



PROJECT PLANNING REPORT

Establishment of First Use and Fit-out Levels 23-38, Building C5 Barangaroo South (Lot 5 DP 876514)

Office for KPMG



August 2012

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Establishment of First Use and Internal Fit-out
Level 23-38, C5 Barangaroo South

Foreword

This Project Planning Report has been prepared by McKenzie Group Consulting Planning (NSW) on behalf of Wilson Management. It supports an application to the Department of Planning and Infrastructure for establishment of first use and internal fit-out of Levels 23 – 38 (excluding Level 27 which is plant), Commercial Building C5 Barangaroo South to create an office for KPMG, a leading professional servicing network with firms in more than 150 countries.

Project Approval for the base build was granted under Section 75J of the *Environmental Planning and Assessment Act 1979* (Application Number: MP10_0227) for construction of Commercial Building C5, allocation of parking spaces, temporary public domain works, remediation and associated works.

The subject land parcel comprises Lot 5 in DP 876514 and the construction of the new Commercial Building C5 building is currently underway. The subject land is currently zoned B4 Mixed Use under *State Environmental Planning Policy (Major Projects) 2005*.

This proposal is classified as State Significant Development (SSD) under the *Environmental Planning and Assessment Act 1979*, as it involves development of more than \$10 million on land within Barangaroo, and therefore triggers the criteria in Clause 3 of Schedule 2 of *State Environmental Planning Policy (State and Regional Development) 2011*.

The proposed development does not present any significant environmental impact and favourable consideration is requested.



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1. Introduction

1.1 Overview

The redevelopment of the former container wharf on the western harbour foreshore of Sydney CBD, known as the Barangaroo site by Lend Lease (Millers Point) Pty Ltd is well underway. Earthworks associated with the construction of Commercial Building C5 building have commenced as part of this development.

This report has been prepared by McKenzie Group Consulting Planning (NSW) on behalf of Wilson Management to fulfil the Department of Planning's conditions of consent under the Planning Approval for the base build which requires separate approval for the use and internal fit-out of the commercial office spaces. This report will assist the Department of Planning's initial consideration of the development as State Significant Development (SSD) under the *Environmental Planning and Assessment Act 1979*.

1.2 Background

The Concept Plan for the redevelopment of the Barangaroo site was approved by the NSW Minister for Planning in February 2007 and has been subsequently amended. The Concept Plan provides an overarching framework guiding the redevelopment of Barangaroo.

Following the approval of the Concept Plan, a number of Project Approvals have been issued. These address the more detailed design of the various components of the redevelopment project.

Project Approval for Commercial Building C5 (MP 10_0227) was granted by the Department of Planning on 24 April 2007 for the following:

- *piling and associated earthworks and remediation*
- *construction and use of a new commercial building (C5) with a maximum GFA of 90,539m² comprised of:*
 - *5,315m² of retail floor space*
 - *83,760m² of commercial floor space*
 - *1,370m² office lobby*
- *allocation of 94m² of floor space within basement.*
- *operation and use of 153 car parking spaces (139 commercial, 7 for all other uses) allocated to C5 within part of the basement car park*
- *326 bicycle spaces (65 temporarily located in the landscaped forecourt adjacent to Hickson Road, and 261 located in the basement car park (the construction of which is subject of the Basement Car Park Approval)*
- *pedestrian and cycle access and circulation arrangements*
- *signage zones on the building façade to accommodate building and business identification signage*
- *temporary works and uses including:*
 - *creation of a temporary forecourt and landscaping along Hickson Road*
 - *surfacing of the surrounding streets and laneways including part of Globe Street, part of Shelley Lane and part of Margaret Street West*
 - *hoardings*
- *installation of utility services.*

Condition A6 of the development consent relates to additional approvals and states the following:

- (1) *The approval of the C5 commercial building in no way implies automatic approval for the following:*
 - (a) *the internal fit-out of the commercial office spaces and retail units*
 - (b) *the use of signage zones on the podium as identified in Statement of Commitment 5*
 - (c) *the use of the basement car park as a public car park.*



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- (2) *Separate approval(s) must be obtained from the relevant approval/consent authority for the above works and uses (where required).*

This application seeks to satisfy the above conditions which require separate approval for the use and fit-out of the commercial office spaces in the building.



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2. The Site

2.1 Location and Description

Land which is the subject of this application is part of the development known as Barangaroo and is formally described as Lot 5 in Deposited Plan 876514. The land has frontage to Hickson Road to the east and Darling Harbour to the west and north (**Figure 1**).

The Barangaroo site is a former container wharf located on the western foreshore of Sydney CBD. The site spans across 22 hectares. The site contains three redevelopment areas; the Headland Park, Barangaroo Central and Barangaroo South. The Commercial Building C5 is located in the Barangaroo South precinct which will be the commercial centre of the Barangaroo development.

The land is owned by the Barangaroo Delivery Authority.

The Commercial C5 Building is a 39-storey commercial building situated on land known as Block 2 at Barangaroo South. The proposal is to be undertaken on Levels 23 to 38 (Level 27 Plant) of the C5 Commercial Building.

The new commercial tower will comprise modern built form which offers contemporary work environments in a location which is compatible with the proposed use.

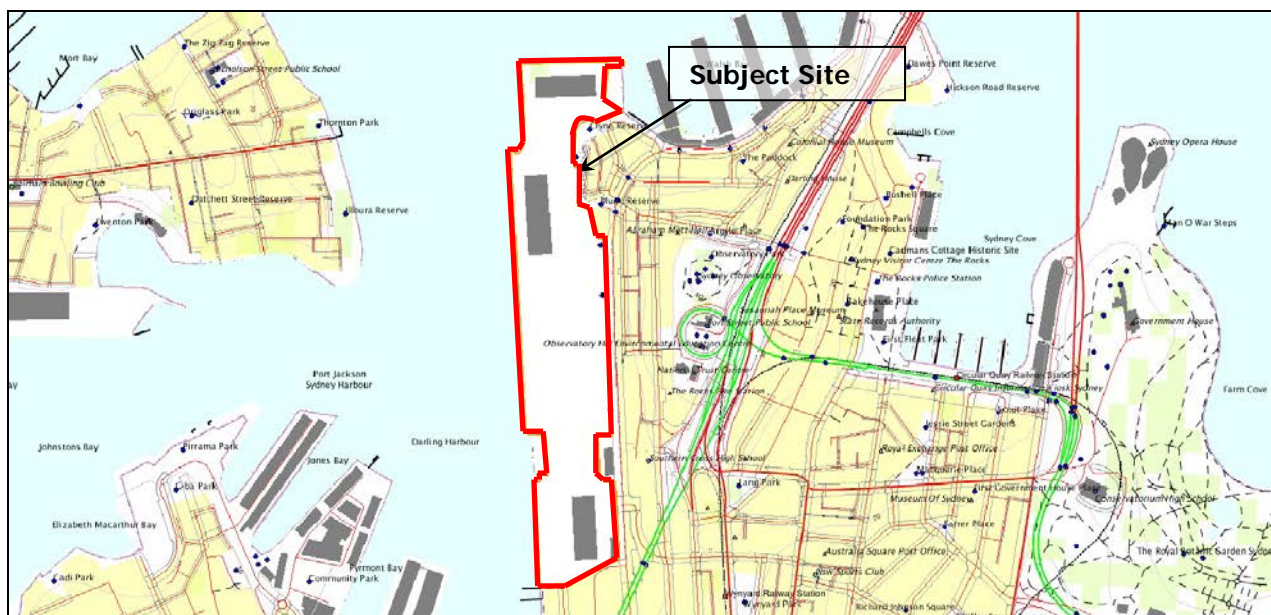


Figure 1. Site Location Map (Source: Department of Lands, 2012)



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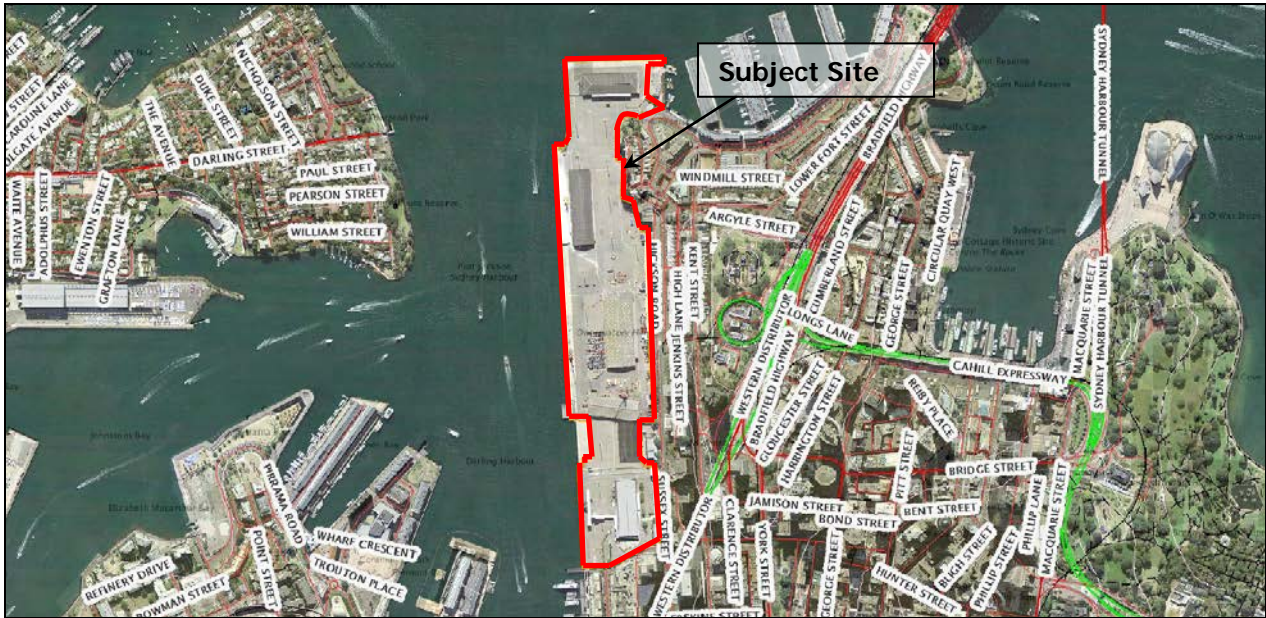


Figure 2. Aerial Map (Source: Department of Lands, 2012)



Figure 3. Concept Plan (Source: Barangaroo, 2012)



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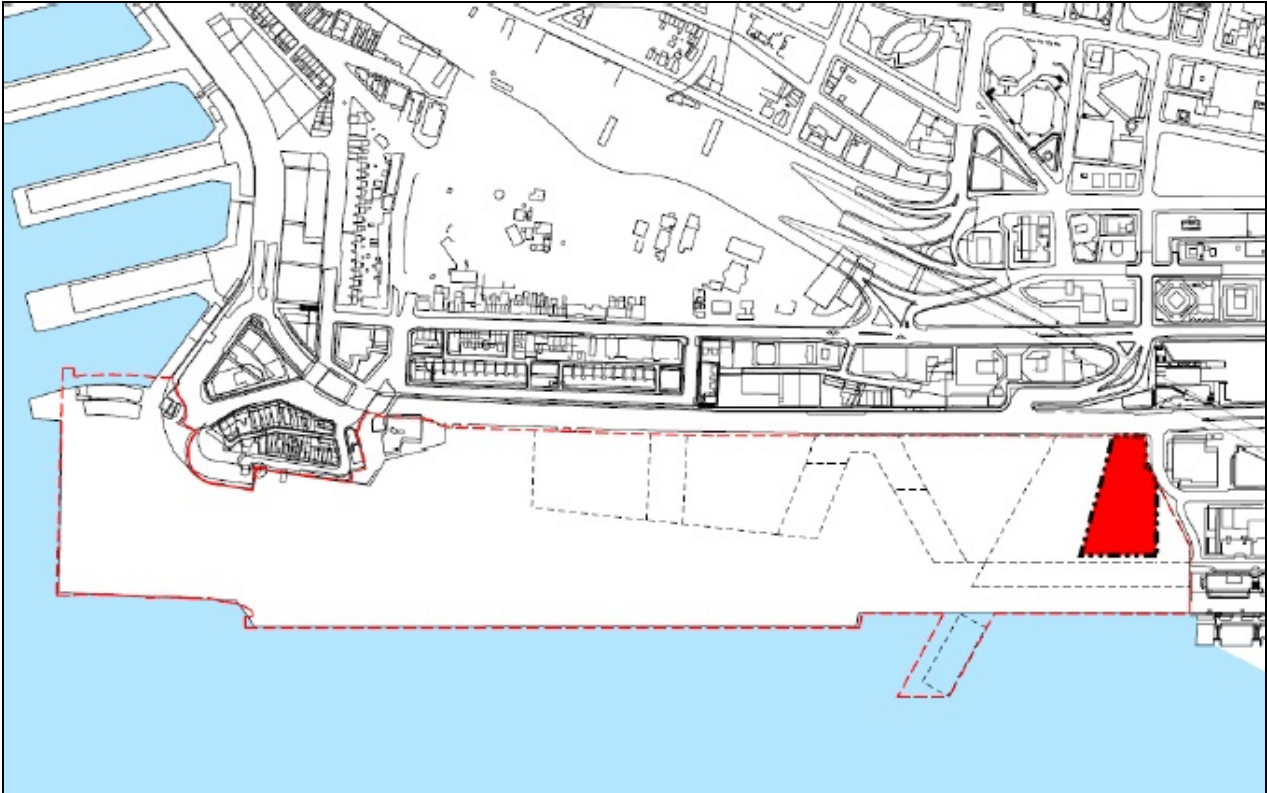


Figure 4. Block 2, C5 Building Location Map (Source: JBA, 2011)



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2.2 Site Context

The site forms an extension to Sydney's CBD, where land use is dominated by high intensity development predominantly typified by food outlets and retail uses at ground level with commercial uses above, including offices and hotels.

The Barangaroo Concept Plan (Mod 4) provides for:

- *563,965m² mixed use development across the entire Barangaroo site, comprising:*
 - *a maximum of 514,465m² mixed uses GFA, including residential, commercial and retail uses which includes:*
 - *a maximum of 128,763m² of residential uses (a minimum of 99,763m² of which will be in Barangaroo South);*
 - *a maximum of 50,000m² of tourist uses GFA;*
 - *a maximum of 39,000m² of retail uses;*
- *approximately 11 hectares of new public open space/public domain, with a range of formal and informal open spaces serving separate recreational functions and including a 2.2km public foreshore promenade;*
- *built form principles, maximum building heights and GFA for each development block within the mixed use zone;*
- *a public domain landscape concept, including parks, streets and pedestrian connections; and*
- *alteration of the existing seawalls and creation of a portion of new shoreline to the Harbour.*

The proposal provides for the commercial use of Levels 23-38 (Level 27 Plant) of the Commercial C5 Building and complies with the Concept Plan and Project Approval for the Commercial C5 Building.



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3. Proposed Development

The proposal seeks the establishment of first use and to undertaken associated internal fit-out works to Levels 23 to 38 (Level 27 Plant) of Building C5 Barangaroo South to accommodate an office for KPMG. The building is currently under construction and, upon completion, the tenancies subject to this application will exist in a "base build" state.

There are two parts to the proposed works:

- (i) Use
- (ii) Fit-out

The description of the proposed works is provided below to assist the Department of Planning in its initial consideration of the development as State Significant Development under the EP&A Act 1979.

3.1 Use

Approval is being sought for the use of levels 23-38 (15 floors, Level 27 is Plant) of Building C5 for commercial premises for KPMG.

KPMG are a leading professional servicing network with firms in more than 150 countries. They are currently seeking a new office in Sydney to accommodate their operations.

The uses to be undertaken by KPMG are largely office and business uses. The proposed use falls under the definition for a 'commercial premises' under *Sydney Local Environmental Plan 2005*.

"commercial premises in Central Sydney means a building or place used as an office or for other business or commercial purposes, such as a bank, building society branch, customer-orientated financial services shop, cinema, club and public car parking area or station"

The commercial premises use applies to all 15 levels of the building that will make up the tenancy and will accommodate approximately 3,000 employees. Proposed hours of operation are 7am – 10pm Monday to Friday.

In the order of 144 parking spaces will be allocated for use by KPMG.

3.2 Fit-out

The fit-out of levels 23-38 (Level 27 Plant) of Building C5 for KPMG comprises offices, meeting rooms and workstations. The design of the fit-out will be contemporary, reflecting the modern design of the new building. A consistent theme of materials and colours will be implemented throughout the various levels.

Some 2,962 workpoints will be provided on levels 23-25, level 27 as Plant, KPMG high rise is levels 28-37 with level 38 (known as the 'Client Floor') designed to accommodate 420 people and level 26 (the 'Club Floor') designed to accommodate 366 people.

All works are internal and involve:

- Construction of new partition walls, joinery and core walls/doors;
- Installation of electrical and data fittings/fixtures to suit new layout; and
- Surfacing and finishes throughout.

Amenities and building access approved under the base build will not be altered by the proposed works.

Consultation with BCA and Access Consultants has been undertaken to ensure the fit-out includes adequate circulation paths for efficient and safe movement throughout the tenancies.



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The proposal will not increase the total gross floor area of the building.

Key features of the new layout are outlined in **Table 1** below.

Table 1. Description of Proposed Works

| Level of Building | Description of Layout |
|-------------------|--|
| Level 23 -25 | <ul style="list-style-type: none">▪ Workspace and circulation space – open plan work area primarily supporting work stations and some work settings▪ Support Area 1 – meeting rooms, storage areas and other support areas (including partitions to underside of ceiling)▪ FCR/ MCR & Meeting Rooms – fully enclosed comms rooms and rooms with a high level of acoustic treatment |
| Level 26 | <p>'Club Floor' (including partitions slab to slab) to include:</p> <ul style="list-style-type: none">▪ Kitchen servery – hydraulic penetrations and high level acoustic treatment▪ Support Area 2 – technode, storage area and other support area▪ Support Area 3 – first aid, carers, prayer▪ FCR/ MCR – fully enclosed comms rooms and rooms with a high level of acoustic treatment▪ Multi-function project rooms - fully enclosed comms rooms and rooms with a high level of acoustic treatment▪ Meeting/ interview rooms - fully enclosed comms rooms and rooms with a high level of acoustic treatment▪ Workspace and circulation space – open plan work area primarily supporting work stations and some work settings |
| Level 27 | <i>Plant</i> |
| Level 28 - 37 | <ul style="list-style-type: none">▪ Workspace and circulation space – open plan work area primarily supporting work stations and some work settings▪ Support Area 1 – meeting rooms, storage areas and other support areas (including partitions to underside of ceiling)▪ FCR/ MCR & Meeting Rooms – fully enclosed comms rooms and rooms with a high level of acoustic treatment |
| Level 38 | <p>'Client Floor' to include:</p> <ul style="list-style-type: none">▪ Hospitality point▪ Commercial kitchen – with storage, set-up/ plating and preparation areas and office, hydraulic penetrations and high level acoustic treatment▪ Beverage pantry –with storage/ preparation area and small office, hydraulic penetrations and high level of acoustic treatment▪ Meeting rooms – fully enclosed rooms with a high level of acoustic treatment▪ Multi-function rooms – fully enclosed rooms with a high level of acoustic treatment▪ Furniture stores▪ FCR – Floor comms room, acoustically treated |

Drawings detailing the proposed layout are attached in **Appendix 1**.



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4. Planning Context

State Significant Development

This proposal is classified as State Significant Development (SSD) under the *Environmental Planning and Assessment Act 1979*, as it involves development of more than \$10 million on land within Barangaroo, and therefore triggers the criteria in Clause 3 of Schedule 2 of *State Environmental Planning Policy (State and Regional Development) 2011*.

Consequently, the Minister for planning is the approval authority for the proposed development.

State Environmental Planning Policy (Major Projects 2005)

The site is land to which *State Environmental Planning Policy (Major Projects 2005)* applies.

The Section 149 Certificate (Cert. No. 2012303205 dated 05 June 2012) obtained for the site (**Appendix 2**) identifies that the subject land is zoned "B4 Mixed Use" under the provisions of SEPP (Major Projects 2005) (**Figure 2**).

The objectives of the B4 Mixed Use zone are:

- (a) *To provide a mixture of compatible land uses*
- (b) *To integrate suitable development in accessible locations so as to maximise public transport patronage and encourage walking and cycling*
- (c) *To encourage a diverse and compatible range of activities through various means, including the following:*
 - (i) *Commercial and retail development*
 - (ii) *Cultural and entertainment facilities*
 - (iii) *Tourism, leisure and recreation facilities*
 - (iv) *Social, education and health services*
 - (v) *Higher density residential development*
- (d) *To incorporate contemporary urban design principles in the design of new buildings and the interpretation of their relationship with the public domain*
- (e) *To implement the principles of energy efficiency, travel demand management and other sustainable development practices as part of the development assessment process*
- (f) *To facilitate the conservation of heritage items*
- (g) *To ensure that the nuisance generated by non-residential development such as that related to operating hours, noise, loss of privacy, vehicular and pedestrian traffic or other factors, is controlled so as to preserve the quality of life for residents in the area*

The proposed development for use and fit-out of a commercial premise is consistent with the specified aims and objectives of SEPP (Major Projects 2005) in relation to the Mixed Use zone.

The proposed establishment of first use and internal fit-out works will have no adverse impact upon the amenity or economic activity of Sydney. The proposal is a suitable use of the space and is likely to improve the commercial viability of the building and allow the commercial space to respond to the operational needs of the tenant.

State Environmental Planning Policy (State and Regional Development) 2011

The land is an Identified Site pursuant to Clause 3 Schedule 2 of *State Environmental Planning Policy (State and Regional Development) 2011* which states the following:

- (1) *Development that has a capital investment value of more than \$10 million on land identified as being within the Barangaroo Site on the State Significant Development Sites Map.*



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(2) Subdivision of land within the Barangaroo Site, other than a strata title subdivision, a community title subdivision, or a subdivision for any one or more of the following purposes:

- (a) widening a public road,
- (b) making an adjustment to a boundary between lots, being an adjustment that does not involve the creation of a greater number of lots,
- (c) a minor realignment of boundaries that does not create additional lots or the opportunity for additional dwellings,
- (d) rectifying an encroachment on a lot,
- (e) creating a public reserve,
- (f) excising from a lot land that is, or is intended to be, used for public purposes, including drainage purposes or emergency service purposes or public conveniences.

Figure 4 below illustrates the extent of the Barangaroo State Significant Development Site.

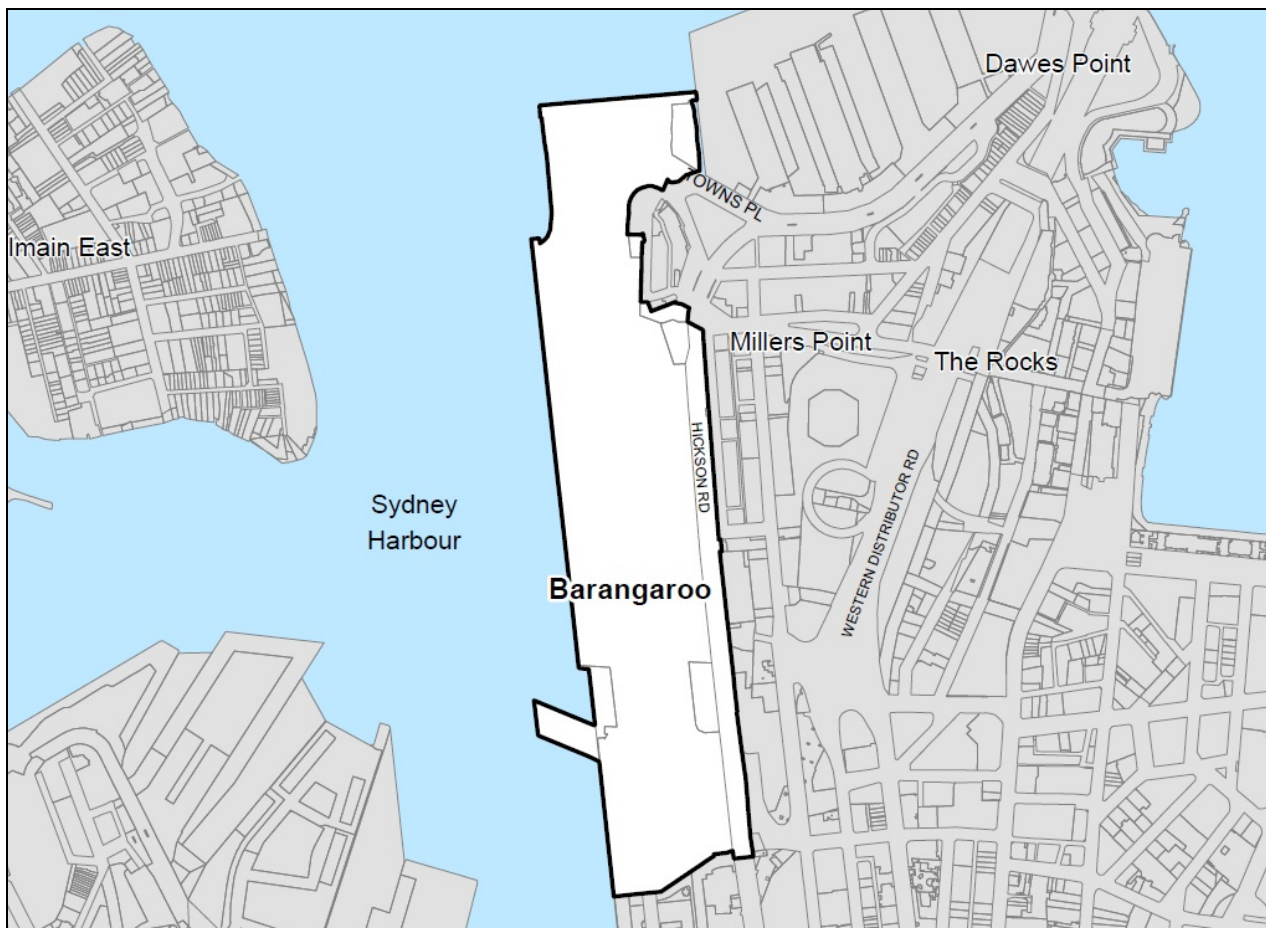


Figure 4. State Significant Development Site Map (Source: NSW Legislation, 2012)

The proposed works apply to land within the Barangaroo State Significant Site and have a capital investment value of more than \$10 million, therefore the proposed works are considered State Significant Development under SEPP (State and Regional Development) 2011.

Proposed Zoning

The site is not affected by a draft zone.



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5. Environmental Impacts

A screening analysis of environmental issues applicable to the proposal are presented below. This analysis has been used to identify the key environmental issues for further assessment and assist with the preparation of the Director General's Requirements for the proposed development.

This analysis is based on a preliminary environmental assessment of the site only. The EIS for the proposal will fully address these and other environmental issues relevant to the proposal.

5.1 Soil and Water

The Section 149 Certificate (Cert. No. 2012303205 dated 05 June 2012) for the site indicates the site contains acid sulphate soils. The proposed development will have no impact on erosion and sediment, contamination, riparian areas, waterbodies, stormwater, groundwater or flooding.

5.2 Noise

The use of the tenancy for a commercial office is consistent with the objectives of the zone. The commercial use is not expected to generate significant levels of noise above that of a traditional office tenancy.

5.3 Air Quality and Greenhouse Gases

The proposal is not expected to generate significant air or greenhouse gas emissions, subject to implementation of standard best practice dust management controls during construction work.

5.4 Flora and Fauna

The site does not contain any flora or fauna. It is not located within an environmental conservation area.

5.5 Heritage

The proposed use and fit-out will not impact any heritage-listed items.

5.6 Traffic and Parking

The subject site enjoys vehicular access onto Hickson Road. 144 car parking spaces have been allocated to the tenancy, these spaces are located within the basement car park.

5.7 Visual Amenity

The site is listed as within a foreshore area under *Sydney Local Environmental Plan 2005*. The proposed use and fit-out does not involve any external alterations to the approved building.

5.8 Hazards and Wastes

The proposed use does not involve any storage or use of hazardous materials or substances.

The proposal is not expected to generate a significant quantity of waste, a Waste Management Plan will be prepared for the proposal.



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6. Justification

The new C5 Commercial Building presents a unique opportunity for new commercial floorspace within Sydney CBD. The new building is close to public transport, will provide appropriate access and will be afforded all the modern comforts available to new commercial buildings.

KPMG are a large corporation and large commercial spaces within the CBD are difficult to secure. KPMG have secured 15 levels of the new C5 building for their operations and propose to fit-out the space to meet their operational needs and will be consistent with the intention of the Barangaroo development precinct.

KPMG will support 3,000 employees which will generate retail and commercial activity in the area bringing wider economic benefits to surrounding businesses.



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7. Consultation

Whilst no consultation has been undertaken specifically in relation to the use and fit-out of Levels 23-38 (excluding Level 27 which is for Plant) of the C5 Commercial Building at Barangaroo South for KPMG, significant levels of consultation were carried out as part of the planning and design for the Concept Plan and base-build Project Approval for the C5 Commercial Building.

The proposed works are consistent with both of these approvals.



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8. Capital Investment Value

A detailed cost estimate of carrying out the proposal is contained in the QS Report attached at **Appendix 3**.



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9. Conclusion

The proposal will allow for the use of an approved office space to accommodate KPMG and their functional requirements.

No additional significant adverse environmental, economic or social impacts have been identified as likely to arise from the proposed development.

McKenzie Group Consulting Planning (NSW) and Wilson Management trust that the information contained in this report provides the Department of Planning with sufficient information to enable its initial consideration of the proposal as State Significant Development under the *Environmental Planning and Assessment Act 1979*.

It is respectfully requested that the Department, having due regard to the information in this report, provides the Director-General's Requirements (DGRs) for the proposed development.



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Appendix 1
Architectural Drawings



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Appendix 2
Section 149 Certificate



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**Appendix 3
QS Report**

