



Remediation, Renewal and Adaptive Re-Use of Campbell's Stores

Request for Secretary's Environmental Assessment
Requirements

May 2015

URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

Director	John Wynne
Associate Director	Jennifer Cooper
Senior Consultant	Samantha Wilson
Job Code	SA5710
Report Number	SA5710-SEARsRequest

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1 Introduction

1.1 PURPOSE OF REPORT

This report has been prepared on behalf of Tallawoladah Pty Limited and in association with the proposed remediation, restoration and adaptive re-use of the Campbell's Stores at 7-27 Circular Quay West, The Rocks. The report has been prepared to request the Secretary:

- Issue Environmental Assessment Requirements to inform the preparation of an Environmental Impact Assessment (EIS); and
- Authorise lodgement of a request to amend the Sydney Cove Redevelopment Authority Scheme by updating the building envelope axonometric drawing that applies to Site XXVII.

The report confirms the proposed works outlined in the indicative concept plan have an estimated cost over \$10 million. As such, a State significant development (SSD) application is required to be lodged in accordance with Clause 6 in Schedule 2 of State Environmental Planning Policy (State and Regional Development) 2011. The Minister is the consent authority for State significant development under Clause 89D of the Environmental Planning and Assessment Act 1979.

This report provides the following information to assist with the Department's understanding of the proposal and the key issues to be addressed in the EIS:

- Identification of the site, existing development and locality.
- Comprehensive description of the proposed redevelopment.
- Summary of the statutory planning framework applying to the site and the proposal.
- Key environmental assessment issues that will need to be considered, including likely extent and nature of potential impacts and stakeholders and agencies to be consulted during the preparation of the EIS.

Indicative concept plans have been provided to provide a general understanding of the proposal. It is proposed that these plans would be refined during the preparation of the EIS, including further detailed assessment of the statutory planning framework and key issues in accordance with the SEARs.

1.2 BACKGROUND TO PROPOSAL

Tallawoladah Pty Limited has entered into an Agreement for Lease with the Sydney Harbour Foreshore Authority (SHFA) for the remediation, restoration and adaptive re-use of the Campbell's Stores.

Tallawoladah has committed to undertake remedial works in accordance with an agreed preservation solution to address the deterioration of the existing sandstone building, which is owned by SHFA. The agreement also facilitates the restoration and adaptive re-use of the building, including the licensed area, and the construction of a new building to the north of the Campbell's Stores (referred to as Bay 12).

SHFA is also proposing to undertake works on land surrounding the Campbell's Stores which will complement the remedial works being undertaken by Tallawoladah in accordance with the preservation solution. These works are likely to include the lowering of the promenade and realignment of the public foreshore access to mitigate the inundation of seawater at high tide and at certain times of the year. These works are proposed to avoid the ponding of seawater which has contributed to the deterioration of the foundations and sandstone masonry walls of Campbell's Stores.

The Agreement for Lease includes provisions for Tallawoladah and SHFA to undertake a coordinated approach to the detailed design, documentation preparation and approvals processes to complete the works associated with the preservation solution in an efficient and logical manner.

1.3 PROJECT VISION AND OBJECTIVES

Tallawoladah proposes to transform Campbell's Stores into a world class waterfront dining precinct which contributes to the vibrancy and vitality of The Rocks. It is proposed that the Campbell's Stores will become an iconic food destination for international and domestic tourists, as well as Sydney residents, by providing a range of high quality restaurants, cafes and bars in an attractive harbourside location.

The works to be included within the development application include three key components which are intended to achieve the following objectives:

- **Remediation** – a range of works are proposed to address the current deterioration of the Campbell's Stores building, including upgrades to the existing stormwater infrastructure, repointing of the sandstone walls and replacement of existing roof slates. These works form part of a preservation solution established by SHFA (and their consultants) to reverse the existing decay of the original building fabric, including the sandstone walls. These works will result in a substantial public benefit by ensuring the conservation of a highly significant heritage listed building for future generations.
- **Restoration** - the existing sandstone building will be sensitively restored to highlight and celebrate the historic contribution of the Campbell's Stores to the settlement of Sydney. The removal of the existing awnings and non-heritage elements and the reconfiguration and upgrade of the outdoor dining area will enhance the appearance of the existing building, particularly when viewed from the public promenade, Sydney Harbour and Sydney Opera House. The proposed restoration works will make a significant contribution to the delivery of the key recommendations contained within the Conservation Management Plan prepared by Godden Mackay Logan (for SHFA) and endorsed by the Heritage Council.
- **Adaptive re-use** – the proposed adaptive re-use of the buildings for restaurants, cafes and bars will facilitate the completion of the planned remedial and restoration works and the conservation of the Campbell's Stores. The continued use of the building for restaurants is in accordance with the recommendations of the Conservation Management Plan which seeks to encourage public access to the Campbell's Stores to enable an appreciation of its heritage significance by a broad range of visitors.

Tallawoladah and SHFA are committed to working together to deliver the preservation solution for the Campbell's Stores. The proposed remedial and restoration works will result in a substantial improvement to the heritage qualities and visual appearance of the existing building and a significant public benefit for existing and future generations.

2 Site Context

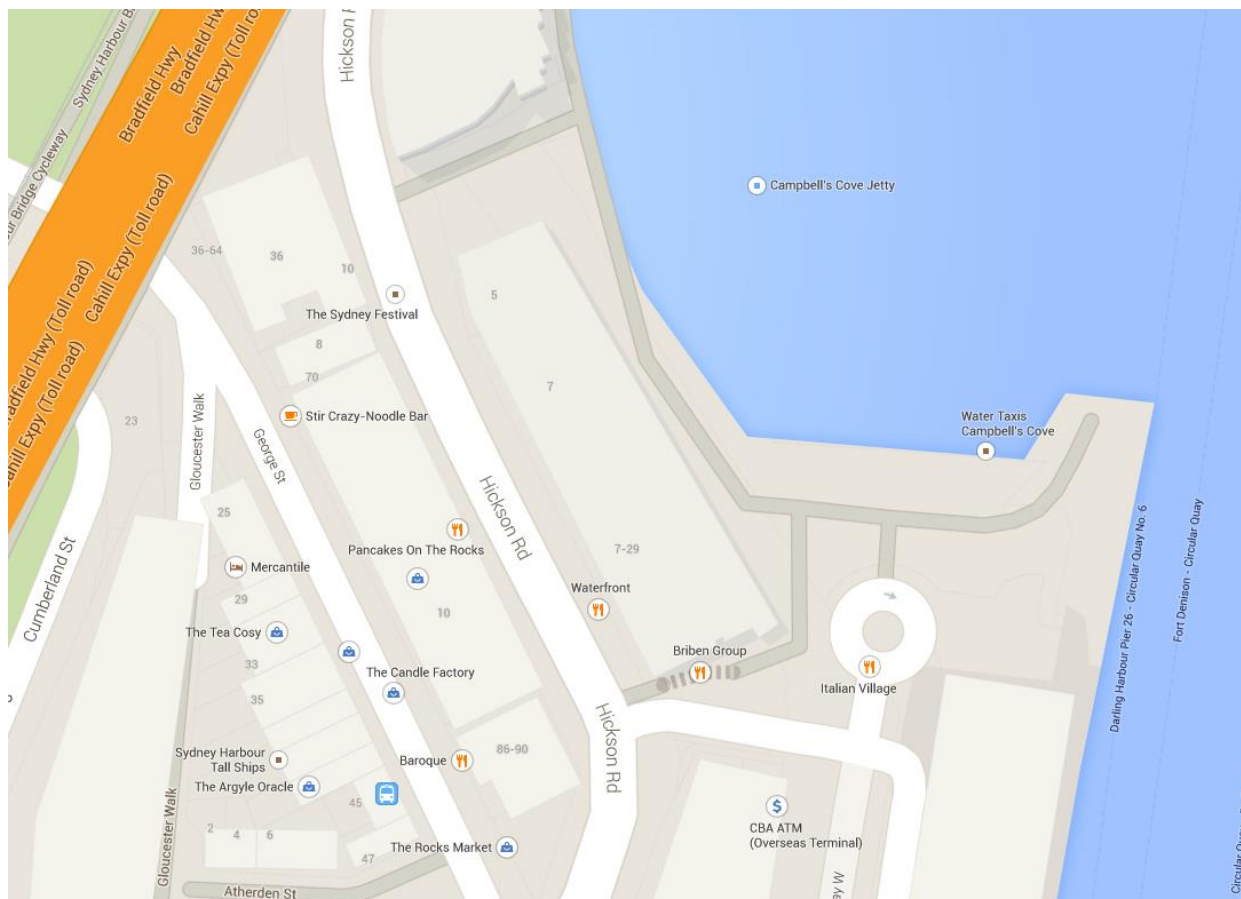
2.1 SITE DESCRIPTION

The Campbell's Stores are located at 7-27 Circular Quay West, The Rocks. The general location of the site is shown in Figure 1. The legal description of the site (as defined by the AFL) is provided below:

- Lots 3-5, 8-9 and 12 in Deposited Plan 264534
- Lot 6 in Deposited Plan 804776
- Lot 4-5 and 7 in Deposited Plan 800881
- Lot 12 in Deposited Plan 788130
- Lots 1-2 in Deposited Plan 1172586
- Lot 11 in Deposited Plan 1172592

The Sydney Harbour Foreshore Authority is the owner of the land described within the AFL. The City of Sydney owns the land within the road reserve of Hickson Road, including the tunnel servicing the restaurants (refer to Section 3).

FIGURE 1 – LOCATION MAP (SOURCE: WWW.GOOGLE.COM.AU/MAPS, 23 MARCH 2015)



2.2 EXISTING DEVELOPMENT

The Campbell's Stores comprise a historic sandstone warehouse building which appears as a three storey building when viewed from Sydney Harbour and the foreshore promenade (Picture 1) and a two storey building when viewed from Hickson Road (Picture 2). The site also includes a small standalone building located to the north of the main sandstone building, adjacent to the significant trees (Picture 3).

A loading dock (referred to as Bay X) is located to the south of the sandstone building, below the access driveway to the Overseas Passenger Terminal (Picture 4). The loading dock connects to the back-of-house for the restaurants via a service tunnel below the footpath on Hickson Road (Picture 2).

FIGURE 2 – EXISTING DEVELOPMENT (SOURCE: URBIS, 2015)



PICTURE 1 – OUTDOOR DINING AREA ALONG FORESHORE PROMENADE



PICTURE 2 – HICKSON ROAD FRONTAGE AND FOOTPATH (WITH TUNNEL BELOW)



PICTURE 3 – STANDALONE BUILDING TO NORTH



PICTURE 4 – BAY X LOADING DOCK

The original sandstone building has been modified over time to enable its current use by four large restaurants - Waterfront, Wolfie's, Imperial Peking and the Italian Village. Openings have been made within the original sandstone walls to amalgamate the original warehouse bays into larger tenancies. Other internal modifications have been made to allow for vertical access and the fit-out for both front and back-of-house facilities (ie dining areas, amenities, commercial kitchens, etc).

Each of the restaurants includes an outdoor dining area along the eastern frontage of the building, overlooking Sydney Harbour and Sydney Opera House. Awnings have been installed along the full frontage of the building to provide weather protection. Non-heritage decorative elements (eg boat masts) have also been located along this frontage (Picture 1).

Access to the restaurants is provided primarily from the foreshore promenade. No car parking is provided on-site, however, on-street car parking is available on Hickson Road during non-ship days. Pedestrian links are located to the north and south of the building, including ramp access from the north and stairs to

the south. The site is located within easy walking distance of Circular Quay railway station, ferry wharf and bus services.

2.3 LOCAL CONTEXT

The Campbell's Stores are located within The Rocks precinct on the western side of Sydney Cove. The Stores are located approximately 500 metres north of Circular Quay, providing excellent access to the railway station, ferry wharf and bus services. The immediately surrounding development includes:

- The Park Hyatt is located immediately to the north and comprises a five storey hotel building with high quality accommodation, waterfront restaurants and bar, day spa and recreational facilities.
- Campbell's Cove and Jetty is located immediately to the east. Public access is provided along the foreshore, with a stepped area providing informal seating and a large public gathering space for events.
- The Overseas Passenger Terminal is located to the south-east, generally accommodating larger cruise ships which cannot be berthed at the White Bay Cruise Terminal in Balmain. The terminal is currently being upgraded to meet the ongoing needs of the cruise industry.
- The Metcalfe Bond Stores are located to the west on the opposite side of Hickson Road. These buildings have a height of five and six storeys and currently accommodate a range of retail, commercial and residential uses.
- The ASNCo (Australian Steam Navigation Company) building is located to the south of the Campbell's Stores, on the opposite side of the access driveway to the Overseas Passenger Terminal.

An aerial photograph of the site and surrounding development is provided as Figure 3. Photographs of the surrounding development are provided as Figure 4.

FIGURE 3 – LOCALITY PHOTOGRAPH (SOURCE: JPW, 2014)

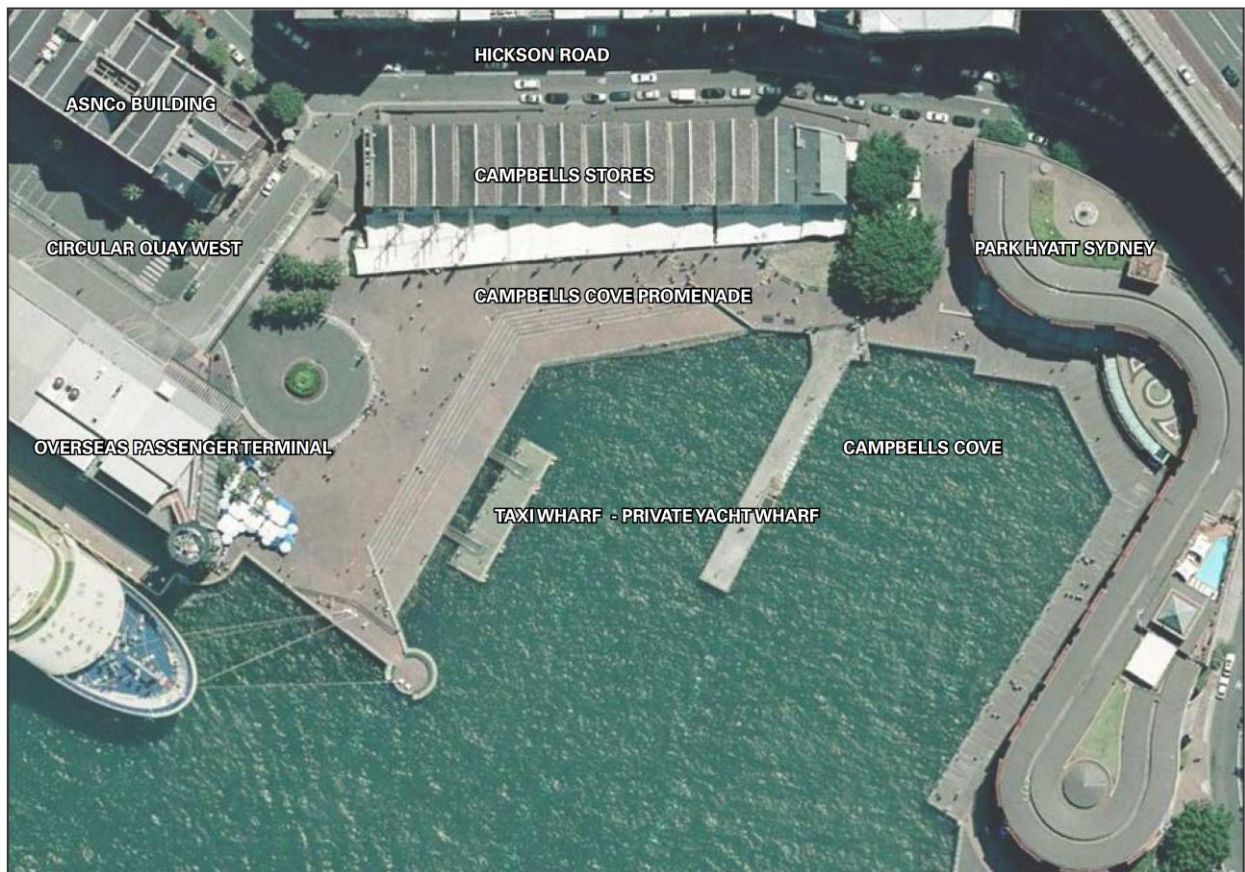


FIGURE 4 – SITE LOCALITY PHOTOGRAPHS (SOURCE: URBIS, 2015)



PICTURE 5 – CAMPBELL'S COVE FORESHORE PROMENADE AND STEPS



PICTURE 6 – OVERSEAS PASSENGER TERMINAL ACCESS DRIVEWAY (ABOVE LOADING DOCK)



PICTURE 7 – PARK HYATT SYDNEY AND FORESHORE PROMENADE TO NORTH OF CAMPBELL'S STORES



PICTURE 8 – METCALFE BOND STORES ON WESTERN SIDE OF HICKSON ROAD

3 Development Description

3.1 DEMOLITION AND BUILDING WORKS

The proposal seeks approval for the remediation, restoration and adaptive re-use of the Campbell's Stores. Each of the key components of the proposed works is outlined in detail within the following sections of the report.

It is important to note that a significant amount of work has already been undertaken by SHFA (and their specialist consultants) to provide a comprehensive understanding of the site, the heritage significance of the building and the preservation solution required to address the deterioration of the existing sandstone building. Indicative concept plans have also been prepared by JPW Architects (on behalf of SHFA) for both the Campbell's Cove Precinct and the Campbell's Stores.

The works proposed within the indicative concept plans prepared by JPW for the Campbell's Stores (refer to Figure 5) incorporate the key findings and recommendations of the studies previously undertaken by SHFA, including the Conservation Management Plan prepared by Godden Mackay Logan. It is proposed that the concept design will be refined during the preparation of the development application to address the key issues identified in the SEARs, as well as any additional site investigations undertaken by Tallawoladah.

It will be particularly important for the heritage specialist to work closely with the project team during the detailed design phase to maximise the opportunities to celebrate the historic nature and the heritage significance of the site, while avoiding, managing or minimising the potential impacts arising from the adaptive re-use of the building.

FIGURE 5 – INDICATIVE CONCEPT PLAN (SOURCE: JPW, 2014)



3.1.1 REMEDIATION

SHFA has undertaken a number of studies and investigations to understand the underlying cause of the deterioration of the heritage fabric of Campbell's Stores, particularly with regard to the building foundations and sandstone walls. It is understood that there are a number of issues that will need to be addressed, including the ponding of seawater during high tides at certain times of the year and the inadequacy of the existing stormwater infrastructure which is contributing to moisture being trapped below the building.

The preservation solution identified by SHFA (and their consultant team) includes a range of works to address both the sources and impacts of the rising damp on the Campbell's Stores. Some of these works will be undertaken by SHFA on the land surrounding Campbell's Stores, while other works will be undertaken by Tallawolodah in accordance with their Agreement for Lease (and any future development consent).

The remediation works to be undertaken by Tallawolodah include upgrades to the existing stormwater infrastructure for the Campbell's Stores, the regrading of the existing outdoor dining area and the replacement of the existing slate roof tiles. The proposed works will provide for the effective collection and disposal of rainwater run-off, directing water away from the existing building and avoiding water from being trapped beneath the building.

Overall, it is considered that the proposed remediation works will result in a substantial public benefit by ensuring the conservation of a highly significant heritage listed building for future generations.

3.1.2 RESTORATION

The preservation solution developed by SHFA recognises that once the underlying causes of the deterioration of the building are addressed by way of the remedial works, additional works will be required to restore the damaged elements and the heritage fabric of the building.

The restoration works to be undertaken by Tallawolodah will include the restoration and/or replacement of sandstone that has deteriorated as a result of seawater seeping through the building foundations, as well as the replacement of the existing slate roof using tiles provided by SHFA.

Additional works are proposed to facilitate the adaptive re-use of the Campbell's Stores as outlined within the following section of the report. Some of the works outlined within this section will also assist with the restoration of the existing heritage fabric of the building in accordance with the recommendations of the Conservation Management Plan prepared by Godden Mackay Logan.

3.1.3 ADAPTIVE RE-USE

The proposed adaptive re-use of the building for restaurants, cafes and bars complies with the recommendations of the Conservation Management Plan which seeks to encourage public access to the Campbell's Stores. It is recognised that a range of work will be required to accommodate these uses and that this work will need to be undertaken in a manner which avoids or minimises the potential impacts on the heritage fabric of the building.

The external and internal building alterations and building additions proposed to accommodate the adaptive re-use of the Campbell's Stores are outlined below:

- **Internal building alterations** – a range of internal building alterations will be required to improve the overall amenity and function of the building and enhance its existing level of compliance with relevant standards. The proposed works will include:
 - Modifications to the existing building to provide for an increased number of smaller tenancies within the existing building. This may include the closure of existing openings between the original warehouse bays that were created to accommodate the existing large restaurant tenancies, which is a key recommendation of the Conservation Management Plan.
 - Fit-out of individual tenancies in accordance with the provisions of the specialist heritage studies, including the Conservation Management Plan prepared on behalf of SHFA and the additional studies to be undertaken by Tallawolodah in association with the preparation of the EIS.
 - Upgrades to the existing vertical access arrangements, including installation of a passenger lift and stairs, to meet relevant standards for fire egress and access for people with a disability.
 - Installation of amenity facilities that will complement the adaptive re-use of the building as a high quality dining precinct and comply with current building standards.

- **External building alterations** – the proposed alterations to the exterior of the building are primarily designed to improve the appearance and heritage qualities of the building and enhance its connection to and relationship with The Rocks precinct. The proposed work include:
 - Reconfiguration and upgrade of the outdoor dining area, including removal of the existing awnings and non-heritage elements (eg boat masts) and installation of a shade structure that is more sympathetic to the heritage significance of the building. The proposed works will improve the existing appearance of the Campbell's Stores and provide for improved sightlines and views of the building from the public promenade, Sydney Harbour and Sydney Opera House.
 - Modifications to the existing openings on the western elevation of the building to provide for improved pedestrian access to the tenancies from Hickson Road and enhance the physical and historic connection between the Campbell's Stores and The Rocks precinct.
 - Modifications to the northern elevation of the building to provide connection(s) to the new stand-alone Bay 12 structure to the north (refer to the building additions outlined below).
- **Building additions** – it is proposed to demolish the existing lightweight structure to the north of the Campbell's Stores and replace it with a new structure. The new Bay 12 building will provide for a physical connection to the existing sandstone building (as noted above) and will be located and designed to avoid potential impacts on the significant tree and maintain views from Hickson Road to the harbour.

The final detailed design of the proposed works will be resolved taking into account the provisions of the Conservation Management Plan prepared by Godden Mackay Logan and the outcomes of the specialist studies to be prepared on behalf of Tallawoladah and in association with the EIS.

3.2 SUBDIVISION WORKS

It is proposed to create a plan of subdivision for the site to create separate lots as briefly described below:

- Lots comprising the land on which the Campbell's Stores building and loading dock are located.
- A lot (or lots) comprising the building licensed area.
- A stratum lot for the service tunnel land.
- A stratum lot (or stratum lots) comprising the ground lease land.
- A stratum lot (or stratum lots) comprising the ground licensed area.
- A lot (or lots) comprising the balance of the land not contained in any of the lots listed above.

A draft instrument would also be prepared under the Conveyancing Act 1919 (NSW) to create any encumbrances that are considered necessary to facilitate the proposed subdivision.

The final draft plan of subdivision (and draft instrument) will be prepared following the detailed design phase and the resolution of the final plans to be lodged with the development application.

3.3 OPERATIONAL DETAILS

The proposed adaptive re-use of the Campbell's Stores will result in the four large restaurant tenancies being divided into an increased range of smaller tenancies.

It is anticipated that the proposal will not result in any significant changes to the maximum number of patrons that could be accommodated at any one time. However, the proposal would provide a greater choice of venue and reposition the existing development to offer a more intimate dining experience. The final layout is still to be finalised, however, it is anticipated that up to 16 tenancies could be accommodated within the Campbell's Stores building.

The Campbell's Stores would continue to predominantly be occupied by restaurants. However, it is also proposed to include a number of cafes and bars to provide for informal dining opportunities and other uses which will complement the use of the building as a world class waterfront dining precinct. Each of the proposed activities will continue to operate in accordance with the existing trading hours, ie:

- Monday to Saturday: 6.00am to 2.00am (the following day)
- Sunday: 6.00am to 12.00 midnight

The licenses for the existing restaurants and outdoor dining area will be retained but remain dormant during the construction phase. The requirements of these licenses will then apply to the future operational phase of the proposed tenancies.

The existing loading dock which is accessed from Circular Quay West (and referred to as Bay X) will continue to be used for deliveries and waste collection. The service tunnel which is located below the eastern footpath on Hickson Road and to the rear of the lower level of the Campbell's Stores will continue to be used to transfer deliveries and waste between the loading dock and the proposed tenancies.

4 Planning Framework

4.1 NSW 2021 – A PLAN TO MAKE NSW NUMBER ONE

One of the key goals of NSW 2021 is to grow the NSW economy, including an increase in Gross State Product by an average of 1.5% per year to 2020. Specific growth targets are provided for particular industries. The Plan proposes to increase tourism in NSW and achieve double the visitor expenditure by 2020.

The proposal is consistent with the above goal as it will create a world-class waterfront dining precinct to cater for international and domestic tourists and the local Sydney market. The site is ideally located adjacent to the Park Hyatt Sydney and Overseas Passenger Terminal and within the tourist precinct of The Rocks. The improvements to this historic building, with its spectacular views of Sydney Harbour and the Sydney Opera House, will attract quality restaurant operators and facilitate the creation of an iconic food destination.

4.2 A PLAN FOR GROWING SYDNEY

A Plan for Growing Sydney includes a range of goals, directions and actions that support the strategic growth of the Sydney metropolitan area. One of the key goals is to grow a more internationally competitive Central Business District, including the attraction of investment and skilled workers by creating a diversity of activities surrounding the commercial core.

The proposal is consistent with the above goal as it will deliver a high quality mix of restaurants within an established tourism and entertainment precinct on the foreshore of the iconic Sydney Harbour. It is anticipated that the proposed development will contribute to the reputation of Sydney as a quality tourist (and dining) destination and a global city.

FIGURE 6 – THE CULTURAL RIBBON (SOURCE: DEPARTMENT OF PLANNING AND ENVIRONMENT, 2014)



The metropolitan strategy also aims to promote Sydney's heritage, arts and culture by investing in the cultural ribbon and celebrating our heritage buildings. The proposed upgrade and adaptive re-use of the Campbell's Stores is entirely consistent with this goal and direction. The remedial works will address the issues associated with seawater eroding the historic sandstone. Further, the continued use of the building for restaurants will maintain public access to the building in accordance with the provisions of the Conservation Management Plan.

4.3 STATE ENVIRONMENTAL PLANNING POLICY (STATE AND REGIONAL DEVELOPMENT) 2011

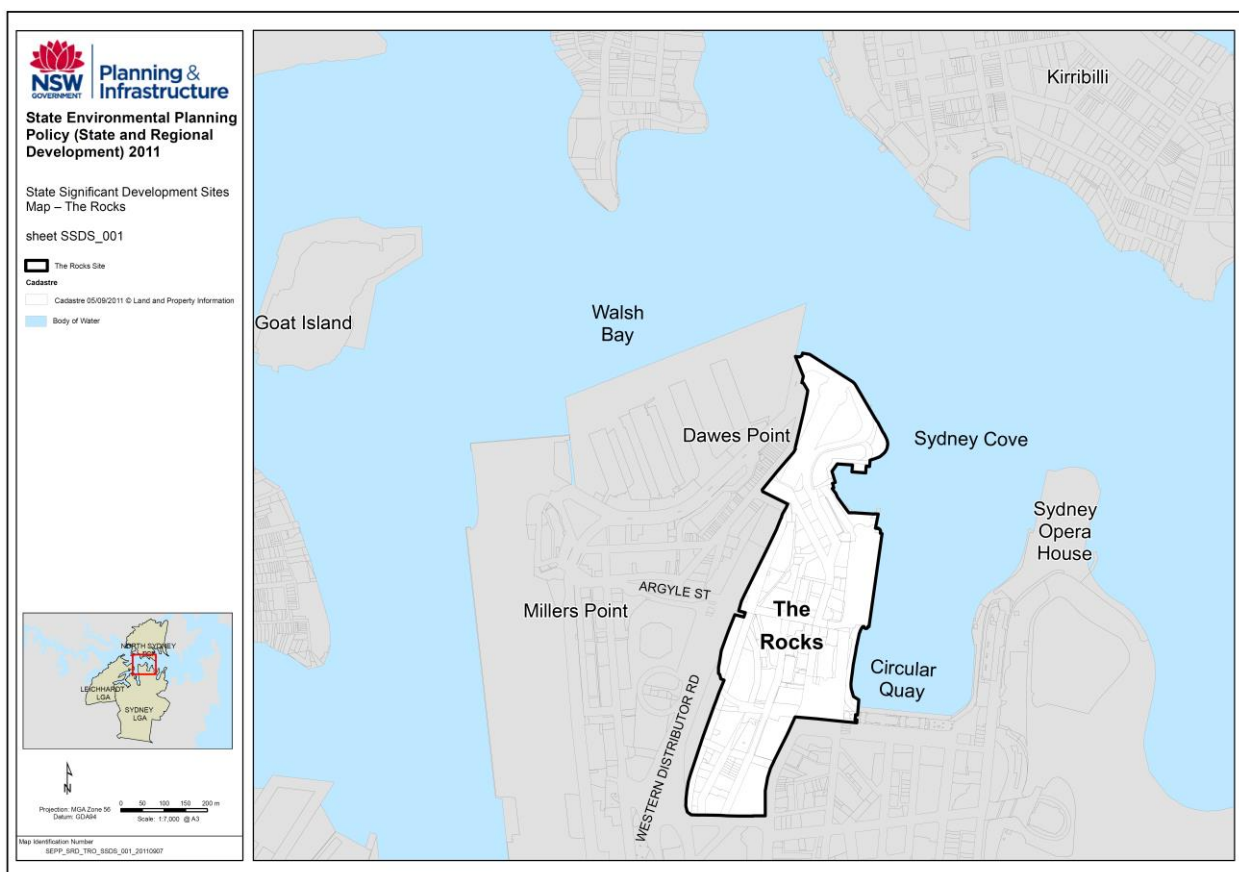
The site is located within 'The Rocks' under Part 6 of Schedule 2 of State Environmental Planning Policy (State and Regional Development) 2011 and as shown below:

6 Development in The Rocks

Development on land identified as being within The Rocks Site on the State Significant Development Sites Map if:

- (a) *it has a capital investment value of more than \$10 million, or*
- (b) *it does not comply with the approved scheme within the meaning of clause 27 of Schedule 6 to the Act.*

FIGURE 7 – THE ROCKS STATE SIGNIFICANT DEVELOPMENT SITE (SOURCE: WWW.LEGISLATION.NSW.GOV.AU, 2015)



The proposed works in the indicative concept plan have a capital investment value of \$28,315,393 (refer to Appendix A). The indicative works (and the associated CIV) may be refined in the detailed design phase, however, it is clearly evident that the estimated cost will exceed the minimum threshold of \$10 million for the proposal to be considered a State significant development under Section 8 of the SEPP. Accordingly, a State significant development (SSD) application is required to be lodged with the Department of Planning and Environment for determination by the Minister for Planning.

4.4 SYDNEY COVE REDEVELOPMENT AUTHORITY SCHEME (SCRAS)

The development site is located within Site XXVII under the provisions of the SCRAS. The principal implications of the Building Site Control Drawing prepared for the site include:

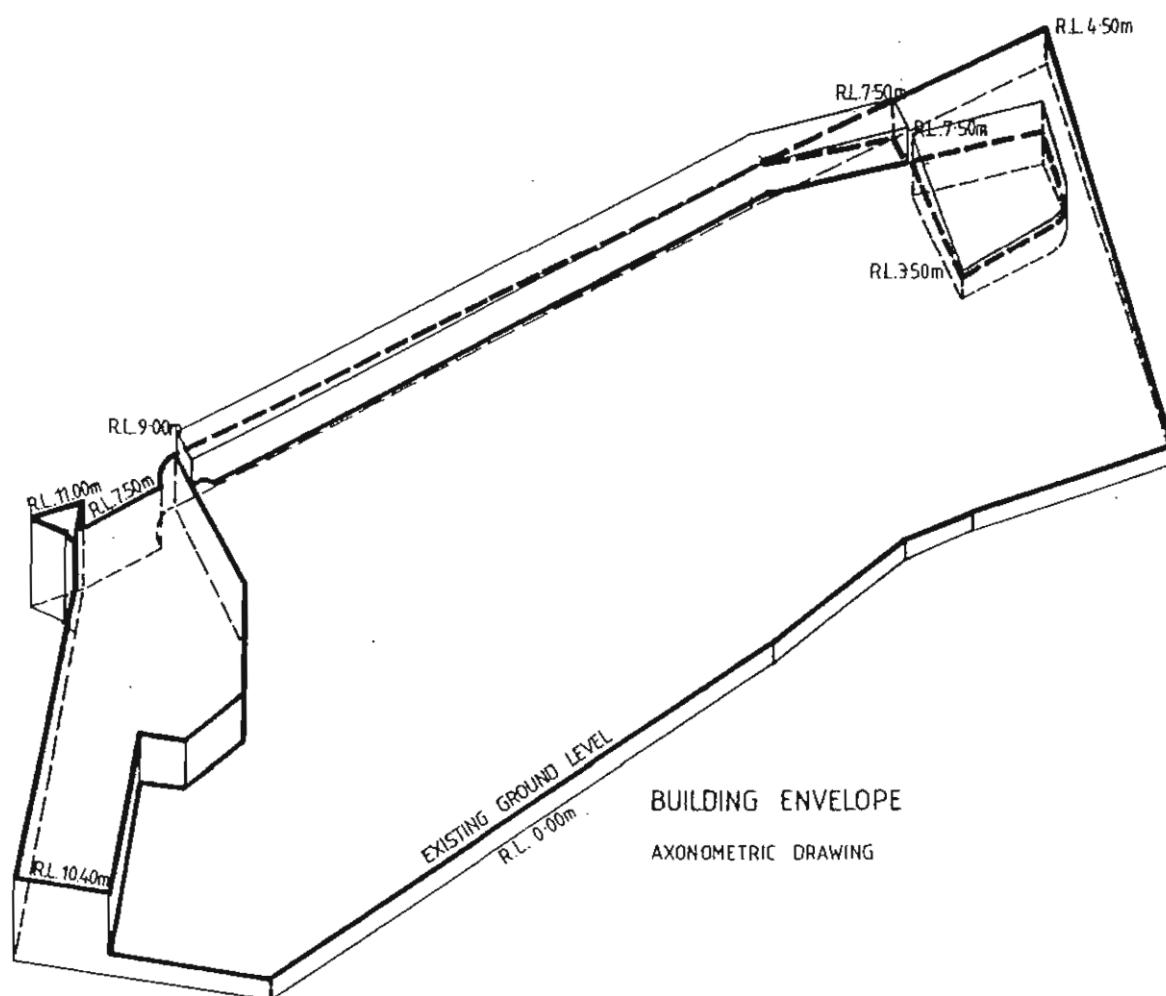
- **Permissibility:** the permitted uses on the site are listed as 'Commercial' and 'Special'. The SCRAS includes the following descriptions for 'Commercial' uses:

"Commercial" uses are deemed to include such activities as offices, and their associated facilities, caretakers accommodation, wholesale and retail outlets, premises licensed under the Liquor Act 1982, restaurants and other food outlets, the parking of vehicles for a fee, club rooms, portrait painting and photographs, printing services and the like

The proposed use of the Campbell's Stores as restaurants, cafes and licensed premises is permitted with development consent under the provisions of the SCRAS.

- **Building envelope control:** the detailed design work for the new Bay 12 structure is yet to be completed, however, the preliminary design provides for its elevation above the ground to maintain existing sightlines to the promenade and a built form that provides a transition between the Park Hyatt and the Campbell's Stores buildings. It is anticipated that the overall height will exceed the axonometric building envelope drawing shown in the SCRAS (and Figure 8 below) and as such, this report requests the Secretary authorise the lodgement of a request to amend the Sydney Cove Redevelopment Authority Scheme.

FIGURE 8 – BUILDING ENVELOPE AXONOMETRIC DRAWING (SOURCE: SCRA, 1998)

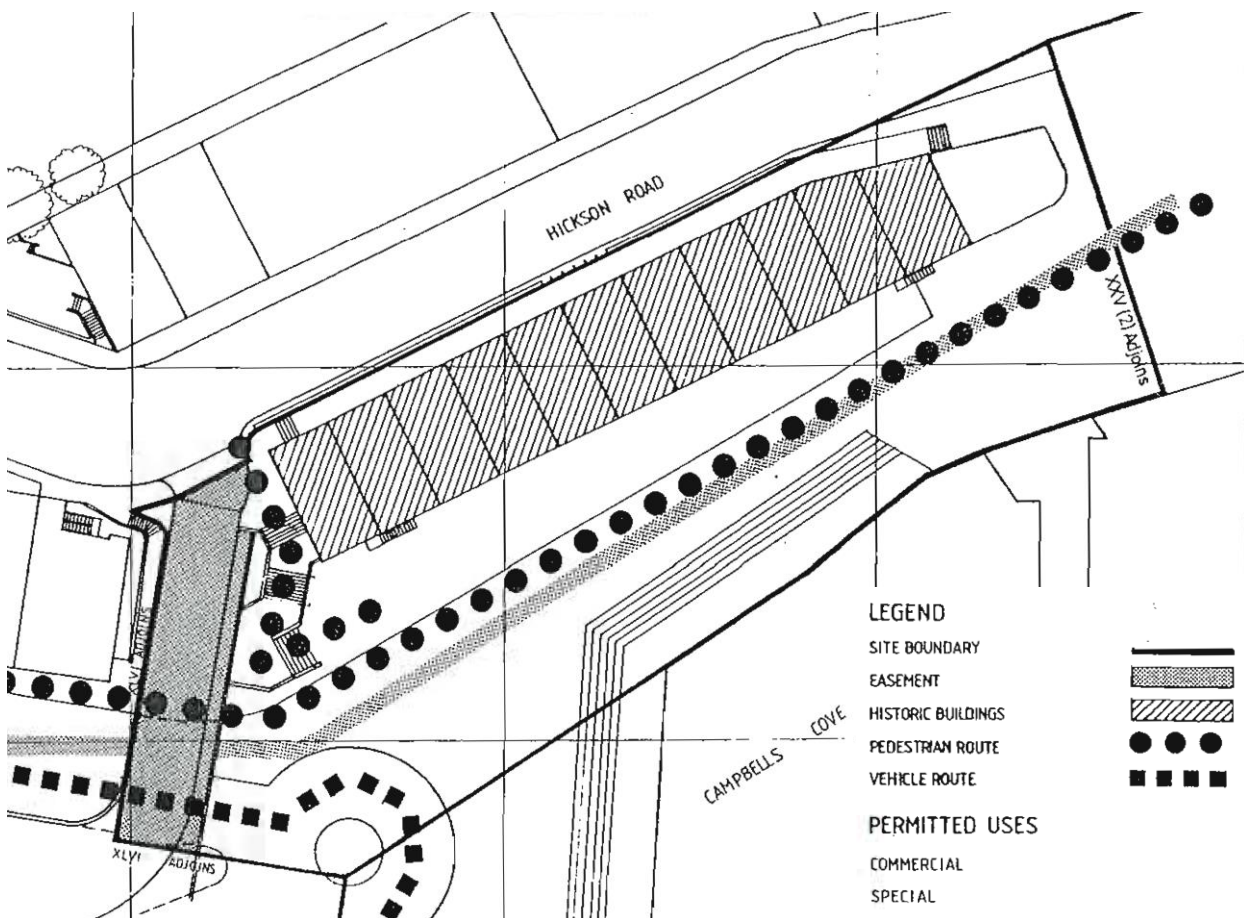


Outdoor eating sun protection and supporting structures are permitted to project above the maximum RLs shown in the axonometric drawing. However, consideration will still need to be given to the

proposed shading structure having regard to its potential heritage and visual impacts (as outlined further within Section 5 of this report).

- **Easement:** the vehicle driveway from Hickson Road to the Overseas Passenger Terminal is nominated as an easement under the provisions of the SCRAS. The proposed development works will not have any impact on this easement. However, it is acknowledged that the loading dock (Bay X) located below the easement will continue to be used for deliveries and waste collection associated with the restaurants.
- **Historic building:** the Campbell's Stores is nominated as a historic building under the provisions of the SCRAS. A specialist heritage architect will be engaged to provide ongoing advice to the project team during the detailed design phase and to assess the potential heritage impacts of the final scheme. It is anticipated that the heritage impact assessment will also include management/mitigation measures to facilitate the adaptive re-use of the building.

FIGURE 9 – BUILDING SITE PLAN (SOURCE: SCRA, 1998)



- **Access:** there is a nominated pedestrian route along the promenade and via the steps from Hickson Road to the south of the building. The footpath along Hickson Road is not nominated as a pedestrian route under the provision of the SCRAS, however, it will be considered within the context of pedestrian movements within the locality. Circular Quay West is nominated as a vehicle route.

Overall, the proposed development is permitted with consent under the provisions of the SCRAS. However, it is anticipated that the new Bay 12 structure will exceed the existing building envelope axonometric drawing shown in Figure 8 of this report. It is requested that the Secretary authorise the lodgement of a request to amend the SCRAS by replacing the axonometric drawing for Site XXVII.

4.5 SYDNEY REGIONAL ENVIRONMENTAL PLAN (SYDNEY HARBOUR CATCHMENT) 2005

The Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005 (REP) is a deemed State Environmental Planning Policy (SEPP) for assessment purposes. It provides a number of matters for consideration that will need to be addressed in the design and assessment of the SSD application, including:

- **Biodiversity, ecology and environment protection:** the EIS will demonstrate that the proposed works will not have a detrimental impact on the environment.
- **Public access to, and use of, foreshores and waterways:** satisfactory public access will be maintained along the harbourfront, including a ten metre wide promenade that complies with relevant standards for people with a disability.
- **Foreshore and waterways scenic quality:** the proposed external building works, particularly the upgrades to the existing outdoor dining area, will improve the scenic quality of the foreshore promenade when viewed from the harbour and other foreshore areas surrounding Sydney Cove.
- **Maintenance, protection and enhancement of views:** the proposed external building additions will enhance the existing views to and from the building through the replacement of the existing covered awning with a shade structure that is more sympathetic to the heritage significance of the sandstone building.
- **Master Plan:** it is anticipated that a master plan will not be required having regard to the nature of the proposed works, being the adaptive re-use of an existing heritage building with a minor addition that is envisaged by the planning controls (SCRAS).
- **Heritage:** the proposed works have been designed to address the key recommendations and findings of the Conservation Management Plan prepared by Godden Mackay Logan and the location of the Campbell's Stores within the Buffer Zone of the World Heritage Listed Sydney Opera House. It is considered that the proposal will result in a significant improvement to the visibility of the heritage fabric and an enhanced understanding of the role of the Campbell's Stores within the early settlement period of Sydney.

Based on a preliminary assessment of the indicative concept plans, it is considered that the proposal satisfactorily address each of the relevant provisions within the deemed SEPP. Further discussion and consideration is given to the key issues in Section 5.

4.6 CITY OF SYDNEY DEVELOPMENT CONTROL PLAN

While the site is not included within the City of Sydney Local Environmental Plan, it is included within the land affected by the City of Sydney Development Control Plan 2012. Accordingly, each of the following matters will need to be considered in the detailed design and assessment of any future application:

- **Public domain:** the proposal includes the provision of a ten metre wide foreshore promenade following the completion of the proposed works and as outlined within Section 5.2 of this report.
- **Urban ecology:** the final design for the proposed northern building will address the potential impacts on the existing significant trees. An arborist report will be submitted to identify mitigation measures required to avoid unacceptable impacts arising from the demolition of the existing structure and the construction of the proposed building.
- **Ecologically sustainable development:** a range of ESD measures will be incorporated into the final design and fit-out of the building, including water efficient fittings and fixtures in the proposed amenities and energy efficient services throughout the building.
- **Water and flood management:** the proposed remedial works include upgrades to the existing stormwater infrastructure to improve the current management of stormwater on the site.

- **Subdivision:** the final details of the draft plan of subdivision and the associated written instrument will be provided within the EIS to be lodged with the development application.
- **Heritage:** the EIS will include a comprehensive assessment of the potential impacts of the proposed works on the heritage significance of the existing building and its context.
- **Significant architectural building types:** the Campbell's Stores comprise a warehouse building that is older than 50 years and as such, these provisions will need to be addressed within the EIS and having strong consideration to the Conservation Management Plan.
- **Transport and parking:** it is acknowledged that there is no on-site car parking and it would not be possible to provide any on-site car parking as part of the proposed development, having regard to the site context and heritage significance of the building. Further consideration is given to transport and access within Section 5.6.
- **Accessible design:** a number of accessibility upgrades will be incorporated into the modifications of the existing building, including vertical and horizontal circulation improvements to accommodate people with disabilities, mobility issues, parents with prams, etc. Specific consideration will be given to the potential impact on the heritage fabric of the building, including the recommendations within the Conservation Management Plan.
- **Crime prevention through environmental design:** the final siting and layout of the individual tenancies will consider the detailed provisions of the DCP, including passive surveillance, sightlines and the like. The potential impacts associated with the late night operations will also be considered, including safety and security, alcohol consumption, off-site impacts and the like.
- **Waste:** indicative waste and recycling measures will be provided within the EIS, including the demolition, construction and operational phases of the development.
- **Late night trading management:** the Campbell's Stores, Overseas Passenger Terminal and ASNCo building are located within a Late Night Trading Area. The Park Hyatt is designated as a City Living Area and the Metcalfe Stores is designated as a Local Centre Area. The proposed development does not seek to make any significant changes to the existing maximum number of patrons. Nor does it propose to make any changes to the currently approved trading hours or the requirements associated with licenses for the existing restaurants, which will be retained. However, it is acknowledged that the DCP provisions will need to be addressed within the EIS.
- **Signage and advertising:** the Campbell's Stores are located within The Rocks Signage Precinct. Detailed consideration will be given to the general signage provisions contained within the DCP, if any signage is proposed to be included within the application.
- **Contamination:** it is considered highly unlikely that the proposed works will give rise to any concerns regarding possible site contamination that would warrant an environmental assessment to be submitted with the EIS. The upgrade to the outdoor dining area and the new Bay 12 structure may require some earthworks and/or ground disturbance, however, the comprehensive site history identified as part of the Conservation Management Plan does not indicate any past use of this land for potentially contaminating activities.

Each of these matters will be assessed in greater detail within the Environmental Impact Statement to be lodged with the development application. However, it is anticipated that each of the relevant matters can be satisfactorily addressed.

5 Key Issues for Consideration

The key issues arising from review of the site context and a preliminary assessment of the indicative concept plans are listed as follows:

- Land use, ownership and staging
- Built form and design
- Heritage
- Views and vistas
- Transport and access
- Water management
- Acoustics
- Service vehicles and waste management
- Consultation

The following sections of the report discuss the potential impacts of the proposed development and the likely measures to avoid, mitigate and/or manage these impacts. This information has been prepared to assist the Department of Planning and Environment to identify the requirements for preparing the Environmental Impact Statement, including the detailed studies and investigations required to support the development application.

5.1 LAND USE, OWNERSHIP AND STAGING

Tallawoladah Pty Ltd will be responsible for the completion of the remediation, restoration and adaptive re-use works within the areas highlighted in orange and green within Figure 10 on the following page. The orange shaded area represents the land that is owned by SHFA and includes both the Campbell's Stores building and the licensed outdoor dining area. The area that is shaded green represents the land that is owned by the City of Sydney and includes the service tunnel which is located below the eastern footpath on Hickson Road, immediately adjacent to the orange shaded area. Both parties will be requested to provide owner's consent for the proposed works within the development application.

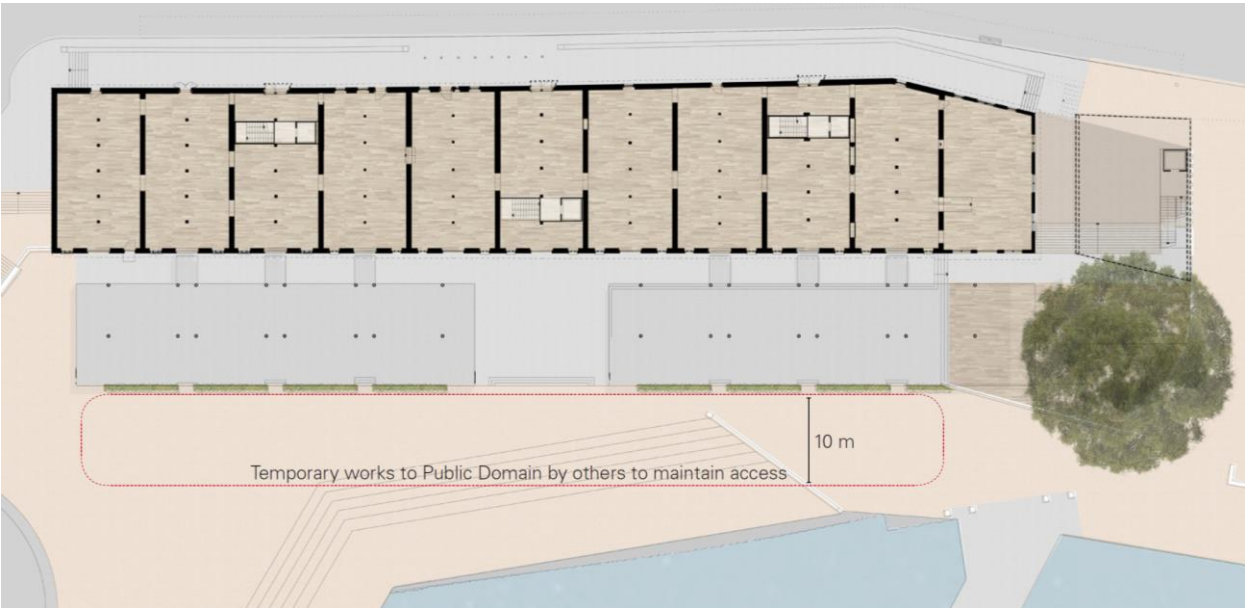
It is understood that SHFA is proposing to undertake works on land surrounding the Campbell's Stores, which is shaded purple on the plan held as Figure 10. These works would complement the remedial works being undertaken by Tallawoladah in accordance with the agreed preservation solution. Each of the parties will be responsible for obtaining the necessary approvals to complete their individual works. However, Tallawoladah and SHFA will work together to achieve a coordinated approach to the detailed design, documentation preparation and approvals processes to facilitate a positive outcome for the conservation of the building in an efficient and logical manner.

SHFA has advised that they have substantially progressed their design and it is anticipated that their works will occur prior to or concurrently with the works associated with the Tallawoladah proposal. However, if there are any delays to the completion of the SHFA works, then it may be necessary to provide for a temporary access arrangement that maintains a ten metre wide pedestrian way along the foreshore. The project architects for both the SHFA and Tallawoladah works (JPW Architects) have made provision for a temporary pedestrian access arrangement (if required) which is shown in the plan extract in Figure 11.

FIGURE 10 – PUBLIC DOMAIN WORKS AND TALLAWOLODAH WORKS (SOURCE: JPW: 2014)



FIGURE 11 – EXTRACT OF PRELIMINARY CONCEPT DESIGN FOR POTENTIAL STAGING OF CONSTRUCTION WORKS (SOURCE: JPW, 2014)



5.2 BUILT FORM AND DESIGN

The indicative design for the proposed new building to the north has carefully considered its potential impacts on the heritage significance of the Campbell's Stores (refer to Section 5.4) and the views and vistas both to and from Sydney Harbour (refer to Section 5.5).

The final location, built form and design of the new building will be resolved having regard to the specialist advice to be provided during the detailed design phase. The project architects will work closely with the heritage architects, landscape architect and services engineers to ensure that the building will respect its context and provide a satisfactory outcome having regard to its height, scale and bulk, architectural character, building materials and finishes and the like. Consideration will also be given to the existing significant tree along the foreshore promenade, between Campbell's Stores and the Park Hyatt Sydney.

Similarly, the final development plans for the reconfiguration and upgrade of the existing outdoor dining will be resolved so that the new shade structure will complement the height, scale, bulk and character of the existing building. The final layout, configuration and materials will respect its context and enhance the existing sightlines and views of the heritage building.

5.3 HERITAGE

The Campbell's Stores has significant heritage value and is listed on the NSW State Heritage Register, Sydney Harbour Foreshore Authority Heritage Register and the Register of the National Estate. The site is also located within the Buffer Zone for the World Heritage Listed Sydney Opera House and within The Rocks precinct.

The EIS will be accompanied by a Heritage Impact Assessment that examines the potential impacts arising from the proposed works on the heritage significance of the building and the compliance of the proposal with the recommendations outlined within the Conservation Management Plan prepared by Godden Mackay Logan.

The heritage specialist will work closely with the project architect throughout the detailed design phase to provide ongoing advice regarding the potential opportunities and constraints associated with the heritage significance of the building. The heritage specialist will also work closely with the services engineers to provide a holistic approach to the building services upgrades, enabling compliance with relevant codes and requirements while avoiding significant or unnecessary impacts to the heritage fabric. It is anticipated that potential benefits arising from the remedial and restoration works will off-set any potential minor impacts associated with the adaptive re-use of the building.

An Archaeological Assessment was prepared by SHFA in 2012. This report indicated that the foreshore promenade, outdoor dining area and location of the proposed northern building have the most archaeological potential. An Archaeological Assessment may be required to assess the potential impacts arising from the reconfiguration and upgrade to the outdoor dining area (including the footings for the covered areas), the upgrades to the stormwater infrastructure and construction of the northern building.

5.4 VIEWS AND VISTAS

Campbell's Stores enjoy spectacular views of Sydney Harbour and its foreshores, including the Sydney Opera House. The site is also highly visible from these locations, as well as from within The Rocks precinct. The proposal represents an excellent opportunity to improve and enhance the visual qualities of the site by remediating and restoring the important features of the existing building.

The proposed external alterations to the Campbell's Stores will respect the integrity of the building, enhance its existing appearance and avoid unacceptable impacts on its heritage significance. The indicative concept plans confirm that the northern building will address the existing sightlines to the harbour from Hickson Road, taking into account the existing treeline. Further, the proposed reconfiguration of the existing outdoor dining area will not result in any impacts on the existing sightlines to the harbour.

The EIS will clearly outline the proposed changes to the existing views and vistas as a result of the proposed remediation, restoration and adaptive re-use of the building. It is anticipated that a range of visual documentation will be prepared and lodged with the application, including photomontages/ perspectives, 3D model and a Visual Impact Assessment. Particular consideration will be given to any requirements arising from the location of the Campbell's Stores within the World Heritage Buffer Zone of the Sydney Opera House.

5.5 TRANSPORT AND ACCESS

The planned remediation, restoration and renewal of the Campbell's Stores will not result in any significant increases to the existing gross floor area or any substantial changes to the way in which the site is currently accessed by customers and employees.

The site does not provide any on-site car parking and there is no opportunity to provide car parking as part of the proposal or any future works. On-street car parking is generally available within the local road networks, including Hickson Road, with some restrictions imposed on ship days as a result of the site proximity to the Overseas Passenger Terminal.

The site benefits from excellent access to a range of alternative travel options, including high frequency public transport services. The site is within easy walking distance of Circular Quay railway station, Circular Quay ferry wharf and a range of bus services within The Rocks and Sydney CBD. The site is also located within easy walking distance of the future light rail that will run from Circular Quay and along George Street, providing access to the southern part of the CBD, the Eastern Suburbs and the Inner West. The existing pedestrian links will be retained or improved as a result of the proposal. Adequate levels of pedestrian access will be maintained along the foreshore promenade, both during construction and following completion of the reconfigured and upgraded outdoor dining area. This may include temporary access arrangements on the SHFA land, if required.

The proposed external and internal building alterations and additions will improve the existing access arrangements to the building, as well as travel paths throughout the building and the upgraded outdoor dining area, to meet relevant codes and guidelines.

A Transport Report will be prepared by a traffic consultant addressing the existing and proposed transport infrastructure and its capacity to accommodate the anticipated demands of the proposed development. An Access Report will also be prepared by a suitably qualified consultant to assess the adequacy of the proposal, including access to the site (including both the building and outdoor dining area) and the proposed changes to the horizontal and vertical access arrangements within the building, including the indoor dining area, amenities and the like.

5.6 WATER MANAGEMENT

The site investigations undertaken by SHFA confirmed that the inadequacy of the existing stormwater and subsoil drainage systems has contributed to the rising damp and deterioration of the heritage fabric, including the sandstone masonry walls.

The Tallawoladah works include upgrades to the existing stormwater infrastructure, replacement of the existing awnings and regrading of the outdoor dining area to transfer stormwater away from the building and the sandstone masonry walls. These works form part of an agreed preservation solution and will complement the works to be undertaken by SHFA on the surrounding land to address the ponding of seawater and rising damp. The proposed works will result in a significant public benefit having regard to the remediation and the conservation of the building for future generations.

The EIS will be accompanied by a Water Management Plan that identifies the key issues, assesses the effectiveness of the proposed remedial works and provides management measures to be implemented in the operational phase of the proposal. Particular consideration will be given to the requirements of the deemed SEPP for Sydney Harbour, Council's DCP and the Conservation Management Plan.

5.7 ACOUSTICS

Campbell's Stores is located within a Late Night Trading Area under the provisions of the City of Sydney DCP. It is also located adjacent to a City Living Area (Park Hyatt Sydney) and a Local Centre Area (Metcalf Bond Stores).

The application does not seek to make any significant changes to the existing maximum number of patrons and does not seek to make any changes to the existing trading hours or licensing requirements. However, it is acknowledged that the EIS will need to assess the potential acoustic impacts of the proposed works, including the proposed demolition and construction works and the operational phase of the development.

An acoustic impact assessment will be prepared by a suitably qualified acoustic consultant and submitted with the EIS. The assessment will include identification of the existing acoustic environment, the potential impacts arising from the proposed works and measures required to avoid, mitigate and/or manage the identified impacts.

5.8 SERVICE VEHICLES AND WASTE MANAGEMENT

The service vehicles associated with the proposed future operations will utilise the existing loading dock below the access driveway to the Overseas Passenger Terminal in Circular Quay West (referred to as Bay X) for deliveries and waste collection.

It is anticipated that the Transport Report would provide an estimate of the likely delivery vehicles and waste collection vehicles expected to visit the site and the capacity of the loading dock to accommodate any changes. A Loading Dock Management Plan may need to be prepared and lodged with the EIS to outline the way in which service vehicles will be accommodated on the site to avoid any impacts on the local road network. A Waste Management Plan will also be prepared to outline the proposed management of waste during the demolition, constructional and operational phases of the development.

5.9 CONSULTATION

Tallawoladah has consulted with SHFA and the City of Sydney during the preparation of the indicative concept plans. It is understood that SHFA has also undertaken their own discussions with various government agencies, including the City of Sydney and the Heritage Council, having regard to the remediation and restoration works associated with the preservation solution.

Based on our preliminary discussions with the Department, it is understood that a Planning Focus Meeting is unlikely to be held, having regard to the scale of the proposal and the nature of the proposed works. However, further consultation will take place with key stakeholders and agencies during the preparation of the SEARs, potentially including:

- SHFA
- City of Sydney
- Heritage Council
- NSW Transport
- Roads and Maritime Services
- Sydney Ports

The EIS would be placed on public exhibition once the Department of Planning and Environment has reviewed the EIS to confirm that it has satisfactorily responded to each of the issues identified in the SEARs. The key stakeholders would be provided with an additional opportunity to review the proposal, including the final development concept plans and the detailed specialist studies and assessment reports accompanying the final EIS.

6 Overview

The proposed remediation, restoration and adaptive re-use of the Campbell's Stores provides a unique opportunity to create a world class waterfront dining precinct in an iconic location on Sydney Harbour.

The site is ideally located adjacent to the Overseas Passenger Terminal and the Park Hyatt Sydney to attract international and domestic tourists and contribute to a planned growth in spending within the tourism sector as outlined in NSW 2021. The proposal will also contribute to the vibrancy and vitality of the site and The Rocks precinct in accordance with the Plan for Growing Sydney.

The site is located within easy walking distance of the CBD and public transport services and the range of quality restaurants will make the Campbell's Stores an attractive destination for local workers, residents and visitors to the precinct. Further, the proposed remedial and restoration works will result in a substantial improvement to the heritage qualities and visual appearance of the existing building and a significant public benefit for existing and future generations

This report has provided a comprehensive outline of the indicative concept plan for the site and identified the key environmental issues to assist the Department of Planning and Environment in the preparation of the Secretary's Environmental Assessment Requirements. The report also requests the Secretary authorise the lodgement of a request to amend the Sydney Cove Redevelopment Authority Scheme by updating the building envelope axonometric drawing that applies to Site XXVII.

We would welcome the opportunity to meet with the Department (and other key stakeholders, as required) to provide a detailed briefing regarding the project, if considered helpful.

Disclaimer

This report is dated April 2015 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (**Urbis**) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Tallawolodah Pty Limited (**Instructing Party**) for the purpose of Request for SEARs (**Purpose**) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report, and upon which Urbis relied. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

In preparing this report, Urbis may rely on or refer to documents in a language other than English, which Urbis may arrange to be translated. Urbis is not responsible for the accuracy or completeness of such translations and disclaims any liability for any statement or opinion made in this report being inaccurate or incomplete arising from such translations.

Whilst Urbis has made all reasonable inquiries it believes necessary in preparing this report, it is not responsible for determining the completeness or accuracy of information provided to it. Urbis (including its officers and personnel) is not liable for any errors or omissions, including in information provided by the Instructing Party or another person or upon which Urbis relies, provided that such errors or omissions are not made by Urbis recklessly or in bad faith.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

Appendix A

Quantity Surveyor's Correspondence - Indicative Cost

30th March 2014

7 – 27 Circular Quay West
The Rocks
NSW

Attention: Philip Beauchamp

Dear Philip,

Campbell Stores Development – Estimate of Capital Investment Value

Further to your request, we wish to confirm our current estimated Capital Investment Value (CIV) for the construction works relating to the Campbell Stores Development, to be **\$28,315,393** excluding GST. A copy of the Estimated Cost is attached for reference.

The Capital Investment Value has been calculated in accordance with the definition contained in State Environmental Planning Policy Amendment (Capital Investment Value) 2010 stated as: *“Capital Investment Value of a development or project includes all costs necessary to establish and operate the project, including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment, other than [a] amounts payable, or the cost of land dedicated or any other benefit provided, under a condition imposed under Division 6 or 6A or Part 4 of the Environmental Planning and Assessment Act or a planning agreement under that Division [b] costs relating to any part of the development or project that is the subject of a separate development consent or project approval [c] land costs (including any costs of marketing and selling land) [d] GST (as defined by A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth).*

Should you require any further information please do not hesitate to contact the undersigned.

Yours Faithfully,

Altus Group Cost Management Pty Ltd

Alun Rafferty
Associate



Sydney

Tower 2, Level 23, Darling Park
201 Sussex Street Sydney, NSW 2000
t +02 8233 9900
f +02 8233 9966

Melbourne

Level 12, 120 Collins Street
Melbourne, VIC 3000
t +03 8663 4888
f +03 8663 4999

Brisbane

Level 7, 123 Albert Street
Brisbane, QLD 4000
t +07 3007 3800
f +07 3007 3811

Perth

Level 1, 55 St Georges Terrace
Perth, WA 6000
t +08 9346 0500
f +08 9221 1779

Australia • Asia • Middle East
w urbis.com.au **e** info@urbis.com.au