

## Item 2.

### **Public Exhibition – Planning Proposal – 55 Pitt Street, Sydney - Sydney Local Environmental Plan 2012 and Sydney Development Control Plan 2012 Amendment**

**File No: X027614**

#### **Summary**

Central Sydney plays a critical role in the continued growth and economic success of wider Sydney and the national economy. To ensure Central Sydney maintains its position and continues to grow, it is important capacity for employment growth and opportunities for investment and development projects are prioritised to attract investment and highly skilled employees.

The draft Central Sydney Planning Strategy seeks to drive opportunities for additional employment floor space by setting out opportunities for additional building height and density in the right locations and ensuring new development creates a high quality public domain, protects pedestrian amenity and delivers environmental sustainability initiatives.

This planning proposal aligns with the Strategy and will facilitate the redevelopment of a large complex site in Central Sydney for a new tower with additional employment and retail floor space, new pedestrian connections and public domain upgrades.

The site known as 55 Pitt Street is located within Central Sydney's financial, professional and business services core. The site is part of the street block bound by Alfred, Pitt, Dalley and George Streets, also known as the APDG block. The block is identified in the Sydney Local Environmental Plan 2012 with a set of alternative planning controls implemented through a strategic process which incentivises strategic uses, improved design and public domain outcomes. The APDG block has been the focus of significant planning and redevelopment in recent years. This approach has since been refined, improved and delivered through a series of planning proposals and development applications.

Amalgamation patterns have changed since the original APDG controls were put in place meaning the planning controls have needed refinement to achieve the strategic vision. This planning proposal will facilitate the redevelopment of one of the last parcels of land in the APDG block while retaining essential utility buildings and delivering substantial public domain improvements envisaged in the original APDG block planning, such as an extension of Queens Court to connect the wider pedestrian network.

Mirvac has requested a planning proposal be prepared to set alternate controls for the subject site. This report seeks endorsement of the draft alternate controls for a gateway determination and public exhibition.

The planning proposal will facilitate future development of the 55 Pitt Street site (comprising 37-57 Pitt Street, 6-8 Underwood Street, 6 Dalley Street and 8-14 Dalley Street, Sydney) for:

- a 70,000 square metre commercial office tower up to 232 metres in height, with a 45m high podium;
- creation of a through-site link widening and connecting Queens Court to Underwood Street;
- a retail activated pedestrian colonnade along Underwood Street to improve pedestrian connections; and
- upgrades to the Telstra and Ausgrid utility buildings.

Mirvac has provided a public benefit offer to enter into a voluntary planning agreement which includes a monetary contribution towards affordable housing and community infrastructure, creation and dedication for public access of a through-site link and pedestrian colonnade, provision of public art, public domain upgrades and sustainability commitments.

This report recommends approval of the planning proposal for submission to the Department of Planning, Industry and Environment seeking a gateway determination and then public exhibition. It also recommends that a site specific development control plan is endorsed for exhibition, and a draft planning agreement be prepared based on the public benefit letter of offer. It is proposed that all documents are exhibited concurrently.

## Recommendation

It is resolved that:

- (A) Council approve Planning Proposal - 55 Pitt Street, Sydney, shown at Attachment A to the subject report, to be submitted to the Minister for Planning and Public Spaces with a request for gateway determination;
- (B) Council approve Planning Proposal - 55 Pitt Street, Sydney shown at Attachment A to the subject report for public authority consultation and public exhibition in accordance with any conditions imposed under the gateway determination;
- (C) Council seek authority from the Minister for Planning and Public Spaces to exercise the delegation of all of the functions under section 3.36 of the Environmental Planning and Assessment Act 1979 to make the local environmental plan and to put into effect Planning Proposal - 55 Pitt Street, Sydney;
- (D) Council approve the draft Sydney Development Control Plan 2012 - 55 Pitt Street, Sydney, shown at Attachment B to the subject report for public authority consultation and public exhibition concurrent with the Planning Proposal;
- (E) authority be delegated to the Chief Executive Officer to make any minor variations to Planning Proposal - 55 Pitt Street, Sydney, following receipt of the gateway determination;
- (F) authority be delegated to the Chief Executive Officer to make any minor variations to Draft Sydney Development Control Plan 2012 - 55 Pitt Street, Sydney to correct any drafting errors or ensure it is consistent with the Planning Proposal following the gateway determination; and
- (G) authority be delegated to the Chief Executive Officer to prepare a draft planning agreement in accordance with the letter of offer dated 2 April 2020 at Attachment C to the subject report, and the requirements of the Environmental Planning and Assessment Act 1979, to be exhibited concurrently with the Planning Proposal and draft Development Control Plan for the site.

## Attachments

- Attachment A.** Planning Proposal - 55 Pitt Street, Sydney
- Attachment B.** Draft Sydney Development Control Plan 2012 - 55 Pitt Street, Sydney Amendment
- Attachment C.** Planning Agreement - Public Benefit Offer

## Background

1. Central Sydney plays a critical role in the continued growth and economic success of wider Sydney and the national economy. To ensure Central Sydney maintains its position and continues to grow, it is important capacity for employment growth and opportunities for investment and development projects are prioritised to attract investment and highly skilled employees.
2. The draft Central Sydney Planning Strategy (draft Strategy) seeks to drive opportunities for additional employment floor space by setting out opportunities for additional building height and density in the right locations and ensuring new development creates a high quality public domain, protects pedestrian amenity and delivers environmental sustainability initiatives.
3. Capacity for employment growth in Central Sydney is key to ensuring the New South Wales economy remains robust and competitive. Capacity for employment growth creates opportunities for investment and development projects which have a global focus and attract highly skilled jobs. This planning proposal aligns with the Strategy and will facilitate the redevelopment of a large complex site in Central Sydney for a new tower with additional employment floor space.
4. The site known as 55 Pitt Street is located within Central Sydney's financial, professional and business services core. The site includes 37-49 Pitt Street, 49A-57 Pitt Street, 6-8 Underwood Street, 6 Dalley Street and 8-14 Dalley Street (all otherwise known as 55 Pitt Street or 'the site').
5. The site is part of the street block bound by Alfred, Pitt, Dalley and George Streets, known as the APDG block as identified in the Sydney Local Environmental Plan 2012 (LEP) and Sydney Development Control Plan 2012 (DCP). The APDG controls, first implemented in 2011, delivered a strategic approach to planning and development of the block, providing additional building height and floor space in select locations subject to the delivery of new pedestrian laneways, centrally located public plaza and other public domain improvements are delivered. The composition of the block has been refined over time, through subsequent planning proposals and development applications, a new tower at 37 Pitt Street and relocated public plaza fronting George Street is currently under construction. This tower was not initially envisaged in the original controls.
6. In February 2015, Mirvac Projects Pty Ltd (Mircvac) submitted a planning justification report to the City of Sydney requesting preparation of a planning proposal to amend the LEP to increase the building height and floor space ratio building controls for the subject site to facilitate the redevelopment of 55 Pitt Street.
7. In June 2017, following consultation with the City and reconsideration of options, Mirvac submitted an amended request, for the same site, with a revised building height 15m higher than what was previously requested. This planning proposal was withdrawn in March 2019 due to issues and delays in obtaining formal owner's consent from affected utility landowners.
8. Following the withdrawal of this planning proposal, the City continued to work with Mirvac and the adjoining landowners to explore the best built form outcomes consistent with the draft Strategy.

9. In December 2019, Mirvac submitted a further revised planning proposal request for 55 Pitt Street. The request seeks to amend the APDG alternative controls in the LEP to include site-specific controls for the subject site in line with the City's draft Guideline for site specific planning proposals.
10. The amended planning controls will enable significant renewal of 55 Pitt Street, consisting of the following key components:
  - (a) a 70,000 square metre commercial office tower up to 232m in height, with a 45m high podium;
  - (b) creation of a through-site link widening and connecting Queens Court to Underwood Street;
  - (c) a retail activated pedestrian colonnade along Underwood Street to improve pedestrian connections; and
  - (d) upgrades to facades and roof of the adjoining Ausgrid substation building and facade upgrade and new retail spaces to the Telstra exchange building.
11. In preparation of their request, Mirvac consulted with City staff and commissioned a range of studies to support the proposed changes to the planning controls. These studies are attached as appendices to the Planning Proposal at Attachment A to this report.

#### Site details

12. The planning proposal relates to five properties located at the northern end of Sydney's central business district at 37-49 Pitt Street, 49A-57 Pitt Street, 6-8 Underwood Street, 6 Dalley Street and 8-14 Dalley Street, as shown in Figure 1 and 2. Together, the lots are known as 55 Pitt Street.
13. The legal descriptions and ownership of the land affected by this planning proposal are:

#### Mirvac

- Lot 1 DP 513109, known as 49A-57 Pitt Street
- Lots 2-3 DP 1092, Lots 1-2 DP 1112308, Lot 6 DP 75338, Lot 7 DP 110046, Lot 4 DP 524306, known as 37-49 Pitt Street
- Lot 501 DP 714847, known as 6-8 Underwood Street

#### Telstra

- Lot DP 787946, known as 6 Dalley Street

#### Ausgrid

- Lots A and B DP 104160, known as 8-14 Dalley Street

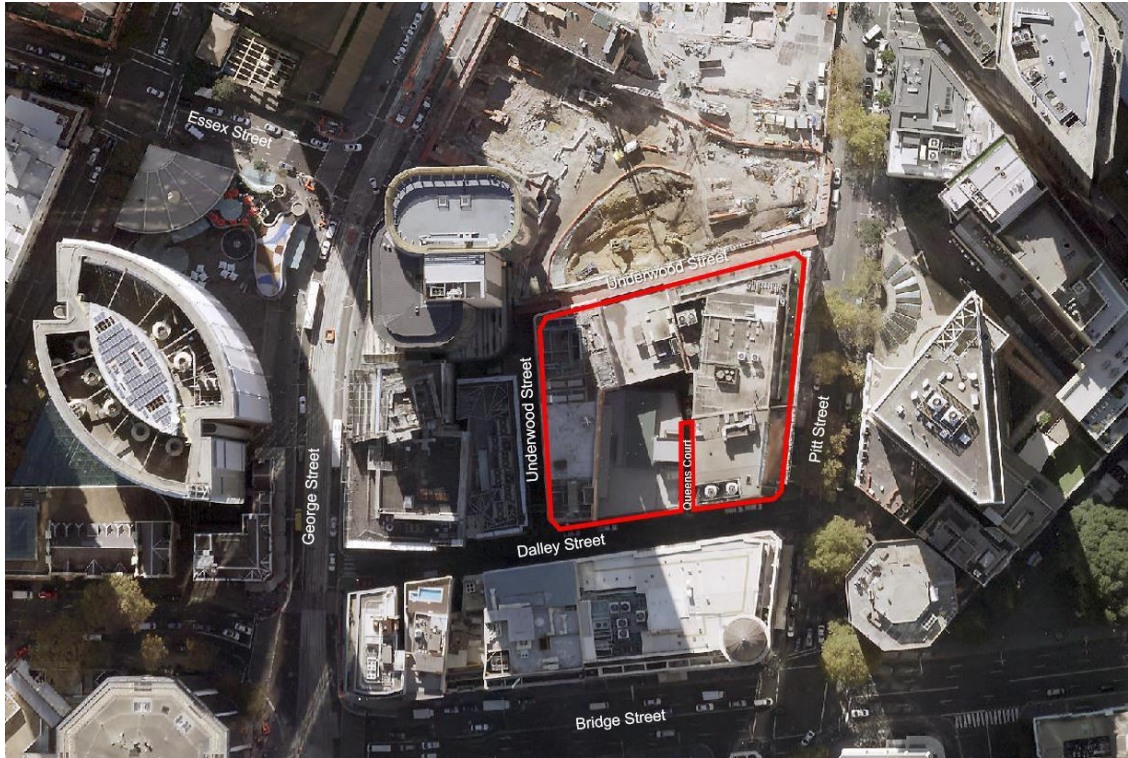


Figure 1: Aerial photo of subject site and surrounding area.



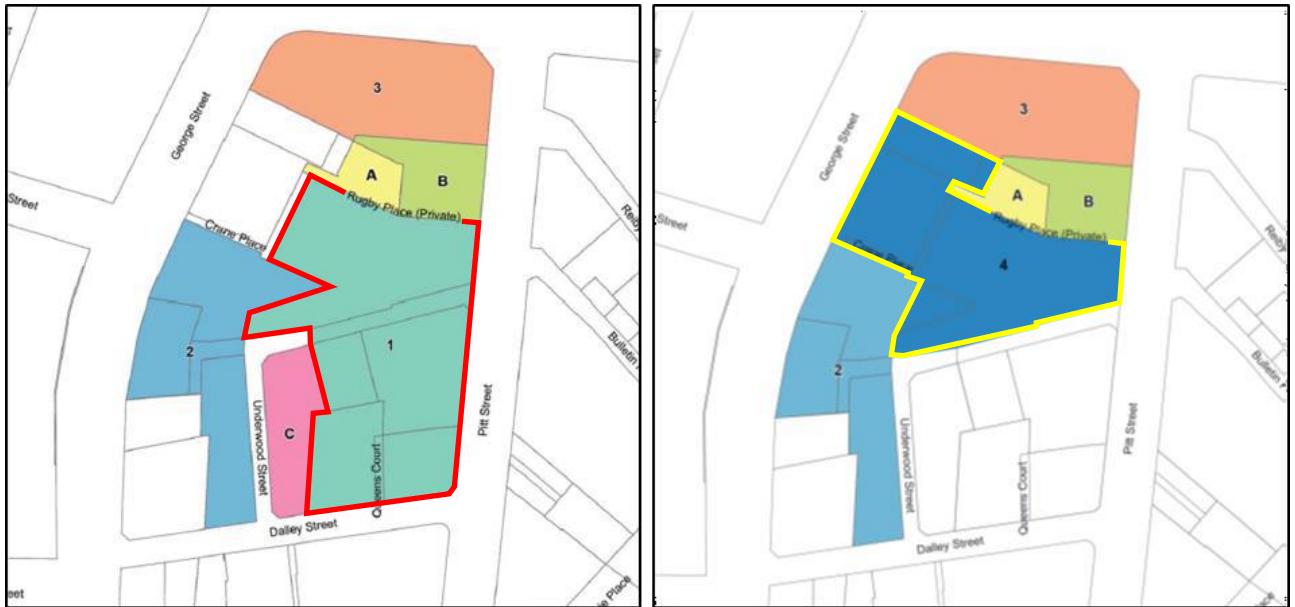
Figure 2: Diagram of subject site detailing ownership of each lot.

14. 55 Pitt Street has frontage to Underwood Street to the north and west, Pitt Street to the east and Dalley Street to the south.

15. Queens Court, shown in Figure 2 above, is a laneway owned by the City of Sydney that is approximately 25 metres long and 3 metres wide. Its only access is to Dalley Street to the south, and has an area of approximately 75 square metres. Records show Queens Court existed as a laneway prior to 1943. Queens Court is identified as a public road under the Local Government Act 1993 and therefore not subject to land classifications. Queens Court will be converted to a through-site link but remain classified as a public road with pedestrian access maintained. It will however be closed to vehicle traffic, with the exception of service vehicles, which will need occasional access when required by Ausgrid.

### **Existing alternative planning controls for the APDG block**

16. In 2008, the City commissioned the NSW Government Architect's Office to prepare an urban design study for the APDG block. The key purpose of the study was to develop a consistent set of planning controls that promote high quality built form and urban design outcomes for both the public and private domain on this important street block.
17. Completed in 2009, the urban design study recommended a preferred option for the APDG block consisting of a large, centrally located publicly-accessible square, retail activated laneway network and three tower buildings. A key principle driving this recommendation was that additional height would be considered in exchange for significant and quantifiable public domain improvements.
18. The study's preferred option identified three strategic groupings of sites located within the APDG block and proposed controls to encourage these sites to develop in a 'development block' pattern. In order to achieve the maximum height in one part of a development block, floor space from another part of the block was to be transferred, thus freeing up that part of the block for the public domain.
19. Adopted by Council and the Central Sydney Planning Committee (CSPC) on 15 and 11 November 2010, respectively, a number of LEP and DCP amendments based on the recommendations of the urban design study came into effect on 29 April 2011. These controls for the APDG block are reflected in clause 6.25 of the LEP and sections 6.1.4 to 6.1.7 of the DCP.
20. Since 2009, the land ownership across the APDG block has changed significantly, making it difficult to achieve the intended built form and public domain outcomes for 'block 1' as defined in the original APDG controls and shown in red in Figure 3. To realise the original vision of block 1, consolidation of a number of sites was required, and to date, this has not been achieved. Adjustments to the APDG provisions have therefore been necessary to ensure the original vision is delivered.
21. A planning proposal to amend the LEP was approved by Council in 2015 to facilitate the redevelopment of 33 Pitt Street to the north of the subject site. The amendments introduced a second option for the delivery of the APDG block. This planning proposal created a new development block, known as 'block 4' and shown in yellow in Figure 3. Development on 'block 4' includes a new office tower to a height of 248m and relocates the public plaza to front George Street. These alternative controls in the LEP and DCP came into force in December 2016. The development of Block 4 has meant that Block 1 cannot be developed under the current controls. New controls for the remainder of block 1 are the subject of this planning proposal and required to facilitate development.



**Figure 3:** APDG development blocks – existing development block 1 and 4 layout. Block 1 outlined in red on the left was established in the original APDG controls and Block 4 was establish as a further alternative in 2016 and is under development.



**Figure 4:** Proposed ADPG development blocks – new ‘block 5’ for 55 Pitt Street outlined in yellow is the subject of this planning proposal



### Adjoining development in the APDG blocks

22. The 55 Pitt Street site is situated in the southern portion of the APDG block. The remainder of the APDG block is made up of the following:
- (a) 1 Alfred Street, 19-31 Pitt Street, 31A Pitt Street, Sydney, shown as 'block 3' in Figure 3, has consent for a new mixed-use development comprising a 57 storey retail and residential building to maximum height of 194m, and a hotel and retail building to 110m. The existing buildings have been demolished, with excavation of the site currently under way.
  - (b) 188-208 George Street, 1 Underwood Street and 4 Dalley Street, Sydney (200 George St), shown as 'block 2' in Figure 3, has been constructed comprising a 37 storey commercial office building and refurbishment of the remainder of 4 Dalley Street for plant and servicing. This building was subject to a competitive design process.
  - (c) 210-214 and 218-232 George Street, Sydney (the Poly site) is under construction for a 28 storey commercial building to 110m. The existing buildings on site are currently being demolished. The winning design for 210-214 is now complete and won the 2017 Harry Seidler Award for commercial architecture.
  - (d) 182 George Street and 33-35 Pitt Street, Sydney (Lend Lease Circular Quay), shown as 'block 4' in Figure 3, highlighted in yellow, is also under construction for a new 55 storey office tower and retail podium, extensive public domain works, new Jacksons on George building, a new public square facing George Street, and future public facilities that will contribute to the achievement of the public benefits of the APDG block.

### Indicative scheme

23. The indicative scheme for 55 Pitt Street, shown in Figure 5, envisages a new 50 storey commercial tower 232 metres in height with approximately 70,000 square metres of office floor space, about 600 square metres of ground floor retail and a new through-site link, connecting Queens Court with Underwood Street.
24. The future tower will front, and have a street address to, Pitt Street. Vehicle access will be from Dalley Street to three basement levels, off street loading, end of journey facility and car parking. The proposal includes upgrades to the adjacent Telstra and Ausgrid utility buildings.



**Figure 5:** Photomontage of the future development concept

### **Planning proposal - amendments to the Sydney LEP 2012**

25. The planning proposal at Attachment A proposes to amend the APDG precinct controls to:
- (a) identify the subject site as a new development option, block 5, for the appropriate distribution of built form and floor space within the APDG block;
  - (b) permit a maximum building height of 232 metres with the tower comprising no more than 44 percent of the area of the block;
  - (c) allow a maximum floor space ratio of 15.02:1, comprising:
    - (i) mapped floor space ratio of 8:1;
    - (ii) accommodation floor space of 4.5:1;
    - (iii) site specific floor space of 2.52:1; and
    - (iv) additional floor space up to 10% if the proposal demonstrates design excellence, to a maximum floor space ratio of 16.52:1

- (d) ensure development consent can only be granted if the proposal delivers employment generating uses, a through-site link and improvement works to the Ausgrid and Telstra utility buildings; and
- (e) permit for the purposes of calculating the gross floor area for block 5, the inclusion of floor space ratio generated by the adjoining Telstra and Ausgrid sites to be transferred for use on the subject site.

### **Site specific draft Development Control Plan**

26. A site specific draft DCP is at Attachment B to this report and provides further guidance for development of the site consistent with the proposed amendments to LEP. The draft DCP provisions include:
- (a) building form and external appearance;
  - (b) tower location;
  - (c) setbacks;
  - (d) street frontage heights
  - (e) environmental impacts;
  - (f) vehicular access;
  - (g) design excellence; and
  - (h) environmentally sustainable development targets.
27. It is recommended that Council approve the draft DCP, shown at Attachment B to this report, for public exhibition in parallel with the planning proposal and draft planning agreement.

### **Key Implications**

#### **Benefits of the planning proposal and draft DCP controls**

28. The planning proposal and accompanying draft DCP facilitates the development of the last significant site in the APDG block. The key benefits are:
- (a) opportunity to unlock the floor space potential of the site meeting demand for premium global office space in Central Sydney within a commercial tower building. The proposal allows the transfer of floor space from the Telstra and Ausgrid sites while maintaining the essential function of these utilities;
  - (b) further revitalisation of the APDG block facilitating the renewal of buildings with active street frontages and pedestrian laneways;
  - (c) facade and roof upgrades to the Telstra and Ausgrid utility buildings;

- (d) creation of a new through-site link by extending and widening Queens Court to Underwood Street with a new link that will improve pedestrian safety and connectivity by linking to the pedestrian through-site link of the Lend Lease Circular Quay development;
- (e) maximised ground floor fine grain retail that supports activity within the public domain adjacent to the proposed tower; and
- (f) reduced vehicle movements within the block, through a rationalised loading dock and car park access points. Three existing buildings including a commercial carpark will be demolished and replaced by the proposed consolidated basement.

### **Consideration of environmental impacts**

29. The planning proposal is informed by a number of detailed studies prepared on behalf of the landowner. The studies are included as appendices to the planning proposal at Attachment A and will be publicly exhibited as supporting documentation. The key relevant findings of the studies are discussed below.

### **Tower separation and setback**

30. This planning proposal creates block 5 as an alternative development option to block 1 and provides for a reconfigured tower within the APDG precinct. The proposal is consistent with the objectives of the APDG block under clause 6.25 of LEP "to provide for additional building height on parts on certain sites, if the development provides for publicly accessible open space, lanes and other links through the site."
31. The proposed setback of between four and six metres to Pitt Street generally responds to development to the north and south of the site and aligns with that of the future tower that is currently under construction at 33 Pitt Street.
32. The proposal includes tower setbacks of three and four metres to Underwood Street, which would result in a separation of around 10m to the adjacent tower being constructed at 33 Pitt Street, which is the closest building to the subject site. The separation between the two buildings is acceptable as it is consistent with surrounding development and will not result in any loss of significant views. The lift cores of 33 Pitt Street are to be located on the southern frontage directly facing the indicative location of the lift cores in the concept design for 55 Pitt Street.

### **Solar access and overshadowing**

33. A shadow analysis has been prepared by FJMT and is included in the Urban Design Study, which is at Appendix B to the planning proposal at Attachment A.
34. The analysis revealed that there is no additional overshadowing of any nearby special areas as identified in clause 6.19 of the LEP, such as Macquarie Place and Australia Square, within the specified LEP times.

35. The proposal will result in minimal additional overshadowing. It will have minimal additional impact to the public domain, given the extent of overshadowing from existing and approved development within the APDG block and surrounding vicinity.

### **Daylight access**

36. The draft Central Sydney Planning Strategy seeks to unlock additional employment floor space in Central Sydney through opportunities for additional height and density in key locations that has positive impacts to public domain amenity including daylight access. The strategy set out a process for establishing a 'base case' building envelope based on built form and environmental conditions and then requiring a proposal to demonstrate equivalent or better performance.
37. To establish the level of daylight access, a study was prepared that measured daylight levels in the public domain and expressed numerically as a sky view factor. The proposed building envelope was also compared to the maximum allowable envelope available under the draft Strategy. The daylight analysis prepared by FJMT is contained in the Urban Design Study, included as Appendix B to the planning proposal at Attachment A.
38. The daylight analysis found the proposed building envelope would maintain an acceptable level of daylight access to the public domain. The proposed envelope results in equivalent public domain daylight levels as compared to the base case envelope under the draft Strategy.

### **View analysis**

39. The Urban Design Study, at Appendix B to the planning proposal, located at Attachment A, included a preliminary view study undertaken by FJMT exploring the visual impact of the future development concept from key viewpoints in the public domain.
40. The proposed building envelope does not obstruct or detract from significant views along Pitt Street. The proposed podium height is consistent with that of adjacent buildings, including nearby heritage items and other tower podiums and as such maintains the alignment and form of the street wall.
41. The variation to the tower's setback will not have an adverse impact on the view corridor looking north along Pitt Street towards Circular Quay and the Harbour Bridge

### **Wind assessment**

42. A Wind Impact Assessment undertaken by CPP at Appendix I to the planning proposal assessed pedestrian wind comfort at ground level on Pitt, Dalley and Underwood Streets, and compared the proposed building envelope to the maximum allowable envelope available under the Strategy and to the existing conditions.

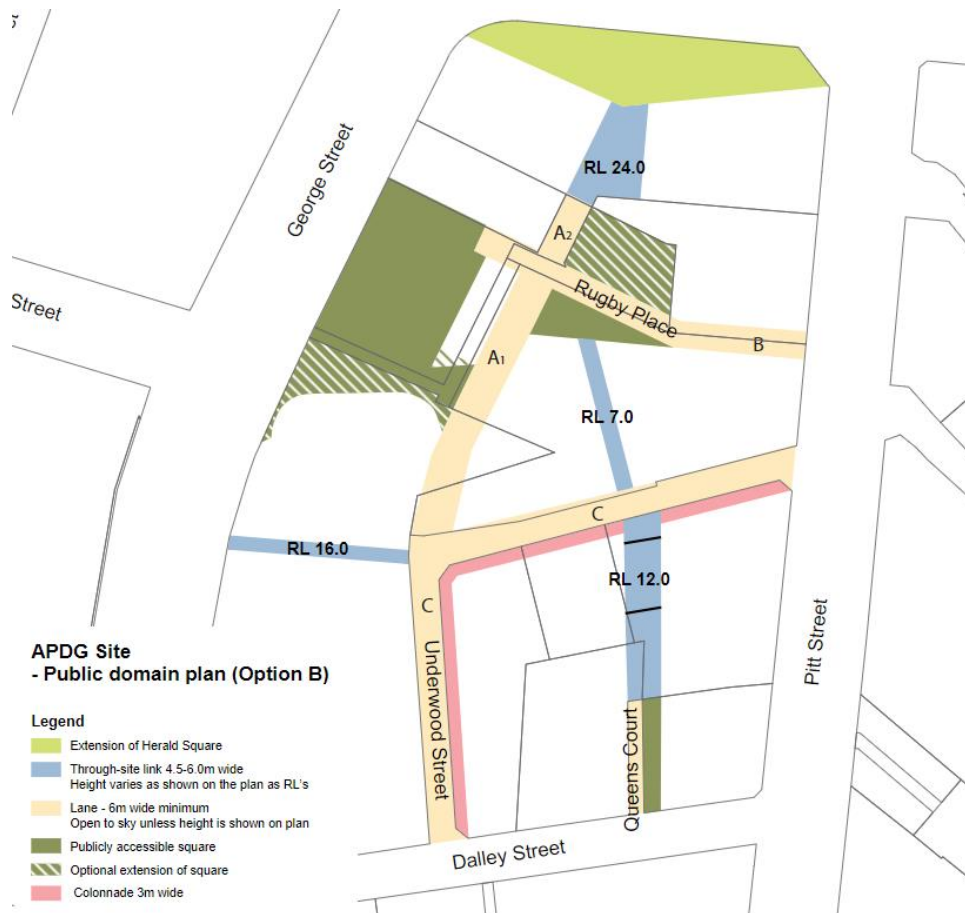
43. The report found that wind comfort would remain generally equivalent across the two envelopes that were tested, with the proposed building envelope demonstrating equivalent wind results with the draft Strategy envelope. Testing did identify some differences in wind speeds, however there would be little perceivable difference to pedestrians, with conditions remaining suitable for pedestrian walking activities. Conditions in Dalley Street and Underwood Street result in a relatively calm wind environment suitable for pedestrian standing activities.
44. One location on Pitt Street, close to the intersection with Bridge Street to the south-east of the site, was found to experience exceedances of the wind safety standard. This location experiences the same exceedance of the safety standard under existing conditions at 25m/s, comparable to a draft Strategy compliant envelope. This indicates that wind conditions in this location are generally a result of the built form massing in the northern CBD rather than this specific tower envelope form.

### **Traffic and transport assessment**

45. The planning proposal is accompanied by an assessment of the traffic and transport aspects of the future development, located at Appendix H to Attachment A. Future development on the site is anticipated to result in similar levels of traffic generation to existing medium scale development, between 10 to 15 vehicles per hour. Such levels of traffic generation will not result in significant impact to the surrounding road network. The car parking provisions for the indicative scheme, is less than the existing 110 spaces currently provided.
46. The location of the driveway on Dalley Street provides for a two-way ramp to the basement, with appropriate pedestrian sight-lines and passing opportunities for turning vehicles, while retaining sufficient floor space for ground floor retail activation. A further detailed traffic, access and parking assessment will occur as part of any future detailed application for the redevelopment of the site.

### **Pedestrian and public domain**

47. The proposal includes upgrades to the surrounding public domain and pedestrian network shown in Figure 6, including a new north-south through-site link connecting to the pedestrian laneway network north of the site, a new 3 metre wide link connecting to existing links to George Street and footpath widening on Dalley Street.



**Figure 6:** Draft Sydney DCP 2012 Public domain plan for APDG Site Option B

48. Fine grain retail spaces will be provided in the Queens Court through site link extension. These spaces will be supplemented by other activation and connectivity measures at basement and first floor levels to maximise the pedestrian interest and activity of the link beyond standard business hours.
49. The planning proposal was accompanied by a Pedestrian Activity and Comfort Assessment that considered the capacity of the surrounding public domain. The assessment noted that surrounding footpaths are capable of operating within recommended limits following future redevelopment of the site. The reports are provided at Appendix M to the planning proposal.
50. To provide additional protection in the future through-site link, Mirvac have advised that a blast wall may be necessary to address Ausgrid's concerns relating to pedestrian safety adjacent to an operating substation. Should the wall be deemed to be necessary, it will be built and maintained by Mirvac at no cost to the City and will include public art to provide visual interest and amenity.

## Flooding

51. The subject site and adjacent public domain may be potentially flood affected in larger rain events. The planning proposal is accompanied by a Preliminary Flood Study, at Appendix J, that ascertained the flood level for 20-year and 100-year flood events.

52. The indicative scheme has been designed to mitigate against such flood events, with a crest to the basement carpark to prevent inundation from 20-year flood events. The ground level of the future through-site link is to be raised to prevent a flood event passing through to Underwood Street and the building is to be designed to accommodate future conversion of Dalley and Underwood Streets to shared pedestrian zones and associated stormwater works.
53. The proposal also seeks to use flood gates to safeguard the basement from 100-year flood events. The use of flood gates to achieve flood protection is not consistent with the City's Interim Flood Policy, however there is similar precedence for comparable circumstances on other new developments elsewhere in the APDG precinct. This planning proposal shall set the flood planning level for the site, and further refinement and detailed analysis of flooding impacts will occur as part of a design competition and future detailed application for the redevelopment of the site.

### **Heritage**

54. The subject site is not identified as a heritage item, nor is it located in a heritage conservation area or special character area. Redevelopment of the site facilitated by this planning proposal does not include the demolition of any heritage item.
55. There are a number of heritage items located in proximity to the site, including former Gerling House warehouse on the eastern side of Pitt Street and the Tank Stream, a State heritage item, beneath ground level within the Pitt Street road reserve adjacent the site.
56. The planning proposal is accompanied by a Heritage Impact Statement, which is located at Appendix G of Attachment A. The report identified potential impacts to Aboriginal and historical archaeology and to the Tank Stream as a result of the proposed development. A number of mitigation measures have been recommended including an excavation buffer zone to the Tank Street. These measures are considered standard requirements for a development of this nature and location and therefore do not pose any significant obstacles or issues for the site's redevelopment.
57. The form of the future development concept is consistent with that of the wider APDG block, consisting of contemporary towers and associated podiums. The podium height of 45 metres is generally consistent with the predominant street wall height and the height of the adjacent heritage warehouses fronting the eastern side of Pitt Street ensuring future development does not disrupt the visual setting of these heritage items.

### **Design Excellence**

58. Future development on site will be subject to an architectural design competition consistent with clause 6.21 of the LEP, draft Guideline for Site Specific Planning Proposals and the Central Sydney Planning Proposal. The accompanying draft DCP establishes a design excellence strategy which includes the provisions for an architectural design competition.



## Planning agreement

59. Section 7.1(1) of the Environmental Planning and Assessment Act 1979 (the Act) enables a proponent to provide a material public benefit by entering into an agreement with a planning authority. A planning agreement is the legal instrument for securing public benefits. Planning agreements are voluntary and must be freely entered into by the planning authority and a proponent. They are also publicly exhibited and held on a publicly accessible register.
60. The City's position on planning agreements is informed by the City's needs, as outlined in our strategic plans. Opportunities to enter into planning agreements arise as the City changes and improves planning controls to meet its strategic aims.
61. The letter of offer from Mirvac at Attachment C outlines the public benefits offered as part of the proposal. It includes:
  - (a) monetary contribution towards the provision of affordable housing and community infrastructure;
  - (b) new through-site link delivered by widening and extending Queens Court to connect with Underwood Street;
  - (c) potential blast wall against the external wall of the Ausgrid substation fronting Queens Court through-site link;
  - (d) provision of public art in publicly accessible spaces;
  - (e) public domain upgrades including a publicly accessible three metre wide colonnade along Underwood Street; and
  - (f) sustainability commitments to deliver a minimum 6 star Green Star design and construct rating, a minimum 5.5 NABERS Energy rating and minimum 4 NABERS Water rating.
62. Mirvac has supplied the City with signed letters of support from both adjoining landowners, Telstra and Ausgrid with regard to the public benefit offer. The letters detail the nature of the commercial agreement between the affected parties, the proposed works to take place on the neighbouring sites and the landowner's support of the executed agreement for the 55 Pitt Street project. Following development using the potential floor space, a restrictive covenant will be placed on both the Telstra and Ausgrid utility sites limiting future use of their gross floor area, with the exception of 100sqm for operational purposes.
63. The public benefits assist in delivering the vision of the original APDG controls, which include the provision of an improved activated pedestrian connections links and improvements in the public domain.
64. It is recommended that a planning agreement be prepared to secure the public benefits outlined in the letter of offer so they can be delivered through the development of the site. This report also recommends that the planning agreement be publicly exhibited together with the planning proposal and amendments to the DCP.
65. The public benefit offer does not affect or offset any development contributions that may be payable pursuant to section 61 of City of Sydney Act 1988.

### Strategic Alignment - Greater Sydney Region Plan

66. A Metropolis of Three Cities - The Greater Sydney Region Plan is the NSW Government's overarching strategic plan for growth and change in Sydney. The 20 year plan provides a 40 year vision that seeks to transform Greater Sydney into a metropolis of three cities. It outlines how Greater Sydney will manage growth and change and will guide infrastructure delivery.
67. The Greater Sydney Region Plan is to be implemented at a local level by District Plans. This planning proposal is consistent with the following relevant directions and objectives of the Plan:
  - (a) Infrastructure - redevelopment of the site will benefit from additional transport infrastructure capacity and will contribute towards the delivery of new community infrastructure.
  - (b) Liveability - the future development concept includes retail activation to the future laneway network encouraging public domain activity.
  - (c) Productivity - the proposal will deliver additional office floor space close to transport connections contributing to Central Sydney's global economy.
  - (d) Sustainability - the proposal will facilitate the redevelopment of the site with a new building featuring improved sustainability outcomes.

### Strategic Alignment - Eastern City District Plan

68. The Eastern City District Plan sets the local planning context for the City of Sydney local government area and provides a 20 year plan to manage growth. This planning proposal gives effect to relevant planning priorities from the Plan:
  - (a) Planning Priority E1 – Planning for a city supported by infrastructure
  - (b) Planning Priority E7 – Growing a stronger and more competitive Harbour CBD
  - (c) Planning Priority E10 – Delivering integrated land use and transport planning for a 30 minute city
  - (d) Planning Priority E11 – Growing investment, business opportunities and jobs in strategic centres
  - (e) Planning Priority E13 – Supporting growth of targeted industry sectors
  - (f) Planning Priority E19 – Reducing carbon emissions and managing energy water and waste efficiently.
69. This planning proposal supports the above key directions in that it will provide additional employment space to support Central Sydney productivity; a premium quality office building in a highly-accessible location; promote sustainable redevelopment of the APDG block; complement the new light rail and proposed cycle network; and provide for recreation and retail activities.

**Strategic Alignment - Sustainable Sydney 2030 Vision**

70. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
- (a) Direction 1 - A globally competitive and innovative city - the proposal will support a future high quality outcome, with new employment opportunities, helping make Sydney attractive to global investors.
  - (b) Direction 2 - A leading environmental performer - this planning proposal facilitates new ecological sustainable development on the site, achieving ambitious targets.
  - (c) Direction 3 - Integrated transport for a connected City - the site is well located to capitalise on existing and future transport infrastructure including nearby Circular Quay train station, light rail and bus stops as well as future Metro stations in Central Sydney.
  - (d) Direction 4 - A city for walking and cycling - through new retail activated laneways and through-site link, the proposal will support a more people oriented city.
  - (e) Direction 5 - A lively and engaging city centre - a mix of uses will deliver improved levels of activation to this part of the City, with 'fine grain' retail premises contributing to a livelier, engaging city.
  - (f) Direction 6 - Vibrant local communities and economies - this planning proposal will enhance central Sydney's increased business opportunities for workers and new retail for local residents and tourists.
  - (g) Direction 7 - A cultural and creative city - public art is included in the future concept for the site, providing new creative and cultural experiences.
  - (h) Direction 9 - Sustainable development, renewal and design - future development will be subject to ambitious sustainability benchmarks.

**Strategic Alignment - Local Strategic Planning Statement**

71. The City of Sydney's Local Strategic Planning Statement sets out the land use planning context, 20 year vision and planning priorities to positively guide change towards the City's vision for a green, global and connected city.

72. This planning proposal gives effect to the following planning priorities of the Statement:

Infrastructure

1. Movement for walkable neighbourhoods and a connected city
2. Align development and growth with supporting infrastructure
3. Supporting community wellbeing with social infrastructure

Liveability

5. Creating great places

Productivity

7. Growing a stronger, more competitive Central Sydney

Sustainability

11. Creating better buildings and places to reduce emissions and water and use water efficiently

### **Strategic Alignment - Draft Central Sydney Planning Strategy**

73. As the economic heart of Australia's most global city, Central Sydney plays a critical role in the continued growth and economic success of wider Sydney and the national economy. The draft Central Sydney Planning Strategy sets out a planning approach to grow employment and productivity, create high quality places and deliver on the City's Sustainable Sydney 2030 program.
74. The draft Strategy includes opportunities for additional height and density in the right locations, balanced with environmental sustainability initiatives, and sets criteria for excellence in urban design.
75. This planning proposal is aligned with the following relevant key moves of the draft Strategy:
1. Prioritise employment growth and increase capacity - this planning proposal will help contribute to growth within Central Sydney by facilitating the delivery of additional commercial office floor space and increasing employment capacity.
  2. Ensure development responds to context - this planning proposal ensures future development is responsive to its context and does not result in adverse impacts in the public domain.
  4. Provide employment growth in new tower clusters - the subject site is located in an identified new tower cluster in Central Sydney where additional building height may be accommodated, delivering growth.
  5. Ensure infrastructure keeps pace with growth - this proposal facilitates a contribution towards community infrastructure in Central Sydney and towards the provision of affordable housing.
  6. Move towards a more sustainable city - future development is to achieve the ambitious sustainability targets.

8. Move people more easily - the subject site is well located to capitalise on the recent public transport investment and includes upgrades to the pedestrian network, making easier for people to walk and cycle in Central Sydney.
  9. Reaffirm commitment to design excellence - future development will be subject to an architectural design competition.
76. It is appropriate that this planning proposal progresses ahead of the Central Sydney Planning Proposal. The City has been in ongoing discussions with Mirvac on this site predating the recently endorsed revised Planning Proposal and planning controls. The planning proposal is consistent with the vision and key moves of the draft Strategy.

### **Relevant Legislation**

77. Environmental Planning and Assessment Act 1979.
78. Environmental Planning and Assessment Regulation 2000.

### **Critical Dates / Time Frames**

79. Should Council and the Central Sydney Planning Committee endorse the attached planning proposal for public exhibition, it will be forwarded to the Department of Planning, Industry and Environment in accordance with section 3.34 of the Act for gateway determination to proceed with consultation or resubmit the planning proposal.
80. Following the gateway determination, the typical timeframe is 21 days for public authority consultation and 28 days for public exhibition. The gateway determination will also determine the general date for the completion for the amendment to the LEP.
81. Section 7.5(1) of the Act requires that a draft planning agreement be publicly exhibited for at least 28 days and where possible, the agreement be exhibited with any other related publicly notifiable matters. As such, a recommendation of this report is that the City prepare a planning agreement to be exhibited alongside the planning proposal and draft DCP.
82. Following public authority consultation and public exhibition, the outcomes will be reported back to Council and the Central Sydney Planning Committee.

### **Delegation of Ministers Plan Making Functions**

83. In October 2012, the Minister for Planning delegated plan-making functions to councils to improve the local plan-making process. In December 2012, Council resolved to accept the delegation.
84. Council is to receive case-by-case authorisation to exercise this delegation, which is granted through the gateway determination process for spot rezonings that are consistent with surrounding zones and matters of local significance. Exercising the delegation means a faster plan-making process with less involvement of the Department of Planning, Industry and Environment.

85. This report recommends Council seek authority to exercise the delegation of the Minister for Planning of the functions under section 3.36 of the Act to make the local environmental plan.

### **Public Consultation**

86. The public exhibition process for this planning proposal will be determined by the Department of Planning, Industry and Environment. It is proposed that the public exhibition of the planning proposal, draft DCP and notification of the planning agreement will run concurrently. The consultation will be in accordance with the requirements of:
- (a) the gateway determination issued by the Department of Planning, Industry and Environment under section 3.34 of the Act;
  - (b) the Environmental Planning and Assessment Regulation 2000;
  - (c) in relation to the Planning Agreement, section 7.5(2) of the Act; and
  - (d) The City of Sydney Community Participation Plan 2019.
87. This would most likely mean the public exhibition would be a minimum of 28 days, with notification:
- (a) on the City of Sydney website; and
  - (b) in newspapers that circulate widely in the City of Sydney local government area.
88. The planning proposal, draft DCP and draft planning agreement will be publicly exhibited online on the City of Sydney website in accordance the Planning and Assessment for Councils during COVID 19 guidelines issued by the Department of Planning, Industry and Environment in April 2020 and in accordance with the Environmental Planning and Assessment Regulation 2000.

### **GRAHAM JAHN, AM**

Director City Planning, Development and Transport

Daniel Thorpe, Planner