



**Planning &
Infrastructure**

MAJOR PROJECT ASSESSMENT:

***Adaptive Reuse of the Clare Hotel and
Administration Building on Block 3A***

***Central Park, Chippendale
(Former Carlton United Brewery)
MP11_0089***



Director-General's
Environmental Assessment Report
Section 75I of the
Environmental Planning and Assessment Act 1979

April 2013

ABBREVIATIONS

CIV	Capital Investment Value
Department	Department of Planning and Infrastructure
DGRs	Director-General's Requirements
Director-General	Director-General of the Department of Planning and Infrastructure
EA	Environmental Assessment
EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>
EP&A Regulation	Environmental Planning and Assessment Regulation 2000
EPI	Environmental Planning Instrument
MD SEPP	State Environmental Planning Policy (Major Development) 2005
Minister	Minister for Planning and Infrastructure
PAC	Planning Assessment Commission
Part 3A	Part 3A of the <i>Environmental Planning and Assessment Act 1979</i>
PEA	Preliminary Environmental Assessment
Proponent	Fraser's Broadway Pty Ltd
RtS	Response to Submissions

Cover Photograph: Photomontage - Proposed Development (Source: Architectural Cover Page, TZG Architects, November 2012)

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NSW Government

Department of Planning and Infrastructure

EXECUTIVE SUMMARY

This Project Application seeks approval for the adaptive reuse of the Clare Hotel and Administration Building (known as Block 3A) at Central Park, Chippendale (former Carlton United Brewery).

The proposal, as described in the Environmental Assessment and Response to Submissions, seeks approval for a 60 room boutique hotel with conference facilities, restaurants, a lounge and rooftop pool and deck. The works would involve construction of an additional storey to the Clare Hotel and two additional storeys to the Administration Building, and the construction of a new physical link between the two buildings.

The site is located within the City of Sydney Local Government Area. The Proponent is Frasers Broadway Pty Ltd. The Project has a capital investment value of \$20,000,000.

The proposed land uses are in accordance with the land uses permitted by the approved Concept Plan, MP06_0171 (as modified).

The Project is a transitional Major Project under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act) as Director-General's Environmental Assessment Requirements were issued in respect of this Project prior to 8 April 2011. Consequently, this report has been prepared in accordance with Part 3A of the EP&A Act and associated regulations.

The Environmental Assessment was exhibited for a 52 day period from **12 December 2012 to 1 February 2013**. The Department received four submissions from agencies/authorities and nine submissions from the general public.

Key issues considered in the assessment include:

- Consistency with the approved Concept Plan;
- Heritage conservation; and
- Management and operation of the hotel and restaurant uses.

On 5 March 2013, the Proponent submitted a Response to Submissions which amended the proposal by increasing the setback of the additional level above the Clare Hotel from the northern boundary by a minimum of 5 metres.

The Department considers that the proposed development is generally consistent with the approved Concept Plan (as modified) and is suitable for the subject site. The Department has assessed the merits of the proposal, including proposed variations to the Concept Plan, and is satisfied that the impacts of the proposed development have been adequately addressed within the Environmental Assessment, Response to Submissions, Statement of Commitments and the Department's recommended conditions of approval.

The proposal demonstrates an appropriate urban design, providing a sympathetic and dynamic response to the heritage context of the site. The proposal would assist in contributing towards the orderly redevelopment of the former Carlton United Breweries site, providing an attractive and vibrant focal point. The development is consistent with the objectives of the Draft Metropolitan Strategy for Sydney 2031 and would contribute towards job targets for the Sydney subregion identified within the Draft Sydney City Subregional Strategy. The proposal is recommended for **approval**, subject to conditions.

In accordance with the Minister's delegation dated 27 February 2013, the Project Application can be determined by the Executive Director, Development Assessment Systems and Approvals.

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1. BACKGROUND

The purpose of this report is to assess a Project Application for the adaptive reuse of the Clare Hotel and Brewery Administration building for a boutique hotel with associated function rooms and restaurants in the Kensington Precinct of Central Park, Chippendale. The proposal relates to Block 3A, as approved by the Concept Plan for the redevelopment of the former Carlton United Brewery site (MP06_0171) (as modified).

The Site

The former Carlton United Brewery site, now known as 'Central Park', has an area of 5.834ha, and is located in the south-western portion of the Sydney Central Business District. The site is within short walking distance to Central Railway Station and Railway Square Bus Terminal. Block 3A, the subject of this Project Application, is located towards the north-eastern part of the site, within the area referred to as the Kensington Precinct, illustrated in **Figure 1** below.

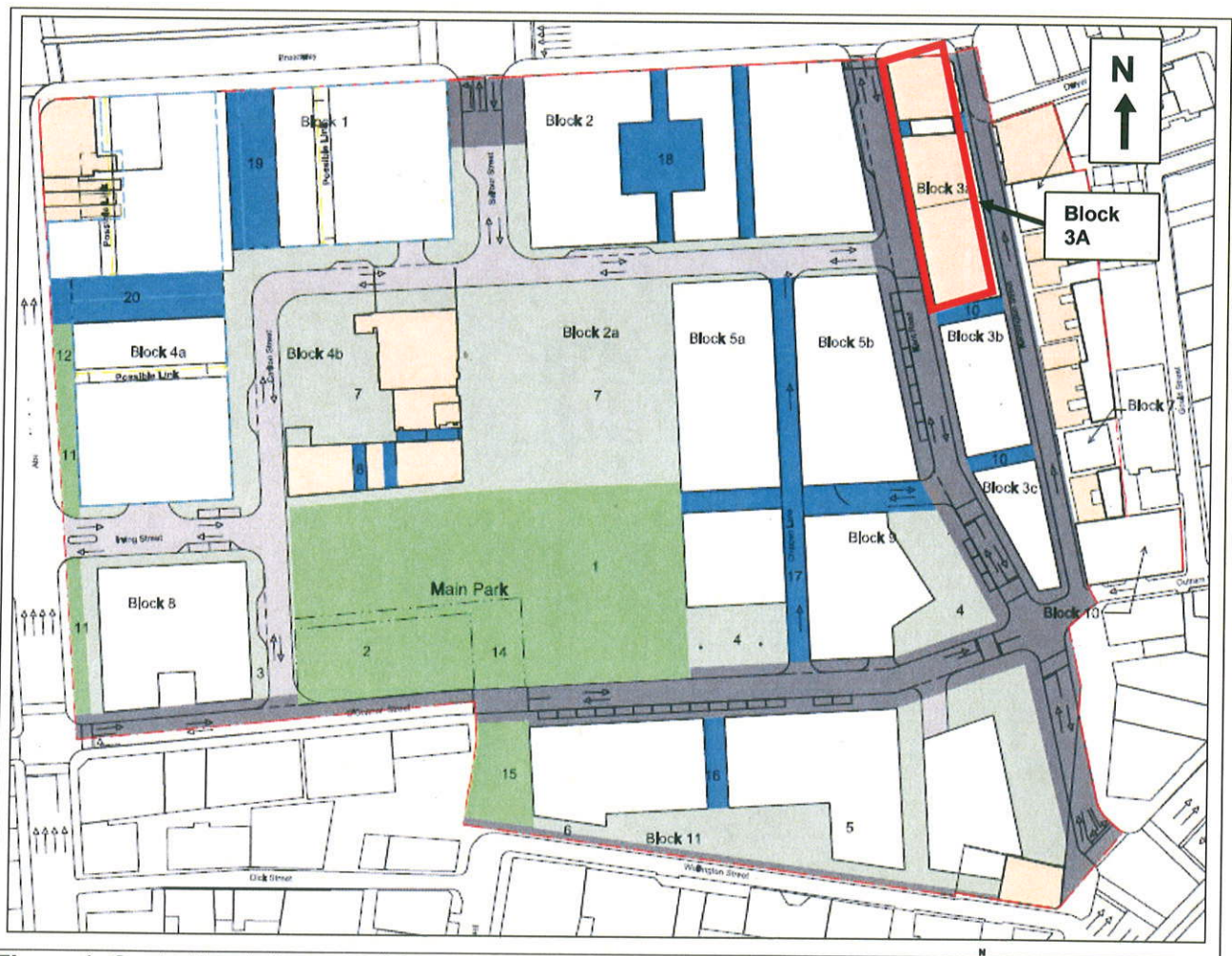


Figure 1: Central Park Approved Concept Plan site layout and Block 3A location

Previous Approvals

On 8 February 2007, the then Minister for Planning approved Concept Plan MP06_0171 for a mixed use redevelopment of the former Carlton United Brewery site (including residential, commercial, retail and public open space). The Concept Plan was subsequently modified on 18 July 2007 (MOD 1), 5 February 2009 (MOD 2), 16 May 2010 (MOD 3), 30 August 2011 (MOD 4), 24 July 2012 (MOD 6) and 17 January 2013 (MOD 7).

The most recent Concept Plan amendment (MP_06_0171 MOD 7) modified the allocation of gross floor area across the Kensington Precinct blocks however, it did not result in an overall increase in gross floor area.

Combined Basement Project Application

In May 2010, the Department of Planning approved Project Application (MP09_0042) for the construction of a combined basement under Blocks 2, 5 and 9. Approval was granted for the following:

- Bulk excavation;
- Construction of a combined basement under Blocks 2, 5 and 9 containing 1,230 parking spaces; and
- Establishment of a shell for a black water treatment plant within the basement under Block 5.

A Section 75W modification has been submitted concurrently, with this application, to reallocate parking spaces within the common basement. The modification would see parking spaces redistributed from Blocks 3, 6, 7 and 10 to residential Blocks 5A, 5B and 5C, in-line with the requirements for non-residential uses within the Kensington Precinct.

Block 3B, 3C and 10

On 30 November 2012, approval was granted for Project Application, MP11_0090, for the construction of a mixed use student housing development with ground floor commercial uses. The Department is currently considering a modification to the Project which would result in a total gross floor area of approximately 8,300m² and accommodation for up to 271 students.

Other Related Approvals

The majority of the buildings across the Central Park site, associated with the former brewery use have been demolished (approved under MP 07_0120), with the exception of the retained Brewery buildings and heritage items. Other approvals granted on the site include:

- Remediation and transitional works (MP 07_0163 as modified);
- Main Park and stage 1 infrastructure (MP 08_0210 as modified);
- Construction of commercial Blocks 1 and 4 (approved under MP 08_0253 including Central Thermal Plant (CTP) (MP08_0253 MOD1));
- Construction of mixed use residential and retail Blocks 5A and 5B (MP 09_0041 as modified);
- Construction of mixed use residential and retail Block 2 (MP 09_0078 as modified);
- Stage 2 Infrastructure and Civil Works (MP 09_0164);
- Construction of residential Block 5C (MP10_0218); and
- Alterations to and adaptive reuse of Brewery Buildings (MP10_0217).

The Department is also currently considering the following Project Applications and State Significant Development Applications:

- Redevelopment of Block 6 for mixed uses, the adaptive reuse of existing terraces and part demolition of buildings on Block 7 for mixed use retail and commercial development (MP11_0091); and
- Construction of a new student accommodation development on Block 4 South with a gross floor area of approximately 24,700m², up to 14 storeys in height, providing accommodation for up to 826 students. This application is being considered concurrently with modifications for the Concept Plan (MP06_0171) and the Project Approval for Blocks 1 & 4 (MP08_0253).

2. PROPOSED PROJECT

2.1. Project Description

The proposal, as exhibited in the Environmental Assessment (EA) sought project approval for the following components listed in **Table 1** below:

Table 1: Key Project Components

Aspect	Description
Project Summary	<ul style="list-style-type: none"> Construction of a boutique hotel comprising: <ul style="list-style-type: none"> 60 hotel rooms; a total GFA of 4,595.9m²; 600m² of food and drink premises including three restaurants and a lounge; conference and meeting facilities; staff offices and amenities; a rooftop deck and pool; and storage and loading facilities. A single storey addition to the Clare Hotel and a two storey addition to the Administration Building. Construction of a new glazed link between the two buildings to create a foyer and entry space for the hotel. Excavation at basement level to create a pedestrian link between the existing basements of Clare Hotel and Administration Building.
Public Domain Works	<ul style="list-style-type: none"> No public works are proposed as part of this Project. Public works were approved under Stage 2 Infrastructure Approval (MP 09_0164).
Landscaping	<ul style="list-style-type: none"> No landscaping is proposed as part of this Project.
Car Parking	<ul style="list-style-type: none"> The proposal does not seek approval for any car parking, however, 10 car parking spaces are to be provided for hotel staff and guests in the combined car park under Blocks 2, 5 and 9, by the current modification request MP09_0042 MOD 4.

The Proponent is not seeking approval for the fit out and use relating to the ground floor restaurants. The future fit out and use of individual tenancies would be the subject of future Part 4 Development Applications made to the City of Sydney Council.

2.2 Response to Submissions

Following the public exhibition of the Environmental Assessment, the Department advised the Proponent of a number of issues which required further consideration and requested the submission of a Response to Submissions (RtS). The key change to the proposal in the RtS included increasing the setback of the additional level above the Clare Hotel by a minimum of 5 metres, as illustrated in **Figure 2** below.

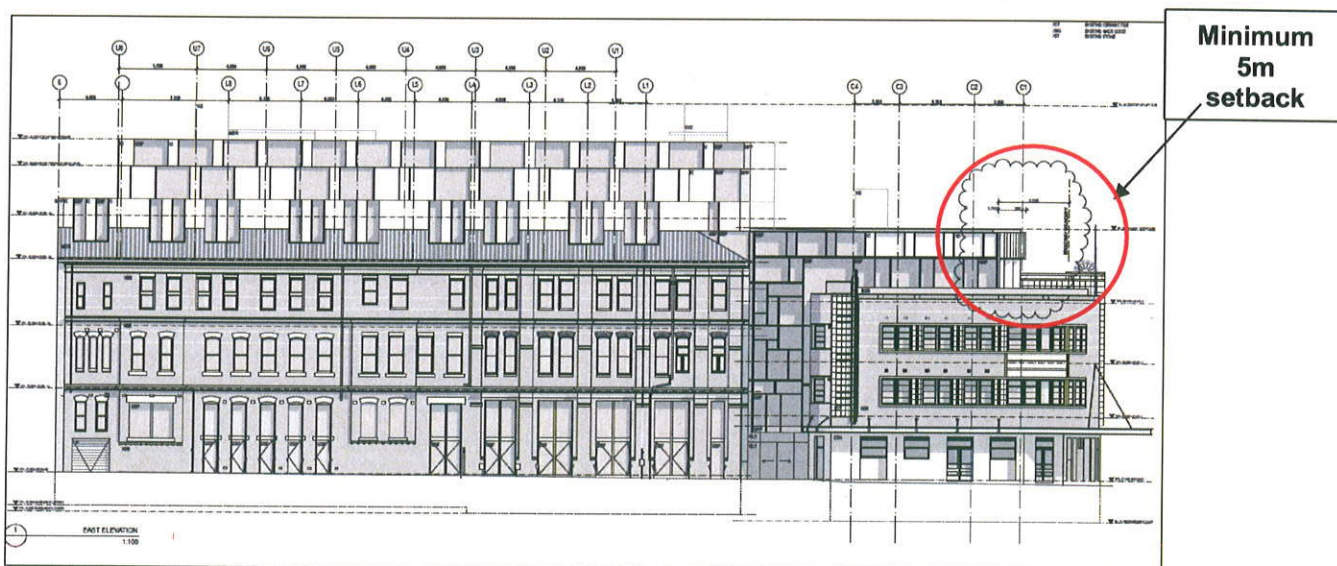


Figure 2 - East Elevation with increased setback above the Clare Hotel (source: Proponent's RtS)

2.3 Project Need and Justification

The Draft Metropolitan Strategy for Sydney to 2031

The Draft Metropolitan Strategy for Sydney to 2031 was published in March 2013. The Draft Strategy sets employment targets for the Sydney region at 625,000 new jobs by 2031.

The Department considers that the proposal is consistent with the Metropolitan Strategy as the site is well located in terms of public transport, facilities and local services. In addition, the proposal would contribute to the identified job targets through the creation of approximately 200 construction jobs and 85 full time equivalent on-going jobs.

Draft Sydney City Sub-Regional Strategy

The draft subregional strategy, released in July 2008, identifies the Central Park site as a mixed use employment zone. Employment targets for the Central sub-region have been updated by the Draft Metropolitan Strategy for Sydney to 2031, as identified above. The Draft Sydney City Sub-regional Strategy has a total job target of 58,000 additional jobs in 2031. This target will be updated now the Draft Metropolitan Strategy has been released.

The Central Park site is specifically identified within the Subregional Strategy as providing opportunities to link business, education and residential activities, contributing towards the realisation of a 'creative crescent'. The proposed development would provide hotel accommodation in close proximity to public transport and significant business and educational institutions.

The development would assist in addressing the shortage of hotel accommodation and the low vacancy rates available in hotels in the subregion. In addition, the proposal would create up to 85 full time equivalent jobs within the Kensington Precinct. The proposal is therefore considered to be consistent with the aims and objectives of the Draft Subregional Strategy, contributing towards identified job targets and regeneration of the south-western part of the City.

3. STATUTORY CONTEXT

3.1 Major Project Declaration

On 8 February 2007, the then Minister for Planning approved Concept Plan MP06_0171 for the mixed use redevelopment of the subject site (including residential, commercial, retail and public open space). In this approval, the Minister determined that applications to carry out the Project or stages of the Project with a Capital Investment Value (CIV) of \$5 million or more, would be subject to Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The CIV of the Project Application is **\$20,000,000**, which is greater than \$5 million and therefore, Part 3A of the EP&A Act applies to the proposal.

3.2 Continuing Operation of Part 3A

Part 3A of the EP&A Act, as in force immediately before its repeal on 1 October 2011 and as modified by Schedule 6A to the EP&A Act, continues to apply to transitional Part 3A projects. As Director-General's Environmental Assessment Requirements were issued in respect of this Project prior to 8 April 2011, the Project is a transitional Part 3A project. Consequently, this report has been prepared in accordance with the requirements of Part 3A and associated regulations, and the Minister (or his delegate) may approve or disprove of the carrying out of the Project under Section 75J of the EP&A Act.

3.3 Determination under Delegation

The Minister has delegated his functions to determine Part 3A applications to the Executive Director, Development Assessment Systems and Approvals, where:

- The Council has not made an objection; and
- There are less than 25 public submissions objecting to the proposal; and
- A political disclosure statement has not been made.

There have been nine submissions received from the public. Council raised no objections in relation to the RfS proposal, subject to conditions, which have been recommended. There has been no political donation declared in relation to this Project Application or any other related application within the past two years.

Accordingly, the application is able to be determined by the Executive Director, Development Assessment Systems and Approvals under delegation.

3.4 Permissibility

The site is zoned 'City Edge' under the Sydney Local Environmental Plan 2005 (SLEP 2005). The Project is permissible with consent within the City Edge zone.

3.5 Environmental Planning Instruments

Under Sections 75(2)(d) and 75(2)(e) of the EP&A Act, the Director-General's report for a Project is required to include a copy of, or reference to, the provisions of any State Environmental Planning Policy (SEPP) that substantially governs the carrying out of the project, and the provisions of any Environmental Planning Instrument (EPI) that would (except for the application of Part 3A) substantially govern the carrying out of the Project and that have been taken into consideration in the assessment of the project.

The Department's consideration of relevant SEPPs and EPIs is provided in **Appendix C**. The Department is satisfied that the proposal is consistent with relevant SEPPs and EPIs which apply to the proposal.

3.6 Objects of the EP&A Act

Decisions made under the EP&A Act must have regard to the objects of the Act, as set out in Section 5 of the Act. The relevant objects are:

(a) *to encourage:*

- the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment,*
- the promotion and co-ordination of the orderly and economic use and development of land,*
- the protection, provision and co-ordination of communication and utility services,*
- the provision of land for public purposes,*
- the provision and co-ordination of community services and facilities, and*
- the protection of the environment, including the protection and conservation of native animals and plants, including threatened species, populations and ecological communities, and their habitats, and*
- ecologically sustainable development, and*
- the provision and maintenance of affordable housing, and*

- (b) *to promote the sharing of the responsibility for environmental planning between the different levels of government in the State, and*
- (c) *to provide increased opportunity for public involvement and participation in environmental planning and assessment.*

The Department has considered the Objects of the EP&A Act, including the encouragement of Ecologically Sustainable Development in the assessment of the application. The Project does not raise significant issues that are contrary to the Objects under the Act.

3.7 Ecologically Sustainable Development

The EP&A Act adopts the definition of Ecologically Sustainable Development found in the *Protection of the Environment Administration Act 1991* (POEA Act). Section 6(2) of the POEA Act states that Ecologically Sustainable Development requires the effective integration of economic and environmental considerations in decision-making processes and that it can be achieved through the implementation of:

- (a) *the precautionary principle,*
- (b) *inter-generational equity,*
- (c) *conservation of biological diversity and ecological integrity,*
- (d) *improved valuation, pricing and incentive mechanisms.*

The Department has considered the proposed development in relation to the ecologically sustainable development principles and has made the following conclusions:

Precautionary Principle

The site has been previously developed and there is no threat of irreversible environmental damage as a result of the proposal. Remediation of the whole former CUB site was considered and approved as part of approved MP 07_0163 remediation and transitional works. The approved remediation works have largely been carried out. Standard conditions to manage any potential environmental impacts of the development are recommended.

Inter-Generational Equity

The Proponent has made a commitment to design the buildings to a 5 Star Green Star standard. The development would also be linked to the Central Park site's Central Thermal Plant and blackwater treatment plant (yet to be approved), which would contribute towards the sustainability of the development by satisfying the development's hot water needs and water sustainability. Refer to Proponent's Statement of Commitments at **Appendix E**.

Biodiversity Principle

The redevelopment of the whole Central Park site would increase the percentage of permeable land across the site (which was previously 0%) enhancing the ecological value of the site. The provision of landscaped open space across the CUB site would assist in improving the biodiversity of the area.

Valuation Principle

The Central Park development includes the provision of a Central Thermal Plant and blackwater treatment plant.

The Proponent is not targeting a specific Green Star rating for the development as a Green Star accreditation is not available for the proposed hotel use, under the Green Building Council of Australia's standard rating tools. The Proponent has however, committed to constructing the development in line with principles of the 5 Star Green Star rating system. To ensure this a condition is recommended requiring the Proponent to provide documentation, prepared by a suitably qualified consultant, indicating that the development achieves a minimum performance standard equivalent to a 5 Star 'design' and 'as-built' Green Star rating. Refer to recommended **Conditions B24** (5 Star 'design') and **E19** (5 Star 'as built').

In conclusion, the proposal is considered to be consistent with the Ecologically Sustainable Development principles.

3.8 Statement of Compliance

In accordance with Section 75I of the EP&A Act, the Department is satisfied that the Director-General's Environmental Assessment Requirements have been complied with. Refer to **Appendix A**.

4. CONSULTATION AND SUBMISSIONS

4.1 Exhibition

Under Section 75H(3) of the EP&A Act, the Director-General is required to make the EA for an application publicly available for at least 30 days. After accepting the EA, the Department publicly exhibited it from Wednesday 12 December 2012 until Friday 1 February 2013 (52 days) on the Department's website, and at the Department's Information Centre on Bridge Street, Sydney and The City of Sydney Council Offices at Town Hall, Kent Street, Sydney. The Department also advertised the public exhibition in the Sydney Morning Herald, the Daily Telegraph and the Central Courier newspapers on 12 December 2012. The Department also notified surrounding landholders, and relevant government authorities in writing.

The Department received 13 submissions which consisted of 4 submissions from public authorities and 9 submissions from the general public and special interest groups.

A summary of the issues raised in submissions is provided below.

4.2 Public Authority Submissions

Three submissions were received from public authorities. None of the public authorities objected to the proposed development but rather provided comments for consideration in this assessment and in the drafting of conditions of approval. Each of the issues raised by the government agencies and the City of Sydney Council are addressed separately below:

City of Sydney Council in its letter to the Department of Planning and Infrastructure of 11 February 2013 notes that the adaptive reuse of the Clare Hotel and Administration Building for a hotel within the Central Park development is supported. However, Council also provided the following comments:

- Generally considers that height breaches to the Concept Plan acceptable subject to further detail demonstrating the proposal would not have adverse impacts when viewed from Carlton Street;
- Recommends the additional floor above the Clare Hotel be set back a minimum of 5 metres from the northern boundary of the site;
- Noted that there is no capacity to conserve the executive passenger lift and enclosure in the design and construction methodology;
- Recommends adequate recording of significant interior spaces prior to dismantling the passenger lift and enclosure and that a protection and construction methodology be developed and submitted to Council; and
- The link between the Clare Hotel and Administration Building is not consistent with the Concept Plan approval however is considered generally acceptable.

The Proponent's RtS has appropriately responded to each of Council's concerns and the design has been amended accordingly.

Council also recommended a number of conditions which have been included in the recommended conditions of approval in relation to:

- Separate Development Applications required for restaurant and lounge uses;
- Plan of management to be submitted and approved;
- Conservation repair works; and
- Noise levels.

RMS and the Office of Environment and Heritage both raised no issues in relation to the Project Application.

The **NSW Heritage Branch** wrote to the Department of Planning and Infrastructure on 4 February 2013 and raised no issues or objections. The Heritage Branch noted that the subject buildings were not listed on the State Heritage Register and therefore the Heritage Branch does not have a formal approval role under the Heritage Act.

4.3 Public Submissions

A total of nine submissions were received from the public. All of these submissions objected to the Project or raised concern. The key issues raised in public submissions are listed in **Table 1**.

Table 1 - Summary of Issues raised in Public Submissions

Issue	Proportion of Submissions (%)
Cumulative impacts of retail uses and licensed premises	88%
Insufficient parking	77%
Acoustic amenity	66%
Pedestrian access and use of shared zone	55%
Loading dock location	44%
Additional vehicle traffic	44%
Impact on heritage	33%
Impact of additional height to Administration building	11%
Inadequate consultation process	11%

The Department has considered the issues raised in submissions in its assessment of the Project in Section 5 of the report.

4.4 Proponent's Response to Submissions/ Preferred Project Report

On 22 February 2013, the Department wrote to the Proponent outlining a number of key issues, requesting additional information and a response to all submissions received. On 5 March, 2013 the Proponent provided a response to the issues raised in submissions and issues raised by the Department (see **Appendix B**). The RtS made modifications to the Project including the provision of a minimum 5 metre setback to the addition on the north elevation of the Clare Hotel.

5. ASSESSMENT

The Department considers that the key assessment issues are:

- Consistency with the approved Concept Plan;
- Heritage conservation; and
- Operation and management of the hotel and restaurant uses.

5.1 Consistency with the Approved Concept Plan

Building Envelope & Building Height

Concern was raised in one of the public submissions with the proposed additional storeys to the existing buildings. The approved Concept Plan (MP 06_0171, as modified) stipulates maximum

building heights and approved building envelopes for the Central Park site. The proposed two level addition to the Administration Building and single storey addition to the Clare Hotel generally complies with the Concept Plan approval. However, as **Table 2** illustrates the proposed building heights do not comply with the overall maximum building heights required by the approved Concept Plan.

Table 2: Approved and Proposed Maximum Building Heights

Block	Concept Plan Maximum permitted heights	Proposed Building Heights	Difference in proposed heights from new survey heights
3A – Administration Building	RL 41.50 (AHD)	RL44.20 (AHD)	+2.7m

There are two elements of the proposed building that would not comply with the overall building height approved in the Concept Plan. These are:

1. the lift overrun; and
2. the roof top over the WC, plant room and pool side bar.

The non-compliances can be seen in **Figures 3 and 4** below.

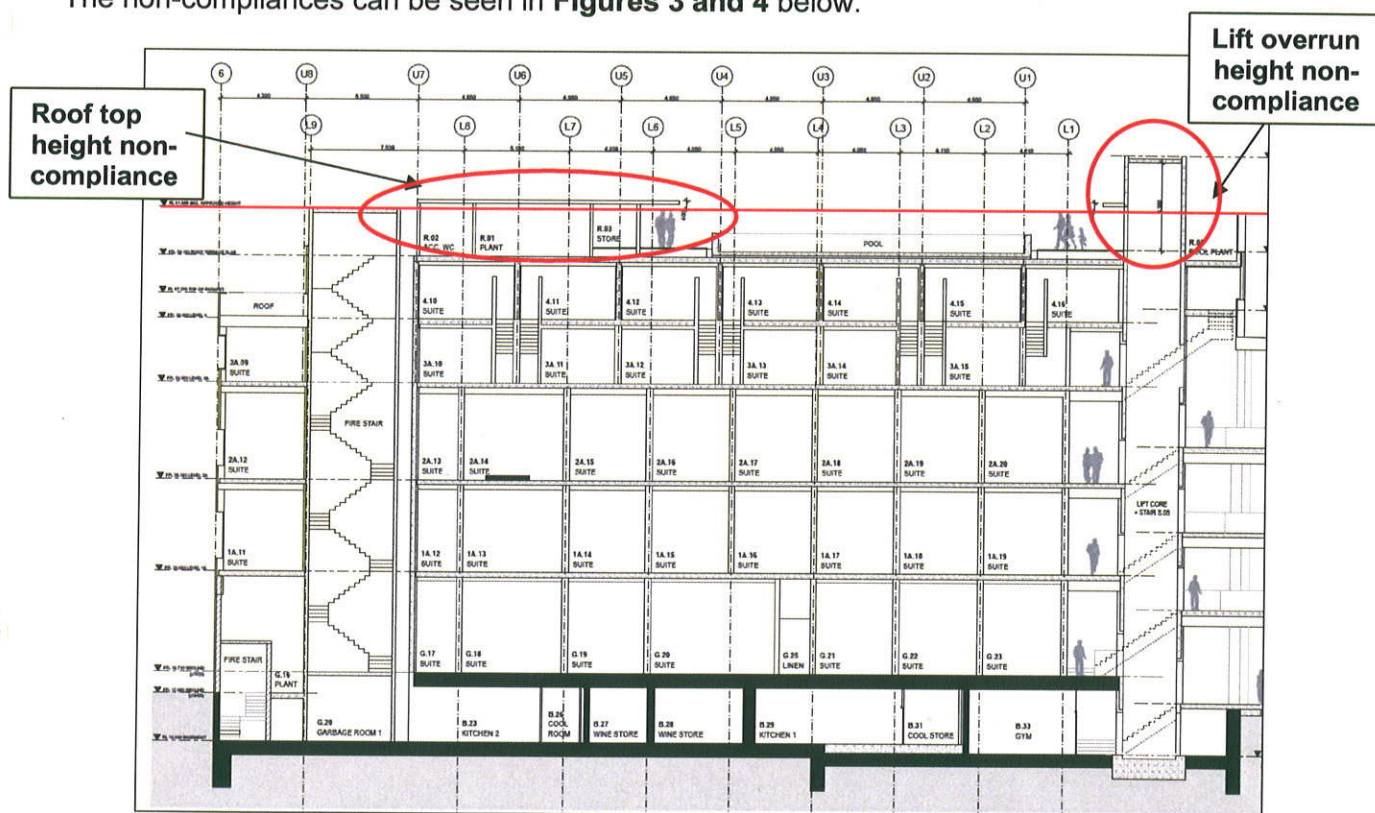


Figure 3 - Section through the Administration Building showing approved height in red

The non-compliance caused by the proposed lift overrun would project 2.7m above the maximum RL approved by the Concept Plan. This non-compliance is required to accommodate equitable access to the roof level. Only one lift would provide access to roof level and it is set back from the edge of the approved envelope to mitigate visual impact from the public domain.

The rooftop over the accessible WC, the plant area and the poolside bar, projects 400mm higher than the maximum building height approved by the Concept Plan. This minor non-compliance with the Concept Plan is to accommodate the heritage conservation measures required for the Heritage Boardroom Suite on Level 2, while retaining the minimum floor to ceiling heights on the floors above.



Figure 4 - Concept Plan envelope analysis view from north-west. Source: Proponent's EA

At the request of the Department, the Proponent submitted additional photomontages from Carlton Street (**Figure 5**). The photomontages demonstrate that the height of the non-complying rooftop features would only be marginally discernable from the surrounding public domain. Further, the non complying features would not significantly increase visual bulk or overshadowing. Overall the area of non-compliance is considered to be minor and would not significantly alter the appearance of the building. Accordingly, the proposed height is considered to be acceptable.

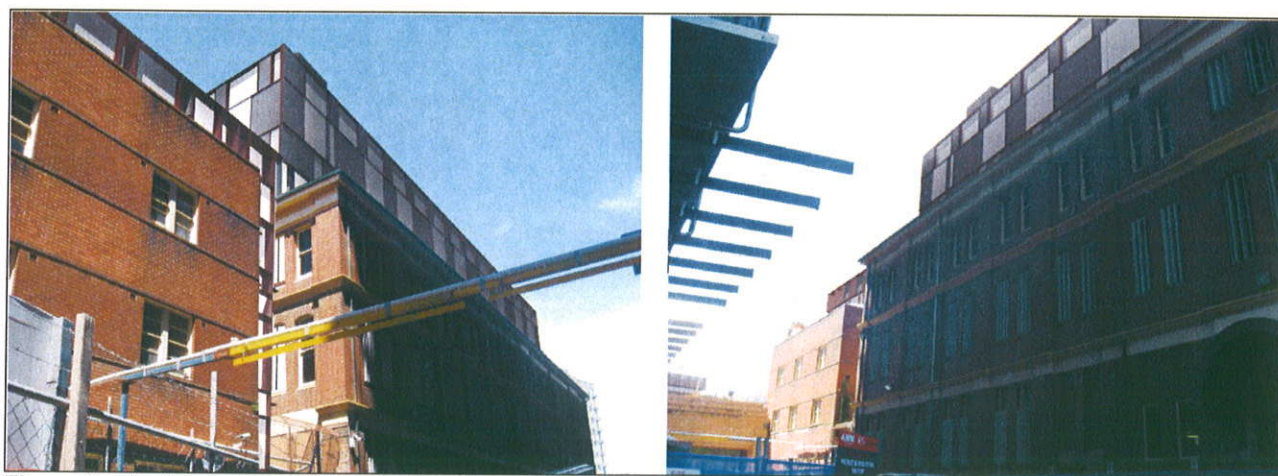


Figure 5 - Photomontages from Carlton Street illustrating visual impact of Concept Plan height breaches

Public Thoroughway

The proposal seeks to construct a through link entry lobby for the hotel between the existing Clare Hotel building and the Administration Building. This space has been identified as a publically accessible thoroughway in the approved Concept Plan, as illustrated in **Figure 6**. This link is intended to act as a ground floor lobby for the proposed boutique hotel. Although this space would be accessible by doors to both east and west sides, it is not designed as a public thoroughfare.

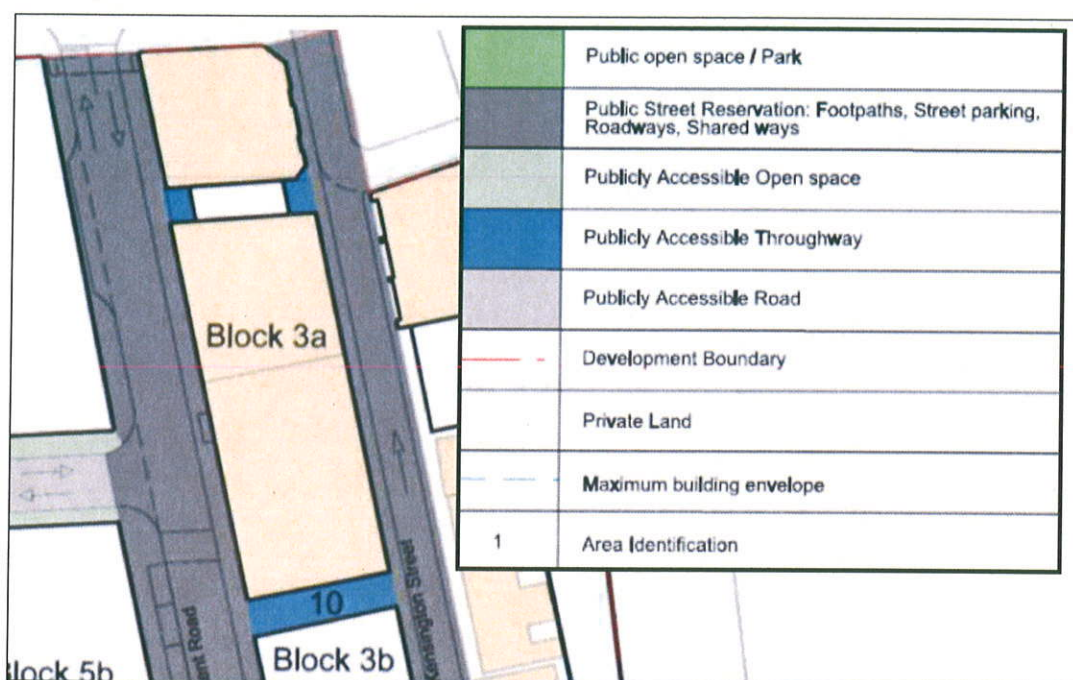


Figure 6 – Approved Concept Plan Public Domain Plan

The link has been designed as a lightweight structure which would be predominantly transparent, being constructed of steel framed glazing (both clear and opaque). It is noted that Council has not raised any concerns with the location of the proposed link structure.

The Department is satisfied that the hotel lobby structure would be appropriately transparent to ensure the two buildings would be able to be clearly identified as two separate structures. In addition, the Department considers that the proximity of the identified through link, to the intersection with Broadway, means that the absence of a public thoroughfare between Blocks 3A and 3B would not have any significant adverse impacts on pedestrian accessibility and connectivity. There is also an approved pedestrian thoroughway between Blocks 3A and 3B a short walking distance from the hotel lobby to link between these streets.

Gross Floor Area and Non-Residential Floor Area Provisions

The approved Concept Plan (as modified) stipulates maximum gross floor area for individual blocks, as well as restrictions on the percentage of residential and non-residential uses for the entire Central Park site.

The Project Application is subject to the definition of gross floor area within the Standard Instrument (Local Environmental Plans Order) 2006. This definition of gross floor area excludes 'storage, and vehicular access, loading areas, garbage and services' located within the basement from the calculation of gross floor area. **Table 4** illustrates that the proposed development would comply with the maximum gross floor area for Block 3, permitted by the approved Concept Plan (as modified).

Table 4: Total Gross Floor Area - Approved and Proposed

Block	Max Permitted GFA	Proposed GFA	Total Proposed	Complies with Concept Plan?
Block 3 (includes 3A, 3B & 3C)	11,100m ²	6,476.09m ² (3B & 3C) 4,595.9m ² (3A)	11,071.99m ²	YES

Table 5 illustrates that the proposal would not exceed the maximum total gross floor area permitted for the Central Park site, by the approved Concept Plan (255,500m²). The proposal

would contribute towards the total non-residential gross floor area across the Central Park site which would continue to be monitored as part of the assessment of future Project Applications.

Table 5: Total Central Park Gross Floor Area, and Residential & Non-residential Gross Floor Area - Approved and Proposed

Land Use	Permitted GFA (max)	Proposed GFA	Cumulative Total*	Complies with Concept Plan?
Residential	Not more than 70% total GFA	0m ²	109,625.52m ² or 51.5%	YES
Non-residential	Not less than 30% total GFA	4,595.90m ²	103,172.05m ² or 48.5%	YES
TOTAL	255,500m ²	4,595.90m ²	212,797.57m ² or 83.3% of 255,500m ²	YES

Note *: Includes approved development on Blocks 1 & 4, Blocks 5A & 5B MOD 3, Block 2 MOD 3, Block 5C MOD 1 & Blocks 3A, 3B & 3C & Block 10.

Street Activation

Modification A5 of the approved Concept Plan requires developments to provide sufficient street activation along Carlton Street (previously known as Kent Road) which lies to the west of Block 3A and Kensington Lane. The proposal provides direct access to ground level restaurants and the hotel lobby which is considered to be an appropriate activation of the surrounding streets while retaining the heritage façade of both the Administration Building and Clare Hotel. The Department is satisfied that the Project provides an appropriate level of street activation through the proposed uses.

Ecologically Sustainable Development

Future Assessment Requirement B12 'ESD & Sustainable Design' of the approved Concept Plan requires Project Applications for all residential, commercial and retail development (including adaptable re-use of heritage buildings) to achieve a minimum 5 Star Green Star rating, using the standard 'multi-unit residential', 'office' or 'retail' rating tools. Where the proposal does not satisfy the requirements of the standard tools, evidence to this effect is to be provided as part of the application. In addition, the proposal is required to be designed to equivalent 5 Star Green Star standards.

The EA included confirmation from the Green Building Council of Australia (GBCA) that the proposal is not eligible for Green Star accreditation under one of the standard tools.

The Proponent has however, committed to designing the proposal to an equivalent 5 Star Green Star rating standard. This is consistent with the requirements of the approved Concept Plan. The Department therefore raises no objections, subject to recommended conditions requiring the Proponent to provide documentation, prepared by a suitably qualified consultant, indicating that the development achieves a minimum performance standard equivalent to a 5 Star 'Design' Green Star rating (prior to the issues of a Construction Certificate) and 'As-Built' Green Star rating (prior to the issue of an Occupation Certificate). Refer to recommended **Conditions B24** and **E19**.

5.2 Heritage Conservation

Concern was raised in a number of public submissions that the proposal would have an adverse impact on the heritage significance of the Administration Building and the Clare Hotel. Both the Administration Building and the County Clare Hotel are identified as locally listed Heritage Items, under the Sydney Local Environmental Plan 2005. The proposal seeks to generally retain the existing external façade of both buildings, while incorporating additional contemporary additions and a link structure between the two buildings.

A Heritage Impact Statement and a Specific Element Conservation Management Plan (prepared by Paul Davies) formed part of the EA. The following provides an overview of the buildings' heritage significance and the proposed conservation works.

Clare Hotel

The heritage significance of the Clare Hotel has been summarised as follows within the Project Application:

"The Kegroom Tavern, original named the Hotel Clare, is significant as a largely intact and operational hotel which has a direct relationship to the main entrance of the Carlton (Tooths) Brewery site. The building is one of five hotels constructed in this style in the city between 1938 and 1942; the others are the Australian (Broadway), Sutherlands, the Hollywood and the Civic Hotel. The Kegroom Tavern has significance as the finest example of a well maintained corner hotel in the Inter-War Functionalist style in the CBD. The interior of the hotel is significant for the quality of the timber panelling and plaster Art Deco ceilings which have been retained largely intact, and which are fine examples of the interior décor in hotels of this period. The exterior of the building has aesthetic significance as an important element in the streetscape and as a fine example of the decorative style of the period. The building has social significance as part of the network of corner hotels that provided a social / recreational venue for the local community, and as one of the group of five brick hotels in similar style, located in close proximity to the Carlton (Tooths) Brewery. This site has a lengthy association with the hotel trade as an earlier hotel existed on it."

It is intended for the external form, scale and detailing of the hotel to be conserved. Similarly, the principal room layout and significant original features including ceilings, cornices, joinery, flooring and fireplaces are to be retained and conserved.

Council did raise concerns with the proposal, as exhibited in the EA, in relation to the siting of the additional floor above the Clare Hotel that it would result in increased visual bulk, particularly when viewed from the north. Council requested that the additional level be set back a minimum of 5 metres from the northern boundary. This was reiterated by the Department in its letter to the proponent of 22 March 2013.

In the Proponent's RtS, the design was modified to incorporate the requested minimum 5 metre setback for the single storey addition. On this basis, the Department is satisfied that the proposal would protect and preserve existing significant features and supports the adaptive reuse of the Clare Hotel. In addition the Department considers that the Project is appropriate in terms of visual bulk, particularly given the increased setback above the Clare Hotel.

Administration Building

The heritage significance of the Administration Building has been summarised as follows within the Project Application:

"Building 10A has historical significance retaining fragmented associations with the Federation period of the Brewery. The building has aesthetic significance as an example of Interwar Free Classical architecture consistent in material, height, massing and scale with the larger adjacent Administration Building 10B, and contributing to the Main Avenue and Kensington Street streetscapes [now Kensington Lane]. Building 10B has a high level of historical and aesthetic significance as an example of the early 20th century custom of breweries to build in prestigious styles and the interwar alterations continue to project this prestigious public image. The building has aesthetic significance as the most prestigious and elaborate example of the Brewery's continued association with prominent Sydney architects Spain & Cosh throughout the Federation period. The original 2 storey section of the building holds high significance at a local level, for its fine architecture and streetscape values as an intact example of the Federation Free style."

The Project proposes to remove a number of existing interior structures (including walls and floors) in the Administration Building, with the exception of the Boardroom area. This would allow for the construction of new concrete slab floors, to which the existing exterior walls would be secured. The new core construction would allow for the load created by the additional level to be supported. Importantly, existing floor and ceiling levels would remain consistent with existing levels.

Penetrations would be made within the existing bay windows on the Kensington Lane elevation to allow access through the lower level of the Administration building to the proposed restaurant uses. Neither Council nor the Department raise any concerns with the heritage impacts of these works and it is considered that the openings would result in a positive streetscape outcome to Kensington Lane.

The Proponent has committed to carry out the works in accordance with the recommendations of the Heritage Impact Assessment and Specific Element Conservation Management Plan prepared by Paul Davies Pty Ltd (dated November 2012).

The City of Sydney Council provided recommended conditions for consideration in relation to the conservation of the heritage significance of the existing buildings. The Department accepts Council's suggested conditions, including requiring the submission and approval of a protection methodology (**recommended condition B18**), a schedule of conservation works and implementation actions (**recommended condition B19**) and a photographic archival documentation (**recommended condition B21**).

The Department is satisfied that the recommended conditions would ensure that all fabric and elements identified as being of significance in the Conservation Management Plan, would be adequately protected throughout all stages of the works.

Link between Buildings

The proposed link between the two buildings would be the main external impact to the existing buildings, at street level. The link would be constructed of lightweight materials and largely transparent. It would also be set back from the established building line, allowing the Administration Building and Clare Hotel to be read as two separate buildings.

The Department considers that the proposed link would provide an attractive new addition to the existing heritage buildings. The proposed setback and predominantly transparent appearance would not detract from the character of the existing buildings or the heritage context. The link would allow for the interpretation of the roadway that once occupied the space and would provide a link to the additional contemporary levels above. The proposed link is therefore supported.

Conclusion

The Department is satisfied that the proposal provides for an appropriate adaptive reuse of the existing buildings, consistent with their historic character. The proposal is also considered to be acceptable with regards to contemporary heritage management, building design and use of materials and finishes. Further, the Department considers that the recommended conditions would appropriately manage residual heritage impacts. The proposal is therefore recommended for approval.

5.3 Management and Operation of the Development

A number of public submissions raised concerns with the proposed operational aspects of the development in relation to the noise impacts from the food and drink premises fronting Kensington Lane including cumulative impacts with other proposals within the Kensington Precinct, insufficient car parking, the location of the loading dock, and pedestrian access and safety. The following section addresses the issues associated with the Project relating to the management and operation of the hotel and restaurant uses.

Restaurant Uses and Licensing

The proposal includes two restaurants on the ground level of the Administration Building fronting Kensington Lane and one located within the upper levels of the Clare Hotel. Concern was raised by members of the community regarding the increased numbers of licensed premises in the area and the potential consequential amenity and safety impacts. The Proponent's response to those concerns can be summarised as follows:

- The uses proposed are consistent with the approved Concept Plan and the subject site is required to create a vibrant retail and dining precinct;
- Not all retail spaces will be food and beverage premises, and not all food and beverage premises will sell alcohol;
- Many larger tenancies will be restaurants where the primary purpose is the sale of food, not alcohol; and
- It is in the interest of the Hotel Management and licensees to comply with licensing conditions and noise management.

The restaurant uses fronting Kensington Lane are amongst a range of uses considered appropriate to activate the laneway. The proposed uses are permissible in the City Edge zone under the *Sydney Local Environmental Plan 2005* and would provide an appropriate night time economy and street activation for the location, consistent with the Concept Plan approval.

The current proposal does not seek approval for the use or fit-out of the proposed restaurants and in accordance with a recommended condition, future Development Applications would be required to be submitted to Council. Council would assess the likely impacts of these future Development Applications for the use and fit out of individual tenancies within Kensington Lane, which can be appropriately conditioned in terms of hours of operation, patron capacity and security management for any licensed premises.

In conclusion, the Department considers that the proposed restaurant uses are an appropriate land use for the site, consistent with the Concept Plan approval. Subject to further consideration of development applications by Council for the fit out and use of individual tenancies, the Department considers that the restaurant uses would make a positive contribution to Kensington Lane and the surrounding area.

Noise

Concern was raised in a number of public submissions and by the Department in relation to potential impacts on amenity of surrounding land uses, particularly given the potential cumulative impact of other approved and proposed developments in Kensington Lane. Additional detail was requested from the Proponent in relation to likely acoustic impacts on surrounding uses from the future operation of the development, specifically including uses fronting Kensington Lane.

The Department has recommended conditions requiring the implementation of acoustic measures outlined in the acoustic impact statement (prepared by WSP, **Appendix B**) to ensure that noise at any adjoining residential boundary does not exceed 5dB above background noise level, and 3dB within any habitable room of surrounding residences (**Condition F6**). The Department has also recommended that a Noise Management Plan be prepared for the operation of the hotel (**Condition E18**) and conditions be imposed to ensure 'offensive noise' is not omitted from any mechanical plant (**Conditions F2 and F7**). Subject to the suite of recommended conditions, together with further consideration of noise impacts as part of future Development Applications submitted to Council for the individual tenancies, the Department considers that the proposal is acceptable in relation to acoustic impacts.

Pedestrian and Vehicle Access

The proposal would provide for street activation on both Kensington Lane and Carlton Street by the provision of the dual entrance to the hotel, through the glazed link structure. In addition, a secondary access to the hotel would be provided on Broadway (in the north east corner of the Clare Hotel) providing access to hotel guests and those accessing the uses at the upper levels of

the Clare Hotel. Street activation to Kensington Lane would be further provided by the restaurants on the ground floor of the Administration Building which would open out onto the lane.

The Proponent is currently in negotiations with Council to convert Kensington Lane into a shared zone for pedestrians and vehicles, with priority for pedestrians. However, for the purposes of this application, the existing traffic arrangements on Kensington Lane (one-way to vehicle traffic, north-to south except for between Broadway and Dwyer Street where two-way traffic) would remain. A hotel guest drop off zone is proposed on the western side of Kensington Lane, adjacent to the hotel lobby.

A number of the public submissions raised concerns that the proposed arrangement would prevent the street from being converted into a shared pedestrian and vehicle zone. The Department requested additional information from the Proponent to demonstrate that adequate safety can be maintained for pedestrians using a shared pedestrian and vehicle zone, particularly in relation to the loading/unloading and customer drop off arrangements. It also requested additional information on the impacts of the uses fronting Kensington Lane on pedestrian safety.

In the Proponent's RtS, the following response was provided:

- It is the Proponent's desire to convert Kensington Lane into a shared zone (discussions with Council and RMS are ongoing);
- Should this eventuate, some vehicle movements will still be required for emergency vehicles, hotel drop off and service and supply vehicles; and
- Vehicles would be required to travel 10km/h or less and pedestrians would need to exercise due caution.

The Department supports the proposed conversion of Kensington Lane into a shared zone, subject to Council and RMS approval. However, until an agreement is reached on the shared zone, the Department is satisfied that the proposed vehicle access arrangement would provide an acceptable arrangement within the existing road system. The Department therefore raises no concerns with proposed access arrangements.

Service Vehicles and Waste Management

Provision for deliveries, loading/unloading and waste collection would be made via the loading dock located in the south east corner of the Administration Building, off Kensington Lane. The proposed restaurant kitchens and garbage rooms (at basement level) would be accessed by a hoist or stairs within the Administration Building.

Separate waste service compartments are not proposed to be designated to each storey of the building, contrary to City of Sydney Council's Waste Policy. As waste collection is to be centrally managed by hotel staff, correct storage and segregation of waste throughout the building would be required by the hotel operator.

Concern was raised in a number of submissions that the loading dock location was inappropriate opposite food and beverage venues on Kensington Lane and requested that the loading dock be relocated to the western side of the Administration Building. Concerns were also raised by the Department with regard to the proposed single loading dock for the hotel and restaurant uses. The Department requested the proponent provide justification for the proposed loading dock for a single service vehicle, in terms of the number, size and type of service vehicles expected to visit the site to cater for the hotel and restaurant uses.

The Proponent provided the following justification for the loading dock location and size:

- It is consistent with the loading provisions required for 'hotel' and 'other' uses under the *Central Sydney Development Control Plan 1996*;
- The proposed loading area is 13m and can accommodate a large rigid truck, a medium sized truck plus a van, or two small rigid trucks; and

- Carlton Street is not appropriate for servicing as it provides for one lane of traffic and does not provide direct street level access due to the change in floor level.

Given the heritage significance of the existing buildings, the loading dock from Kensington Lane is considered to be an appropriate location which would allow for retention of significant heritage features of the building while also facilitating for active uses along the majority of the Kensington Lane elevation.

Subject to the recommended condition requiring all service and vehicle movements be addressed within the Hotel Management Plan, the proposal is considered acceptable in relation to access.

Car Parking

Concerns were raised in a number of public submissions that adequate car parking spaces had not been allocated to the proposed hotel and restaurant uses and this would have flow on effects for the availability of on-street car parking in the surrounding area. No car parking is proposed as part of this Project Application. The Department is currently considering a modification request to Major Project Approval MP09_0042 (as modified), for the basements below Blocks 2, 5A, 5B and 5C. This modification would result in the provision of 10 car parking spaces for the use of hotel guests and staff. It is proposed that guest's cars would be parked by a valet service run by the hotel operator.

The proposed parking numbers comply with Council's maximum parking requirements. Given the nature of the uses proposed for the site and the location in close proximity to public transport services, the amount of car parking proposed is considered acceptable. The Proponent has committed to managing the basement parking provided beneath Blocks 2 and 5 in accordance with a car park management plan, prepared by the building manager. Refer to Statement of Commitments at **Appendix F**.

Building management

The Proponent submitted a Preliminary Operational Management Plan with the EA that sets out the responsibilities, procedures and protocols to be followed by the hotel operator. The Operational Management Plan addresses:

- Responsibilities of the hotel operator and building management;
- Emergency and evacuation procedures;
- Critical incident management protocols;
- Contactability (including over the holiday period);
- Maintenance and cleaning schedule;
- Deliveries, loading and unloading;
- Car parking, guest arrival and hotel valet service;
- Building security and access;
- Registration and grievances and guest dispute procedure;
- External complaints handling procedure;
- Guest behaviour – hotel rules; and
- Management of internal and external common areas.

The preliminary Operational Management Plan is considered to be generally acceptable however, it is noted that this would need to be finalised prior to issue of an Occupation Certificate to reflect the specific requirements of the future hotel operator. This is reflected in the Proponent's Statement of Commitments (**Appendix A**).

5.4 Other Issues

Public Art

The Public Art Strategy for the Central Park site (prepared by Jennifer Turpin Studio and Michaelie Crawford, dated 25.5.09) as a requirement of MP06_0171 identified three permanent artwork sites within the Kensington Precinct. The Proponent has committed to develop the detailed design of

these artworks in consultation with Council and the Department, to be installed prior to issue of a final Occupation Certificate. Refer to **recommended Condition E12**.

6 CONCLUSION

The Department is satisfied that the Project Application generally complies with the relevant conditions of the approved Concept Plan (as modified). Also, the Department considers that the proposal illustrates quality urban design and a commendable response to the historic character of the former Administration Building and the Clare Hotel, subject to recommended conditions.

The key issues considered in the assessment of the proposal relate to:

- Consistency with the approved Concept Plan;
- Heritage Conservation; and
- Management and operation of the development.

The proposal provides a new 60 room hotel in this highly accessible location, where currently there is low vacancy rates in Sydney hotels. The proposal provides a good level of amenity and appropriate activation of the surrounding public domain. The significant historic features are retained or reinterpreted.

The future use and fit out of the restaurant tenancies fronting Kensington Lane will be subject to future Part 4 Development Applications to the City of Sydney. Appropriate management of the proposed tenancies will be determined by the City of Sydney through the assessment of those development applications.

The Department considers that the proposal is in the public interest, and therefore the Department recommends that the Project Application be approved, subject to the recommended conditions of approval and the Proponent's Statement of Commitments.

7 RECOMMENDATION

It is recommended that the Executive Director, Development Assessment Systems and Approvals, as Delegate for the Minister for Planning and Infrastructure:

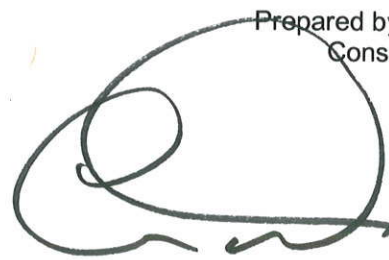
- **note** the information provided in this report and the recommendations of this report;
- **approve** the Major Project Application, subject to conditions; and
- **sign** the attached instrument.



Karen Jones 22/3/13
Director

Metropolitan and Regional Projects South

Prepared by: Urbis Pty Ltd
Consultant Planners



5.4.13
Chris Wilson
Executive Director
Development Assessment Systems
and Approvals

APPENDIX A ENVIRONMENTAL ASSESSMENT

See the Department's website at:

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=4808

APPENDIX B RESPONSE TO SUBMISSIONS

See the Department's website at:

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=4808

APPENDIX C SUBMISSIONS

See the Department's website at:

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=4808

APPENDIX D CONSIDERATION OF ENVIRONMENTAL PLANNING INSTRUMENTS

ENVIRONMENTAL PLANNING INSTRUMENTS (EPIs)

To satisfy the requirements of Section 75I(2)(d) and (e) of the Act, this report includes references to the provisions of the EPIs that govern the carrying out of the project and have been taken into consideration in the EA of the project.

Controls considered as part of the assessment of the proposal are:

- State Environmental Planning Policy (Major Development) 2005
- State Environmental Planning Policy (Infrastructure) 2007
- State Environmental Planning Policy 55 - Remediation of Contaminated Land
- State Environmental Planning Policy 64 – Advertising and Signage
- Sydney Local Environmental Plan 2005

The provisions of development standards of local environmental plans are not required to be strictly applied in the assessment and determination of major projects under Section 75R Part 3A of the Act. Notwithstanding, the objectives of the above EPIs, relevant development standards and other plans and policies that govern the carrying out of the project are appropriate for consideration in this assessment in accordance with the DGRs.

COMPLIANCE WITH CONTROLS

State Environmental Planning Policy (Major Development) 2005

The then Minister for Planning approved Major Project 06_0272 for a Concept Plan for the mixed use redevelopment of the Central Park site. In this approval, the then Minister determined that approval to carry out the project of stages of the project with a CIV of \$5 million or more, is subject to Part 3A of the Act. As the CIV for this project is in excess of \$5 million, the proposal is therefore a project to which Part 3A of the Act applies.

State Environmental Planning Policy (Infrastructure) 2007

Schedule 3 of the SEPP requires referral of applications for traffic generating development to the Roads and Maritime Services (RMS) for concurrence. The proposed works are defined as traffic generating development and therefore require the RMS to be consulted under the *Roads Act 1993*. Recommended conditions from the RMS have been included within the recommended conditions of approval.

State Environmental Planning Policy Remediation of Contaminated Land

The remediation of the whole former CUB site was considered and undertaken as part of approved MP 07_0163 Remediation and Transitional works. The Proponent has committed to the preparation of a Site Audit Statement certifying that the site has been remediated to a level suitable for the approved use.

Sydney Local Environmental Plan 2005

The site is zoned 'City Edge' under the Sydney LEP 2005. The proposed hotel and restaurant uses are permissible with consent in the City Edge Zone.

APPENDIX E RECOMMENDED CONDITIONS OF APPROVAL
