Variation Request

SLEP 2012 CI 6.25(3) APDG Block 3 Floor Plate Standard

June 2015



URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

Director	Tim Blythe
Director	lan Cady
Senior Consultant	Ashleigh Ryan
Job Code	SA5763
Report Number	CI 4.6 Variation CI 6.25(3) Final

© Urbis Pty Ltd ABN 50 105 256 228

All Rights Reserved. No material may be reproduced without prior permission.

You must read the important disclaimer appearing within the body of this report.

URBIS Australia Asia Middle East urbis.com.au

TABLE OF CONTENTS

Intro	duction3
Prop	osed Variation4
1.	Is the requirement a development standard?5
2.	Is the development standard excluded from the operation of this clause?5
3.	What is the underlying object or purpose of the standard?5
4.	Is compliance with the development standard unreasonable or unnecessary in the circumstances of the case?
4.1	Compliance with the objectives of the standard6
4.2	The underlying objective or purpose would be defeated or thwarted if compliance was required with the standard
5.	Are there sufficient environmental planning grounds to justify contravening the development standard?7
6.	Will the proposed development be in the public interest because it is consistent with the objectives of the particular standard and the objectives for development within the zone in which the development is proposed to be carried out?7
7.	Whether or not non-compliance with the development standard raises any matter of significance for State or Regional environmental planning
8.	The public benefit of maintaining the development standard8
9.	Any other matters required to be taken into consideration by the Director General before granting concurrence
Cond	clusion9
Disc	laimer10

Introduction

This request to vary the site specific floor plate development standard is made pursuant to Clause 4.6(3) of *Sydney Local Environmental Plan 2012* (SLEP 2012).

The stated objectives of Clause 4.6 of SLEP 2012 are:

- (a) to provide an appropriate degree of flexibility in applying certain development standards to particular development,
- (b) to achieve better outcomes for and from development by allowing flexibility in particular circumstances.

Proposed Variation

This request seeks to vary the site specific floor plate development standard contained in Clause 6.25(3) of SLEP 2012, which states:

- (3) Despite clause 4.3, development consent may be granted to the erection of a building with a maximum height of:
 - (a) 200 metres on up to 33% of the area of block 1, or
 - (b) 155 metres on up to 42% of the area of block 2, or
 - (c) **185 metres on up to 24% of the area of block 3**. (our emphasis)

Clause 4.3 refers to the Building Height Map for SLEP 2012, which indicates a maximum building height of 110 metres for the APDG Precinct, within which the site is located.

Pursuant to Clause 6.25(8), 'Block 3' means Lot 1, DP 220830 and Lot 1, DP 217877, which are the allotments comprising the site.

The standard effectively equates to a 644.6sqm floor plate / footprint control on Tower A.

The approved Stage 2 consent for the site takes advantage of the above 185 metre APDG height provision, with a tower element having a footprint of 644sqm extending to RL191.0 (185 metres), representing 23.9% of the 2,686sqm area of Block 3, in accordance with the 24% standard.

The proposed amendments to the Tower A building envelope laterally extends the approved tower floor plate to the north, south and east, increasing the tower floor plate to 739sqm, or 27.5% of the area of Block 3.

1. Is the requirement a development standard?

The proposed variation relates to the floor plate size standard, which is clearly a 'development standard', in that it provides a numeric restriction over a particular aspect of the development, not a prohibition of the development.

2. Is the development standard excluded from the operation of this clause?

The proposed variation is not a development standard excluded from the operation of Clause 4.6 by subclause (8), as it does not relate to:

- Complying development;
- State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004;
- Clause 5.4 of SLEP 2012 (Miscellaneous Permissible Uses);
- Clause 4.3 (Height of buildings);
- Clause.3A (Development below ground level in Zone RE1);
- Clause 6.10 (Heritage floor space);
- Clause 6.11 (Utilisation of certain additional floor space requires allocation of heritage floor space);
- Clause 6.17 (Sun access planes);
- Clause 6.18 (Exceptions to sun access planes);
- Clause 6.19 (Overshadowing of certain public places);
- Clause 6.26 (AMP Circular Quay precinct); and
- Division 1 of Part 7 (Car parking ancillary to other development).

3. What is the underlying object or purpose of the standard?

The objective of Clause 6.25 of SLEP 2012 is stated at subclause (1) as being:

"to **provide for additional building height on parts of certain sites** (within the area bounded by Alfred Street, Pitt Street, Dalley Street and George Street (known as the "APDG block")) if the development of the site provides for publicly accessible open space, lanes and other links through the site".

(our emphasis)

In addressing this objective, when granting any consent subject to Clause 6.25(3), the consent authority must also be satisfied pursuant to clause 6.25(4) that the development will:

- (a) include recreation areas and lanes and roads through the site, and
- (b) include business premises and retail premises that have frontages at ground level (finished) to those recreation areas, lanes and roads, and
- (c) provide a satisfactory distribution of built form and floor space development.

4. Is compliance with the development standard unreasonable or unnecessary in the circumstances of the case?

Non-compliance with the floor plate size development standard is unreasonable in this circumstance having regard to:

- Compliance with the objectives of the development standard.
- Whether the underlying objective or purpose would be defeated or thwarted if compliance was required with the standard.

These matters are discussed in detail below.

4.1 COMPLIANCE WITH THE OBJECTIVES OF THE STANDARD

The APDG precinct is subject to a uniform underlying 110 metre building height standard. Consistent with the above objective subclause 6.25(3) identifies three 'blocks' on which additional height may be provided if the relevant block is consolidated, and identifies the proportion of the site area of the block that may extend to this additional height, in this case 24%. The other two blocks are subject to considerably more liberal floor plate controls of 33% and 42%.

Subclause (7) is explicit in that development in Block 3 may also relate to Lot 180, DP 606866 (The Rugby Club) and Lot 1 in DP 537286 (Fairfax House). While the applicant has recently purchased Fairfax House and exchanged contracts on the Rugby Club, no explicit provision is made in Clause 6.25 for the 24% site area standard to be extended to the enlarged site area.

While the proposed enlargement of the tower floor plate results in it equating to 27.5% of the area of Block 3, thereby exceeding the 24% standard, if the enlarged site area including Fairfax House and the Rugby Club sites are considered, the proposed tower floor plate equates to only 18.2% of the enlarged site area, as detailed in Table 1.

ALLOTMENTS	SITE AREA	APPROVED 644SQM TOWER FLOOR PLATE	PROPOSED 739SQM TOWER FLOOR PLATE
Block 3	2,686sqm	23.98%	27.51%
- Rugby House	916.5sqm		
- Fairfax House	437.5sqm		
Enlarged Block 3	4,040sqm	15.94%	18.29%

TABLE 1 – FLOOR PLATE PERCENTAGE CALCULATIONS

With regard to the additional matters stipulated in Clause 6.25(4), as detailed in the accompanying Environmental Impact Statement (EIS):

- a) The proposed public benefit offer at Appendix H outlines the lanes and roads that are proposed to be dedicated and otherwise granted rights of access, rights of footway and public recreation on the site.
- b) The ground level of Tower A has been designed to accommodate retail premises at street frontages and notably adjacent to the proposed through-site link (see Section 7.5 of the EIS).
- c) The proposal complies with the maximum FSR available for the subject site. This application details the distribution of the available GFA across the site in a manner that reduces the potential impacts on surrounding properties, makes efficient use of the site, and proposes building envelopes that can facilitate design excellence on the site.

4.2 THE UNDERLYING OBJECTIVE OR PURPOSE WOULD BE DEFEATED OR THWARTED IF COMPLIANCE WAS REQUIRED WITH THE STANDARD

Whilst not explicitly stated, the underlying purpose of Clause 6.25 is to consolidate the fragmented land holdings within the APDG precinct into several identified blocks, and concentrate the floor space potential of each into a single tall tower, with correspondingly lower building elements, open spaces, lanes and pedestrian linkages on the rest of the sites.

While subclause 7 specifically envisages Block 3 being expanded to include the Fairfax House and Rugby Club sites in accordance with this principle, if it is not possible to expand the floor plate of Tower A to accommodate some of the floor space potential of these sites, there would be little purpose in amalgamating them into the site.

Strict application of the 24% standard would thereby hinder a consolidated development of the enlarged Block 3, thereby thwarting the underlying objective of the standard.

5. Are there sufficient environmental planning grounds to justify contravening the development standard?

The following environmental planning grounds are sufficient to justify contravening the standard:

- The relatively minor contravention of the standard will facilitate the integration of the Goldfields House, Fairfax House and Rugby Club sites into a single co-ordinated redevelopment.
- Contravening the standard will facilitate the delivery of a co-ordinated public domain network on and through the three sites.
- Contravening the standard will facilitate the delivery of a world class hotel on the site.
- Notwithstanding non-compliance with the site specific standard, the proposed 739sqm floor plate is still considerably smaller than the generic 1,000sqm control contained in Clause 5.1.4.2 of SDCP 2012 and with a maximum dimension of 40.63 metres is consistent with the generic 40 metre maximum control contained in Clause 5.1.4.2 of SDCP 2012.
- By any standard, at 55 storeys, a 739sqm footprint is a slender building form.
- 6. Will the proposed development be in the public interest because it is consistent with the objectives of the particular standard and the objectives for development within the zone in which the development is proposed to be carried out?

The proposed variation of the floor plate standard is consistent with the objectives of the B8 Metropolitan Centre zone as follows:

• To recognise and provide for the pre-eminent role of business, office, retail, entertainment and tourist premises in Australia's participation in the global economy.

The proposed variation will facilitate the provision of a world class hotel within a premier tourist location within of the city.

• To provide opportunities for an intensity of land uses commensurate with Sydney's global status.

The proposed variation will facilitate the realisation of the planned floor space potential of the site within a residential tower of the height envisaged within the APDG Precinct controls and a world class hotel building.

• To permit a diversity of compatible land uses characteristic of Sydney's global status and that serve the workforce, visitors and wider community.

The proposed variation will facilitate the replacement of a predominantly residential scheme, with one that is part residential, part tourist accommodation, with active lower level retail uses, thereby providing an increased diversity of land use that is more consistent with Sydney's global status.

• To encourage the use of alternatives to private motor vehicles, such as public transport, walking or cycling.

The proposed variation will facilitate the provision of a better integrated network of pedestrian linkages through the site, through a co-ordinated redevelopment of the enlarged site.

 To promote uses with active street frontages on main streets and on streets in which buildings are used primarily (at street level) for the purposes of retail premises.

The proposed variation will facilitate the provision of more active street frontages within the site, through a co-ordinated redevelopment of the enlarged site.

7. Whether or not non-compliance with the development standard raises any matter of significance for State or Regional environmental planning

Non-compliance will facilitate the incorporation of a world class hotel of considerable significance to the State economy and the global status of Sydney. As the hotel (tourist related purpose) will exceed \$100 million capital investment value (CIV) it is defined as 'State Significant Development' under clause 13.2 of Schedule 1 of *State Environmental Planning Policy (State and Regional Development) 2011* (SEPP SRD).

8. The public benefit of maintaining the development standard

Maintaining the floor plate standard would limit the ability to:

- Provide an integrated development at the three properties; and
- Deliver a world class hotel on the site.

The proposed floor plate size complies with the standards generically applicable throughout the rest of central Sydney and no material public benefit would be provided by maintaining the standard.

9. Any other matters required to be taken into consideration by the Director General before granting concurrence

Not applicable.

Conclusion

In conclusion, this request to vary the floor plate standard of Clause 6.25(3) of SLEP 2012 will facilitate a better planning outcome than that which has already been approved on the site in accordance with the standard. Specifically, the variation will facilitate:

- An integrated development of the enlarged Block 3, including the Fairfax House and Rugby Club sites.
- A world class hotel on the site.
- An integrated pedestrian network across the enlarged Block 3.
- Expanded active frontages throughout the enlarged Block 3.
- No specific public benefit would arise from limiting the floor plate of Tower A, which at 739sqm is till considerably smaller than the generic 1,000sqm control contained in Clause 5.1.4.2 of SDCP 2012 and with a maximum dimension of 40.63 metres is consistent with the generic 40 metre maximum control contained in Clause 5.1.4.2 of SDCP 2012.

We therefore submit that compliance with the development standard is unreasonable or unnecessary in the circumstances and that there are sufficient environmental planning grounds to justify contravening the standard.

Disclaimer

This report is dated June 2015 and incorporates information and events up to that date only and excludes any information arising, or event occurring, after that date which may affect the validity of Urbis Pty Ltd's (**Urbis**) opinion in this report. Urbis prepared this report on the instructions, and for the benefit only, of Wanda Group (**Instructing Party**) for the purpose of Clasue 4.6 Variation Request (**Purpose**) and not for any other purpose or use. To the extent permitted by applicable law, Urbis expressly disclaims all liability, whether direct or indirect, to the Instructing Party which relies or purports to rely on this report for any purpose other than the Purpose, and to any other person which relies or purports to rely on this report for any purpose whatsoever (including the Purpose).

In preparing this report, Urbis was required to make judgements which may be affected by unforeseen future events, the likelihood and effects of which are not capable of precise assessment.

All surveys, forecasts, projections and recommendations contained in or associated with this report are made in good faith and on the basis of information supplied to Urbis at the date of this report, and upon which Urbis relied. Achievement of the projections and budgets set out in this report will depend, among other things, on the actions of others over which Urbis has no control.

In preparing this report, Urbis may rely on or refer to documents in a language other than English, which Urbis may arrange to be translated. Urbis is not responsible for the accuracy or completeness of such translations and disclaims any liability for any statement or opinion made in this report being inaccurate or incomplete arising from such translations.

Whilst Urbis has made all reasonable inquiries it believes necessary in preparing this report, it is not responsible for determining the completeness or accuracy of information provided to it. Urbis (including its officers and personnel) is not liable for any errors or omissions, including in information provided by the Instructing Party or another person or upon which Urbis relies, provided that such errors or omissions are not made by Urbis recklessly or in bad faith.

This report has been prepared with due care and diligence by Urbis and the statements and opinions given by Urbis in this report are given in good faith and in the reasonable belief that they are correct and not misleading, subject to the limitations above.

Sydney Tower 2, Level 23, Darling Park 201 Sussex Street Sydney, NSW 2000 t +02 8233 9900 f +02 8233 9966

Melbourne

Level 12, 120 Collins Street Melbourne, VIC 3000 t +03 8663 4888 f +03 8663 4999

Brisbane

Level 7, 123 Albert Street Brisbane, QLD 4000 t +07 3007 3800 f +07 3007 3811

Perth

Level 1, 55 St Georges Terrace Perth, WA 6000 t +08 9346 0500 f +08 9221 1779

Australia • Asia • Middle East w urbis.com.au e info@urbis.com.au