16 November 2016

Ms Caroline McNally  
Secretary  
Department of Planning and Environment  
GPO Box 39  
SYDNEY NSW 2001

Dear Ms McNally,

REQUEST FOR SECRETARY’S ENVIRONMENTAL ASSESSMENT REQUIREMENTS  
201 ELIZABETH STREET, SYDNEY

We are writing on behalf of Dexus, the proponent for the proposed development at 201 Elizabeth Street, Sydney (the site). The purpose of this letter is to request the Secretary’s Environmental Assessment Requirements (SEARs) for the preparation of an Environmental Impact Statement (EIS) to accompany a Staged State Significant Development Application (SSDA) for the proposed redevelopment of the site. The Staged DA will be made under section 83B of the Environmental Planning and Assessment Act 1979 (EP&A Act).

The proposed development includes development for the purposes of a tourist related facility that has a capital investment value in excess of $100 million (see cost estimate at Attachment A) being State Significant Development (SSD) as prescribed in Schedule 1 of the State Environmental Planning Policy (State and Regional Development) 2010 (SRD SEPP). In accordance with clause 8(2) of the SRD SEPP, all parts of a single development application are also declared SSD for the purposes of EP&A Act.

The Staged SSDA proposes a concept proposal or Stage 1 development application for the demolition of the existing commercial building at 201 Elizabeth Street and construction of a mixed use development comprising hotel, retail and residential uses. The proposed redevelopment will remove the existing tower building which causes significant overshadowing of Hyde Park. The proposed replacement building will result in a reduction of this overshadowing by 50 per cent in mid winter. The proposed development responds to the site’s unique setting and considers the urban design outcome of the site as the eastern gateway to the Sydney CBD as well as its connectivity to existing and future transport networks.

The Stage 1 SSDA will seek consent for land uses, gross floor area, building envelopes, pedestrian and vehicle access and circulation arrangements, and associated car parking provision. A future separate Stage 2 SSDA will be lodged for the detailed design and construction of the development, following the completion of a competitive design process held in accordance with the City of Sydney Competitive Design Policy 2012.

To support the request for the SEARs, the following information is provided in this letter:

- A description of the site and its local context;
- A summary of the overall project background and the development proposed in Stage 1;
- A summary of the key environmental planning instruments applicable to the proposal;
- An overview of the key parameters and anticipated matters for consideration;
- An outline of the expected key deliverables and supporting documentation associated with the proposal; and
- The proposed parties to be considered for consultation.
1.0 THE SITE

The site is located at 201-217 Elizabeth Street, Sydney on the eastern boundary of Sydney’s CBD. The site has the real property description Lot 1 in Deposited Plan 868008 and has an area of approximately 3,900m². The site has a frontage to Elizabeth Street, Park Street and Castlereagh Street as shown in Figure 1.

The site is directly opposite the western border of Hyde Park and is located equidistant from Town Hall Station, St James Station and Museum Station, as well as being located in close proximity to the future Sydney Metro station Pitt Street North. The eastern boundary of the Sydney CBD is characterised by a range of commercial, residential and hotel uses fronting Hyde Park. On the Elizabeth Street side of Hyde Park development is characterised by predominantly commercial development, whilst development further to the east around Liverpool Street is characterised by high rise residential development to transition to existing residential development in Darlinghurst and along Oxford Street. The site acts as a primary eastern gateway to the Sydney CBD with key view corridors to the site from William Street and Kings Cross to the east, as well as Oxford Street to the south east (see Figure 3-4).

The site currently accommodates a 38 storey commercial office tower. Single storey, double height retail is provided on the street frontage to Park Street. Lower ground retail is also provided across the site including a below ground pedestrian access connecting Park Street, 201 Elizabeth Street, 227 Elizabeth Street and connection to the railway pedestrian tunnels. The existing development provides two levels of basement car parking (176 spaces), accessed via Castlereagh Street. The existing car park entrance utilises an area of land owned by the City of Sydney that is leased to the owners of 201 Elizabeth Street. The existing development is presented at Figure 2.

Figure 1 – Site Location
Source: FJMT
Figure 2 – Existing Development
Source: JBA

Figure 3 – View corridor from William Street showing existing development
Source: Virtual Ideas
2.0 BACKGROUND

The proponent and the project architect – FJMT – have worked closely with the City of Sydney, including the Design Advisory Panel (DAP), to understand the key constraints of the site and the opportunities it presents. A number of varying development scenarios have been explored for the site, including:

- Retention of the existing tower form and refurbishment for residential and retail uses (approximately 85-90% residential);
- A new mixed use residential, commercial and retail central tower form (approximately 75% residential) that results in a 50% reduction in the existing overshadowing; and
- A new mixed use residential, hotel and retail northern tower form (approximately 80% residential) that results in a 50% reduction in the existing overshadowing.

Solutions to address the sun access plane controls under the SLEP 2012 were discussed in detail with Council officers at these meetings. The proposed mix of residential and non-residential floor space was also discussed with Council officers. Separately, Council officers also requested Dexus to consider opportunities to redevelop the site in accordance with the Hyde Park sun access plane and transfer any unutilised floor space to a potential redevelopment site elsewhere in the CBD.

In response to this feedback, Dexus analysed the potential to transfer floor space from the site to an alternative redevelopment site as contemplated by the draft Central Sydney Planning Strategy. However, the result of the analysis demonstrated that this did not present a feasible development opportunity and that it would be financially more viable to retain and refurbish the existing building at 201 Elizabeth Street. Therefore Dexus have chosen to advance an application for the redevelopment of the site that is both financially viable and results in the public benefits of reduced overshadowing, improved pedestrian connections and high quality design and sustainability standards.

The proposed development, the subject of this request for SEARs, is a continued resolution of the northern tower form, in response to feedback from Council in relation to land use mix, overshadowing considerations, views from Hyde Park and the language of the city streetscape.
3.0 DESCRIPTION OF PROPOSED PROJECT

The SSD application will seek consent:
- Demolition of existing structures;
- Staged DA (concept approval) for the construction of a new 51 storey development including:
  - 350 room 5-star hotel and function centre;
  - Residential apartment tower;
  - Ground and lower ground retail;
  - Four levels of basement car, motorbike and bicycle parking;
- Subdivision of the site in accordance with the proposed development; and
- Pedestrian connection to Museum Station and future connection to Pitt Street North Sydney Metro Station.

The Stage 1 SSDA will seek consent for a maximum building envelope, land uses, total quantity of floor space, pedestrian and vehicle circulation arrangements and associated car parking provision. The proposed building envelope will be capable of facilitating a total gross floor area (GFA) of 59,545m$^2$, comprising:
- Hotel: 26,655m$^2$ (45%);
- Residential: 27,990m$^2$ (47%); and
- Retail: 4,900m$^2$ (8%).

The proposed development will result in a 50 per cent reduction in the mid winter overshadowing of Hyde Park caused by the existing development at 201 Elizabeth Street. The proponent will work closely with the City of Sydney on the Stage 1 SSDA and engage in a competitive design process to ensure design excellence is achieved within the future building design of the Stage 2 SSDA.

It is considered that this combination of uses represents the effective use of a site to provide high amenity and connectivity for both future visitors and residents; capitalising on the Hyde Park setting, proximity to the CBD retail precinct, Pitt Street Mall and future Town Hall Square, as well as providing links to existing and planned transport services.

A photomontage of the proposed development is provided at Figure 5 and 6. Draft building envelope plans, prepared by FJMT have been provided for information purposes (see Attachment B).
Figure 5 – Proposed development
Source: Virtual Ideas

Figure 6 – Proposed development
Source: Virtual Ideas
4.0 PLANNING CONTEXT
The following are the key relevant legislation and environmental planning instruments that will apply to the proposed development:
- Environmental Planning and Assessment Act 1979;
- Environmental Planning and Assessment Regulation 2000;
- State Environmental Planning Policy (State and Regional Development) 2011;
- Sydney Local Environmental Plan 2012;
- Sydney Development Control Plan 2012; and

4.1 Environmental Planning and Assessment Act 1979
The EP&A Act establishes the assessment framework for SSD. Under Section 89D the Minister is the consent authority for SSD. Section 89E(3) provides the Minister the authority to grant development consent to the proposed development. Section 78A(8A) requires that a development application for SSD is to be accompanied by an Environmental Impact Statement (EIS) in the form prescribed by the Environmental Planning and Assessment Regulation 2000.

Pursuant to Section 83B of the EP&A Act a Staged DA may be made setting out concept proposals for the development of a site, and for which the detailed proposal is to be the subject of subsequent DAs.

4.2 State Environmental Planning Policy (State and Regional Development) 2011
The State Environmental Planning Policy (State and Regional Development) 2011 identifies development which is declared to be State Significant. Item 13(2) of Schedule 1 of the Policy provides that:

Development for other tourist related purposes (but not including any commercial premises, residential accommodation and serviced apartments whether separate or ancillary to the tourist related component) that:
(a) has a capital investment value of more than $100 million, or
(b) has a capital investment value of more than $10 million and is located in an environmentally sensitive area of State significance or a sensitive coastal location.

As the proposed development includes development for the purposes of a tourist related facility that has a capital investment value in excess of $100 million (see cost estimate at Attachment A), it is considered to be a SSD. Clause 8(2) states that:

If a single proposed development the subject of one development application comprises development that is only partly State significant development declared under subclause (1), the remainder of the development is also declared to be State significant development, except for:
(a) so much of the remainder of the development as the Director-General determines is not sufficiently related to the State significant development, and
(b) coal seam gas development on or under land within a coal seam gas exclusion zone or land within a buffer zone (within the meaning of clause 9A of State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007).

The proposed tourist and visitor accommodation is one component of an overall development; accordingly, the whole of the proposed development is therefore considered SSD.

4.3 Sydney Local Environmental Plan 2012
The site is zoned B8 Metropolitan Centre and the proposed land uses are permissible with consent in the zone. The proposed development is consistent with the zone objectives in that:
The proposed development will result in an iconic new addition to the Sydney skyline taking into consideration its prominent location on Hyde Park at the eastern gateway to the CBD;

The proposal includes the provision of retail uses and active frontages on all street frontages;

The proposal provides an intensity of land use comparable to that of a global city, providing high quality residential accommodation; and

By providing residential accommodation in the CBD environment, this will promote active transport and public transport usage.

A Staged SSDA will be lodged for the proposed development in accordance with clause 7.20 of the SLEP 2012 and Section 83B of the EP&A Act. The maximum floor space ratio permitted on the site is set out in Table 1.

Table 1 – Permissible floor space ratio

<table>
<thead>
<tr>
<th>Provision</th>
<th>Floor Space Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clause 4.4 Floor space ratio (base)</td>
<td>8:1</td>
</tr>
<tr>
<td>Clause 6.4 Accommodation floor space (Area 2)</td>
<td>Residential and hotel uses – 6:1</td>
</tr>
<tr>
<td></td>
<td>Retail – 4.5:1</td>
</tr>
<tr>
<td>Clause 6.21 Design Excellence</td>
<td>Additional 10% awarded at Stage 2</td>
</tr>
</tbody>
</table>

No maximum building height applies to the site under clause 4.3 of the SLEP 2012. The maximum permissible building height is limited by clause 6.17 Sun access planes, namely the Hyde Park West sun access plane. The site is also affected by clause 6.18 Exceptions to sun access planes, with part of the site identified as Category A and part of the site identified as Category B as shown in Figure 7. The footprint of the existing tower is identified as Category A land. Development above the sun access plane is permitted on Category A land provided it results in a 50% reduction in overshadowing to Hyde Park between midday and 2pm on 21 June. Development above the sun access plane is permitted on Category B land where the new building does not exceed the height of the existing building on Category A land.

Figure 7 – Extract from sun access protection map

Source: Sydney Local Environmental Plan 2012
4.4 Sydney Development Control Plan 2012
The site is located within Central Sydney and the College Street Hyde Park special character area. The proposed development has been designed in response to the relevant provisions of the SDCP 2012. Whilst the SDCP 2012 will not strictly apply to the SSDA, a detailed assessment will be provided in the EIS for the Stage 1 SSDA.

4.5 Draft Central Sydney Planning Strategy 2016
The draft Central Sydney Planning Strategy 2016 and proposed amendments to the Sydney Local Environmental Plan 2012 (SLEP 2012) were endorsed by the City of Sydney Council on 25 July 2016. These provide a clear policy direction from Council as to the future direction of planning in the Sydney CBD. The proposed development is largely consistent with the draft Strategy in that:

- The proposal has responded to Council’s focus on employment generating uses by increasing the hotel and retail components of the development, providing 47% residential floor space (consistent with the 50% limitation);
- It has been designed to promote solar access to Hyde Park by reducing the overshadowing caused by the existing development at 201 Elizabeth Street by 50 percent;
- Hotel uses have been specifically identified as a strategic land use and this development will contribute to the future supply of hotel rooms in a highly connected location;
- The combination of residential and hotel uses within the project is representative of the effective use of a development site with high amenity; and
- The proposal responds to the opportunity for a greater public transport usage, providing pedestrian connections to the existing Museum Station and opportunities to provide pedestrian connections to the CBD Metro station.

4.6 Other Planning Policies
In addition to the above, the following policies apply to the site and will need to be considered as part of the SDD application:

- State Environmental Planning Policy No. 55 – Remediation of Land (SEPP 55);
- State Environmental Planning Policy (Infrastructure) 2007;
- State Environmental Planning Policy No. 65 - Design Quality of Residential Apartment Development (SEPP 65);
- State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004;
- A Plan for Growing Sydney;
- NSW Long Term Transport Master Plan;
- Sustainable Sydney 2030;
- Development Near Rail Corridors and Busy Roads – Interim Guideline;
- Planning Guidelines for Walking and Cycling;
- Sydney City Central Access Study;
- Sydney’s Cycling Future; and
- Sydney’s Walking Future.

5.0 OVERVIEW OF LIKELY ENVIRONMENTAL AND PLANNING ISSUES
Based on our preliminary environmental assessment, the following are the key environmental assessment issues that will need to be considered as part of the future Stage 1 SSDA and subsequent Stage 2 SSDA:

- Compliance with strategic and statutory plans;
- Overshadowing impact on Hyde Park;
- Urban design, streetscape and public domain;
- Residential amenity;
- Ecologically sustainable development;
- Design excellence;
- Heritage conservation;
- Existing and planned rail corridors;
- Transport and access;
- Views;
- Wind impact;
- Contamination and geotechnical considerations; and
- Consultation.

These are discussed in further detail where relevant below.

5.1 Compliance with strategic and statutory plans
The EIS will analyse the proposed development and outline how the proposal is consistent with the strategies and objectives of *A Plan for Growing Sydney* and the draft Central Sydney Planning Strategy. The EIS will also assess the proposal against the relevant SEPPs, the SLEP 2012 and SDCP 2012.

5.2 Overshadowing impact on Hyde Park
The EIS will provide a detailed overshadowing analysis to assess the overshadowing impact of the proposed development on Hyde Park. It is noted that the existing building at 201 Elizabeth Street casts a substantial shadow on the park and the proposal will reduce this shadow by 50 per cent in mid winter.

5.3 Urban design, built form and public domain
The proposed development will significantly alter the existing built form and public domain on the site. The EIS will consider the urban design outcomes for the project and the detailed options that have been considered through the design development. A Competitive Design Alternatives Process will be conducted for the project following the approval of the Stage 1 SSDA and prior to lodging the Stage 2 SSDA. A Design Excellence Strategy will be submitted with the EIS, prepared in accordance with the *City of Sydney Competitive Design Policy 2012*.

5.4 Residential amenity
The EIS will demonstrate that the proposed building envelope will be capable of delivering residential development that is consistent with SEPP 65 as well as the provisions of the NSW Apartment Design Guidelines (the ADG). The key ADG measures that will be assessed in the Stage 1 SSDA will be building separation, solar access and cross ventilation. A further detailed assessment of the ADG will be completed at the Stage 2 SSDA when a detailed design has been prepared.

5.5 Ecologically sustainable development
The EIS will address the principles of ecologically sustainable development in relation to the project and set out an ESD strategy that will be incorporated into the competitive design process and the Stage 2 SSDA. The provisions of SEPP BASIX will be assessed at the Stage 2 SSDA.

5.6 Design excellence
A Competitive Design Alternatives Process will be conducted for the project following the Stage 1 SSDA approval and prior to lodgement of the Stage 2 SSDA. A Design Excellence Strategy will be prepared in accordance with the *City of Sydney Competitive Design Policy 2012* and submitted as part of the EIS.

5.7 Heritage conservation
The site is located in the vicinity of a number of local heritage items. The ANZAC War Memorial (within Hyde Park) and the Municipal sewer vent (Elizabeth Street and Bathurst Street) are listed as State heritage items. A Heritage Impact Statement will be prepared as part of the EIS. The proponent will consult with the NSW Heritage Council prior to lodging the EIS.
5.8 Existing and planned rail corridors
The site is located in close proximity to Museum Station and the existing City Circle rail corridor. The site is also located in close proximity to the planned Sydney Metro Corridor and the Pitt Street North Station. The project offers the opportunity to provide new pedestrian connections to each of these stations. The EIS will consider engineering advice on both rail corridors and the proponent will consult with Transport for NSW during the preparation of the EIS.

5.9 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 basement parking. The report will also examine:
- road safety;
- demand for car parking;
- loading and servicing arrangements;
- traffic impacts of the proposed development on the surrounding road network and intersections; and
- accessibility to public transport.

5.10 Views
The site acts as a gateway to the Sydney CBD from the east (see Figures 3-4). Given the site’s prominent location, the proposed development will be highly visible from Hyde Park, William Street and Oxford Street. A visual impact study will be prepared as part of the EIS to understand the impact of the proposed development on key public view corridors.

5.11 Wind impact
The EIS will address the prevailing wind conditions and the appropriate considerations and mitigation measures that will need to be addressed in the detailed design of the project. Wind tunnel testing will be completed as part of the Stage 2 SSDA to ensure that the proposed development does not reduce the existing pedestrian amenity of the immediate surroundings.

5.12 Geotechnical/site contamination conditions
A desktop 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. The Stage 1 report will be supplemented by more detailed investigations and reporting in the Stage 2 SSDA.

6.0 EXPECTED REPORTS TO ACCOMPANY THE EIS
To assist in confirming the SEARs, the following are the expected reports to support the EIS for the Stage 1 SSDA:
- Owner’s Consent
- DA Fees
- QS Certificate
- Site Survey Plan
- Architectural Design Statement/Report
- Architectural Plans
- Physical Model
- Shadow Diagrams
- Design Excellence Strategy
- Visual Impact Analysis
- Heritage Impact Statement
- Desktop Wind Impact Assessment
- Desktop Acoustic Assessment
- Traffic, Parking and Access Assessment
- ESD Statement/Strategy
- Services and Infrastructure Report
- Desktop Contamination Report
- Desktop Geotechnical Report
- Desktop Waste Management Plan
- Stakeholder and Community Engagement Report

7.0 CONSULTATION
In preparing the EIS, it is expected the proponent will undertake consultation with the following:
- City of Sydney Council;
- Transport for NSW;
- Roads and Maritime Services;
- NSW Heritage Council; and
- Surrounding residents and businesses.

8.0 CONCLUSION
The purpose of this letter is to request the SEARs for the preparation of an EIS for a Stage 1 SSDA for a new development at 201 Elizabeth Street Sydney. The proposal includes a 350 room 5-star hotel, residential apartments, retail tenancies and pedestrian connections to existing and proposed transport services. The proposed development will result in the demolition of the existing building at 201 Elizabeth Street which casts a significant shadow over Hyde Park. The proposal will result in a reduction in this overshadowing by 50 per cent in mid winter, whilst providing a landmark building at one of the premier gateways to Sydney’s CBD.

This project presents the opportunity for the redevelopment of a significant city block to provide a world class development for both residents and visitors with an interchange of pedestrian connectivity, opposite a major CBD park, adjacent to the retail precinct of Pitt Street Mall and at a key transport node benefitting from existing bus and rail as well as proposed future rail and light rail services.

We trust that the information detailed in this letter is sufficient to enable the Secretary to issue the SEARs for the preparation of the EIS. Should you have any queries about this matter, please do not hesitate to contact or Samantha Miller on 9409 4971 or smiller@jbaurban.com.au.

Yours sincerely,

Samantha Miller
Senior Planner

Enc.
Attachment A – QS Certificate prepared by WT Partnership
Attachment B – Building Envelope Plans prepared by FJMT