



Mr Anthony Roberts MP  
Minister for Planning, Minister for Housing, Special Minister of State  
GPO Box 5341  
Sydney NSW 2001

9 January 2018

Dear Minister Roberts,

**Request for advice  
Stage 1 State Significant development application  
for over station development at Martin Place (SSD 8351)**

Thank you for your letter of 1 November 2017 requesting the Commission's advice on two key aspects of the State significant development application for the over station development at Martin Place, namely whether the:

- building envelopes recommended by the Department are reasonable in relation to the *Sydney Local Environmental Plan 2012*; and
- design excellence strategy (to inform the design process for any future Stage 2 application) is reasonable having regard to the particular circumstances of the proposal.

The Commission constituted to provide this advice comprised Annabelle Pegrum AM (as chair), Lynelle Briggs AO, and Professor Helen Lochhead.

In formulating our advice, the Commission met with the Department and considered its assessment report regarding these two aspects of the proposal and the associated recommendations. The Commission also met with Macquarie Corporate Holdings Pty Ltd (the applicant) together with a number of its design and planning consultants and representatives of Transport for NSW and the NSW Government Architect; and representatives from the City of Sydney, having regard to the issues it raised through the Department's consultation and assessment (notes from these meetings are attached at Appendix A). The Commission also carefully considered the applicant's documents including the *SSD Supplementary Design Report*, August 2017, and *Clause 4.6 Variation Request* related to the floor space ratio development standard (JBA consultants, May 2017). For completeness, the Commission considered the over station development proposal in detail, but has limited its advice to the two aspects, as directed.

**Building envelope**

The *Sydney Local Environmental Plan 2012* sets out the two building envelope parameters as overall building height defined by a trigonometric sun access plane and a maximum floor space ratio. The Department reports that:

- both the proposed building envelopes for the Martin Place proposal "*comply with the building height development standards, as they do not project higher than the Martin Place and Hyde Park North sun access planes in the [Sydney Local Environmental Plan 2012] respectively*";
- the south site envelope also includes "*a 25 [metre] building setback to Martin Place above the required 55 {metre} podium height*";
- the south site envelope complies with the maximum floor space ratio;

- the north site envelope exceeds the maximum floor space ratio by 35,495 square meters (or 47%); and
- the applicant has submitted a request under Clause 4.6 of the *Sydney Local Environmental Plan 2012* to justify exceedance of the floor space ratio development standard for the north building.

The Department observed that the “*large envelope of the north site, together with the [floor space ratio] exceedance, gives rise to concerns about potential bulk, scale, overshadowing and adverse visual impacts*”. The Department noted that the north envelope is about 50 metres taller than the historic 50 Martin Place building (where it adjoins), creating a sudden and contrasting scale shift, but requiring a refined and sensitive scale transition. The Department added that a 55-metre podium height and a clear podium/tower distinction is important to 50 Martin Place and to the consistent street wall along Castlereagh and Elizabeth Streets. The Department also observed that additional overshadowing to Hyde Park could result from the south envelope, considering its zero setback to Castlereagh and Elizabeth Streets, although it said this could be improved in the detailed design. The Commission agrees with these observations.

However, the Department concluded that the north envelope is appropriate because some of the additional floorspace (6,500 m<sup>2</sup>) is below ground, integrated with the station and therefore, together with the compliance in height, “*would not contribute to building bulk*”. The Department concluded that:

- the Floor Space Ratio development standard variation request be supported “*in the manner set out in the Applicant’s written request*”;
- a future development application for stage 2 would need to specifically consider how the north tower integrates with the low scale of 50 Martin Place and articulate the street walls to Castlereagh and Elizabeth Streets;
- it would be adequate for architectural treatments such as colours, materials, and façade articulation to achieve a clear distinction between podium and tower; and
- any future building should demonstrate that it does not cause any additional overshadowing during the times that Hyde Park is used for recreation (represented by the hours between 12 pm and 2 pm on 14 April).

The City of Sydney Council argued in its submission to the Commission that the north envelope had significant mass and “*without some manipulation, is out of character*”. The Council is of the strong view that consideration ought to be given to reinforcing the established street wall and associated city character through setbacks. It recommends that *the Sydney Metro Martin Place Station Precinct Consolidated Design Guidelines* should be modified such that:

- there is a four-metre boundary setback above the established street wall height (the podium height) from the southern boundary of the north building with 50 Martin Place (the bank building);
- the maximum envelope be setback four-metres at podium height for the full frontage from Elizabeth and Castlereagh Streets for both the north and south towers;
- the maximum envelope for the southern tower be setback 25 metres from the northern site boundary with Martin Place above the podium.
- a four-metre boundary setback at podium height from the southern boundary to 50 Martin Place (the bank building); and
- that a tower to ground typology for the Hunter Street elevation could be appropriate if wind conditions remain constant or improve as a result rather than simply maintaining the current unsatisfactory conditions. If this is not achieved Council considers that a setback to Hunter Street at podium height should be incorporated.

Subject to these provisions being met, the City of Sydney advised the Commission that it does not object to the changes in floor space ratio for the north building.

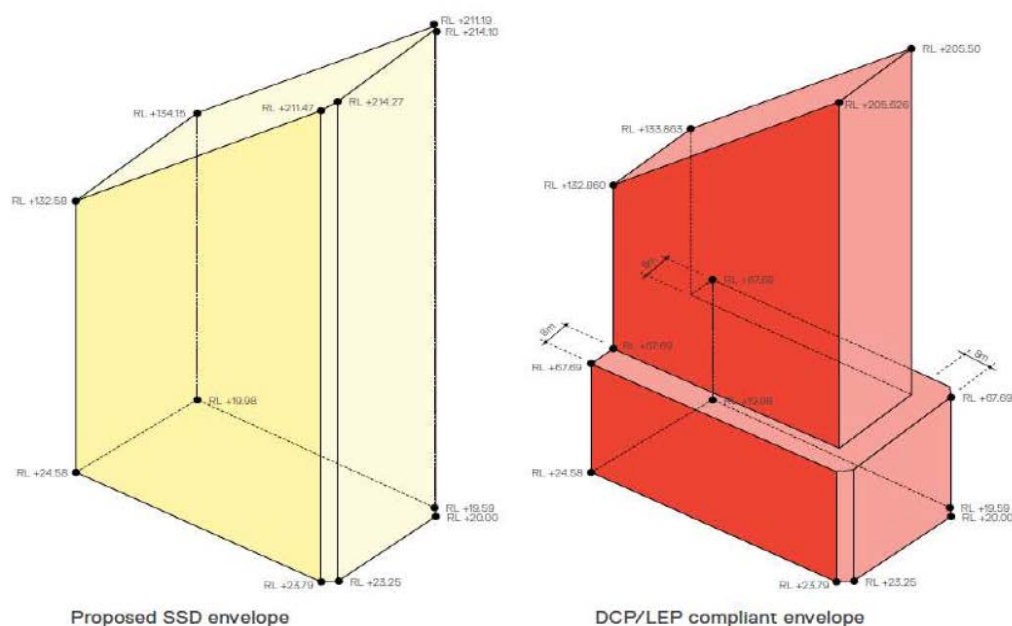
The applicant presented several arguments in favour of the proposed building envelopes noting that the Sydney Metro Project generated an opportunity for further transformative investment within the commercial heart of the city. The applicant argued that by connecting to the metro station in an integrated way and providing contemporary large campus-style floor plates in the new buildings (approximately 2,000 square metres), the proposed envelopes would advance Sydney's global-city credentials. The applicant advised the Commission that in its professional view, generic building envelope controls that are non-specific to the site, should not apply to this transformative development opportunity. Design excellence for this development, the applicant advised, could be achieved through a collaborative design process rather than being restricted by outmoded regulation.

On the contextual particulars of the site, the applicant argued zero boundary setbacks were responsive to the urban condition and completed the desired future character of the Hunter Street and Chifley Square precinct. The zero-setback typology would also respect and revitalise the urban threshold conditions that emerge along Castlereagh and Elizabeth Streets toward Martin Place. Zero-setbacks, the applicant argued, would establish the potential for a distinctive identity and 'threshold entry' to Martin Place. Enforced setback controls, would in the applicant's view, limit opportunities for architectural expression, and could have negative implications for the commercial viability of the development.

The applicant also noted that setbacks, whilst included in the relevant Development Control Plan, do not form part of the *Sydney Local Environmental Plan 2012*.

#### Commission's Advice

While the applicant argued that the height and envelope controls in the *Sydney Local Environmental Plan 2012* "did not anticipate or plan for additional floor space capacity released by recent investments in public transport infrastructure", on balance, the Commission agrees with the City's arguments. The existing street wall and the prescribed setbacks above the street wall height in Castlereagh and Elizabeth Streets is an established, identifiable characteristic of the locality that supports public amenity and aligns with the heritage fabric of the area, including that established by 50 Martin Place. The podium/tower envelope objectives set out by the City in its various development controls, as indicated in the comparative envelopes for the north building in **figure 1** below, are a well-reasoned urban design response to these local contextual features.



**Figure 1 – Comparison of proposed envelope and envelope with podium setbacks**

The Commission considers that the applicant's proposed envelopes, particularly for the north building, could result in very large, bulky development. The indicative design scheme shows a massive north building attached to and tapering above 50 Martin Place with little relief and limited opportunities for mid-block pedestrian permeability at ground level. The Commission considers that such an approach would have a significant negative impact on the urban outcome and be distinctly out of character with the surrounding buildings and their context.

The Commission is of the view that the streetscape, urban character and integrity of Martin Place and the associated city blocks warrant careful setbacks and street frontage conditions that enhance and extend the existing city characteristics while enabling contemporary new commercial and allied uses.

The Commission acknowledges the Department's view that very careful design resolution will be required at stage 2. However, the Commission considers that the street walls for both north and south sites, the boundary setback from 50 Martin Place at podium level of the northern tower and the southern tower setback to Martin Place are worthy of strong reinforcement by way of physical setbacks, and that these should be incorporated into the concept approval for the building envelopes. In this respect, the City's suggestion of 'at least' a four-metre setback above the podium appears to the Commission to be a suitable compromise between the eight metres that would otherwise be specified by the City, and the transformative urban and commercial opportunities presented by the site.

On this 6,500-square metre site, the inclusion of a podium setback would not be prohibitive to large campus-style floor plates. Indeed, many of the lower and mid-level floor plates of the tower shown in the indicative scheme are already significantly above 2,000 square metres. The Commission recognises the applicant's contention that other new tower buildings in the vicinity in Hunter Street do not have setbacks from the street. Nonetheless, for pedestrian amenity, it is the Commission's view that tower to ground typology for the Hunter Street elevation could be appropriate if it can be demonstrated that wind conditions will be improved as a result.

With these modifications to the proposed building envelopes, the Commission considers that the proposed floor space ratio variation for the north site is consistent with the objectives of the development standard and the zone, and has merit on environmental planning grounds, with minor and reasonable impacts on amenity.

### **Design excellence strategy**

The Department has proposed an alternate design excellence framework for the over station development with the support of the Government Architect. In summary, the stage 2 development proposal would require the establishment of a site-specific design review panel that is different to and independent from the Sydney Metro Design Review Panel. The panel would have scope to advise before, during and after the lodgement and determination of stage 2, and have terms of reference agreed with the Government Architect and Secretary. The Department's recommended approach also includes approval of *Sydney Metro Martin Place Station Precinct Consolidated Design Guidelines*, with modifications.

The Department's assessment report notes that:

*"... whilst the circumstances of the proposal do not necessarily preclude a design competition, [the Department] accepts that holding a competitive design process in this instance is unreasonable and unnecessary. This is because any competition requirements could only extend to the [over station development] component of the future building and not to the station structure at its base. This approach would therefore preclude a genuinely integrated design approach between the station and the [over station development]."*

The City of Sydney emphatically expressed its views to the Commission that a separate competitive design process should be carried out for each of the north and south buildings. The City cited the importance of the sites and their context, the relationship to Martin Place Station and the high profile of the development. The City is of the view that a waiver should not be granted to the competitive design provisions of the *Sydney Local Environmental Plan 2012*. Although, absent that outcome, it also supported the Government Architect's recommendation of 28 June 2017 that the conditions of consent:

*"identify opportunities for a competitive design excellence process that appropriately balances the Secretary's design excellence requirements with the proponent's objectives and which achieves design excellence and architectural diversity";*

and require:

*"submission of Terms of Reference including consolidated design principles as well as proposed governance and membership for the site specific Design Review Panel".*

The applicant supports the Department's approach. The applicant suggested that the over station development and the metro station were integrated both in design and project delivery. The applicant noted that it had achieved a significant milestone in October 2017 as the Sydney Metro Authority had certified particular detailed design work that was fundamental to the metro station and over station development. Any competitive process, the applicant argued, would therefore be limited to the façade of the building, and not of great value at this late stage.

The applicant also argued that the alternate approach with a site-specific design review panel and precinct specific design principles would also deliver design excellence. This, it said, has been demonstrated in other projects across the city, including Central Park, which is the recipient of numerous architectural awards. The applicant said that it was committed to continuing with its current design team (multi award winning architects recognised for delivering excellence in built outcomes) and to a collaborative approach to design.

#### Commission's Advice

A competitive design process is a well-established method to achieve design excellence outcomes that has been demonstrated across the city, including in respect of the Commission's approval of the Wynyard over station development. However, a competitive design process is not the sole means of achieving design excellence.

The Commission has considered carefully the particular circumstances of this proposal including the benefits of and need to integrate the buildings of the over station development with the existing heritage building at 50 Martin Place and the approved Martin Place Metro station. This will be a technically demanding challenge and complex to reconcile in both competition brief and competition response.

The Commission has also considered carefully the Government Architect's advice regarding the statutory context for the competition being limited to the over station development and not to the station itself. The Commission agrees with the Government Architect that *"... the practical implications of this are that a competition, if required, could be held for the [over station development] only and therefore practically preclude an integrated approach"*. If the applicant elected to only run the competition for the over station development, design excellence would be at risk *"... reducing the level of design integration and negatively impacting on the design quality of the final project."*

The Commission has also considered and agrees with the Government Architect that: *"... the design teams involved in the project have a long standing reputation for the delivery of high quality projects and can deliver design excellence."*; *"... a rigorous internal design process has been undertaken"*; and that the

benefits of an integrated design competition *“are very much outweighed by the risk to design excellence posed by a non-integrated competition held for the [over station development] section of the project only.”*

The design excellence approach proposed by the Department and supported by the Government Architect to establish a site-specific design review panel to ensure design excellence in the future stage 2 development is considered on balance, sound and well-reasoned. It also mitigates to some degree the Government Architect’s concerns *“... that feedback from the Metro Design Review panel has not always been taken into consideration.”*, and that *“... the Panel is limited in its statutory remit to the station box”*.

The design excellence approach, when taken in combination with the Commission’s recommendations on the north building envelope, would address the bulk of the building and provide a more slender, higher amenity tower.

The Commission is mindful that any development consent would run with the land, and not belong to the applicant, or necessarily include the current well-credentialed professional design team. Without the competitive positive tension of the competitive design excellence process, the Commission suggests that additional guidance about a design response that resists ‘filling the envelope’, and contemplates contemporary architectural innovation within a well-articulated envelope, is necessary in any consent and in the public interest.

On balance, the Commission has concluded that the Department’s recommended approach is reasonable in the circumstances, provided that the site-specific design review panel:

- be chaired by the Government Architect;
- is independent from and precludes any representatives from the Sydney Metro Design Review Panel (other than a representative from the Government Architect’s office);
- includes a representative from the City of Sydney; and
- the terms of reference for the panel incorporate strict requirements for review at critical milestones of the project to ensure the integrity of the architectural proposition is maintained and the urban amenity and character of the precinct is respected.

The Commission also recommends that the *Sydney Metro Martin Place Station Precinct Consolidated Design Guidelines* be further modified with guidance on the avoidance of excessive building bulk, the introduction of mid-block pedestrian through site access at ground level adjacent to 50 Martin Place between Castlereagh and Elizabeth Streets, and a requirement for a more slender, tapered tower form above the street wall height and podium.

## **Recommendations**

The Commission recommends:

1. The proposed building envelopes should be modified by way of a boundary setback at podium height of at least four metres along Elizabeth and Castlereagh Streets (for both the north and south towers) and a setback from 50 Martin Place at podium height of at least four metres to the southern boundary of the north tower;
2. The maximum envelope above the podium for the southern tower be setback 25 metres from the northern site boundary of Martin Place;
3. A tower to ground typology for the Hunter Street elevation could be appropriate only if it can be demonstrated that wind conditions will be improved as a result. Simply maintaining the current unsatisfactory conditions is not considered acceptable.

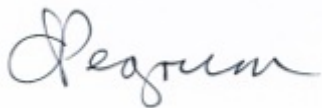
4. A site-specific design review panel be established that is:
  - chaired by the Government Architect;
  - independent from and precludes any representatives from the Sydney Metro Design Review Panel (other than a representative from the Government Architects office);
  - inclusive of a representative from the City of Sydney; and
  - inclusive of terms of reference with strict requirements for review at critical project milestones.
5. The *Sydney Metro Martin Place Station Precinct Consolidated Design Guidelines* be further modified to include the following:
  - guidance on the avoidance of excessive building bulk and massive forms;
  - requirement for mid-block pedestrian permeability at ground plane adjacent to 50 Martin Place; and
  - specific requirement for a more slender, tapered form above 50 Martin Place.

The Commission is aware that the project is the subject of an unsolicited proposal process and moved to stage three (the final stage) earlier this year. The present timing for a decision about the requirements for a design excellence process is unfortunate.

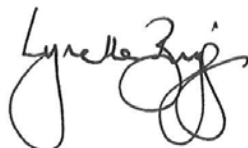
Ideally as we go forward the process for an unsolicited proposal may well be more effective if there were guidance to proponents around the incorporation of the design excellence process at the outset. Such developments are of a significant scale and will have long term impacts on the urban character of the city and of NSW. As such, the Commission strongly advocates that in the future, to ensure greater co-ordination between the unsolicited proposal process and the planning process, a design excellence competitive process be required within stage two of the unsolicited bid proposal process.

If you have any questions about the Commission's advice on this matter please feel welcome to telephone David McNamara, Director Secretariat, on 9389 2100 in the first instance. The Commission would like to thank the Minister for seeking its advice on this occasion.

Yours sincerely



**Annabelle Pegrum AM**



**Lynelle Briggs AO**



**Professor Helen Lochhead**