

# NEW BALLROOM ADDITION AND HOTEL UPGRADE: INTERCONTINENTAL HOTEL AND TRANSPORT HOUSE

**Request for Secretary's  
Environmental Assessment  
Requirements for an EIS to  
Accompany a Stage 1 DA for  
State Significant Development**



# **PRELIMINARY ENVIRONMENTAL ASSESSMENT**

## **NEW BALLROOM ADDITION AND HOTEL UPGRADE**

### **INTERCONTINENTAL HOTEL AND TRANSPORT HOUSE**

#### **REQUEST FOR SECRETARY'S ENVIRONMENTAL ASSESSMENT REQUIREMENTS TO FACILITATE PREPARATION OF AN EIS AS PART OF A STAGE 1 DEVELOPMENT APPLICATION FOR STATE SIGNIFICANT DEVELOPMENT**

**Prepared by  
BBC Consulting Planners**

**for  
Mulpha Australia Limited**

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# 1. INTRODUCTION AND OVERVIEW

## 1.1 Purpose of this Report

This Preliminary Environmental Assessment (“PEA”) has been prepared as part of a Stage 1 development application (“DA”) for State Significant Development lodged pursuant to Section 78A(8A) of the *Environmental Planning and Assessment Act 1979* (“the Act”) for a ballroom addition and comprehensive hotel upgrade for the InterContinental Hotel (“the proposal”). The ballroom addition will extend above and over part of the roof of Transport House and will provide a new premier event space with spectacular views over Sydney Harbour.

The purpose of this PEA is to seek Secretary’s Environmental Assessment Requirements (“SEARs”) for the Environmental Impact Statement (“EIS”) which will need to accompany the State Significant Development DA for the proposal.

This PEA includes:-

- a brief description and analysis of the site and its context;
- a description of the proposal;
- the statutory planning framework which applies to the proposal and which establishes its permissibility;
- a preliminary identification and assessment of impacts associated with the proposal;
- justification for the proposal; and
- supporting preliminary plans.

## 1.2 Overview of the Proposal

The proposal relates to land owned by Mulpha Transport House Limited and by Bistrita Pty Limited.

Mulpha Australia Limited (“Mulpha”) will be the Applicant for the Stage 1 DA.

The subject land comprises Transport House and the InterContinental Hotel and is referred to in this PEA as “the site”, the boundaries of which are identified on **Figures 1, 2, 3A and 3B**.

The proposal involves a comprehensive upgrade of the rooms, corridors, lobbies, tower façade, services, reception, entries, bars, restaurants, gym, pool, and roof lounge of the Intercontinental Hotel and the creation of a new, predominantly glazed, 900m<sup>2</sup> ballroom on Level 10 extending out from the hotel tower, over Transport House.

The new ballroom will provide a unique, new premier event space with spectacular views of Sydney Harbour.

Preliminary Stage 1 DA plans are provided in **Appendix 1**.

Preliminary photomontages are provided in **Appendix 2**.

The capital investment value (“CIV”) of the proposal is around \$200 million.

## 1.3 Approvals Framework

### 1.3.1 State

Pursuant to Clause 8 (1)(b) in Part 2 of State Environmental planning Policy (State and Regional development) 2011 (“the SRD SEPP”), development is declared to be State significant development if the development is specified in Schedule 1 or 2 of the SRD SEPP. Schedule 1 in Clause 13 relevantly identifies development for tourist purposes that has a CIV of more than \$100 million or which has a CIV of more than \$10 million and is located in an environmentally sensitive area of State significance, as State significant development.

The term “environmentally sensitive area of State significance” is relevantly defined in Clause 4 of the SRD SEPP to mean:-

*“(h) land, places, buildings, or structures listed on the State Heritage Register under the Heritage Act 1977”*

The land on which the InterContinental Hotel is located, which includes the Former NSW Treasury Building, including its interiors, is listed on the State Heritage Register.

Accordingly, as the proposal comprises tourist related development with a CIV of more than \$10 million which is in an environmentally sensitive area of State significance, the proposal is State significant development, for which the Minister is the consent authority.

### 1.3.2 Local

#### Sydney LEP 2012 (“the 2012 LEP”)

As shown on **Figure 4A**, the site is zoned B8 Metropolitan Centre in Sydney Local Environmental Plan 2012 (“the LEP”).

The land use table for the B8 Metropolitan Centre zone is as follows:-

#### *“1 Objectives of zone*

- To recognise and provide for the pre-eminent role of business, office, retail, entertainment and **tourist premises** in Australia’s participation in the global economy.*
- To provide opportunities for an intensity of land uses commensurate with Sydney’s global status.*
- To permit a diversity of compatible land uses characteristic of Sydney’s global status and that serve the workforce, visitors and wider community.*
- To encourage the use of alternatives to private motor vehicles, such as public transport, walking or cycling.*
- To promote uses with active street frontages on main streets and on streets in which buildings are used primarily (at street level) for the purposes of retail premises.*

#### *2 Permitted without consent*

*Nil*

#### *3 Permitted with consent*

*Child care centres; Commercial premises; Community facilities; Educational establishments; Entertainment facilities; Function centres; Information and education facilities; Passenger transport facilities; Recreation facilities (indoor); Registered clubs;*

*Respite day care centres; Restricted premises; Roads; **Tourist and visitor accommodation**; Any other development not specified in item 2 or 4*

*4 Prohibited*

*Nil” (our emphasis)*

All types of development and all land uses are permissible with consent in the B8 Metropolitan Centre zone. “Tourist and visitor accommodation”, into which category the InterContinental Hotel falls, is specifically identified as a permissible use.

The site comprises two Heritage Items listed in the LEP (see **Figure 4C**). The listing is as follows:-

Locality	Item name	Address	Property description	Significance	Item no
Sydney	“Transport House” including interiors	99-113 Macquarie Street	Lot 3, DP 785393	Local	I1870*
Sydney	Former Treasury Building including interiors	115-119 Macquarie Street	Lot 40, DP 41315; Lot 4, DP 785393	State	I1871*

The asterisk in the above table identifies properties for which the Council may record in its register of transferable heritage floor space an amount of heritage floor space in respect of a person if the person is the owner or the nominee of the owner of a building that is so identified. Although the owner of Transport House (i.e. Mulpha Transport House Limited) is entitled to seek an award of transferable heritage floor space for the conservation work which has been carried out on the building, no such award has yet been made.

Illustrative figures containing extracts from the LEP maps are provided in **Figures 4A-4F**.

Further relevant provisions in the 2012 LEP are detailed in Section 5.3.3 of this PEA.

#### Sydney DCP 2012 (“the 2012 DCP”)

Whilst the provisions of the 2012 DCP also apply to the site and its surrounds, pursuant to Clause 11 of the SRD SEPP, DCP provisions do not apply to State significant development (“SSD”). Nevertheless, an extract from the 2012 DCP Special Character Area G Setbacks Map, which is applicable to the site and its surrounds, is provided in **Figure 5**.

Further details of the controls in the 2012 DCP are provided in Section 5.3.3 of this PEA.

### **1.3.3 Requirement for an EIS**

Section 78A(8A) of the Environmental Planning and Assessment Act, 1979 (“the Act”) requires that a DA for SSD is to be accompanied by an Environmental Impact Statement (“EIS”). Therefore, as the proposal comprises SSD, an EIS is required to be prepared to accompany the SSD DA. Secretary’s Environmental Assessment Requirements (SEAR’s) for the EIS are sought by this PEA.

Through the operation of the SRD SEPP, the Minister is the consent authority for the SSD DA.



## 2. SITE DESCRIPTION

### 2.1 Location

The land to which this DA relates (“the site”) occupies the southern two-thirds of the block bounded by Macquarie Street, Albert Street, Phillip Street and Bridge Street, in the north-easternmost part of the Sydney CBD, as shown on **Figure 1**.

### 2.2 Real Property Description and Ownership

The site comprises three parcels of land:

- Lot 3 in DP 785393, upon which is erected Transport House; and
- Folio Identifier 4/785393 and Lot 40 in DP 41315, upon which is erected the InterContinental Hotel.

Lot 3 in DP 785393 is owned by Mulpha Transport House Pty Limited.

Folio identifier 4/785393 and Lot 40 in DP 41315 are owned by Bistrita Pty Limited.

Certificates of title and deposited plans are provided in **Appendix 3**.

### 2.3 Area and Frontages

The site has an area of 5,510.4 square metres, and the following frontages:

- to Macquarie Street – 80.675 metres;
- to Bridge Street – 68.50 metres; and
- to Phillip Street – 88.41 metres.

The areas of each of the three lots is as follows:

- Lot 3 in DP 785393 – 1,599.4 square metres;
- Lot 40 in DP 41315 – 2,487 square metres; and
- Folio Identifier 4/785393 – 1,424 square metres.

The configurations of these lots, and their respective areas and frontages, are identified in **Figure 2**.

### 2.4 Existing Buildings

#### 2.4.1 InterContinental Hotel

The InterContinental Hotel, at Nos. 115-119 Macquarie Street, is a 32 storey five star hotel. It incorporates the restored Treasury Buildings built between 1849 and 1919, and contains 509 rooms including 28 suites, 2 restaurants, 15 meeting rooms, and around 2030m<sup>2</sup> of conference facilities with capacity for around 1450 delegates. The hotel opened in September 1985. The Kann Finch Group was the architect for the original hotel.

Parts of the hotel were internally refurbished in 1993, 1994, 1995, 1997, 2000 and 2004. The hotel facilities include a ballroom, function rooms, restaurants, shops, a beauty salon, a Club Lounge (on Level 32), and a health club with swimming pool (on Level 31).

Of particular note is that the existing ballroom is of an inferior size relative to contemporary requirements, and is not column free.

The tower has a mid 1980's aesthetic characterised by heavy concrete punctuated by windows, which are half height thereby not fully capitalising on the excellent views.

The hotel tower is setback around 36m from Macquarie Street.

## **2.4.2 Transport House**

Transport House, at Nos. 99-113 Macquarie Street, is a seven storey structure with a frontage to Macquarie Street of 27.33 metres, and to Phillip Street of 22.285 metres. It has irregular northern and southern boundaries, and a depth of around 54.5 metres.

Transport House was built in 1938 for the Department of Roads, Transport and Tramways, and contains a gross floor space of around 8,000 square metres. It has been extensively refurbished. It is currently occupied predominantly by Saatchi and Saatchi, and by Mulpha.

The consent to DA/02/00739A dated 27 February 2003 approves a new 3 storey roof addition on Transport House containing hotel guest rooms and a roof swimming pool. The consent remains current (i.e. it has not lapsed).

## **2.4.3 Total Existing Gross Floor Space Area and Floor Space Ratio**

The gross floor space area within both buildings (measured under Central Sydney LEP 1996, which was the LEP in force when the last calculation of GFA was made) was generally as follows:

• Transport House	8,000 square metres
• InterContinental Hotel	<u>39,618</u> square metres
Total	<u>47,618</u> square metres

With a site area of 5,510.4m<sup>2</sup>, this equated to a floor space ratio at the time of 8.64:1.

Updated calculations will be provided with EIS, but suffice to observe that when measured under the current definition of GFA in Sydney LEP 2012 (and when compared against the old definition), there is likely to be a reduction in total FSR, which in any event is well below the maximum permissible FSR on the site.

## **2.5 Vehicular Access**

Vehicular access to the Intercontinental Hotel is from Phillip Street to a basement carpark beneath the InterContinental Hotel and to a porte-cochere. Egress from the porte-cochere is via a right-of-way comprising a ramp and driveway through the basement of the Sir Stamford at Circular Quay Hotel to Albert Street.

The hotel is served by a loading dock which has space for three medium trucks, plus queuing space off the main carpark access route for two or three additional small trucks and vans.

### **3. SURROUNDING DEVELOPMENT**

#### **3.1 To the North**

To the north of Transport House on the Phillip Street frontage are various historic sandstone buildings, now used and known as the Justice and Police Museum. They include the former Traffic Courts and Phillip Street Police Station, both of which are classified by the National Trust, are subject to a Permanent Conservation Order (dated 7<sup>th</sup> February, 1985) and are listed on the State Heritage Register, the Register of National Estate and in Part 1 of Schedule 5 of the 2012 LEP.

To the north of Transport House on the Macquarie Street frontage is the “Sir Stamford At Circular Quay” Hotel, formerly known as the Ritz Carlton Hotel. It was built in 1990, and incorporates the former Health Department building at the corner of Macquarie Street and Albert Street, which is a listed heritage item in Part 1 of Schedule 5 of the 2012 LEP. The hotel is a ten storey structure with basement parking for 109 vehicles.

Further to the north, beyond Alfred Street, is Quay Apartments (at the corner of Albert and Phillip Streets), which were built in 1984 and which rise 29 storeys; and the Royal Automobile Club of Australia (at the corner of Macquarie and Albert Streets) which is a seven storey structure built in 1928. The Royal Automobile Club of Australia building is the subject of a Permanent Conservation Order issued on 11<sup>th</sup> August, 1989, is a listed heritage item in the 2012 LEP, and is listed on the State Heritage Register.

#### **3.2 To the East**

To the east of Transport House and the Former Treasury Building is Macquarie Street, which is identified as a “Special Character Area” in the 2012 LEP. The palm trees on the eastern side of Macquarie Street between Shakespeare Place and Tarpeian Rock are listed in Schedule 1 of the 2012 LEP.

Beyond Macquarie Street are the Royal Botanic Gardens, identified as a heritage item in the 2012 LEP.

To the south-east of the site is the Conservatorium of Music, off Conservatorium Road which is listed as a heritage item in the 2012 LEP.

#### **3.3 To the South**

To the south of the InterContinental Hotel, beyond Bridge Street, also a Special Character Area pursuant to the 2012 LEP is the Chief Secretary’s Building, a four storey sandstone structure built in 1875, and subsequently extended in 1892. It is listed on the State Heritage Register, and is a heritage listed item in the 2012 LEP.

Further to the south, on the Macquarie Street frontage, is the “Astor”, a residential apartment building also listed as a heritage item in the 2012 LEP.

#### **3.4 To the West**

Opposite the InterContinental Hotel, on the western side of Phillip Street, is the AMP Centre Tower, a 47 storey office building, to the north of which is the Sydney Cove AMP Building (built in 1961 and is now heritage listed) which rises some 26 storeys. A \$660 million redevelopment of the AMP site has been approved by the CSPC.

## 4. THE PROPOSAL

### 4.1 Overview

The proposal involves a comprehensive upgrade of the rooms, corridors, lobbies, tower façade, services, reception, entries, bars, restaurants, gym, pool, and roof lounge of the Intercontinental Hotel and the creation of a new (predominantly glazed) “Crystal Ballroom” on Level 10 extending out from the hotel tower, over Transport House.

The new ballroom will provide a unique event space with spectacular views of Sydney Harbour. It will have an area of around 900m<sup>2</sup>, column free.

Preliminary Stage 1 DA architectural plans are provided in **Appendix 1**.

Preliminary photomontages are provided in **Appendix 2**.

The project has a capital investment value of in excess of \$200 million.

### 4.2 Ballroom Addition

The key design feature of the proposal is a new, predominantly glazed, ballroom on Level 10 which will extend northward from within the hotel tower over Transport House (see photomontage in **Appendix 2**).

Transport House’s brick façades, its entries, foyers, other interior heritage fabric, and occupants will be largely unaffected by the proposed ballroom addition on Level 10 of the InterContinental Hotel, and new health facility (including pool) on Level 9. The ballroom addition will provide 900m<sup>2</sup> of column free space with spectacular views over Sydney Harbour. It will be a unique and new premier event space in Sydney. It will be served by dedicated lifts from the Level 5 foyer area.

The ballroom roof height is RL 51.1m and the ground level of Phillip Street (which is lower than Macquarie Street) at the north western corner of Transport House is around RL 11.00m, giving the new ballroom addition a maximum building height above ground of around 40.0m. Its maximum height above the level of Macquarie Street, adjacent to the entry off Macquarie Street into Transport House, is around 34m.

The structural load which the new ballroom addition will place on Transport House has been the subject of initial review by Arup, who have had access to the original structural drawings. The initial design analysis has indicated that the existing structure appears to be able to support the proposed addition without significant additional strengthening. Further assessment and analysis will be undertaken in this regard.

### 4.3 Key Upgrade Elements

#### 4.3.1 Improve Ground Floor Connectivity

The existing ground floor bar will be moved from the Cortile to the Macquarie Street frontage, with better visual connection from hotel reception to the group entry foyer.

#### 4.3.2 Improved Weather Protection

A glazed awning and windscreen element will be added over the Phillip Street footpath adjacent to the Porte Cochere to improve weather protection and foyer visibility from Bridge Street and Circular Quay.

### **4.3.3 Improved Entry Experience**

Increased activation of entries (e.g. improved retail, new seating, and new food and drink outlets) will provide for an enhanced engagement with the adjoining streets and improve the entry experience for visitors and guests.

A new canopy is proposed for the group entry off Macquarie Street.

### **4.3.4 Relocation of Facilities**

The hotel restaurant will be relocated to a more prominent position in the former Treasury Building with the potential for access off Macquarie Street.

Hotel administration will be moved from Level 9 to Level 4 to facilitate a new health, recreation and leisure facility and swimming pool on Level 9 extending out over Transport House with commanding views of Circular Quay and the Harbour Bridge. These facilities are to be relocated to Level 31. (The new ballroom addition described above in Section 4.2 of this PEA will sit over the new swimming pool and gym).

### **4.3.5 Room Upgrade**

All hotel rooms and room floor corridors and lobbies will be upgraded. Hotel suites will be reallocated within the tower.

### **4.3.6 Roof Lounge Upgrade**

The design intent is to relocate existing roof top plant including cooling towers from Level 32 to Level 8 so as to permit a substantial expansion of the roof lounge, which is a major attraction for Hotel guests. Work on Level 31 will include removal of the existing pool and associated plant.

### **4.3.7 Façade Upgrade**

The design intent is to replace the concrete panels and aluminium windows with a new modern façade comprising a high performance glazed curtain wall system.



## 5. LEGISLATIVE FRAMEWORK

### 5.1 Environmental Planning and Assessment Act, 1979

The EP&A Act establishes the assessment framework for SSD and identifies the Minister for Planning as the consent authority (pursuant to Section 89D of the Act). Section 78A (8A) of the Act requires that a DA for SSD is to be accompanied by an EIS. This PEA seeks the Secretary's environment assessment requirements ("SEARs") for the EIS.

### 5.2 State Environmental Planning Policies

#### 5.2.1 State Environmental Planning Policy (State and Regional Development) 2011

State Environmental Planning Policy (State and Regional Development) 2011 ("the SRD SEPP") declares certain development of a particular class or description to be State Significant Development ("SSD").

Clause 8 of the SRD SEPP states:

***"8 Declaration of State significant development: section 89C***

*(1) Development is declared to be State significant development for the purposes of the Act if:*

*(a) the development on the land concerned is, by the operation of an environmental planning instrument, not permissible without development consent under Part 4 of the Act, and*

*(b) the development is specified in Schedule 1 or 2.*

*(2) If a single proposed development the subject of one development application comprises development that is only partly State significant development declared under subclause (1), the remainder of the development is also declared to be State significant development (except so much of the remainder of the development as the Director-General determines is not sufficiently related to the State significant development).*

*(3) This clause does not apply to development that was the subject of a certificate in force under clause 6C of State Environmental Planning Policy (Major Development) 2005 immediately before the commencement of this Policy.*

**Note.** *Development does not require consent under Part 4 of the Act merely because it is declared to be State significant development under this clause. Any such development that, under an environmental planning instrument, is permitted without consent may be an activity subject to Part 5 of the Act or State significant infrastructure subject to Part 5.1 of the Act. Any such development that is permitted without consent may become State significant development requiring consent if it is part of a single proposed development that includes other development that is State significant development requiring consent (see section 89E (4) of the Act and subclause (2))."*

Schedule 1 "State Significant Development – general" lists the various types of SSD including, in Clause 13, "cultural, recreation and tourist facilities". Clause 13 (2) is in the following terms:-

### **“13 Cultural, recreation and tourist facilities**

*(2) Development for other tourist related purposes (but not including any commercial premises, residential accommodation and serviced apartments whether separate or ancillary to the tourist related component) that:*

- a) has a capital investment value of more than \$100, or*
- b) has a capital investment value of more than \$10 million and is located in and environmentally sensitive area of State significance or a sensitive coastal location.”*

As set out in Section 1.3.1 of this PEA the proposal comprises PEA.

### **5.2.2 State Environmental Planning Policy No. 55 (Remediation of Land)**

State Environmental Planning Policy 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 aspects of the environment by specifying certain considerations to be had in determining development applications in general, by requiring that remediation work meets certain standards.

As no excavation is required, the provisions of SEPP 55 are not triggered by the proposal.

## **5.3 Other Legislation**

### **5.3.1 Heritage Act (NSW) 1977**

Although an SSD approval means that separate approval is not required under the Heritage Act 1977, there will, of course, be full and proper consideration of the heritage values of the existing buildings both on the site and an adjoining and nearby lands. Conservation Management Plans (“CMP’s”) will be prepared for the former Treasury Building and for Transport House. A Heritage Impact Statement will assess the impacts of the proposal on the heritage items having regard to the CMP’s.

### **5.3.2 Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005 (“the SREP”)**

The site is within the Sydney Harbour Catchment Area designated in the SREP (see **Figure 6A**). It is not, however, within the Foreshores and Waterways Area and City Foreshore Area (see **Figure 6B**).

The SREP contains provisions that are relevant to the assessment of all proposals in the Catchment Area, being those in “Division 2: Matters for Consideration”.

These provisions will be fully considered in the EIS, however they primarily concern the visual impacts of proposed structures when viewed from the foreshore and from the Harbour and the impact of proposed development on the visual, aesthetic and cultural qualities of Sydney Harbour.

### **5.3.3 Sydney Local Environmental Plan 2012 (“the 2012 LEP”)**

#### Aims of the 2012 LEP

The proposal is consistent with the particular aims of the 2012 LEP, especially:-

- “(b) to support the City of Sydney as an important location for business and educational and cultural activities and tourism;*
- (k) to conserve the environmental heritage of the City of Sydney; and*

*(I) to protect, and to enhance the enjoyment of, the natural environment of the City of Sydney, its harbour setting and its recreation areas”*

### Zoning and Permissibility

The site is zoned B8 Metropolitan Centre in the 2012 LEP (see **Figure 4A**). As detailed in Section 1.3.2 of this PEA, the proposal is permissible in this zone and is relevantly consistent with the zone objectives, particularly objective (a) which is:-

*“To recognise and provide for the pre-eminent role of business, office, retail, entertainment and tourist premises in Australia’s participation in the global economy”*

### Height

The site is subject to two height controls in the LEP:-

- the height shown on the Height Map (see **Figure 4B**); and
- the sun access plane for the Royal Botanic Gardens (see **Figure 4F**).

The effect of the former height control is to limit to 55m the permitted building height on those parts of the site within around 30m of Macquarie Street and Bridge Street. The InterContinental Hotel tower, to the extent that it extends into the 55m height limit zone shown on **Figure 4B**, significantly exceeds the 55m height limit.

The effect of the latter height control is generally as shown on the diagram in **Appendix 4**.

In relation to these two height controls:-

- the proposed new ballroom addition has a maximum height above ground of around 40.0m on the Phillip Street side and 34.0m on the Macquarie Street side and, insofar that the new ballroom extends into the 55.0m height zone, is therefore readily compliant with the 55.0m height limit; and
- the changes to the roof lounge and rooftop (including the existing plant) to accommodate an expanded roof lounge is intended not to result in increased overshadowing of the Royal Botanic Gardens.

### FSR

The maximum permissible FSR is 14:1, made of an 8:1 base (see **Figure 4C**) and 6:1 of “accommodation floor space” in the form of hotel accommodation, pursuant to Clause 6.4(1)(a) of the 2012 LEP. The proposed FSR will be around 8.5:1. (Detailed GFA and FSR calculations will accompany the EIS).

### Heritage Conservation

The site contains two identified Heritage Items in the 2012 LEP (Item I1871 being the Former NSW Treasury Buildings and Item I870 being Transport House – see **Figure 4C**) and the provisions of Clause 5.10 Heritage Conservation will apply to the proposal. These provisions will be fully considered in the EIS. CMP’s will be prepared and submitted with the EIS along with a Heritage Impact Statement (“HIS”).

### Design Excellence (Clause 6.21)

The matters listed in Clause 6.21(4) will be fully addressed in the EIS.

### Car Parking

The existing hotel parking arrangements are unaffected by the proposal.

### Development requiring a DCP (Clause 7.20)

Although Clause 7.20 provides that where a site in Central Sydney has an area of more than 1500m<sup>2</sup> (such as the subject site), a DA must not be approved until a DCP has been prepared for the land. Section 83C of the EP&A Act 1979 provides that this obligation may be satisfied by the making and approval of a staged development application in respect of that land. The proposal is for a Stage 1 approval, with detailed DA's to follow.

### Special Character Area

The site is in two Special Character areas: Special Character Area A “Bridge Street/Macquarie PI/Bulletin PI” and Special Character Area G “Macquarie Street” (see **Figure 4E**).

Whilst reference to Special Character Areas can be found in several clauses in the 2012 LEP (see Clause 4.3(1)(b); Clause 6.17(1)(b); Clause 6.21(4)(d)(xi); Clause 7.19(b); and Clause 7.20(4)(c)(xi)), Special Character Area Locality Statements and detailed controls which apply in the Special Character Areas are new found in Sydney DCP 2012.

### **5.3.4 Sydney DCP 2012**

In relation to the DCP, Clause 11 of the SRD SEPP provides that DCP's do not apply to SSD.

Of particular note, however, is the DCP setback requirements which apply in the Macquarie Street Special Character Area in which the site is located (see **Figure 5**).

In this section of Macquarie Street, the DCP provides that the top of Transport House is the maximum street frontage height (i.e. around 22.0m above ground level). Tower forms are to be setback 30m from Macquarie Street.

The new ballroom addition will be setback around 20m from Macquarie Street and will have a maximum height of only 34m above ground level in Macquarie Street.

Although less than 30m, this 20m setback is sufficient to ensure that no significant or unreasonable streetscape or heritage impacts will arise. The proposed 20m setback still maintains and reinforces the urban character and scale of this section of Macquarie Street, which is part of the Macquarie Street Special Character Area. (The proposed ballroom addition is also not a tower form).

## **6. CONSULTATION**

The Applicant has discussed its intentions to submit a development application for state significant development with representatives of the Department of Planning, Sydney City Council, the NSW Heritage Office, and Sydney Living Museums (in relation to the Justice and Police Museum).



## **7. PRELIMINARY IMPACT ASSESSMENT**

### **7.1 Introduction**

Pursuant to Section 89H of the Act, Section 79C applies to SSD Applications. The impacts of the proposal, including environmental impacts on both the natural and built environments, heritage impacts, and social and economic impacts in the locality will be addressed in detail in the EIS. Preliminary comments are provided below to assist the Department in the framing of the SEAR's for the EIS.

### **7.2 Impacts on the Natural Environment**

The proposal will have no adverse impact on the natural environment.

There will be no additional overshadowing of the Botanic Gardens at the relevant times referred to in the sun access plane controls in the 2012 LEP.

### **7.3 Impacts on the Built Environment**

#### **7.3.1 Heritage impacts**

The site comprises and is located adjacent and/or is in closer proximity to items, groups of items, and streetscapes of local and/or state heritage significance. Ensuring that the proposal, and in particular the ballroom addition, can be delivered without unreasonably impacting on all of this heritage fabric is a key objective of the project, and in this regard the project team includes heritage expertise.

Existing CMP's will be updated and if required new ones will be prepared for the two properties which comprise the site. A HIS will also accompany the EIS.

The design intent is to minimise the impacts of the project on Transport House and the former Treasury Building on the site, and to ensure a successful and acceptable relationship between the new building volume on the site and adjoining/nearby heritage items, particularly the Justice and Police Museum, and Macquarie Street.

#### **7.3.2 Urban design and streetscape impacts**

The location, footprint, height configuration, form, integration with existing structures, materiality and envelope of the proposed ballroom addition around 20m back from the Macquarie Street frontage, and extending out over Transport House, is considered to be the optimum arrangement (and effectively the only viable option) if the Intercontinental Hotel is to provide the highest quality new event space capable of satisfying contemporary ballroom essential requirements, including column free space.

A detailed urban design and streetscape analysis will form part of the EIS.

#### **7.3.3 View impacts**

Continuing the ballroom addition to a maximum height of between 34m and 40m above ground level (depending on where it is measures), and having regard to the form of the 3-storey addition to Transport House approved pursuant to the consent to DA/02/00739A, results in the absence of any likely significant view affectation from surrounding properties. Furthermore, the ballroom addition is largely to be located on the part of the site where the height limit is the sun

access plane, and to the extent that it falls within the 55.0m height zone, it will be well below that height limit.

#### **7.3.4 Overshadowing impacts**

The EIS will include a detailed overshadowing analysis of the altered built form generally, but with a particular focus on adjustments to the tower façade and roof. In this regard, the design intent is to not increase overshadowing of the Royal Botanic Gardens.

#### **7.3.5 Noise impacts**

The EIS will include an acoustic assessment to examine any potential new noise sources associated with the proposal, including during construction, and will set out required alteration measures (temporary and permanent) to ensure that the amenity of neighbouring land uses is not unreasonably affected.

### **7.4 Social and Economic Impacts**

Sydney is a major global tourist destination and improvements to its tourism infrastructure will result in positive economic impacts, including increased employment. Additionally, the ballroom addition with its spectacular views of Sydney Harbour will be a unique event space which will open up a potential new niche event market, again with positive economic/employment impacts.

### **7.5 Construction Impacts**

#### **7.5.1 Impacts on the operations of the InterContinental Hotel**

The Applicant is still assessing how best to stage and implement the proposed works. (Previously approved works for the Hotel were implemented in multiple stages to minimise impacts on the Hotel's continuing operations). Staging details will be provided in the EIS.

#### **7.5.2 Impacts on Transport House**

Transport House is owned by the Applicant and is fully let. The Applicant will be keen to ensure that impacts on its tenants arising out of the construction process are successfully managed and minimised so as not to reasonably detract from the ongoing successful use and occupation of the building.

#### **7.5.3 Impacts generally**

The EIS will include a Construction Management Plan identifying key construction strategies devised to ensure minimal impacts on the operations on both the subject site and on surrounding lands.

## 8. CONCLUSION

The preliminary assessment of the Stage 1 state significant development application reveals that the proposal is reasonable, appropriate and supportable for the following reasons:-

- the proposal represents a major \$200m commitment by the Applicant to the tourist market in Sydney which will result in significant employment generation (and spin-off effects) during construction and operation;
- the proposal will result in a significant upgrade of the InterContinental Hotel's facilities, rooms, corridors, lobbies, tower façade, services, reception, entries, bars, restaurants, gym, pool, roof lounge and health/wellness facilities which will contribute positively to Sydney's stock of 5 star hotel accommodation;
- the proposal will result in the creation of a new, predominantly glazed, 900m<sup>2</sup> ballroom on Level 10 extending out from the hotel tower over Transport House, which will provide a unique new premier event space with spectacular views of Sydney Harbour and which will be therefore likely to appeal to major conference and event organisers;
- the upgrade of the rooms facilitates the installation of a new contemporary glazed and energy efficient façade for the hotel room tower, thus resulting in a refreshed image for the InterContinental Hotel, more fitting of its significant location;
- Transport House will be retained in its existing form and use with no unreasonable diminution of its heritage significance or its streetscape contribution to both Macquarie Street and Phillip Street;
- the height and FSR of the new addition will be well within the height and FSR controls in the 2012 LEP; and
- the heritage, bulk and scale, streetscape, amenity, construction and other impacts will be acceptable and where necessary mitigative actions will be taken to ensure successful and effective delivery and implementation of the project.

SEAR's are now requested to inform the preparation and content of the required EIS.



## FIGURES

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## **APPENDICES**

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## **APPENDIX 1**

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### **Preliminary Stage 1 Architectural Plans**



## **APPENDIX 2**

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### **Preliminary Photomontages**



## **APPENDIX 3**

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### **Certificates of Title and Deposited Plans**



## **APPENDIX 4**

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### **Sun Access Plan Affection of the InterContinental Hotel Tower**