

1 March 2010

Director-General
Department of Planning
23-33 Bridge Street
SYDNEY NSW 2000

Attention: Andrew Smith

Dear Mr Smith,

Major Project Declaration & Preliminary Environmental Assessment Redevelopment of the Scottish Hospital Site - 2 Cooper St, Paddington

Further to our earlier request, we are writing on behalf of The Presbyterian Church NSW Property Trust, the proponent of the above project, to make a revised request for:

- **Major Project Declaration** - Confirmation as to whether the Minister considers the project to be a 'Major Project' pursuant to Cl 6 of *State Environmental Planning Policy (Major Projects) 2005*, by way of Clause 13 to Schedule 1 of the policy;
- **Director General's Requirements** - If declared a Major Project, notification of any Environmental Assessment requirements of the Director General pursuant to Section 75F to Part 3A of the *Environmental Planning and Assessment Act 1979*.

1 Site Details

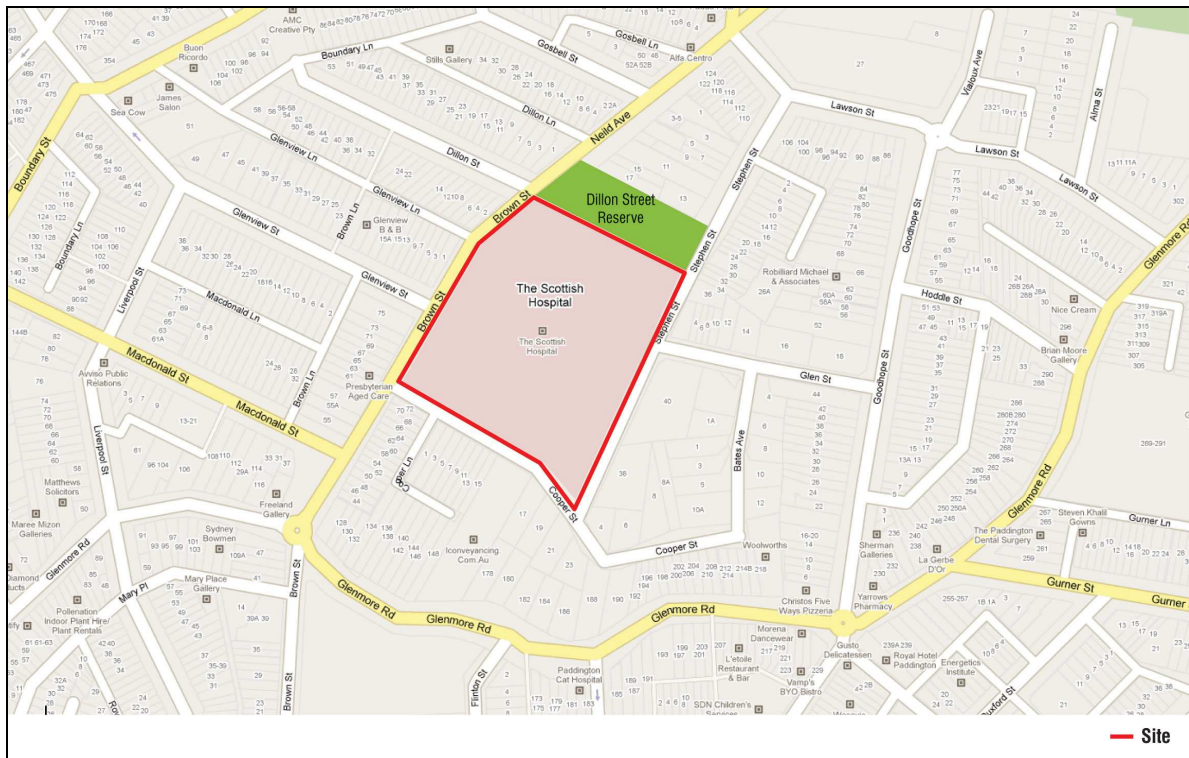
The site is legally described as Lot 2 in DP 607572 and is known as the Scottish Hospital site. The address of the site is 2 Cooper Street Paddington, and it has an area of 1.478ha. Existing development comprises:

- The original heritage listed Scottish Hospital building, and associated gardens.
- Modern extension to the Scottish Hospital building, comprising operating theatres - equivalent height of four stories.
- A four storey Nursing Home building.
- Several significant trees on the western and northern portions of the site.

Figure 1 – Aerial Photograph of the Site



Figure 2 – Local Cadastre



2 Background

Development consent for alterations and additions to the existing facility on the site was granted by Woollahra Council on 31 January 2002 (DA931/2001). The approved development comprised:

- 19 self-care dwellings.
- 182 hostel/nursing care flexible units (providing up to 207 beds);
- On site support facilities and amenities
- Parking for 73 cars;
- Approximately 17,229.15m² gross floor area (GFA).

Condition 1 of this consent deferred it's commencement until the site has been remediated. Development consent 427/2001 was subsequently granted for the excavation and removal of potentially contaminated soil.

While the remediation consent (DA427/2001) has been physically commenced, Development Consent DA931/2001 for redevelopment of the site has lapsed.

3 Description of the Project

The envisaged project comprises:

- Demolition of existing nursing home and operating theatre buildings.
- Adaptive reuse of the Scottish Hospital (heritage) building for Seniors Living purposes and restoration of the existing heritage courtyard.
- Erection of new buildings to accommodate approximately 90 self care units for older people and 105 nursing home beds
- Approximately 19,000m² gross floor area (GFA), resulting in a floor space ratio (FSR) of approximately 1.3:1.
- Basement car parking for approximately 160 cars and on-grade parking for approximately 25 cars.
- Principal vehicular access via the existing driveway to Nield Avenue, a new vehicular/pedestrian access to the nursing home via Stephen Street, and retention of the existing emergency vehicle access via Cooper Street.

While various massing options are being investigated to accommodate the above quantum of development on the site, the following images provide an indication of the envisaged building massing.

Figure 3 – Envisaged Building Massing (aerial view from North-West)



Figure 4 – Envisaged Building Massing (aerial view from North-East)



4 Key Planning Considerations

The key planning instruments and policies that currently apply to the Project are:

4.1 Part 3A and SEPP (Major Development)

Pursuant to Clause 6 of SEPP Major Development, development that, in the opinion of the Minister, is of a kind described in Schedule 1 is a Project to which Part 3A of the EP&A Act applies, and for which the Minister is the consent authority. Clause 13 of Schedule 1 includes:

“Development for the purpose of residential, commercial or retail projects with a capital investment of more than \$100 million”.

The attached preliminary estimate indicates that the Capital Investment Value of the development described at Section 3 will be \$103,500,000 + GST. As the development is residential, in our opinion it is of the kind described above.

We therefore formally request the Minister to declare whether, in his opinion, the development has a capital investment of more than \$100 million, and whether it is therefore a 'Major Project'.

Pursuant to Section 75F(2), when an application is made for the Minister's approval for a project, the Director-General is to prepare environmental assessment requirements having regard to any such relevant guidelines in respect of the project. The following Preliminary Environmental Assessment has been prepared to assist the Director General is preparing such requirements.

4.2 State Environmental Planning Policy – Housing for Seniors and People with a Disability (SEPP Seniors Living)

SEPP Seniors Living aims to encourage a range of housing that suits seniors (people aged 55 years and over) or people with a disability. The SEPP applies to land within NSW that is zoned for urban purposes on which, relevantly, development for hospitals is permitted. The SEPP sets aside local planning controls that would otherwise prohibit the development of housing for seniors or people with a disability that meets the development criteria and standards specified in the Policy. In short, the SEPP permits a range of types of Senior's Living on the site, including:

- residential care facilities.
- hostels.
- groups of self-contained dwellings.
- any combination of the above.

4.3 Woollahra Local Environmental Plan 1995 (WLEP 1995)

The site is zoned Zone No. 5. (Special Use – Hospital) under WLEP. Permissible uses include 'Hospitals', ordinarily incidental or ancillary land uses, local community facilities, utilities, drainage, parks, gardens and roads.

Figure 4 – Extract: WLEP 1995 Zoning Map



While no FSR standard applies to the site, or surrounding land within the 2(a) zone, land within the 2(b) zone to the south and east is subject to a 0.75:1 standard.

A building height standard of 9.5 metres applies to the site, and all surrounding properties.

The main hospital building, grounds, gardens, terracing, 3 Moreton Bay Figs, Port Jackson Fig, Norfolk Island Pine, Weeping Lilli Pilli and Holm Oak are listed as a heritage items under WLEP. The site and the surrounding area are located within the Paddington Urban Conservation Area. The site is not listed as a State Heritage Item.

The site, and indeed the whole Woollahra Local Government Area is contained within the Foreshore Scenic Protection Area.

4.4 Paddington Development Control Plan 1999

The Paddington Development Control Plan (PDCP) provides an understanding of the significance of Paddington, its character elements, its desired future character, the conservation philosophy and Council's approach to contemporary design in Paddington. It encourages developers to have a thorough understanding of the physical and historical aspects of the site and its context as a guide to the appropriateness of design approaches.

Part 3 of the DCP provides guidelines for the preparation of a Heritage Impact Statement. Part 5 of the DCP contains guidelines for heritage items and infill development.

5 Likely Issues and Preliminary Environmental Assessment

The following outlines the issues that the applicant envisages will be addressed in the environmental assessment of the project.

5.1 Compliance and Consistency with Planning Controls and Policies

The proposed development is permissible pursuant to SEPP Seniors Living.

While the proposed development is intended to fully comply with all relevant development standards contained in SEPP Senior's Living, it is not proposed to comply with the building height standard of 9.5 metres that applies pursuant to WLEP 1995, for the following reasons:

- The topography of the site is very steep, such that the height of a multi-storey building above the level of Brown Street will not be inconsistent with the 9.5 metre height of development to the west, across Brown Street.
- Due to the steep topography, the topmost points of an 8 storey building will be at a similar level to that of the existing heritage building.
- Building heights adjacent to Stephen Street are not to be inconsistent with the height of existing flat buildings in Stephen Street.
- The large trees on the site will significantly mitigate the perceived height of the envisaged buildings, which will generally sit within the established tree canopy.
- The concentration of building mass into small building footprints permits the retention of a large proportion of existing vegetation, and the exclusion of building works from the historic garden and the proposed public open space.

5.2 Land Use

Wallace McKinnon have prepared a Stage 1 demand analysis that demonstrates strong community demand for both nursing home, and independent living units for Seniors in the locality. Specific findings of the report included:

- Continuing strong growth in the aged and emerging aged population.
- Minimal services currently available in the area for the aged.
- Current and expected future residential aged care places significantly below the Government's desired benchmark.
- The limited number of retirement village operations and the lack of accommodation and services choice.
- The likely critical shortage of residential aged care places to match the strong growth in the aged population in Woollahra and the surrounding LGAs.
- The lack of services in the Sydney CBD where there continues to be strong growth in residential accommodation.

5.3 Local Facilities and Public Transport

Dillon Street Reserve is located directly to the north of the site. It is within Zone No 6 (Open Space). This reserve provides for passive recreation. The site is also less than 1km from major public open spaces including Rushcutters Bay Park, Sydney Harbour foreshore and Trumper Park.

Approximately 150m south along Brown Street are two mixed goods corner stores. Approximately 200m east of the site is Five Ways, Paddington. This local centre provides a small supermarket, boutique shops, cafes, restaurants, newsagency, pharmacy, hotel, etc.

The closest bus stop is approximately 50m away at the top of Brown Street. The closest centres that provide a wider range of goods and service (including banks) and train stations are the Edgecliff Centre and Bondi Junction. Only Bondi Junction is conveniently accessible by bus from the site. However, this is a major regional centre with a comprehensive range of facilities and services.

Halcrow MWT have been engaged to prepare a report providing a detailed examination of the pedestrian and bus accessibility of the site.

5.4 Built Form and Zoning Context

The surrounding development in the immediate area consists of Victorian terraces, interspersed with residential flat buildings developed in two eras, in the 1920 and 30s and again in the 1960s and 70s. The result is a streetscape consisting of 1-3 storey terrace forms and 3 storey 'walk-up' flats. This pattern is interrupted in Copper and Stephen Streets by 8 and 9 storey residential flat buildings.



North, West and South-West and North-East

As illustrated at Figure 4, land to the north, west, south-west and north-east is zoned 2(a) Residential (Residential "A" Zone). Dwelling houses are permissible in this zone. Residential flat buildings are not. This area is characterised by one and two storey terrace houses, with grander three storey terraces located along Cooper Street. The relevant objectives of this zone are:

- *"To maintain the amenity and existing characteristics of areas predominantly characterised by dwelling-houses.*
- *To allow certain non-residential development of low intensity which is compatible with the residential character and amenity of the locality".*

A height limit of 9.5m, and a minimum lot size on 230m² applies to this zone.

South-East

The land to the south-east is zoned 2(b) Residential (Residential "B" Zone). Dwelling houses and residential flat buildings are permissible in this zone. This area is characterised by existing medium density residential flat buildings (two to four storeys). We note that within this zone there are two residential flat buildings most likely built in the 1960s and 1970s that dominate the streetscape. A nine storey 1960s residential flat building breaks the rhythm of terraces along Cooper Street and dominates the streetscape. An eight storey residential flat building dating from the 1970s dominates the streetscape of Stephen Street. The relevant objectives of this zone are:

- *"To provide for areas of medium and high density residential development in appropriate locations.*
- *To encourage a diversity of dwelling types and tenure.*

- *To allow non-residential development of low intensity which is compatible with the residential character and amenity of the locality”.*

A height limit of 9.5m, and an FSR limit of 0.75:1 applies to this zone.

5.5 Urban Design Issues

The EA will be accompanied by an Urban Design Report prepared by GMU Design. This report will provide a detailed analysis of the natural and built form context of the site, with particular reference to issues such as topography, hydrology, landscape, views and connectivity. On the basis of this analysis, Design Principles will be developed with regards to:

- Open space and landscape.
- Connectivity, entry and links.
- Built form, including height, setbacks, building separation, architectural character and height.
- Views and vistas.
- Response to topography.
- Water Sensitive Urban Design (WSUD).

These principles will be used to develop and assess the final proposal.



5.6 Heritage

The site is one of the last un-subdivided “mansion type” blocks in Paddington. Development of this site has not followed the pattern elsewhere in Paddington where large estates based on original land grants were subdivided and developed for characteristic terrace houses. The site retains a substantial garden centred on the original mansion (Scottish Hospital building). The site is unusual for having no adjoining neighbours on the boundary, and for the maturity of plantings on site. Heritage listed and other mature trees provide a green, visual buffer to the Brown Street boundary and the boundary with Dillon Street reserve. The impact of existing development is low because it is setback from the street and obscured behind the canopies of the heritage trees so that it cannot be seen readily from any surrounding streets.

A Conservation Management Plan (CMP) for the site was adopted in 2006. The EA will include an updated CMP and a Heritage Impact Statement (HIS) fully addressing the significance of, and the impact of the proposed development upon all existing items on and around the site, and the Paddington Conservation Area.

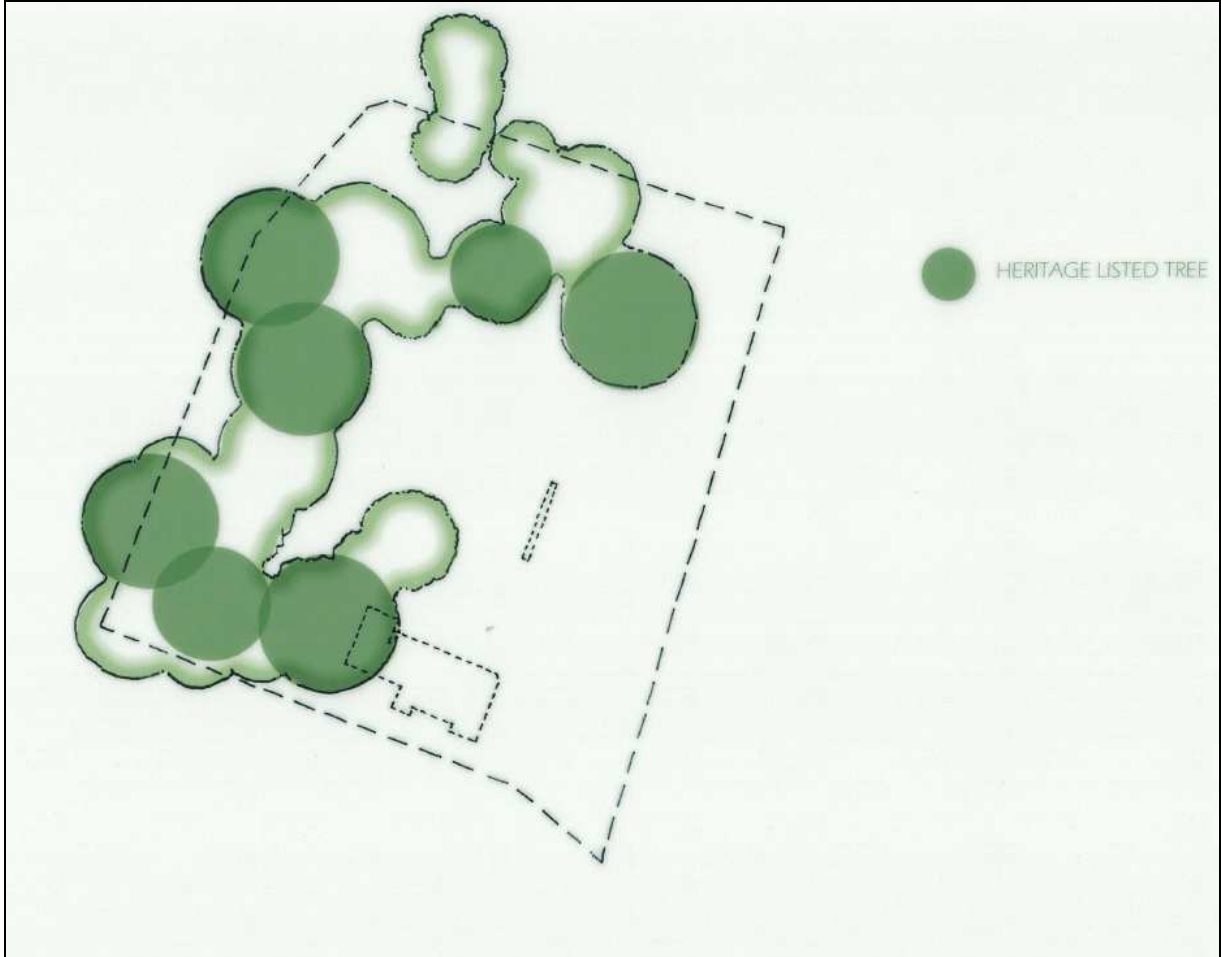
5.7 Trees/Garden Curtilage

The grounds, gardens, terracing, 3 Moreton Bay Figs, a Port Jackson Fig, Norfolk Island Pine, Weeping Lilli Pilli and Holm Oak are all listed as a heritage item under WLEP 1995. Retaining the characteristics of the garden setting of the Scottish Hospital building will be essential to maintaining the heritage significance of the site, including its majestic trees, landscaped edges, terraced gardens, views to and from the Scottish Hospital from the lower northern grassed area and the overall “park like” character of the site.

An Arboreal Assessment of all trees on the site has therefore been prepared by Tree Wise Men.

This assessment indicates that some of the heritage trees are nearing the end of their life with decay noted, including the Norfolk Island Pine and Holm Oak (Holly Oak). A number of other trees that have landscape value including two Moreton Bay Figs and three Port Jackson Figs are showing signs of decay due to age, and one Port Jackson Fig will need to be removed as it is unstable. Removal of this tree was a condition of the previous “Nursing Home” consent. A number of other trees on the site have been found to have potentially reduced Safe Useful Life Expectancies (SULE’s) due to decay, root damage and disease, and require monitoring.

The EA will include a full arboreal assessment of all trees on the site, and this assessment will inform both the building massing and landscape concepts proposed. The impact of the proposed development upon the heritage values of the landscape context will also be assessed in the HIS.



Threatened Species

A preliminary Flora and Fauna report prepared by Cumberland Ecology has found that while the subject site provides suitable habitat for a range of common fauna species, including many introduced species, it also provides foraging habitat for the Grey-headed Flying-fox, which is listed as a vulnerable species under both Commonwealth and NSW legislation. An Assessment of Significance for the Grey-headed Flying-fox is included in the report.

While a detailed Flora and Fauna report will accompany the project application, at this stage Cumberland Ecology do not anticipate any significant impacts on threatened fauna species.

5.8 Open space

The open space utility of the Dillon Street Public Reserve is limited by its narrow width. Redevelopment of the Scottish Hospital site creates the potential to enhance the reserve through the creation of an adjacent open space within the hospital site.

5.9 Traffic

The Victorian era street system serving the densely populated suburb of Paddington is sensitive to additional traffic volumes. The envisaged development will increase traffic generation associated with the site. The EA will therefore be accompanied by a detailed traffic report prepared by Halcrow MWT that will consider the additional traffic generation of the proposed development, and its impact upon the capacity of the local road network.

5.10 Contamination / Remediation

Investigations undertaken in association with the previous proposal for the site identified contamination associated with the former hospital use. Contamination investigations prepared in accordance with *State Environmental Planning Policy No. 55 – Remediation of Land* will therefore accompany the EA.

5.11 Mobility and Access

Accessibility within and around the site will be addressed as part of the EA in accordance with relevant provisions of SEPP Seniors Living, the Building Code of Australia and relevant Australian Standards.

5.12 Energy Efficiency

Energy performance measures will be included as part of the EA process to comply with the relevant provisions of the Building Code of Australia. An energy efficiency performance report will be included as part of the proposal.

6 Community Benefit

The development of itself will provide community benefit, satisfying significant community demand for Senior's Living in the locality. However, the envisaged development will also provide the following additional community benefits:

- Improved streetscape presentation.
- Improved interface with Dillon Reserve.
- The creation of public views to the rear of the heritage building and garden.
- Improved safety and security within and around the site and in particular, within Dillon reserve.

7 Consultation

Urban Concepts will undertake a community consultation process aimed at both informing and seeking input from the local community and relevant stakeholders. The consultation process is still being developed and will be in accordance with the Department's Guidelines for consultation on major projects. It is intended to submit a copy of the draft consultation plan for comment and review by both the Department and Woollahra Council prior to its implementation. It is expected to include:

- A 'Freecall 1800' phone number, Project PO Box and email site.
- Project Website.
- Regular Community Newsletters.
- Stakeholder briefing papers and sessions.
- Community Information days.

All consultation will be documented in a report by Urban Concepts, which will be appended to the Environmental Assessment that accompanies the Project Application. All issues raised in consultation will be addressed in the Environmental Assessment.

8 Summary

This letter has provided an overview of the project to assist the Minister in forming a view as to whether it constitutes a Major Project, pursuant to Part 3A of the EP&A Act. It also provides information to assist the Director General to prepare Environmental Assessment Requirements, should the Minister so declare the project. We would welcome the opportunity to provide a detailed briefing to you and officers of the Department of Planning should you consider it warranted.

If you have any questions or wish to discuss the matter further, please do not hesitate to contact me on (02) 8233 9970.

Yours sincerely,



Ian Cady
Associate Director

Enc. Quantity Surveyor Estimate of Capital Investment Value