

17 March 2009

Mr Sam Haddad
Director-General
Department of Planning
23-33 Bridge Street
SYDNEY NSW 2000

Attention: Mr Andrew Smith

Dear Mr Haddad

100 Mount Street, North Sydney – Preliminary Environmental Assessment

1 Introduction

We are writing to you on behalf of the Proponent, a joint venture between Laing O'Rourke and Delmege, following recent discussions with yourself and previous correspondence from Ross Fleming of Boston Blyth Fleming dated 27 January 2009.

The Minister declared the proposal a Major Project on 4 March 2009. We have been instructed by the Proponent to prepare a Preliminary Environmental Assessment to assist in the compilation of the Director General's Environmental Assessment Requirements (DGEARs) for the preparation of a Project Application. This Assessment supersedes the previous correspondence and provides the latest details of the proposal which can now be confirmed having been through an initial design development phase.

It is noted that the preparation of the proposal is progressing and the intention is to lodge the draft Environmental Assessment for review of adequacy as soon as possible. We would appreciate your urgent attention to the issuing of the DGEARs to assist in meeting the intended tight timeframe.

2 Site details

Details of the site are as follows:

- The site is known as 100 Mount Street, North Sydney (amalgamating two sites – 90 and 100 Mount Street) and is located on the north-west corner of the intersection of Mount Street with Walker Street in the heart of the North Sydney commercial core, refer to **Figure 1: Location Plan**.
- The site is 1,750m² in area with frontage to public streets on three of the four sides, a busy main through-road Walker Street to the east with two localised access streets: Spring Street to the north and Mount Street to the south. The only property with which the site has a common boundary is that to the west – No.80 Mount Street, refer to **Figure 2: Site Plan**.
- The site is a key development site in the centre of the North Sydney CBD and its development will have significant public benefit to the immediate surrounding heavily pedestrianised public domain area.

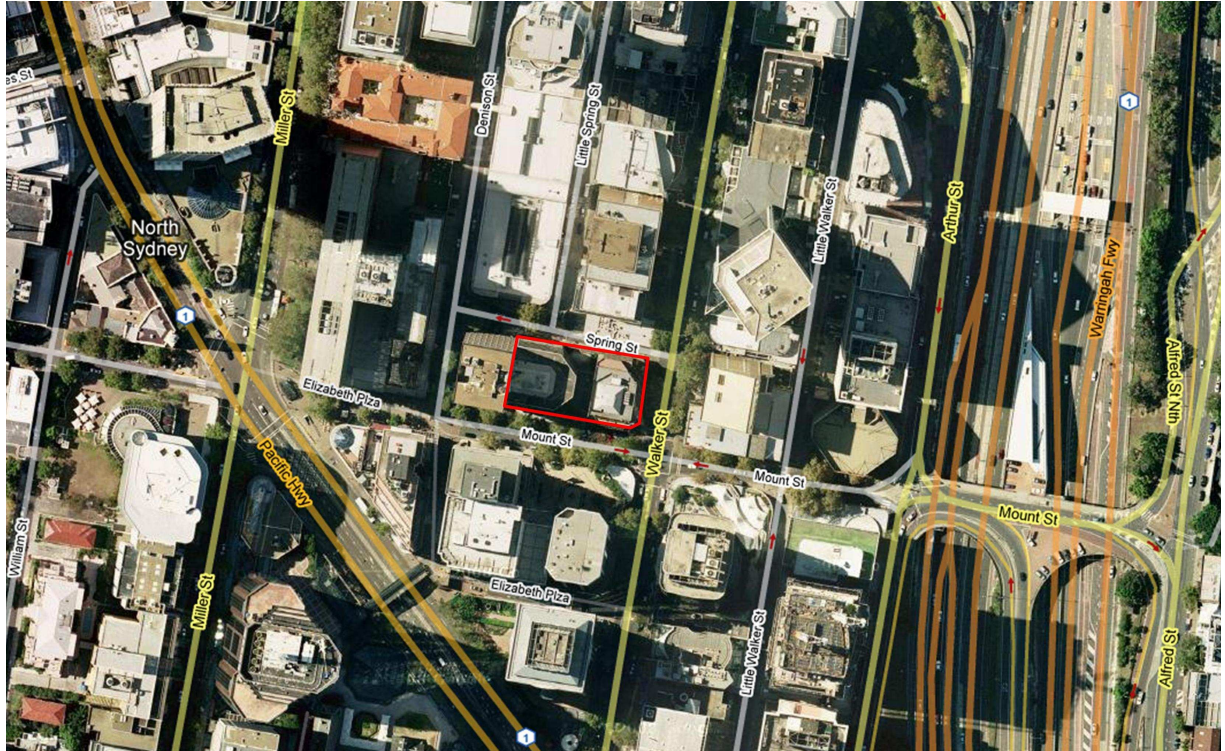


Figure 1: Location Plan (source: Google)



Figure 2: Site Plan (source: RP Data)

3 Description of proposal

The Proponent proposes to develop a new iconic commercial tower in the centre of North Sydney's commercial core.

Prominent architects Rice Daubney have designed the iconic building after an extensive site analysis and design development process. As outlined in the attached architectural design statement, the design incorporates a slender tower form with a focus on the public domain at ground level. In particular, the lower levels feature greater setbacks to provide an increase in the footpath width and substantial improvement to the public domain environment.

The particulars of the proposal include:

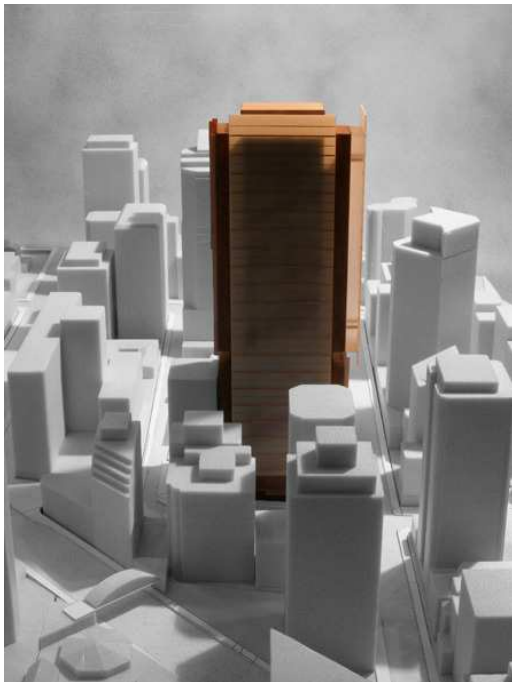
- Estimated Capital Investment Value of \$130,000,000. This will be confirmed by a Quantity Surveyors report to be submitted with the Environmental Assessment.
- Approximately 40,000m² in gross floor area.
- A 38 storey building above ground level (43 levels overall) and five levels of basement car parking. An approximate height of RL 200.00, being approximately 149m above the Walker Street level of RL 51.40.
- Two levels of retail with access from street level, with the remaining levels predominantly commercial office (A-Grade).
- Car parking for approximately 120 vehicles in the basement car park.
- The Proponent is seeking to achieve a 5 star Green Star and NABERS rating.

Refer to **Figure 3: Indicative Ground Floor Plan** and **Figure 4: Indicative Perspectives**.

Figure 3: Indicative Site Plan (courtesy of Rice Daubney)



Figure 4: Indicative Perspectives (courtesy of Rice Daubney)



4 Planning Considerations

4.1 Key planning documents

The key planning instruments and policies that currently apply to the project are:

- State Environmental Planning Policy (Major Projects) 2005.
- State Environmental Planning Policy (Infrastructure) 2007.
- North Sydney Local Environmental Plan 2001.
- Draft Amendment No.28 North Sydney Centre
- Sydney Metropolitan Strategy and the Draft Inner North Subregional Strategy.

4.1.1 SEPP – Major Projects

Approval for the proposed development is sought under Part 3A of the Environmental Planning and Assessment Act 1979. Under SEPP Major Projects, the proposal has been declared a Major Project to which Part 3A of the Act applies.

As per due process of Part 3A proposals, an Environmental Assessment Report will be prepared in response to the DGEARs which we understand will be issued shortly.

4.1.2 SEPP – Infrastructure 2007

The proposal will require referral to the Roads and Traffic Authority under the provisions of Division 17 of State Environmental Planning Policy (Infrastructure) 2007 as the proposal is larger than the minimum gross floor area threshold of 10,000sqm for “commercial premises”.

4.1.3 North Sydney Local Environmental Plan 2001

North Sydney Local Environmental Plan (LEP) 2001 is the principal statutory planning instrument applying to the site. Under the provisions of North Sydney LEP 2001, the site is affected by the following key planning provisions outlined in **Table 1** below:

Table 1 – LEP 2001 Provisions

LEP 2001 Provision	Requirement
Part 2 General Provisions for the development of land	
Clause 14 – Consistency of Aims and Objectives, Zoning and permissible uses	The site is zoned “Commercial”
Part 3 Special Provisions, Division 4 North Sydney Centre Note the provisions of Division 4 prevail over all other provisions of this plan, to the extent of any inconsistency, except matters relating to Heritage provisions	
Clause 28B – North Sydney Centre objectives	Provides a range of objectives for the North Sydney Centre. The most relevant to a commercial development relate to: <ul style="list-style-type: none"> ▪ Maintain status of North Sydney Centre as a major commercial centre within Australia. ▪ To require arrangements for railway infrastructure to be in place before additional non-residential gross floor area is permissible in relation to any proposed development in the North Sydney Centre.

LEP 2001 Provision	Requirement
	<ul style="list-style-type: none"> ▪ To ensure railway infrastructure, particularly North Sydney Station will encourage a greater percentage of people access to North Sydney Centre by public transport. ▪ Discourage use of motor vehicles. ▪ Allow for 250,000sqm (maximum) non- residential GFA in addition to the estimated existing (as at the commencement of this Division) 700,000sqm of non-residential GFA. ▪ Encourage provision of high-grade commercial space within floor plate of at least 1000sqm. ▪ Achieve a variety of commercial space. ▪ Encourage refurbishment, recycling and rebuilding older buildings. ▪ Promote high quality urban environments and residential amenity. ▪ Provide significant public benefits ▪ Prevent net increase in overshadowing of land zoned residential or public open space or identified special areas.
<p>Clause 28C – North Sydney Centre (NSC) objectives</p>	<p>Consent not to be granted to development of non-residential GFA if it exceeds the non residential GFA that was lawfully existing on land immediately before development is carried out.</p> <p>However, consent may be granted if the Director General has certified that satisfactory arrangements have been made for railway infrastructure that will accommodate the increased demand generated by the development.</p> <p>Notwithstanding the above, consent must not be granted if the extent of non-residential GFA in conjunction with the extent of all other non – residential GFA granted for the NSC since commencement of the Division would exceed 250,000sqm.</p>
<p>Clause 28D – Building heights and massing</p>	<p>Provides for following objectives within NSC:</p> <ul style="list-style-type: none"> ▪ To achieve a transition of building heights generally from 100 Miller St and 79-81 Berry Street stepping down towards boundaries of the NSC. ▪ No impact to public open space zones, land identified as special area or heritage items. ▪ Minimise overshadowing land in residential and public open space zones, special areas. ▪ Protect privacy ▪ Scale and massing for pedestrian comfort. ▪ Encourage consolidation of high grade commercial space and provision public benefits. <p>Provides for following controls within North Sydney Centre:</p> <ul style="list-style-type: none"> ▪ Maximum height RL 195 AHD, and ▪ Not net increase in overshadowing of any land between 9am and 3pm, 21 June outside the LEP Composite Shadow Diagram. ▪ Not net increase in overshadowing between 10am and 2pm, any time of the year of any land within the North Sydney Centre and is within the public open space zone or within a designed special area under the LEP. ▪ No increase in overshadowing that will reduce amenity of any

LEP 2001 Provision	Requirement
	<p>dwelling outside the North Sydney Centre and falls within the composite shadow area.</p> <ul style="list-style-type: none"> Site area is not less than 1,000sqm. <p>Note – cannot seek a variation to all the above overshadowing controls under State Environmental Planning Policy No.1. However, minor variation to the overshadowing controls may be considered on the basis of:</p> <ul style="list-style-type: none"> Variation is justified on the basis of merits and public benefits gained, and The increase in overshadowing will not reduce amenity of any land, and In respect to the impacts on 21 June, the variation will not result in more than 2 hours of net increase in overshadowing of land referred between 9am and 3pm, and In respect to the impacts between 10am and 2pm on any day of the year, the variation is not to result in more than 15minutes of net increase in overshadowing between 10am and 12pm, and no net increase between 12noon and 2pm, on any day. <p>Other considerations for development in the North Sydney Centre related to building design and massing as follows:</p> <ul style="list-style-type: none"> Impacts in respect to scale, form and massing relative to locality, landform, natural environment, neighbouring development particularly lower scale development. Whether public benefits are proposed such as open space, through site linkages, community facilities etc. Preservation of view lines and vistas. Enhancement of streetscape.
Division 9 Miscellaneous provisions	
Clause 39 Excavation of Land	In the event that any excavation works are required, Clause 39 provides a range of considerations required to be taken into account.
Clause 40 Contaminated Land	In the event that the land is contaminated, any future application will be required to be supported by documentation that provides that such a use may be established on the site.
Clause 41 Acid Sulfate Soils	In the event that the site contains acid sulfate soils, future works that will disturb soil or the water table will be required to be supported by assessment and acid sulfate soil management plan.
Part 4 Heritage Provisions	<p>Requires development consent for works affecting indigenous and non-indigenous sites.</p> <p>Required to be assessed in terms of the impact upon any heritage items in the vicinity of the site and heritage conservation areas. Several heritage items are located in the vicinity of the site.</p>

Commentary:

The project entails a multistorey commercial building and lower level retail uses, which are permissible in the Commercial zone. Comprising approximately 40,000m² of gross floor area with floor plates approximately 1200m², the project represents a major commercial building that will maintain status of North Sydney Centre as a major commercial centre within Australia as per the objectives for the zone.

North Sydney Station was recently upgraded to an improved and larger railway facility to accommodate the increasing demands of the station which complement the future development of the site. Certification from the Director General will be sought towards confirmation that satisfactory arrangements have been made for railway infrastructure that will accommodate the increased demand generated by the development as part of the Environmental Assessment.

By way of a Capacity Study, prepared by Rice Daubney, the quantum of floor area has been taken into consideration in the overall planning of the North Sydney Centre. Further considerations to maximum GFA will be further discussed in the Environmental Assessment (EA).

Although slightly above the 195AHD maximum height, an overshadowing assessment demonstrates no adverse impact. The EA will further address other height considerations relating to:

- the achievement of transition of building heights generally from 100 Miller St and 79-81 Berry Street stepping down towards the boundaries of the NSC;
- impacts to public open space zones, nearby identified “special areas” and heritage items;
- overshadowing impacts to residential and public open space zones, special areas as well as the net extent of overshadowing relative to LEP Composite Shadow Diagram; and
- net increase in overshadowing relative to the prescribed periods on land within the North Sydney Centre and within the public open space zone or designated special areas.

The following additional urban design considerations will also be further explored within the EA in respect to building design and massing relative to:

- scale, form and massing;
- public benefits;
- preservation of view lines and vistas; and
- enhancement of streetscape.

Provisions relating to excavation, site contamination, acid sulphate soils will be discussed in the EA.

The site is not listed as a heritage item nor is it located within a heritage conservation area but has several heritage items adjacent including 86 Walker Street, 105 – 153 Miller Street; and 67 – 69 Mount Street. The EA will include an assessment of the potential impacts upon nearby heritage items.

4.1.4 Draft Amendment No.28 North Sydney Centre

Council resolved on 12 May 2008 to prepare and exhibit Draft Local Environmental Plan Amendment No.28 - North Sydney Centre (DLEP28). The DLEP 28 has been exhibited, with public submission period recently ending on 16 March. The DLEP 28 proposes amendments to the NSLEP2001 and key provisions relevant to the site are summarised in the table below:

- Addition of objective for North Sydney Centre to ensure high quality building design, energy efficiency and urban design for all development.
- Revision to objectives for building heights and massing: requiring transition in building heights from 100 Miller Street and 79 – 81 Berry Street, stepping down toward the boundaries of NSC and in accordance with heights under draft LEP height map.
- Height provision - consent is not to be granted if:
 - Building exceeds maximum height 138m. (Note definition of height is amended but remains to be measured from highest point of building to existing ground level immediately below); or

- There is nett increase in overshadowing between 12pm and 2pm EST of any land in NSC and land public open space zone or within a special area; or
- There is nett increase in overshadowing between 10am and 2pm EST of land known as Don Bank Museum, 6 Napier Street NS; or
- Site area is less than 1000sqm; or
- FSR will exceed maximum 30:1

But consent may be granted if development exceeds maximum building height on the provision that the variation is justified by the merits and public benefit gained, and any increase in overshadowing between hours 9am and 3pm EST will not reduce the amenity of the any dwelling outside the NSC.

Despite above, the maximum FSR may be exceeded but only if the development complies with maximum building height under height map or the requirements for variation of building height have been satisfied.

Application of building height controls have priority over achieving maximum FSR.

4.1.5 Metropolitan Strategy and the Draft Inner North Subregional Strategy

The State Government's 'Metro Strategy' Metro Strategy was released on 4 December 2005 and represents the State Governments latest strategic policy for the future development of greater metropolitan Sydney. The Draft Inner North Subregional Strategy (Draft INSS) was subsequently released in July 2007 and aims to implement the Metropolitan Strategy to a local level and covers the local government areas of North Sydney, Hunters Hill, Lane Cove, Mosman, Ryde and Willoughby. The following extracts of the Metro Strategy and the Draft Inner North Subregional Strategy are relevant to the site.

Strategy A – Economy and Employment

The 'Metro Strategy' identifies North Sydney forming the northern part of the "Global Sydney" strategic centre.

The Draft INSS targets the creation of an additional 60,000 new jobs in the Inner North subregion between 2001 and 2031. North Sydney is designated to accommodate 15,000 new jobs, which equates to 25% of the total jobs for the Inner North region. The project will contribute towards the target employment figure for North Sydney.

Strategy B - Centres and Corridors

As above, the Metro Strategy identifies North Sydney forming the northern part of the "Global Sydney" strategic centre. This strategic centre is identified as the "*the main focus for national and international business, professional services, specialised health and education precincts, specialised shops and tourism, it is also a recreation and entertainment destination for the Sydney region and has national and international significance.*"

The NSW Government reiterates the importance of maintaining the commercial core of the North Sydney CBD to support its economic role within Global Sydney. The site provides a strategic opportunity to contribute towards the supply of additional non residential development within proximity to a major transport node.

Strategy D – Transport

Transport is identified as a critical element of the Metro Strategy in which "*land use and transport planning should enhance access and connections between where people live, work and visit*".

North Sydney Station was recently upgraded to provide for an improved and larger railway facility to accommodate the increasing demands of the station, including future development of the site.

5 Likely issues and Preliminary Environmental Assessment (PEA)

It is considered that the proposal will need to be assessed having regard to the following issues, as a minimum.

5.1 Compliance and consistency with planning controls and policy

Section 4 above highlights that the proposal is permissible on the land and is consistent with strategic planning policy.

The proposal would comply with the FSR development standard but is seeking minor variation to the height standard. A detailed assessment against the objectives, standards and development controls applying to the site will be undertaken as part of the Environmental Assessment. It is noted that a change to the relevant development standards is proposed through the draft LEP Amendment No.28 which is currently on exhibition.

5.2 Site suitability

The site is located in the heart of the North Sydney Commercial Core and the amount of floor area has been contemplated by the Capacity Study undertaken to inform the proposed changes to the Commercial Core in draft LEP Amendment No.28.

The development of the site will bring with it significant benefit to the ground level public domain of the site and the immediately surrounding area.

5.3 Transport, vehicle access and parking

A detailed traffic assessment of the proposal is nearing completion. In a general transport sense, the site will benefit from its central location and convenient access to the North Sydney Rail Station. The allowable floor area has been considered relative to the capacity of the North Sydney Rail Station.

The site has been planned to respond to the existing access conditions. All service access is confined to the laneway to the north and no access to the busy Walker Street and the heavily pedestrianised Mount Street.

5.4 Heritage and archaeology

The site is not listed as a heritage item nor is it located within a heritage conservation area but has several heritage items adjacent including 86 Walker Street, 105 – 153 Miller Street; and 67 – 69 Mount Street. The Environmental Assessment will include an assessment of the potential impacts upon these nearby heritage items.

5.5 Infrastructure

The existing development on the site is currently serviced for electricity, gas, sewer water, storm water and telecommunications. Any potential short falls in supply will be identified as part of the Environmental Assessment process. A full assessment of utility supply and the need for augmentation will be included with the Environmental Assessment.

5.6 Urban form

The proposed building design and its relationship with the surrounding area has been informed by a thorough process of site analysis and design option testing. Particular attention has been paid to the planning of the lower levels in terms of their relationship with the adjacent public domain and scale of nearby buildings (including the adjacent Firehouse Hotel heritage item to the north). The theory behind the design is expanded upon in the architects words, see attached **Architectural Design Statement**.

5.7 Social and economic benefits

It is anticipated that the commercial tower will cater for approximately 3000 workers. In addition, the construction of the building will provide substantial employment for the construction industry together with the multiplier effect of creating a high standard of commercial floor space catering for an increase in the working population of the North Sydney Centre.

Socially, the proposal will include an assessment of crime and safety (CPTED assessment) to ensure the resultant urban design delivers an attractive and safe environment for visitors, occupants and the wider community.

5.8 Construction management

Consideration of construction management will be undertaken as part of the Environmental Assessment process and will include:

- Erosion and sediment control measures.
- Site management including public and pedestrian safety, access points for construction, constructions vehicles and storage of materials.
- Construction traffic management.
- Construction noise.
- Building dilapidation.
- And structural risk management for adjoining heritage buildings.
- Staging works including relocation issues associated with existing uses.

5.9 Waste management

A development of this nature will generate significant volumes of various forms of waste. A Waste Management Plan will be prepared as part of the will need to be undertaken as part of the Environmental Assessment process.

5.10 Mobility and access

Disabled access within and around the site will be addressed as part of the Environmental Assessment process in accordance with relevant provisions on the BCA and any other applicable standards.

5.11 Energy efficiency

Energy performance measures will be included as part of the Environmental Assessment process to comply with the relevant provisions of the BCA. An energy efficiency performance report will be included as part of the proposal.

5.12 Acoustic impact

No acoustic impacts of a significant nature are expected as a result of the proposal other than during the construction phase which will be managed by appropriate ameliorating measures.

5.13 Wind impact

An assessment of the impact of the development on pedestrian safety and comfort will be undertaken as part of the Environmental Assessment.

5.14 Contributions

Developer contributions will be calculated in accordance with Council's Section 94 Plan. It is anticipated that payment will be by construction of works in lieu of a cash contribution which will be addressed in the Statement of Commitments.

6 Consultation

To date preliminary discussions have been held with both the Department of Planning and North Sydney Council. Discussions with various government agencies will be undertaken as necessary by the responsible expert in each case.

7 Summary

The above preliminary environmental assessment is submitted to assist the Department in preparing the DGEARs. We would appreciate your urgent attention to the issuing of the DGEARs to ensure the continued documentation of the proposal in accordance with the program.

If you have any questions or wish to discuss the matter further, please do not hesitate to contact me on 8233 9900.

Yours sincerely,

A handwritten signature in black ink, which appears to read 'Paul Atree-Williams'. The signature is fluid and cursive, with a large initial 'P'.

Paul Atree-Williams
Associate Director

Encl. Architectural Design Statement – Rice Daubney

Indicative architectural plans and elevations – Rice Daubney