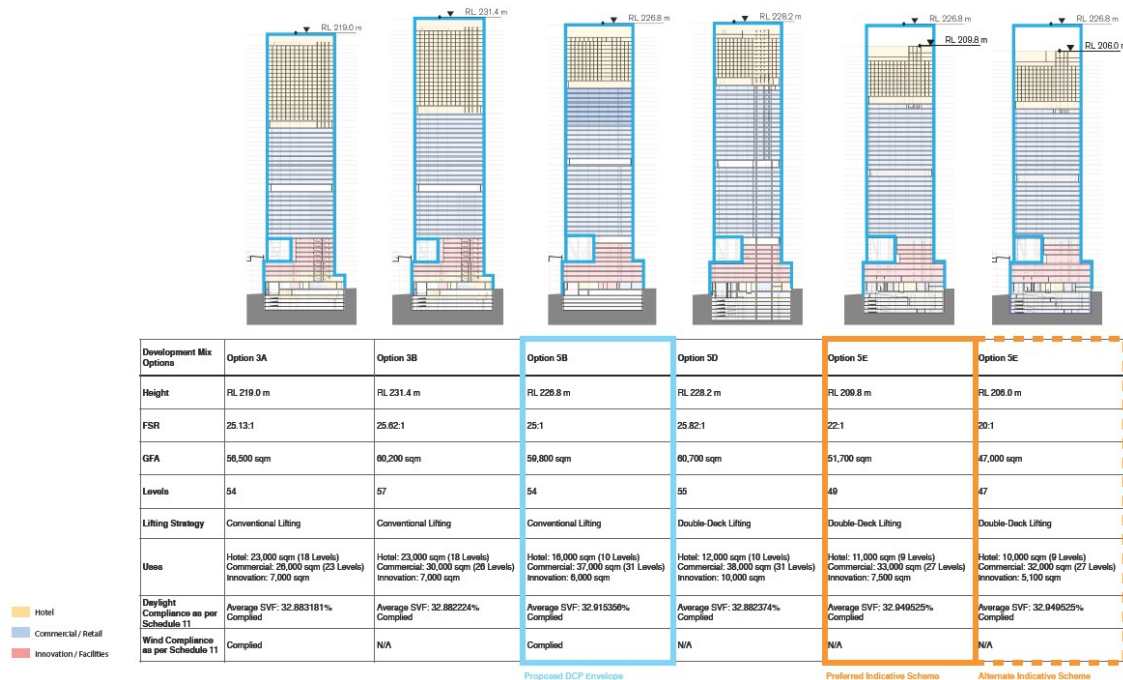


Figure 16: Selection of Potential Envelopes Evaluated (Source: FJMT)

The potential development envelopes were then tested against the ‘base case building massing’ compliant envelope equivalency tests for sky view factor and wind analysis. These tests require that where a proposed envelope seeks to vary the minimum street setbacks, side and rear setbacks, building form separations and tapering controls under Sydney DCP 2012 a Procedure B: Wind and Daylight Equivalence report is to be prepared in accordance with Schedule 11 of Sydney DCP. This provides that:

variation to relevant setbacks may be permitted to building massing that provides equivalent or improved wind comfort, wind safety and daylight levels in adjacent Public Places relative to a base case building massing with complying Height, Street Frontage Heights, Street Setbacks, Side and Rear Setbacks and Tapering.

Wind and Daylight Equivalency tests are provided at **Appendix I and H** of Part C: Urban Design. These illustrate that Options 5B and 5D (as illustrated in Figure 16 above), effectively within the same envelope and representing an approximate FSR of 25:1 and GFA of 60,000m², comply with the daylight equivalency test as shown. Option 5B was also Wind Tunnel tested and found to be compliant. Option 5D, which has the same envelope (as 5B) but which utilises a Double-Deck Lifting Strategy to achieve higher internal efficiency, was then presented to Council officers in the “Pre-Planning Proposal” meeting on 12 February 2020. This option therefore represented an alternative envelope to the “base building massing” which would deliver equivalent or improved wind comfort, wind safety and daylight in adjacent public places as required by the City. It therefore forms the Proposed DCP Envelope.

However, at the “Pre-Planning Proposal” meeting, the City expressed concern regarding an FSR of 25.0:1. Accordingly, various other design schemes have been investigated down to a scheme at an FSR of 20.0:1 but within the verified envelope and which having regard to feasibility and critical mass requirements that will enable delivery of all the key interrelated components of the hybrid tower.

Accordingly, as outlined in the **Sections 5.1 to 5.3** of Part C: Urban Design, indicative designs were identified with FSRs of 22:1 (21.5:1 above ground) and 20:1 (20:1 above ground) to assess a reduced FSR. These options are shown in Figure 17 below and are referred to herein as the Preferred Indicative Scheme (Preferred 22:1 Scheme) and the Alternative Indicative Scheme (Indicative 20:1 Scheme). Both schemes sit comfortably within the verified Proposed DCP Envelope. Both schemes are presented herein for the City’s consideration and as noted above fit wholly with the verified Proposed DCP Envelope.

The Proposed DCP Envelope is intended to set the physical parameters within which the future detailed building design will be constrained. It provides a degree of flexibility for the design development process to facilitate future design excellence and encourage an innovative design response. The Proposed DCP Envelope is not intended to be completely filled by the future design rather it is proposed that within this envelope any future design would be controlled via a maximum FSR (either 22:1 (21.5 above ground) in line with the Preferred 22:1 Scheme or 20:1 (20:1 above ground) in accordance with the Alternate 20:1 Scheme. These Schemes are outlined below and in the detailed plans and development schedules for each provided at Part C: Urban Design **Appendix B and C**.

The Proposed DCP Envelope then has a maximum height of RL226.80 (216.4m) and a potential volume which represents an FSR of 25:1, with the future total development to be limited to an FSR as specified.

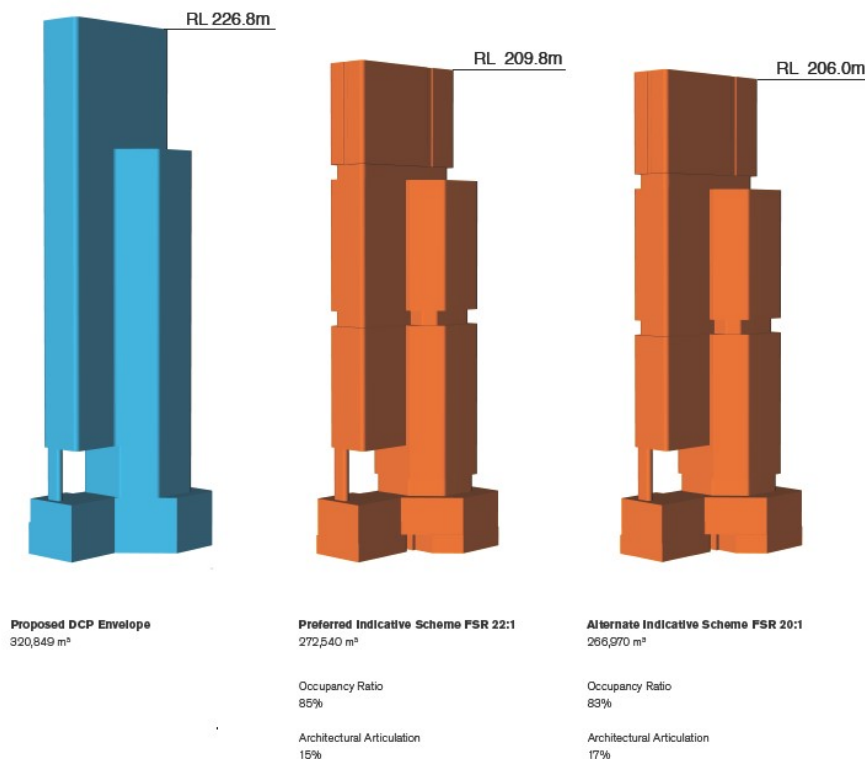


Figure 17: Proposed DCP and Indicative Envelopes (Source: FJMT)

The Proposed DCP Envelope incorporated into the proposed Draft DCP at **Appendix 7** with detailed envelope drawings provided at Part C: Urban Design **Appendix D**. The resultant building envelope provides for a future building with a maximum height of RL226.80 (216.4m above ground level), podium height of RL33.20 and main tower height of RL 163.00.

The envelope includes setbacks and street wall heights as follows

Ground plane:

- Building envelope setback 4.8m on corner of Thomas and Quay Streets to provide additional light sun and space to future public square
- Nil setback on other frontages to activate streets

Podium:

- Building envelope setback 4.8m on corner of Thomas and Quay Streets to provide additional light sun and space to future public square
- Podium height provides for a continuation of Sutton Forest Meat Building height on Valentine Street for 14m and consistent height
- Building envelope setback 8 – 9.5m on Valentine Street
- Nil setback from the commercial buildings (191 Thomas Street) to the north
- Building envelope setback of 5m from the adjacent property to the north on Thomas Street to provide a void which

Void Tower

- Building envelope setback 8 – 9.5m on Valentine Street
- Building envelope setback of 10m from Quay /Thomas Streets
- Building envelope setback of 26.5m from the adjacent property to the north on Thomas Street to provide a void which maintains light and views to residential windows to the east in 743-755 George Street

Commercial Tower

- Building envelope setback 8 – 15.7m on Valentine Street
- Building envelope setback of 10m from Quay /Thomas Streets
- Building envelope setback of 3m from the adjacent property to the north on Thomas Street
- Building envelope rear setback of generally 5m

Skyrise Tower

- Building envelope setback 8m on Valentine Street
- Building envelope aligned with Thomas Street north western alignment (
- Building envelope setback of 3m from the adjacent property to the north on Thomas Street
- Building envelope rear setback of generally 5m

Any future design would be required to fit within this envelope to the maximum FSR specified in the SLEP 2012 amendment.

4.5 Preferred 22:1 Scheme

The Preferred 22:1 Scheme (21.5:1 above ground) at Part C: Urban Design **Appendix B** represents a potential design solution that would deliver quality urban and built form outcomes within the Proposed DCP Envelope. It is illustrative only but demonstrates a design response which responds positively to the immediate context and the wider city by acknowledging principles related to separation, density, scale, heritage, views and sight lines as well as sustainability.

The form and massing of the Preferred 22:1 Scheme (21.5:1 above ground) establishes legibility and allows for views through the site (void tower) for residents of the adjacent building to the east at 743-755 George Street. It presents as a sequence of distinct elements which address specific urban, built form and transport conditions. Collectively these elements deliver the required functionality while ensuring the public realm is engaging and people focused. The ground plane has been designed in collaboration with planned public domain improvements specifically in respect of Quay and Valentine Streets to ensure a unified outcome for the precinct.

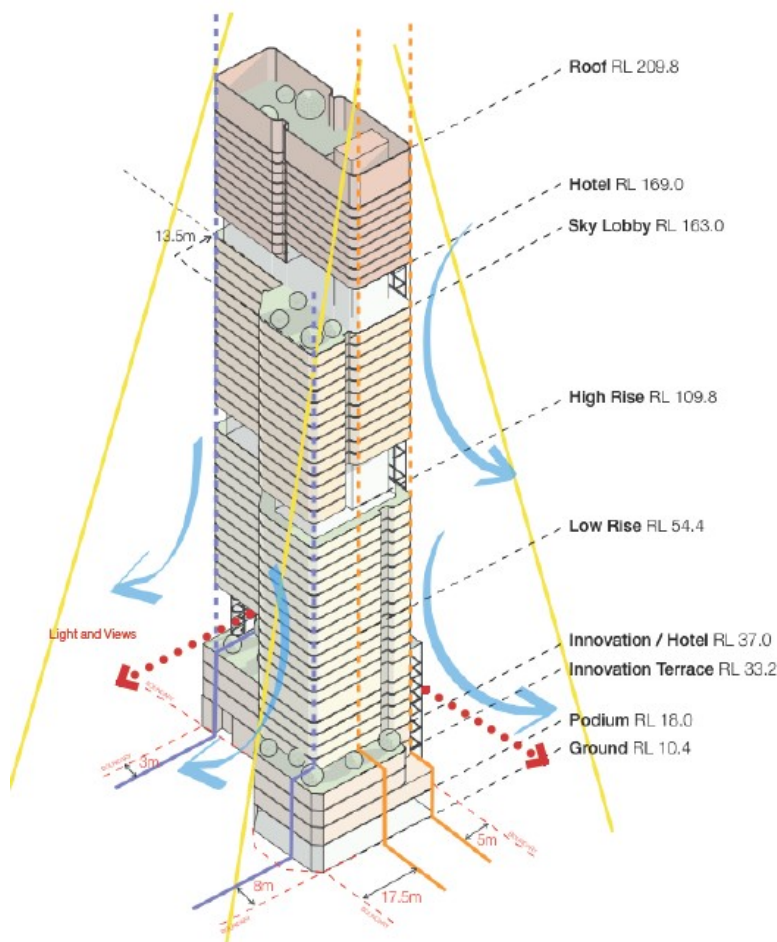


Figure 18: Preferred Indicative Scheme (Source: FJMT)

Within a hybrid tower the Indicative 22:1 Scheme (21.5:1 above ground) would deliver approximately 51,700m² of commercial GFA representing an investment of \$539.1 million and delivering in the order of 1,357 jobs on site. It provides for a hybrid tower with flexible interconnected floorplates of approximately: 1000m² on the ground level; 1,700m² within the podium; 610 - 760m² within the void tower; 1,200m² within the low and high rise tower; and 900m² GFA within the sky rise tower thereby catering to the full range of enterprises within the sector.

Key components of the Indicative 22:1 Scheme (21.5:1 above ground) for the hybrid tower include:

- Innovation tech hub (approximately 7,400m² GFA) within the basement, podium and void tower with lobby off Valentine Street including:

- tech workshop with shared equipment, facilities and services (including education, business support, programming, safety management and training)
 - co-working space for the innovation industries that utilise provided technology and equipment, that changes in space and floor plate design to accommodate growing businesses, and
 - terrace on Level 4 of the Void Tower providing an indoor / outdoor workspace
 - facilities and services shared with the tech hotel.
- Commercial office space (approximately 33,100m² GFA) for the corporate tech sector within the low and high rise tower with lobby off Quay Street
- 4 star Tech Hotel (approximately 11,000m² GFA / 234 keys with 26 rooms per floor) within the sky rise tower with sky lobby, pool and bar with drop off and lobby off Thomas Street
- Meeting, forum, gym, pool, hospitality and other spaces integrated throughout the building and shared (and co-managed) between the innovation hub, commercial tenancies and tech hotel
- A retail offering of approximately 200m² GFA, including food and beverage which will be located on the ground level
- Upgraded (and widened) through site connection connecting Thomas Street to the west with George Street to the east via an activated retail arcade connection
- Redeveloped public space on Thomas, Quay and Valentine Street including an expanded pedestrian plaza at the corner of Thomas and Quay Streets and widening of the Valentine Street footpath
- Integration with the proposed Quay Street public domain works to accommodate increased pedestrian movement from existing and future pedestrian connections to various modes of transport, and
- Five (5) basement levels beneath the building with access off Thomas Street in the north west of the site.

The proposed basement levels would provide:

- Reduced car park provision totalling 79 car parking spaces (including 23 small car spaces, 2 car share spaces and 1 electric charging station)
- 14 motorbike parking spaces
- 382 bicycle parking spaces for staff and visitors as well as end of trip (EoT) facilities
- Tech Hotel back of house areas / Innovation Hub Labs
- loading dock and waste storage room, and
- plant and equipment areas.

Notably it provides for a total FSR of 22:1 with 21.5:1 above ground and 0.5:1 below ground in basement hotel facilities.

The breakdown of landuses is shown in Table 1 below:

The Preferred 22:1 Scheme includes a public benefit offer representing approximately \$18.34 million community public benefit infrastructure contribution in accordance with the City's Draft Guideline for Site Specific Planning Proposals in Central Sydney. A Voluntary Planning Agreement would be entered into in accordance with the offer subject to agreement with the City.

It should be noted that while the Preferred 22:1 Scheme (21.5:1 above ground) represents one design for the proposed hybrid tower, the project will be subject to a full competitive design process in accordance with the requirements of SLEP 2012.

Table 1: Indicative 22:1 Scheme Development Summary

		GFA	Land Use	FSR
187 Thomas Street Indicative Scheme Summary	hotel	10,066 m ²	21%	4.86 :1
	commercial	23,100 m ²	64%	14.08 :1
	innovation	7,429 m ²	14%	3.16 :1
	retail	219 m ²	0%	0.09 :1
Above + Below Ground total		51,714 m²	100%	22.00 :1
Above Ground total		50,514 m²		21.49 :1
Below Ground total		1,200 m²		0.51 :1

Further details are provided at Part C: Urban Design **Appendix B**.

The environmental assessment at Section 9 below provides a detailed assessment of the impacts and benefits of the Preferred 22:1 Scheme (21.5:1 above ground) being the larger of the two Indicative Schemes prepared. Accordingly potential impacts / benefits identified would either be the same or reduced in the Alternate 20:1 Scheme (20:1 above ground).

4.6 Alternate 20:1 Scheme

As outlined above an Alternate 20:1 Scheme (21.5:1 above ground) has also been prepared within the Proposed DCP Envelope. The Alternate 20:1 Scheme is provided at **Appendix C** of Part C: Urban Design of this Justification Report.

The Alternative 20:1 Scheme has a total GFA of 47,031m² GFA measured above ground. The following adjustments were made to the Preferred 22:1 Scheme (21.5:1 above ground) to reduce the FSR to 20:1:

- Innovation: 1.5 floors deleted, and increased floor to floor height on the innovation terrace level. Total innovation/hotel facilities GFA is 5,964m²
- Commercial: 1 floor deleted, and facade articulations on setback levels. Total commercial GFA is 31,110m²
- Hotel: No change
- Removal of Hotel back of house / Innovation Tech Hub labs from the basement
- Overall building height is at RL 206, lower than the Preferred 22:1 Scheme envelope by 3.8m, and
- Total reduction of 2% commercial land use and 1% innovation land use (no change in retail or hotel land uses).

As the Alternate 20:1 Scheme (20:1 above ground) fits wholly within the Proposed DCP Envelope it therefore similarly meets the Draft Sydney DCP 2012 Schedule 11 equivalency tests for sky view factor and wind analysis.

Fixed requirements for the proposed concept that were adhered to formulating the Alternate 20:1 Scheme (20:1 above ground) include:

- To retain a viable Hotel the number of hotel room was not reduced
- The underside of the Commercial component is a fixed RL to create a VOID to benefit the adjoining neighbours
- The bottom of the VOID is a fixed RL, being the street wall height of the Podium, and

- The “quality” large floor plates are retained for the proposed Campus Style Tech Hub Floors

A breakdown of land uses is in Table 2 below:

Table 2: Alternate 20:1 Scheme Development Summary

		GFA	Land Use	FSR
187 Thomas Street Indicative Scheme Summary	hotel	9,768 m ²	21%	4.15 :1
	commercial	21,911 m ²	68%	13.57 :1
	innovation	5,125 m ²	11%	2.18 :1
	retail	219 m ²	0%	0.00 :1
Above + below ground	total	47,031 m²	100%	20.00 :1
Above Ground	total	47,031 m ²		20.00 :1
Below Ground	total	0 m ²		0.00 :1

Further details are provided at Part C: Urban Design **Appendix C**.

The proposal also includes a public benefit offer representing approximately a \$15.53 million community public benefit infrastructure contribution in accordance with the City's *Draft Guideline for Site Specific Planning Proposals in Central Sydney*. A Voluntary Planning Agreement would be entered into in accordance with the offer subject to agreement with the City.

The Alternate 20:1 Scheme would therefore result in a reduction in the Innovation Tech Hub of 2,294m² (and one floor) and a reduction in commercial floor space of 1,189m² (and one floor). It would also result in a reduced public benefit of \$2.81 million providing less money to the City to pursue public domain and other community infrastructure projects in the area.

As noted above the environmental assessment at Section 9 below provides a detailed assessment of the impacts and benefits of the Preferred 22:1 Scheme (21.5:1 above ground). The identified potential impacts / benefits would equally apply to the subject Alternate 20:1 Scheme albeit that they would be either the same or reduced.

4.7 Comparison of Indicative Schemes

The two indicative schemes outlined above vary in FSR however the modelling illustrates that the physical benefit of a reduction in FSR from 22.0: 1 (21.5:1 above ground) to FSR 20.0:1 (above ground) is not easily discernible. The bulk, height, scale is not visibly or tangibly different given fixed requirements and / or datums that would apply in either case. Figure 19 provides a comparison between the two. Notably market testing indicates that a hotel circa 200 rooms is an appropriate size in combination with the innovation hub and commercial component. Variations of overall floor space would therefore be restricted to a reduction in the amount of commercial and innovation space provided. Further the core revenue required to fund the project would be generated from the circa 30,000m² of commercial space. This would be used to cross subsidise space within the Innovation Tech Hub.

An FSR control is traditionally used in planning to control the height, bulk and scale of a project as well as its traffic generation. However in this case the height, bulk and scale is determined by the verified Proposed DCP Envelope which is established using the City's equivalency tests for wind and daylight / skyview factor. Additionally traffic generation is not an issue with low car parking provision

proposed and the site demonstrating excellent levels of public and active transport service. Accordingly there does not appear to be any clear planning imperative to pursue a 20:1 FSR maximum over a 22:1 (21.5: 1 above ground) maximum in this instance.

Both indicative schemes fit comfortably within the Proposed DCP Envelope and therefore meet the SVF and wind equivalency test. The Alternate 20:1 Scheme would however result in a reduction in the Innovation Tech Hub of 2,294m² (and one floor) and a reduction in commercial floor space of 1,189m² (and one floor). It would also result in removal of the Tech Hotel back of house areas / Innovation Tech Hub labs which are proposed (in the Preferred 22:1 Scheme) to be located within the cheaper basement floor space. The public benefit would also be reduced in the Alternate 20:1 Scheme by some \$2.81 million providing less money to the City to direct toward public domain and other community infrastructure projects in the area.

The Alternate 20:1 Scheme is expected to accommodate a total of approximately 2,273 direct jobs on-site, approximately 270 fewer than Preferred 22:1 Scheme. Notably the Alternate 20:1 Scheme reduces floor space in the Innovation Tech Hub and commercial space components of the project. The reduced floor space in the Innovation space is estimated to 322 direct jobs on-site (156 fewer than in the Preferred 22:1 Scheme). Further research (NSW Innovation and Productivity Council) indicates that for every job created within an innovation precinct, over the long term a further five are created elsewhere in the economy through subsequent growth and clustering, and technology adoption alongside traditional economic expenditure multipliers of industry purchases and household expenditure. The reduction in Innovation Tech Hub floor space could therefore have an effect of reducing multiplier jobs elsewhere in the economy by approximately 780.

It is therefore considered that Alternate 20:1 Scheme is inferior to the Preferred Indicative Scheme as it does not result in any perceivable benefits but would result in a loss of employment opportunities and economic benefits.

In summary the built form (and hence environmental impacts) of the two schemes (Preferred 22:1 and Alternate 20:1 Scheme) is very similar however the smaller scheme would result in an overall reduction of 4,683m² GFA from the larger and in a reduction in public benefit of some \$2.81 million. It would also result in a commensurate reduction in employment and economic generation and the multiplier benefits that would filter through the economy from the larger amount of floor space (particularly Innovation Tech Hub space) and facilities. From the investigations undertaken no clear planning, built form, public benefit or other imperative has been identified that would point to a need to pursue the smaller scheme over the larger. Indeed the City, and the State government, has highlighted the need to maximise floor space (and hence employment and economic generation) in identified areas to secure Sydney's future as an innovative and competitive global city.

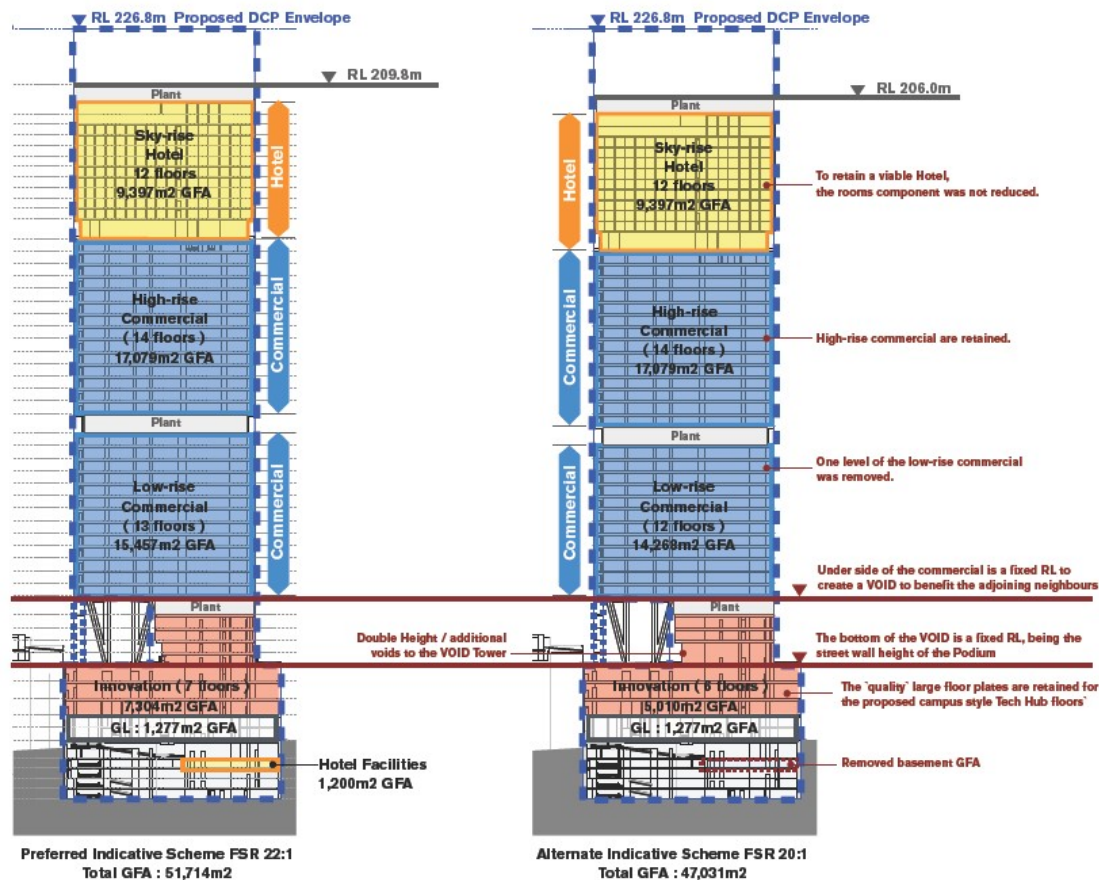


Figure 19: Comparison of Preferred and Alternative Indicative Scheme (Source: FJMT)

4.8 Design Excellence

The Planning Proposal includes a Design Excellence Strategy (refer **Appendix 1**) which has been prepared in accordance with the City's *Competitive Design Policy* (Adopted December 2013). The design excellence strategy identifies a commitment to undertake an invited architectural design competition in accordance with the Policy. A minimum of 5 architectural practices will be invited to participate in the competition with competitors chosen in conjunction with the City of Sydney and including a range of emerging, emerged and established local or interstate or international architectural practices. A majority of local firms will be selected as lead Design Architect and each competitor will be a person, corporation or firm registered as an architect in accordance with the *NSW Architects Act 2003*, or in the case of interstate or overseas Competitors, eligible for registration with their equivalent association.

The Jury will comprise a total of six (6) members appointed by the Proponent, in consultation with the City of Sydney, constituting three (3) City nominated members, one of which will be a City of Sydney Design Advisory member; and three (3) Proponent nominees. One member of the jury will be a demonstrable expert in the field of ESD.

The architectural firm(s) of the winning scheme, as chosen by the Jury, is to be appointed as the Lead Design Architect. The Lead Design Architect is to maintain a leadership role over design decisions until the completion of the project. The design competition will also include the ESD benchmark targets set out in the Design Excellence Strategy to ensure that the project delivers an extremely high standard of ESD.

The design competition brief will also include a commitment to the vision and vertical innovation village will form part of the architectural design competition process with the design competition brief to include a search for value-aligned operators.

4.9 Sustainability

A Concept ESD Strategy has been prepared for the project by WSP (**Appendix 5**) and details the initiatives that will be implemented to deliver the objectives of the Sydney DCP 2012 along with several other policies influencing development in the Sydney CBD. The *Draft Guidelines for Site Specific Planning Policies in Central Sydney* contains the most stringent sustainability requirements and achieving these is a key focus of the sustainability strategy set out in the Concept Report. Specifically, the Guidelines requires that the following is achieved:

- Net zero carbon
- Zero waste
- NABERS Energy 5.5 and NABERS Water 4 in office areas, and
- NABERS Energy 4.5. and NABERS Water 4 in the hotel areas

The project team has therefore worked to ensure the development will reduce its energy consumption as far as possible and target net zero carbon performance in operation, as far as practical through onsite strategies. The energy strategy will be underpinned by achieving very high standards within the Office and Environment and Heritage (OEH) *National Australian Built Environment Rating System* (NABERS), achieving 5.5 stars and 4.5 stars in the commercial and hotel areas of the building respectively. Further, both these areas will achieve NABERS Water rating of 4 stars.

The energy strategy indicates that it is possible to achieve a 25% reduction in carbon emissions. Carbon savings beyond this level are likely to be either cost prohibitive, technically impractical or a combination of both.

The entire development will implement a range of other sustainability initiatives including a strategy to reduce waste as far as possible towards zero-waste. A range of initiatives are proposed to contribute to the goal of diverting waste from landfill including using eco compactors for general waste and cardboard, installing a food waste processor, providing storage for bulky goods and strip-out waste, educating tenants, and through best practice source separation.

Beyond these exceptionally high targets, the development will also include other measures to ensure a holistic sustainable strategy for the development, such as the following:

- Highly efficient water fittings and fixtures to ensure water consumption is reduced as far as possible, and supplemented with rainwater harvesting and/or greywater recycling where feasible;
- Procurement of materials that have low environmental impacts;
- Enhanced site ecology through high quality landscape design;
- Ensuring design that mitigates or adapts to climate change impacts; and
- Incorporating social sustainability initiatives

4.10 Capital Investment Value

To assist in the project feasibility and to inform the economic impact assessment a capital investment value has been prepared by RLB and is provided at **Appendix 6**. This has been done for the Preferred 22:1 Scheme (21.5:1 above ground) only at this stage as the environmental assessment provided in Section 9 assesses the impact of this larger scheme.

The Preferred 22:1 Scheme (21.5:1 above ground) has an estimated capital investment value of \$539.1 million. The Alternate 20:1 Scheme (20:1 above ground) therefore has an estimated capital investment value, pro-rata of \$490.1 million. This represents a significant economic investment in the area.

4.11 Public Benefit Offer and VPA

A public benefit offer is also provided with the Planning Proposal (refer **Appendix 2**) which in accordance with the *Draft Guideline for Site Specific Planning Proposals in Central Sydney* provides for a community public benefit infrastructure contribution to the value of \$18.34 million for the Preferred 22:1 Scheme or \$15.53 million for the Alternate 20:1 Scheme. This equates to a rate of \$600 per square metres above the existing maximum FSR as provided in the Guideline for projects within Area 2 (refer Table 1 and Figure 9, p.29).

187 Thomas has a total area of 2351m² and a permissible FSR of 9:1 under SLEP 2012 (comprising mapped FSR of 7.5:1 plus 1.5:1 accommodation floor space bonus under clause 6.4 excluding design excellence). This equates to a maximum permissible GFA of 21,150m². Accordingly the calculation of public benefit for each scheme is outlined in Table 3 below:

Table 3: Public Benefit Offer Calculations

	Preferred 22:1 Scheme	Alternate 20:1 Scheme
Total GFA Proposed	51,717m ²	47,031m ²
Existing GFA Permissible under current controls	21,150m ²	21,150m ²
Total GFA Proposed minus Existing GFA Permissible	30,564m ²	25,881m ²
Additional GFA X \$600 / m ²	\$18,338,400	\$15,528,600
Total Public Benefit Contribution Required	\$18,338,400	\$15,528,600

The proposed public benefit offer is to be made in cash and/or 'works in kind' contribution as directed by the City to be used for planned public domain upgrade works to Quay and Thomas Streets as outlined in the City's Quay Street Public Domain Plan.

It is proposed that a voluntary planning agreement (VPA) in accordance with the public benefit offer would be prepared and exhibited with the subject Planning Proposal.

5. CONSULTATION

5.1 City of Sydney

The subject Planning Proposal is the product of an 18 month long process of collaboration and negotiation with the City's planning team and referral of the project to the City's Design Advisory Panel and VPA Executive Steering Committee. Seven (7) presentations of detailed technical analysis were undertaken and discussed to ensure the proposal is technically substantiated, robust and meets all the City's requirements for a site specific planning proposal.

Ongoing consultation and collaboration with the City is anticipated post lodgement of the subject Planning Proposal.

5.2 Design Advisory Panel

The City's Design Advisory Panel (DAP) is an independent panel of experts constituted to help the City of Sydney to continually improve the quality of private development and its own urban design and public projects. Specifically DAP's purpose is to provide the officers of the City with high level independent advice and expertise on urban design, architecture, landscape architecture, art and sustainability. The advice is intended to inform assessments by Council officers with a view to promoting the delivery of world class urban design, architecture and sustainable and inclusive design in Sydney's buildings and public spaces.

The Planning Proposal and a preliminary concept scheme for the project was considered by the DAP on 14 February 2019. It should be noted that when referred to DAP it was proposed that 187 Thomas be developed in conjunction with the adjacent site at 757- 763 George Street which includes the Sutton Forest Meat heritage building. This is no longer the case and the current proposal relates to 187 Thomas Street solely. Notwithstanding the comments provided by DAP remain relevant.

DAP's comments on the Planning Proposal were provided by email dated 26 March 2019 in which it was advised that the Panel was supportive of the Planning Proposal and preliminary concept scheme subject to the following comments:

Table 4: DAP comments

DAP Comment	Response
<i>The combination of uses on the site (hotel, commercial office, retail and innovation floor space) will deliver new first-class floor space to the southern end of the CBD, which is considered a positive outcome.</i> <i>The concept of dedicated floor space for an Innovation hub was supported, though noted this will need to be endorsed by the Planning Agreements Exec Steering Committee for it to constitute a community infrastructure contribution offset. Additional information will be required supporting the approach, and providing details for the Executive Steering committee to make a decision on the public benefit offer. The information provided at our recent meeting will be useful in this regard.</i>	Noted No community infrastructure contribution now sought for the Innovation Hub floor space. Floor space still retained in Proposal and will be cross subsidised within the development to provide low cost space for innovators. Full public benefit offer proposed in form of cash or works in kind in accordance with the City's instruction.
<i>The retention and incorporation of the heritage item on site in its current intact form is supported. Though further consideration and refinement for the tower setback above the heritage item should be given.</i> <i>The scale of Valentine Street in relation to the Christ Church is sensitive and the proposal is to respect this.</i>	Noted The HIS at Appendix 3 concludes that the proposal will have minimal impact on the heritage significance of Christ

DAP Comment	Response
- Views along Valentine Street, the composition of volumetrics is important as opposed to views to the church. - The line of the Sutton Forrest Meat building is important as it runs approximately halfway along Valentine Street, this should not be impacted. - In addressing these points it is suggested that the street wall and podium option analysis as well as the view analysis be amended to address the desired future form of Valentine Street as well. In other words, including the potential future street wall podium and tower arrangement for the southern side of Valentine Street, as guided by the draft Central Sydney DCP.	Church St Lawrence and the Sutton Forest Meats building and that the scale of the proposal is appropriate on Valentine Street noting the setback of the building from the adjacent heritage item (Sutton Forest Meat). The visual impact assessment (Part C: Urban Design Appendix L and Appendix 10) illustrates this in detail. The envelope has been designed to respect the adjacent heritage item and street wall height and to have regard to future development on the southern side of Valentine Street (refer Part C: Urban Design Appendix N).
It is accepted that the tower building will provide for generally acceptable amenity to the adjoining residential building. However, this should continue to be explored. - Greater detail on the impact of the proposed building envelope on the adjacent apartments is to be provided, including view from the sun diagrams, view loss analysis from the apartments – particularly in relation to the large void on the north wing. - Acoustic modelling is to be conducted to ascertain what mitigation is needed to minimise acoustic impacts of the large void on the adjoining residential apartments.	Noted View from the sun diagrams provided at Part C: Urban Design Appendix K). Refer section 9.5 below for detailed analysis. Refer acoustic modelling at Appendix 4 and section 9.8 below.
The podium is generally supported, however the following points should be noted: - The podium envelope is to include the greater (54.6m) setback to George Street and kept free/distinct from the heritage building. - Additional detail is to be provided on how the podium will interface with the heritage item, for example some diagrams in the package detail a cantilevering element and there appears to be a retail and fire egress laneway to the north of the Sutton Forrest Meat building that terminates at the building core. - Thomas/Quay Street Podium Options 2 and 3 are considered acceptable, however it is recommended that this is interrogated further and more detail is provided. Definition and control of the street edge is important. - The proposal should seek to improve daylight access to the street. It is noted that Option 3 would improve the condition for a public space proposed at Quay and Thomas Street.	Noted Proposed DCP Envelope and provides 54.6m setback from George St and 14m setback to tower from heritage building Proposal relates to 187 Thomas only. No cantilevering proposed. Retail through site link proposed to be connected through the site. Podium design guided by Proposed DCP Envelope - consistent Proposed DCP envelope tested for SVF and found to be positive (refer (Part C: Urban Design Appendix H)). Building envelope cut back to improve proposed public square at Quay and Thomas Streets consistent with Option 3 as presented to DAP.
In regards to podium form and setbacks, there is a preference for options 2 and 3 but more detail is needed to separate the two. Definition and control of the street edge is important but there should also be an improved amenity to street (daylight). Both options were considered to be acceptable on setbacks to the existing residential building, with consideration to all factors. It was noted that Option 3 would improve the condition for a public space at the proposed Quay street closure at Thomas Street. Further information is required exploring these two options and the benefits	Urban Design analysis at Part C outlines key urban design principles that have guided Proposed DCP Envelope and Preferred Indicative Scheme.

DAP Comment	Response
<i>of each.</i>	
<i>The external egress stairs are not supported and should be relocated internally within the envelope, particularly on the western and northern facades as these would obstruct important views from the building.</i>	Noted – external egress stairs removed
<i>In regards to the Sky View Factor modelling, option 2 was supported (without existing approved DA envelope).</i>	Noted – SVF analysis undertaken without adjacent approved DA envelope (refer Part C: Urban Design Appendix H)
<i>The ESD targets were not considered overly ambitious noting that:</i> <i>• NABERS 5.5 stars is the current average and it is likely that when the building is completed this target will be less than average, better performance goals should be considered.</i> <i>• A passively shaded high performance glazed façade is preferred. Consideration should be given to allow for sun shading fins of between 300-500mm within the building envelope (Note architectural articulation comment below).</i> <i>• The end of journey facility is supported.</i> <i>• The provision of green roofs should be explored in more detail, including ascertaining the quantum that can realistically be achieved accounting wind management and location.</i>	Noted – ESD Strategy provided at Appendix 5. Closed cavity façade system proposed (refer Part C: Urban Design Appendix P) Noted - retained Roof proposed to be used for hotel facilities

The Preferred 22:1 and Alternate 20:1 Scheme (outlined at Section 4 above) both respond to all issues raised by the DAP. Further where appropriate requirements have been identified these have been included in the proposed Design Excellence Strategy (**Appendix 1**) which will guide the final design through the competitive design process. It is also anticipated that the matter will be referred back to DAP for advice at the detailed development application stage.

5.3 VPA Executive Steering Committee

The Planning Proposal, preliminary concept scheme and options for the public benefit offer were considered by the City of Sydney's VPA Executive Steering Committee on a number of occasions. Options for the provision of public benefit put forward by the applicant ranged from a cash contribution and public domain works at one end of the scale through to dedication and transfer of innovation technology hub floor space at the other (and various iterations in between).

Ultimately the City of Sydney advised that it would seek the public benefit offer in the form of a cash or 'work in kind' contribution to planned public domain works in the vicinity of the site. Accordingly as directed the public benefit offer (refer **Appendix 2**) provides an offer of cash or 'works in kind' to the value of \$600 per square metre above the existing mapped FSR plus accommodation floor space under SLEP 2012 (excluding design excellence) in accordance with the City's *Guideline for Site Specific Planning Proposal Requests in Central Sydney*. It is proposed that this public benefit would be paid in full based on the final additional floor space achieved following the competitive design process and subsequent development application. This has an estimated value of between \$15.53 million (Alternate 20:1 Scheme) and \$18.34 million (Preferred 22:1 Scheme) which it is understood the City will utilise for its planned Quay Street public domain improvements (at least in part).

5.4 Community Consultation

It is proposed that a bespoke community consultation program would be undertaken for the Proposal by a highly experienced community consultation and engagement consultant during the public exhibition of the Planning Proposal. The consultation program would be prepared in conjunction with the City of Sydney.

6. [PART 1] OBJECTIVES AND INTENDED OUTCOMES

The following Section outlines the Planning Proposal objectives and intended outcomes and provides an explanation of provisions in order to achieve those outcomes. The justification and evaluation of impacts is set out in Section 8 and 9 of this report respectively.

6.1 Objectives

The objectives of the Planning Proposal are to:

- facilitate the redevelopment of 187 Thomas to allow additional floor space capacity for commercial uses and uses other than residential and serviced apartments
- provide for the development of an integrated community and destination for the innovation and technology sectors in the form of a hybrid tower comprising a vertical innovation village
- deliver a high quality built form and protect public domain amenity, and
- achieve a high standard of ecologically sustainable development and contribute towards zero net energy.

6.2 Intended outcomes

The intended outcome of the Planning Proposal is to facilitate the redevelopment of 187 Thomas Street, Haymarket by:

- allowing the redevelopment of the site to achieve an FSR of *either 20:1 (above ground) or 22:1 (21.5:1 above ground)* and maximum height of RL 226.80 (216.4m) to maximise the employment on site including all existing additional floor space and potential design excellence bonuses under Sydney Local Environmental Plan.
- Provide for the delivery of a vertical innovation village which will bring together the following integrated and complementary uses:
 - Tech workshop with shared equipment, facilities and services (including education, support, programming, safety management and training)
 - Co-working space for the innovation industries that utilise provided technology and equipment, that changes in space and floor plate design to accommodate growing businesses
 - Commercial floor space for the corporate technology sector
 - Hotel that caters to the technology sector and public, and
 - Retail/hospitality/public space/cultural space.
- Ensure development will be subject to an architectural design competition
- Ensure adequate building separation and setbacks to ensure an appropriate level of wind and daylight amenity for pedestrians
- Ensuring the development meet 5.5 star NABERS Energy rating for the commercial component and 5 star for the hotel component and 4 star NABERS water score for commercial office and hotel
- Ensure the development will include an end of trip facility, and
- Ensure additional floor space is commensurate with or supports the capacity of existing and planned infrastructure.

7. [PART 2] EXPLANATION OF PROVISIONS

7.1 Outline of LEP Changes

The Planning Proposal aims to increase the total floor space permitted on 187 Thomas where development is for the purpose of non-residential uses and does not include serviced apartments. It also seeks to increase the permitted maximum building height. No changes are proposed to the existing B8 Metropolitan Centre zone.

Specifically, the proposal intends to amend SLEP 2012 to include a site-specific provision to:

- Permit a maximum floor space ratio of *either 20:1 (above ground) or 22:1 (21.5:1 above ground)* inclusive of all additional floor space bonuses (clauses 6.4 to 6.9 and 6.21) of the SLEP 2012. *The makeup of the 22:1 FSR is to be limited to 21.5:1 above existing ground level, with the remaining permitted floor space to be accommodated below ground (as subterranean floor space);*
- This floor space maximum can be attained where additional conditions are met by the development under this same proposed site provision. These include that the resulting development:
 - must not include residential accommodation and/or serviced apartments;
 - may have a maximum building height of RL226.80 (216.4m above ground)
 - must include end of trip facilities;
 - must meet a 5.5-star NABERS energy rating for the commercial component, 4.5-star NABERS energy rating for the hotel component, and a 4-star NABERS water score for the commercial office and hotel component;
 - ensures additional floor space must be commensurate with or support the capacity of existing and planned infrastructure;
 - is to demonstrate equivalent or improved wind comfort, wind safety and daylight levels in adjacent public domain;
 - does not permit the site-specific development standards to be varied under clause 4.6 of the SLEP 2012.

The proposed wording of the new site specific clause is as follows:

6.xx 187 Thomas Street, Haymarket

- (1) *The objective of this clause is to encourage the development of the subject land for the purposes of commercial and retail uses.*
- (2) *This clause applies to 187 Thomas Street, Haymarket being Lot 100 DP 804958.*
- (3) *Despite any other provision of this Plan, a building on land to which this clause applies may have a maximum floor space ratio of **either 20:1 (above ground) or 22:1 (21.5:1 above ground) [To be determined]** if a competitive design process has been held under clause 6.21 and the building demonstrates design excellence within the meaning of that clause.*
- (4) *A building on land to which this clause applies is not entitled to any other additional floor space permitted by this Plan except as provided by this clause.*
- (5) *Development consent must not be granted for development under subclause (3) unless the consent authority is satisfied that—*
 - (a) if subclause (3)(b) applies—the floor space ratio of the above ground levels of the building does not exceed 21.5:1, and*
 - (b) the building does not have a height greater than RL226.80 (216.4m above ground), and*
 - (c) the building does not include any additional height granted under clause 5.6 or 6.21, and*
 - (d) the building includes end of journey facilities, and*

- (e) the building must meet a 5.5-star NABERS energy rating for the commercial component, 4.5-star NABERS energy rating for the hotel component, and a 4-star NABERS water score for the commercial office and hotel component, and*
- (f) the building will be wholly used for the purposes of commercial uses and will not include any residential accommodation or serviced apartments.*
- (6) Clause 4.6 does not apply to development on land to which this clause applies.*
- (7) In this clause—*
end of journey facilities *means all of the following facilities together in one area of the building—*
 - (a) showers,*
 - (b) change rooms,*
 - (c) lockers,*
 - (d) bicycle storage areas.*

7.2 Amendments to SDCP 2012

Amendments to Sydney DCP 2012 are also proposed for the 187 Thomas to identify the appropriate future building envelope and design guidelines. A draft DCP amendment is provided at **Appendix 8**.

8. [PART 3] JUSTIFICATION

This section of the Planning Proposal provides the rationale for the proposed Planning Proposal and responds to questions set out in the document entitled *A Guide to Preparing Planning Proposals*, published by the Department of Planning and Environment in August 2016.

8.1 Section A – Need for the Planning Proposal

Q1. Is the planning proposal a result of any strategic study or report?

Yes. The Planning Proposal seeks to implement the outcomes of the Endorsed Draft CSPA. The draft strategy sets out the City's planning vision for how Sydney will grow into the future and includes aims, objectives and actions to promote Central Sydney's role as the State and nation's economic, cultural and social engine. It is intended to unlock economic opportunities and investment in jobs, and support public improvements that make Sydney an attractive place for business, workers, residents and visitors. Notably it will unlock 2.9 million square metres of floor space, provide for over 100,000 jobs and deliver around 300-520 new affordable housing units while also delivering additional open space and essential infrastructure. These benefits will be unlocked while ensuring innovative and world class development solutions.

The Endorsed Draft CSPA is the product of the most detailed review of city centre planning controls since the City's first comprehensive planning strategy in 1971. It outlines moves to prioritise employment growth, increase capacity and ensure infrastructure keeps pace with growth. They are intended to make Central Sydney more sustainable and protect and enhance its heritage and public spaces.

To implement its aims and objectives, the Endorsed Draft CSPA provides for the removal of FSR and Height as numeric planning controls and seeks to put in place environmental controls to measure the impact of a proposed development, primarily in relation to sun access. Specifically it allows 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 Endorsed Draft CSPA identifies 187 Thomas as being within one of four zones of high density. The Haymarket location is designated as a 'future' zone of high density. This proposal embraces the intentions and objectives of the Draft Strategy although seeks to proceed ahead of the identified 'future' timing.

The subject Planning Proposal is consistent with the Endorsed Draft CSPA. It will provide an uplift in FSR and height on land identified as being within a future high density cluster under the draft strategy. It will provide for up to approximately \$539.1 million in direct investment, up to 51,700m² of commercial floor space and up to 1,357 direct operational jobs in a highly accessible part of Sydney. This is a significant increase in floor space and jobs than would be able to be achieved under current planning controls and will therefore provide a significant contribution to the Endorsed Draft CSPA (and the City's) goal of unlocking 2.9 million square metres of floor space and providing for over new 100,000 jobs. It will also deliver economic land uses which are in significant demand in the location comprising a vertical innovation community in a location which is identified as within the innovation corridor. It will also provide for the sharing of the proposed uplift with the community through a community infrastructure contribution of between \$15.53 million and \$18.34 million which it is understood will be directed by the City (at least in part) to public domain improvement works (refer **Appendix 2**).

In addition to the Endorsed Draft CSPA the Planning Proposal is also consistent with a range of other strategic plans and studies including:

- A Metropolis of Three Cities – Greater Sydney Region Plan
- Eastern City District Plan
- Camperdown-Ultimo Collaboration Area Place Making Strategy
- Central to Eveleigh Urban Transformation Strategy
- Better Placed
- Green Grid
- City of Sydney Tech Startups Action Plan
- Sustainable Sydney 2030, and
- City Plan 2036: Draft City of Sydney Local Strategic Planning Statement (LSPS),

as addressed further below.

Q2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

The Planning Proposal is the best, most efficient and most time effective approach to delivering the desired outcome for 187 Thomas in accordance with the City of Sydney objectives and the Endorsed Draft CSPS. Site specific conditions have been tested and a Proposed DCP Envelope identified to ensure the future built form is appropriate and does not result in any unacceptable impacts on adjoining properties or the public domain.

8.2 Section B – Relationship to Strategic Planning Framework

Q3. Is the planning proposal consistent with the objectives and actions of the applicable regional, sub-regional or district plan or strategy (including any exhibited draft plans or strategies)?

As noted above in addition to the Endorsed Draft CSPS, the Planning Proposal has been developed to address the NSW Government's and City of Sydney's strategic directions and objectives as set out in the following:

- A Metropolis of Three Cities – Greater Sydney Region Plan
- Eastern City District Plan
- Camperdown-Ultimo Collaboration Area Place Making Strategy
- Central to Eveleigh Urban Transformation Strategy
- Better Placed
- Green Grid
- City of Sydney Tech Startups Action Plan
- Sustainable Sydney 2030
- City Plan 2036: Draft City of Sydney Local Strategic Planning Statement (LSPS)

This clear, integrated and complete hierarchy of future-orientated, publicly available plans demonstrates a strategic planning framework focused on infrastructure and collaboration, economic productivity, liveability and sustainability that is supported by integrated land use, transport and convenient, reliable and safe customer experiences.

An assessment of how the Planning Proposal aligns to the key planning strategies is provided in Table 5 below.

Table 5: Assessment against key planning strategies

Strategic Policy / Plan	Alignment
<i>A Metropolis of Three Cities – Greater Sydney Region Plan</i>	<u>Global Sydney</u> • Creates value for Sydney's future • Connects with Sydney's expanding urban corridors and the extension of the Southern CBD • A catalyst for industry clusters • Designed to attract existing, new and emerging technology industries • Innovative and adaptable building typology • Vibrant mixed use • 24/7 activation <u>Liveability</u> • Provides quality urban spaces on all street frontages and a new and improved through site connection • Provides an upgraded and activated public domain • Activates public spaces and provides high public amenity • Respects and celebrates surrounding heritage • Respects adjacent residential development protecting light and aspect <u>Transport and access</u> • Permeable ground plane responds to context, desired travel paths and key destinations • Prioritises pedestrians over vehicles <u>Infrastructure</u> • Integrated vehicular access and servicing for variety of uses <u>Sustainability</u> • Integrates with the open space network, key desire lines and the Green Grid • Holistically sustainable • Achieves diversity and inclusivity • Achieves adaptability and flexibility
<i>Eastern City District Plan</i>	<u>Global Sydney</u> • Contributes to a stronger and more competitive Harbour CBD • Supports growth in target industries including innovation, technology and tourism uses <u>Liveability</u> • Contributes to a healthy, creative, culturally rich and socially connected community <u>Transport and access</u> • Delivers an integrated land use and transport solution that creates a walkable 30 minute city • Provides floor space for innovation, technology and tourism uses • Provides for investment, business opportunities and jobs growth <u>Infrastructure</u> • Infrastructure available to support the new development • Services and social infrastructure meet changing needs <u>Sustainability</u> • Scenic and cultural landscapes are protected • Delivers high quality public domain • Reduced carbon emissions • Energy, water and waste use efficiently managed • Climate change impacts and adaptation mitigated

Strategic Policy / Plan	Alignment
<i>Camperdown-Ultimo Collaboration Area Place Strategy</i>	The Camperdown-Ultimo Collaboration Area Place Strategy sets out 11 priorities, of which the following are relevant to the Planning Proposal: <u>Connectivity</u> • <i>Priority 1: Integrate and connect the Collaboration Area, within and beyond its edges</i> – integrates and connects the Collaboration Area by proposing complementary uses to that envisaged in the Collaboration Area and improving pedestrian connectivity • <i>Priority 2: Improve local transport options and amenity within the Collaboration Area</i> – improves pedestrian connections to and from Central Station. • <i>Priority 3: Promote smart technology, drive innovation and connect locally and globally</i> – provides high quality, varied scaled and appropriately configured floor space suitable for tech and creative industries, helping to support the development of the Sydney Innovation and Technology Precinct and enhancing Sydney's global city status <u>Liveability</u> • <i>Priority 5: Foster healthy, creative, culturally rich, socially connected and welcoming communities</i> – revitalises the area as a destination for the local, metropolitan and global community. Respects and celebrates heritage. Enhances and activates public domain. • <i>Priority 6: Provide social and civic infrastructure for current and future generations:</i> - provides for an enhanced public domain, improved pedestrian, services and infrastructure meet changing needs, supports creative industries. <u>Productivity</u> • <i>Priority 7: Cultivate an internationally competitive health, education, research and innovation area</i> – helps to consolidate the area's research and innovation focus by providing high quality, flexible and appropriately configured floorplates for the innovation and technology sector in all its variants from startup through to corporate and to provide for cross pollination and idea sharing in a building that achieves design excellence. <u>Sustainability</u> • <i>Priority 9: Enhance the network of high quality open and public space linked by the Greater Sydney Green Grid</i> –gardens and green space will be developed within the building to link to city's open space network • <i>Priority 10: Create a resilient place</i> – delivers a benchmark urban renewal project that will demonstrate best practice sustainable place-making
<i>Central to Eveleigh Urban Transformation Strategy</i>	The Planning Proposal supports the Central to Eveleigh Urban Transformation Strategy by: • providing focus for activity in close proximity to Central Station • reconnecting Central with the surrounding precinct to the west • strengthening culture and heritage • facilitating improved walking connections and the upgrade of the public domain.
<i>Better Placed – An Integrated design policy for the built environment of New South Wales,</i>	The Proposal is consistent with the policies in Better Placed as follows: • <i>Contextual, local and of its place</i> – this is achieved through its integration with Central Station and the future Western Gateway precinct, as part of the growing tech ecosystem within the innovation corridor, and through its retention of key vistas and features of the precinct, including protection of the views of the clock tower. • <i>Sustainable, adaptable and durable</i> - Embeds environmental

Strategic Policy / Plan	Alignment
	sustainability, climate change adaptation and resilience in the future building through the ESD and design excellence strategies • <i>Inclusive, connected and diverse</i> – contributes to a diversity of land uses within the Haymarket Activity Node and Southern CBD, improving pedestrian connectivity and providing inclusive, high quality public and private spaces • <i>Safe, comfortable and livable</i> – creates a high quality public domain which is active and safe. The proposed envelope has been designed to achieve a high level of safety and comfort. • <i>Functional, efficient and fit for purpose</i> - provides a building format that has been designed to meet the workspace needs of the future and to integrate in a coordinated manner with the public domain. • <i>Creating and adding value</i> – creates and adds value by transforming the site into a vertical innovation village delivering dynamic urban connectivity and stimulating high tech jobs, service and facilities and by providing a new tech hotel which forms a critical component of the future connected village. • <i>Engaging, inviting and attractive</i> – designed to be welcoming and aesthetically pleasing. The ground plane will be transformed into an inviting, high quality space, encouraging the community to experience, use and interact with the building and its occupants and promoting positive engagement idea and technology sharing.
<i>Green Grid</i>	The Sydney Green Grid was published in 2017 by the Government Architect's Office and aims to: • conserve, improve and expand Sydney's strategic network of open spaces • reinforce a sense of place within Sydney's sub regions • safeguard and plan the green infrastructure of Sydney. The Planning Proposal supports the aims of the green grid. It will include the creation of a high quality public domain and green terraces on upper levels of the building.
<i>City of Sydney Draft Tech Startups Action Plan</i>	The Draft Tech Startups Action Plan sets out five areas to support technology entrepreneurs and the Sydney tech startup ecosystem. The main area of relevance to the Proposal is increasing the density of the tech ecosystem. The Proposal will support this focus area by: • consolidating the innovation corridor as the focal point for tech industry • providing appropriately configured and designed floor space suitable for tech-based business • facilitating the clustering of tech firms • providing spaces to host tech talks or showcase ideas to others within the tech ecosystem and/or to the public
<i>Sustainable Sydney 2030</i>	The Proposal is consistent with Sustainable Sydney 2030 as it: • provides floor space and a mix of uses that contributes to a globally competitive and innovative city • promotes a resilient and inclusive local community • delivers land uses and activities that create a lively and engaging city • delivers a cultural and creative city • integrates transport for a connected city • provides connections and linkages that contribute to <i>A city for walking and cycling</i> objectives • provides for sustainable development, renewal and design excellence

Strategic Policy / Plan	Alignment
<i>City Plan 2036: Draft City of Sydney Local Strategic Planning Statement (LSPS)</i>	<u>Infrastructure</u> • <i>Movement for walkable neighbourhoods and a connected city</i> – improves pedestrian connectivity and walkability with upgrades to the existing through site connection and public domain improvements. • <i>Align development and growth with supporting infrastructure</i> - integrates land use with transport, delivering additional jobs consistent with significant government investment in transport infrastructure in and around Central Station. • <i>A creative and socially connected city</i>– revitalises the Haymarket Activity node and respects and celebrates heritage. Enhances and activates the public domain, providing opportunities for cultural and community connection. • <i>Creating great places</i> – creating a great place through the transformation of the site into a dynamic workplace of the future. The high quality public domain will be welcoming and aesthetically pleasing, encouraging the community to use and enjoy the site and its surrounds and promoting positive engagement. • <i>Growing a stronger, more competitive Sydney</i> - contributing to a stronger and more competitive Sydney through the delivery of high quality commercial floor space incorporating innovative and adaptable building typologies and by supporting growth in target industries including the tech sector at all levels including opportunities for enterprises to grow within the building and cross pollination between startups and corporates. • <i>Developing innovative and diverse business clusters in City Fringe</i> - designed to attract existing, new and emerging technology industries, the project will be a catalyst for the tech industry cluster in the City Fringe and will build on separate development occurring within the Western Gateway. • <i>Protecting and enhancing the natural environment for a resilient city</i> – achieving world-leading sustainability performance that will be underpinned by climate adaptation and resilience initiatives that address key climate risks of heat and water management, emergency operations and world class connectivity to the broader city. • <i>Creating better buildings and places to reduce emissions and waste and use water efficiently</i> – providing a benchmark urban renewal project underpinned by sustainability • <i>Increasing resilience of people and infrastructure against natural and urban hazards</i> - embedding resilience through urban heat and water management with green infrastructure and shading • <i>Open, accountable and collaborative planning</i> – working collaboratively with the City of Sydney, government agencies and other landholders to deliver the strategic objectives for the City of Sydney, Haymarket activity Node, Central to Eveleigh Collaboration area and the Sydney Technology and Innovation Precinct.

Under the heading of Assessment Criteria the *Guide to Preparing Planning Proposal* identifies that it is necessary to determine if a planning proposal has a) strategic and b) site specific merit.

Strategic Merit Test

The *Guide to Preparing Planning Proposals* and *Planning Circular PS 18-012* (14 December 2018) identify that the key factor in determining whether a proposal should proceed to a Gateway determination is its strategic merit. It requires that planning proposals are to be assessed to determine if they are:

- 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; or
- Consistent with a relevant local strategy that has been endorsed by the Department; or
- 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.

Table 6 outlines the strategic merit of the Planning Proposal in response to the above criteria.

Table 6: Assessment of Strategic Merit

Strategic Merit Test	Comment
1) Consistent with the relevant draft district plan or corridor/precinct plans applying to the site, including any draft plans released for public comment; or	The subject Planning Proposal is consistent with the <i>Greater Eastern City District Plan</i>. Specifically the Plan is consistent with and will support the aims and objectives of the Eastern City District Plan and will assist to build Sydney as a stronger and more competitive Harbour CBD supporting growth in the tech sector. As outlined in Table 5 above the Planning Proposal is aligned with key directions in the District Plan including: <u>Global Sydney</u> • Contributes to a stronger and more competitive Harbour CBD • Supports growth in target industries including <u>Liveability</u> • Contributes to a healthy, creative, culturally rich and socially connected community <u>Transport and access</u> • Delivers an integrated land use and transport solution that creates a walkable 30 minute city • Provides floor space for innovation, technology and tourism uses • Investment, business opportunities and jobs growth <u>Infrastructure</u> • Infrastructure supports new development • Services and social infrastructure meet changing needs <u>Sustainability</u> • Scenic and cultural landscapes are protected • Delivers high quality public domain • Reduced carbon emissions • Energy, water and waste use efficiently managed • Climate change impacts and adaptation mitigated

Strategic Merit Test	Comment
2) Consistent with a relevant local strategy that has been endorsed by the Department; or	The Planning Proposal is also consistent with the City's Endorsed Draft CSPA and has been prepared to directly respond to it providing additional investment, floor space and employment within the State government identified innovation corridor and at a key point of confluence within the southern CBD. The Planning Proposal provides for up to \$539.1 million in direct investment, up to 51,700m² of commercial floor space and approximately up to 1,357 additional jobs directly related to activity and direct tourism spend in a highly accessible part of Sydney. It should be noted that this is solely direct benefits on site and that additional benefits would result during construction and given the multiplier effect. The proposal equates to significant more jobs and investment than would be able to be achieved under current planning controls and will therefore provide a significant contribution to the City's goal of unlocking 2.9 million square metres of floor space and providing for over 100,000 jobs It will also deliver economic land uses which are in significant demand in the location comprising a vertical innovation village in a location which is identified as being within the innovation corridor. It will also provide for the sharing of the proposed uplift with the community through a community infrastructure contribution of between \$15.53 million and \$18.34 million. The proposed additional investment, floor space, employment and community infrastructure benefits will also be delivered in a building of design excellence and will not result in adverse environmental or social impacts.
3) 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.	The Planning Proposal does respond to a change in circumstances as outlined by the City in the Endorsed Draft CSPA and which is currently not reflected in the SLEP 2012. The draft strategy points to a critical need to increase the capacity of Sydney as an internationally Global City and the continuing increasing demand to provide space and facilities for high tech businesses, from start-up to maturing, and that sector's contribution to Sydney's position as a Global City. The Endorsed Draft CSPA identifies the City's planning vision for how Sydney will grow into the future and includes aims, objectives and actions to promote Central Sydney's role as the State and nation's economic, cultural and social engine. It seeks to unlock economic opportunities and investment in jobs, and support public improvements that make Sydney an attractive place for business, workers, residents and visitors. These benefits are to be unlocked while ensuring innovative and world class development solutions. The subject Planning Proposal is entirely consistent with this vision and cannot be delivered under the existing planning controls applying to 187 Thomas.

Having regard to the above assessment it is considered that the Planning Proposal unequivocally demonstrates strategic merit.

Site Specific Merit Test

Once a Planning Proposal is assessed as having strategic merit the *Guide to Preparing Planning Proposals* (and *Planning Circular PS 18-012*) identifies the appropriate tests to determine whether a Planning Proposal has site-specific merit. These include having regard to:

- the natural environment (including known significant environmental values, resources or hazards)

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

Table 7 outlines the site-specific merits of the Planning Proposal in response to these criteria.

Table 7: Assessment of Site-Specific Merit

Site-specific Merit Test	Comment
1) The natural environment (including known significant environmental values, resources or hazards);	The subject land is not known to contain any significant environmental values, resources or hazards as it is currently developed for office purposes with basement parking and does not include any vacant land. The future DA would address the potential impact of any development on the land and its natural environment in detail.
2) The existing uses, approved uses and likely future uses of land in the vicinity of the land subject to the proposal; and	The Planning Proposal has taken into consideration its surrounding context as demonstrated in this report and in Part C: Urban Design of this Justification Report. It will not adversely impact any surrounding development (existing or proposed) rather it has the potential to act as a catalyst to promote urban renewal and revitalisation in a key location within close proximity to Central Station, within the Haymarket Activity Node and Camperdown-Ultimo Collaboration Area and at the point of confluence between the health, education and research axis along Parramatta Road and Broadway, the information, communications and technology cluster of Ultimo and Pyrmont, the financial and professional heart of the city through the CBD, and the creative and design district across Surry Hills, Chippendale and Eveleigh. Its development as proposed will support both the State government and City of Sydney's vision for the growth of the collaboration area as an innovation district. The proposal is therefore consistent with the existing and likely future uses in the area having regard to the City's vision for Central Sydney. The proposed planning controls will provide for optimisation of 187 Thomas' potential to deliver investment, floor space and employment as well as community infrastructure on a strategically located site with excellent access to public transport, facilities and services.
3) 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.	187 Thomas is already used for commercial purposes and is located in an existing developed area with access to service infrastructure (e.g. water, electricity, sewer, gas etc.) suitable to accommodate the proposed development. The proposal includes a public benefit offer in respect of community infrastructure as identified and any future DA would also be subject to the imposition of appropriate section 61 contributions under the of the <i>City of Sydney Act 1988</i>.

As demonstrated in the summary tables above, this Planning Proposal unequivocally demonstrates both strategic and site-specific merit and is therefore suitable to progress for Gateway Determination.

Further detail and justification is provided in the following sections.

Q4: Is the planning proposal consistent with a council's local strategy or other local strategic plan?

As noted above the Endorsed Draft CSPS was prepared in 2016 and is the relevant strategy underpinning the subject Planning Proposal.

The Endorsed Draft CSPS sets the City's planning vision for how Sydney will grow into the future and includes aims, objectives and actions to promote Central Sydney's role as the State and nation's

economic, cultural and social engine. The subject Planning Proposal is consistent with the Endorsed Draft CSPA. It will provide an uplift in FSR and height on land identified as being within a future high density cluster. It will provide for up to \$539.1 million in direct investment, up to 51,700m² of commercial floor space and approximately up to 1,357 additional jobs directly related to activity and direct tourism spend in a highly accessible part of Sydney. It will also provide for the sharing of the proposed uplift with the community through a community infrastructure contribution of between \$15.53 million and \$18.34 million (refer **Appendix 2**).

Sustainable Sydney 2030 also provides the vision for sustainable development for the City of Sydney to 2030 and beyond. It includes 10 strategic directions to guide the future of the City of Sydney. *Sustainable Sydney 2030* outlines the City's vision for a 'green', 'global' and 'connected' City of Sydney and sets targets, objectives and actions to achieve that vision.

The Planning Proposal is consistent with *Sustainable Sydney 2030*, particularly:

- *Direction 1 – A globally competitive and innovative city* - The proposal will support a future high quality urban design outcome that will provide new employment opportunities and attract tech entrepreneurs and skilled tech professionals to Sydney. The investment into 187 Thomas will help contribute to make Sydney attractive to global investors while at the same time delivering a building of excellence that forms a true integrated vertical innovation village.
- *Direction 2 – A leading environmental performer* - The Planning Proposal will support a more ecologically sustainable development on the site, with a target of meeting a minimum 5.5 stars NABERS energy rating for the commercial component and 4.5 stars for the hotel component of the development, and 4 star NABERS water score for the commercial office and hotel.
- *Direction 3 – Integrated transport for a connected city* - The proposal will capitalise on its close proximity to existing heavy rail train stations, the recently constructed light rail, and high frequency buses. 187 Thomas' proximity to a broad range of services will also further limit potential future trips by vehicle and encourage sustainable transport behaviour.
- *Direction 5 – A lively and engaging city centre* - The mix of uses proposed on the site will significantly improve the levels of activation in the southern part of the City.
- *Direction 6 – Vibrant local communities and economies* - The Planning Proposal facilitates development that will enhance the CBD and Harbour area by increasing business opportunities for workers, local residents, and tourists. This Planning Proposal will allow a significant investment into central Sydney and provide for a mixed use commercial building including new hotel facilities purpose built for the tech sector in the southern part of the City.
- *Direction 9 – Sustainable development, renewal and design* - The Planning Proposal includes building envelope controls and a design excellence strategy that is aimed at ensuring the future building represents design excellence. In addition, the future development will include a range of sustainable building features. By proposing a commercial and hotel building, committing to a full architectural design competition and seeking to achieve ESD targets and protecting public domain amenity, the proposal is consistent with the aims of the Endorsed Draft CSPA being, the guiding strategic plan for Central Sydney over the next 20 years.

Q5. Is the planning proposal consistent with applicable State Environmental Planning Policies (SEPPs)?

There are no existing State Environmental Planning Policies (SEPPs) or known draft policies that would prohibit or restrict the Planning Proposal from proceeding. An assessment of consistency against the relevant SEPPs is provided in Table 8 below with further explanation of relevant SEPPs provided in following sections where relevant.

Table 8: Consistency with relevant SEPPs

SEPP's with which Planning Proposal is consistent	SEPP 1 – Development Standards SEPP 19—Bushland in Urban Areas SEPP 21—Caravan Parks SEPP 33—Hazardous and Offensive Development SEPP 50—Canal Estate Development SEPP 55—Remediation of Land SEPP 70—Affordable Housing (Revised Schemes) SEPP (Affordable Rental Housing) 2009 SEPP (Educational Establishments and Child Care Facilities) 2017 SEPP (Exempt and Complying Development Codes) 2008 SEPP (Infrastructure) 2007 SEPP (Mining, Petroleum Production and Extractive Industries) 2007 SEPP (Miscellaneous Consent Provisions) 2007 SEPP (State and Regional Development) 2011 SEPP (State Significant Precincts) 2005 SEPP (Vegetation in Non-Rural Areas) 2017
SEPP's that are not applicable to the Planning Proposal	SEPP 36—Manufactured Home Estates SEPP 44—Koala Habitat Protection SEPP 47—Moore Park Showground SEPP 64—Advertising and Signage SEPP 65—Design Quality of Residential Flat Development SEPP (Aboriginal Land) 2019 SEPP (Building Sustainability Index: BASIX) 2004 SEPP (Coastal Management) 2018 SEPP (Concurrences) 2018 SEPP (Gosford City Centre) 2018 SEPP (Housing for Seniors or People with a Disability) 2004; SEPP (Kosciuszko National Park— Alpine Resorts) 2007; SEPP (Kurnell Peninsula) 1989; SEPP (Penrith Lakes Scheme) 1989 SEPP (Primary Production and Rural Development) 2019 SEPP (Sydney Drinking Water Catchment) 2011 SEPP (Sydney Region Growth Centres) 2006 SEPP (Three Ports) 2013 SEPP (Urban Renewal) 2010 SEPP (Western Sydney Employment Area) 2009 SEPP (Western Sydney Parklands) 2009

Deemed SEPPs with which the Planning Proposal is consistent	Sydney REP (Sydney Harbour Catchment) 2005
Deemed SEPPs that are not applicable to the Planning Proposal	Sydney REP 8—(Central Coast Plateau Areas) Sydney REP 9—Extractive Industry (No 2—1995) Sydney REP 16—Walsh Bay Sydney REP 20—Hawkesbury- Nepean River (No 2— 1997) Sydney REP 24—Homebush Bay Area Sydney REP 26—City West Sydney REP 30—St Marys Sydney REP 33— Cooks Cove Greater Metropolitan REP No 2— Georges River Catchment
Other plans that are not applicable to the Planning Proposal	Darling Harbour Development Plan No. 1 Sydney Cove Redevelopment Authority Scheme
Draft SEPPs with which the Planning Proposal is consistent	Draft SEPP (Environment)

State Environmental Planning Policy (SEPP) No. 55 – Remediation of Land

SEPP 55 aims to promote the remediation of contaminated land for the purpose of reducing the risk of harm to human health or any other aspect of the environment. It specifically requires consideration when rezoning land and in determining development applications, and requires that remediation work meets certain standards and notification requirements.

At this stage a Preliminary Site Investigation (PSI) has been not been prepared as the subject Planning Proposal does not seek to vary the permissible uses on site. The site is currently used for commercial purposes and will continue to be used for commercial purposes. Notwithstanding it is noted that the Geotechnical advice provided by Arup (**Appendix 7**) indicates that contamination was noted in the investigation report for the adjacent site at 757 – 763 George Street. Accordingly it is considered that an environmental and contamination investigation should be undertaken at the development application stage.

State Environmental Planning Policy (Infrastructure) 2007

State Environmental Planning Policy (Infrastructure) 2007 (SEPP Infrastructure) aims to facilitate the effective delivery of infrastructure across the State and identifies matters to be considered in the assessment of development adjacent to particular types of infrastructure.

Schedule 3 of SEPP Infrastructure lists traffic generating development that is to be referred to the RMS (now Transport for NSW). This includes commercial development with a floor space over 10,000m². As such, any future development application would need to be referred to the Transport for NSW.

Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005

Under Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005, 187 Thomas Street is located within the Sydney Harbour Catchment Boundary but not within the Foreshores and Waterways Area Boundary.

The Planning Proposal does not contradict or hinder the application of the planning principles for Sydney Harbour Catchment, as set out in Clause 13 of the REP.

Draft Environment SEPP

The NSW government has been working towards developing a new State Environmental Planning Policy (SEPP) for the protection and management of the natural environment. The Draft Environment SEPP is a consolidated SEPP which proposes to simplify the planning rules for a number of water catchments, waterways, urban bushland, and the Willandra Lakes World Heritage Property. It consolidates seven existing SEPPs including Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005. The Explanation of Intended Effect for the Environment SEPP was on exhibition from 31 October 2017 until the 31 January 2018.

Components of the Draft Environment SEPP which will be applicable to 187 Thomas relate to those within the current Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005. As outlined above the site is outside of the Foreshore and Waterways Area of the SREP and accordingly only the principles in Clause 13, Sydney Harbour Catchment apply. The Explanation of Intended Effect for the Environment SEPP states that these principles will be transferred to a Ministerial Direction. The Environment SEPP will therefore not have any implications for the subject Planning Proposal.

The proposal is therefore consistent with all relevant in force and draft State Environmental Planning Policies.

Q6. Is the planning proposal consistent with applicable Ministerial Directions (s.9.1 directions)?

This Planning Proposal has been assessed against each Section 9.1 direction. Consistency with these directions is shown in the table below.

Table 9: Consistency with Section 9.1 Directions

No.	Title	Comment
1. Employment and Resources		
1.1	Business and Industrial Zones	The direction requires that in respect of land in an existing or proposed business or industrial zone a planning proposal must: (a) give effect to the objectives of this direction, (b) retain the areas and locations of existing business and industrial zones, (c) not reduce the total potential floor space area for employment uses and related public services in business zones, (d) not reduce the total potential floor space area for industrial uses in industrial zones, and (e) ensure that proposed new employment areas are in accordance with a strategy that is approved by the Secretary of the Department of Planning and Environment. The Planning Proposal is entirely consistent with this direction.
1.2	Rural Zones	Not applicable
1.3	Mining, Petroleum Production and Extractive Industries	Not applicable
1.4	Oyster Aquaculture	Not applicable
1.5	Rural Lands	Not applicable

No.	Title	Comment
2. Environment and Heritage		
2.1	Environment Protection Zones	Not applicable
2.2	Coastal Protection	Not applicable
2.3	Heritage Conservation	This Direction requires that in respect of items, areas, objects and places of environmental heritage significance and indigenous heritage significance, a planning proposal must contain provisions that facilitate the conservation of: (a) items, places, buildings, works, relics, moveable objects or precincts of environmental heritage significance to an area, in relation to the historical, scientific, cultural, social, archaeological, architectural, natural or aesthetic value of the item, area, object or place, identified in a study of the environmental heritage of the area, (b) Aboriginal objects or Aboriginal places that are protected under the National Parks and Wildlife Act 1974, and (c) Aboriginal areas, Aboriginal objects, Aboriginal places or landscapes identified by an Aboriginal heritage survey prepared by or on behalf of an Aboriginal Land Council, Aboriginal body or public authority and provided to the relevant planning authority, which identifies the area, object, place or landscape as being of heritage significance to Aboriginal culture and people. The Planning Proposal does not seek to alter existing heritage or provisions contained within SLEP 2012. 187 Thomas is not a heritage item however it is located adjacent to and in the vicinity of a number of items. Heritage impacts have been considered in the formulation of the Proposed DCP Envelope and will ensure that any future development has regard to and respects these items and will not result in adverse impacts. A heritage impact statement has been prepared in this regard (refer Appendix 3). It concludes that the proposal will have an acceptable impact on heritage items within the vicinity. It is therefore considered that the Planning Proposal is not inconsistent with Section 9.1 Direction 2.3.
2.4	Recreation Vehicle Areas	Not applicable
2.5	Application of E2 and E3 Zones and Environmental Overlays in Far North Coast LEPs	Not applicable
3. Housing Infrastructure and Urban Development		
3.1	Residential Zones	Not applicable
3.2	Caravan Parks and Manufactured Home Estates	Not applicable
3.3	Home Occupations	Not applicable
3.4	Integrating Land Use and Transport	Consistent. The Planning Proposal seeks to amend the height and FSR for land zoned for business purposes however it does not seek to alter the zoning of the subject land. The existing zoning will be preserved.

No.	Title	Comment
3.5	Development Near Licensed Aerodromes	Consultation on the Planning Proposal will be required with CASA and Air Services Australia and controlled activity approvals will also be required at the DA stage (refer section 9.13).
3.6	Shooting Ranges	Not applicable
4. Hazard and Risk		
4.1	Acid Sulfate Soils	The land comprises Class 5 acid sulfate soils as identified on the City's Acid Sulfate Soils Map. No change of land use is proposed. This matter would be addressed further at the DA stage.
4.2	Mine Subsidence and Unstable Land	Not applicable
4.3	Flood Prone Land	Not applicable
4.4	Planning for Bushfire Protection	Not applicable
5. Regional Planning		
5.1	Implementation of Regional Strategies	Not applicable
5.2	Sydney Drinking Water Catchments	Not applicable
5.3	Farmland of State and Regional Significance on the NSW Far North Coast	Not applicable
5.4	Commercial and Retail Development along the Pacific Highway, North Coast	Not applicable
5.9	North West Rail Link Corridor Strategy	Not applicable
5.10	Implementation of Regional Plans	Consistent – as outlined above the Planning Proposal is consistent with the Eastern City District Plan.
6. Local Plan Making		
6.1	Approval and Referral Requirements	Consistent. The Planning Proposal does not seek to include any concurrence, consultation or referral provisions nor does it identify any development as designated development.
6.2	Reserving Land for Public Purposes	Not applicable
6.3	Site Specific Provisions	The Planning Proposal seeks a site specific provision consistent with other site specific provisions contained within section 6 of SLEP 2012. It is considered consistent with this direction as it allows the development to be carried out in its existing zone. Additionally, the site-specific provision would not preclude development at the site from being undertaken in accordance with the site's existing controls.
7. Metropolitan Planning		
7.1	Implementation of A Plan for Growing Sydney	Not applicable – A Plan for Growing Sydney has been replaced with the Greater Sydney Region Plan: A Metropolis of Three Cities. Consistency with this plan is addressed above. The Planning Proposal is consistent with the Plan.

No.	Title	Comment
7.2	Implementation of Greater Macarthur Land Release Investigation	Not applicable
7.3	Implementation of Greater Macarthur Land Release Investigation	Not applicable
7.4	Implementation of North West Priority Growth Area Land Use and Infrastructure Implementation Plan	Not applicable
7.5	Implementation of Greater Parramatta Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	Not applicable
7.6	Implementation of Wilton Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	Not applicable

8.3 Section C – Environmental, Social and Economic Impact

Q7. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

The Planning Proposal will not result in any impact on critical habitat or threatened species, populations or ecological communities or their habitats given the Precinct's CBD location.

Q8. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

A detailed assessment of the environmental impacts of the Planning Proposal is provided in **Section 9.0** below. These environmental considerations are those related primarily to heritage, visual impact, urban amenity, public domain and streetscape and economic impacts.

In summary it is concluded that the proposal will not result in any significant adverse impacts and that the Proposed DCP Envelope has been designed to protect and preserve existing views, heritage values, light and aspect to adjoin residences etc. In addition it is concluded that the proposal will have significant economic and social benefits and will act as a catalyst for both the establishment of a technology precinct in the southern CBD and the redevelopment and upgrading of the area. The proposal will also take advantage of its strategic location at the confluence of a number of identified precincts and will responds to the Haymarket special character.

Q9. Has the planning proposal adequately addressed any social and economic effects?

The social and economic impacts of the Planning Proposal are addressed in Section 9.0. The Planning Proposal will have significant positive social and economic impacts through supporting a development outcome that is conducive to the strategic economic importance of the Precinct and in creating a large number of employment opportunities, the majority of which will be highly skilled occupations. The proposal will also act as a catalyst for the establishment of a sought after technology precinct in the southern CBD and will have significant multiplier benefits.

8.4 Section D – State and Commonwealth interests

Q10. Is there adequate public infrastructure for the planning proposal?

The site is within an established urban area well serviced by infrastructure, utilities, public transport and a variety of social support services and recreational facilities. The additional development potential facilitated by the proposed SLEP 2012 amendment will not exceed the capacity or availability of public infrastructure. Appropriate Development Contributions will be levied at the time of development consent for any future building work. . In addition it is noted that the proponent is proposing to enter in to a VPA (refer **Appendix 2**) to deliver the proposed community infrastructure as required under the City's *Guideline for Site Specific Planning Proposals in Central Sydney*. This will provide public benefit to the value of between \$15.53 million and \$18.34 million which it is understood the City intends to utilise (at least in part) for the purposes of planned public domain works in Quay Street in the vicinity to the site.

Q11. What are the views of State and Commonwealth public authorities consulted in accordance with the Gateway determination?

Following Gateway Determination all relevant public authorities can be consulted as part of the Planning Proposal process and any views expressed can then be addressed.

9. ENVIRONMENTAL ASSESSMENT

To assess the likely environmental impact of the Planning Proposal request, specialist assessments have been undertaken and are summarised in this section. It should be noted that the assessments below relate specifically to the Preferred Indicative Scheme (Preferred 22:1 Scheme) as described in section 4.5 above and **Appendix B of Part C: Urban Design** of this Justification Report unless otherwise stated.

The Alternate Indicative Scheme (Alternate 20:1 Scheme) sits wholly within the envelope of the Preferred Indicative Scheme and is generally the same, albeit a smaller configuration. Accordingly the below assessment applies equally to the Alternate Indicative Scheme as it does to the Preferred Indicative Scheme with any potential impacts therefore being either the same or reduced.

Both the Preferred Indicative Scheme and the Alternate Indicative Scheme, sit wholly within the Proposed DCP Envelope.

9.1 Land Use

The Planning Proposal seeks to provide for the redevelopment of 187 Thomas as a commercial and tech/office campus consistent with the NSW Government's objectives for the Sydney Innovation and Technology Precinct. Retail, food and beverage, as well as entertainment uses will be fostered on the lower levels to ensure activation and amenity at the public/private interface. No change to the existing B8 Metropolitan Centre zoning is proposed, however the proposed intensification of land uses is justified for the reasons outlined in Section 8 of this report.

9.2 Built Form and Urban Design

The Proposed DCP Envelope has been determined based on a detailed urban design analysis of the site and its opportunities and constraints as outlined by FJMT at **Part C: Urban Design** of this Justification Report. The Preferred 22:1 Scheme (21.5 above ground) fits wholly within the Proposed DCP Envelope.

In summary key considerations which have driven the Preferred 22:1 Scheme (21.5 above ground) design include:

- Tower broken up into 4 key elements: podium, void tower, commercial tower and skyrise tower reflecting the existing stratification of buildings in the precinct (refer Figure 20 below)
- Building setback from adjacent Sutton Forest Meat Building to respect the curtilage, and minimise any adverse impact on, the heritage significance of the item
- Cut out in void tower to allow for views and light to adjacent residential apartments to the east (753 – 755 George Street)
- Integration of uses to provide shared facilities and synergies and efficiencies
- Provision of consistent street wall height on Valentine and Thomas Street frontages
- Setbacks and form modulation to ensure skyview achieved to the adjacent public domain and wind impacts are either equivalent or better than the 'base case'
- Protection and preservation of view lines along street axes including Valentine Street to Christ Church St Lawrence to the east and along Thomas Street to the future Quay Street square to the south, and
- Maximisation of pedestrian priority and connectivity with the surrounding precinct

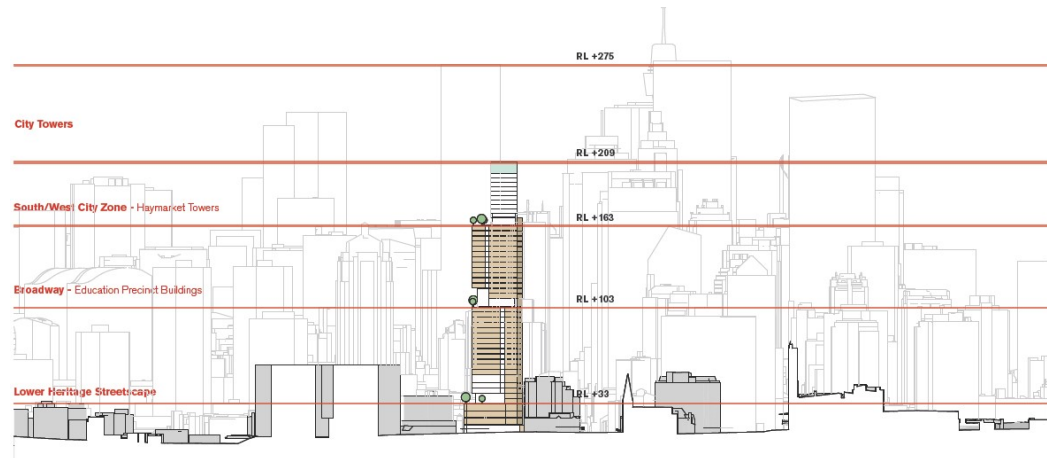


Figure 20: Building stratification (Source: FJMT)

Appropriate setbacks are provided to ensure adequate separation between buildings and to provide a suitable curtilage to the adjacent heritage item.

Having regard to all key urban design principles and the opportunities and constraints of the site it is considered that the Preferred 22:1 Scheme (21.5 above ground) demonstrates an appropriate built form within the Proposed DCP Envelope that would deliver design excellence. This applies equally to the Alternate 20:1 Scheme (20:1 above ground). Notwithstanding it is noted that a full competitive design process is proposed to be committed to as set out in the Design Excellence Strategy at **Appendix 1**. Sufficient volumetric space exists in within the Proposed DCP Envelope to allow for design innovation and excellence in the final competition winning scheme. Further detail in respect to urban design and built form is provided in Part C: Urban Design.

9.3 Sky View (Daylight) Analysis

The City of Sydney's *Guideline to Preparing Site Specific Planning Proposals* provides that where the Sydney DCP 2012 setbacks, separation and tapering controls are proposed to be varied, equivalency variation tests are required in relation to wind impacts and daylight/sky view factor. The City requires that equivalent or improved wind comfort and wind safety and daylight levels are achieved in adjacent Public Places and requires that this is demonstrated in accordance with the procedures set out in Schedule 11 of Draft Sydney DCP 2012 (Draft CSPS amendments). The wind impacts of the proposed envelope have been addressed at section 9.4 below.

In terms of Sky View / Daylight compliance FJMT has undertaken a sky view factor analysis test of a variety of proposed envelopes including the Proposed DCP Envelope against the base case (DCP compliant scheme) in accordance with the procedures set out in Draft Schedule 11 (refer **Part C: Urban Design Appendix H**). The analysis assesses the potential impact of the 'Proposed DCP Envelope' on daylight levels over a 1m grid along surrounding Public Places to a distance of 200m radius from the development site compared to the base case.

The analysis concludes that the Proposed DCP Envelope provides for an improved average SVF in the surrounding public domain within the study area when compared with the 'base case' as per the Endorsed Draft CSPS. The Preferred 22:1 and Alternate 20:1 Schemes which sit wholly within the Proposed DCP Envelope therefore also improve the average SVF in the surrounding public domain when compared with the 'base case'.

9.4 Wind Assessment

An environmental wind assessment has been prepared for 187 Thomas by Arup (**Appendix 9**). The assessment summarises the wind climate in and around the site from the quantitative wind-tunnel testing conducted on the site (conducted by RWDI) in the existing and two proposed configurations:

- (1) the 'base case' which comprises a building envelope formed having regard to complying setbacks, separation and tapering requirements specified in Section 5.1 of the Sydney DCP and
- (2) preliminary concept design which equates to the Proposed DCP Envelope.

As noted above where setbacks, separation and tapering controls are proposed to be varied, the City requires that equivalent or improved wind comfort and wind safety and daylight levels are achieved in adjacent Public Places and requires that this is demonstrated in accordance with the procedures set out in Draft Schedule 11 of Sydney DCP 2012 (Endorsed Draft CSPS).

Compliance with Draft Schedule 11 is summarised in **Appendix I of Part C: Urban Design** of this Justification Report.

Based on the results, the Arup report notes that with the proposed development the majority of locations would be classified as suitable for standing and walking type activities thereby meeting the target comfort classifications.

In terms of pedestrian safety, the existing wind conditions pass everywhere except close to the McKell building on Rawson Place to the east, due to the isolated massing of this building. In the 'base case' configuration, there are additional exceedances of the safety criterion. The number and magnitude of exceedances of the safety criterion decreases in the Proposed DCP Envelope (which is larger than both the Preferred 22:1 Scheme and the Alternate 20:1 Scheme).

The report notes that the primary areas of concern for both comfort and safety are close to the site along Thomas and Valentine Streets. The further afield issues around the McKell building are existing conditions. The flow mechanism causing the nearby issues is the result of winds from the south-east and west quadrants causing downwash flow accelerating around the windward corners of the exposed building. It is evident that amendments to the building geometry such as the inclusion of a notch above the podium level as provided in the Proposed DCP Envelope would have a beneficial impact on the surrounding wind conditions. The report notes that such a notch is beneficial for the ground floor environment, but would be expected to classify the podium as suitable for pedestrian walking type activities, meeting the wind speed associated with the sitting criterion for about 60% of the time, which could be improved with local amelioration on the terrace.

In summary then the wind report concludes that as part of the Design Excellence process, the architect teams would be expected to address the highlighted wind issues around the site, through the incorporation of such features as:

- Keep taller buildings to centre of block, and/or include a podium with min. 6m offset to the tower from the podium edge, or at minimum include awnings around the corners
- Raise the tower at least above the podium to allow the flow to dissipate through this open level; best with a tower setback from the podium edge and minimum 3 storey gap
- Round or chamfer tower corners to encourage horizontal flow
- Provide setbacks or taper in the tower with height to reduce the windward area
- Include awnings at ground level, particularly around the corners, to offer wind and wind-driven rain protection to pedestrians

- Avoid constant width through site links, particularly directly under the tower. Better to have narrower entrances with central open area to concentrate fast flow
- Keep main entrances away from building corners, and preferably inset, and
- Consider revolving doors to main entry, particularly if lobby has multiple entrances. Double doors tend not be effective in high trafficked areas.

It also notes that there is currently sufficient information to highlight the critical locations impacted by wind, and information to inform an appropriate architectural solution. Additional testing to 'solve' the problems prior to the architectural design competition is unnecessary, as the proposed building forms could drastically change the local wind conditions on the ground plane. Keeping wind as a key consideration through the design competition process is believed the best approach to effectively mitigate the wind issues while continuing to fully develop the site. This would be a similar process to other design competition processes such as that undertaken for 338 Pitt Street and the Cockle Bay Precinct, which all showed exceedances of the comfort and/or safety criteria in the initial massing scheme.

It is therefore considered that the Proposed DCP Envelope is acceptable from a wind perspective as it is an improvement on the wind conditions that would be experienced under the 'base case'. Further during the architectural design competition detailed modelling would be undertaken to ensure appropriate wind comfort and safety conditions would be experienced post development. Notably however the modelling undertaken to date indicates that appropriate design measures are available which will ensure that compliance with relevant criteria is achieved.

Further the design excellence strategy for 187 Thomas (**Appendix 1**) will ensure that wind mitigation is a key consideration in the future design process.

9.5 Solar Access and Overshadowing

9.5.1 Solar Access to Public Space

The Proposed DCP Envelope and Preferred 22:1 and Alternate 20:1 Schemes (within this envelope) have all been designed having regard to site orientation and solar access considerations. Part C: Urban Design includes **Appendix J: Public Space Overshadowing Analysis** and **Appendix K: Residential Overshadowing Analysis** which are assessments of the Preferred 22:1 Scheme. These assessments are distinct from the skyview factor analysis which is addressed in section 9.6 below.

The public space overshadowing analysis (**Appendix K** of Part C: Urban Design) addresses the potential impact of the Preferred 22:1 Scheme on Chippendale Green which is an area of public open space to the south west of the site as well as the new public square to be located immediately adjacent to the site at the corner of Quay, Thomas and Valentine Streets.

The analysis illustrates the impact of the massing of the Preferred 22:1 Scheme on Chippendale Green on June 21 (worst case) before 10am when any potential impact would occur. In summary it indicates that the scheme would result in no additional shadow impact during this time as the shadow cast from the scheme falls within the existing shadow cast by the existing Central Park main tower to the north east of the site. This would similarly be the case for the Alternate 20:1 Scheme.

In respect of the new public square to be developed at the corner of Quay, Thomas and Valentine Streets and the footpaths on Thomas Street, the overshadowing analysis for mid-winter and mid-summer (refer **Appendix K** of Part C: Urban Design) indicates that the Preferred 22:1 Scheme (21.5:1 above ground) will only result in very minor shadow impacts in mid-winter (less than 10% to the south eastern part of the square only) while in summer additional shadow will be cast over the square and Thomas Street footpaths but this will be limited to approximately 10-20%. Given that this impact is in summer and will provide cooling shade to the square and footpaths this is considered acceptable. Notwithstanding detailed modelling of any impact will be required as part of the future architectural design competition and any subsequent detailed development application.

Having regard to the assessment it is considered that either the Preferred 22:1 and Alternate 20:1 Schemes will not result in any significant adverse impacts on solar access to public space.

9.5.2 Solar Access to Residential Development

An initial residential sun access impact study of the Preferred 22:1 Scheme (21.5:1 above ground) has also been undertaken by FJMT with results provided at **Appendix K** of Part C: Urban Design. In accordance with the Apartment Design Guide (ADG) the minimum standard for residential sun access is 2 hours to living spaces between 9:00am and 3:00pm on 21 June (mid-winter). FJMT undertook the analysis of impact by:

- Identifying residential buildings potentially affected by a notional RL 300m tower on the site of 187 Thomas at the winter equinox
- Calculating the existing sun access on the facades of the potentially affected buildings, and
- Calculating the sun access on the potentially affected buildings with the proposed massing.

The assessment concludes that:

- The most overshadowing impact as a result of the proposed Preferred 22:1 Scheme (21.5:1 above ground) massing occurs closest to the development.
- Some reduction of sun access is noticeable on 1 Central Park, however 3 hours of sun access is maintained in the affected areas
- 2 hours sun access is maintained to the facades of all potentially affected residential buildings, and
- A more detailed study of the nearby buildings on Quay Street would be required as part of a Development Application submission to assess any impact on ADG requirements.

It is therefore concluded that Preferred 22:1 Scheme, and therefore by extension the smaller Alternate 20:1 Scheme, will not result in any residential buildings having a reduction in sun access to less than the required 2 hours. Impacts are limited to nearby buildings on Quay Street and detailed modelling and assessment should be undertaken as part of the future architectural design competition and DA process.

In addition to 3D solar access modelling, a detailed 'sun eye view study' has been undertaken for the residential apartment building adjoining the site to the east at 743-755 George Street (refer **Appendix L** of Part C: Urban Design). This study was undertaken at half hour intervals in mid-winter in the morning. The analysis shows that due to the orientation of the Preferred 22:1 Scheme shadow impacts will be limited to west facing windows in the late afternoon in mid-winter. The Preferred 22:1 Scheme will result in some impact to direct solar access to west facing windows however the proposed void tower design which provides for a 5 storey (18m) void immediately adjacent to apartment building windows will ensure light and views are protected. This design initiative is a direct response to the desire to protect the amenity and light of the adjacent residential apartments and is included in the Proposed DCP Envelope.

Notwithstanding it is understood that west facing windows in 743-755 George Street are generally service and bedroom windows only and not living room windows which are generally oriented north or south and which will not therefore be affected by the proposal. The exception to this is one unit on each level which has a living room window facing west.

It is therefore considered that the Proposed DCP Envelope (and Preferred 22:1 and Alternate 20:1 Schemes) represent designs that will specifically conserve the residential amenity, both in terms of light and views, of the adjacent apartments at 743-755 George Street. Detailed consideration on a unit by unit basis would be undertaken at the architectural design competition and DA stage.

Having regard to the assessment provided by FJMT it is considered that the Proposed DCP Envelope will not result in any significant adverse impact in terms of solar access to residential apartments

adjacent to or in the vicinity of the proposal and will not result in the solar access to the living rooms to any units being reduced to below the required minimum of 2hrs between 9am and 3pm in midwinter.

9.6 Heritage

9.6.1 Heritage Impacts

To assess the potential heritage impact of the Preferred 22:1 Scheme (21.5:1 above ground), a heritage impact statement (HIS) has been prepared by Weir Phillips Heritage and Planning (refer **Appendix 3**). The HIS notes that the site is located within a sensitive historic context directly adjacent to the former Commercial Building “Sutton Forest Meat” which is a locally listed heritage item and in the vicinity of the Christ Church St Lawrence group and Central Station Railway Group both of which are State Heritage items listed on the State Heritage Register.

The HIS confirms that 187 Thomas is not of heritage significance however notes that measures to minimise its heritage impact should be considered as part of the future competitive design process given its proximity to the adjacent heritage item and Christ Church St Lawrence group and Central Station Railway Group. The report notes that the existing high rise context surrounding heritage items in the vicinity negates the majority of the heritage impact caused by a new taller built form inserted into the site and that the existing height of 50m and FSR of 9:1 already constitutes a high rise setting to the items. The proposal to increase the height and FSR will have no additional impact on the heritage items in the vicinity.

The report further indicates that the present building on site, adjoining the Sutton Forest Meat building to the west, forms an unsympathetic backdrop and that the Preferred 22:1 Scheme offers a design that can better relate to the heritage item. It states that the four storey podium with the setback above as depicted will form a clear base to the tower and forms a clear relationship with the parapet of the former Sutton Forest Meat building allowing the lower scale streetscape rhythm to be retained. Further it identifies that there is no physical impact which arises from the change to the controls proposed and that at the DA (and architectural design competition) stage there are a number of ways these issues can be addressed through the design of a future development. These include façade articulation, the adoption of comparable solid to void ratios and the introduction of sympathetic colours or finishes to assist in fitting the new tower within the historic context.

The report further concludes that the amendment to the controls has an acceptable impact on the significance of heritage items in the vicinity for the following reasons:

- *The potential impact of a larger building within the limits sought by the proposal (and described by its reference design) will have a very limited impact to the heritage significance of nearby heritage items*
- *No significant view corridors to or from the items identified in Section 4.2 (of the report) will be blocked, impeded or unreasonably disrupted. Views from the site are not considered to have heritage significance*
- *Historic views from, the Christ Church St Lawrence group and Sydney Terminal and Central Railway Stations Group will be maintained*
- *The proposal offers an opportunity to mitigate the intrusive backdrop to the former Sutton Forest Meats Building and Christ Church St Lawrence group*
- *Changes to the controls will provide the opportunity to increase the performance of the building to the public domain (in terms of streetscape presentation, light, views and connectivity) which will be improved when compared to existing controls and subject to a rigorous design excellence competition, and*
- *Change to the controls will still facilitate a tower which will require demolition of the building on site. The buildings on site are not considered to be of heritage significance either through the assessment of City of Sydney Council or by the authors of this statement.*

The HIS identifies that the principal view corridors towards 187 Thomas are obtained from directly outside of the site at the intersection of Quay and Thomas Street. It further notes that as the existing building is surrounded by lower scale buildings to the east, it is highly visible from both George and Pitt Streets as well as Central Station. When exiting the Grand Concourse of Sydney Terminal and

Central Railway Stations Group into the Western Forecourt the site is visible directly behind the Christ Church St Lawrence Group and that the site forms the backdrop to the former Sutton Forest Meat building when viewed from George Street. From other heritage items in the vicinity the site forms the backdrop to the high density mixed use area surrounding the site.

In summary having regard to the HIS at **Appendix 3** it is considered that the Preferred 22:1 Scheme and hence the smaller Alternate 20:1 Scheme will not result in any significant impact on any heritage views subject to heritage views being addressed as part of the future architectural design competition process and the achievement of design excellence.

9.7 Views and Visual Impact Analysis

9.7.1 Public views

To assess the potential impact of the Preferred 22:1 Scheme (21.5:1 above ground) on site FJMT has prepared concept model views from key city streets including estimated massing of other potential future towers as envisioned by the Endorsed Draft CSPA and the Central to Everleigh initiative. These images are provided at **section 3.6 of Part C: Urban Design** and show the interlocking of the streetscape, podium heritage building and tower setbacks. The views (views 1-9) show that the future tower will sit comfortably within its context and will not adversely impact views to any heritage items or streetscapes. The proposed built form provides for the setting back of various elements to preserve and indeed improve existing views to (and the curtilage of) the Sutton Forest Meat building and to the Christ Church St Lawrence to the east along Valentine Street.

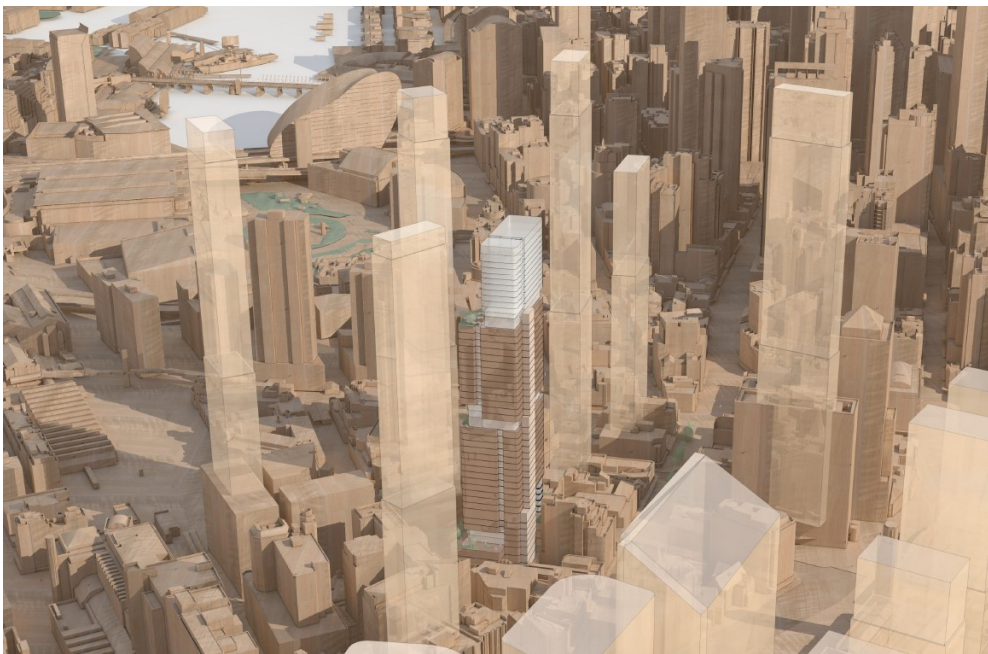


Figure 21: Preferred 22:1 Scheme Tower and Future City Cluster viewed from the south (Source: FJMT)

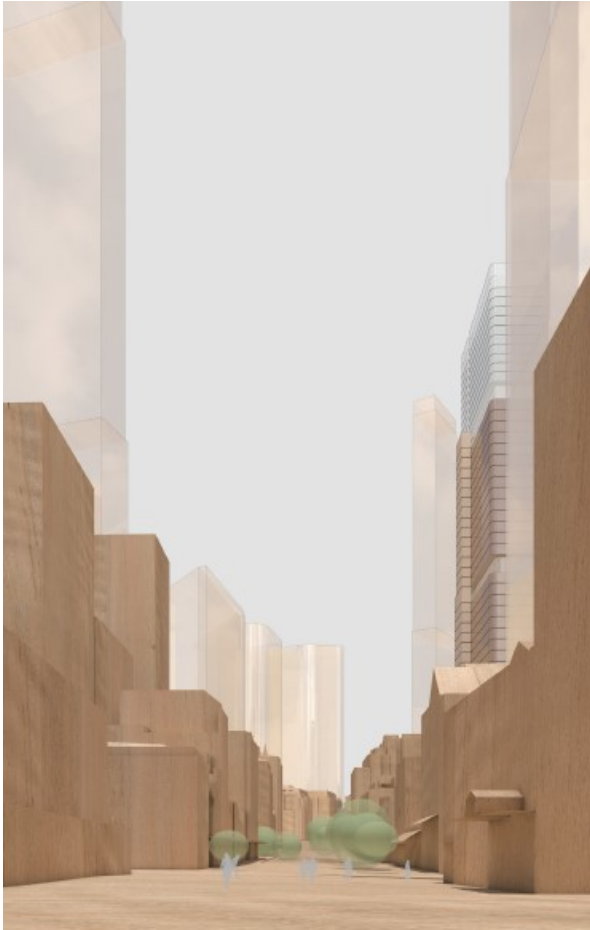


Figure 22: Streetscape looking south along George Street: (Source: FJMT)

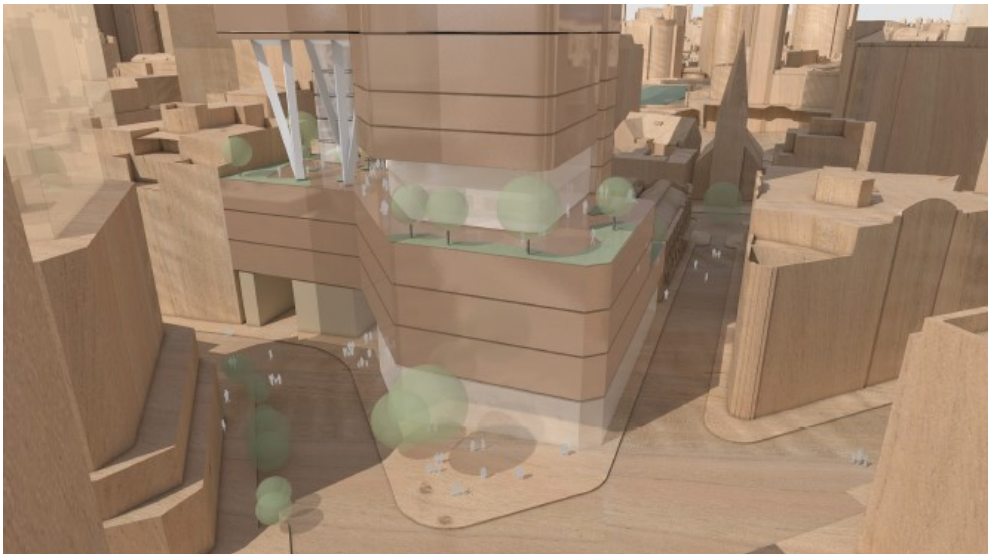


Figure 23: Preferred 22:1 Scheme Podium view from west George Street: (Source: FJMT)



Figure 24: Preferred 22:1 Scheme Podium view from east (Source: FJMT)

A visual impact photomontage report of the Preferred 22:1 Scheme from public views has also been prepared by 3D visualisation company Virtual Ideas and is provided at **Appendix 10**. The report includes photos of key public views affected by the proposal as identified by the architect and heritage architect with input from Council officers. Key views (views 10-20) are identified in Figure 25 below:



Figure 25: Key public views (Source: Virtual Ideas)

The views provided in the visual impact photomontage report indicates that the Preferred 22:1 Scheme will have the following visual impacts:

Table 10: Visual Impact Assessment

View	Visibility	Impact
View 10 - Looking west along Foveaux St	Nil	Nil – not visible from location
View 11 - Looking north along Regent St	Minimal – distant view	Minimal
View 12 - Looking south along Dixon St	Nil	Nil – not visible from location
View 13 - Looking south from intersection of George and Hay St	Visible	Moderate – new tower form will be visible above existing lower buildings fronting street. Proposal consistent with new tower cluster identified by the City and future towers planned in the vicinity
View 14 - Looking south from intersection of George St and Ultimo Rd	Visible	Moderate – new tower form will be visible above existing lower buildings fronting street. Proposal consistent with new tower cluster identified by the City and future towers planned in the vicinity
View 15 - Looking southwest along Wentworth Ave	Nil	Nil – not visible from location
View 16 - Looking west along Valentine St	Highly visible	Moderate – new tower and podium will be visible from this view and will provide a new backdrop to the historic Sutton Forest Meat building. Proposed setbacks provide improved curtilage to the heritage item and subject to design excellence the proposal will improve the backdrop when compared to the existing unsympathetic building. The street wall height is appropriate to the context and the relationship to the heritage building on Valentine Street appropriate.
View 17 - Looking south along Valentine St	Highly visible	Moderate – High - new tower and podium will be visible

View	Visibility	Impact
Thomas St		from this view. Proposed void above podium will create visual interest and reduce the perceived bulk of the building. The building will replace an existing unsympathetic building in the streetscape and subject to design excellence will provide an improved streetscape. The new building will be higher than existing buildings in the immediate locality however is consistent with the City's planned future high density cluster.
View 18 - Looking south along Thomas St	Highly visible	Moderate – new podium will be visible from this view but will preserve the existing view to Christ Church St Lawrence to the east. The podium will provide an opportunity, subject to design excellence, for an improved relationship to the street and the adjacent heritage item. It will provide for the removal of an existing unsympathetic building in the streetscape.
View 19 – Looking North-West from Railway Colonnade	Highly visible	Moderate – High - new tower will be visible behind the spire of Christ Church St Lawrence. The tower form subject to design excellence is viewed as a distant view and therefore will not significantly impact this view. Views to the spire of Christ Church St Lawrence will be retained although the backdrop will be altered. This is considered inevitable given the planned high density cluster in this location.
View 20 - Looking North from entrance of Adina Hotel	Highly visible	Moderate – new tower will be visible. The tower form subject to design excellence is viewed as a distant view and therefore will not significantly impact this view. The view will be altered however this is considered inevitable given the planned high density cluster in this location.

Having regard to the above, the view analysis prepared by FJMT and the visual impact photomontages prepared by Virtual Ideas it is considered that the Preferred 22:1 Scheme (and hence the smaller Alternate 20:1 Scheme) will have some view and visual impact however that the Proposed DCP Envelope has been designed to minimise this impact and have regard to significant views and heritage items. Appropriate setbacks are provided to ensure that the future design will maintain significant view corridors and provide an improved curtilage to the adjacent heritage item. In addition it is noted that a full architectural design competition is proposed to be undertaken and views and view impacts will be key considerations in the achievement of design excellence. Accordingly it is considered that the Proposed DCP Envelope is appropriate having regard to the assessment of public views and visual impact.

9.7.2 Private views

In addition to public views and the visual impact of the proposal, private views have also been considered in the formulation of the proposal. The proposal immediately adjoins existing commercial buildings to the north at 191-199 Thomas Street and to the north west at 741 George Street. As illustrated at **Appendix M** of Part C: Urban Design these adjacent commercial buildings have alternate windows for views and light oriented to the street. Accordingly a nil setback is proposed in the Proposed DCP Envelope to the north at the podium, Level 1, ground and basement levels with a 26.5m setback at the void tower levels and 3m at the tower levels above. No setback is required to the windows of commercial building at 191-199 Thomas Street.

On the eastern boundary a nil setback is proposed at Level 1, ground and basement levels. Above Level 1 a setback of 1m is proposed for light and ventilation where no windows are located adjacent to the boundary. Where windows are located adjacent to the boundary a setback of 5m is proposed. A 5m setback is also proposed generally for the commercial tower and high rise tower components of the building which are both above the height of any adjacent buildings.

Notably the Preferred 22:1 Scheme (21.5:1 above ground) includes a 5 storey (18m) 'void tower' which extends from Level 4-8 and which creates a void at these levels above an open landscape terrace 26.5m setback from the site's northern boundary. This void has been specifically designed to preserve light and views / aspect to the apartments within the adjacent existing residential apartment building at 743 -755 George Street to the east as illustrated in Figure 26 below.

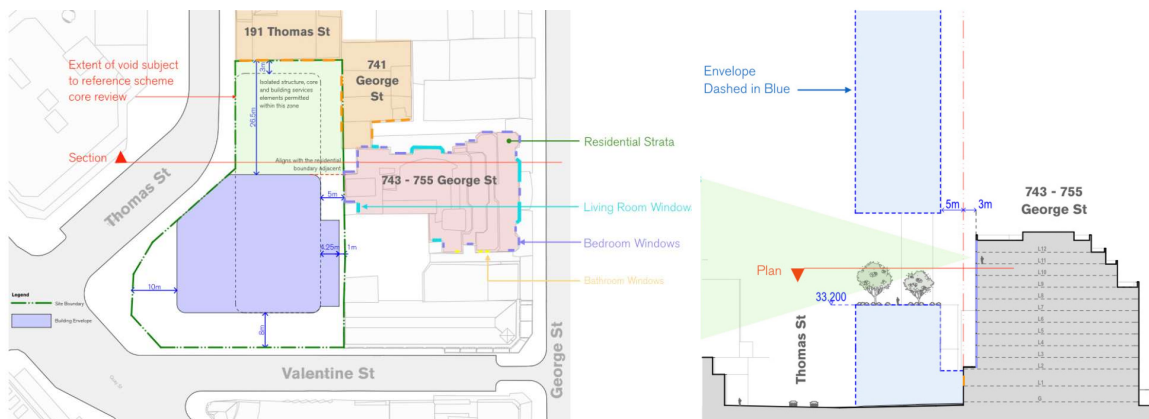


Figure 26: Relationship to east (Source: FJMT)

A view study of the Preferred 22:1 Scheme on neighbouring apartments at 743 -755 George Street has been prepared by FJMT as is provided at **Appendix M** of Part C: Urban Design. The analysis indicates that the void will largely preserve existing views to affected windows in units which are largely bedroom windows (shown purple above). Living room windows (shown blue above) will similarly continue to have access to light, aspect and distant views across the void space with the tower lifted above the height of 743- 755 George Street. The exception to this is that columns will be visible however these will obscure only part of existing available views and aspect. The columns also only obscure views of the existing tower building to the west across Thomas Street.

Further the living room windows in the south western corner of 743- 755 George Street will be affected by the main volume of the tower structure however adjacent to these windows the Proposed DCP Envelope will be setback 5m from the boundary. This is consistent with the Draft DCP requirements. Further in this regard it is noted that under the Endorsed Draft CSPA the protection of private amenities such as sunlight and views cannot be guaranteed within the Central Sydney's dynamic and dense development environment. Regardless of the ability for commercial developments to impact private residential amenity under the draft DCP, the proposed development envelope does not reduce existing sun access to living spaces at 743-755 George Street below the ADG minimum of 2 hours in 21st June 03:00pm mid-winter.

Accordingly it is considered that the Proposed DCP Envelope is acceptable having regard to private views.

9.8 Acoustic Impact

An acoustic report has been prepared for the Preferred 22:1 Scheme (21.5:1 above ground) by White Noise Acoustics (refer **Appendix 4**) and includes an acoustic investigation into the potential for noise impacts from the operation of the completed project as well as potential noise impacts from existing noise sources within the vicinity of the site which predominantly includes traffic noise from surrounding roadways and general city hum.

The report identifies the required acoustic constructions of the building's façade, including external windows, to ensure that the future internal noise levels comply with the relevant noise levels of the *Australian Standard AS2107:2016*, the Department of Planning *Development Near Rail Corridors and Busy Roads – Interim Guideline* and the City's DCP. It concludes that provided that the recommended constructions detailed in the report are included in the construction of the project the required internal noise levels will be achieved.

External noise emissions from 187 Thomas have also been assessed and detailed in accordance with the *NSW Environmental Protection Authorities Noise Policy for Industry* (previously the Industrial Noise Policy) and the City's noise emission criteria. The report concludes that the future design and treatment of all building services associated with the project can be acoustically treated to ensure all noise emissions from the site comply with the EPA NPfI and City's criteria. Details of the equipment and associated acoustic treatments will be provided as part of a future development application for the project.

In relation to the proposed external terrace, the report notes that it will be used as an external outdoor workspace including passive activities. To ensure noise levels associated with activities undertaken within the outdoor workspace does not generate noise levels which will negatively impact on the surrounding residential receivers (including those located within 743-755 George Street to the east of the development) the following acoustic mitigations will be included in the design and operation of the building:

- No playing of amplified speech or music will be undertaken on the external terrace
- The opening hours of the terrace will be limited to include day and evening hours only including 7am to 10pm on any given day of the week, and
- Acoustic absorption to the underside of the building structure above the terrace will be included. Absorption will be included to approximately 40% of the soffit above and include a material or construction with a minimum NRC of 0.6.

The report concludes that based on the proposed operation of the terrace and the existing noise levels at the site (including general hum from the surrounding roadways and the like) the resulting noise generated from the use of the terrace will comply with the relevant noise emission criteria and will not negatively impact on the acoustic amenity of surrounding receivers.

Accordingly it is considered that the proposed future development of the site is able to provide for an appropriate internal amenity for the proposed uses and will not adversely affect nearby or adjacent development.

9.9 Residential Amenity

As noted above, the proposal has the potential to impact on the residential amenity of the adjoining residential apartment building at 743-755 George Street to the east. Potential impacts are limited to solar access, views and acoustic privacy. A key urban design principle that has been adhered to in the formulation of the Proposed DCP Envelope is the protection of the residential amenity of the affected units. Accordingly a 'slice' is proposed to be taken out of the envelope (void) adjacent to the apartment building above the podium level to preserve views, light and outlook. This part of the envelope is known as the void tower and extends to a height of 18m above the innovation terrace level. As detailed above, this void preserves views and aspect from affected units and ensures that light and sun continues to access the units with the tower sitting above the height of 743-755 George Street notwithstanding that the majority of windows fronting 187 Thomas are bedroom windows. One unit in each affected level (Levels 7 to 13) has a living room window facing 187 Thomas as illustrated at Part C: Urban Design **Appendix K**. However the analysis indicates that the proposed DCP envelope will not impact on 2 hours solar access being achieved to any of the apartments within 743-755 George Street between 9am and 3pm on 21st June. Notwithstanding it is noted that under the Amended Draft CSPA the City notes that the protection of private amenities such as sunlight and views cannot be guaranteed within the Central Sydney's dynamic and dense development environment. Further assessment will be undertaken at the detailed development application stage.

In terms of acoustic impact the proposal provides for a wholly commercial use of the future building on site. Accordingly the only potential area of concern is the proposed outdoor terrace which is proposed to be used as part of the Innovation Tech Hub. As recommended in the acoustic assessment (refer section 9.8 above) use of the terrace would be limited to 7am to 10pm and no amplified music would be allowed. Further acoustic absorption would be provided on the underside of the building structure above the terrace. These measures will be further detailed at the development application stage.

The impact of the proposed construction on residential amenity is also a matter which will be addressed at the development application stage. It is anticipated that a construction management plan would be required as part of any future application.

Having regard to the above it is considered that the proposal will not result in any significant adverse impact on residential amenity.

9.10 Economic Impact

An Economic Impact Assessment (EIA) has been prepared for the Preferred Indicative Scheme by Atlas Urban Economics (**Appendix 11**). The report considers the economic impact of the proposal when compared with a base case development which would comply with the existing planning controls applying to the site. It also compares the proposal with the status quo or existing development on site.

The economic analysis demonstrates a compelling argument for rezoning and why development of the site should progress ahead of the sequence contemplated by the City of Sydney in the Endorsed Draft CSPS. The report notes that the proposal will facilitate an increase to permitted density to respond to objectives for facilitating innovation and business growth in the Sydney CBD.

Further it concludes that during construction, the Proposal is estimated to result in:

- \$304.5 million in output (including \$269.6 million in direct activity).
- \$119.8 million contribution to GRP (including \$79.6 million in direct activity).
- \$69.6 million in incomes and salaries paid to households (including \$55.9 million in direct income).
- 767 FTE jobs (including 397 FTE directly employed in construction activity).

When operational, the report estimates that the Proposal will support the following annual economic activity through direct and flow-on impacts associated with the redeveloped Site and facilitated tourism activity once operational:

- \$1,776.1 million in output (including \$906.0 million in direct activity).
- \$955.9 million contribution to GRP (including \$473.0 million in direct activity).
- \$502.3 million in incomes and salaries paid to households (including \$278.9 million in direct income).
- 5,162 FTE jobs (including 2,576 directly related to activity on the Site and direct tourism spend).

Further the EIA indicates that the proposed Vertical Innovation Village will facilitate broader innovation and industry growth and has the potential to generate significant further economic activity. Long term benefits associated with the facilitation of innovation employment through 187 Thomas is estimated at:

- \$706.0 million in output (including \$189.1 million in direct activity).
- \$618.1 million contribution to GRP (including \$95.1 million in direct activity).
- \$299.8 million in incomes and salaries paid to households (including \$54.1 million in direct income).
- 3,346 FTE jobs (including 478 directly employed).

The EIA demonstrates that the Proposal has economic merit, having the ability to contribute immediately to the Sydney local economy and ensure the Harbour CBD metropolitan centre has the required capacity to grow. Importantly, the Proposal will support innovation and global competitiveness objectives and contribute to the facilitation/ nurture of business and industry growth to achieve the economic potential of the Eastern Economic Corridor.

The report further concludes:

The Site is strategically located in the Southern Precinct of the Sydney CBD (or Central Sydney) and within the Camperdown-Ultimo Collaboration Area which is part of a mature innovation corridor. While there is potential for expanding the innovation ecosystem in the collaboration area, there are impediments to this including a limited availability of employment land and affordable space for innovation, research, creative industries and collaborative projects.

The Site's proximity to transport nodes straddling Central Sydney and the Camperdown-Ultimo Collaboration Area puts it in a competitive and desirable position to respond to the need for facilities that accommodate and nurture innovation and technology in the Harbour City metropolitan centre.

Broader economic implications, such as impact on the Greater Sydney and NSW economies are beyond the scope of the EIA. If included, the Proposal will demonstrate an even more compelling proposition for consideration.

Accordingly it is considered that the proposal will result in significant positive economic and employment impacts.

9.11 Transport, Traffic and Parking

Traffix has prepared a Traffic Impact Assessment Report for the Preferred Indicative Scheme (refer **Appendix 12**). The report assesses the transport aspects of the proposed future development of the site and how these integrate with the wider Precinct and surrounding development. A summary of the key findings is provided below.

The site is well connected to several forms of sustainable transport with reliable access to regular bus, light rail and train services. This, and the existing pedestrian and cycleway connections, illustrate that the site is ideally situated for the proposed commercial and hotel components of the development.

The assessment notes that the Preferred Indicative Scheme provides 79 parking spaces which are proposed to be allocated to the different uses as a later stage. However the SLEP 2012 stipulates a maximum parking rate of 91 spaces with consideration of the proximity of the site to public transport. As such all normal parking demands would readily be accommodated on site. The report also notes that the proposed future development would provide bicycle parking and end of trip facilities in accordance with DCP requirements.

The site currently accommodates a basement car parking which is used for paid public parking and which operates between the hours of 7.00am – 12.00am Monday to Sunday with a total of 92 parking spaces. Time limited and ticketed on street parking also existing in the site vicinity on Thomas and Valentine Streets.

A number of significant changes are proposed in the vicinity of the site to improve pedestrian and cyclist connections with the aim of also improving connectivity between Central Station and Darling Quarter, subject to approval by the RMS (now Transport for NSW). The proposed changes include:

- A new shared path along the western site of Quay Street between George Street and Ultimo Road
- Closure of Quay Street between Thomas Street and Valentine Street to create a new public plaza area with continuous footpath treatment envisaged for the intersection of Quay and Thomas Streets (immediately adjacent to the site) and
- Valentine Street, which allows for two way flow of traffic under existing conditions, is proposed to be converted to a one-way street with traffic flowing in an easterly direction. Additional parking will also be introduced along the southern side of Valentine Street.

These changes have been considered in the assessment.

The assessment notes that 79 car parking spaces are proposed in the Preferred 22:1 Scheme (and Draft DCP) and that 91 car parking spaces is the maximum allowable provision based on the proposed break down of uses and in accordance with the LEP and DCP provisions. Accordingly it notes that the proposed parking provision is under the maximum permissible (and indeed under the existing number provided on site) and will therefore achieve a sustainable planning outcome and is consistent with local and State government policy. The nature and location of the proposal suggests that the majority of visitors and workers will either walk or travel via alternative modes of transport to and from the site. Service vehicle parking and access is also adequately provided in the proposed loading areas subject to further detail at the development application stage.

In terms of traffic impacts the assessment concludes that the Preferred Indicative Scheme would result in a net change in traffic generation over existing conditions of +16 vehicles per hour during the AM peak ((+6 in and +10 out) and +8 vehicles per hour during the PM peak (+9 in and -1 out). This minor increase in traffic movements equates to an additional vehicle trip every four (4) minutes during the AM peak and an additional vehicle trip every eight (8) minutes during the PM peak. These volumes will be diluted as distance from the site increases and traffic is dispersed onto all available routes. Accordingly the increased in traffic volumes at the intersections in the vicinity of the site during the AM and PM peaks is minimal and within typical fluctuations in background network traffic volumes. In summary the traffic impacts for the Preferred Indicative Scheme were considered to be acceptable and can be readily accommodated by the network with no external improvements considered necessary.

The assessment concludes that the basement car park, as illustrated in the Preferred 22:1 Scheme, will be designed to comply with the requirements of AS2890 thereby ensuring safe and efficient operation. A detailed assessment of the final design would be undertaken at the detailed development application stage however the assessment demonstrates compliance can be achieved.

Having regard to the assessment it is considered that the traffic impact of both the Preferred 22:1 Scheme (and by extension the smaller Alternate 20:1 Scheme) will be acceptable.

9.12 Pedestrian access and comfort

A Footpath Pedestrian Capacity Study was also prepared for the Preferred 22:1 Scheme (21.5:1 above ground) by Traffix (refer **Appendix 13**) as required by the *Draft Guideline for Site Specific Planning Proposal Requests in Central Sydney* and in accordance with the City's *Pedestrian Level of Comfort assessment tool*.

The Study assesses the person trip impacts of the scheme on the adjacent footpaths and internal pedestrian links as required by the City. The purpose of the report is to provide guidance and direction to create a cohesive environment for pedestrians within the site and along the adjacent road frontages through a pedestrian comfort assessment. The objectives are to understand the level of pedestrian comfort and experience as pedestrians walk through streets and crossings and to identify potential issues and to apply appropriate mitigation measures at an early stage of the planning and design process. The provisions of a holistic pedestrian environment would create the following benefits for the site:

- Encourage active travel options for staff, customers and visitors in order to promote a healthier lifestyle
- Take advantage of the various public transport services and nearby amenities operating within the vicinity, and
- Reduce personal vehicle usage and carbon emissions to create a development that is innovative and environmentally conscious.

The pedestrian assessment looks at pedestrian facilities on George, Valentine, Thomas and Quay Streets as well as the through site link connecting the site to George Street and includes pedestrian counts of the existing situation. It also identifies proposed changes to pedestrian infrastructure in the vicinity of 187 Thomas including major changes proposed for Quay Street to improve connectivity

between Central Station and Darling Quarter via a new shared path along the western side of Quay Street between George Street and Ultimo and the proposed closure of Quay Street between Thomas and Valentine Streets to create a new public plaza. Other relevant changes include the conversion of Valentine Street to a one-way street with easterly traffic flow and potential future shared zone.

Having regard to break up of uses proposed in the Preferred 22:1 Scheme (21.5:1 above ground) and background growth, the pedestrian capacity study concludes that the proposed development would generate 1,088 person trips in the AM peak, 1,945 person trips in the midday peak and 793 person trips in the PM peak. Based on the modelled distribution the study concludes that this generation will require that the Valentine Street footpath is widened to increase the pedestrian comfort level for the average maximum activity level condition. It notes that this increased pedestrian capacity can however be achieved via a future shared zone along Valentine Street subject to approval by RMS (now Transport for NSW). Other links were found to operate satisfactorily including the Thomas Street to George Street link within the site with a required width of 4m as proposed. Subject to these recommendations the report concludes that sufficient pedestrian comfort levels can be achieved with the Preferred 22:1 Scheme (21.5:1 above ground). This would similarly apply to the smaller Alternate 20:1 Scheme (20:1 above ground).

9.13 Airport Operations

The proposed increased maximum height for a future building on 187 Thomas to RL 209.8 (Preferred 22:1 Scheme) has been assessed by Avlaw Aviation Consulting (**Appendix 14**) against the relevant aeronautical legislation and policy. It considers the maximum building height restrictions at the site against prescribed airspace limits. These limits exist due to necessary safety clearances (mandated in legislation) that must be provided between an aircraft and an obstacle, such as buildings and cranes. The current airspace protection surfaces that cover the site have been assessed having regard to the maximum building height of the Preferred 22:1 Scheme (21.5:1 above ground) of RL209.80m. The table below summarises the findings of the assessment:

Table 11:Sydney Airport Airspace Protection Surfaces

Airspace Surface	August 2018	October 2019	March 2020
Obstacle Limitation Surfaces (OLS) – Conical Surface	150-156m AHD	152-156m AHD	152-156m AHD
Procedures for Air Navigation Services – Aircraft Operations (PANS-OPS)	290-300m AHD	290-297m AHD	291-296m AHD
Radar Terrain Clearance Chart (RTCC)	1100ft/335.28m AHD	1100ft/335.28m AHD	1100ft/335.28m AHD
Omni Directional	260m AHD	N/A	N/A

The critical (i.e. lowest) airspace protection surface for operations at Sydney Airport which covers 187 Thomas is the Conical Surface of the OLS. As this surface will be penetrated both permanently by the Preferred 22:1 Scheme (estimated penetration of 64.14 – 68.14m) and temporarily by crane(s), each will require aeronautical assessment and be classified as a “controlled activity” which will need to be approved by aviation authorities to be carried out. Avlaw has determined that the OLS penetration in this instance should not be problematic because the site is clear of the approach and take-off areas for all runways at Sydney Airport.

Above the OLS, the next lowest airspace protection surface is the Combined Radar Departure Assessment Surfaces for Sydney Airport which is nominally 260m AHD. This airspace protection surface however will not limit proposed building or crane heights as Sydney Airport have advised Avlaw (with respect to another development) that despite forming part of its prescribed airspace, that the published chart is no longer relevant. This is because these surfaces have been incorporated into the PANS-OPS chart and can therefore be disregarded. In any case, Avlaw’s assessment prior to being informed of this latest development by Sydney Airport was that these airspace protection surfaces should not limit the heights because Noise Abatement Procedures (NAP) must be followed

by all aircraft operating to and from Sydney Airport. These dictate that there will be no random aircraft departures deviating from Standard Instrument Departures (SIDs) and as was ultimately confirmed by Sydney Airport, the required safety clearances for these procedures are accounted for in the PANS-OPS surfaces.

Above the Sydney Airport Combined Radar Departure Assessment Surfaces, the next lowest airspace protection surface is the PANS-OPS which rises from 291m-296m AHD (NW to NE). The vertical distance between the maximum building height of the Preferred 22:1 Scheme (RL209.8m) and the PANS-OPS ranges from 81.2 – 86.2m and as such, a generous vertical buffer exists for temporary crane activity to facilitate completion of construction without other surfaces being penetrated.

With respect to helicopter operations, Avlaw advises that the airspace protected under National Airport Safeguarding Framework (NASF) – Guideline H for strategically important helicopter landing sites does not limit the currently proposed building height. This is due to the fact the site is laterally clear of the airspace protected under the guideline and in any case, approaches and departures at the nearest helipad (Royal Prince Alfred Hospital) are clear of the site. Other relevant helicopter operations including defined routes to and from Sydney Airport have also been assessed and do not introduce any additional more restrictive limitations than those already identified.

In summary, the advice concludes that provided temporary construction cranes and the overall building height inclusive of plant room and ancillary features (e.g. towers, masts, building maintenance unit (BMU) when in operation etc.) all remain below the PANS-OPS, then aviation approval should be granted.

Although the above assessment assesses the height of the Preferred 22:1 Scheme it is equally applicable to the Proposed DCP Envelope (and smaller Alternate 20:1 Scheme). At a maximum height of RL226.8 (216.4m above ground) the Proposed DCP Envelope would similarly breach the Conical Surface of the OLS and would therefore require a controlled activity approval. In addition the height would be 64.2 – 69.2m below the PANS-OPS. Accordingly it is equally likely that approval for a scheme within the Proposed DCP Envelope should be granted.

9.14 Site conditions

9.14.1 Geotechnical conditions

A preliminary geotechnical desktop study has been conducted by Arup to inform the redevelopment of 187 Thomas (refer **Appendix 7**). The study comprises of a brief review of published geological maps and limited existing local geotechnical data, as well as hydrogeological information.

The study identifies considerations for the design and construction of the proposed development and concludes that existing ground conditions on the site are expected to be suitable for high-rise development and basement construction.

9.14.2 Contamination

At this stage a Preliminary Site Investigation (PSI) has not been prepared as the Planning Proposal does not seek to vary the permissible uses on site. The site is currently used for commercial purposes and will continue to be used for commercial purposes. Notwithstanding it is noted that the Geotechnical advice provided by Arup (**Appendix 7**) notes that contamination was indicated in the investigation report for the adjacent site at 757 – 763 George Street. Accordingly it is considered that an environmental and contamination investigation should be undertaken at the development application stage.

9.15 Waste Management

As outlined in the ESD report at **Appendix 5** reducing waste and increasing recycling rates is a key priority for the City of Sydney and the proposal. The Project will achieve exceptionally high rates of resource recovery and will aim to achieve the zero waste requirements in the *Guideline for Site Specific Planning Proposals*.

The following initiatives have been designed to ensure waste generation is reduced as far as possible, and that recycling rates are maximised. They also exceed the relevant waste requirements in the Sydney DCP 2012.

- A waste management plan would be prepared for the construction phase of the project to inform and monitor the performance of waste management process and increase the diversion of waste from landfill. This would be prepared in accordance with the City of Sydney's requirements
- The sizing, configuration and location of waste rooms in the development would ensure that waste is separated and collection locations are accessible to waste collection services, and
- An operational waste management plan would also be prepared to improve waste management practices at the site during operation.

A preliminary Operational Waste Management Plan has been prepared for the Preferred 22:1 Scheme by Elephants Foot Recycling Solutions and is provided at **Appendix 15**.

Waste management strategies and audits are required for new developments to provide support for the building design, and to promote strong sustainability outcomes for the future building. The waste management strategy is based on three key objectives:

- Promote responsible source separation to reduce the amount of waste that goes to landfill by implementing convenient and efficient waste management systems.
- Ensure adequate waste provisions and robust procedures that will cater for potential changes during the operational phase of the development.
- Comply with all relevant council codes, policies, and guidelines.

To achieve these objectives, the OWMP identifies the different waste streams likely to be generated during the operational phase of the development. Associated information includes: how the waste will be handled and disposed, details of bin sizes/quantities and waste rooms, descriptions of the proposed waste management equipment used, and information on waste collection points and frequencies.

The report illustrates that waste generated during the ongoing operational phase of the development can adequately be accommodated and serviced within the Preferred 22:1 Scheme (and by extension the smaller Alternate 20:1 Scheme) in accordance with relevant requirements. Waste targets have been addressed in the ESD report at **Appendix 5**. Further detail will be provided as part of the future development application for the site following a full architectural design competition undertaken in accordance with the design excellence strategy at **Appendix 1**.

9.16 Stormwater and Flooding

Arup has undertaken a high level review of 187 Thomas in respect of flood affectation, existing site levels and stormwater drainage infrastructure (refer **Appendix 16**). The advice confirms that the site is suitable for the proposed use and is outside of areas prone to flooding and therefore there is minimal risk of flood affectation as identified in the City's Darling Harbour Catchment Flood Study (October 2014). Further Arup has concluded that the City of Sydney's flooding planning requirements can be satisfied with a future development of the site. Notably these requirements are limited to the requirement for below ground carpark entrances to be raised 0.3m above the surrounding surface levels in areas outside of the floodplain.

In terms of drainage infrastructure Arup notes that the existing Sydney Water owned drainage infrastructure surrounding the site is available for future stormwater connections. It is also noted that the Planning Proposal identifies opportunities to incorporate Water Sensitive Urban Drainage (WSUD) features as part of future design development (refer ESD Concept Report at **Appendix 5**). The opportunities could include:

- Capture and reuse of roof runoff to reduce the overall potable water demand of the development
- Water quality treatment of site runoff via gross pollutant traps or proprietary filtration applications prior to discharge into the City of Sydney drainage network, and
- Provision of additional flood storage volume via the inclusion of on-site detention to improve downstream flooding.

The inclusion of WSUD infrastructure to provide sustainable outcomes will be considered further at later stages of design development.

Arup has identified that further work will be required as part of the future architectural design competition and detailed development application including:

- The design of the future tower and specifically finished floor levels will require consideration of the City's Flood Planning Levels (FPLs)
- The accuracy and currency of the flood risk information should be confirmed at the time of any future development application
- Drainage connections and any associated modifications of the existing Sydney Water owned stormwater drainage will require consultation and approval from Sydney Water. Early discussions are recommended as the timeframes for approvals can be long and may involve assessment of the condition of the existing infrastructure, and
- The specification and assessment of the performance of WSUD features to demonstrate compliance with the City of Sydney pollutant reduction targets will be required to support any future development application.

This additional work will be undertaken prior to submission of any future development application for the site. Notwithstanding having regard to the advice provided it is considered that the site is suitable for the proposed development in respect of flooding and drainage considerations.

9.17 Services

187 Thomas is currently developed and according is serviced by all relevant utilities including:

- Water Supply
- Sewer
- Stormwater (Council and Sydney Water)
- Communications
- High Voltage power
- Natural Gas, and
- Fire fighting demands

A detailed assessment of required works to accommodate the proposed future development of 187 Thomas will be undertaken as part of any future development application for the site. At this stage no major impediments have been identified that would limit provision of services to 187 Thomas.

10. [PART 4] MAPPING

There are no map amendments proposed as part of the subject Planning Proposal.

11. [PART 5] COMMUNITY CONSULTATION

This Planning Proposal is to be exhibited in accordance with the Gateway Determination, once issued by the Department of Planning, Industry and Environment. It is anticipated that the Gateway Determination will require a public exhibition for a period of not less than 28 days in accordance with Schedule 1 item 4 of the *Environmental Planning and Assessment Act 1979* section 4.5 of *A Guide to Preparing Local Environmental Plans*.

Notification of the public exhibition will be via:

- the City of Sydney website; and
- in newspapers that circulate widely in the area

Information relating to the Planning Proposal will be on display at the City of Sydney customer service centres.

Public consultation and consultation with relevant NSW agencies and authorities and other relevant organisations will also be undertaken in accordance with the Gateway Determination.

12. [PART 6] PROJECT TIMELINE

The anticipated timeframe for the completion of the Planning Proposal is as follows:

Table 12: Project Timeline

ACTION	ANTICIPATED DATE
Submit Planning Proposal to the City	April 2020
Request Rezoning Review by CSPC	May – June 2020
Planning Proposal submitted to Department of Planning, Industry and Environment for Gateway Determination	July 2020
Receive Gateway Determination	August 2020
Public exhibition and public authority consultation of Planning Proposal	September 2020
Review of submissions	October – November 2020
Post exhibition consideration of Planning Proposal (CSPC)	November 2020
Post exhibition consideration of Planning Proposal (the City)	November 2020
Drafting of instrument	December 2020
Amendment to Sydney Local Environmental Plan 2012 legally drafted and made	January 2021

13. CONCLUSION

Greaton Development is seeking to redevelop 187 Thomas Street, Haymarket for the purposes of a 'vertical innovation village'. The proposed vertical innovation village will comprise a bold new proposition for a mixed-use building, bringing together on a single site a world-class co-working hub and fabrication laboratory for innovation and technology, a diverse range of commercial space for emerging, growing and established technology businesses, a hotel tailored to tech workers, as well as a range of retail, hospitality and service amenities to support the community working, staying and visiting the site.

The project will comprise an integrated community and destination for the innovation and technology sectors with the proposed mixed use building to accommodate up to approximately 51,700m² of floor space bringing together the following integrated and complementary uses:

- Tech workshop with shared equipment, facilities and services (including education, support, programming, safety management and training)
- Co-working space for the innovation industries that utilise provided technology and equipment, that changes in space and floor plate design to accommodate growing businesses
- Commercial floor space for the corporate technology sector
- Hotel that caters to the technology sector and public, and
- Retail/hospitality/public space/cultural space.

The project is a transformational project in Sydney's southern CBD located at the confluence of the Harbour City as defined by the Eastern City District Plan, the State Government's Sydney Technology and Innovation Precinct and the Camperdown-Ultimo Collaboration Area. 187 Thomas forms part of the Sydney Innovation and Technology Precinct which is an emerging precinct containing knowledge intensive, creative and start-up industries.

To facilitate the redevelopment of 187 Thomas, the existing planning controls are required to be amended consistent with the intent and vision of the Endorsed Draft Central Sydney Planning Strategy, 2016 (Endorsed Draft CSPS).

The Planning Proposal includes a Proposed DCP Envelope within which the future development of the site would be required to sit as well as two concept designs known herein as the Preferred Indicative Scheme and the Alternate Indicative Scheme. The Proposed DCP Envelope has a maximum height of RL226.80 (216.4m) and a potential volume which represents an FSR of 25:1. However, it is proposed that the overall FSR be limited to either 22:1 (21.5:1 above ground) which is represented by the Preferred Indicative Scheme (Preferred 22:1 Scheme) or 20:1 (20:1 above ground) as represented by the Alternate Indicative Scheme (Alternate 20:1 Scheme). Both concept designs fit wholly within the Proposed DCP Envelope.

187 Thomas is ideally suited to the proposed innovation technology village use being strategically located within the identified Haymarket Activity Node and Camperdown-Ultimo Collaboration Area and at the point of confluence between the health, education and research axis along Parramatta Road and Broadway, the information, communications and technology cluster of Ultimo and Pyrmont, the financial and professional heart of the city through the CBD, and the creative and design district across Surry Hills, Chippendale and Eveleigh. Its development as proposed will support both the State government and City of Sydney's vision for the growth of the collaboration area as an innovation district.

The proposal is perfectly aligned with key applicable strategic documents and plans (including A Metropolis of Three Cities, Eastern City District Plan and the Camperdown to Ultimo Collaboration Precinct) which indicate that:

- there is a shortage of, and limited capacity for, additional employment floor space (including large floor plate commercial) in the southern CBD
- a historical shortage of large floor plate commercial exists in the southern CBD area

- there is significant demand for, and political will, to establish an technology and innovation precinct in the southern part of the CBD extending from Central to Eveleigh although planning for this is in its infancy, and
- the Greater Sydney Commission's key priority for the Camperdown to Ultimo Collaboration Precinct, in which the site is located, is to support the Area's vitality and economic growth. Issues to be addressed in the precinct include the loss of employment space for health, education, research, innovation and creative sectors, and the need for a global vision, brand and greater collaboration in the area.

The proposed amendment to planning controls for 187 Thomas has both strategic and site specific merit. It demonstrates both the locational and site-specific advantages that will allow a future tech hub and innovation precinct to flourish and succeed.

To capture the opportunity and significant benefits offered by the Proposal it is essential that the existing planning controls applying to the site be amended to facilitate development of the site in line with the vision outlined herein. The proposal aligns with the City and State government's objectives, strategies and initiatives and is uniquely positioned to deliver significant economic, social and public domain benefits for Sydney and the State. Accordingly the City's support is sought to progress the Planning Proposal to bring this innovative vision to reality.

