



ADDENDUM REPORT:

***Concept proposal for commercial development in the
Martin Place Station Precinct***

SSD 8351



Environmental Assessment Report
Section 4.40 of the
Environmental Planning and Assessment Act 1979

March 2018

Cover Photograph: Artist impression of the north site, with illustrative commercial tower behind 50 Martin Place (Source: Applicant's EIS)

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1. BACKGROUND

Macquarie Corporate Holdings Pty Ltd (the Applicant) has submitted a Stage 1 (concept) State significant development (SSD) application for two commercial building envelopes integrated with the new Sydney Metro station entrances at Martin Place (SSD 8351).

The application seeks approval for:

- building envelopes on the north and south sites with maximum heights of RL 214 (approximately 40 storeys) and RL 155 (approximately 32 storeys) respectively
- maximum gross floor area (GFA) of 125,437 square metres (m²)
- Martin Place Station Precinct Consolidated Design Guidelines (MPSP Guidelines), providing urban design and heritage guidelines to inform the detailed building design.

The Department's Environmental Assessment Report, dated December 2017, provides a detailed assessment of the Stage 1 SSD application. This recommends that the Minister for Planning approve the proposal, subject to conditions.

2. ADVICE FROM THE PLANNING ASSESSMENT COMMISSION

In late 2017, the Minister sought independent advice from Planning Assessment Commission (Commission) to inform his determination (**Appendix A**). The Minister requested advice on two aspects of the proposal, namely:

- whether the building envelopes recommended by the Department are reasonable in relation to the Sydney Local Environmental Plan 2012
- whether the 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.

On 9 January 2018, the Commission provided its advice to the Minister (**Appendix B**). The Commission's advice followed a detailed review of the Department's assessment and briefings from the City of Sydney Council (Council), the Applicant and the Department.

In summary, the Commission generally supports the proposed building envelopes and floor space, although this is subject to several recommendations, such as requirements for 4 metre (m) tower setbacks to Castlereagh and Elizabeth Streets and 50 Martin Place. The Commission also supports the Department's recommended approach to ensuring design excellence, noting that the site-specific design review panel (DRP) is reasonable in the circumstances, subject to recommendations in relation to the membership and terms of reference for the panel.

3. DEPARTMENT'S CONSIDERATION OF RECOMMENDATIONS

The Department believes the Commission's advice provides a clear position on the building envelopes and design excellence strategy, as requested by the Minister. In response to the Commission's advice, the Department recommends revisions to recommended conditions of consent.

The Department has consulted with the Government Architect NSW (GA NSW) on the implementation of the Commission's advice. The GA NSW's advice is provided at **Appendix C**. In summary, the GA NSW advises that:

- the rigorous application of setbacks may not deliver the best outcome in this part of the city
- the DRP should be regarded as the mechanism to test the performance and quality of the proposed design against the intent of setbacks across the site

- the Department should commission an independent detailed urban design report to examine the effectiveness of setbacks across the site, and be provided to the DRP for its reference in reviewing the scheme.

The Department's consideration of the Commission's recommendations, having regard to the GA NSW advice on how to implement those recommendations, is set out below.

3.1 Proposed building envelopes

The Department recommends the conditions of consent be revised to more clearly articulate how the detailed building design should respond to the character of the area. Consistent with the views of the Commission, the Department's assessment identifies the mass and bulk presented by the north tower as a key assessment issue.

The Department's assessment notes the site spans an extensive section of the CBD (being approximately 200m from north to south), containing a range of varying building typologies, forms and heights which establishes a distinctly varied streetscape and built form character. This is illustrated by the differing form, character and scale between the lower scale heritage buildings along Martin Place and significantly taller tower buildings surrounding the site to the north.

The Commission notes that:

- the proposed building envelopes (particularly the north building) could result in very large, bulky development,
- the mass of the north building attached to and tapering above 50 Martin Place, with little relief, would have a significant negative impact on the urban outcome and be distinctly out of character with the surrounding buildings and their context.
- 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.

The Commission has therefore recommended a generic 4 m tower setback along Elizabeth and Castlereagh Streets (for the north and south towers) and to 50 Martin Place (for the north tower) should be incorporated into the concept approval. This is so that future buildings reflect the street frontage conditions (and boundary setback to 50 Martin Place) that enhance and extend the existing city characteristics.

The Commission has adopted Council's suggestion of a 4 m setback being provided above the podium level to ensure the future buildings reinforce the heritage street frontage height and heritage significance of 50 Martin Place. However, the Department notes there has been no urban design analysis undertaken by Council or the Commission to support the specific 4 m setback requirement. Instead the Commission advises the 4 m setback is a "compromise" between the 8 m setback prescribed by the Sydney DCP and the transformative opportunity to develop the site.

The Department considers this approach will have the effect of rigidly enforcing a generic setback for the site. To ensure the future building can provide an appropriate design response to the distinctly varied streetscape character of the area, a more articulate evidenced based, design-led approach is required.

The Department notes the purpose of a stage 1 application is to establish the maximum building parameters and high-level design principles. Importantly, there remains further opportunity to consider the bulk and form of future buildings, including the appropriateness of any tower setbacks. These further opportunities comprise (1) the review of a detailed scheme by the DRP

(as a requirement of the stage 1 approval) and (2) the assessment of the stage 2 detailed State significant development application (which seeks approval for a design that has been the subject of the DRP review process).

The Department considers the DRP review process following any stage 1 approval presents an opportunity to more holistically examine the performance and quality of a more detailed architectural design response to the site and the effectiveness of any proposed setback requirements. The Department considers this will provide a more appropriate evidence based approach, rather than a predetermined generic setback requirement. It is also consistent with good planning and design practice in which design quality is considered at the relevant design stage. The Department notes this will also allow consideration of the Commission's recommendation regarding how the detailed design reinforces the street frontage conditions along Elizabeth and Castlereagh Street and integrates with the lower scale 50 Martin Place.

This view is shared by the GA NSW, which considers the DRP review process is a more appropriate mechanism to examine the effectiveness of setbacks against the design quality of a detailed future scheme.

The Department considers the recommendation by the GA NSW, to engage an independent analysis to further examine the effectiveness and appropriateness of setbacks to manage the bulk and scale of the building forms, will provide the DRP with a solid evidence base to inform its review of the detailed architectural scheme. The Department will therefore commission an independent third party to prepare a detailed study for this purpose. This analysis will be provided to the DRP for consideration in providing its advice on the detailed design of the Stage 2 development application (See Condition A14 in **Appendix D**).

The Department and GA NSW have also reviewed the Applicant's MPSP Guidelines in response to the Commission's advice, and identified opportunities for the guidelines to be strengthened so the form and scale of future buildings responds appropriately to the surrounding character and integrates sensitively with 50 Martin Place. The DRP will review the detailed design against the amended MPSP Guidelines prior to the assessment of the stage 2 application.

3.2 Design excellence process

The Commission made four recommendations in relation to the DRP, namely that it:

- be chaired by the GA NSW
- includes strict requirements for review at critical milestones
- includes a representative from the City of Sydney
- is independent from and precludes any representatives from the Sydney Metro design review panel (Sydney Metro DRP).

The Department agrees with the Commission's first three recommendations, and partially agrees with its final recommendation.

In response to the Commission's first two points, the Department has strengthened its recommended conditions of consent to ensure that the DRP be chaired by the GA NSW and include requirements for review at critical milestones (see Condition A14 in **Appendix D**).

Consistent with the Commission's third point, the Department's original recommendation to the Minister requires that the DRP include a representative of the local council. This is achieved through the recommendation that the DRP be established in accordance with the Director General's Design Excellence Guidelines, being the Department's current best practice in relation to the design excellence process.

In relation to the fourth point, the Department agrees with the Commission that the DRP be independent from the Sydney Metro DRP. This is reflected in the Department's recommendation that a DRP be established in accordance with the Director General's Design Excellence Guidelines and the DRP's terms of reference (including requirements for an independent governance structure) be endorsed by the Secretary, rather than relying on the Sydney Metro DRP or a sub-committee of that committee as originally proposed by the Applicant.

However, the Department considers rather than wholly precluding any representation from the existing Sydney Metro DRP, it is important that the site-specific DRP retain a portion of its existing membership as well as providing new members. The Department considers that this will allow for a reasonable balance between the need to challenge and scrutinise the design development to date, whilst retaining critical project knowledge which is important to mitigating risks to the delivery of the Sydney Metro project. The detailed design integration between the Martin Place metro station design and the future building above is an important consideration for the DRP. The Department considers the site-specific DRP membership composition may be effectively overseen by the GA NSW.

The Department therefore recommends that, in addition to being consistent with the Director General's Design Excellence Guidelines, the panel membership be endorsed by the GA NSW (see Condition A14 in **Appendix D**).

3.3 Response to the Commission's other comments

The Department notes that the proposed south tower envelope is consistent with the Commission's recommendation for a 25 m tower setback to Martin Place. The Applicant's illustrative scheme and MPSP Guidelines also reflect a mid-block through site link on the north site, consistent with the Commission's recommendation.

The Department and GA NSW have also reviewed the MPSP Guidelines and recommend that these be further strengthened in response to the Commission's recommendations (see Condition A13 in **Appendix D**) to:

- ensure the building form and scale responds appropriately to surrounding character
- ensure the maximisation of floor space is balanced with the creation of building forms that are proportionally elegant
- require the south elevation of the north building be sensitively integrated with 50 Martin Place
- ensure that the 'tower to ground' typology on Hunter Street is conditional on achieving acceptable wind conditions.

3.4 Amendments to the *Environmental Planning and Assessment Act 1979*

The Department's assessment of the stage 1 SSD application considered the proposal having regard to the objects of the *Environmental Planning and Assessment Act 1979* (EP&A Act), as in place at the time of referring the application to the consent authority in December 2017.

However, the EP&A Act has subsequently been amended, which includes revisions to the objects of the EP&A Act. The Department has therefore considered the proposal having regard to the revised objects of the EP&A Act, as in force from 1 March 2018 (**Appendix E**).

3.4 Conclusion

The Department believes the Commission's advice provides a clear position on the building envelopes and design excellence strategy, as requested by the Minister. The Commission's advice is largely supportive of the Department's assessment, although this is subject to several recommendations.

The Department has consulted with the GA NSW on the implementation of the Commission's advice. In response to the Commission's advice, the Department recommends the conditions of consent be revised to more clearly articulate how the detailed building design should respond appropriately to the distinctly varied streetscape of the area. While the Department and GA NSW do not support the strict application of tower setbacks at this stage, the DRP process following any stage 1 approval will be the mechanism to carefully consider the detailed building design, having regard to an independent analysis examining the effectiveness and appropriateness of setbacks across the site.

While the Department agrees that the DRP should be independent from the Sydney Metro DRP, the DRP should contain a balance of new members and representation from the Sydney Metro DRP, to ensure the delivery of an integrated design solution. The Department therefore recommends that the DRP membership also be endorsed by the GA NSW.

In addition, the Department has also considered the proposal having regard to the revised objects of the EP&A Act, as in force from 1 March 2018.

4. RECOMMENDATION

It is recommended that the Minister for Planning:

- a) **considers** the recommendations of the Department's assessment report dated December 2017; and
- b) **considers** the recommendations of this addendum report; and
- c) **approves** the State significant development application (SSD 8351) under section 4.38 of the *Environmental Planning and Assessment Act 1979*, having considered the matters in accordance with (a) and (b) above; and
- d) **signs** the attached updated development consent at **Appendix F**.

Endorsed by:



Ben Lusher
Director
Key Sites Assessments

Endorsed by:



Anthea Sargeant 21/3/18
Executive Director
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