

ENVIRONMENTAL IMPACT STATEMENT

STATE SIGNIFICANT DEVELOPMENT

STAGED DEVELOPMENT APPLICATION
DEPARTMENT OF PLANNING AND
ENVIRONMENT REFERENCE: SSD 7693

VOLUME 1



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NEW BALLROOM ADDITION, ADDITIONS TO THE ROOF LOUNGE AND COMPREHENSIVE HOTEL UPGRADE

INTERCONTINENTAL HOTEL and TRANSPORT HOUSE MACQUARIE STREET, SYDNEY

VOLUME 1

**Prepared by
BBC Consulting Planners
for
Mulpha Australia Limited**

Job No. 15-166
EIS - Rev2 - 170809
August 2017



Certification of Environmental Impact Statement

Applicant, Site and Project Details

Applicant	Mulpha Australia Limited Level 5, 99 Macquarie Street SYDNEY NSW 2000
Site:	InterContinental Hotel and Transport House Respectively, 99-113 Macquarie Street and 115-119 Macquarie Street Sydney NSW 2000
Real Property Description:	Lot 3 in Deposited Plan 785393 Lot 40 in Deposited Plan 41315 Folio Identifier 4/785393
Proposal:	Staged (Stage 1) Development Application for a New Ballroom Addition above Transport House, additions to the hotel's Club InterContinental roof lounge and comprehensive Hotel Upgrade

Authorship

This report has been prepared by:	Robert Chambers, Dip. Town Planning Director BBC Consulting Planners Level 2, 55 Mountain Street, Broadway NSW 2007
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Declaration

I certify that the contents of the Environmental Impact Statement, to the best of my knowledge, has been prepared in accordance with the requirements of clauses 6 and 7 of Schedule 2 of *Environmental Planning and Assessment Regulation 2000*, contains all available information that is relevant to the assessment of the development and that to the best of my knowledge the information contained in this report is neither false nor misleading.

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a long horizontal line that curves upwards at the end.

Signed by:	Robert Chambers, Dip. Town Planning Director, BBC Consulting Planners
Date:	August 2017

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SUMMARY OF THE EIS

This Environmental Impact Statement (“EIS”) has been prepared on behalf of Mulpha Australia Limited (“the Applicant”) as part of a staged (Stage 1) Development Application (“DA”) for State Significant Development (“SSD”) lodged pursuant to Section 78A(8A) of the *Environmental Planning and Assessment Act 1979* (“the EP&A Act”) for a comprehensive upgrade of the InterContinental Hotel at 115-119 Macquarie Street including additions to the roof lounge, and a new ballroom addition on Level 10 of the Hotel, but extending above part of Transport House at 99-113 Macquarie Street, Sydney.

In accordance with Section 78A(8A) of the EP&A Act, the Secretary notified the Applicant of the Environmental Assessment Requirements (“SEAR”s) for the Stage 1 DA on 4 July 2016 and these have been addressed in this EIS.

The Proposed Development

The Applicant seeks Stage 1 approval to a concept building envelope so as to facilitate alterations and additions to the InterContinental Hotel, including a building envelope for a new grand ballroom addition (and associated spaces including lift lobby and service corridors) on Level 10 of the hotel but extending above part of Transport House, an expansion of the Club InterContinental lounge on the roof of the Hotel tower, and relocated plant from the roof of the Hotel tower to Level 8 adjacent to Bridge Street, all as illustrated on the Stage 1 DA plans in **Appendix 4B** of this EIS.

The proposal has a Capital Investment Value of \$203 million and will generate around 220 jobs during construction and 100 jobs during operation.

Implementation of the proposal will better enable the InterContinental Hotel to fulfil its role as an international five-star hotel, consolidate Sydney’s appeal as a tourist destination, and further contribute to the economy of NSW.

Statutory and Strategic Context: Relevant EPI’s, Policies and Guidelines

The site is in the Sydney CBD. Development of land within the CBD is governed, primarily, by Sydney LEP 2012, one of the particular aims of which is as follows:-

“(b) to support the City of Sydney as an important location for business, educational and cultural activities and tourism,”

The site of the proposed development is zoned B8 Metropolitan Centre, an objective of which is to

“♦ 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”

The proposal is consistent with this and other relevant aims and objectives of Sydney LEP 2012.

The proposal results in an increase in GFA and FSR of only 4,400m² and 0.8:1 respectively, resulting in a total FSR of 8.178:1 which is well below the maximum permissible FSR of 14.0:1 for a hotel in this part of Sydney.

The height of the top of the building envelope of the proposed grand ballroom addition is well below the 55.0m height limit applying to that part of the site within 30m of Macquarie Street and far below the much greater height permitted by the Royal Botanic Gardens sun access plane.

Insofar that the uppermost parts of the existing tower already exceed the Royal Botanic Gardens sun access plane (see diagram **Appendix 4E**), the proposal does not increase the overall maximum height of the plant room on the roof of the tower, but does exceed the existing height of the top habitable level, as shown on the elevations in **Appendix 4B**. Although such an increase is not permitted by the sun access plane controls (and, furthermore, not able to be approved pursuant to a Clause 4.6 variation request because Clause 4.6 does not apply to the sun access plane controls in Sydney LEP 2012) because the proposal is in the form of an SSD Stage 1 DA it can nevertheless be approved on its merit, notwithstanding this partial prohibition. Improving the capacity and configuration of the roof lounge is a significant need of the Hotel, and no significant adverse impacts arise from it including no additional overshadowing.

Section 5 of this EIS contains a detailed discussion of all the relevant statutory, policy and guideline considerations identified in the EIS. Nothing arises from this discussion which warrants alteration, reduction, or removal of any aspect of the proposal.

Staging

The project architects have identified the staging options as follows in their design statement in **Appendix 5**.

“The proposed construction works at the InterContinental Hotel will impact upon all hotel areas including basement, podium, tower and roof resulting in some level of works or refurbishment being undertaken at the same time. This will have a comprehensive and accumulative impact on the functionality of the hotel and its ability to provide the expected level of visitor experience.

Two options for carrying out the works are being considered:-

- ♦ *The first option is to keep the hotel operational and progress through the works floor by floor. There would be times where several floors at a time would be impacted due to the complexity and this would result in a program of works that may span several years and cause considerable disruption. Careful consideration of the impact on the InterContinental Hotel brand and potential loss of customers would need to be taken into consideration.*
- ♦ *An alternative option is to close the InterContinental Hotel for a shorter period, to undertake the works in a comprehensive and coordinated manner. There would be no disruption to guests and it would provide the opportunity for a grand opening, showcasing the new and refurbished facilities. Obviously, this option needs to be considered in light of the financial implications.”*

These are not the only staging options. Others will be considered as part of the work leading up to submission of DA's for subsequent stages.

Built Form and Urban Design

The height, bulk and scale, and setbacks for the proposed building envelope additions are reasonable and appropriate in the circumstance of the case.

Height

Proposed increases in existing building height (i.e. as defined in Sydney LEP 2012) are primarily associated with:-

- the new grand ballroom over Transport House, the height details of which are as described in Section 4.3.3 of this EIS: at its highest point, the top of the building envelope identified for the new ballroom is 15m below the 55.0m height limit in the LEP;
- changes to parts of the hotel podium; and
- extensions to the InterContinental Club lounge which nevertheless remain well below the uppermost existing roof of the tower plant structure.

These changes can most clearly be seen on the elevations on Drawings STI-DA-301 and 302 in **Appendix 4B**.

The issues raised by the proposal are not height related per se, but rather are related to the heritage impacts of the increased building volume on the heritage items on the site and on adjoining and nearby sites. These issues are addressed in detail in **Appendix 9A** of this EIS.

Bulk and Scale

Increases in bulk and scale of the Hotel Tower

The elevations referred to above identify (in blue) the proposed increases to the existing bulk and scale of the Hotel tower and scale of the existing buildings on the site.

The increases in bulk and scale of the Hotel tower are primarily related to the identification of a building envelope on the roof of the Hotel Tower to accommodate extensions to the InterContinental Club lounge, however this envelope increase remains well below the existing maximum roof height. (This is best illustrated on the 3D massing axonometric views in **Appendix 4D**)

Reference to the visual impact analysis in **Appendix 7A**, reveals an absence of impact associated with the increased bulk and scale of the Hotel tower. The increase is not substantial.

Increases in bulk and scale of the podium and above Transport House

The increases in the bulk and scale of the Hotel podium and the building volume above Transport House are primarily related to:-

- the envelope for the grand ballroom and its associated lift access and service corridors on Level 10 combined with the new wellness facility on Level 9 below; and
- the relocated plant on Level 8 near the corner of Bridge Street and Phillip Street.

The increased bulk and scale arising from both of the above is considered to be reasonable and appropriate having regard to:-

- the 20m setback from Macquarie Street which has the effect of reducing visual impacts when seen from points along that street;
- the high quality design that will be achieved through the process referred to in Section 6.3.1 above;
- the acceptability and merits of the proposal from a heritage perspective as set out in the HIS in **Appendix 9A**; and
- the absence of unreasonable or unacceptable streetscape or visual impacts.

Bulk and scale generally

The maximum FSR for a hotel on the site is 14:1 (excluding the design excellence bonus of 10% and potential FSR additions enabled by the 2012 LEP which potentially increase the maximum to around 16:1). To the extent that FSR is a measure of bulk and scale it is clearly the case that the buildings on the site, with an FSR of 8.178:1 which includes the addition now proposed, are clearly not an over-development of the site, whether measured against the 14:1 (or 16:1) FSR maximum or any other prescriptive or performance criteria. It is particularly relevant that the proposed alterations and additions and their associated bulk and scale be seen in this planning context.

Setbacks

No significant setback issues arise as a result of the increased building envelope and roof lounge extension on the hotel tower.

In relation to the additional building volume on the Hotel podium and on the roof of Transport House the setback from Macquarie Street will be in-line with the existing lift overrun which is considered readily sufficient to ensure no unreasonable impacts arise on the Macquarie Street streetscape and Macquarie Street Special Character Area.

In relation to the northern site boundary adjacent to the Justice and Police Museum and Phillip Street the setback of the building envelope is zero, however it is nevertheless acceptable from a heritage perspective, as detailed in the Heritage Impact Statement in **Appendix 9A**.

Amenity

The proposal will result in no significant overshadowing, acoustic or privacy issues, view loss or visual impacts, wind impacts, or reflectivity impacts.

Heritage

The site comprises two heritage items:

- one of State Heritage Significance (i.e. former NSW Treasury Buildings); and
- one of Local Significance (Transport House).

The site is also within a precinct containing numerous items of heritage significance such precinct having been nominated for National Listing. Therefore, detailed consideration has been given to heritage issues and in this regard this EIS contains a Heritage Impact Statement (see **Appendix 9A**) and a Draft Conservation Management Plan ("CMP's") for each of the

former NSW Treasury Building (see **Appendix 9B**) and Transport House (see **Appendix 9C**). These two draft CMP's are yet to be endorsed by the relevant authorities and it is likely that as part of the CMP review process they will be revised and augmented as required.

The Heritage Impact Statement in **Appendix 9A** states:-

"The proposed volumetric works to be included in this Stage 1 SSD application are restricted to approval for the overall building envelope of the new ballroom/ pool roof-top addition to Transport House, minor additions to the roof of the 1980's hotel podium, and the external refurbishment of the 1980's hotel tower with a minor extension to the Level 32 club lounge. The refurbishment presents a significant opportunity to enhance the setting of the heritage item through an improved façade solution.

The proposed works have been assessed against relevant statutory controls, including the Sydney local Environmental Plan 2012, as well as non-statutory guidelines, including the Sydney Development Control Plan 2012, the NSW Heritage Division Guidelines, and the respective draft Conservation Management Plan policies which have been prepared for the subject properties. A detailed assessment of the proposed works against these controls is included in Section 6 of this report.

The proposed Stage 1 envelope is supported subject to the following recommendations:

- ♦ *It is recommended that the design of the additions and tower refurbishment be subject to full design excellence standards to mitigate visual impacts of the proposal on the setting and proximate heritage items. Detailed design should be undertaken in close consultation with a qualified and experienced heritage consultant, to ensure the final design is sympathetic and enhances the precinct and setting of the subject heritage items.*
- ♦ *We understand that there may be scope to resolve the final form of the rooftop additions to the 1980's podium building at a reduced scale compared with the overall volumetric form as detailed in Section 3.1. The envelope for the ballroom addition provides for the maximum volume available, with consideration for heritage constraints of Transport House and feasibility for practical use. With regard to the volume of the associated podium additions, it is however recommended that the options for reduction of these forms are explored rigorously as part of SSD applications for subsequent stages and development should not extend to the full envelope.*

Overall, the Stage 1 SSD application proposal as described and assessed herein, is consistent with the policies contained in the draft CMPs, provisions of the Sydney LEP 2012 and DCP 2012, and the NSW heritage Division Guidelines. The Stage 1 SSD application is therefore recommended for approval."

Traffic, parking and access

No significant traffic, parking or access issues arise from the proposal (see **Appendix 10**). (The number of rooms in the hotel reduces from 509 to 507, no changes are proposed to the existing parking, access, or servicing arrangements, and the site is extremely well located to maximise use of public transport).

Infrastructure Impacts – Interim Rail Corridor

The site is not in, nor is adjacent to the interim Rail Corridor (see **Figure 7**). It will have no impact on the Interim Rail Corridor.

ESD

An ESD report has been prepared by the project engineer, ARUP (see **Appendix 11**). It sets out ESD options and provides energy and water recommendations for consideration in detailed design development in relation to the concept façade upgrade, mechanical services, HVAC systems, electrical services, hydraulic services, lifts and on-site energy generation and makes recommendations for how a successful ESD outcome can be achieved by using a well-defined and measurable process for managing ESD issues throughout the design process, construction and operation.

It is considered that the precautionary and inter-generational equity principles have been applied in the design through the assessment of the environmental impacts of the proposal, as detailed in this EIS.

Consultation

The consultation process which has been undertaken for the project, consistent with the SEAR's, is detailed in **Appendix 12** of this EIS.

The overall response to the proposal has been positive.

Section 79C Considerations

Section 79C of the EP&A Act sets out the matters (see Section 7 of this EIS) to be considered by the consent authority in determining a DA. Having regard to these matters it can reasonably be concluded that the proposed development has no significant adverse impact on the heritage-listed buildings on or adjacent to, or in the vicinity of the site, on the immediate or wider environment, the locality generally, or on the Macquarie Street/Bridge Street Special Character Areas in which the site is located, and is worthy of approval.

Conclusion

The impacts of the proposed Stage 1 development have been assessed and it is concluded that it will not result in any unreasonable or unacceptable heritage, built form, acoustic, traffic, parking, access amenity, bulk and scale, overshadowing, wind, reflectivity, view, visual, broader environmental, or other impacts, has significant merit and warrants approval.

1. INTRODUCTION

1.1 Purpose

This Environmental Impact Statement (“EIS”) has been prepared as part of staged (Stage 1) Development Application (“DA”) for State Significant Development (“SSD”), lodged pursuant to Section 78A(8A) of the *Environmental Planning and Assessment Act 1979* (“the EP&A Act”) for Stage 1 approval for a comprehensive upgrade of the InterContinental Hotel, including additions to the Club InterContinental lounge on the roof of the tower and a new grand ballroom addition over part of Transport House.

The EIS has been prepared in accordance with the requirements of Clauses 6 and 7 of Schedule 2 of the Environmental Planning and Assessment Regulation 2000 (“the EP&A Regulation”), and with the Secretary’s Environmental Assessment Requirements (“SEAR’s”) dated 4 July 2016 (see **Appendix 1**).

1.2 Overview and Objective of the Proposed Development

1.2.1 Overview

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

Mulpha Australia Limited (“Mulpha”) is the Applicant.

The subject land comprises Transport House and the InterContinental Hotel and is referred to in this EIS 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 façades, services, plant, reception, entries, porte-cochere bars, restaurants, gym, pool, and (Club) roof lounge of the InterContinental Hotel and the creation of a new, predominantly glazed, 900m² grand ballroom on Level 10 extending out from the hotel tower, over and above part of Transport House.

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

The capital investment value (“CIV”) of the proposal is \$203 million.

The Applicant seeks approval for a staged (Stage 1) DA to provide certainty for the development concept illustrated on the DA drawings in **Appendix 4B**. DA’s for subsequent stages will seek approval for the carrying out of physical works and additional design detail and provide specific detail around the project’s staging and delivery.

1.2.2 Objective

The objective of the proposed development is to reinvigorate the existing InterContinental Hotel to create an integrated and vibrant luxury hotel commensurate with a global city and an iconic location that is recognised on the world stage.

1.2.3 Description

The proposed development will:-

- enhance the precinct in which the hotel is located;

- add to street level activity around the hotel;
- increase hotel employment with improved facilities to cater for a broader market;
- improve the condition and facilities of hotel stock to increase the attractiveness of Sydney generally to tourist and function markets;
- reinvigorate the hotel particularly through:-
 - additions to and refurbishment of the top floor club lounge;
 - the addition of a spectacular grand ballroom on Level 10; and
 - inclusion of a world class “wellness facility”, with a new pool on Level 9.
- generally maintain the same number of rooms (509 rooms now; 507 rooms proposed) but with a complete/refurbishment of individual rooms to provide a modern contemporary finish;
- a reconfiguration and upgrade of all food and beverage areas;
- a reconfiguration and upgrade of all meeting rooms;
- increase the function and meeting room space by around 1000m²;
- increase the food and beverage space by around 1000m²; and
- increase the recreation space by around 750m².

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 of the SRD SEPP relevantly identifies development for tourist purposes that has a Capital Investment Value (“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 proposed development 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 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. The EIS has been prepared in accordance with the relevant statutory provisions and with the SEAR's (see **Appendix 1**) as set out below.

Through the operation of the SRD SEPP, the Minister is the consent authority for the SSD Stage 1 DA.

1.3.3 Secretary's Environmental Assessment Requirements

SEAR's for the EIS were issued on 4 July 2016 (see **Appendix 1**).

The various requirements and where they are addressed/provided in this EIS are set out in the following summary table:-

Environmental Assessment Requirements	EIS Reference
General requirements: EIS to address requirements of EP&A Act 1979 and Clauses 6 and 7 of Schedule 2 of the EP&A Regulation 2000. EIS to include an environmental risk assessment. EIS to include a QS report.	- The EIS addresses/meets the relevant requirements - See Section 10 - See Appendix 17
Key issues: 1. Environmental Planning Instruments, Policies and Guidelines. 2. Staging. 3. Built Form and Urban Design. 4. Amenity. 5. Heritage. 6. Traffic, Parking and Access. 7. Infrastructure Impacts – Interim Rail Corridor. 8. Ecologically Sustainable Development (ESD).	- See Section 4 and 6.1 - See Section 6.2 - See Section 6.3 - See Section 6.4 - See Section 6.5 - See Section 6.6 - See Section 6.7 - See Section 6.8
Consultation: Government authorities, service providers, community groups and affected land owners.	- See Section 7 and Appendix 12

Environmental Assessment Requirements	EIS Reference
Plans and documents: Plans and architectural drawings required under Schedule 1 of EP&A Regulation 2000:	- See Volume 2
1. Site survey. 2. Locality/Context Plan. 3. Drawings at Scale.	- See Appendix 3 in Volume 2 - See Drawing STI-DA_001 in Appendix 4 in Volume 2 and Figures 1, 2, 3A and 3B - See Appendix 4B in Volume 2

2. SITE

2.1 Location

The site to which this Stage 1 DA for SSD relates 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

As shown on **Figure 2**, 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 of the three parcels are provided in **Appendix 2**.

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 area 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 configuration of each of these lots, is identified on **Figure 2**.

Detailed survey plans and elevations are provided in **Appendix 3** (see Volume 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 former NSW Treasury Buildings built between 1849 and 1919, and contains 509 rooms including 28 suites, 2 restaurants, 15 meeting rooms, and around 2030m² 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 currently include a ballroom, function rooms, restaurants, shops, a beauty salon, a Club InterContinental 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 (i.e. it is not a grand ballroom of the size and openness that a modern five-star hotel requires in a dynamic and competitive national and international functions market).

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

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 NSW Department of Roads, Transport and Tramways, and contains a gross floor area 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 approved a new three 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 Gross Floor Area and Floor Space Ratio

The existing Gross Floor Area ("GFA") on the site is as follows:-

Transport House:	7,965
InterContinental Hotel:	<u>32,699m²</u>
Total:	40,664m ²

With a site area of 5,510.4m², this GFA equates to an existing FSR of 7.379:1.

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.

2.6 Role

The InterContinental Hotel is located in Sydney's historic sandstone precinct with commanding world class iconic views from its Tower of the Sydney Harbour Bridge, Circular Quay, the Botanic Gardens, Sydney Opera House and Sydney Harbour. It is conveniently located for easy access to a wide range of visitor and tourist attractions.

It is an important part of Central Sydney's tourism infrastructure is evident from the following statistics:-

- in 2015, it sold 168,376 room nights;
- international guests accounted for 33% of all room nights sold in 2015;
- the Hotel hosted 4,421 events in 2015 with a cumulative attendance of 185,000 persons, and 355,000 meals served.

It employs 220 full-time staff, 140 part-time, and 30 casual.

The hotel is a "Brand Ambassador" of Sydney, a platinum partner of Business Events Sydney and cooperates closely with Destination NSW. It is one of two primary 5 star hotels in Sydney that governments (domestic and foreign) consider suitable for profile government delegations. It has also won the following recent awards:-

- 2016: World Travel Awards, *Australasia's Leading Business Hotel* (third consecutive year)
- 2016 World Travel Awards, *Australasia's Leading Executive Club Lounge* (second consecutive year)
- 2016: World Luxury Restaurant Awards, *Best Luxury Hotel Restaurant* (117 dining)
- 2016: HM Awards, *Best Business Hotel*, InterContinental Sydney
- 2016: HM Awards, *Rising Star*, Jessica Leek InterContinental – High Commended
- 2016: HM Awards, *Communications Associate of the Year*, Nicole Crowley InterContinental Sydney
- 2016: Green Hotelier Awards, *Green Hotelier Asia Pacific 2016*
- 2016: TAA NSW Awards for Excellence, *Meetings & Events Employee of the Year*, Nicole Cheramie
- 2016: TAA NSW Awards for Excellence, InterContinental Sydney, *Best Environmental Practices Metropolitan Hotels*
- 2016: TAA NSW Awards for Excellence, *Hall of Fame, Workplace Health & Safety Hotel of the Year* (third consecutive year)
- 2015: World Travel Awards, *Australia's Leading Hotel*
- 2015: World Travel Awards, *Australasia's Leading Business Hotel*
- 2015: World Travel Awards, *Australasia's Leading Executive Club Lounge*

2.7 Heritage significance

2.7.1 Overview

The site comprises two heritage-listed items (the former NSW Treasury Building which is a State item; and Transport House which is a local item) and is located adjacent to and/or is in close 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 has included heritage expertise from the outset to ensure relevant heritage issues are fully understood and appreciated by the design team.

Additionally, the site is within the area identified as 'Colonial Sydney' nominated for national listing on Australia's National Heritage List.

Nearby heritage items include:

- Former Health Department Building;
- Justice and Police Museum 4-8 Phillip Street Sydney;
- Royal Automobile Club 89-91 Macquarie Street Sydney;
- Former Chief Secretary's Building 121 Macquarie Street Sydney;
- The Sydney Domain;
- Royal Botanical Gardens, Sydney;
- First Government House site at 41 Bridge Street, Sydney;
- Conservatorium of Music, 1 Conservatorium Road;
- Former Department of Health Building item at 121 Macquarie Street, Sydney;
- Justice and Police Museum 4-8 Phillip Street, Sydney;
- Government House and Garden Group Conservatorium Road, Sydney; and
- Royal Automobile Club 89-91 Street, Sydney;
- Edward VII Statue Macquarie Street, Sydney (cnr Conservatorium Road)
- Palm Trees, Macquarie Street, Sydney (Shakespeare Place to Tarpeian Way)
Item 1861
- AMP, 33 Alfred Street, Sydney
- Government House, Moveable Heritage Collection and Gardens Macquarie Street, Bennelong Point, Sydney
- Customs House 31 Alfred Street, Sydney
- Astor, 123-125 Macquarie Street, Sydney
- History House 133 Macquarie Street, Sydney
- BMA House 135-137 Macquarie Street, Sydney

- Royal Australian College of Physicians 145 Macquarie Street, Sydney
- State Library of NSW 1 Shakespeare Place, Sydney
- Paragon Hotel – street facades 27-29 Alfred Street, Sydney
- Phillip Lane (Phillip St to Macquarie Street) Phillip Lane, Sydney.
- Customs House Lane, Sydney
- Shakespeare Place, Sydney (Macquarie Street adjoining State Library)
- Macquarie Place Precinct Macquarie Place, Sydney
- Tank Stream Foundation Herald Square, Sydney

2.7.2 Former NSW Treasury Buildings

The Statement of Significance for the former NSW Treasury Buildings (a State Heritage item) in the Draft Conservation Management Plan provided in **Appendix 9B** prepared by Urbis is as follows:-

“A detailed significance assessment is included in the Draft Conservation Management Plan, Former Treasury Buildings (InterContinental Hotel), 115 – 119 Macquarie Street, Sydney prepared by Urbis, December 2016. The revised statement of significance for the former Treasury buildings as detailed in the above CMP is included hereunder.

The former Treasury buildings at 115 – 119 Macquarie Street (64 Bridge Street) are of State heritage significance for their historical, aesthetic, associative, rarity and representative values. The former Treasury buildings comprise the Original Treasury Building (c.1849-1851), the northern wing extension being the Strong Room building (c.1896-1897) and the Link Building (c.1898-1899), and the Western Wing extension (c.1916-1919). Collectively, the former Treasury buildings are an outstanding example of Sydney’s colonial development and in particular of successive Government office development of the over a period of 70 years.

The buildings have a strong association with the Government (and Colonial) Architect’s Branch, and in particular the works of Mortimer Lewis, Walter Liberty Vernon and George McRae. The buildings are also considered significant for their long association with the Treasurer’s Department (and affiliated departments), and were occupied by a number of significant political figures during this period.

The Original Treasury Building is of the Italian Palazzo style, which is referenced in both the northern and western wing extensions. The Original Treasury Building in particular is considered to be rare as is it one of the first public office buildings remaining extant, and an early fine example of a Palazzo style building.

The collective building group is a significant Sydney landmark, comprising highly intact sandstone façades to Macquarie Street and Bridge Street. A number of rooms are highly intact and representative of their period of development and specific use (The Premier’s Room; the vault). The site

contributes to the streetscapes of Macquarie and Bridge Streets, and also to the colonial Sydney setting of the area. The buildings are associated with and form part of an important group of early public sandstone buildings in Sydney along Bridge, Macquarie and College Streets. The subject Treasury buildings forms part of an important group of public use buildings on the block bounded by Macquarie, Bridge, Phillip and Albert Streets.

The site was redeveloped in the 1980s for a contemporary hotel building, which incorporated the former Treasury buildings but also developed a large hotel tower above. The development resulted in significant fabric loss and intervention to the former Treasury buildings, and also disturbance and removal of significant archaeological remains.

Archaeological potential is considered to be low given the level of historical disturbance and previous excavation undertaken.”

The Draft Conservation Management Plan for the former NSW Treasury Buildings, which is an item of State significance, has not yet been endorsed (but will need to be endorsed) by the NSW Heritage Division. It is subject to revision by the NSW Heritage Division and will be amended as required throughout the review process.

2.7.3 Transport House

The Statement of Significance for Transport House (a local heritage item) in the Draft Conservation Management Plan provided in **Appendix 9C** prepared by Urbis is as follows:-

“A detailed significance assessment is included in the Draft Conservation Management Plan, Transport House, 99 Macquarie Street, Sydney prepared by Urbis, December 2016. The revised statement of significance for Transport House as detailed in the above CMP is included hereunder.

The subject Transport House building at 99 – 133 Macquarie Street, Sydney, has exceptional heritage significance at the state level for its aesthetic value, and at the local level for its historic, associative, rarity and representative values.

Transport House is significant as a contributory building to an important group of public and former public use buildings on the eastern periphery of Sydney’s CBD and Circular Quay. It is significant as a later (mid-twentieth century) contributor to the long term Government based occupation of the area, which commenced with the adjoining Treasury building in c.1849, and included other surrounding sites such as the Police and Justice Museum (former Water Police Court and Police Station), Health Department Building, and the Chief Secretary’s Building.

Transport House was built in 1938 in response to a need to centralise and regulate the functions of the newly formed Department of Road Transport and Tramways, which resulted from the rise of the motor vehicle culture in Australia in the early twentieth century. The building is associated with the changing and evolving nature of travel in NSW and the emergence of the motor vehicle culture in Australia.

Elements of the building’s fabric retain and conserve this association through physical fabric, including internal remnant signage, the remnant portion of the

basement floor ramp (where cars passed through into a registration yard), the ground floor Registration Hall (for public registration and licensing functions) and the wheeled 'Mercury' motif on the Macquarie Street façade.

Transport House is aesthetically significant at a state level as an outstanding example of modernist architecture evidenced by the Inter-War Stripped Classical style façade to Macquarie Street and Art Deco façade to Phillip Street and interiors, and is representative of these typologies. Whilst the Art Deco typology is more characteristic of Budden & Mackey, the Macquarie Street façade is aesthetically distinctive as a sandstone-faced infill development designed specifically to respond to its historic urban context, in particular the adjoining Treasury buildings.

The building is highly intact and possesses rare and significant internal features including the double height ornate Registration Hall, intact timber panelled executive suites (Commissioner's Room and Board Room), excellent marble, terrazzo, scagliola and scagliola-terrazzo finishes throughout, and intact internal spaces such as lavatories, stairwells and corridor configuration. Further, the ground floor Registration Hall escalator (linking to the sub-basement floor Phillip Street lobby) is a rare example of a timber cleat escalator.

Transport House is strongly associated with the architectural firm of Budden and Mackey as one of the firm's principal examples of Inter-War commercial office buildings, together with the former Railway House at Wynyard and the MWS & DB Building (c.1939). As a result of the firm's work on Transport House and the above buildings, Budden & Mackey were at the time considered to be the premier firm for modernist commercial office buildings in Sydney. Elements of the building are associated with Rayner Hoff, a prominent Australian public sculptor of the period who contributed to larger commercial buildings.

The archaeological potential of the site has been assessed as very low to nil."

The Draft Conservation Management Plan for Transport House has not yet been endorsed by Sydney City Council and will be amended as required throughout the review process.

2.8 Context

2.8.1 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 7th February, 1985) and are listed on the State Heritage Register, the Register of National Estate and in Part 1 of Schedule 5 of Sydney LEP ("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 11th August, 1989, is a listed heritage item in the 2012 LEP, and is listed on the State Heritage Register.

2.8.2 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.

2.8.3 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.

2.8.4 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 Central Sydney Planning Committee (“CSPC”).

3. THE PROPOSAL

3.1 Overview and Objective

The Applicant seeks approval for a staged (Stage 1) development application to provide certainty for the development concept illustrated on the DA drawings in **Appendix 4B**. DA's for subsequent stages will seek approval for the carrying out of physical works and will provide the necessary additional design detail.

The proposal involves a comprehensive upgrade of the rooms, corridors, lobbies, tower façades, services, plant, reception, entries, porte-cochère, bars and restaurants, of the InterContinental Hotel, relocation of the wellness facility, including gym and pool, to Level 9, in part on the roof of Transport House, expansion of the Club InterContinental (roof) lounge and the creation of a new (predominantly glazed) 610 person capacity (seated), 900 person capacity (standing), column-free, grand ballroom on Level 10 extending northwards out from the hotel tower, over and above the roof of Transport House.

The objective of the project is to reinvigorate the hotel to create an integrated and vibrant luxury hotel commensurate with a global city and an iconic location that is recognised on the world stage.

The design intent is to minimise the impacts of the proposal on Transport House and the former NSW Former Treasury Building on the site, and to ensure a successful and acceptable relationship between the new building volumes on the site (primarily those associated with the new grand ballroom) and adjoining/nearby heritage items, including the Justice and Police Museum, and Macquarie Street.

3.2 Architect's Design Statement

HASSELL, the project architects, have prepared a design statement for the Stage 1 DA scheme. It is provided in **Appendix 5**.

It describes the key design strategies for:

- the new grand ballroom on Level 10;
- the new recreational facilities on Level 9;
- the façade upgrades;
- the Phillip Street porte-cochère and entry including a glazed awning extending out over the Phillip Street footpath;
- the Macquarie Street entry and awning including a new canopy over the narrow laneway between Transport House and the InterContinental Hotel;
- the greater activation of the ground plane internally and externally to improve permeability and provide more effective and dynamic use of the discrete available spaces including ground floor terraces;
- the removal of the cortile roof (1985) and its replacement with a contemporary glazed roof;
- the improvement of hotel food and beverage offers;

- the improvement of hotel function and meeting facilities;
- the relocation of the cooling towers from the rooftop of the tower to Level 8, adjacent to the corner of Bridge Street and Phillip Street to facilitate expansion and improvement of the Club InterContinental (roof) lounge on Level 32;
- the refurbishment of the guest rooms;
- the relocation of the gym and swimming pool from Level 31 to Level 9 so as to provide new rooms with excellent views, to compensate for the loss of rooms on Level 10 associated with the creation of the new grand ballroom; and
- various other minor modifications.

3.3 Building Envelope for Grand Ballroom Addition

The key additional design feature of the proposal is a building envelope for a new, predominantly glazed, grand ballroom on Level 10 which will extend northward from within the hotel tower over Transport House.

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 hotel health facility (including pool, spa and gym) on Level 9. The ballroom addition will provide 900m² 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 building envelope 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 street level of Macquarie Street at the point 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.

The selected location for the grand ballroom will provide guests with an excellent world class panoramic outlook. In this regard, the floor level for the grand ballroom addition over Transport House is at RL 42.70m which means guests will enjoy views over Circular Quay, Sydney Opera House, the Royal Botanic Gardens and the Harbour.

The height limit along Macquarie Street north of the site to Albert Street is governed by the control in Sydney DCP 2012 which limits the height of buildings within 30m of the Macquarie Street frontage to the height of Transport House, which is below RL 42.70m. As a result, the control has the effect of protecting views from the proposed ballroom, such views being one of its main assets and appeal.

3.4 Building Envelope for Club InterContinental Upgrade

The proposal is to relocate existing roof top plant, including cooling towers, from Level 32 to Level 8 (on the Bridge Street side) so as to permit expansion of the Club InterContinental (roof)

lounge, which is a major attraction for Hotel guests. Work on Level 31 will include removal of the existing pool and associated plant. (The pool will be relocated to Level 9)

The expanded club lounge will provide increased capacity and improved functionality to better capitalise on the world class views of Sydney Harbour.

No increase is proposed to the existing maximum overall height of the tower.

3.5 Other Key Upgrade Elements

3.5.1 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.

3.5.2 Improved Weather Protection

A glazed awning with associated wind shields will be added over the Phillip Street footpath adjacent to the porte-cochère to improve weather protection and foyer visibility from Bridge Street and Circular Quay.

3.5.3 Improved Entry Experience

Increased activation of entries (e.g. improved retail, new seating, and new food and drink spaces) 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.

3.5.4 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 on Level 10 described above in Section 3.2 will sit over the new swimming pool and gym on Level 9).

3.5.5 Room Upgrade

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

3.5.6 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.

3.5.7 Wellness Facility

A new fully-integrated wellness facility will provide a day spa, gymnasium and 20 metre lap-pool on Level 9.

3.6 GFA and FSR

The proposed development will increase the existing GFA on the site by 4,400m from 40,664m² to 45,064m² equating to an FSR of 8.178:1.

Floor plans showing the additional GFA are provided in **Appendix 4F** (see Volume 2).

3.7 Use

No change is proposed to the use of the InterContinental Hotel for the purposes of tourist and visitor accommodation. In relation to Transport House it is presently used for the purpose of commercial premises in the form of offices (including the offices of the Applicant). The proposed development involves use of the roof and airspace above Transport House for the new grand ballroom of the Hotel and for part of the Hotel's new wellness facility. Consent is sought for this tourist and visitor accommodation use of that part of the site comprising Transport House. The roof of Transport House has previously been approved for this purpose in the form of a three-storey addition and swimming pool (see Section 2.3.2 of the EIS for further details).

3.8 Parking and Access

No change is proposed to the existing porte-cochère, loading dock, basement car park or ingress/egress arrangements.

3.9 Capital Investment Value and Jobs

3.9.1 Capital Investment Value ("CIV")

As detailed in **Appendix 17**, the proposal has a CIV of \$216,654,768 (excluding GST).

3.9.2 Jobs

As also detailed in **Appendix 17**, the proposal will create around 220 jobs in the construction phase and around 100 new jobs during the operational phase.

4. STATUTORY PLANNING FRAMEWORK

4.1 Environmental Planning and Assessment (“EP&A”) Act, 1979

4.1.1 Objects

Development under the EP&A Act is to have regard to the objects in Section 5 of the Act. These objects are as follows:

“(a) to encourage:

- (i) the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment,*
- (ii) the promotion and co-ordination of the orderly and economic use and development of land,*
- (iii) the protection, provision and co-ordination of communication and utility services,*
- (iv) the provision of land for public purposes,*
- (v) the provision and co-ordination of community services and facilities, and*
- (vi) the protection of the environment, including the protection and conservation of native animals and plants, including threatened species, populations and ecological communities and their habitats, and*
- (vii) ecologically sustainable development, and*
- (viii) the provision and maintenance of affordable housing, and*
- (b) to promote the sharing of the responsibility for environmental planning between the different levels of government in the State, and*
- (c) to provide increased opportunity for public involvement and participation in environmental planning and assessment.”*

The proposed development is considered to be consistent with the above objects of the Act in that it will promote the orderly and economic use of the land in a manner that appropriately respects and responds to the location, context, characteristics, heritage significance and other qualities of the site and its surrounds.

4.1.2 Section 83B – Staged development applications

Section 83B of the EP&A Act 1979 relates to “staged development applications” and states as follows:-

“(1) For the purposes of this Act, a staged development application is a development application that sets out the concept proposals for the development of a site, and for which detailed proposals for separate parts

of the site are to be the subject of subsequent development applications. The application may set out detailed proposals for the first stage of development.

- (2) A development application is not to be treated as a staged development application unless the applicant requests it to be treated as a staged development application.*
- (3) If consent is granted on the determination of a staged development application, the consent does not authorise the carrying out of development on any part of the site concerned unless:
 - (a) Consent is subsequently granted to carry out development on that part of the site following a further development application in respect of that part of the site, or*
 - (b) The staged development application also provided the requisite details of the development on that part of the site and consent is granted for that first stage of development without the need for further consent.**
- (4) The terms of a consent granted on the determination of a staged development application are to reflect the operation of subsection (3).*

4.1.3 Section 78A(8) Application

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 EP&A Act requires that a DA for SSD is to be accompanied by an EIS prepared by or on behalf of the Applicant in the form prescribed by the Regulation. The EIS satisfies this requirement.

4.2 State Environmental Planning Policies

4.2.1 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.”*

The proposed development is for a tourist related purpose that has a CIV of more than \$100 million as detailed in the qualified Quantity Surveyor’s report in **Appendix 17**. Additionally, the site of the proposed development includes the former NSW Treasury Building (including its interiors) which is located on the State Heritage Register and which is an environmentally sensitive area of State significance.

As the proposed development has a CIV of more than \$10 million and is for a tourist-related development and is in an environmentally sensitive area of State significance, the proposed development is therefore development of a type listed in both Clause 13(2) (a) and (b) of the SRD SEPP.

4.2.2 State Environmental Planning Policy (Infrastructure) 2007

The SEPP would apply to the proposed development if the site was in the railway corridor identified as the “Interim Rail Corridor CBD Rail Link and CBD Metro Map”.

An extract from the above-mentioned map is provided in **Figure 7**. The site, as shown on **Figure 7**, is not in, nor is it adjacent to, the identified rail corridor.

4.2.3 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.

4.2.4 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 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.

Additionally, the site is immediately adjacent to but not within the "Opera House Buffer Zone" identified on the "Opera House Buffer Zone Map" in the SREP (see **Figure 6C**).

4.3 Sydney Local Environmental Plan 2012 ("the 2012 LEP")

4.3.1 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*
- (l) to protect, and to enhance the enjoyment of, the natural environment of the City of Sydney, its harbour setting and its recreation areas"*

4.3.2 Zoning and Permissibility

The site is zoned B8 Metropolitan Centre in the 2012 LEP (see **Figure 4A**). 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” (our emphasis)*

“Tourist and visitor accommodation” is defined in the 2012 LEP and is permissible with consent in the B8 Metropolitan Centre Zone. The definition is as follows:

*“**tourist and visitor accommodation** means a building or place that provides temporary or short-term accommodation on a commercial basis, and includes any of the following:-*

- (a) **backpacker’s accommodation**,*
- (b) **bed and breakfast accommodation**,*
- (c) **farm stay accommodation**,*
- (d) **hotel or motel accommodation**,*
- (e) **serviced apartments**,*

But does not include:

- (f) **camping grounds**, or*
- (g) **caravan parks**, or*
- (h) **eco-tourist facilities**.” (our emphasis)*

“Hotel or motel accommodation” is defined to mean:-

*“**hotel or motel accommodation** means a building or place (whether or not licensed premises under the Liquor Act 2007) that provides temporary or short term accommodation on a commercial basis and that:*

- (a) **comprises rooms or self-contained suites**, and*
- (b) **may provide meals to guests or the general public and facilities for the parking of guests’ vehicles**,*

but does not include backpackers’ accommodation, a boarding house, bed and breakfast accommodation or farm stay accommodation.”

The proposed development is for the purpose of “hotel and motel accommodation”, a permissible use in the B8 Metropolitan Centre zone. The proposed new ballroom (like the existing ballroom) will be ancillary to the hotel. Therefore, although it will be used for the holding of events and functions it will not be a separate “function centre” use in its own right and no separate consent is sought or required for a “function centre”, as defined in the 2012 LEP.

4.3.3 Height (Clauses 4.3 and 6.7)

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**, already significantly exceeds the 55m height limit.

The effect of the latter height control is generally as shown on the diagram in **Appendix 4E** and, again, the existing InterContinental Tower already significantly exceeds the Royal Botanic Gardens sun access plane.

In relation to these two height controls:-

- the proposed building envelope for the new grand ballroom addition which extends over Transport House 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 eastern-most part of the new ballroom addition building envelope extends into the 55.0m height zone on the height map in the 2012 LEP, is therefore readily compliant with that height limit; and
- the increase to the existing building envelope to accommodate changes to the Club InterContinental (roof) lounge (facilitated by the relocation of the existing roof plant to Level 8) is intended not to result in any increased afternoon mid-winter overshadowing of the Royal Botanic Gardens.

However, the wording of Clause 6.7 of the 2012 LEP is such that no height increase over a sun access plane is permissible, even when there is an existing building (as in the subject case) which already exceeds that plane (and even where no additional overshadowing arises on the public domain at relevant nominated times arises).

This control acts as a partial prohibition (incapable of variation via a Clause 4.6 variation request) which this Stage 1 SSD application need not be restricted by.

4.3.4 FSR (Clauses 4.4 and 6.1)

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 or motel accommodation, pursuant to Clause 6.4(1)(a) of the 2012 LEP. The proposed FSR is 8.178:1.

Pursuant to Clause 6.11 of the 2012 LEP, where a building (the height of which will exceed 55m following the development), as a result of the proposed development has an FSR over 8:1 an amount of heritage floor space has to be allocated to the building that is equal to 50% of the “accommodation floor space” to be utilised.

In the case of the proposed development:-

- the additional GFA which is proposed is 4,400 m²;
- the additional GFA results in a total GFA of 45,064 m² and an FSR of 8.178:1;
- the 0.178:1 FSR which is over 8.0:1 equates to +980.8m²; and
- 50% of 980.8 m² is 490.4m².

Therefore, absent all other relevant considerations the effect of Clause 6.11 of the 2012 LEP would be to require the Applicant to acquire, as a condition of consent, 490.4m² of Transferable Heritage Floor Space ("THFS").

However, the relevant considerations include:-

- around half of all the additional GFA associated with the proposed development is located in those parts of the building with a height of less than 55m; and
- the Applicant is already entitled to be awarded 4,718m² of THFS as a result of the conservation works carried out in Transport House pursuant to the consent to DA D/02/00739A.

Having regard to all of the above if the Applicant is required to purchase half the additional GFA over 8:1 FSR (i.e. 490.4m²) as THFS, an equal amount should be deducted from the amount of THFS that the Applicant is already entitled to be awarded (i.e. 4,718m² – 490.4m² = 4,227.6m²)

4.3.5 Heritage Conservation (Clause 5.10)

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	11870*
Sydney	Former Treasury Building including interiors	115-119 Macquarie Street	Lot 40 DP 41315; Lot 4, DP 785393	State	11871*

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.

The provisions of Clause 5.10 Heritage Conservation in the 2012 LEP apply to the proposal. These provisions have been considered in the EIS.

Draft Conservation Management Plans ("CMP's") have been prepared (see **Appendices 9B** and **9C**) and are included in this EIS following the Heritage Impact Statement ("HIS") in **Appendix 9A**. As drafts, the CMP's for the Former NSW Treasury Building and Transport House are subject to revision respectively by the NSW Heritage Division and City of Sydney Council and it is anticipated that they will be amended, as required, throughout the review process.

4.3.6 Design Excellence (Clause 6.21)

Clause 6.21(4) of the 2012 LEP requires that regard be had to the following matters when considering whether a proposed development exhibits design excellence:-

“(4) In considering whether development to which this clause applies exhibits design excellence, the consent authority must have regard to the following matters:-

- (a) whether a high standard of architectural design, materials and detailing appropriate to the building type and location will be achieved,*
- (b) whether the form and external appearance of the proposed development will improve the quality and amenity of the public domain,*
- (c) whether the proposed development detrimentally impacts on view corridors,*
- (d) how the proposed development addresses the following matters:*
 - (i) the suitability of the land for development,*
 - (ii) the existing and proposed uses and use mix,*
 - (iii) any heritage issues and streetscape constraints,*
 - (iv) the location of any tower proposed, having regard to the need to achieve an acceptable relationship with other towers (existing or proposed) on the same site or on neighbouring sites in terms of separation, setbacks, amenity and urban form,*
 - (v) the bulk, massing and modulation of buildings,*
 - (vi) street frontage heights,*
 - (vii) environmental impacts, such as sustainable design, overshadowing and solar access, visual and acoustic privacy, noise and wind reflectivity,*
 - (ix) pedestrian cycle, vehicular and service access and circulation requirements, including the permeability of any pedestrian network,*
 - (x) the impact on, and any proposed improvements to, the public domain,*
 - (xi) the impact on any special character area,*
 - (xii) achieving appropriate interfaces at ground level between the building and the public domain,*
 - (xiii) excellence and integration of landscape design.”*

In this regard:-

- (a) the Stage 1 development concept devised by Hassell demonstrates a high quality of design which is well-informed by all relevant considerations - further detailing, including further details of materials of which will be provided with the subsequent Stage 2 DA (or DA's);*

- (b) the upgrade of the InterContinental Hotel façades will result in an improved presentation to the surrounding public areas and the new grand ballroom will be a dramatic but fitting and high quality addition to the built form of the locality;
- (c) the visual and view analysis in Section 6.3.4 and **Appendices 7A and 7B** of this EIS demonstrate that the proposal will have no unreasonable or unacceptable adverse impact on views, either public or private;
- (d) items (i) to (xiv) have been satisfactorily addressed/resolved in the Stage 1 design:-
 - (i) the site is suitable for its existing hotel and commercial office use;
 - (ii) the existing uses will not change other than for the use of the roof and airspace above Transport House for hotel accommodation purposes;
 - (iii) the heritage constraints have been comprehensively addressed (see HIS and the two Draft CMP's) in **Appendices 9A, 9B and 9C** respectively;
 - (iv) no tower form is proposed – it already exists and is to be improved;
 - (v) the bulk, masking and modulation of the new grand ballroom addition is well-considered and will be further refined in a Stage 2 DA;
 - (vi) the existing street frontage heights will be retained Macquarie Street;
 - (vii) all of these matters have been addressed in the formulation of the design and in this EIS;
 - (viii) ESD principles have been satisfied (see **Appendix 11**);
 - (ix) no changes are proposed to the existing car parking arrangements and improved pedestrian accessibility will be provided;
 - (x) the public domain adjoining the site will be better activated;
 - (xi) the impacts of the proposal on the two Special Character Areas in which the site is located are satisfactory;
 - (xii) improved ground level interfaces will be provided as a result of increased activation of terraces; and
 - (xiv) landscape design is not a relevant consideration for this highly urbanised historic site on which the existing buildings cover almost 100% of the site area.

Insofar as Clause 6.21(5) of the LEP is concerned, although the size of the site (i.e. more than 1,500m²), the quantum of the CIV (being in excess of \$100 million), and the height of the existing tower (being over 55.0m) would each potentially trigger the need for a competitive design process, such a requirement needs to be considered having regard to the following circumstances which include:-

- the DA is a staged (Stage 1) development application;
- the Stage 1 building envelopes and concept generally has been devised by HASSELLS, architects who are recognised for their design excellence;
- the design process has been rigorous and comprehensive utilising input from a wide range of different disciplines;

- the Applicant does not seek additional bonus GFA or FSR for the site;
- the proposed FSR is only 0.178:1 over the 'base' of 8.0:1;
- the roof of the building envelope for the major additional design element (i.e. the new grand ballroom) is well below the 55.0m height above which is the trigger for a design competition; and
- no public view corridors are affected by the proposed development.

Additionally: -

- Mulpha is committed to the achievement of excellence in the architectural design of the InterContinental Hotel;
- to reach this goal, the project design team to work is able with a Design Review Panel, to be appointed and agreed with the City of Sydney and the NSW Department of Planning and Environment; and
- reviews will occur at regular intervals through all phases of the design and documentation of the project to ensure that a consistent level of design excellence is achieved and maintained from the Stage 1 concept illustrated in **Appendix 4B** to Stage 2 DA detail.

4.3.7 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 1500m² (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 staged development application is for a Stage 1 approval, with detailed DA's for physical works to follow in Stage 2.

4.3.8 Special Character Areas (various clauses the 2012 LEP)

The site spans two Special Character Areas: Special Character Area A "Bridge Street/Macquarie PI/Bulletin PI" and Special Character Area G "Macquarie Street" and is adjacent to Special Character Area C "Circular Quay", as identified on the Special Character Area Map in the 2012 LEP (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 to the Special Character Areas are contained in Sydney DCP 2012 (see Section 4.4.2 below).

4.4 Sydney DCP 2012

4.4.1 General

Pursuant to Clause 11 of the SRD SEPP, DCP provisions do not apply to DA's for SSD. Nevertheless, the SEAR's require this DCP to be addressed, as relevant.

4.4.2 Special Character Areas

As shown on **Figure 4E**, the site is partly in Special Character Area A, partly with Special Character Area G and adjacent to Special Character Area C. Clause 2.1 of the DCP states that development within Special Character Areas must be consistent with the following objectives:-

- “(a) retain and enhance the unique character of each Special Character Area;*
- (b) ensure development has regard to the fabric and character of each are in scale, proportion, street alignment, materials and finishes and reinforce distinctive attributes and qualities of built form;*
- (a) conserve and protect heritage items and their settings;*
- (b) maintain a high level of daylight access to streets, lanes, parks and other public domain spaces;*
- (c) encourage active street frontages to the public domain;*
- (d) conserve, maintain and enhance existing views and vistas to buildings and pace of historic and aesthetic significance.’*

The Locality Statements for the above three Special Character Areas are provided in **Appendix 18**.

It should be noted that:-

- the building envelope the for proposed grand ballroom and associated spaces is not in Special Character Area A or C but is partly in Special Character Area G; and
- the proposal as a whole is not inconsistent with the principles for Special Character Areas A, C or G.

Consideration of the relationship of the proposal to surrounding heritage buildings and heritage streetscapes is addressed in the Heritage Impact Statement in **Appendix 9A**.

4.4.3 Macquarie Street setback

Of particular note 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 building envelope for the new ballroom addition is setback around 20 metres from Macquarie Street and but has 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”).

4.4.4 Phillip Street setback

Clause 5.1.2(3) of the DCP requires a 10.0m setback from the Phillip Street wall. The proposed grand ballroom addition extends to the street frontage in Phillip Street. The heritage implications of this non-compliance are addressed in the Heritage Impact Statement in **Appendix 9A**.

4.5 Other Legislation

4.5.1 Heritage Act (NSW) 1977

Although an SSD approval means that separate approval is not required under the Heritage Act 1977, full and proper consideration has been given to the heritage values of the existing buildings both on the site and on adjoining and nearby lands.

Draft Conservation Management Plans ("CMP's") have been prepared for the former Treasury Building and for Transport House. The Heritage Impact Statement in **Appendix 9A** assesses the impacts of the proposal on the heritage items having regard to the provisions in the two Draft CMP's.

4.6 List of Other Approvals

Clause 7(1)(d)(v) of the EP&A Regulation 2000 requires the analysis of a proposed development to include:-

"(v) a list of any approvals that must be obtained under any other Act or law before the development, activity of infrastructure may lawfully be carried out"

No approvals under other legislation are required before the development can be carried out.

5. CONSULTATION

The SEAR's require an appropriate level of consultation with Sydney City Council, State government agencies, service providers, community groups and affected landowners including in particular:-

- City of Sydney Council;
- Roads and Maritime Services;
- Heritage Council of NSW;
- Australian Heritage Council;
- Australian Heritage Council;
- Royal Botanic Gardens and Domain Trust;
- Transport for NSW; and
- Sydney Living Museums.

In this regard, Elton Consulting has undertaken the required consultation. Their Stakeholder Outcomes Consultation report is provided in **Appendix 12**. As detailed in their report, a total of 18 meetings was held with key stakeholders and neighbours between October and December 2016.

The “overview of key issues” in Section 3.1 of the Stakeholder Outcomes Consultation report states:-

“Overall, key stakeholders and neighbours were very positive and supportive of Mulpha’s proposed plans to upgrade the InterContinental Hotel and excited about the new ballroom concept above Transport House; particularly as these upgrades would better align with the City of Sydney’s vision to create activated places.

Most stakeholders and neighbours recognised and expressed their support for the benefits the project will generate to the immediate Circular Quay Precinct, for the city and Sydney’s economy in general.

Stakeholders very much appreciated being consulted at the early stages of this proposal and welcomed the opportunity to ask questions and provide feedback.”

The “summary of the key matters raised” in Section 3.1.2 of the Stakeholder Outcomes Consultation report states:-

- ♦ *Mulpha was often advised to consider the timing when construction begins, particularly as the AMP Capital building on 50 Bridge Street, located across from the InterContinental Hotel Sydney, will be under construction around the end of 2017 until the end of 2020.*
- ♦ *On several occasions, Mulpha was advised to consider the options for vehicle access, movements and parking during construction as Bridge Street and Phillip Street are demanding traffic streets.*

- ♦ *Given that the Treasury building is a State Heritage Listed building, Mulpha was advised to carefully consider the potential heritage impacts and that these will need to be closely reviewed and managed sensitively*
- ♦ *It was often advised the Mulpha considers the façade material of the tower and of the addition above Transport House so that it blends well with the heritage features.*

Mulpha acknowledged all considerations and responded (where appropriate) to concerns in the meetings with stakeholders.

Mulpha committed to provide further advice once they had clarification on some matters raised by stakeholders.”

Section 3.2 of the report provides a detailed table of matters raised by stakeholders and Mulpha’s responses thereto. The consultation which has been undertaken satisfies the requirements of the relevant SEAR’s. Overall, as detailed in **Appendix 12** the feedback from this consultation was very positive.

Additionally, in accordance with Section 89F of the EP&A Act 1979, the SSD application and accompanying information will be made publicly available in accordance with the relevant requirements of the Regulation.

6. ENVIRONMENTAL ASSESSMENT

6.1 Environmental Planning Instruments, Policies and Guidelines

6.1.1 Environmental Planning Instruments and Sydney DCP 2012

Section 5 of this EIS contains a discussion of the proposal's compliance/consistency with relevant State Environmental Planning Policies Sydney, Sydney LEP 2012 and Development Control Plan 2012 which apply to the site.

In relation to Sydney DCP 2012, Clause 11 of the SRD SEPP provides that DCP's do not apply to SSD. Nevertheless, a compliance table is provided in **Appendix 13**, which addresses the proposal's compliance with the relevant provisions in Sydney DCP 2012.

6.1.2 Relevant policy documents

6.1.3 "NSW 2021 – a plan to make NSW Number One "

NSW 2021 is a 10-year plan to guide policy and budget decision making in order to rebuild the now State economy, provide quality services, renovate infrastructure, restore government accountability and strengthen the local environment and community.

The plan sets out a series of key goals to meet the intended deliverables, one of which being *Goal 27* and its intention to recognise and protect the State's most significant heritage places for the enjoyment of future generations.

By improving the use and amenity of the InterContinental Hotel and Transport House, the proposal makes a positive contribution to the heritage qualities of the site and is considered to be consistent with the overall goals of the State Plan.

Additionally, in pursuit of improved economic performance one of the priority actions identified in the 10-year plan is to increase tourism in the state and to double visitor expenditure.

The proposal is consistent with this priority action.

The proposal is also consistent with the "Visitor Economy Industry Action Plan" from 2012 which was an initiative of the 10-year plan.

6.1.4 Plan for Growing Sydney

The Plan for Growing Sydney was released in December 2014 and sets out the key strategic growth priorities for "Global Sydney", including increased employment growth which the proposal will achieve during both construction and operation.

The Plan seeks to promote Sydney's Heritage, Arts and Culture through recognition of the City's 'Cultural Ribbon' and its role in the *tourism and entertainment economy, contributing to the CBD being 'Australia's pre-eminent tourist destination'*.

By improving the use and amenity of the InterContinental Hotel and Transport House, the proposal is considered to further promote the use of the site for purposes associated with

tourism, and therefore achieving the relevant aims of the Plan. By providing tourist and visitor accommodation in Sydney's northern CBD, the proposal is consistent with this Plan.

6.1.5 Draft Sydney City Sub-Regional Strategy

The draft strategy acts as a broad framework for the long-term development of metropolitan Sydney area, guiding both government and investment and linking local and state issues.

Key directions of the strategy includes, *improving the quality of the built environment while decreasing the sub-regions ecological footprint and enhancing the subregions prominence as a diverse global cultural centre*. These directions have resulted in actions to *promote Sydney's cultural heritage while also promoting key tourist and visitor destinations*.

The proposal seeks to improve the guest experience at the InterContinental Hotel. For this reason, the proposal is considered to align with the direction of the strategy in enhancing and promoting Sydney's cultural heritage and as a tourist destination.

6.1.6 Planning Guidelines for Walking and Cycling

Guests at the InterContinental Hotel are able to walk to a wide range of facilities and services including major tourist attractions, including the Harbour Bridge, Sydney Opera House, Circular Quay, The Rocks and Royal Botanic Gardens. This is consistent with these guidelines.

6.1.7 Sydney City Centre Access Strategy

The InterContinental Hotel is within convenient walking distance of a wide range of facilities and services, including major tourist attractions. This is consistent with this Strategy.

6.1.8 Sydney's Cycling Future

The InterContinental Hotel is within close proximity to the proposed cycleway on Pitt Street. Additionally, as set out in Section 2.7 "Cycling Network" in the transport report in **Appendix 10** of this EIS:-

"There are a number of key cross-city routes which form part of City of Sydney's new cycling network which provide linages to the precinct. These routes are as follows:

- ♦ *Kent Street (separated, bi-directional cycleway)*
- ♦ *King Street*
- ♦ *Pymont Bridge (shared cycle path)*
- ♦ *Macquarie Street (mixed street environment)*
- ♦ *Alfred Street north (shared cycle path)*
- ♦ *College Street (separated, bi-directional cycleway)*

The Sydney City Centre Access Strategy was released by the NSW Government in December 2013. The strategy outlines the future city centre cycleway network to encourage growth in cycling and reduce pressure on the public transport system. The future city centre cycle network is shown in Figure 7, and includes:

- ♦ *Extending the Kent Street cycleway south to Liverpool Street*
- ♦ *Construction of a bi-directional cycleway on Castlereagh Street and Pitt Street, providing a new north-south connection through the DBD*
- ♦ *Extending the existing King Street cycleway to Castlereagh Street*
- ♦ *Extending the east-west cycleway along Park Street to Castlereagh Street”*

6.1.9 Sydney’s Walking Future

The InterContinental Hotel is within easy and convenient walkable distance of excellent public transport services and major tourist attractions as detailed above in Section 6.1.6.

6.1.10 Sydney’s Light Rail Future

The InterContinental Hotel is within walking distance of the new light rail service being installed along George Street in the CBD.

6.1.11 Guide to Traffic Generating Development (RMS)

The proposal results in a reduction (by two) of the number of rooms (from 509 to 507) and the only significant additional hotel component is the new grand ballroom.

The traffic generation aspects of the new element of the hotel are addressed in the traffic and transport report in **Appendix 10**. No additional parking is proposed. Existing access arrangements are to remain unchanged.

6.2 Staging

The project architects have identified the likely staging options as follows in their design statement in **Appendix 5**.

“The proposed construction works at the InterContinental Hotel will impact upon all hotel areas including basement, podium, tower and roof resulting in some level of works or refurbishment being undertaken at the same time. This will have a comprehensive and accumulative impact on the functionality of the hotel and its ability to provide the expected level of visitor experience.

Two options for carrying out the works are being considered:-

- ♦ *The first option is to keep the hotel operational and progress through the works floor by floor. There would be times where several floors at a time would be impacted due to the complexity and this would result in a program of works that may span several years and cause considerable disruption. Careful consideration of the impact on the InterContinental Hotel brand and potential loss of customers would need to be taken into consideration.*
- ♦ *An alternative option is to close the InterContinental Hotel for a shorter period, to undertake the works in a comprehensive and coordinated manner. There would be no disruption to guests and it would provide the opportunity for a grand opening, showcasing the new and refurbished facilities. Obviously, this option needs to be considered in light of the financial implications.”*

These are not the only staging options. Others will be considered as part of the work leading up to submission of the Stage 2 DA.

6.3 Built Form and Urban Design

6.3.1 Achievement and demonstration of design excellence

Section 4.3.6 of this EIS sets out the relevant requirements of Clause 6.21 of Sydney LEP 2012, explains how those requirements have been met, and suggests that forcing the Applicant to undertake a competitive design process would be unreasonable and unnecessary in the following circumstances:-

- the DA is a staged (Stage 1) development application;
- the Stage 1 building envelopes and concept generally has been devised by architects who are recognised for their design excellence;
- the design process has been rigorous and comprehensive utilising input from a wide range of different disciplines;
- the Applicant does not seek additional bonus GFA or FSR for the site;
- the proposed FSR is only 0.178:1 over the ‘base’ of 8.0:1;
- the roof of the building envelope for the major additional design element (i.e. the new grand ballroom) is well below the 55.0m height above which is the trigger for a design competition; and

- no public view corridors are affected by the proposed development.

Additionally: -

- Mulpha is committed to the achievement of excellence in the architectural design of the InterContinental Hotel;
- to reach this goal, the project design team is able to work with a Design Review Panel to be appointed, and agreed with the City of Sydney and the NSW Department of Planning and Environment; and
- reviews will occur at regular intervals through all phases of the design and documentation of the project to ensure that a consistent level of design excellence is achieved and maintained from the Stage 1 concept illustrated in **Appendix 4B** to the details in DA's for subsequent stages.

Further discussions with the Department are invited on this issue.

6.3.2 Height, bulk, scale and setbacks

Height

Proposed increases in existing building height (i.e. as defined in Sydney LEP 2012) are primarily associated with:-

- the new grand ballroom over Transport House, the height details of which are as described in Section 4.3.3 of this EIS: at its highest point, the top of the building envelope identified for the new ballroom is 15m below the 55.0m height limit in the LEP;
- changes to parts of the hotel podium; and
- extensions to the InterContinental Club lounge which nevertheless remain well below the uppermost existing roof of the tower plant structure.

These changes can most clearly be seen on the elevations on Drawings STI-DA-301 and 302 in **Appendix 4B**.

The issues raised by the proposal are not height related per se, but rather are related to the heritage impacts of the increased building volume on the heritage items on the site and on adjoining and nearby sites. These issues are addressed in detail in this EIS in **Appendix 9**.

Bulk and Scale

Increases in bulk and scale of the Hotel Tower

The elevations referred to above identify (in blue) the proposed increases to the existing bulk increases in bulk and scale of the Hotel tower and scale of the existing buildings on the site.

The increases in bulk and scale of the Hotel tower are primarily related to the identification of a building envelope on the roof of the Hotel Tower to accommodate extensions to the InterContinental Club lounge, however this envelope increase remains well below the existing maximum roof height. (This is best illustrated on the axonometric views in **Appendix 4D**)

Reference to the visual impact analysis in **Appendix 7A**, even taking into account the more "solid" presentation of the building envelope illustration, reveals an absence of impact

associated with the increased bulk and scale of the Hotel tower. The increases are not substantial.

Increases in bulk and scale of the podium and above Transport House

The increases in the bulk and scale of the Hotel podium and the building volume above Transport House are primarily related to:-

- the envelope for the grand ballroom and its associated lift access and service corridors on Level 10 combined with the new wellness facility on Level 9 below; and
- the relocated plant on Level 8 near the corner of Bridge Street and Phillip Street.

The increased bulk and scale arising from both of the above is considered to be reasonable and appropriate having regard to:-

- the 20m setback from Macquarie Street which has the effect of reducing visual impacts when seen from points along that street;
- the high quality design that will be achieved through the process referred to in Section 6.3.1 above;
- the acceptability and merits of the proposal from a heritage perspective as set out in the HIS in **Appendix 9A**; and
- the absence of unreasonable or unacceptable streetscape or visual impacts.

Bulk and scale generally

The maximum FSR for a hotel on the site is 14:1 (excluding the design excellence bonus of 10% and potential FSR additions enabled by the 2012 LEP which potentially increase the maximum to around 16:1). To the extent that FSR is a measure of bulk and scale it is clearly the case that the buildings on the site, with an FSR of 8.178:1 which includes the additions now proposed, are clearly not an over-development of the site, whether measured against the 14:1 (or 16:1) FSR maximum or any other prescriptive or performance criteria. It is particularly relevant that the proposed alterations and additions and their associated bulk and scale be seen in this planning context.

Setbacks

No significant setback issues to arise as a result of the increased building envelope and roof lounge extension on the noted tower.

In relation to the additional building volume on the Hotel podium and on the roof of Transport House the setback from Macquarie Street will be in-line with the existing lift overrun which is considered readily sufficient to ensure no unreasonable impacts arise on the Macquarie Street streetscape and Macquarie Street Special Character Area.

In relation to the northern site boundary adjacent to the Justice and Police Museum and Phillip Street the setback of the building envelope is zero, however it is nevertheless acceptable from a heritage perspective, as detailed in the HIS in **Appendix 9A**.

6.3.3 Changes to use and layout and impacts on circulation

The use of the InterContinental Hotel is not proposed to change from that of tourist accommodation. It is only the ballroom addition (with wellness facility below) over the roof of Transport House that results in a change of use from commercial offices to commercial offices with hotel activities above.

No adverse land use interrelationships arise out of this co-location and it is relevant to note that there is a current (i.e. not lapsed) consent for a three-storey addition on the roof of Transport House. The approved use of the approved addition is for hotel rooms and a swimming pool.

No adverse impacts arise on circulation within or around the Hotel and Transport House. Indeed, the proposal is intended to result in increased permeability and legibility for the benefit of Hotel guests as well as in increased activation of the street frontages, all generally consistent with relevant Council policies.

6.3.4 Visual impact analysis

The project architects have prepared a visual impact study from 8 nominated locations as shown on the first sheet in **Appendix 7A**. For each of these locations “before” and “after” photos are provided, noting that in the “after” what is shown is the building envelope only (i.e. unresolved by the essential design detail which will be part and parcel of the Stage 2 DA).

Whilst the building envelope for this rooftop club lounge is of interest (however, with little discernible or significant change or impact), the primary reason for the carrying out of the view impact analysis is associated with the building envelope for the new ballroom and in this regard view locations 3, 4, 6 and 7 best identify how the increased massing will relate to (and be seen in) the context of surrounding nearby buildings.

Clearly, the design detail to be undertaken for the DA’s for future stages will be vital in ensuring that the integration of the new built form with the existing built form in the locality is successfully resolved, however the visual analysis in **Appendix 7A** illustrates that the impact is neither unreasonable nor unacceptable, as concluded in the Heritage Impact Statement in **Appendix 9A**.

6.3.5 Impacts on Special Character Areas

The Special Character Areas which the site is within or adjacent to are identified on **Figure 4E**, and the relevant provisions for the 2012 LEP and the 2012 DCP are identified in Sections 4.3.8, and 4.4.2 of the EIS. The Locality Statement for each Special Character Area is provided in **Appendix 18** of this EIS. Consideration of the heritage aspects for the Special Character Area is contained in the Heritage Impact Statement in **Appendix 9A**.

The visual impact analysis contained in **Appendix 7A** of the EIS demonstrates that the additional bulk and scale associated with the building envelopes which are proposed results in no unreasonable or unacceptable impact on the Special Character Areas relevant to the site. DA’s for future stages will need to provide the required details of materiality, finishes and modulation to ensure that additional development within the building envelopes are all appropriate to the site’s context.

6.4 Amenity

6.4.1 Solar access

The proposed building envelope which is to accommodate the addition for the grand ballroom is on the northern side of the Intercontinental Hotel and will give rise to no loss of solar access for the Hotel or for any sensitive receivers (e.g. residents, public open spaces etc.).

There will be some increased overshadowing in morning periods on the Phillip Street roadway, however the roadway is already in partial shadow at that time and with a proposed building height well below the permissible height, such shadow increase from the ballroom addition is neither unexpected nor unreasonable.

The increased shadowing from the increased building envelope on the tower is insignificant.

6.4.2 Acoustic and visual privacy

Acoustics

The acoustic report in **Appendix 8** examines background noise levels at the site, construction/glazing standards, noise emission objectives and recommendations for mechanical plant and the proposed ballroom, and sets out noise and vibration emission guidelines and criteria to be applied during construction.

It concludes as follows:-

“Traffic noise impacts on future occupants of the development have been assessed in accordance with the City of Sydney Council DCP 2012, NSW Department of Planning “Development near Rail Corridors and Busy Roads – Interim Guideline” requirements and Australian Standard 2107 – “Recommended Design Sound Levels and Reverberation Times for Building Interiors”.

Provided that the treatments set out in section 4.3 of this report are employed, traffic noise impacts on hotel will comply with relevant acoustic criteria.

Noise emission objectives for the proposed development has also been determined based on on-site noise logging and noise emission guidelines typically adopted by City of Sydney Council, and have been presented in section 5. Recommendations for control of noise emissions have been presented in section 5.3 where it is recommended that specific acoustic treatment to plant servicing the building is determined in the detailed design phase of the project when detailed plant items are known.”

These matters will need to be addressed in the Stage 2 DA.

Visual Privacy

The proposed building envelopes have no directly aligned interface with habitable rooms in adjoining buildings.

6.4.3 Servicing requirements

6.4.3.1 Waste management

A Waste Management Plan prepared to Sydney City Council requirements is provided in **Appendix 16**. It estimates the quantum of waste and recyclables each week in the various categories (of general waste, co-mingled, organics, paper and glass) likely to emit from the proposed additions. However, this additional waste will be managed as part of the hotel's general operations

6.4.3.2 Loading zones

No changes are proposed to the on-street traffic and parking management measures around the site.

There is no proposed change to the hotel's loading dock. Any associated increase in delivery activity arising from the proposed additions will be managed by the Hotel's loading dock manager with times for deliveries allocated where necessary.

6.4.3.3 Mechanical plant

The proposed alterations and additions will require a significant investment in new services and plant including relocation of existing plant room Level 31 to Level 8, adjacent to Bridge Street.

There are no insurmountable mechanical plant related constraints to the Applicant's ability to deliver the proposed upgrade of the Hotel, and details of the environmental performance of mechanical plant (e.g. how noise from its attenuated; how it is visually screened etc) will form part of a Stage 2 application.

6.4.4 View impacts

Containing the ballroom addition to a maximum height of between 34m and 40m above ground level (depending on where it is measured), and having regard to the form of the three-storey addition to Transport House approved pursuant to the consent to DA/02/00739A, results in an absence of any likely significant view affectation from surrounding properties. Furthermore, the building envelope for the ballroom addition is largely on the part of the site where the height limit is the sun access plane, and to the extent that the volume of the ballroom addition is partly in the (much lower) 55.0m height zone, it will be well below that 55.0 height limit.

The Architect's view loss analysis in **Appendix 7B** shows simulated views from:-

- Governor Phillip Tower (RL 87.0m AHD);
- Aurora Place (RL 80.0m AHD);
- Quay Quarter Tower (Level 10);
- Quay Quarter Tower (Level 13);
- Quay Quarter Tower (Level 20);
- AMP Centre (RL 90.0m AHD); and
- Quay Apartments – looking south (RL 85.0m AHD);

Quay Quarter Tower is the approved replacement tower on the AMP site to the west of the subject site. It has not yet been built, hence the simulated views in **Appendix 7B**.

The view impact analysis needs to be considered in the light that the top of the building envelope for the ballroom addition is very significantly below the permissible height limit applying to this part of the site. (Adjacent to Phillip Street, the height limit is the sun access plane for the Royal Botanic Gardens which intersects close to the top of the Hotel Tower).

The likely view impacts are considered to be reasonable when considered in the light of the Tenacity principle for view impact assessment. To the extent that any individual view loss in the tower levels of the approved Quay Quarter Tower might be considered significant (in that a future view from a space in a yet-to-be-constructed-building is lost of the Botanic Gardens and waters of Sydney Harbour), the fact that the cause of the loss of view is a building addition that is at least 14m below the height limit on the Macquarie Street side and around 50m below the height limit on the Phillip Street side is an important mitigating consideration, as is the fact that the FSR on the site on which the development is proposed is only around 60% of what is permissible on the site.

The nearest residential building with northerly views towards the subject site is “The Astor” located at No 123 Macquarie Street, to the south of the former NSW Chief Secretary’s Building. It has north-facing windows on each level. The building envelope for the ballroom addition is unlikely to significantly diminish the panoramic views available from apartments in The Astor given that those views are predominantly over the Botanic Gardens and down Macquarie Street.

6.4.5 Reflectivity impacts

A Solar Light Reflectivity Analysis prepared by Windtech is provided in **Appendix 14**.

The report states:-

“The results of the study indicate that, to avoid any adverse glare to motorists and pedestrians on the surrounding streets, occupants of neighbouring buildings, and to comply with the abovementioned planning control requirements, the following is recommended:

- ♦ *Blinds be installed on all east facing windows on Level 9 of the subject development which have a view of the cortile roof.*
- ♦ *All glazing used on the external façade of the development should have a maximum normal specular reflectance of visible light of 20%.*

It should be noted that the most reflective surface on the façade of a building is the glazing. Reflected solar glare from concrete, brickwork, timber, etc., is negligible (i.e: less than 1% normal specular reflectance) and hence will not cause any adverse solar glare effects. Note also that, for any painted or powder-coated metallic surfaces on the exterior façade of the development, the maximum normal specular reflectance of visible light for those types of surfaces is in the range of 1% to 5%, which is well within the abovementioned limit.

With the incorporation of these recommendations, the results of this study indicate that the subject development will not cause adverse solar glare to pedestrians and motorists in the surrounding area, or to occupants of

neighbouring buildings, and will comply with the planning controls regarding reflectivity for the Sydney City Council Development Control Plan (2012)."

These recommendations will need to be incorporated in the Stage 2 DA.

6.4.6 Wind impacts

A Pedestrian Wind Environmental Statement prepared by Windtech is provided in **Appendix 14**.

The report states:-

"The results of this assessment indicate that the proposed redevelopment of the Intercontinental Hotel is expected to have a negligible impact on the ground level wind environment conditions. It is expected the wind conditions to be similar to existing wind conditions within the various ground level, outdoor trafficable areas within and around the subject development site.

The results of this study indicate that wind conditions within and around the remaining outdoor trafficable areas of the site are expected to be acceptable for their intended uses with the following recommendations incorporated into the design:

- ♦ *Retention of the proposed impermeable screens separating the new seating spaces adjacent to the Macquarie Street entrance on Level 5. These screens may be portable and placed/removed at the operator's discretion.*
- ♦ *The inclusion of a 1.5m high impermeable balustrade along the northern aspect of the pool deck on Level 9.*
- ♦ *Retain the proposed landscaping around the perimeter of the private terraces on Level 13.*
- ♦ *Retention of the proposed full height impermeable screens/privacy walls separating the terraces on Level 31A.*
- ♦ *The inclusion of a 1.5m high impermeable balustrade along the eastern aspect of the terraces on Level 31A.*
- ♦ *The inclusion of 2m high impermeable screens around the north-eastern and south-eastern corners as well as the western perimeter edge of the Level 32 terrace.*
- ♦ *The inclusion of 1.5m high impermeable balustrades around the remaining perimeter edge of the Level 32 Terrace.*

...

With the inclusion of the recommended treatments in the final design of the development, it is expected that suitable wind conditions will be achieved for all outdoor trafficable areas within and around the site. The inclusion of additional densely foliating vegetation such as trees or hedge planting within and around the various outdoor trafficable areas of the site is expected to be effective in further enhancing the localised wind conditions."

These recommendations would need to be incorporated into the Stage 2 design.

6.4.7 Overshadowing impacts on the Royal Botanic Gardens

The design intent has been to not increase mid-winter overshadowing of the Royal Botanic Gardens.

Shadow diagrams from the Stage 1 building envelope additions are provided in **Appendix 4C**. Diagrams are provided for summer, equinox and winter for 9:00am, 12:00 midday and 3:00pm.

Reference to the shadow diagrams demonstrates that there is no increase in afternoon overshadowing of the Botanic Gardens from the club lounge extensions on the roof of the tower.

6.5 Heritage

6.5.1 Heritage Impact Statement

The Heritage Impact Statement ("HIS") is provided in **Appendix 9A**. Its executive summary states as follows:-

"The proposed volumetric works to be included in this Stage 1 SSD application are restricted to approval for the overall building envelope of the new ballroom/ pool roof-top addition to Transport House, minor additions to the roof of the 1980's hotel podium, and the external refurbishment / alteration of the 1980's hotel tower with a minor extension to the Level 32 club lounge. The refurbishment presents a significant opportunity to enhance the setting of the heritage item through an improved façade solution.

The proposed works have been assessed against relevant statutory controls, including the Sydney local Environmental Plan 2012, as well as non-statutory guidelines, including the Sydney Development Control Plan 2012, the NSW Heritage Division Guidelines, and the respective draft Conservation Management Plan policies which have been prepared for the subject properties. A detailed assessment of the proposed works against these controls is included in Section 6 of this report.

The proposed Stage 1 envelope is supported subject to the following recommendations:

- ♦ *It is recommended that the design of the additions and tower refurbishment be subject to full design excellence standards to mitigate visual impacts of the proposal on the setting and proximate heritage items. Detailed design should be undertaken in close consultation with a qualified and experienced heritage consultant, to ensure the final design is sympathetic and enhances the precinct and setting of the subject heritage items.*
- ♦ *We understand that there may be scope to resolve the final form of the rooftop additions to the 1980's podium building at a reduced scale compared with the overall volumetric form as detailed in Section 3.1. The envelope for the ballroom addition provides for the maximum volume available, with consideration for heritage constraints of Transport House and feasibility for practical use. With regard to the volume of the associated podium additions, it is however recommended that the options for reduction of these forms are explored rigorously as part of the Stage 2 SSD application and development should not extend to the full envelope.*

Overall, the Stage 1 SSD application proposal as described and assessed herein, is consistent with the policies contained in the draft CMPs, provisions of the Sydney LEP 2012 and DCP 2012, and the NSW heritage Division Guidelines. The Stage 1 SSD application is therefore recommended for approval."

Having regard to the content and conclusions of the HIS and of the policies set out in the two Draft CMP's in **Appendix 9B** and **9C**, it can reasonably be considered that there is no heritage impediment to approval of the Stage 1 DA.

6.5.2 Draft Conservation Management Plans

Draft Conservation Management Plans (“CMP’s”) for the former NSW Treasury Buildings and for Transport House are provided in **Appendices 9B and 9C** respectively. The Draft CMP for the Former NSW Treasury Buildings needs to be, and is yet to be reviewed and endorsed by the NSW Heritage Division. It is likely to be considered by the NSW Heritage Division in March 2017. The Draft CMP for Transport House will be provided to City of Sydney Council for review and endorsement. It is likely that as a result of this review process the Draft CMP’s will be amended, as required.

6.6 Traffic, Parking and Access

6.6.1 Traffic Generation Impacts

The number of hotel rooms is proposed to reduce from 509 to 507 thus the primary change associated with traffic generation is the proposed grand ballroom. Arup has prepared a “Stage 1 DA – Traffic and Transport Assessment” for the proposal (see **Appendix 10**). It states as follows:

“It is proposed to install a 916 m² ballroom with a 610 capacity for sit-down dinner and 900 capacity for a standing function to complement the existing function room offering at the hotel. This will be the primary change to activity on the site with the hotel rooms and function rooms providing a similar level of guest and visitor service to the current level of activity.

A range of event types will occur in the ballroom:

- ♦ *during the working day a conference or meetings*
- ♦ *in the evening a formal dinner event*
- ♦ *at weekends a wedding or similar gathering*

Each event will have different travel characteristics and some of the factors that may affect people’s travel choice include:

- ♦ *Already located in the city within walking distance*
- ♦ *Staying in the InterContinental or in a nearby hotel*
- ♦ *Availability or cost of car parking*
- ♦ *Traveling in a group*
- ♦ *Good access to public transport*
- ♦ *Whether the event has alcohol served/consumed by attendee*

Taking these factors into account events held during a weekday will generate very low car parking demand with slightly higher car parking demand likely for evening and weekend events.

For a weekday event:

50 cars @ 1.5 people /car = 75 people (7.5% car mode)

For an evening /weekend event:

100 – 150 cars @ 2.5people /car = 250 – 375 people (25% - 38% car mode)

Section 3.5 identifies public parking locations that are available for patrons of the InterContinental.

The remainder of trips will be undertaken by walking, taxis and public transport throughout the day with taxis and public transport playing a larger role in the evening and at the weekend.

In addition to train and bus, the site is well placed to take advantage of ferries and the new light rail route which terminates at Circular Quay.”

Consequently, the traffic generation impacts of the proposal are not likely to be significant.

The report concludes:-

“The precinct has good public transport availability, served by the high quality Circular Quay public transport interchange – which provides an environment where passengers may easily transfer between bus, rail and ferry modes. The future introduction of a light rail station at Circular Quay will further improve public transport accessibility to the precinct.

A series of pedestrian footpaths and dedicated crossing facilities provide good connectivity between the building entries and these public transport stops.

The development does not propose to change the number of hotel rooms or parking provision at the hotel. The primary change in travel will result from the ballroom. During a weekday up to 50 additional vehicles may be generated with parking occurring on-site or at a number of nearby parking stations. Taxi movements are also likely to increase however there are already empty taxis circulating on the nearby road system. During the evening and weekends, some 100-150 additional vehicles may be generated. The roads at these times are not as busy in the northern part of the Sydney CBD and will be able to accommodate these additional movements.

It is concluded that the transport impacts arising from the proposed development application are acceptable and can be appropriately managed.”

6.6.2 Parking impacts

No changes are proposed to the existing 121 parking spaces on the site. This number of spaces already exceeds the number that would be permitted for a replacement new hotel with the same number of rooms.

There are also many public parking stations within an easy walking distance of the Hotel.

Parking impacts from the proposed alterations and additions, including the grand ballroom (which will be ancillary to the hotel and not a separate use in its own right) are unlikely to be significant.

6.6.3 Access impacts

The existing hotel access arrangements are to remain unchanged. No additional access impacts will arise

6.7 Infrastructure Impacts – Interim Rail Corridor

The site, which comprises the InterContinental Hotel and Transport House is not in, nor is adjacent to, the Interim Rail Corridor (see **Figure 7**). It will have no impact on the Interim Rail Corridor.

6.8 Ecologically Sustainable Development (ESD)

The EP&A Act 1979 adopts the definition of Ecologically Sustainable Development (ESD) found in the Protection of the Environment Administration Act 1991 which requires the effective integration of economic and environmental considerations in decision-making processes.

The Stage 1 proposal allows ESD principles to be implemented through the incorporation of a number of features in the design and during construction including Australian best practice sustainability initiatives. An ESD report has been prepared by the project engineer, ARUP (see **Appendix 11**). It sets out ESD options and provides energy and water recommendations for consideration in detailed design development in relation to the concept façade upgrade, mechanical services, HVAC systems, electrical services, hydraulic services, lifts and on-site energy generation and makes recommendations for how a successful ESD outcome can be achieved by using a well-defined and measurable process for managing ESD issues throughout the design process, construction and operation.

It is considered that the precautionary and inter-generational equity principles have been applied in the design through the assessment of the environmental impacts of the proposal, as detailed in this EIS.

7. SECTION 79C ASSESSMENT

7.1 Overview

Pursuant to Section 89H of the Act, Section 79C applies to SSD Applications. The relevant provisions of Section 79C are set out below, along with cross-references to the sections of the EIS where the relevant provisions are respectively addressed.

7.2 Statutory Planning Requirements

Section 79C(1)(i)-(v) states:-

“(1) Matters for consideration—general

In determining a development application, a consent authority is to take into consideration such of the following matters as are of relevance to the development the subject of the development application:

(a) the provisions of:

- (i) any environmental planning instrument, and*
- (ii) any proposed instrument that is or has been the subject of public consultation under this Act and that has been notified to the consent authority (unless the Secretary has notified the consent authority that the making of the proposed instrument has been deferred indefinitely or has not been approved), and*
- (iii) any development control plan, and*
- (iiia) any planning agreement that has been entered into under section 93F, or any draft planning agreement that a developer has offered to enter into under section 93F, and*
- (iv) the regulations (to the extent that they prescribe matters for the purposes of this paragraph), and*
- (v) any coastal zone management plan (within the meaning of the Coastal Protection Act 1979),*

that apply to the land to which the development application relates”

In relation to Section **79C(1)(a)(i)**, relevant environmental planning instruments are addressed in Section 4 of this EIS.

In relation to Section **79C(1)(a)(ii)** there are no proposed instruments (as defined) that are relevant to the proposed development.

In relation to Section **79C(1)(a)(iii)**, Clause 11 of the SRD SEPP specifically provides that DCP provisions do not apply to applications for SSD. Nevertheless, the SEAR's (see **Appendix 1**) require the EIS to address Sydney DCP 2012. The relevant provisions of the DCP are addressed in Section 4 of this EIS.

In relation to Section **79C(1)(a)(iiia)** no planning agreement is proposed.

In relation to Section **97C(1)(a)(iv)** there are no relevant prescribed matters in the regulations other than Clause 288, as detailed in Section 4 of this EIS.

In relation to Section **79C(1)(a)(v)** no coastal zone management plan applies to the site.

7.3 Likely Impacts on the Environment

Section 79C(1)(b) requires consideration of:-

“(b) the likely impacts of that development, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality”

7.3.1 Impacts on the Natural Environment

The proposal is a Stage 1 DA and will have no impacts on the natural environment as it relates to a ballroom addition and comprehensive upgrade of an existing hotel in a CBD location.

7.3.2 Impacts on the Built Environment

Impacts on the built environment and social and economic impacts are considered in Section 6 of this EIS. The height, bulk and scale, visual, streetscape, acoustic, wind, reflectivity and other impacts are reasonable and appropriate in the circumstances of the case.

7.3.3 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. 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.

The proposal is expected to generate around 220 jobs during construction and 100 jobs on operation (see **Appendix 17**). The social and economic impacts of the proposal will be positive

7.3.4 Heritage Impacts

The heritage impacts of the proposal are acceptable for the reasons set out in the HIS in **Appendix 9A**.

7.3.5 Traffic, Parking and Access Impacts

The proposed development will have no adverse traffic, parking or access impacts for the reasons set out in the traffic report in **Appendix 10**.

There are no changes proposed to the existing access arrangements; the number of parking spaces remains unchanged; the existing loading bays/dock remains unchanged; the number of hotel rooms reduces by two from 509 to 507.

The additional traffic generation and parking demand which are likely to be generated by the proposed ballroom addition can readily be accommodated by existing road and parking infrastructure (on and off-site).

7.4 Suitability of the Site for the Development

Section 79C(1)(c) requires consideration of:-

“(c) the suitability of the site for the development”

The “site” is the InterContinental Hotel and Transport House.

The site is primarily used for tourist accommodation purposes in the form of the InterContinental Hotel, whereas the use of Transport House is for office premises. The mixed use of the Transport House part of the site for office premises and purposes associated with tourist and visitor accommodation is appropriate. Its continued use (and enhancement) for this purpose is well-suited to the site as a whole.

The site is an excellent location for a five-star hotel and the existing heritage-listed item comprising the former NSW Treasury Building is well-suited to its continued re-use as part of the hotel.

The site is therefore suitable for the proposed development.

7.5 Any Submissions

Section 79C(1)(d) requires consideration of:-

“(d) any submissions made in accordance with this Act or the regulations”

Any submissions received during the notification/exhibition of the SSD and this related EIS will need to be considered by the Department in its assessment and determination of the application.

7.6 Public Interest

Section 79C(1)(e) requires consideration of:-

“(e) the public interest”

The public interest is best satisfied by quality development which meets a perceived need in general compliance with the relevant controls, policies and guidelines applying to the land to which the application relates. In this regard, the proposal is in the public interest.

8. REASONS JUSTIFYING THE CARRYING OUT OF THE PROPOSED DEVELOPMENT

Clause 7(1)(f) of the EP&A Regulation 2000 requires an EIS to include:-

“(f) reasons justifying the carrying out of the development, activity or infrastructure in the manner proposed, having regard to biophysical, economic and social considerations including the principles of ecologically sustainable development set out in sub-clause (4)”

Sub-clause 4 sets out the principles of ecologically sustainable development as follows:-

- (4) *The principles of ecologically sustainable development are as follows:*
- (a) *the **precautionary principle** namely, that if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation. In the application of the precautionary principle, public and private decisions should be guided by;*
 - (i) *careful evaluation to avoid, wherever practicable, serious or irreversible damage to the environment, and*
 - (ii) *an assessment of the risk-weighted consequences of various options,*
 - (b) ***inter-generational equity**, namely, that the present generation should ensure that the health, diversity and productivity of the environment are maintained or enhanced for the benefit of future generations,*
 - (c) ***conservation of biological diversity and ecological integrity**, namely, that conservation of biological diversity and ecological integrity should be fundamental consideration,*
 - (d) ***improved valuation, pricing and incentive mechanisms**, namely, that environmental factors should be included in the valuation of assets and services, such as:*
 - (iii) *polluter pays, that is, those who generate pollution and waste should bear the cost of containment, avoidance or abatement,*
 - (iv) *the users of goods and services should pay prices based on the full life cycle of costs of providing goods and services, including the use of natural resources and assets and the ultimate disposal of any waste,*
 - (v) *environmental goals, having been established, should be pursued in the most cost effective way, by establishing incentive structures, including market mechanisms, that enable those best placed to maximise benefits of minimise costs to develop their own solutions and responses to environmental problems.”*

The key issue of ESD is addressed in **Appendix 11** of this EIS. Biophysical (to the very limited extent relevant), economic and social considerations are discussed in Sections 6 and 7 of this EIS.

The reasons justifying the carrying out of the proposed development are as follows:-

- tourism is a vital part of the local, State and National economy;
- the InterContinental Hotel is a significant part of the tourism infrastructure of Sydney; and
- improving, modernising, augmenting, supplementing, and further developing the hotel so that it can better satisfy guests and event market demands without giving rise to unreasonable impacts is both reasonable and appropriate.

9. Analysis of Feasible Alternatives to the Proposed Development

Clause 7(1)(c) in Schedule 2 of the EP&A Regulation 2000 requires that an EIS must include inter alia:-

“(c) an analysis of any feasible alternatives to the carrying out of the development, activity or infrastructure, having regard to its objectives including the consequences of not carrying out the development, activity of infrastructure,”

As part of the selection of the location on the site for the proposed new grand ballroom addition and hotel upgrade, a number of potential alternative solutions were explored in order to determine the most integrated strategy with the least aesthetic and heritage impacts that met the intended performance criteria and operational demands of the hotel.

Impact on views to, from and across the structures were all considered as was the need to develop a dynamic yet restrained form of reasonable structural efficiency.

The location, footprint, height configuration, form, integration with existing structures, materiality and envelope of the proposed grand ballroom addition which is setback around 20m from the Macquarie Street frontage, and extending out over Transport House, is considered to be the optimum arrangement (and effectively the only feasible option) if the InterContinental Hotel is to provide the highest quality new event space capable of satisfying contemporary ballroom essentials, including column free space and a capacity for at least 600 seated guests (and 900 standing).

The objective of the proposal insofar as the ballroom addition is concerned, is to create a space that not only satisfies the above requirements but which also delivers, a differentiation to other large event spaces in Sydney. The differentiation is the world class views. There is no alternative location for a building envelope for a ballroom addition that satisfies this objective.

10. Environmental Risk Assessment

The proposed Stage 1 development will have no discernible adverse impact on the natural environment given that the site of the InterContinental Hotel and Transport House is almost 100% occupied by buildings (which are to be retained and improved), in a highly-urbanised environment, in a city centre location.

Insofar as built environment or heritage impacts might arise as a consequence of the proposed works, these are addressed in the relevant sections and appendices of the EIS.

The SEAR's state in relation to this issue:-

"Where relevant, the assessment of the key issues below, and any other significant issues identified in the assessment, must include:

- ♦ *adequate baseline data;*
- ♦ *consideration of potential cumulative impacts due to other development in the vicinity; and*
- ♦ *measure to avoid, minimise, and if necessary, offset the predicted impacts, including detailed contingency plans for managing any significant risks to the environment." (our emphasis)*

Environmental risk assessment is a process primarily intended to minimise harm to natural systems. It is of less relevance to highly urbanised, CBD locations, particularly where what is proposed is a Stage 1 concept which will not result in any physical works, such works before they are carried out first requiring a separate and subsequent Stage 2 development application lodgement, assessment, and conditional determination. In the absence of physical work there is no potential for environmental risk.

Risks associated with the physical work once approved, such as construction activities, can be addressed at the relevant stage (ie Stage 2 DA).

11. CONCLUSION

The merits and impacts of the proposed Stage 1 SSD proposal have been described and assessed in this EIS and it is concluded that it will not give rise to any significant adverse heritage or environmental impacts (noting that as a Stage 1DA it will not in itself, result in the carrying out of any physical works) and is supportable for the following reasons:-

- the proposal represents a major \$203m 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, porte-cochere, entries, bars, restaurants, gym, pool, roof lounge and health/wellness facilities which will contribute positively to Sydney's stock of five-star hotel accommodation;
- the proposal will result in the creation of a new, predominantly glazed, 900m² (approximately) grand 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 height and FSR of the new ballroom addition (and including other FSR increases) will be well within the height and FSR controls in the 2012 LEP;
- the upgrade of the rooms will facilitate the exploration of options for 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;
- the expansion of the club lounge on the top level of the tower will not result in adverse impacts yet will significantly improve guest amenity and better meet and satisfy guest expectations;
- 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; and
- the heritage, bulk and scale, streetscape, amenity, construction and other impacts will be acceptable and where necessary mitigative actions can be required at Stage 2 to ensure successful and effective delivery and implementation of the project.

Based on the assessment undertaken in this EIS, the staged (Stage 1) development application for SSD of the type and in the form proposed has merit, is reasonable, appropriate, and acceptable and thus should be approved.



FIGURES



APPENDICES



APPENDIX 1

Secretary's Environmental Assessment Requirements



APPENDIX 2

Certificates of Title and Deposited Plans



APPENDIX 3

Survey Plans (see Volume 2)



APPENDIX 4A

Architect's Stage 1 DA Drawings: Existing Floor Plans and Elevations (see Volume 2)



APPENDIX 4B

Architect's Stage 1 DA Drawings: Proposed Floor Plans, Elevations and Sections (see Volume 2)



APPENDIX 4C

Shadow Diagrams (see Volume 2)



APPENDIX 4D

3D Massing Axonometric Views (see Volume 2)



APPENDIX 4E

Sun Access Plane Diagrams (see Volume 2)



APPENDIX 4F

Floor Plans Showing Additional GFA (see Volume 2)



APPENDIX 4G

Floor Plans Showing Additional External Elements (see Volume 2)



APPENDIX 5

Architect's Stage 1 Design Statement



APPENDIX 6

Photomontages (see Volume 2)



APPENDIX 7A

Visual Impact Study (see Volume 2)



APPENDIX 7B

View Analysis (see Volume 2)



APPENDIX 8

Acoustic Report



APPENDIX 9A

Heritage Impact Statement (see Volume 3)



APPENDIX 9B

Draft CMP for InterContinental Hotel (see Volume 3)



APPENDIX 9C

Draft CMP for Transport House (see Volume 3)



APPENDIX 10

Traffic, Parking and Access Report



APPENDIX 11

ESD Report



APPENDIX 12

Consultation Report



APPENDIX 13

Sydney DCP 2012 Compliance Table

APPENDIX 14

Pedestrian Wind Environment Statement



APPENDIX 15

Solar Light Reflectivity Analysis



APPENDIX 16

Waste Management Report



APPENDIX 17

Qualified Quantity Surveyor's CIV and Job Creation Estimate Reports



APPENDIX 18

Locality Statements