

REQUEST FOR SECRETARY'S ENVIRONMENTAL ASSESSMENT REQUIREMENTS

**HOTEL MIXED-USE
DEVELOPMENT**

4-6 BLIGH STREET, SYDNEY

URBIS

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1. INTRODUCTION

1.1. OVERVIEW

In accordance with Schedule 2 of the *Environmental Planning and Assessment Regulation 2000* (the Regs), this report is a request for the Secretary's Environmental Assessment Requirement (SEARs) to guide the development of a mixed-use hotel and commercial development at 4-6 Bligh Street, Sydney (the site).

The proposed development is classified as State Significant Development (SSD) on the basis that it falls within the requirements of clause 13 of Schedule 1 of *State Environmental Planning Policy (State and Regional Development) 2011* (SRD SEPP), being 'development that has a capital investment value of more than \$100 million for the purpose of other tourist related facilities'. It is noted that the Capital Investment Value (CIV) for the hotel component will be greater than \$100 million and the CIV for the commercial premises component is a further \$52,839,007.

The development of the site reflects the significant need for additional tourist accommodation and commercial floor space in Sydney CBD.

The proposal provides an opportunity to deliver a high density mixed use development in the heart of the Sydney CBD without impacting on the amenity of surrounding development and public spaces.

The purpose of this report is to provide information to support the request for SEARs and provides:

- An overview of the site and context,
- A description of the proposed development,
- An overview of the relevant planning framework and permissibility, and
- An overview of the likely environmental and planning impacts.

This request should be read in conjunction with the following documentation:

- Reference Design Plans prepared by Architectus – **Appendix A**
- Quantity Surveyor Statement prepared by WT Partnership – **Appendix B**

1.2. PLANNING PROPOSAL

In October 2017, a Rezoning Review Request was lodged and referred to the Planning Assessment Commission (PAC) (now Independent Planning Commission (IPC)). This pathway was pursued as the estimated value of the hotel component of the proposed future development was over \$100 million and would therefore be categorised as SSD under SEPP SRD. It was also pursued as Council deemed the proposal was premature and did not support the preparation of a planning proposal as the Central Sydney Planning Strategy and associated planning proposal had not received gateway determination nor was the Central Sydney planning proposal on public exhibition.

The Planning proposal seeks to amend the existing planning controls to enable the following:

- A maximum Floor Space Ratio (FSR) of 22:1
 - This provision will enable a total FSR of 20:1 including base FSR, accommodation floor space, and any other bonus floor space but excluding any floor space eligible to be awarded as a result of design excellence.
- A site-specific clause will be included in Sydney Local Environmental Plan 2012 (Sydney LEP 2012) which will set the objectives and controls of the proposed development in line with the relevant floor space, height of buildings and ESD provisions.

On 1 December 2017, a Rezoning Review was undertaken by the PAC. It concluded that the proposal should be submitted for Gateway Determination as the proposal demonstrated strategic merit and site-specific planning merit. However, the recommendation noted the following:

- (a) The proponent is to demonstrate how the additional FSR is to be accommodated or how the maximum should be reduced to reflect what is achievable;*
- (b) The strategic merit of the proposal is intrinsically linked to the proposed development of hotel accommodation and modern office space; and also intrinsically dependent on the provision of infrastructure funding and satisfactory arrangements are required for the proposal to progress to finalisation; and*
- (c) Refinements will be required to fully characterise the potential impacts of the development, which can be finalised as part of the detailed review of the planning proposal.*

The Department of Planning and Environment (DPE) issued a letter giving the Council the opportunity to be the relevant planning authority to prepare a planning proposal for Gateway Determination. The Council accepted this role in February 2018.

The Council prepared a Planning proposal which appears to address the PAC's recommendation. The planning proposal seeks to amend Sydney LEP 2012 and is accompanied by proposed amendments to Sydney Development Control Plan (DCP) 2012. The revised Planning proposal was submitted to the DPE on 26 June 2018.

2. SITE AND LOCALITY

2.1. SITE

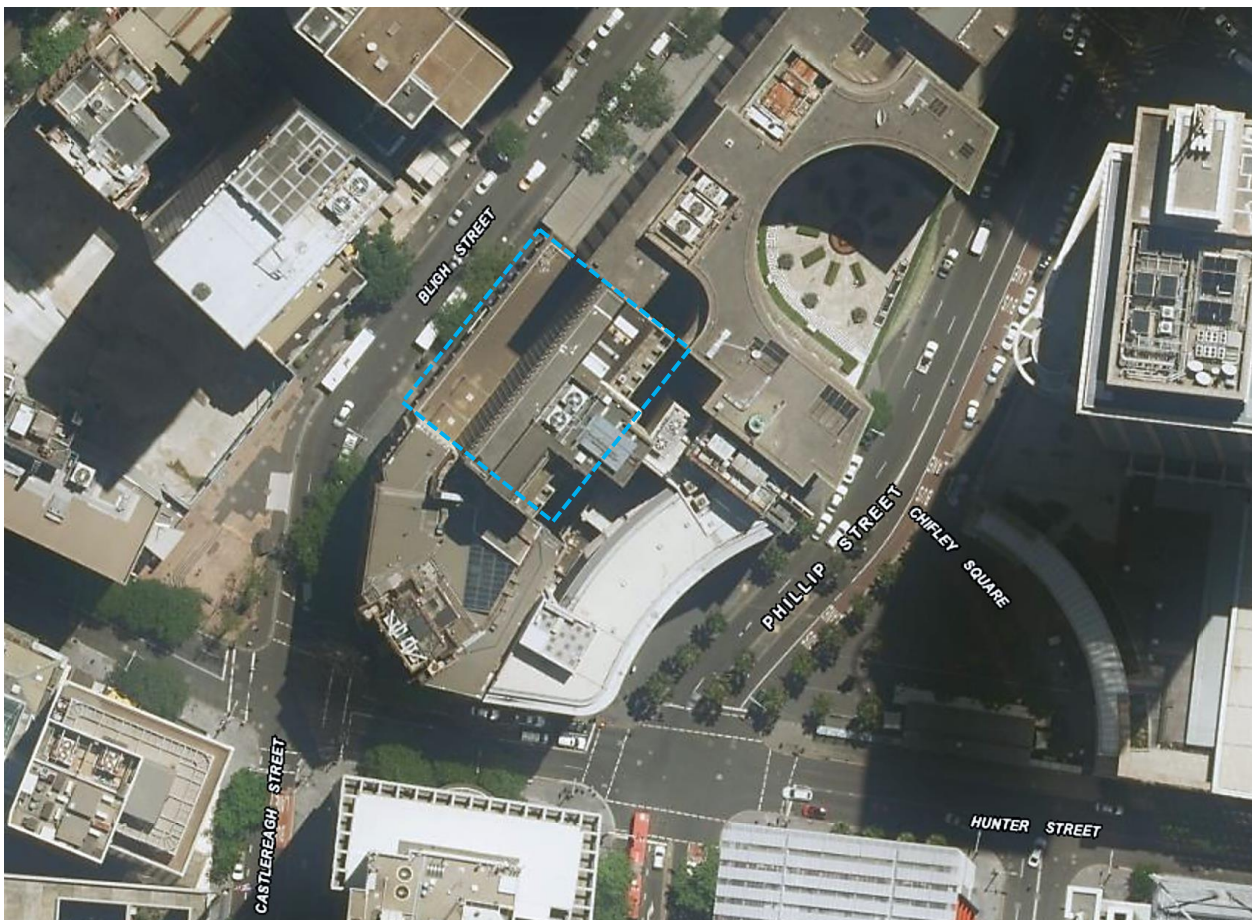
The subject site is located at 4-6 Bligh Street, Sydney and is legally described as Lot 1 DP 134866; Lot 2 DP 134866; Lot 1 DP 919932 and Lot 1 DP 184770. The site has a total frontage to Bligh Street of approximately 38m and an approximate depth of 32m resulting in a total area of 1,218m². Refer to Figure 1 below.

A Plan of Consolidation is currently being registered with the NSW Land Registry Services to consolidate the site into a single lot.

The site is currently occupied by an existing 18 storey commercial office building known as “Bligh House” completed in 1964.

The site has adjoining developments built to the boundary on the northern, southern and eastern boundary.

Figure 1 – Site Location



Source: SIXmaps

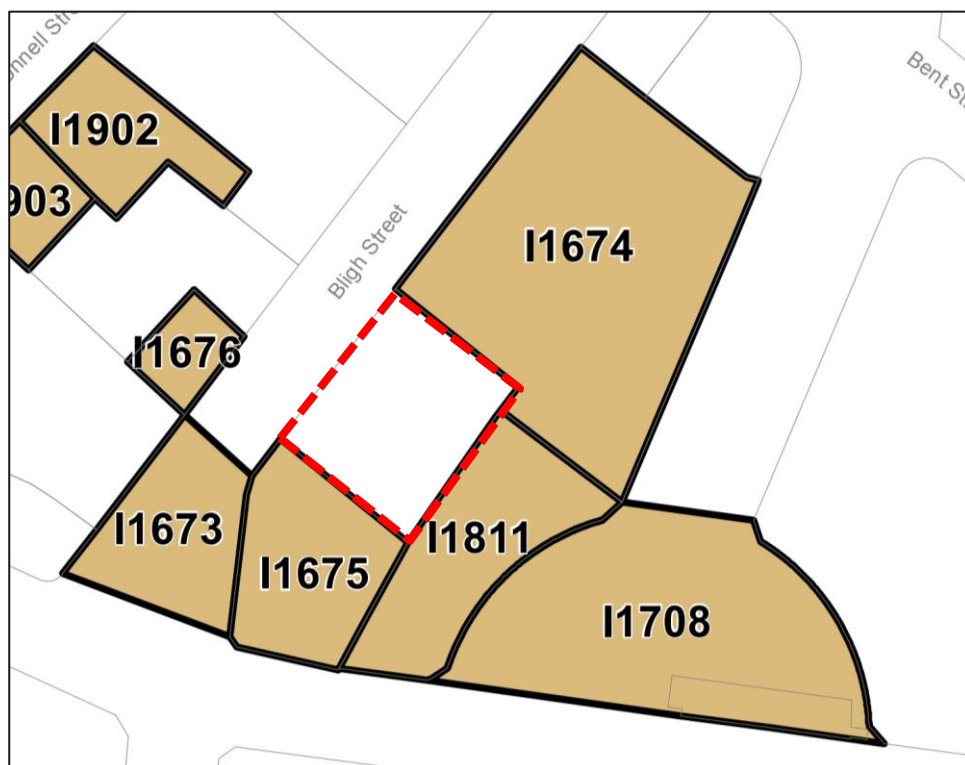
2.2. SURROUNDING CONTEXT

The site is bound by existing development to the north, south and east with Bligh Street the immediate frontage and boundary to the west. The buildings immediately surrounding the site are all identified as State or locally listed heritage items under the State Heritage Register or Sydney LEP 2012. This area of the Sydney CBD is generally characterised by commercial office development, with retailers, cafes, bars and restaurants dispersed throughout.

The identified heritage items include:

- North – Item 1674 – Wentworth Hotel (including interiors) – 2 Bligh Street and 61-101 Phillip Street – Local listing
- South – Item 1675 – Former “City Mutual Life Assurance” Building (including interiors) – 10 Bligh Street – State listing
- East – Item 1811 – Former Qantas House (including interiors) – 68-96 Hunter Street – State listing
- South-west – Item 1673 – Richard Johnson Square including monument and plinth – Bligh Street – Local listing
- North-west – Item 1676 – Former “NSW Club” building (including interiors) – 31 Bligh Street – State listing

Figure 2 – Extract from Sydney LEP 2012 – Heritage Map 14



3. PROPOSED DEVELOPMENT

3.1. OVERVIEW

The proposed SSD development application (SSD DA) will facilitate a new 55-storey mixed use building at 4-6 Bligh Street which will including hotel, commercial and ancillary retail uses.

The proposed development will be subject to an Architectural Design Competition and as such full details of the proposal are not yet confirmed.

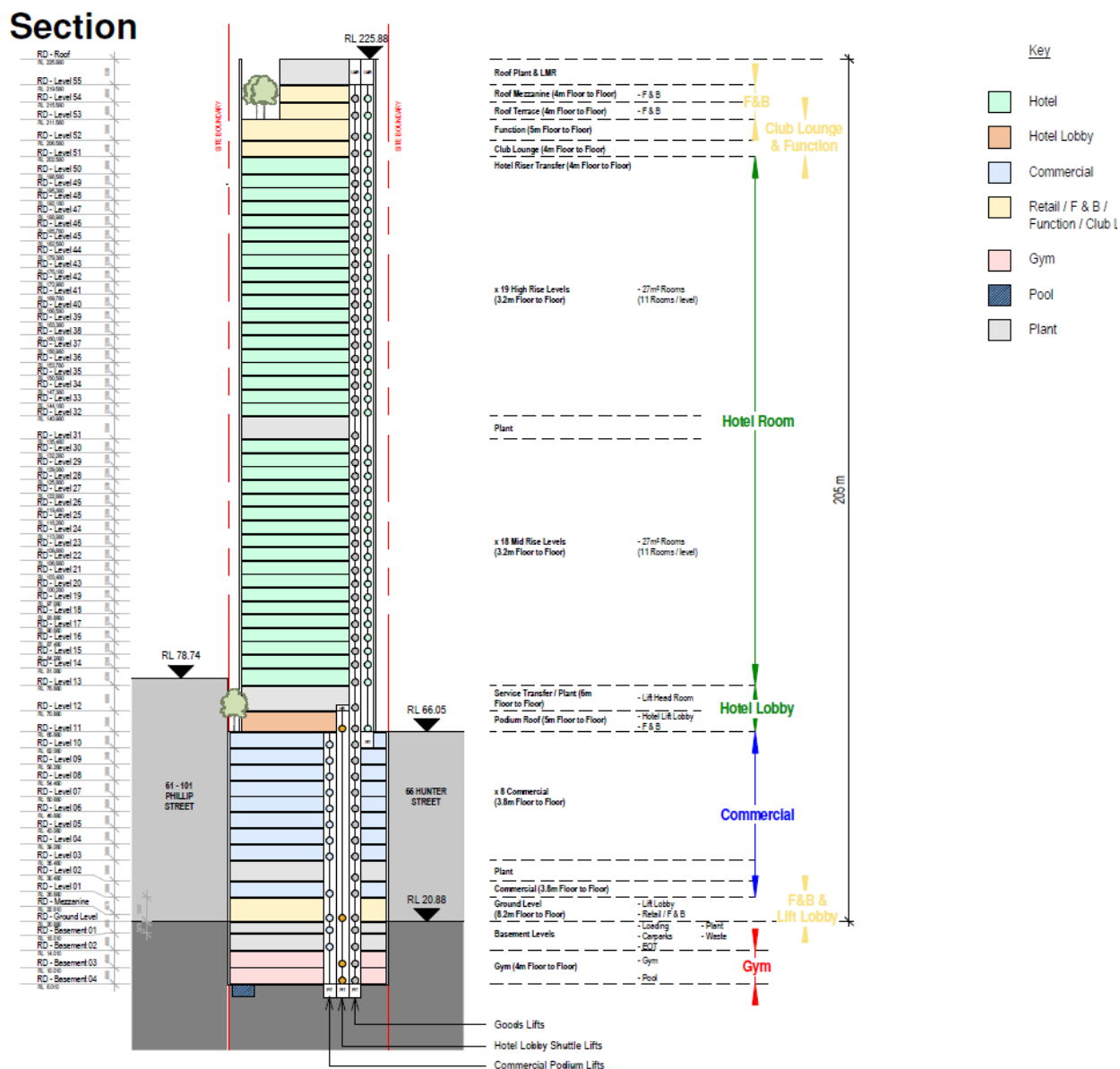
The indicative architectural scheme, which will form the basis for the Architectural Design Competition Brief identifies:

- A new mixed-use hotel and commercial building with a height of 55-storeys or 205 metres (RL 225.88);
- FSR of 20.3:1 (the design competition will provide for an additional 1.7:1 FSR bringing the maximum FSR to 22:1);
- Ten (10) storey podium, including hotel entrance lobby, commercial lift lobby, food and beverage facilities, plant, commercial offices, meeting/conference rooms, and landscaped podium with formal hotel lobby;
- 37 storeys of hotel (with a target of 407 rooms);
- Four (4) levels at rooftop including hotel club lounge, function space, restaurant and bar, and public accessibly landscaped terrace; and
- Four (4) basement levels including 17 car parking spaces, 2 loading spaces, plant, gymnasium with pool, end of trip facilities and waste management facilities.

Figure 3 below shows an indicative layout and relationship with adjoining properties.

The proposed uses are permissible with consent in the B8 – Metropolitan Centre zone under Sydney LEP 2012. The planning proposal presently with the DPE for determination is seeking to amend the built form controls only.

Figure 3 – Section extract – Indicating proposed mixed-use hotel and commercial development



Source: Architectus (from planning proposal submission)

3.2. DESIGN REVIEW

A Design Excellence Strategy has been endorsed by the NSW Government Architects Office (GANSW).

An invited Architectural Design Competition will be run prior to the submission of the development application. The competition will be run in accordance with the endorsed Design Excellence Strategy and the City of Sydney Competitive Design Policy 2013. The Competition Brief will also make reference to the SEARs. The winning scheme will respond to the SEARs which will be addressed in detail within the EIS and supporting documents.

Given the intended purpose and associated rigour of the Architectural Design Competition process is to ensure the future development of the site demonstrates a high degree of design excellence it is requested that the need for the State Design Review Panel be waived. We are confident that the Design Competition process will, through the Jury, thoroughly review and assess the winning scheme to ensure it demonstrates design excellence.

4. PLANNING FRAMEWORK

The relevant statutory planning policies that apply to the proposed development are as follows:

- *State Environmental Planning Policy (State and Regional Development) 2011* (SEPP SRD).
- *State Environmental Planning Policy (Infrastructure) 2007* (SEPP Infrastructure).
- *State Environmental Planning Policy No 55—Remediation of Land* (SEPP 55).
- *Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005* (SREP Sydney Harbour)
- *Sydney Local Environmental Plan 2012* (Sydney LEP 2012).

4.1. STATE ENVIRONMENTAL PLANNING POLICY (STATE AND REGIONAL DEVELOPMENT) 2011

Clause 13(2) of Schedule 1 of SEPP SRD identifies that development that has a CIV of more than \$100 million for the purpose of other tourist related facilities is declared SSD.

The overall CIV for the proposed development is estimated at \$311,771,577. The proposed hotel component a CIV of \$258,932,570 while the commercial component has a CIV of \$52,839,007 as detailed in the QS Statement prepared by WT Partnership (Appendix B).

It is requested that the Secretary, under Clause 8(2) of the SEPP SRD, declares the non-tourist facility components (commercial premises) of the proposal to be sufficiently related to the SSD DA and therefore subject to the SEARs. The non-tourist facility components are integral to the proposed scheme and were envisaged as part of the planning proposal.

4.2. STATE ENVIRONMENTAL PLANNING POLICY (INFRASTRUCTURE) 2007

SEPP Infrastructure aims to facilitate the effective delivery of infrastructure across NSW by identifying matters to be considered in the assessment of development adjacent to particular types of infrastructure.

In particular, matters of consideration with respect to the proposed development are:

- Division 15 - Clause 86 – Excavation in, above or adjacent to rail corridors
- Division 17 - Clause 104 – Traffic-generating development

The above will be addressed as part of the EIS and supporting documentation submitted in support of the SSD DA. Consultation with relevant authorities will also occur through the referral process of the SSD DA.

4.3. STATE ENVIRONMENTAL PLANNING POLICY NO 55 – REMEDIATION OF LAND

SEPP 55 provides a state-wide planning approach for the remediation of land and aims to promote in the remediation of contaminated land to reduce the risk of harm. Clause 7(1) requires the consent authority to consider whether land is contaminated prior to consent of a development. Given the historical use of the site, it is not expected that there will be any contamination present. A Preliminary Site Investigation has been prepared and confirms that the site can be made suitable for the proposed use. A Detailed Site Investigation will be undertaken and submitted as part of the SSD.

4.4. SYDNEY REGIONAL ENVIRONMENTAL PLAN (SYDNEY HARBOUR CATCHMENT) 2005

SREP Sydney Harbour aims to ensure that the catchment, foreshores, waterways and islands of Sydney Harbour are recognised, protected, enhanced and maintained for existing and future generations. The EIS will assess the consistency of the proposed development with the principles and objectives of the deemed SEPP.

4.5. STRATEGIC PLANNING FRAMEWORK

The relevant strategic planning policies which apply to the proposed development include:

- NSW State Priorities
- *A Metropolis of Three Cities* - the Greater Sydney Region Plan
- Eastern City District Plan
- NSW Long Term Transport Master Plan 2012
- Sydney's Cycling Future 2013
- Sydney's Walking Future 2013
- Healthy Urban Development Checklist, NSW Health

The EIS will assess the proposed development against these relevant strategic planning policies.

5. LIKELY IMPACTS

From a review of the indicative scheme, the draft planning proposal and consideration of the site and its context, the following are a summary of issues to be addressed in the EIS prepared for the SSD DA.

5.1. BUILT FORM AND URBAN DESIGN

The site is subject to Planning proposal that has received Gateway Determination and is currently on public exhibition. The Planning proposal seeks a maximum FSR of 22:1 which is supported by an existing maximum building height of 235m. The proposed built form includes a commercial podium that is built to the site boundaries. A slim hotel tower form will rise to a maximum height of approximately 205m including rooftop amenities and plant. The built form is not expected to impact the existing and future amenity of the surrounding area.

A full assessment of the proposed built form and the impacts on the public domain will be undertaken as part of the EIS.

The final built form proposed will be determined by a design competition. The competition brief will in part be informed by the SEARs.

5.2. ENVIRONMENTAL AMENITY

Amenity impacts such as acoustic impacts, view loss, overshadowing and wind impacts on the pedestrian environment and external spaces of the building will be addressed through the EIS. The following will be submitted in support of the SSD DA.

- A Construction and Operation Noise and Vibration Impact Assessment;
- Pedestrian Wind Environment Assessment including wind tunnelling analysis;
- Visual and View Impact Assessment; and
- Shadow Impact Analysis.

5.3. TRANSPORT, ACCESSIBILITY AND PARKING

A Transport and Accessibility Impact Assessment report will be prepared as part of the EIS. The report will analyse parking requirements, existing and expected traffic impacts on the local road network and the design of proposed vehicular access points including waste and service vehicle access. The assessment will also detail public transport, pedestrian and bicycle movements. Future public transport factors including the Sydney Metro and Sydney Light Rail will also be assessed.

The assessment will also address construction traffic management in the context of other construction presently underway.

5.4. ECOLOGICAL SUSTAINABLE DEVELOPMENT (ESD)

Detail of the proposed ESD principles to be incorporated into the design will be provided. An Energy Efficiency/ESD report will be submitted as part of the SSD DA.

5.5. ABORIGINAL HERITAGE

Matters of Aboriginal Heritage will be addressed within the EIS and in supporting documentation.

5.6. EUROPEAN HERITAGE

A Heritage Impact Statement was prepared to inform the Planning proposal. Due to the sensitive heritage nature of all adjacent buildings and the surrounding architectural character a Heritage Impact Statement will be required to be submitted with the EIS to address the final built form.

5.7. CONTAMINATION

A Preliminary Site Investigation has been prepared and confirms that the site can be made suitable for the proposed use. A Detailed Site Investigation will be undertaken and submitted as part of the SSD DA.

5.8. GEOTECHNICAL

A Stage 1 Geotechnical Desktop Study and Rail Impact Statement has been prepared in support of the planning proposal. A detailed study will be undertaken to address the proposed development and will be submitted as part of the SSD DA. This study will also analyse the potential impacts on the metro rail corridor and associated structures relating to the location.

5.9. STORMWATER MANAGEMENT AND FLOODING

A Flood Risk Assessment Report will be submitted with the EIS to analyse potential flood risk at the site. A Stormwater Management Plan and Erosion and Sediment Control Plan will also be prepared and be submitted with the EIS, detailing proposed stormwater management strategies and water sensitive urban design measures to be incorporated into the development.

5.10. BUILDING CODE OF AUSTRALIA AND ACCESS

The proposed development will be designed in accordance with the requirements of the Building Code of Australia and will provide legible, safe and inclusive access for all. This will be addressed within a Building Code of Australia and Accessibility Report to be provided as part of the EIS.

5.11. WASTE MANAGEMENT

A Construction and Demolition Waste Management Plan will be prepared and accompany the EIS. The plan will detail all likely waste streams to be generated during demolition and construction, and outline proposed measures to dispose of the waste offsite.

A Preliminary Operational Waste Management Plan will also be submitted as part of the EIS and detail proposed waste servicing arrangements, loading zones and ongoing waste management practices to be employed at the site. All demolition, construction and operational waste will be reused or recycled where possible.

5.12. CONSTRUCTION MANAGEMENT

A Preliminary Construction and Environmental Management Plan will be prepared and provided as part of the EIS. The plan will detail:

- Timing of construction works to be undertaken;
- Construction hours of operation and programme;
- Materials handling strategy;
- Construction traffic, noise, soil erosion, dust control and stormwater management;
- Environmental management strategies during construction; and
- Waste management.

A Construction Pedestrian and Traffic Management Plan will also be prepared to outline proposed traffic control plans and truck routes during construction phase of the works under the Detailed Proposal DA.

5.13. SOCIAL AND ECONOMIC IMPACTS

The social and economic benefits of the proposed development will be identified in the EIS.

5.14. SAFETY AND SECURITY

The EIS will be accompanied by a CPTED Report that will outline how the principles (surveillance, access control, territorial re-enforcement and space/activity management) have been integrated into the design of the development to deter crime, manage space and create a safe environment for all who interact with the building and its uses.

5.15. CONSULTATION

Consultation will be undertaken in preparing the EIS. It is anticipated that the following parties will have an interest in the proposal and will be consulted:

- Department of Planning and Environment
- City of Sydney
- Roads and Maritime Services (RMS)
- Heritage Council of NSW
- CBD Coordination Office, Transport for NSW (TfNSW)
- Sydney Water
- AusGrid

6. CONCLUSION

This report provides support to the Request for SEARs for the development of 4-6 Bligh Street, Sydney. The development will cater for a high-rise mixed-use hotel and commercial development at the heart of the Sydney CBD. The development is driven by ongoing demand within the CBD for tourist and visitor accommodation and commercial floor space in accessible locations.

Development consent will be sought under a proposed SSD DA which will be accompanied by an EIS. The EIS will undertake a comprehensive assessment of the potential environmental impacts of the proposed development (positive and negative) and will identify mitigation measures where required. The EIS will also include the detailed design, construction, fitout and operation of the development within the confines of the planning proposal layout required to be delivered within the next three to five years.

The proposed development is SSD on the basis that it falls within the requirements of clause 13(2) of Schedule 1 of *State Environmental Planning Policy (State and Regional Development) 2011* (SEPP SRD), being '*development that has a capital investment value of more than \$100 million for the purpose of other tourist related purposes*'. The commercial component of the proposal is an ancillary but integral part of the proposed development.

All relevant impacts will be assessed in the EIS, as guided by the SEARs.

DISCLAIMER

This report is dated 6 August 2018 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (**Urbis**) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of One Investment Management Pty Limited ATF Recap IV Management No. 4 Trust (**Instructing Party**) for the purpose of A SEARs Request (**Purpose**) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

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APPENDIX A REFERENCE DRAWINGS

APPENDIX B QS STATEMENT



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