

NSW GOVERNMENT
Department of Planning

ROYAL NEWCASTLE HOSPITAL SITE – STAGES 1A / AB Proposed by Mirvac Projects Pty Limited

Modification MP07_0133 Mod 1

Modification of Minister's Approval Section 75W of the Environmental Planning and Assessment Act 1979

December 2008

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1. INTRODUCTION

On 14 August 2008, Mirvac Projects Pty Limited (the Proponent) lodged an application to modify MP07_0133 **Tag B** pursuant to Section 75W of the *Environmental Planning and Assessment Act 1979* ("the *Act*"). The Proponent is seeking to modify the plans and is also seeking certain amendments to the Conditions of Approval.

2. ORIGINAL APPLICATION

On 9 July 2008, the Minister for Planning approved the Major Project for the construction of Stages 1A & 1B of the former Royal Newcastle Hospital Concept Plan. The site is located in Newcastle East on land fronting Shortland Esplanade, Church Street and King Street, in the Newcastle Local Government Area.

MP07_0133 granted consent to the development described in detail below:

Mixed use residential, retail and hotel development comprising 146 residential apartments, 89 hotel suites and 1430m2 of retail floor space in three buildings including:

- 1 x part 5, part 6 and part 8 storey building overlooking Shortland Esplanade and Newcastle Beach and incorporating residential and retail uses (Building 1);
- 1 x 8 storey residential and retail building overlooking a new plaza and new extension to King Street (Building 2);
- 1 x 16 storey building incorporating studio apartments, a hotel and conference facility and retail uses (Building 3);
- Public domain improvements incorporating a publicly accessible plaza and through site links, one from Pacific Street and one from King Street and both connecting to Shortland Esplanade and Fletcher Park / Newcastle Beach; and
- 2 levels of basement car parking for 366 cars.

A copy of the original consent is at Tag E and a copy of the original report is at Tag D.

The original project cost of the development was \$89.7 million.

3. DESCRIPTION OF PROPOSED MODIFICATION

The modification is described in a letter from the Proponent supported by amended drawings and an Architectural Design Statement prepared by Mirvac design and Tzannes Associates. Further clarification of the proposed amendments is provided in an email response to questions asked by the Department dated 29 September 2008, along with a comparative table of GFA's. (The full modification package is at **TAG C**).

The modification seeks approval for the following amendment to the approved Major Project:

Installation of a co-generation plant on the site

The proponent proposes to install a co-generation plant in an existing approved plant area within the basement of the proposed development. The plant would use natural gas to power a generator which would produce sufficient electricity to serve all the requirements of the approved hotel on the site. Additionally, the heat generated by the process would be captured and used to heat water that will provide for the hot water demand of the entire development (including the approved Stages 1A/1B and all future stages within the approved Concept Plan).

A series of amendments to each of the three approved buildings including:

Minor amendments are proposed to floor plans of certain apartments in each of the three approved buildings. These minor changes have had further minor implications for some building facades but have not changed the approved Gross Floor Area. The effective height of the buildings has been lowered slightly.

Amendments to a number of Conditions of Approval.

The proponent proposes various amendments to the current Conditions of Approval (numbered A2, B3, B7, E10, F4, F5, F6, F8 and F9. One condition has been requested to be deleted (B15 – Anti-graffiti).

The amendments are summarised in Table 1 below.

A detailed assessment is provided in the Assessment Table below (Table 2).

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TABLE 1: Summary of Modifications

DEPARTMENT'S RESPONSE	SUPPORTED
Considered a positive contribution to	Yes
sustainable energy practice.	
<u>Heniste Sakaba adan da basa sa ka</u> ng kang kang kang kang kang kang kang ka	
negative impacts or changes to GFA	Yes
General improvements to residential amenity without substantially changing the building façade.	Yes
Slight decrease in building height. GFA will not be affected.	Yes
Improves residential amenity / decreases maintenance demands.	Yes
Increased residential amenity. No impacts on GFA.	Yes
Slight decrease in building height. GFA will not be affected.	Yes
Greater flexibility for retail tenancies. No impacts on GFA or accessibility.	Yes
Improved public domain without significant impacts on pedestrian amenity. Awning to retail space will remain.	Yes
Improved accessibility and functionality of hotel and apartments without significant negative impacts. No net change in GFA	Yes
Building height reduced without significant impact on resident amenity	Yes
Acceptable given proximity of site to beach and extensive shading of pool location. Consistent with principles of sustainability and water conservation	Yes
Acceptable as will potentially facilitate greater future tenancy mix and retail activity.	Yes
Deletion removes unnecessary complexity as only a single level stratum lot is in the ownership of Mirvac. The remainder and the 321sqm site area is owned by the Club. No FSR / GFA implications. Condition 2(d) of the Concept Plan consent contemplated this adjustment and removes	Yes
	Considered a positive contribution to sustainable energy practice.

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CONDITIONS OF APPROVAL		
Amendments to plan references; change to definitions; amend BASIX Certificate number; correct minor errors; amend anti-graffiti condition.	All considered acceptable	Yes Amended conditions recommended
Amendments to timing of Certificates and documentation Including:		
Heritage Interpretation Plan	Considered acceptable	Yes Amended condition recommended
 Fire Safety Certification and mechanical ventilation systems certification 	Considered acceptable to facilitate occupation of individual buildings as they reach completion.	Yes Amended condition recommended
 Staged repairs to roads and public domain 	Repair works should be carried out progressively so that local roads, public domain and access to buildings are certified safe and intact at Practical Completion.	No
Post - construction dilapidation report	Should be carried out prior to occupation of any buildings.	No

4. DEVELOPMENT CONSENT BACKGROUND

- On 3 January 2007, the Minister approved a concept plan for the mixed use redevelopment of the former RNH site (MP 05_0062).
- On 9 July 2008, the Minister approved MP07_0133 for redevelopment of the north east corner of the site (Stage 1A / 1B).

5. STATUTORY CONTEXT

Modification of a Minister's approval

The modification application has been lodged with the Director-General pursuant to Section 75W of the Act. Section 75W provides for the modification of a Minister's approval including *revoking or varying a condition of the approval or imposing an additional condition of the approval.*

The Minister's approval for a modification is not required if the project as modified will be consistent with the existing approval under this Part. In this instance, the proposed modification is consistent with the existing approval granted under Part 3A as it will not result in any change to net Gross Floor Area or the public domain and will cause only minor changes to building facades. Building height will be slightly reduced as a result of the modifications. An Architectural Design Statement prepared by Mirvac Design and Tzannes Associates and submitted with the Application indicates that the modified development will remain consistent with State Environmental Planning Policy No.65 – Design of Residential Flat Buildings.

Environmental Assessment requirements

In this instance, it was not considered necessary to notify the Proponent of environmental assessment requirements pursuant to Section 75W(3) with respect to the proposed modification as sufficient information was provided to the Department to consider the application.

6. CONSULTATION AND EXHIBITION

Under Section 75W of the Act, a request for a modification of an approval does not require public exhibition. However, under Section 75X(2)(f) of the Act, the Director-General is to make publicly available requests for

modifications of approvals given by the Minister. In accordance with Clause 8G of the *Environmental Planning* and Assessment Regulation 2000, the request for the modification was placed on the Department's website.

7. CONSIDERATION OF PROPOSED MODIFICATIONS

The Department's detailed assessment of the proposed modifications is in Table 2 below.

TABLE 2: Detailed Assessment of Modifications

REQUESTED MODIFICATION	DEPARTMENT'S RESPONSE	SUPPORTED
Installation of co-generation plant within an existing plant area in the approved Level 2 carpark. The plant will use natural gas to generate sufficient electricity to serve the power demands of the approved hotel. Heat generated by the process will be captured and used to provide sufficient quantities of hot water to meet the demands of the existing approved and future stages of the RNH re-development.	Partially meeting the development's power demands (hotel) and fully addressing hot water demands via an on-site co-generation plant constitutes a positive contribution to sustainable energy practice. The plant is to be installed in an existing approved plant space below ground level and there will be no negative impacts.	Yes
BUILDING AMENDMENTS		
Building 1 (residential / retail)		
Straightening of the footprint of the north eastern winter garden Affects Apartments 4,7,10,13 (Levels 1,2,3,4).	Realignment of balcony to create rectangular in lieu of triangular space will increase resident amenity without negative impact. FSR not affected.	Yes
<u>Changes to ground floor pergola</u> The ground floor pergola along Shortland Esplanade proposed to be replaced by cantilevered concrete party walls.	Deletion of pergola to ground floor will not impact on privacy to balconies as ground floor apartments include substantial covered balconies created by overhang from apartments above. Other claims made by the proponent regarding improved access to views and appropriate architectural expression of the building are not disputed.	Yes
Changes to the arrangement of roof level plant equipment.	Reduction in height of the roof plant and roof access to improve access to views for the residents and adjoining neighbours. No additional impacts.	Yes
Changes to the arrangement of roof lights.	Top floor roof lighting amended for consistency with revised internal layouts of levels below. No additional impacts.	Yes
Changes to the cantilevered windows to the western elevation	The western elevation of the southern sector of the building will change but will remain sufficiently articulated for this shortest elevation of the building.	Yes

The cantilevered window boxes on the western elevation (Levels $2 - 7$) have been aligned to improve construction detail and the internal amenity of the residents.	The amendment is considered acceptable.	
<u>Sun shading and privacy protection to the north elevation.</u> (Apts 1,4,7,10,13 – Levels 1-5)	Concrete hoods to north elevation replaced by operable, vertical aluminium blades to maintain solar protection and improve privacy from the adjacent York building. No additional impacts	Yes
Building 2 (residential / retail)		
Changes to façade details and materials (Levels 6-7) Metal cladding to upper two storeys changed to double storey textured concrete panels	Minimises steelwork exposed to corrosion. Upper façade becomes more detailed and articulated in form, particularly on south and east elevations. Changes considered acceptable.	Yes
New window (Level 2-8) and balcony to south elevation (Level 7-8) (Apts 1,5,9,13,17,21,23)	Additional windows and balconies improve cross ventilation and provide additional opportunities for coast views. No impacts on privacy / overlooking. Changes considered acceptable	Yes
Enlarged and relocated balcony to eastern- most apartments (Levels 1-7). The balcony of the eastern most apartment (Apts.4,8,12,16,20,22,24) relocated to the eastern corner of the building.	Balcony is more useable than approved proposal and provides better access to easterly views. Internal floor plan is more efficient. East elevation is improved via increased articulation to the façade. No change to building envelope or GFA. Changes considered acceptable.	Yes
Changes to the arrangement of roof level plant equipment The height of the roof plant and roof access have been reduced in order to improve view access of the residents and adjoining neighbours	Reduced overall building height and no negative impacts. Changes considered acceptable.	Yes
Changes to levels and access arrangements to the ground floor retail tenancy.	Ground Floor retail space split to allow two possible tenancies with level access from the King Street public square. No impacts on disability access requirements or increase in GFA. Changes considered acceptable.	Yes
Omission of the awnings between Buildings 1 & 2. The linking canopy / awnings between Buildings 1 & 2 have been omitted to improve the visual connection between the public and communal open spaces.	Omission of the canopy will reduce weather protection in the public domain. However, the existing approved canopy does not provide cover along a recognised desire line and its removal will not significantly impact on pedestrian amenity. It is agreed that removal of the canopy will contribute to a more open	Yes

	public domain and result in better visual connectivity between private and public open space	
Building 03 (hotel / residential / retail)		
Re-arrangement of hotel entry lobby (ground floor) A minor reconfiguration of the entry lobby glazed doors is proposed in order to improve pedestrian access from King St into the public square.	The proposed arrangement of steps and ramping to the King Street frontage will inhibit covered ongrade access along King Street but will facilitate ongrade access to the hotel from the pedestrian plaza to the east. This outcome is considered acceptable.	Yes
Internal re-arrangement of hotel back-of- house areas Division of void spaces into utility rooms for garbage (hotel and residential), general and specialised storage, cold storage, housekeeping, substation and PABX.	The additional GFA resulting from this modification is offset by reduction in areas of apartments above. The table provided by the proponent indicates that the net result of the amendment would be an addition of 420m2 of GFA in Building 3. This addition is offset by reductions in GFA for Buildings 1 and 2 so that the resultant GFA over the entire development (Stages 1A/1B) will not be altered by the amendments. On this basis the amendment is considered acceptable in that it would result in a more efficient arrangement of hotel servicing areas.	Yes
Pool replaced with indoor spa and gardens / barbecue area (Mezzanine Level). Pool deleted and area changed to private open space for residents / hotel guests (gardens, deck and BBQ facilities). Indoor spa proposed.	Pool would be in permanent shade and would be largely superfluous due to proximity of the site to Newcastle Beach. Deletion of pool is a positive contribution to water conservation and general sustainability. Changes considered acceptable.	Yes
Reconfiguration of stair access to conference rooms (Level 1) Internal reconfiguration of stair access to the conference rooms is proposed to improve functional requirements.	No change to GFA. Change considered acceptable	Yes
Storage Rooms added Storage rooms have been added on each hotel level for housekeeping purposes.	The GFA for Building 3 will increase by 420.2m ² but the overall GFA and FSR for the entire development will not increase. The changes are considered acceptable.	Yes
General internal re-arrangements of apartments Some apartments have been replanned internally, which result in minor changes to © Department of Planning	Changes do not result in additional floor space or unacceptable changes to building facades.	Yes

the facades that also improve the architectural massing and articulation of the building.		
Penthouse roof terraces deleted	Deletion of the penthouse roof terraces and associated reduction in the roof plant area leads to a significant reduction in overall building height (by effectively 1 storey). Given the likely regularity of exposure to unfavourable weather, the proponent maintains the currently approved terraces would not return sufficient benefit to the residents of the penthouses to justify the avoidable building height. This position is considered acceptable.	Yes
REQUESTED MODIFICATION	DEPARTMENT'S RESPONSE	SUPPORTED
AMENDMENTS TO STRATUM SUBDIVISION PLAN		
Retail stratum lots The approved retail spaces are to be subdivided into separate stratum lots in the proposed stratum subdivision. The Proponent proposes to make all retail spaces part of one retail stratum lot, which will be subject to a future retail subdivision application to subdivide into several retail lots. Strata subdivision applications will be lodged concurrent with development applications for use / fitout of retail spaces.	Single retail stratum lot improves flexibility for selling / leasing retail spaces to a variety of tenants / operators and increases potential for a mix of retail activity on the site. No negative impacts would be expected.	Yes
United Services Club Carpark Site Lot 12/DP 635003 (United Services Club carpark site) to be deleted from the proposed subdivision. The site is owned by the Club abd is 321 sqm in area.	Proponent currently owns only a single level stratum (ground level) component of Lot 12, which creates unnecessary complications in dealing with Stages 1A/1B. The inclusion of this lot creates unecessary complexity, as the land isn't owned by Mirvac. Deletion of this lot (and the stratum) doesn't vary any of the GFA/FSR calculations as the site area doesn't technically change. Condition 2(d) of the Concept Plan consent contemplated this adjustment and removes the exisiting GFA on this land from the total for the whole development.	Yes

AMENDMENTS TO THE CONDITIONS OF APPROVAL			
Existing Approval	Requested Amendment	Department's Response	Supported
	Condition A2 Document schedule to reference amended drawing numbers and amended BASIX Certificate.	Standard requirement	Yes
-	Condition B3 BASIX Certificate number to be amended with revised version based on modified proposal.	Standard requirement	Yes
Condition B7 (as approved) GFA Certification A Registered Surveyor is to certify that the Gross Floor Area (GFA) of the Stage 1A and Stage 1B development does not exceed 25,222m ² in accordance with the definition of GFA in the Newcastle City Centre LEP 2008. Details shall be provided to the Certifying Authority demonstrating compliance with this condition prior to the issue of a Construction Certificate for above ground works.	Request that condition be amended so that GFA definition is as per the approved Concept Plan in lieu of definition in the Newcastle LEP 2008. This to avoid potential uncertainties out of future LEP amendments. It is noted that there is a specific definition in the Concept Plan consnet and that the Concept Plan was approved under LEP 2002, which has been repealled by LEP 2008.	CommentAmendment supportedCondition B7 (amended)GFA CertificationA Registered Surveyor is to certify that the Gross Floor Area (GFA) of the Stage 1A and Stage 1B development does not exceed25,222m² in accordance with the definition of GFA in Schedule 1 of the Determination of the Concept Plan for Redevelopment of the Royal Newcastle Hospital Site (MP05_0062). Details shall be provided to the Certifying Authority demonstrating compliance with this condition prior to the issue of a Construction Certificate for above ground works.	Amended condition recommended
Condition B15 (as approved) Anti Graffiti All ground level surfaces are to be treated with anti- graffiti coating to minimise the potential of defacement. In addition, any graffiti evident on the	Request that condition be deleted as not all surfaces within the development are capable of absorbing graffiti paint. Proponent contends that other measures (CCTV cameras / passive surveillance / green	CommentThe condition should be amendedto ensure anti-graffiti treatment isonly applied to suitable surfaces.Condition B15 (amended)Anti GraffitiAn anti-graffiti coating is to beapplied to all vertical surfaces at	Amended condition recommended

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exterior facades and visible from a public place is to be removed within 24 hours.	wall proposal) will minimise graffiti.	ground level that are suitable for such treatment. In addition, any graffiti evident on the exterior facades and visible from a public place is to be removed within 24 hours.	
	Condition E9 Car Parking Allocation Typing error to be corrected to provide correct cross reference to Condition B9.	Corrects existing error.	Yes
Condition E10 (as approved) Use of Parking Spaces Parking spaces will remain for the exclusive use of the residents, their visitors or utility vehicles servicing the site. Leasing of spaces for non-resident use, other than to tenants of the retail, cafes and restaurants on the site, is not permitted. Evidence of compliance with this condition shall be submitted to the Certifying Authority prior to release of the certified strata plan of subdivision.	Proponent maintains the condition has overlooked the hotel car parking spaces. Requests condition be modified to ensure it applies to residential parking only so that hotel car parking spaces can be maintained for the use of hotel patrons and staff.	Comment The amendment is supported to avoid the anomaly that hotel car parking spaces are not provided for. Condition E10 (amended) Use of Residential Parking Spaces Residential Parking spaces will remain for the exclusive use of the residents, their visitors or utility vehicles servicing the site. Leasing of spaces for non-resident use, other than to tenants of the retail, cafes and restaurants on the site, is not permitted. Evidence of compliance with this condition shall be submitted to the Certifying Authority prior to release of the certified strata plan of subdivision.	Yes Amended condition recommended
Condition F4 (as approved) Heritage Interpretation Plan The proponent shall implement the recommendations of the approved Heritage Interpretation Plan prior to issue of Occupation Certificate.	Modification Application requests that Interpretation Plan should only be required to be implemented prior to issue of the Final Occupation Certificate.	CommentIt is considered reasonable to require implementation of the Heritage Interpretation not earlier than at final occupation.Condition F4 (amended) Heritage Interpretation PlanThe proponent shall implement the recommendations of the approved Heritage Interpretation Plan prior to issue of the final Occupation Certificate.	Amended condition recommended

Condition F5 (as approved) Fire Safety Certificate A Fire Safety Certificate shall be furnished to the PCA for all the Essential Fire or Other Safety Measures forming part of this approval prior to issue of any Occupation Certificate. A copy of the Fire Safety certificate must be submitted to the Council and the NSW Fire Brigade.	Proponent requests that condition apply to each stage of the development so that Occupation Certificates can be issued progressively.	Comment Supported on the basis that the amendment would link Certification requirement to staging of the development. Condition F5 (Amended) A Fire Safety Certificate shall be furnished to the PCA for all the Essential Fire or Other Safety Measures applicable to a stage of the project prior to the issue of any Occupation Certificate for that stage. A copy of the Fire Safety Certificate must be submitted to the Council and the NSW Fire Brigade	Amended condition recommended
 Condition F6 (as approved) Mechanical Ventilation Following completion, installation and testing of all the mechanical ventilation systems, the Proponent shall provide evidence to the satisfaction of the PCA, prior to the issue of any Occupation Certificate, that the installation and performance of the mechanical systems complies with: The Building Code of Australia; Australian Standard AS1668 and other relevant codes; The development approval and any relevant modifications; and, Any dispensation granted by the New South Wales Fire Brigade. 	Proponent requests that condition apply to each stage of the development so that Occupation Certificates can be issued progressively.	 <u>Comment</u> Supported on the basis that the amendment would link Certification requirement to staging of the development. <u>Condition F6 (amended)</u> Following completion, installation and testing of all the mechanical ventilation systems for each stage, the Proponent shall provide evidence to the satisfaction of the PCA, prior to the issue of any Occupation Certificate, that the installation and performance of the mechanical systems for that stage complies with: 1. The Building Code of Australia; 2. Australian Standard AS1668 and other relevant codes; 3. The development approval and any relevant modifications; and, 4. Any dispensation granted by the New South Wales Fire Brigade. 	Amended condition recommended

Condition F8 (as approved) Road Damage The cost of repairing any damage caused to Council or other Public Authority's assets in the vicinity of the subject site as a result of construction works associated with the approved development, shall be met in full by the Proponent prior to the issue of any Occupation Certificate. Note: Should the cost of damage repair work not exceed the road maintenance bond, Council will automatically call up the bond to recover the costs. Should the repair costs exceed the bond amount, a separate invoice will be issued.	Proponent requests road repair costs should be met prior to issue of final Occupation Certificate only. Typically damage is caused by trucks making deliveries to site due to their weight crossing over kerbs. As Building 3 uses the same access roads as Building 1 and 2, roads repaired at the earlier stages would be likely to require repeat repair at later stages.	Comment Notwithstanding that the same construction access applies to all buildings, it is considered, that repair works should be carried out progressively so that local roads, public domain and access to buildings are certified intact at Practical Completion. This amendment is not supported.	Recommended that existing approved condition remain.
 Condition F9 (as approved) Post-construction Dilapidation Report 1. The Proponent shall engage a suitably qualified person to prepare a post-construction dilapidation report at the completion of the construction works. This report is to ascertain whether the construction works created any structural damage to adjoining infrastructure and roads. 2. The report is to be submitted to the PCA, and a copy provided to Council. 	The proponent maintains that the condition should be moved to Part G – Post Occupation – so that approval of a Dilapidation Report does not prevent occupation of the completed buildings.	Comment It is considered that dilapidation reporting should be carried out prior to occupation of any buildings on the site for the purposes of public / resident safety. Additionally, the Department would lose the opportunity to enforce compliance with the condition if certification were required post occupation. This amendment is not supported.	Recommended that existing approved condition be amended however will remain in Part F.

8. MODIFICATION TO CONDITIONS OF APPROVAL

The Department recommends that the conditions of approval be amended in accordance with **Table 2** above and be incorporated in the modified Project Application approval. These are included at **Tag A**.

9. CONCLUSION

The proposed modifications are generally minor in detail and do not result in significant changes to the overall design and appearance nor to the conditions of the development as approved.

The development as proposed to be modified remains compliant with the maximum approved height and GFA/FSR.

Further, the Project Approval as modified remains consistent with the Concept Plan Approval (MP05_0062).

It is considered that the proposal, as modified, is consistent with the approved development and still achieves the same objectives as assessed for the original approval under Major Project 07_0133. The proposed modification does not alter the overall nature, need or justification of the approved project.

10. DELEGATION

Under the instrument of delegation dated 7 June 2007, the Minister has delegated his functions under Section 75W of the Act relating to modifying Part 3A approvals to the Executive Director Strategic Sites and Urban Renewal.

Having regard to the Urban Assessments Guidelines for Delegates, it is considered appropriate that the application be determined under delegation.

11. RECOMMENDATION

It is recommended that the Executive Director Strategic Sites and Urban Renewal, as delegate of the Minister for Planning:

- (A) consider the findings and recommendations of this report;
- (B) approve the modification, subject to conditions, under Section 75W of the *Environmental Planning* and Assessment Act, 1979; and
- (C) sign the attached Instrument of Modification (Tag A).

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