

23 July 2012

Mr Sam Haddad
Director-General
NSW Department of Planning and Infrastructure
23-33 Bridge Street
SYDNEY NSW 2000



Dear Sam

**1 WHEAT ROAD, SYDNEY
STATE SIGNIFICANT DEVELOPMENT
REQUEST FOR DIRECTOR-GENERALS ENVIRONMENTAL ASSESSMENT REQUIREMENTS**

Grocon (Darling Harbour) Pty Ltd is proposing to redevelop the IMAX building site at Darling Harbour to include a new IMAX cinema, retail, entertainment function, car parking and commercial office spaces.

The site is located within Darling Harbour, which is identified as a State Significant Site in Schedule 2 of *State Environmental Planning Policy (State and Regional Development) 2011*. As the proposed development will have a capital investment value of more than \$10 million it is State Significant Development (SSD) for the purposes of the *Environmental Planning and Assessment Act 1979*.

The purpose of this letter is therefore to request the Director General's Requirements (DGR's) for the preparation of an Environmental Impact Statement (EIS) for the proposed development. To support the request for the DGR's the following information is provided:

- A description of the site and its local and regional context.
- A summary of the proposal including key parameters of the development, land uses and staging.
- Summary of the strategic plans and key environmental planning instruments that apply to the development
- An overview of the expected environmental impacts associated with the development.
- A justification for the proposal, including the benefits of the project.
- Proposed consultation to be undertaken for the proposal.
- The estimated capital investment value.

1.0 THE SITE

The site is located at Wheat Road, Darling Harbour and is set between the elevated roadways of the Western Distributor, as shown in **Figure 1**. It is legally described as Lots 401, 402, 403, 404 and 405 in DP 862501. The registered owner of the freehold is the Sydney Harbour Foreshore Authority (SHFA). The registered owner of the head lease is Markham Property Fund No.2 Pty Limited.

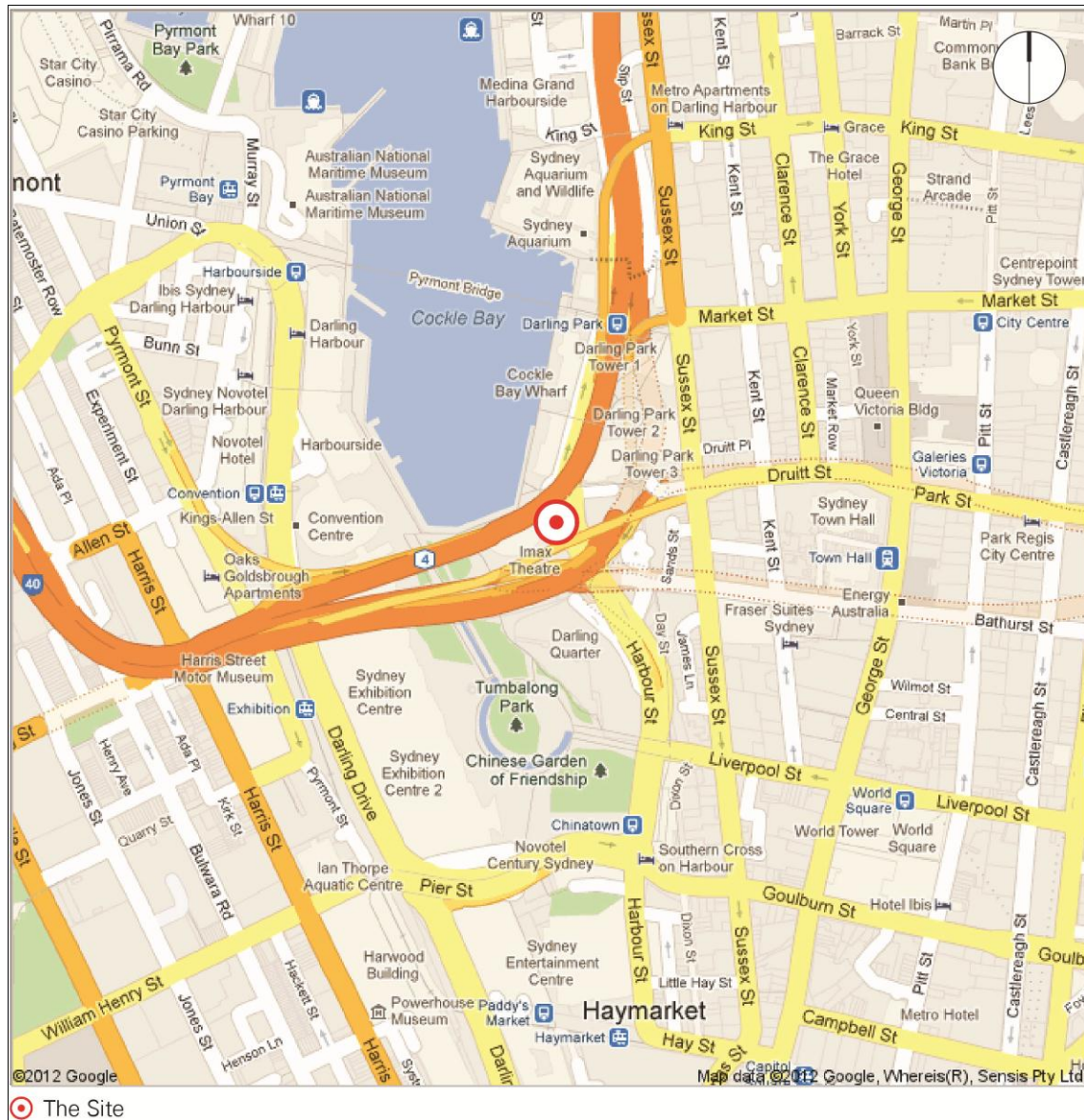


Figure 1 – Site Location

The existing IMAX building is an identifiable building in the Darling Harbour precinct due to its location and design, which includes a distinctive black and yellow checkerboard element on the northern facade. The IMAX building is visible within the Darling Harbour precinct as it extends above the Western Distributor and defines part of the southern foreshore of Darling Harbour. The building sits centrally between Cockle Bay and the newly redeveloped Darling Quarter precinct.

The IMAX building operates as an entertainment, restaurant and takeaway food venue and includes a function centre. The IMAX cinema is the main use with various food outlets, cafes and licensed restaurants, such as, 'Starbucks' and the 'Meat & Wine Company', located on the ground floor of the building together with the Star Room function venue on level 6 (refer to **Figures 2 to 6**).



Figure 2 – View to IMAX building



Figure 3 – View of Starbucks tenancy located at south west corner of the building



Figure 4 – View towards site from Cockle Bay



Figure 5 – View to IMAX building from Pyrmont Bridge



Figure 6 – View from Western Distributor (Source: Google Maps)

Within Darling Harbour the site is to the north of the recently redeveloped Darling Quarter which includes two commercial office buildings with ground level retail, a new children's playground and through site link to Harbour Street. Further to the south is Tumbalong Park, the Chinese Garden of Friendship and the Sydney Entertainment Centre. Palm Cove is directly to the west of the site.

To the north of the site is Cockle Bay, which comprises a range of restaurants, bars and cafes. Cockle Bay is connected to the Darling Park tower complex by a pedestrian bridge which crosses over Harbour Street and the Western Distributor. Further north of Cockle Bay is the Sydney Aquarium, Wildlife World and King Street Wharf precinct. To the west and south west of the site is the Sydney Convention and Exhibition Centre and to the North West is the Harbourside Shopping Centre.

2.0 PROPOSED PROJECT

Grocon (Darling Harbour) Pty Ltd propose to demolish the existing IMAX building and construct a new building on the land of the existing IMAX building site. The new building will extend beyond the footprint of the existing IMAX building and including under portions of elevated expressways and the existing Information Office and toilets to the south of the IMAX building.

The State Significant Development proposal will include:

- A total Gross Floor Area of approximately 70,000m² for office, retail, function and entertainment purposes.
- Approximately 49,000m² of GFA will be for office purposes, up to 14 storeys above the level of the Western Distributor.
- The 'podium' level (below the Western Distributor) will comprise approximately 13,500m² GFA for retail and entertainment uses and an IMAX cinema.
- 80-100 car parking spaces are proposed, to be located with the podium at approximately the level of the elevated freeways (approximately 6,500m²).
- Upgrades to the public domain within the immediate areas adjoining the site.

Preliminary plans of the proposed development are enclosed at **Attachment A**.

The estimated Capital Investment Value of the project is \$700 million.

3.0 PLANNING STRATEGIES AND CONTROLS

The following key strategies and planning instruments are relevant to the proposed development:

- Metropolitan Plan for Sydney 2036;
- Darling Harbour Development Plan No.1;
- State Environmental Planning Policy (State and Regional Development) 2011;
- State Environmental Planning Policy No.55 – Remediation of Land; and
- Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005.

3.1 Metropolitan Plan for Sydney 2036

The Metropolitan Plan for Sydney 2036 is a long-term planning framework that aims to sustainably manage Sydney's growth and strengthen its economic development to 2036. It seeks to balance growth whilst enhancing Sydney's lifestyle, heritage and environment qualities.

The Metropolitan Plan aims to achieve a more compact and networked city by planning land uses, service provision and infrastructure capacity for an additional 770,000 homes and 760,000 more jobs by 2036.

The proposed project is consistent with the broad objectives and vision of the Metropolitan Plan as it will deliver entertainment, retail and office floorspace which will help accommodate Sydney's growing workforce. The development will also contribute to Sydney's global city role by providing this space in a major tourist, recreational, entertainment, cultural and commercial precinct.

3.2 Darling Harbour Development Plan

The principal environmental planning instrument applying to the site is the Darling Harbour Development Plan No.1 (DHDP). Following amendments to the EP&A Act, the DHDP is now taken to be a deemed SEPP.

The DHDP is a broad planning instrument that sets out a range of uses that are permissible with consent. The land within the Darling Harbour precinct is unzoned and there are no specific building heights, floorspace ratio, or other development controls that apply to the land.

Clause 3 of the DHDP contains the following objectives:

- (a) to promote the development of the Darling Harbour area as part of the State's Bicentennial Program,*
- (b) to encourage the development of a variety of tourist, educational, recreational, entertainment, cultural and commercial facilities within that area, and*
- (c) to make provision with respect to controlling development within that area.*

Clause 6 of the DHDP specifies certain development that may be carried out with a permit (development consent). This includes development for the purposes of tourist, recreational, entertainment and commercial facilities. The proposed redevelopment of the IMAX building falls within the development outlined under Clause 6 is therefore permissible and consistent with the objectives of the DHDP.

3.3 State Environmental Planning Policy (State and Regional Development)

State Environmental Planning Policy (State and Regional Development) 2011 (SRD SEPP) sets out a range of development types that are classed as State Significant Development (SSD). In addition, certain development on specific sites listed within Schedule 2 of the SEPP is considered to be SSD. Therefore, as per Schedule 2 of the SRD SEPP, development within the Darling Harbour precinct that has a capital investment value of more than \$10 million is classified as SSD. Therefore the Minister for Planning (or his delegate) is the consent authority.

3.4 State Environmental Planning Policy No.55 – Remediation of Land (SEPP 55)

SEPP 55 provides controls and guidance for the remediation of contaminated land. It requires that a consent authority must not consent to the carrying out of any development on land unless it has considered whether the land is contaminated. If a site is contaminated, the consent authority must be satisfied that the site is suitable (or will be suitable, after remediation) for the proposed use.

3.5 Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005

The Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005 (Sydney Harbour REP) sets out the objectives and guiding principles for the Sydney Harbour Catchment. It also sets out a range of matters for consideration that must be taken into account in the assessment of DA's that are within the 'Foreshores and Waterways Area' defined by the REP. Darling Harbour falls within the Foreshores and Waterways Area and the matters of consideration for DA's are:

- Biodiversity, ecology and environmental protection;
- Public access to, and use of, foreshores and waterways;
- Maintenance of a working harbour;
- Interrelationship of waterway and foreshore uses;
- Foreshore and waterway scenic quality;
- Maintenance protection and enhancement of views; and
- Boat storage facilities.

4.0 OVERVIEW OF EXPECTED ENVIRONMENTAL IMPACTS

The key issues associated with the redevelopment of the site include:

- Compliance with strategic and statutory plans;
- Urban and architectural design;
- Public domain interface;
- Traffic and access;
- Infrastructure and services;
- Geotechnical conditions and engineering requirements;
- Ecologically Sustainable Development;
- Development staging; and
- Consultation.

These are discussed in further detail below.

4.1 Compliance with Strategic and Statutory Plans

The Environmental Impact Statement (EIS) will analyse the proposed development and outline how the proposal is consistent with the strategies and objectives of the Metropolitan Plan 2036, draft Sydney Subregional Strategy and Sustainable Sydney 2030.

The EIS will also assess the proposal against the relevant planning instruments including the Darling Harbour Development Plan No 1 and relevant SEPPs.

4.2 Urban Design and Built Form

The EIS will provide an urban design analysis which will address the design quality of the development including:

- The design quality of the building including massing, building articulation, material and finishes.
- The height, bulk and scale of the new building particularly within its local context being in a major entertainment and cultural precinct on the edge of the CBD.
- The building's interface with the public domain and public domain treatments.

- Facade treatments, building articulation and materials and finishes.
- Relationship to the Cockle Bay and Darling Quarter precincts with Darling Harbour.
- Visual impact including assessment of view impacts from nearby residential buildings on Harbour Street and the impact on views and vistas to and from the Darling Harbour precinct.
- The relationship of the proposed new building to the Cross City Tunnel smoke stack.

4.3 Public Domain

The EIS will detail the proposed improvements to the public domain and pedestrian permeability around the site and improved connections to into Darling Harbour from the CBD including to Cockle Bay and Darling Quarter. The EIS will address:

- The buildings interface with the public domain.
- The impact of the building on pedestrian connectivity, view corridors and sight lines to, from and within Darling Harbour.
- Vehicular access arrangements.
- Solar access impacts to the public domain including the Children's Playground to the south.

4.4 Environmental Amenity

Given the close proximity of the proposal to the Western Distributor, the amenity of future building users and occupants is an important site issue. As such the EIS will address the following:

- Acoustic impacts (construction and operational).
- Wind impacts.
- Reflectivity impacts of a facade material. The EIS will demonstrate that the development will not impact on the safe and efficient operation of the Western Distributor.
- Impacts of Cross City Tunnel stack emissions on proposed development and the impacts of the new building on the dispersal of the Cross City Tunnel stack plume.

4.5 Traffic, Access and Parking

A traffic and parking assessment will be prepared by a specialist traffic consultant and submitted with the EIS. The report will assess the site access arrangements and the design and operation of the proposed car park. The report will also examine:

- Demand for car parking.
- Loading and servicing arrangements.
- Traffic impacts of the proposed development on the surrounding road network and intersections.
- Accessibility to public transport.

4.6 Infrastructure and Services

The EIS will outline what services currently exist on the site and how these will be upgraded if required. It is expected that some existing services on the site may need to be augmented to accommodate the new development.

4.7 Geotechnical Conditions

A geotechnical report will be prepared to assess the site's subsurface conditions and to determine the suitability of the site for the proposed development. The report will detail any engineering measures required for the construction of the proposed development, having regard to its proximity to the harbour foreshore and the Western Distributor.

4.8 Ecologically Sustainable Development

The EIS will detail the ecologically sustainable development (ESD) principles and measures to be incorporated into the design of the proposed development.

4.9 Construction Management

The EIS will examine and detail the engineering feasibility of the development and include an overview of the construction management and staging for the development including:

- development staging for the whole of the site; and
- management of potential construction impacts, including to the Darling Harbour public domain, Western Distributor, Harbour Street and Wheat Road.

4.10 Consultation

The EIS will detail consultation with key stakeholders and relevant authorities undertaken by Grocon (Darling Harbour) Pty Ltd. Key stakeholders include:

- Sydney Harbour Foreshore Authority;
- Infrastructure NSW
- Roads and Maritime Services;
- Transport for NSW;
- City of Sydney Council; and
- Department of Planning and Infrastructure.
- Other major Darling Harbour head lessee's
- Local residents and neighbouring properties

5.0 JUSTIFICATION

The Darling Harbour precinct is undergoing a period of significant renewal with the recently completed Darling Quarter project opening in September 2011.

The redevelopment of the site will be part of the ongoing renewal of the precinct and provides an opportunity to deliver an upgraded public domain, deliver new retail and entertainment facilities and office space which will further activate the precinct through a daily workforce. The project also provides an opportunity to improve pedestrian connections and linkages between Cockle Bay and Darling Quarter and improve the Wheat Street public domain frontage to the CBD.

The NSW Government is also planning a major redevelopment of a 20 hectare area including the Sydney Entertainment Centre and car park, the Sydney Convention and Exhibition Centre, Tumbalong Park and the monorail corridor. The redevelopment of this area is expected to deliver 40,000m² of exhibition space, 6,000m² of meeting room space linked to convention and exhibition areas, a convention hall and banqueting facilities. In addition an entertainment facility with a capacity of at least 8000 people is also to be provided.

The renewal and redevelopment of the site is consistent with and will complement the other major renewal projects occurring in southern part of Darling Harbour.

6.0 CONCLUSION

The proposed redevelopment of the IMAX building site will deliver new entertainment, retail, function and commercial floorspace and contribute significantly to a rejuvenated Darling Harbour. The proposed development will provide an opportunity to improve the public domain, in particular the linkages within Darling Harbour between Darling Quarter and Cockle Bay and improved pedestrian access from the CBD. The project also complements the NSW Government's proposed redevelopment and expansion of exhibition and convention centre facilities Darling Harbour.

We trust that the information detailed in this letter is sufficient to enable the Director-General to issue the DGRs for the preparation of the EIS. Should you have any queries about this matter, please do not hesitate to contact Justin Clark on 02 8249 7000 or via email at justinclark@grocon.com.au.

Yours sincerely,

A handwritten signature in blue ink, reading "Chris Carolan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Christopher Carolan
NSW General Manager