



Planning &
Environment

***MODIFICATION REQUEST:
Mixed Use Development,
45-47 Macquarie Street and 134-140
Marsden Street, Parramatta
MP 09_0167 MOD 2***



Secretary's Environmental Assessment Report
Section 75W of the
Environmental Planning and Assessment Act 1979

May 2014

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EXECUTIVE SUMMARY

This report provides an assessment of a section 75W modification application lodged by JBA Planning on behalf of Crown International Holdings (Crown) seeking to modify the project approval for the mixed use development at 45 - 47 Macquarie Street and 134-140 Marsden Street, Parramatta (MP09_0167 MOD 2). The proposed modifications (as exhibited) sought approval for:

- increasing the height of the building from RL 94.5 m to RL 112.4 m;
- reducing the height of the podium from four-storeys to three-storeys;
- increasing the gross floor area (GFA) from 40,522 m² to 42,471 m²;
- altering the mix of retail and commercial GFA and the introduction of serviced apartments on levels 3 to 11;
- increasing the number of residential apartments from 367 to 423;
- reconfiguring the ground floor level to introduce a through-site link; and
- altering the archaeological display area to include a subterranean viewing platform.

The site is zoned 'B4 Mixed Use' within the *Parramatta City Centre Local Environmental Plan 2007* (PCC LEP) and the proposed development is permissible. As the site is located within close proximity of Old Government House and The Domain, which is registered on the State, National and World heritage registers, the proponent was required to obtain approval to undertake the proposed works under the provisions of the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act). On 12 March 2014, the Commonwealth Minister for Environment's delegate approved the proposal, subject to conditions.

The application was placed on public exhibition between 21 November and 21 December 2012. A total of five submissions were received. This included three submissions from public authorities including: Parramatta City Council, the Heritage Council of NSW and Transport for NSW (Roads and Maritime Services Division). Two public submissions (one objection and one in support) were also received during the exhibition period. The concerns raised in the agency and public submissions included: the impact of increasing the height of the building; reduction of commercial floor space within the mixed use zone; residential amenity; the protection of archaeological relics on-site; and the veracity of the proponent's Quantity Surveyor's report.

On 19 December 2013, the proponent submitted a Preferred Project Report (PPR) for the project. The key changes to the project included: increasing the number of residential apartments proposed from 423 to 475; decreasing the number of serviced apartments proposed from 81 to 44; conversion of the conference centre located on level 1 to a multi-function space and business centre; and increasing the GFA from 42,471 m² (as exhibited) to 43,424 m². The Department of Planning and Environment (the "department") notes that the issues raised by government agencies during the exhibition period have been adequately addressed in the PPR.

The department has assessed the merits of the modification application and is satisfied that the impacts associated with the modifications, including increases in height and FSR, and operation of the residential building and serviced apartments have been adequately addressed in the section 75W report, the PPR and the proponent's revised Statement of Commitments (SOCs). Any impacts will also be satisfactorily managed through both existing and recommended conditions of approval.

The proposed modifications are generally consistent with relevant SEPPs and would assist in achieving the housing and job targets for the Parramatta CBD as identified in the *Draft Metropolitan Strategy for Sydney to 2031* and the *Draft West Central Sub-Regional Strategy*. In addition, the department considers that the application will take advantage of the site's proximity to strategic transport links and the community facilities currently proposed by the council at Parramatta.

Accordingly, the department considers that the application is in the public interest and warrants approval, subject to recommended conditions. In accordance with the Minister's delegation, the application is referred to the Planning Assessment Commission for determination.

1. BACKGROUND

1.1 The Site

The site is located on the western edge of the Parramatta CBD, on the corner of Macquarie and Marsden Street. The site is 4,879 m² in area and has frontage to Macquarie Street, Marsden Street and Hunter Street.

Development to the east, west and south of the site is generally characterised by four to 10-storey commercial buildings. To the north of the site is the Jessie Centre, a 20-storey commercial building, which is currently the tallest building in the south-western section of the Parramatta CBD.

Within the broader local context, Parramatta Rail Station is located approximately 180 m to the south-east of the site; Westfield shopping centre is located approximately 100 m south of the site; and Parramatta Park is located approximately 150 m to the north-west of the site. A location plan is provided at **Figure 1** below.



Figure 1: Location plan

1.2 Approval History

On 28 October 2011, the Planning Assessment Commission (PAC) approved a project application (MP09_0167) for the construction of a 26-storey mixed use development at 45 - 47 Macquarie Street and 134 - 140 Marsden Street, Parramatta. The approved development included:

- 367 residential apartments;
- 2,952 m² of commercial floor space;
- 1,240 m² of retail and restaurant floor space;
- 316 m² archaeological interpretation centre; and
- Six levels of basement parking accommodating 535 car parking spaces, 86 bicycle parking spaces, and four motorcycle spaces.

The approved development is depicted in **Figure 2**.

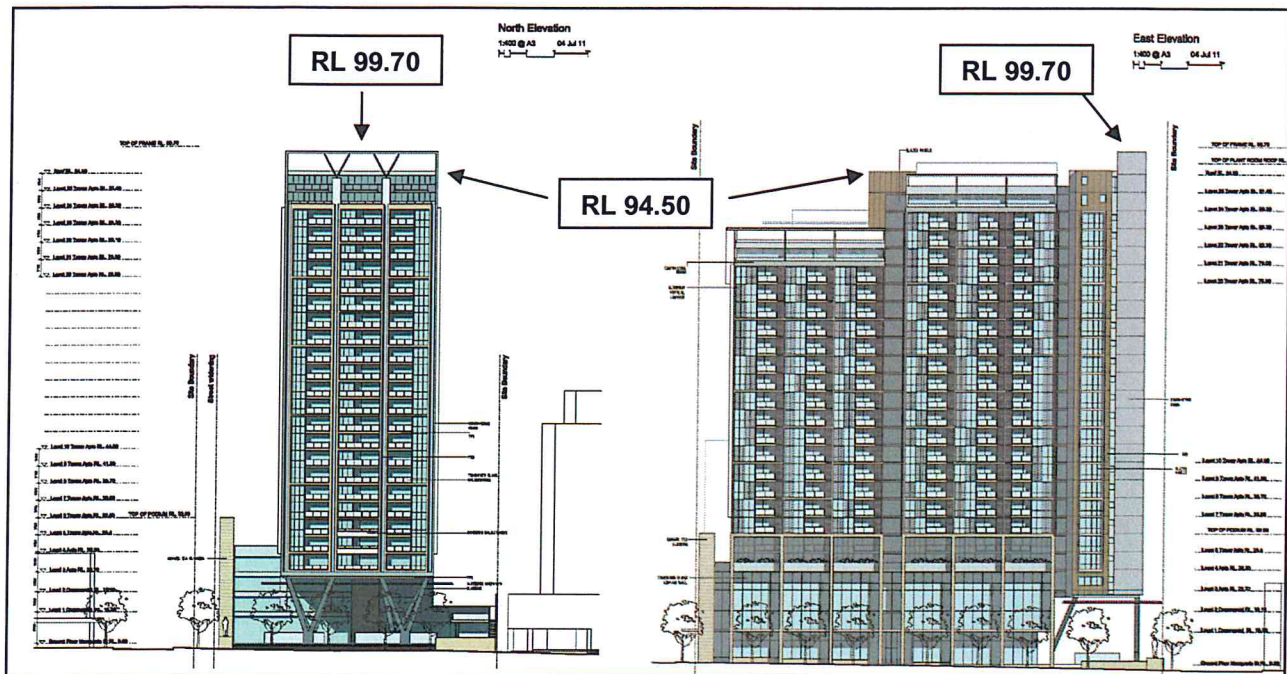


Figure 2: Approved development

On 22 March 2012, the then Deputy Director-General, Development Assessment and Systems Performance approved MP09_0167 MOD 1 which amended condition B4 of the determination to allow the staged payment of section 94A contributions.

2. PROPOSED MODIFICATION

2.1 Modification Description

The application, as exhibited, sought approval to: increase the height of 'blocks' 'A' to 'D' of the building by between three and four storeys; reduce the height of the podium by one storey; alter the architectural form and façade treatments; increase the number of residential apartments and the approved apartment mix; introduce serviced apartments; and reconfigure the ground floor level and the subterranean archaeological display area.

The proponent subsequently amended the scope of the application as part of its Preferred Project Report (PPR). The application, as amended by the PPR seeks approval to:

- Increase the height for development blocks 'A' to 'D' as follows:
 - Block 'A' from RL 94.5 m (25-storeys) to RL 112.4 m (28-storeys);
 - Block 'B' from RL 88.3 m (24-storeys) to RL 105 m (28-storeys);
 - Block 'C' from RL 82.1 m (21-storeys) to RL 105 m (25-storeys); and
 - Block 'D' from RL 44.9 m (10-storeys) to RL 54.8 m (11-storeys).
- Decrease the height of the podium from RL 32.5 m (4-storeys, inclusive of an architectural feature) to RL 26.9 m (3-storeys, inclusive of an architectural feature);
- Increase the GFA from 40,522 m² to 43,424.67 m²;
- Increase the number of residential apartments from 367 to 475 and introduction of 44 serviced apartments;
- Alterations to the podium and tower façade;
- Undertake internal reconfigurations and increase the size of the archaeological interpretation centre to 423 m²; and
- Reconfigure the basement car park and increase in the number of car parking spaces from 535 parking spaces to 566 parking spaces.

The proposed modifications are depicted in **Figures 3 to 7** below.

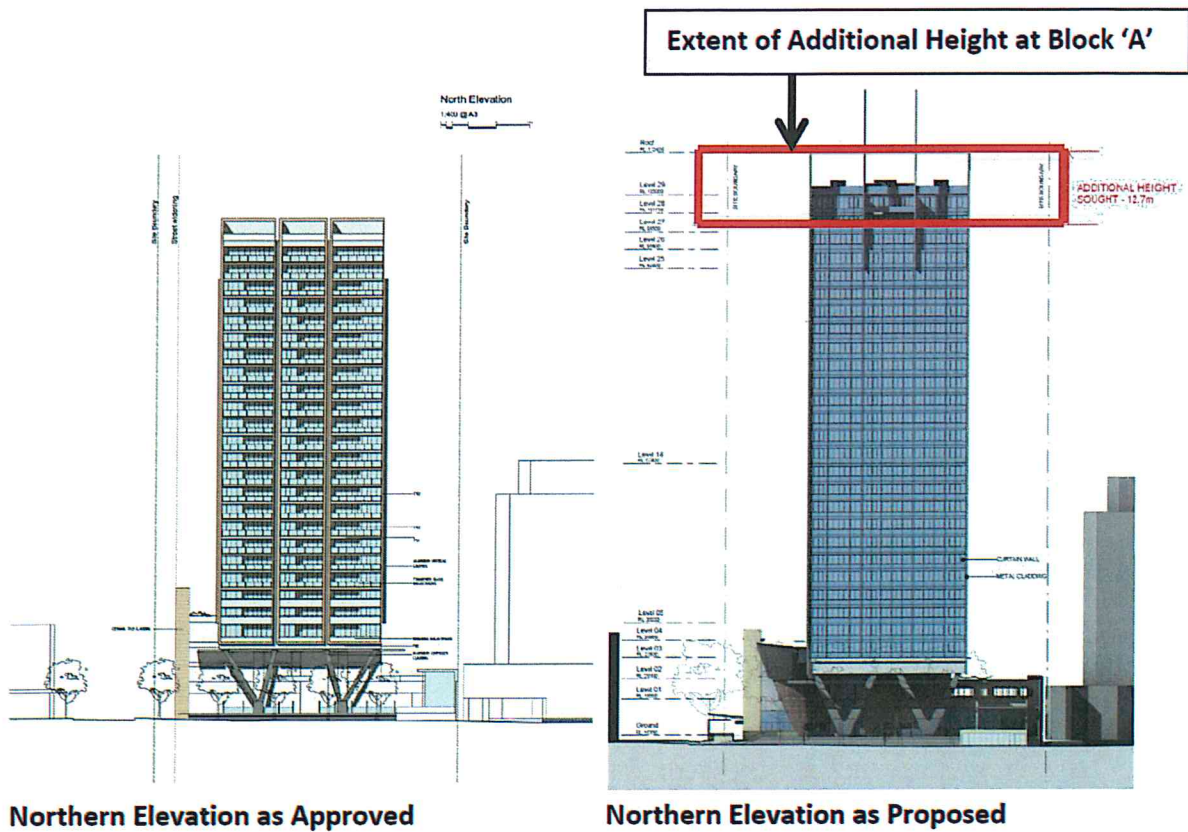


Figure 3: Comparison of approved and proposed northern elevation

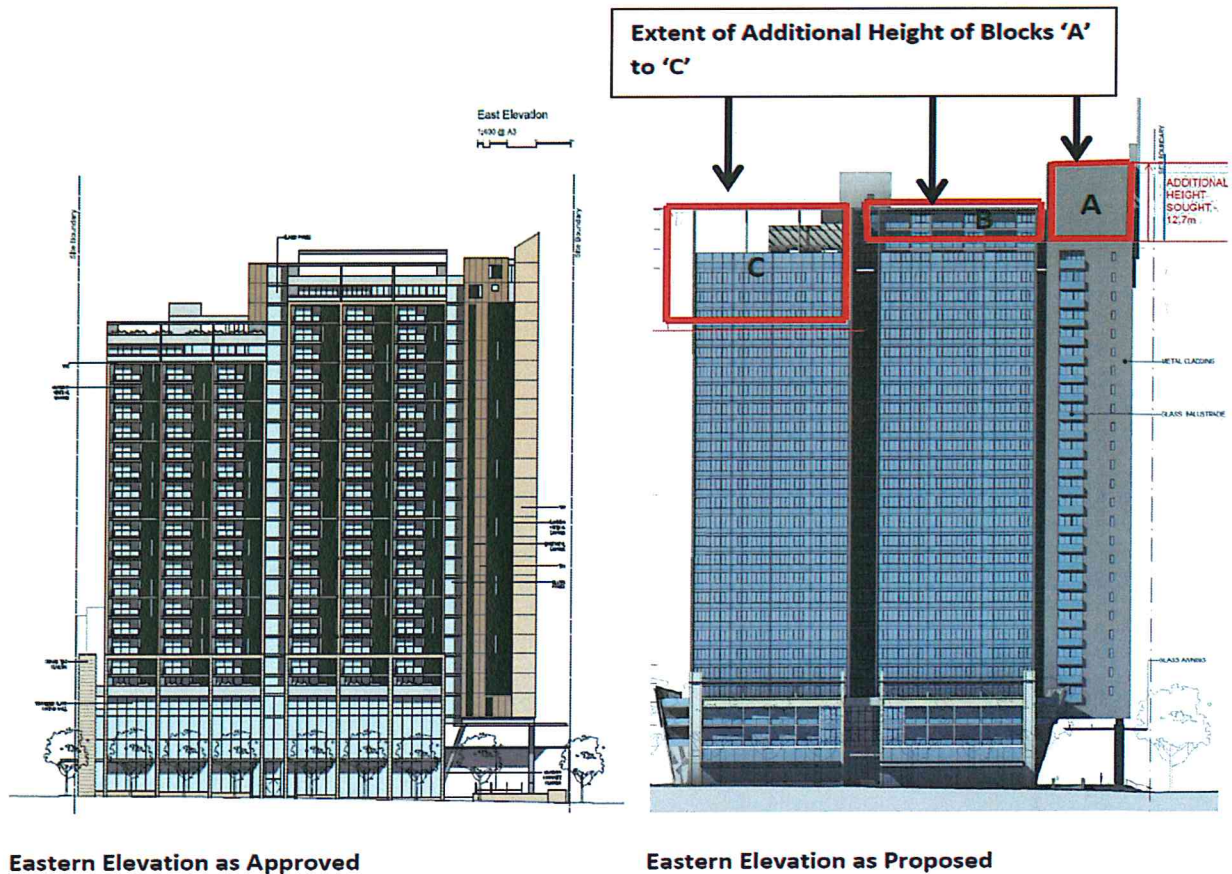


Figure 4: Comparison of approved and proposed eastern elevation

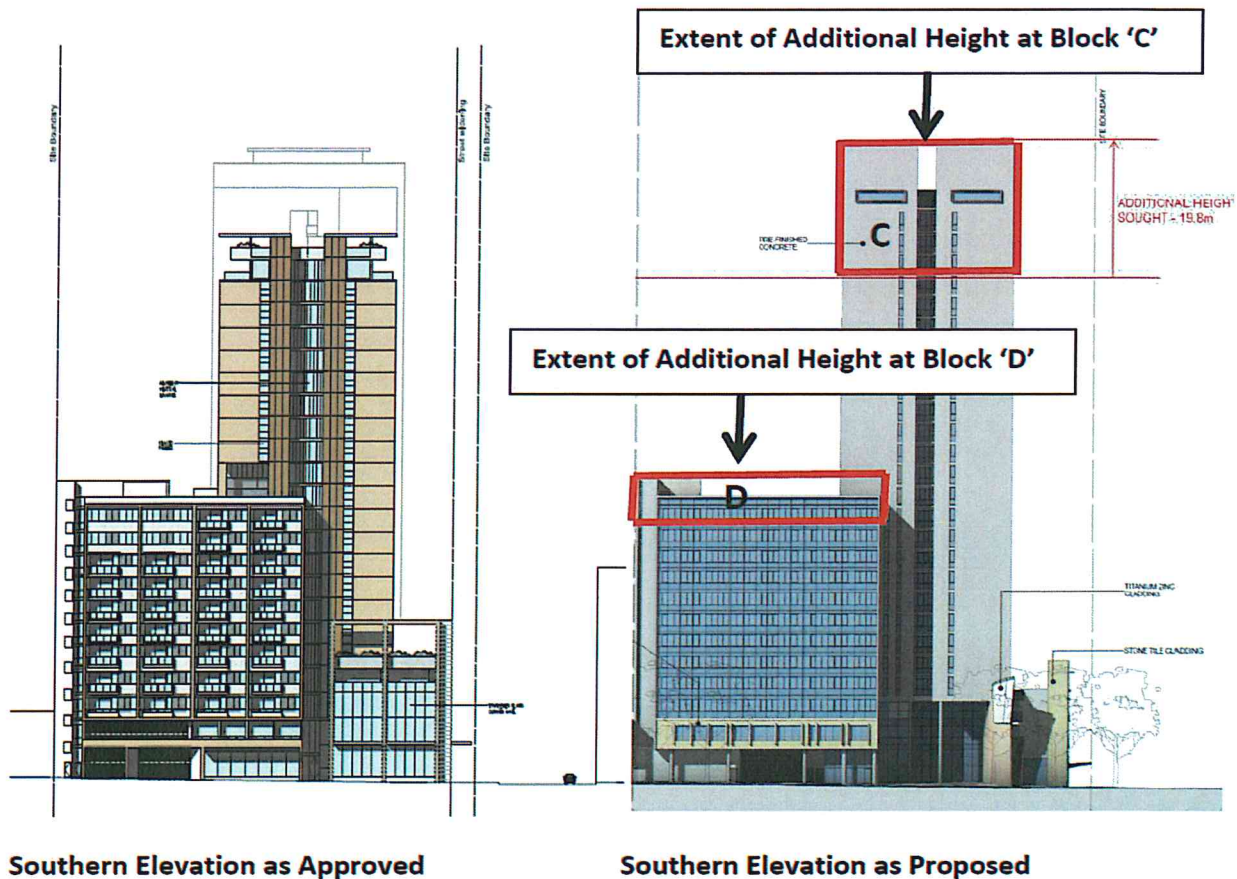


Figure 5: Comparison of approved and proposed western elevation

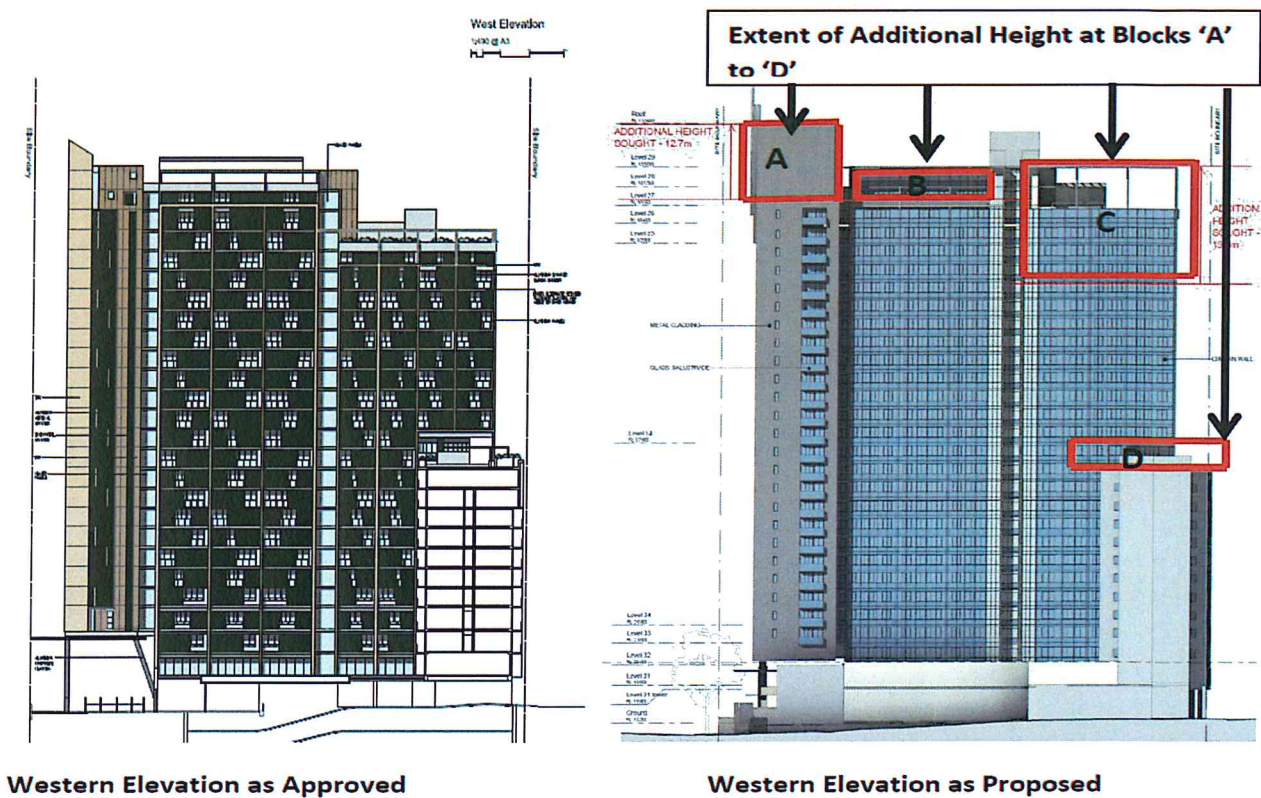


Figure 6: Comparison of approved and proposed southern elevation

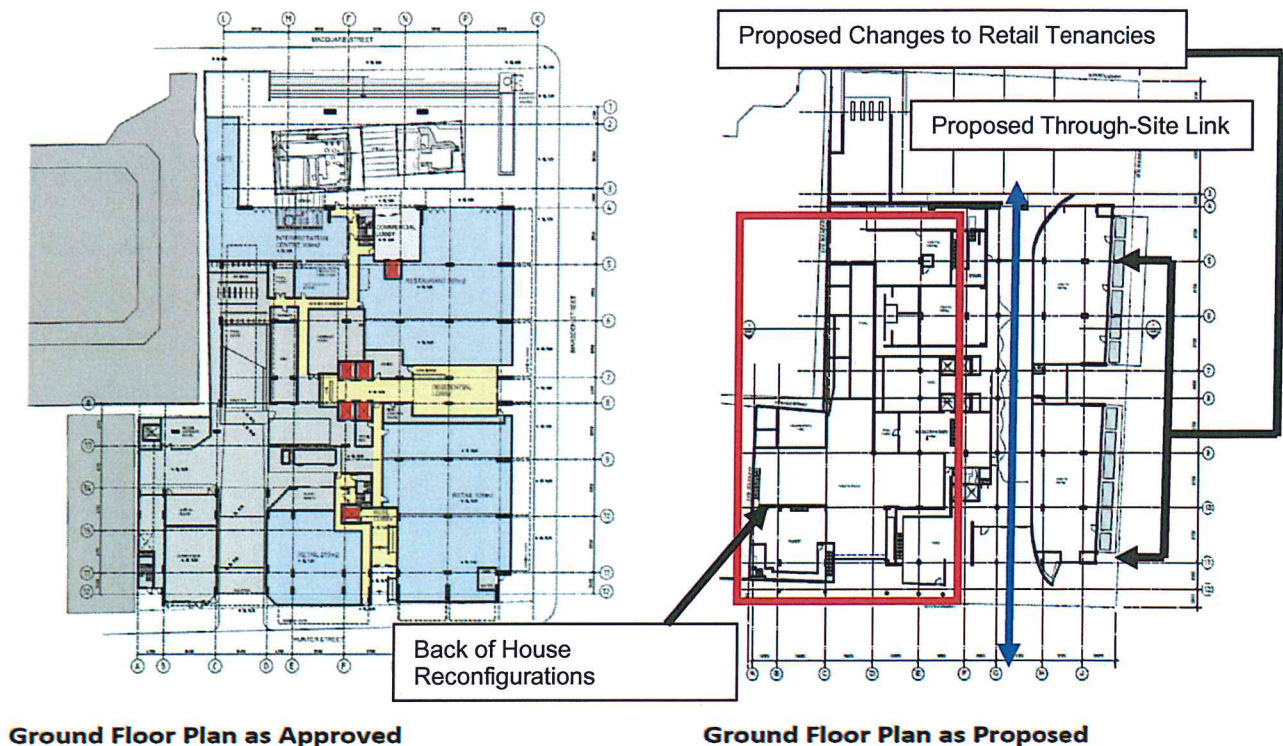


Figure 7: Comparison of approved and proposed ground floor plan

2.2 Strategic Context

NSW 2021

NSW 2021 is the NSW Government's strategic plan setting priorities for action and guiding resource allocation. NSW 2021 is a 10-year plan to rebuild the economy, provide quality services, renovate infrastructure, restore government accountability and strengthen the local environment and community. The provision of additional accommodation within the Parramatta CBD with access to public transport would contribute to the Plan's goals of:

- Delivering 25,000 of new dwellings in Sydney each year, thereby improving housing affordability and availability (Goal 5);
- Building liveable cities by locating people closer to jobs (Goal 20); and
- Growing patronage on public transport (Goal 8).

The proposal is therefore consistent with NSW 2021.

Draft Metropolitan Strategy for Sydney to 2031 (Draft Metropolitan Strategy)

The Draft Metropolitan Strategy was released in March 2013, and sets out the NSW Government's vision for Sydney to 2031. Within the 'West Central and North West' subregion, which includes the Parramatta local government area, targets include creating an additional 148,000 dwellings and 142,000 jobs by 2031, with a target of 74,000 additional dwellings by 2021. The proposal would make a positive contribution toward achieving the dwelling and job targets proposed under the Draft Metropolitan Strategy.

The proposed residential development is also considered to support the strategic direction of the Draft Metropolitan Strategy by placing housing close to employment. As such, the application will assist in strengthening the role of the Parramatta CBD as a Regional City and Sydney's second CBD, and increasing growth within proximity of the Global Economic Corridor.

Draft West Central Sub-Regional Strategy

The Draft West Central Sub-Regional Strategy (Sub-Regional Strategy) identifies Parramatta as a regional city and the economic hub and gateway to Western Sydney. The Sub-Regional Strategy identifies the need to create additional housing near jobs, transport and services, and to increase densities in centres whilst improving liveability. The proposed development will satisfy the strategic vision for growth in Parramatta by facilitating residential and commercial

development within close proximity to the Parramatta transport interchange, retail services, and regional level health and welfare services.

3. STATUTORY CONTEXT

3.1 Continuing Operation of Part 3A to Modify Project Approvals

In accordance with clause 3 of Schedule 6A of the *Environmental Planning and Assessment Act 1979* (EP&A Act), section 75W of the EP&A Act, as in force immediately before its repeal on 1 October 2011, and as modified by Schedule 6A, continues to apply to transitional Part 3A projects.

Consequently, this report has been prepared in accordance with the requirements of Part 3A and the associated regulations, and the Minister (or his delegate) may approve or disapprove the modifications under section 75W of the EP&A Act.

3.2 Modification of the Minister's Approval

Section 75W(2) of the EP&A Act provides that a proponent may request the Minister to modify the Minister's approval for a project. The Minister's approval of a modification is not required if the project, as modified, would be consistent with the original approval. As the application seeks to alter the height, GFA and apartment mix of the approved project the modification requires the Minister's approval.

3.3 Environmental Assessment Requirements

In accordance with section 75I of the EP&A Act, the department is satisfied that the Secretary's environmental assessment requirements have been complied with.

3.4 Permissibility

The site is zoned 'B4 Mixed Use' within the *Parramatta City Centre Local Environmental Plan 2007* (PCC LEP). The proposed works are permissible within the zone subject to development approval.

3.5 Delegated Authority

Although Parramatta City Council (council) raised no objection to the application, less than 10 public submissions of objection were received, and a political disclosure statement has only been made in respect of the original project application, the department considers that the application should nevertheless be referred to the Planning Assessment Commission for determination.

Consistent with the Minister for Planning's delegation, the application can be determined by the Planning Assessment Commission.

3.6 Environmental Protection and Biodiversity Conservation Act (1999) Approval

The site is located within 105 m from the south-eastern boundary of Old Government House and The Domain (OGH and The Domain) which is listed on the National and World heritage registers.

On 26 March 2013, the proponent referred the application to the then Minister for Sustainability, Environment, Water, Population and Communities (SEWPAC) to determine whether the project required assessment against the provisions of the *Environmental Protection and Biodiversity Conservation Act (1999)* (EPBC Act).

The then Minister for SEWPAC declared the application a 'controlled action' on 9 May 2013, and advised that the application could be assessed subject to minor modifications to the documents submitted with the EPBC referral.

The Department of Environment, under delegation, approved the application on 12 March 2014. The approval was issued on the basis that the impacts on views and vistas to and from OGH and The Domain could be managed via conditions restricting the height of the development to RL 112.4 m, and the implementation of the proponent's visual mitigation strategy.

4. CONSULTATION AND SUBMISSIONS

4.1 Exhibition

Under section 75X(2)(f) of the EP&A Act, the Secretary is required to make modification requests publicly available. The application was placed on public exhibition between 21 November and 21 December 2012. In addition, the department notified the relevant State and local government authorities and previous objectors in writing.

4.2 Public Authority Submissions

Three submissions were received from public authorities in response to the exhibition of the original modification request, and one additional submission was received in response to the PPR. The submissions from public authorities are summarised in **Table 1** below.

Table 1: Summary of issues raised in public authority submissions

Parramatta Council (council)	
<i>Response to Exhibition</i>	<ul style="list-style-type: none"> • Council raised no objection to the application, however, the following issues were raised: <ul style="list-style-type: none"> ▪ the revised facades do not include sufficient articulation to break down the scale and massing of the building; ▪ the proposed reduction in ground floor retail space, the revised configuration of the northern plaza, and the proposed location of the accessible path of travel will reduce activation at ground floor level; ▪ unknown whether the proposed balconies will have operable glazing; ▪ the proposed landscape plan is inconsistent with the <i>Parramatta Public Domain Guidelines</i> and the council's <i>Street Tree Masterplan 2011</i>; ▪ the application does not comply with the privacy, natural ventilation, internal circulation, and balcony depth requirements of the RFDC; ▪ the proponent should be required to obtain an excavation permit from the Heritage Council prior to the application being determined; ▪ the Quantity Surveyor's (QS) report prepared to support the application has not been prepared in accordance with section 25J of the Environmental Planning and Assessment Regulation 2000, and it is requested that the department engage an independent expert to review the report; and ▪ all outdoor dining should be located within the site boundary.
<i>Response to PPR</i>	<ul style="list-style-type: none"> • Council reviewed the PPR and raised the following issues: <ul style="list-style-type: none"> ▪ a revised QS report has not been provided. As such, the council still holds concerns in relation to the veracity of the original QS report, and the need to ensure section 94A contributions are levied in accordance with section 25J of the EP&A Act; ▪ the proponent's interpretation of the natural ventilation requirements of the RFDC is not accepted; ▪ where kitchens are not naturally ventilated the proponent should be required to install extractors or ventilators to isolate, extract and expel odour; ▪ the height of the lift overrun should be reduced and clad with high quality materials to minimise the impact on views to OGH and The Domain; ▪ the application should not result in any additional overshadowing at Parramatta Square between 12 pm and 2 pm at the winter solstice; ▪ the PPR does not address connectivity between the retail plaza and the adjoining retail tenancy; ▪ the architectural plans do not identify which apartments will be used as serviced apartments. In addition, the PPR states that the proponent is

seeking to utilise all apartments between levels 2 and 8 as serviced apartments. This would equate to a total of 100 serviced apartments, rather than the 44 serviced apartments outlined in the PPR; and

- the application does not include any justification outlining the public benefits associated with increasing the scale of the approved development.

Heritage Branch, Office of Environment and Heritage (OEH)

- Response to Exhibition*
- The Heritage Branch, OEH raised no objection to the application and requested conditions requiring the proponent to:
 - prepare a detailed Interpretation Plan in consultation with the Heritage Branch of the OEH to guide the design of the below-ground archaeological display area;
 - prepare the detailed design of the below ground archaeological display area in consultation with the Heritage Branch of the OEH; and
 - prepare the detailed design of the environmental management system to the satisfaction of the Heritage Branch of the OEH.

Roads & Maritime Services (RMS)

- Response to Exhibition*
- Raised no objection to the creation of additional car spaces on site.
-

4.3 Public Submissions

Two public submissions were received during exhibition. One submission supported the application on the basis that Parramatta CBD has been identified as a regional city within the Draft Metropolitan Strategy, and the development of the subject site will assist in reinforcing Parramatta's role as Sydney's second CBD.

The second submission raised concern with the following aspects of the proposal:

- The proposed increase to the height of the building would reduce the visual primacy of the commercial core of the CBD, which is located 220 m south-west of the subject site; and
- The proposal will further reduce the amount of commercial floor space and therefore has the potential to be counter-productive in promoting Parramatta's role as a regional city.

The department has reviewed the submissions and has concluded that:

- 17.9 m is not a substantial increase to the height of the approved building (RL 94.5 m approved, RL 112.4 m proposed). In addition, the proposed increase in height responds to the heights proposed by the council for the blocks bounded by Church, Macquarie, Smith and Darcy streets (Parramatta Square), and the planning proposal for Aspire Tower which seeks to increase the height limit at 160 to 182 Church Street to 306 m; and
- The application is consistent with the objectives of the 'B4 Mixed Use' zone, which seeks to support the higher order commercial zone whilst providing for the daily commercial needs of the locality including: commercial and retail development; cultural and entertainment facilities; tourism, leisure and recreation facilities; social education and health services; and high density development.

5. ASSESSMENT

The department considers that the key assessment issues associated with the proposed modification are:

- Built form and amenity impacts;
- Traffic and car parking;
- Heritage and archaeology;
- Development contributions; and
- ESD.

5.1 Built form

The PCC LEP sets a height limit of 54 m and maximum floor space ratio (FSR) of 6:1 for the site. The approved development comprises a four-storey podium with a height of RL 32.5 m, and one residential tower comprised of four development 'blocks' (blocks 'A' to 'D'), which range in height between RL 44.9 m (10-storeys) and RL 94.5 m (25-storeys). The approved development exceeds the maximum height limit by 30.3 m or 56 per cent. A photomontage of the approved development is provided at **Figure 8**.



Figure 8: Photomontage of approved project as viewed from the intersection of Macquarie and Marsden Street

The modification application seeks approval to increase the height of 'blocks' 'A' to 'D' of the approved tower as follows:

- Block 'A' from RL 94.5 m (25-storeys) to RL 112.4 m (28-storeys);
- Block 'B' from RL 88.3 m (24-storeys) to RL 105 m (28-storeys);
- Block 'C' from RL 82.1 m (21-storeys) to RL 105 m (25-storeys); and
- Block 'D' from RL 44.9 m (10-storeys) to RL 54.8 m (11-storeys).

In addition, the application seeks approval to reduce the height of the podium from RL 32.5 m (four-storeys) to RL 26.9 m (three-storeys).

The modification would exceed the maximum height by 48.2 m (up from 30.3 m) and the FSR control by 2.67:1. **Table 2** summarises the approved project, the proposed modifications, and compliance with the height and FSR controls of the PCC LEP.

Table 2: Compliance with the height limits of the PCC LEP 2007

Approved Project				Proposed Modification		
LEP Control	Height	Compliance	% Variation	Height	Compliance	% Variation
54 m permitted	RL 94.5 m (84.3m)	No	56.1 %	RL 112.4 m (102.2 m)	No	89 %
LEP Control	FSR	Compliance	% Variation	FSR	Compliance	% Variation
6:1	8.27:1	No	37%	8.67:1	No	44.5 %

A comparison of the approved and proposed building envelope is provided at **Figure 9**, and a photomontage of the proposed development is provided at **Figure 10**.

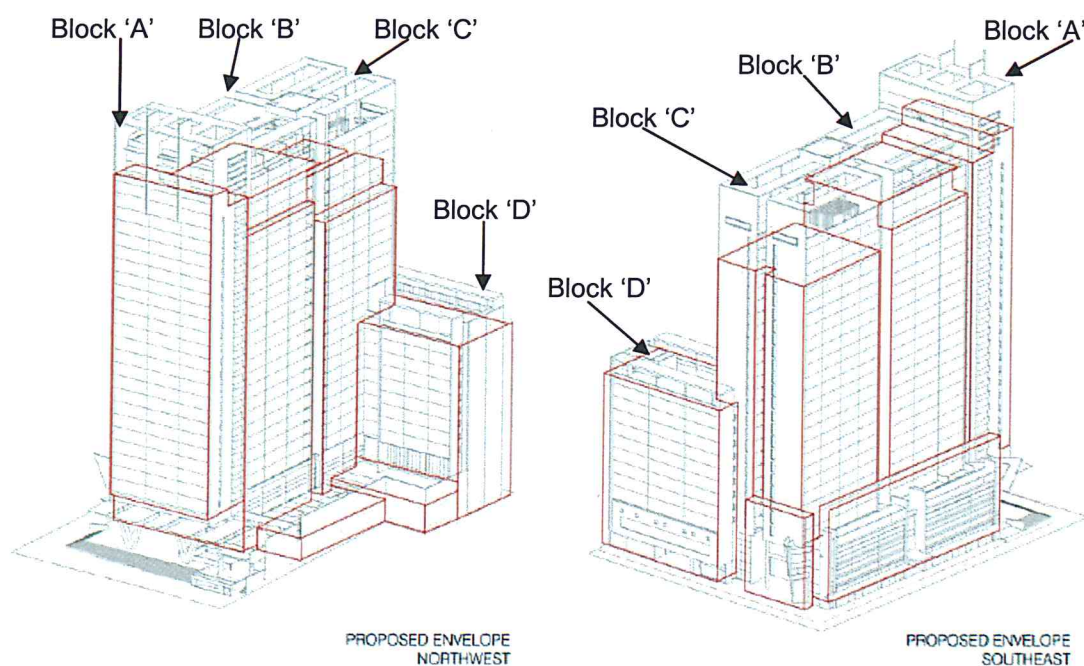


Figure 9: Approved and proposed building envelopes
Note: Red line indicates extent of approved envelope

The department notes that LEP controls do not apply to transitional Part 3A projects. Instead, a merit-based assessment of the application has been undertaken and which includes an assessment of the built form issues (urban design; design excellence; visual impacts) and amenity impacts (privacy, overshadowing, wind, noise) of the application to determine the appropriateness of the proposal.

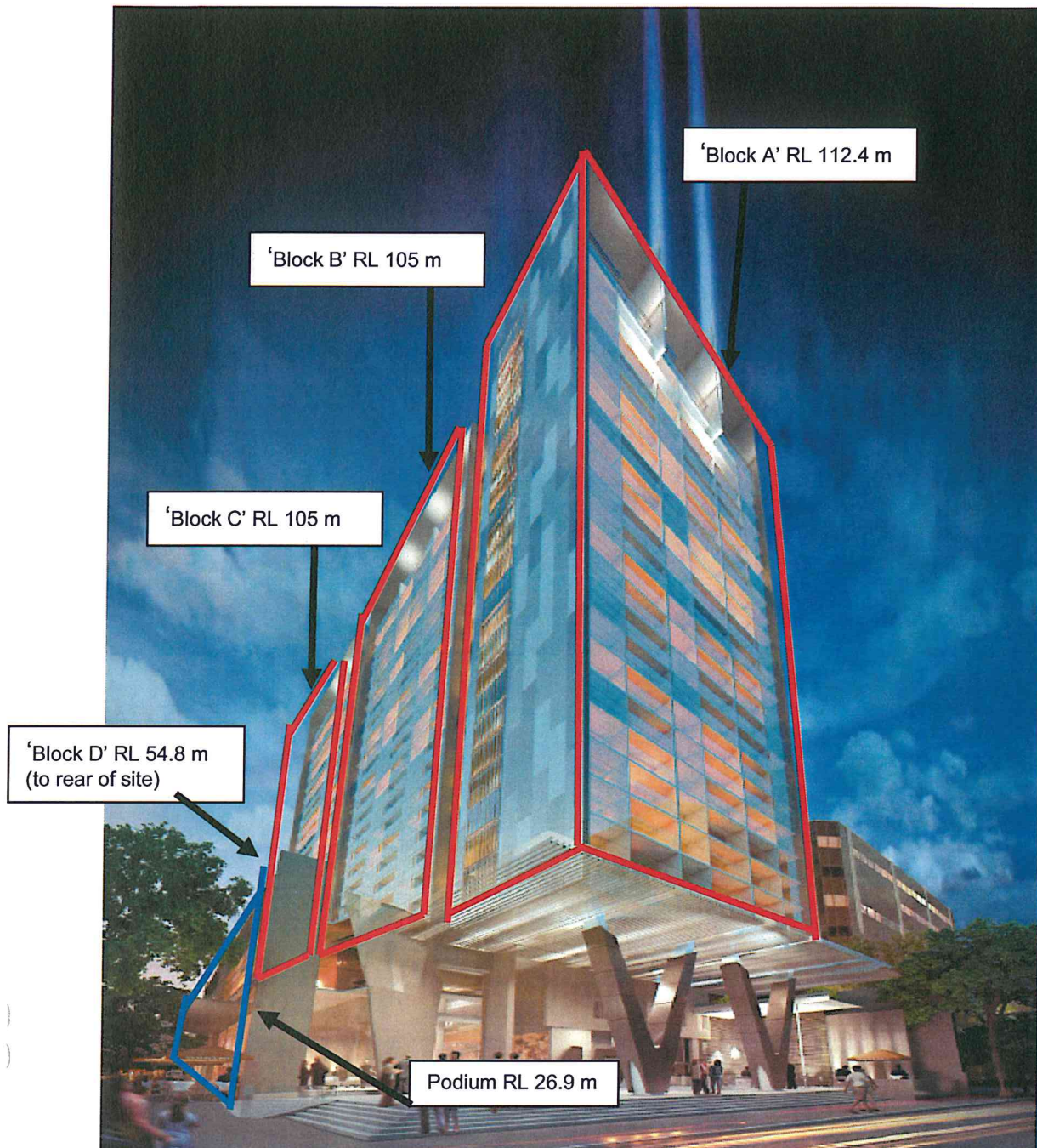


Figure 10: Proposed building as viewed from the intersection of Macquarie and Marsden Street

5.1.2 Urban Design

The department has also reviewed the proponent's Architectural Design Report to determine whether the project would result in any unacceptable urban design outcomes. Based on this information, the department has concluded that:

- The application is consistent with the council's future vision for the Parramatta CBD, which includes height increases (building heights ranging between 200 m and 306 m) and future zoning changes within the blocks bounded by Church, Macquarie, Smith and Darcy streets required to facilitate council's 'Parramatta Square' project (see **Figure 11** below);
- The application will create a transition in height and scale between the taller built form proposed within 'Parramatta Square', the subject site, and the grounds of OGH and The Domain (see **Figure 11**);
- The application responds to the following design requirements of the PDCP 2011:
 - it has been designed to comply with the minimum street wall height requirement of the PDCP 2011 (14 m or 4-storeys required, 16.24 m proposed);

- it exceeds the upper level setbacks specified for development along Marsden Street (6 m required, 10 m proposed);
- the podium and tower will be comprised of high quality architectural details and finishes to provide visual interest on prominent parts of the building. In addition, the podium has been designed to clearly define the adjoining streets and maintain a pedestrian scale at street level;
- the tower has been designed to incorporate vertical bays across the eastern elevation to break down the bulk and scale of the building when viewed from Marsden Street and within the surrounding public domain. In addition, each tower block has been designed to maintain the 'stepping' down in height from north to south to reflect the form of the approved project. The use of the abovementioned architectural features, combined with the additional height will provide a more elegant and slender built form in comparison to the approved project;
- the retail uses proposed at ground floor level will ensure more than 50 per cent of the Marsden Street street frontage will contain active uses (100 per cent of the frontage contains glazed retail spaces to enable activation). In addition, the secondary frontages provide active uses across more than 40 per cent of the Macquarie Street and Hunter Street street frontages (100 per cent activation proposed via the incorporation of fully glazed retail tenancies);
- the proposed through-site link has been designed to comply with the minimum width (3 m unencumbered, 8 m proposed) and activation requirements (40 per cent of the frontage is to incorporate active uses, 100 per cent activation proposed along the eastern elevation of the through-site link); and
- the tower continues to incorporate balconies and communal terrace areas to provide visual interest and promote passive surveillance of the public domain.

Noting the above, and given council also raised no objection to the modifications to the height of the tower, the department is satisfied that the modified building form would provide a positive urban design outcome. Furthermore, as the modifications will not result in any significant or adverse amenity impacts and the proposed building has been designed to respond appropriately to the site's emerging context and the requirements of the PDCP 2011, the department is satisfied that the proposed increase to the height of the building and its bulk and scale are acceptable.

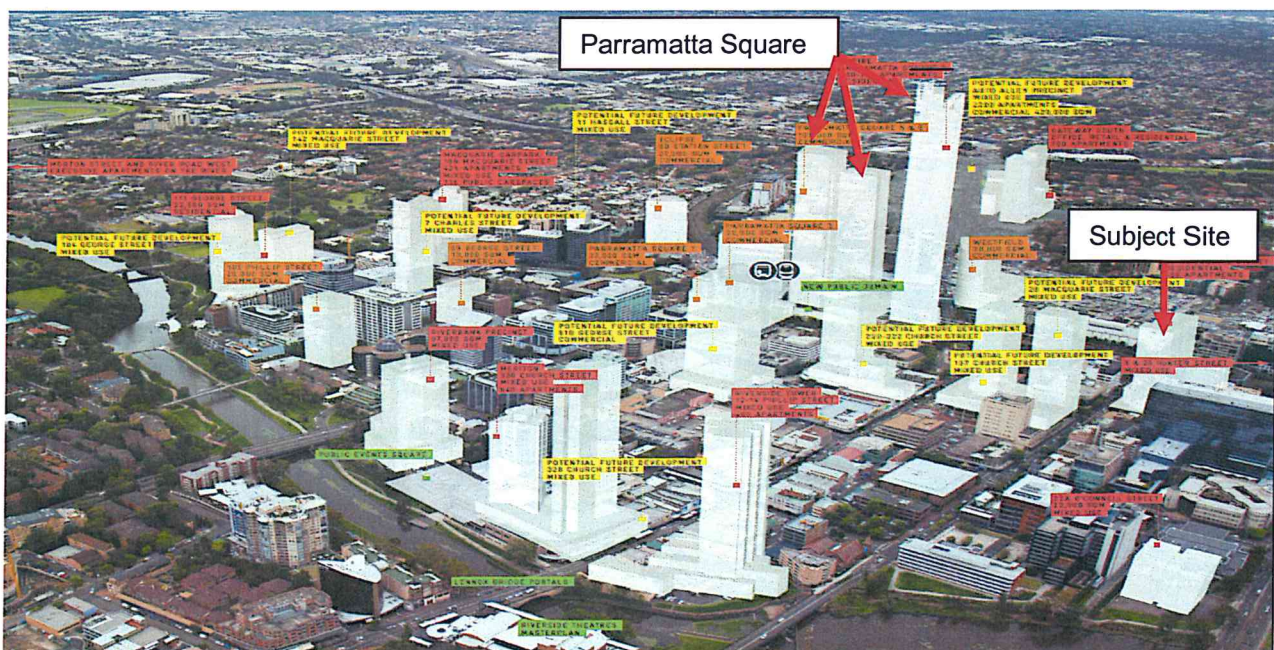


Figure 11: Indicative envelopes of approved and proposed developments within the Parramatta CBD