

THE MERCANTILE HOTEL

ENVIRONMENTAL IMPACT STATEMENT

PREPARED ON BEHALF OF
HBMS NSW PTY LTD



URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

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Project Code	SA6771
Report Number	Final

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SIGNED DECLARATION

SUBMISSION OF ENVIRONMENTAL IMPACT STATEMENT

This Environmental Impact Statement has been prepared in accordance with Schedule 2 of the *Environmental Planning and Assessment Regulation 2000*.

Environmental Assessment prepared by:

Names:	Alaine Roff Bachelor of Arts, University of Newcastle Master of Town Planning, UNSW Edward Green Bachelor of Planning, UNSW
Address:	Urbis Pty Ltd Level 23, Darling Park Tower 2, 201 Sussex Street Sydney NSW 2000
In respect of:	The Mercantile Hotel

Applicant and Land Details:

Applicant:	HBMS NSW Pty Ltd c/- Urbis
Applicant Address:	Urbis Pty Ltd Level 23, Darling Park Tower 2, 201 Sussex Street Sydney NSW 2000
Land to be Redeveloped:	The Mercantile Hotel 25 George Street, The Rocks Lot 10 in DP 258607
Project:	Refurbishment Works and Rooftop Terrace – The Mercantile Hotel

Declaration:

I certify that the contents of the Environmental Impact Assessment, to the best of my knowledge, have been prepared as follows:

In accordance with the requirements of the Schedule 2 of *Environmental Planning and Assessment Regulation 2000* and *State Environmental Planning Policy (State and Regional Development) 2011*:

The information contained in this report is true in all material particulars and is not misleading.

Name	Alaine Roff, Associate Director	Edward Green, Consultant
Signature:		
Date:	Tuesday, 5 June 2018	Tuesday, 5 June 2018

SECRETARY'S ENVIRONMENTAL ASSESSMENT REQUIREMENTS

The Secretary's Environmental Assessment Requirements (SEARs) for SSD 17_8665 – "Refurbishment works to the Mercantile Hotel and addition of rooftop bar area" were issued on 1 September 2017. Table 1 below summarises the requirements and identifies where responses to each of the SEARs are addressed in this report.

Table 1 – Secretary's Environmental Assessment Requirements

Secretary's Environmental Assessment Requirement	Reference
General Requirements	
<p>The Environmental Impact Statement (EIS) must address the <i>Environmental Planning and Assessment Act 1979</i> and meet the minimum form and content requirements in clauses 6 and 7 of Schedule 2 of the <i>Environmental Planning and Assessment Regulation 2000</i>.</p> <p>Notwithstanding the issues specified below, the EIS must include an environmental risk assessment to identify the potential environmental impacts associated with the development.</p> <p>Where relevant, the assessment of the key issues below, and any other significant issues identified in the assessment, must include:</p> <ul style="list-style-type: none"> adequate baseline data consideration of potential cumulative impacts due to other development in the vicinity measures to avoid, minimise, and if necessary, offset the predicted impacts, including detailed contingency plans for managing significant risks to the environment. 	<p>The EIS has been prepared in accordance with the Secretary's Requirements and meets the minimum form and content requirements specified in Schedule 2 of the <i>Environmental Planning and Assessment Regulation 2000</i>.</p> <p>The EIS includes a comprehensive assessment of the environmental risks and impacts associated with the development.</p>
<p>The EIS must be accompanied by a report from a qualified quantity surveyor providing:</p> <ul style="list-style-type: none"> a detailed calculation of the capital investment value (as defined in clause 3 of the <i>Environmental Planning and Assessment Regulation 2000</i>) of the proposal, including details of all assumptions and components from which the CIV calculation is derived an estimate of the jobs that will be created by the development (construction and operation) certification that the information provided is accurate at the date of preparation. 	Appendix A
Key Issues – The EIS must address the following specific matters:	
<p>1. Environmental Planning Instruments, Policies & Guidelines</p> <ul style="list-style-type: none"> Address the relevant statutory provisions applying to the site, contained in the relevant EPIs, including: <ul style="list-style-type: none"> State Environmental Planning Policy (State and Regional Development) 2011 	Section 5 and Section 7

Secretary's Environmental Assessment Requirement	Reference
<ul style="list-style-type: none"> – Sydney Cove Redevelopment Authority Scheme – State Environmental Planning Policy 55 - Remediation of Land (SEPP 55) – State Environmental Planning Policy 64 – Advertising and Signage (SEPP 64) – State Environmental Planning Policy (Infrastructure) 2007 – Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005. • Any variations to the Sydney Cove Redevelopment Authority Scheme, including the <i>Environmental Planning and Assessment (Sydney Cove) Savings and Transitional Regulation 1999</i>. • Address the relevant provisions, goals and objectives in the following: <ul style="list-style-type: none"> – NSW State Priorities – A Plan for Growing Sydney – Towards our Greater Sydney 2056 – Draft Central District Plan – Sydney 2030 – Sydney City Centre Access Strategy – Sydney's Cycling Future – Sydney's Walking Future – Development Near Rail Corridors and Busy Roads - Interim Guideline – Sydney Development Control Plan 2012. 	
<p>2. Built Form and Urban Design</p> <ul style="list-style-type: none"> • Outline the design process leading to the proposal and outline specific design features, including materials and finishes. • Consider the site and current building's historic character, layout, setbacks, architectural design, massing, materials, articulation and detailing, amenity, views and vistas, streetscape, open spaces and public domain, connectivity and street activation. • Demonstrate how the proposal is consistent with the desired future character of the area. • Consider the proposed materials, height, bulk and scale of the proposed rooftop works and lift on the building within the context of the locality and its surrounds. • Provide details of any proposed acoustic screening at a scale of at least 1:50. • Provide shadow diagrams. 	<p>Section 3.2, Appendix B and Appendix C</p>
<p>3. Heritage</p> <ul style="list-style-type: none"> • Prepare a statement of heritage impact (in accordance with the guidelines in the NSW Heritage Manual) which identifies: 	<p>Section 6.1, Appendix E, Appendix F and Appendix G</p>

Secretary's Environmental Assessment Requirement	Reference
<ul style="list-style-type: none"> – all heritage items (state and local) within and in the vicinity of the site including built heritage, landscapes and archaeology, and detailed mapping of these items, and why the items and site(s) are of heritage significance – what impact the proposed works will have on their significance, including any impacts from the works, and any impacts on views to and from heritage items – the impacts of the proposal on The Rocks Conservation Area – detailed mitigation measures to offset potential impacts on heritage values – compliance with the policies of any relevant Conservation Management Plan, including the Mercantile Hotel Management Plan dated 2007 prepared by Graham Brooks and Associates Pty Ltd and the Mercantile Hotel Conservation Management Plan dated 1999 prepared by Jyoti Somerville – provide details of visual impacts of the proposed development on the historic streetscapes of George Street and Gloucester Walk. <ul style="list-style-type: none"> • The Statement of Heritage Impact should be prepared by a suitably qualified heritage consultant. • Prepare an archaeological assessment of the likely impacts of the proposal on any Aboriginal cultural heritage, European cultural heritage and other archaeological items and outline proposed mitigation and conservation measures. The historic archaeological assessment should be in accordance with the Heritage Division, Office of Environment and Heritage Guidelines including but not limited to <i>'Assessing Significance for Historical Archaeological Sites and Relics'</i> 2009. The historic archaeological assessment should identify what relics, if any, are likely to be present, assess their significance and consider the impacts from the proposal on this potential resource. Where harm is likely to occur, it is recommended that the significance of the relics be considered in determining an appropriate mitigation strategy. In the event that harm cannot be avoided in whole or in part, an appropriate Research Design and Excavation Methodology should also be prepared to guide any proposed excavations. • The historical archaeological assessment should be prepared by a historical archaeologist suitable to satisfy the Excavation Director Criteria of the Heritage Council of NSW for the proposed activity and significance level. • Prepare an interpretation strategy that includes the provision for interpretation of any archaeological resources uncovered during the works. <p><i>Relevant Policies and Guidelines</i></p> <ul style="list-style-type: none"> – <i>NSW Heritage Manual</i> – <i>Operational Policy: Protecting Aboriginal Cultural Heritage (February 2009)</i> – <i>Assessing Significance for Historical Archaeological Sites and Relics 2009</i> – <i>Aboriginal Cultural Heritage Consultation Requirements for Proponents 2010</i> – <i>The Rocks Heritage Management Plan, 2010.</i> 	
<p>4. Use</p> <ul style="list-style-type: none"> • Detail whether the proposed extension of the premises would be consistent with the liquor licence freeze provisions of the Liquor Act 2007. 	<p>Section 3.5 and Appendix H</p>

Secretary's Environmental Assessment Requirement	Reference
<ul style="list-style-type: none"> Outline operational details including but not limited to: <ul style="list-style-type: none"> hours of operation (both hotel and roof top area) details of the new kitchen fit out details of the proposed mechanical ventilation system including details of the discharge points current and proposed total patron capacity and proposed patron capacity for the rooftop area, including confirmation of the number of tables and chairs confirmation of whether the number of tables and chairs on the ground floor would be altered confirmation of the proposed number of additional security guards/RSA marshals details of proposed rooftop CCTV cameras that cover all angles use of outdoor areas, confirmation of whether live music is proposed on the rooftop and if so, details regarding timing and frequency, proposed use of outdoor speakers, and any proposal for a dance floor and nightclub. Detail waste storage and disposal provisions. Discuss potential odour and emissions impacts and potential mitigation measures, including any details of any proposed solid fuel cooking. Include a draft Plan of Management consistent with the requirements for High Impact Premises under Schedule 3 of the <i>Sydney Development Control Plan 2012</i>. 	
<p>5. Visual and View Impacts</p> <ul style="list-style-type: none"> Identify important sight lines and visual connectivity to and from the site. A visual impact assessment is to be provided to identify the visual changes and impacts on the site and its surrounds when viewed from key public domain areas and any nearby residences, including but not limited to, Gloucester Walk, the Sydney Harbour Bridge and George Street. This should include photomontages. 	Section 6.2 and Appendix J
<p>6. Amenity</p> <ul style="list-style-type: none"> Outline and address the proposed development's impacts in terms of sunlight, wind and safety and security, including consideration of Crime Prevention through Environmental Design principles. Detail any external lighting or illumination of the rooftop area and assess the impacts of this lighting/illumination from surrounding properties and the public domain. 	Section 6.3, Appendix B, Appendix K and Appendix L
<p>7. Infrastructure</p> <ul style="list-style-type: none"> Detail the existing infrastructure on-site, and identify any possible impacts on infrastructure arising from the construction and operation of the proposal. Where the proposed works affect existing infrastructure, the application should detail any mitigation works proposed, including service relocations. 	Appendix M

Secretary's Environmental Assessment Requirement	Reference
<p>8. Traffic and Accessibility (Construction and Operation)</p> <p>Provide information on traffic and accessibility that includes:</p> <p><u>Construction</u></p> <ul style="list-style-type: none"> • An assessment of cumulative impacts associated with other construction activities including the construction of the Sydney Light Rail project, other transport projects and private developments. • Details of construction vehicle routes, peak hour and daily truck movements, hours of operation, access arrangements at all stages of construction, and traffic control measures for all demolition / construction activities. • An assessment of construction impacts on road safety at key intersections and locations subject to pedestrian/ vehicle/ bicycle conflicts. • Details of any required temporary cycling and pedestrian access during Construction. • Detail access arrangements for workers, emergency services and the provision of safe and efficient access for loading and deliveries. • An assessment of traffic and transport impacts during construction and how these impacts will be mitigated for any associated traffic, pedestrians, cyclists, taxis and public transport operations , including the preparation of a draft Construction Pedestrian Traffic Management Plan. This Plan needs to include vehicle routes, number of trucks, hours of operation, access arrangements, workzone location, construction program and traffic control measures for all demolition/construction activities. <p><u>Operation</u></p> <ul style="list-style-type: none"> • Details of access and parking on the site. • Servicing, including loading and unloading. • An assessment of impacts to the local road network, public transport operation, pedestrians and cyclists during operation. <p><i>Relevant Policies and Guidelines:</i></p> <ul style="list-style-type: none"> – <i>Guide to Traffic Generating Developments (Roads and Maritime Services);</i> – <i>Sydney City Centre Access Strategy</i> – <i>EIS Guidelines - Road and Related Facilities (DoPI)</i> – <i>NSW Planning Guidelines for Walking and Cycling</i> – <i>Guide to Traffic Management – Part 12: Traffic Impacts of Development</i> – <i>(AUSTROAOS).</i> 	<p>Section 6.4, Appendix N, Appendix O and Appendix W</p>
<p>9. Stormwater and Groundwater</p> <ul style="list-style-type: none"> • Provide information on soil and water that includes: <ul style="list-style-type: none"> – details of any soil contamination 	<p>Section 5.2.3, Appendix P and Appendix S</p>

Secretary's Environmental Assessment Requirement	Reference
<ul style="list-style-type: none"> – details of erosion any sediment controls – an assessment of impacts to surface water and groundwater – consideration of water sensitive urban design measures. 	
<p>10. Noise</p> <ul style="list-style-type: none"> • Provide a Noise and Vibration Assessment, including consideration of the proposed plant and mechanical ventilation, and operation of the rooftop bar in accordance with the relevant EPA guidelines. This assessment must detail construction noise impacts and consider any potential operational noise impacts on nearby noise sensitive receivers and outline proposed noise mitigation and monitoring issues. <p><i>Relevant Policies and Guidelines:</i></p> <ul style="list-style-type: none"> – <i>NSW Industrial Noise Policy 2000 (EPA)</i> – <i>NSW Industrial Noise Policy- application notes 2013 (EPA)</i> – <i>Interim Construction Noise Guideline 2009 (DECC)</i> – <i>Assessing Vibration: A Technical Guideline 2006 (DECC)</i> 	Section 6.5, Appendix Q and Appendix R
<p>11. Contamination</p> <ul style="list-style-type: none"> • Demonstrate compliance with the requirements of SEPP 55. If remediation works are required, the application must include a Remedial Action Plan. 	Section 5.2.3 and Appendix S
<p>12. Acid Sulfate Soils</p> <ul style="list-style-type: none"> • Identify the extent of any excavation required and provide confirmation as to whether the proposed works will lower the water table, given that the site is within less than 100m of adjoining Class 2 Acid Sulfate Soil land. 	Section 5.2.3 and Appendix S
<p>13. Signage</p> <ul style="list-style-type: none"> • Provide detailed plans and drawings of any new proposed signage, and an assessment against the relevant provisions of SEPP 64 and Sydney Development Control Plan 2012. 	Section 5.2.4 and Appendix B
<p>14. Infrastructure Provision</p> <ul style="list-style-type: none"> • Detail any infrastructure proposed to service the development and demonstrate that the site can be suitably serviced. • Detail the existing infrastructure on-site, and identify any possible impacts on infrastructure arising from the construction of the proposed works. • Where the proposed works affect existing infrastructure, the application should detail any mitigation works proposed, including service relocations. 	Appendix M
<p>15. Building Code of Australia and the <i>Disability Discrimination Act</i></p> <ul style="list-style-type: none"> • Prepare a BCA and access report demonstrating compliance with the Building Code of Australia and the Disability Discrimination Act 1992. 	Appendix T, Appendix U and Appendix V

Secretary's Environmental Assessment Requirement	Reference
16. Ecologically Sustainable Development <ul style="list-style-type: none"> Detail how ESD principles (as defined in clause 7(4) Schedule 2 of the EP&A Regulation 2000) will be incorporated in the design, construction and ongoing phases of the development. 	Section 3.6 and Appendix I
17. Environmental, Construction and Site Management Plan <ul style="list-style-type: none"> Provide an Environmental and Construction Management Plan for the proposed works, and include: <ul style="list-style-type: none"> community consultation, notification and complaints handling impacts of construction on adjoining development and proposed measures to mitigate construction impacts noise and vibration impacts on and off site water quality management for the site construction waste classification, transportation and management methods in accordance with DECCW's Know Your Responsibilities: Managing Waste from Construction Sites Guideline. 	Section 3.7 and Appendix W
18. Biodiversity <ul style="list-style-type: none"> Provide an assessment of the proposal's biodiversity impacts in accordance with the requirements of the Biodiversity Conservation Act 2016, including the preparation of a Biodiversity Development Assessment Report where required under the Act. 	Section 6.6 and Appendix X
Consultation	
<p>During the preparation of the EIS, you must consult with the relevant local, State or Commonwealth Government authorities, service providers, community groups and affected landowners. In particular, you must consult with:</p> <ul style="list-style-type: none"> City of Sydney Council Office of Environment and Heritage - Heritage Division Property NSW NSW Police Liquor & Gaming NSW Sydney Coordination Office within Transport for NSW NSW Environment Protection Authority. <p>The EIS must describe the consultation process and the issues raised, and identify where the design of the development has been amended in response to these issues. Where amendments have not been made to address an issue, a short explanation should be provided.</p>	Section 4 and Appendix C
Plans and Documents	
The EIS must include all relevant plans, architectural drawings, diagrams and relevant documentation required under Schedule 1 of the <i>Environmental Planning</i>	Appendix B and Appendix D

Secretary's Environmental Assessment Requirement	Reference
<p><i>and Assessment Regulation 2000</i>. Provide these as part of the EIS rather than as separate documents. In addition, the EIS must include the following:</p> <p>1. An existing site survey plan drawn at an appropriate scale illustrating:</p> <ul style="list-style-type: none"> • The location of the land, boundary measurements, area (sq.m) and north point. • The existing levels of the land in relation to buildings and roads. • Location and height of existing structures on the site. • Location and height of adjacent buildings. • All levels to be to Australian Height Datum (AHD). <p>2. A locality/context plan drawn at an appropriate scale indicating:</p> <ul style="list-style-type: none"> • Significant local features such as parks, community facilities and open space and heritage items. • The location and uses of existing buildings, shopping and employment areas. • Traffic and road patterns, pedestrian routes and public transport nodes. <p>3. Drawings at an appropriate scale illustrating:</p> <ul style="list-style-type: none"> • Detailed plans, sections and elevations of the development, including all temporary structures and site features and their relation to adjoining site • The height (AHD) of the proposed development in relation to the land. • Any changes that will be made to the level of the land by excavation, filling or otherwise. <p>4. Proposed SCRA Variation Details including existing and proposed changes to SCRA Building Site Control Drawing XXX and any other supporting information.</p> <p>5. Shadow diagrams showing solar access to the site and surrounding areas at summer solstice (Dec 21), winter solstice (June 21) and the equinox (March 21 and September 21) at 9.00 am, 12.00 midday and 3.00 pm.</p>	

1. INTRODUCTION

This Environmental Impact Statement (EIS) is submitted to the Department of Planning and Environment (DPE) in support of a State Significant Development (SSD 17_8687) for refurbishment works to the Mercantile Hotel and new rooftop bar at 25 George Street, The Rocks. This proposal is made pursuant to Part 4, Division 4.1 of the *Environmental Planning and Assessment Act 1979* (EP&A Act). Schedule 2 of *State Environmental Planning Policy (State and Regional Development) 2011* (SEPP SRD) identifies development within The Rocks as State Significant Development (SSD) if:

"(6)(b) it does not comply with the approved scheme within the meaning of clause 27 of Schedule 6 to the Act."

The proposal is SSD because the site is within The Rocks and the proposed building envelope breaches the 'approved scheme', also known as the Sydney Cove Redevelopment Authority Scheme – Drawing XXX endorsed by the Minister on 6 October 1993.

The proposed works are mostly internal, and would otherwise not trigger SSD. The rooftop bar and lift are the only elements outside the SCRA envelope, triggering the SSD pathway.

The EIS is based on architectural plans detailing the proposed works, and other technical information in specialist consultant reports. The technical studies were undertaken to address the specific potential environmental impacts outlined in the SEARs.

1.1. BACKGROUND AND PROJECT DRIVERS

The Mercantile Hotel has a long tradition as an 'Irish Pub' with live music performances. Of late, the sports bar and poker machine areas have been less commercially successful for the lessee. The service of food has also become an increasingly important part of the hotel's business. The current kitchen and back of house arrangements are undersized to provide the quality and quantity of service patrons expect. On the upper floors, where there is hotel accommodation there is a continuing trend for guests to seek private ensuite rooms rather than shared bathrooms.

The main objective of the proposal is to refurbish the existing hotel, enhancing its 'traditional pub' character, while sensitively adapting and adding elements to improve the food and beverage service offering and accommodation options for guests.

The brief also extends to expanding the hotel operations to the disused rooftop, providing a new open-air rooftop bar. This includes an enclosed rooftop structure for the bar and restaurant providing permanent weather protection for patrons and an acoustic buffer to surrounding buildings and the public domain.

1.2. THE PROJECT

This SSD application seeks consent for the following building alterations:

- The construction of a new ground floor concrete amenities building to the rear with compliant toilet numbers.
- A new glass and steel lift, located at the rear of the existing building fabric, connecting all four levels of the hotel.
- The construction of a new steel and glass rooftop bar and restaurant structure with amenities, bar and kitchen servery.
- A new fire egress stair connecting the rooftop level to the existing stair lobby on the second floor.
- A new commercial kitchen fit-out to the first floor.
- The construction of bathroom 'pods' to the accommodation rooms on the first and second floor.
- Restoration and maintenance works.
- Upgrade of building services, including, fire, electrical, mechanical and hydraulic.
- Re-fitting of internal areas.

Overall, the proposal will deliver the following public benefits:

- It will enable the refurbishment of (and reinvestment in) an item of State Heritage significance, further supporting and celebrating its ongoing use.
- The architectural design has undergone independent reviews from Place Management NSW and has been refined to provide a contemporary heritage solution which enables greater user amenity and functionality. The proposed works comprise refurbishment and restoration of the hotel to:
 - Maintain and enhance the existing ground floor public bar area, outdoor areas and existing hotel dining room.
 - Refurbish the existing sports bar and gaming room as an elegant bistro dining area connected to a new outdoor courtyard between the hotel building and sandstone retaining wall to Gloucester Walk.
 - Remove the existing kitchen, bathrooms and service areas and construct new compliant patron amenities with an access way that provides views of the sandstone retaining wall to Gloucester Walk.
 - Construction of a new commercial kitchen on the first floor to serve both the ground floor and rooftop.
 - Construction of a lift to connect all floors of the existing building to serve both hotel guests and bar/restaurant patrons.
 - Upgrades to the hotel accommodation on Levels 1 and 2 including ensuites, fire safety and other BCA upgrades to improve the quality and experience of guests.
 - General BCA and services upgrades throughout the buildings for compliance with current building and fire safety regulations (within the constraints of the heritage fabric of the building).
 - Construction of a rooftop bar and restaurant to expand the hotel operations to the unused roof, creating a new venue that will provide a unique perspective and appreciation of the Harbour Bridge and the northern end of George Street.
- The project sustains the cultural vibrancy of The Rocks and supports Sydney's role as a pre-eminent tourist destination.

2. THE SITE

The Mercantile Hotel is located at 25 George Street, The Rocks. The site is triangular, approximately 420m² in size and is legally known as Lot 10 in DP 258607. It is bound by a frontage to George Street (interface with State Heritage listed Metcalfe Bond Stores) to the east, Gloucester Walk (and Sirius Apartments) to the west, and a group of State Heritage listed terrace houses which are currently used as commercial offices to the south (refer to Figure 1 and Figure 2).

The building is an item of State Heritage significance. It comprises a three-storey hotel/pub which was originally built in 1914. At the north end, the three storeys are reduced to two. The site also enjoys expansive views the Sydney Harbour Bridge and Circular Quay (refer to Figure 3).

The scope of works is limited to the following parts of the site:

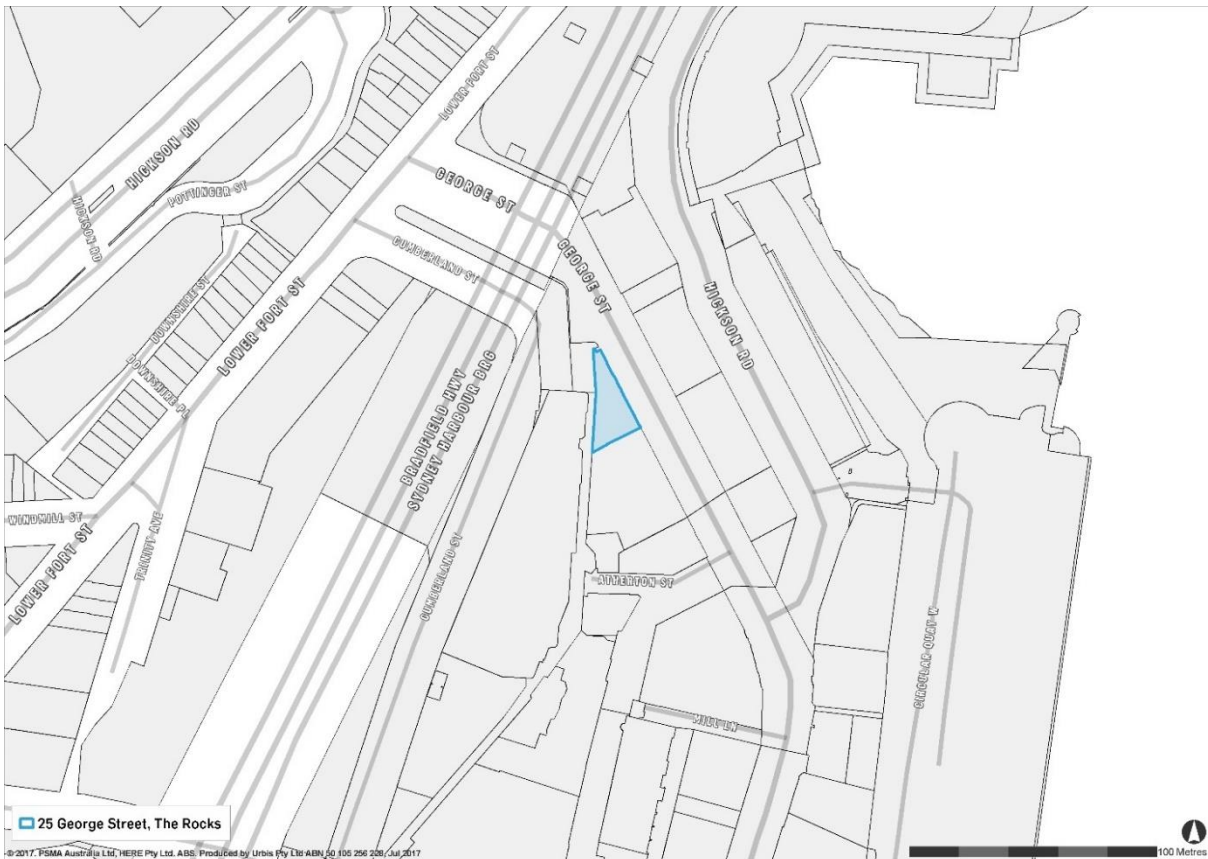
- Internal refurbishments to the ground, first and second floors.
- Creation of a new courtyard space at ground floor to the south-western corner of the site.
- Upgrading the existing rooftop area to create a rooftop bar (including new lift).

Figure 1 – Site Aerial



Source: Urbis

Figure 2 – Site Locality Map



Source: Urbis

Figure 3 – Photographs of the Site



Picture 1 – Interface between Site and Gloucester Walk



Picture 2 – George Street Frontage/Elevation



Picture 3 – View from rooftop to Sirius Building



Picture 4 – View from rooftop to Metcalfe Bond Stores



Picture 5 – View from rooftop to Circular Quay



Picture 6 – View from rooftop to Sydney Harbour Bridge

Source: Urbis

3. PROPOSED DEVELOPMENT

3.1. OVERVIEW OF PROPOSED DEVELOPMENT

This SSD application seeks consent for the following building alterations:

- The construction of a new ground floor concrete amenities building to the rear with compliant toilet numbers.
- A new glass and steel lift, located at the rear of the existing building fabric, connecting all four levels of the hotel.
- The construction of a new steel and glass rooftop bar and restaurant structure with amenities, bar and kitchen servery.
- A new fire egress stair connecting the rooftop level to the existing stair lobby on the second floor.
- A new commercial kitchen fit-out to the first floor.
- The construction of bathroom 'pods' to the accommodation rooms on the first and second floor.
- Restoration and maintenance works.
- Upgrade of building services, including, fire, electrical, mechanical and hydraulic.
- Re-fitting of internal areas.

The proposed changes to the building are illustrated in the architectural plans prepared by Welsh + Major at Appendix B. MBM have calculated the CIV of the project to be \$4,723,767 (ex. GST), for further information about the CIV refer to the Cost Report at Appendix A.

Figure 4 – Photomontage of Proposal



Source: Welsh + Major

3.2. DESIGN RATIONALE

Welsh + Major Architects were commissioned by the long-term lessee (HBMS Pty Ltd) in late 2014 to design the refurbishment and restoration of the hotel. Welsh + Major have sought to maintain and enhance the original fabric of the building, while upgrading and expanding its facilities to ensure the hotel's ongoing viability in line with the changing needs and expectations of its users.

The areas of most intervention occur largely in those parts of the building that have been significantly altered in use and configuration over the years. New external elements are designed to reveal the original spaces and features of the site and to be distinct from the early heritage structures.

The new rooftop elements are distinct from, and complementary to, the existing hotel building in form and material. The highly articulated form breaks down the scales and does not compete with the solid massing of the original structure.

The ground floor works replace the unsympathetic sports bar and gaming room with a new bistro dining area, connecting it to the new rear courtyard. The interventions on the upper floors are designed within existing spaces and are fully reversible.

For further information about the design process including consultation with the landowners, Place Management NSW, refer to the Architectural Design Statement at Appendix C.

3.3. ACCESS

There are no substantive changes to external access aside from the amended fire stair arrangement which results in a new (formalised) egress stair to Gloucester Walk. Internally, a series of new openings are proposed for better circulation and movement of patrons through the bar and dining areas.

3.4. MATERIALS AND FINISHES

The materials and finishes for the rooftop structure have been selected as part of an ongoing liaison process with the landowners, PMNSW:

- The design uses lightweight and transparent materials, and materials of colour and form that sit unobtrusive within the existing rooftop context. This allows for an extremely fine structure with minimal obstruction of views through to the façade.
- The traditional standing seam zinc wall cladding and roofing responds to the neutral dull silver/grey of surrounding rooftop materials and has a recessive appearance against the rich coloured brickwork with its bold painted band detailing.

For further information, refer to the Architectural Design Report prepared by Welsh + Major at Appendix C.

3.5. OPERATION

3.5.1. Liquor Act 2007

In relation to the liquor license freeze provisions of the *Liquor Act 2007*:

- The Mercantile Hotel is located within the 'Sydney CBD Entertainment Precinct' liquor license freeze 'prescribed precinct'.
- A portion of the rooftop area is included within the existing premises license boundary. However, since the proposal includes a rooftop bar, the premises license boundary will need to be amended to include the entire rooftop area.
- Clause 47G of the *Liquor Act 2007* provide that the Authority may change the specified boundaries during the freeze period if it will not result in an increase to patron capacity of the subject premises.
- We can confirm that the existing maximum patron capacity of 431 will be retained under the proposal scheme (i.e. no increase). The proponent is willing to accept a condition of consent in this regard.
- After the planning approval (determination) has been granted, the proponent will separately seek a change to the premises boundary with Liquor and Gaming NSW.

3.5.2. Plan of Management

As above, the refurbished hotel will have an overall capacity of 431 patrons (the same as existing). The proposed rooftop will have a capacity of 150 patrons (in accordance with acoustic and BCA advice). The hotel is already serviced by staff, including security (ranging from 15 to 32 depending on the day), which will be increased to accommodate the rooftop area. The proposed hours of operation are as follows:

Ground Floor

- Monday to Saturday – 5am to 1am
- Sunday – 10am to midnight.

Rooftop

- Monday to Saturday – 10am to 1am.
- Sunday – 10am to midnight.

N.B. Rooftop to be enclosed from midnight to 1am to achieve acoustic compliance per recommendations of consultant.

The rooftop will include both a partially-enclosed area (with cantilevered roof) and an unenclosed area. Patrons will mostly be seated, with only low level pre-recorded 'ambience' music via speakers being emitted from speakers within the partially-enclosed area (i.e. no live bands or disc jockeys playing music).

Waste storage will continue to be managed per existing arrangements (located on the west side of the building ground floor and the southeast end of rooftop), with the existing waste contractors to be retained. For further information, refer to the Plan of Management at Appendix H.

Response to SEAR 4 (Use)

Regarding the specific requirements of SEAR 4 (Use), we provide the following clarifications:

Table 2 – Response to SEAR 4 (Use)

SEAR Requirement	Proponent Response
Detail whether the proposed extension of the premises would be consistent with the liquor licence freeze provisions of the <i>Liquor Act 2007</i> .	Refer to Section 3.5.1 above.
Outline operational details including but not limited to: <ul style="list-style-type: none">• Hours of operation (both hotel and roof top area)	Refer to Section 3.5.2 above.
<ul style="list-style-type: none">• Details of the new kitchen fit out	The proponent is not pursuing a detailed kitchen fit out at DA stage, however Welsh + Major have located nominated cooking equipment, ventilation risers and ducts, plumbing provisions, floor wastes, cool rooms et cetera in the architectural plans.
<ul style="list-style-type: none">• Details of the proposed mechanical ventilation system including details of the discharge points	The proponent has designed the mechanical ventilation system to a schematic DA level (with sizing of exhaust risers and vents). Detailed documentation and design will follow approval.
<ul style="list-style-type: none">• Current and proposed total patron capacity and proposed patron capacity for the rooftop area, including confirmation of the number of tables and chairs	The overall capacity at The Mercantile Hotel (431 patrons) will remain the same per the existing liquor license. The rooftop will have a capacity of 150 patrons (prior to midnight only).

SEAR Requirement	Proponent Response
<ul style="list-style-type: none"> Confirmation of whether the number of tables and chairs on the ground floor would be altered 	The number of tables on the footpath or internal ground floor will not be altered, however the new rear courtyard will provide additional outdoor seating.
<ul style="list-style-type: none"> Confirmation of the proposed number of additional security guards/RSA marshals 	The Mercantile Hotel will employ two security guards for the rooftop area (see Plan of Management at Appendix H).
<ul style="list-style-type: none"> Details of proposed rooftop CCTV cameras that cover all angles 	Refer to the Plan of Management for details regarding CCTV cameras at The Mercantile Hotel.
<ul style="list-style-type: none"> Use of outdoor areas, confirmation of whether live music is proposed on the rooftop and if so, details regarding timing and frequency, proposed use of outdoor speakers, and any proposal for a dance floor and nightclub. 	There will be no live music (i.e. bands or disc jockeys) on the rooftop. Ambient music will be provided from within the enclosed rooftop area per the tolerances outlined by SLR. For precise dBA levels, refer to Tables 8 and 9 in the Operational Acoustic Report at Appendix Q.
<ul style="list-style-type: none"> Detail waste storage and disposal provisions. 	Refer to the Waste Management Plan at Appendix Z.
<ul style="list-style-type: none"> Discuss potential odour and emissions impacts and potential mitigation measures, including any details of any proposed solid fuel cooking. 	No solid fuel cooking is proposed and accordingly no odour impacts are expected.
<ul style="list-style-type: none"> Include a draft Plan of Management consistent with the requirements for High Impact Premises under Schedule 3 of the Sydney Development Control Plan 2012. 	Noted. Plan of Management prepared in accordance with the SLEP 2012 and in consultation with NSW Police and NSW Liquor and Gaming. Refer to Appendix H.

3.6. ESD PRINCIPLES

The works will achieve the relevant ESD requirements through: compliance with Section J of the BCA, meeting the requirements of the SEARs (clause 7(4) Schedule 2 of the EP&A Regulation 2000), and through implementing the following sustainability initiatives to improve the environmental and operational performance of the building:

- Space efficient building layout.
- Energy efficient heating, ventilation and air conditioning including natural ventilation to open spaces.
- Water efficient building services.
- Reuse of the existing building with minimal demolition works.
- Responsible selection of materials.
- Waste minimisation strategies.
- Upgrade of existing aging and inefficient services; and
- Integration of a range of transport options.

For further detailed explanation of how these initiatives will be implemented, refer to the ESD report prepared by Northrop at Appendix I.

3.7. ENVIRONMENTAL, CONSTRUCTION AND SITE MANAGEMENT

Redwood have prepared a Construction Management Plan (CMP) at Appendix W which outlines:

- Communication and Consultation Strategy to deal with notification and complaints handling.
- Indicative construction management procedures and methodologies to mitigate impacts on adjoining development.
- Site management plans to deal with specific: traffic, vibration and noise, safety and environment/waste management impacts.
 - These are to be read in conjunction with the specialist advice provided by the traffic, acoustic and waste consultants.
 - The report details estimates demolition, construction and refurbishment waste quantities and method of on-site reuse, recycling or waste deposit.
- The principal contractor, once appointed, will build on this Preliminary CMP at the detailed design stage of the project.

4. CONSULTATION

4.1. CITY OF SYDNEY COUNCIL

The proponent reached out to the City of Sydney Council in September 2017 to arrange a meeting to discuss the proposal. Council sought clarification as to whether the scheme had significantly advanced since the issue of SEARs. The scheme had not fundamentally changed and Council did not need to meet. Council will be consulted during the exhibition of the EIS.

4.2. OFFICE OF ENVIRONMENT AND HERITAGE - HERITAGE DIVISION

Welsh + Major Architects and Urbis Heritage met with the Office of Environment & Heritage on 26 October 2017, presenting the design approach and current proposal. Key matters discussed at the meeting included:

- Service runs and riser locations.
- Methodology for fire safety upgrades and how it will future proof the building.
- Further details about the design process and intent.
- Information about the existing timber flooring, and methodology for lifting and relaying flooring.
- Details on proposed fixings, cladding and doors.
- Support for the reinstatement of 'The Mercantile Hotel' painted signage.

The feedback has been addressed and/or included within the proposal. For specific information, refer to the Architectural Design Report at Appendix C and the Heritage Impact Statement at Appendix E.

4.3. PLACE MANAGEMENT NSW

The project team has had ongoing engagement with Place Management NSW (the landowners), to seek guidance on the proposed scheme. Owners consent will be provided prior to determination. The following program of consultation has already occurred:

- Initial Presentation to SHFA 24th July 2015.
- Initial feedback given by SHFA Heritage August 2015.
- Presentation to SHFA on the 17th October 2016.
- Presentation to Property NSW on 29th June 2017.
- Site walk-through meeting with Property NSW Heritage team on the 6th July 2017.
- Various further liaison between August 2017 as detailed in the Architectural Design Report.

Place Management NSW are supportive of the scheme and their feedback has been incorporated into the design. The works have been designed in consultation with Urbis Heritage to ensure the significant fabric and character of the building are retained and/or enhanced.

4.4. NSW POLICE AND LIQUOR & GAMING NSW

The applicant reached out to NSW Police and Liquor & Gaming NSW in February 2018 and provided both agencies with the draft Plan of Management document. No feedback was received from NSW Police or Liquor & Gaming NSW. Both agencies will be invited to comment on the proposal during public exhibition.

4.5. SYDNEY COORDINATION OFFICE WITHIN TRANSPORT FOR NSW

GTA Consultants reached out to TfNSW in February 2018 via email. TfNSW advised that their main concern related to the cumulative construction impacts of other developments surrounding the site, and that it needed to be addressed as part of the CPTMP. This matter has been comprehensively discussed at Section 6.4.1 of this EIS and within the CPTMP prepared by GTA at Appendix O.

4.6. NSW ENVIRONMENT PROTECTION AUTHORITY

Due to the findings of the Stage 1 Contamination Assessment and not being on the NSW EPA contaminated site register, consultation with NSW EPA was not deemed necessary. If NSW EPA wishes to make any comment, they will have the opportunity as part of the public exhibition process.

5. PLANNING FRAMEWORK ASSESSMENT

5.1. STRATEGIC FRAMEWORK

The following planning policies and guidelines are relevant to the proposed development and identified within the SEARs response. The following sections assess the proposed development against these strategic planning policies and guidelines as relevant.

5.1.1. NSW State Priorities

The 'Premier's 12 priorities' reflect a commitment to whole-of-government approaches to tackling important issues for the people of NSW. The proposal is consistent with these priorities as it will provide additional jobs during construction (185) and operation (102).

5.1.2. A Plan for Growing Sydney (Superseded)

Since the SEARs were issued, 'A Plan for Growing Sydney' has been superseded by the 'Greater Sydney Region Plan'. Refer to Section 5.1.3 below for an assessment against this strategic policy.

5.1.3. Greater Sydney Region Plan

The Greater Sydney Region Plan, *A Metropolis of Three Cities* sets a vision for Sydney over the next 40 years, and establishes the overarching principles from which the District Plans are based. The proposal is consistent with the Region Plan in that it will:

- Promote Sydney's heritage by reinforcing the use and refurbishment of a State listed item.
- Generate social and economic benefits, adding to Sydney's reputation as a global city and preeminent tourist destination.

5.1.4. Eastern City District Plan

The proposal is consistent with the Eastern City District Plan in that it will:

- Enhance, renew and respect the District's environmental heritage.
- Contributes to the economic development of the 'Eastern City' through reinvestment in entertainment and tourism related infrastructure.

5.1.5. Sydney 2030

Sydney 2030 is a strategic plan prepared by the City of Sydney focussed around three key elements: green, global and connected. The proposal is consistent with this plan in that it will:

- Support a globally competitive city with a lively and engaging city centre (and surrounds).
- Sustain the cultural vibrancy of The Rocks.
- Include sustainable building practices and supports the adaptive reuse of environmental heritage.

5.1.6. Sydney City Centre Access Strategy

The proposal is consistent with the Sydney City Centre Access Strategy 2013 in that it reinforces the designation of The Rocks as a 'mixed access priority' area. It also includes DDA upgrades and a new lift, consistent with the objectives of the Strategy. The proposal does not include any vehicle parking and is generally accessed on foot.

5.1.7. Sydney's Cycling Future

The proposal will have a negligible impact upon the City's cycling network as it currently contains no bicycle parking (nor does it generate demand, per GTA's survey). As the capacity of the venue will not increase, there will not be any new bicycle parking installed as part of this proposal.

5.1.8. Sydney's Walking Future

The proposal is consistent with Sydney's Walking Future 2013 in that it continues to encourage walking as a component of an active/integrated travel system. The Rocks is a popular destination for locals and tourists,

particularly walking through the historic laneways.

5.1.9. Development Near Rail Corridors and Busy Roads – Interim Guideline

The Noise and Vibration assessment prepared by SLR at Appendix Q has considered the various noise policies and guidelines that apply to the site, and note that Clauses 87 (Rail) and 102 (Road) of the SEPP (Infrastructure) apply to: residential accommodation, a place of public worship, a hospital, an educational establishment or centre-based child care facility. Therefore, this guideline does not apply to this proposal from an acoustic impact perspective. Further discussion of acoustic impacts is discussed in section 6.5 of this report. Future construction works will not interrupt or thwart the operation of the rail corridor.

5.1.10. Sydney Development Control Plan 2012

Sydney Development Control Plan (SDCP) 2012 does not apply to this application pursuant to Clause 11 of SEPP State and Regional Development. Notwithstanding, an assessment of the proposed signage has been undertaken against the SDCP 2012 (Section 3.16.3). The proposed signage includes:

- Three small signs (0.3m x 0.175m) to note accessible entryways.
- 'The Mercantile Hotel' signage graphic is proposed to be restored on the southern elevation.

Table 3 – SDCP 2012 Assessment

SDCP 2012 Provision	Comment	Complies
(1) Signage is to be compatible with the architecture, materials, finishes and colours of the building and the streetscape	The scale and location of the signage is consistent with the scale of the proposed development and does not result in visual clutter.	✓
(2) Signage attached to a building is to be positioned in locations or on panels in between any architectural elements (such as awnings, windows, doors and parapet lines). Signs are not to conceal or detract from integral architectural features or cover any mechanical ventilation systems.	Complies. Signs do not conceal any architectural features.	✓
(3) Signage is to be installed and secured in accordance with relevant Australian Standards.	Noted. This can be conditioned by the consent authority.	✓
(4) Signage that will detract from the amenity or visual quality of heritage items, heritage conservation areas, open space areas, waterways or residential areas is not permitted.	Complies. The accessible entryway signage is of a scale that will not impact upon the visual quality of the building. The restoration of 'The Mercantile Hotel' signage graphic on the southern elevation will have a positive heritage impact and is supported by NSW OEH.	✓
(5) Signage should not create unacceptable visual clutter taking into account existing signs, neighbouring buildings, the streetscape and the cumulative effect of signs.	Complies. Signs are sited at a suitable distance apart and are sized to ensure they don't impact the visual appearance of the site (or any façade).	✓
(6) Signs should allow the main facades of buildings from the first floor to the rooftop or parapet to be uncluttered and generally free of signage	Minimal signage is proposed, and as above, the sizing and proposed location of the signage does not give rise to any visual clutter or off-site environmental impacts.	✓

SDCP 2012 Provision	Comment	Complies
(7) Signage is not to be supported by, hung from or placed on other signs or advertisements.	N/A – not proposed.	N/A
(8) Signage that will distract road users, or could be mistaken for a traffic control device, is not permitted.	N/A – not perceptible from the road.	N/A
(9) Signage that will unduly obstruct the passage or sightlines of vehicles, cyclists or pedestrians is not permitted.	N/A – due to the size, location and siting of the signs, the passage or sightlines of vehicles, cyclists or pedestrians will not be unduly obstructed.	N/A
(10) Advertisements, dynamic content signs and light projection signs on or within the vicinity and visible from a classified road are to be consistent with the road safety criteria in section 3 of the NSW Transport Corridor Advertising and Signage Guidelines.	N/A – not proposed.	N/A
(11) Signage is not to contain reflective materials, colours and finishes	N/A – not proposed.	N/A
(12) Signage is not to incorporate sound, vibration, odour or other emissions, unless the emission is necessary as part of a community message, an approved public artwork or to meet accessibility requirements.	N/A – not proposed.	N/A
(13) Signage is not to result in the gathering of people in any manner that will limit the movement of motorists, cyclists or pedestrians along a public road, thoroughfare, footway or other access way.	N/A – not proposed. Signage is related to the restaurant use of the building and will not cause any undue gathering or crowding.	✓

5.2. STATUTORY PLANNING FRAMEWORK

The following sections assess the proposed development against the relevant planning instruments.

5.2.1. State Environmental Planning Policy (State and Regional Development) 2011

As noted previously, the works are located within The Rocks, an identified State Significant Site in Schedule 2 of the SRD SEPP. As the proposal does not comply with the 'approved scheme' (i.e. SCRA Scheme), it is SSD for the purposes of the EP&A Act. The variation to the SCRA Scheme consists of the proposed lift and roof structures (part of the proposed rooftop bar), which is discussed in Section 7.

5.2.2. Sydney Cove Redevelopment Authority Scheme

SCRA Scheme approved drawing XXX nominates the following permitted uses: 'commercial', 'residential', 'special' and 'Weekend Market – Retail Stalls and the Like'. The site will retain its existing use as a hotel and licensed premises, which is permitted per the definitions of 'residential' and 'commercial' under the SCRA Scheme.

As above, the proposal does not comply with the SCRA Scheme axonometric envelope. The breach of the SCRA axonometric envelope is the proposed lift and roof structures (part of the proposed rooftop bar). The environmental impacts of this breach are addressed in Section 7.

5.2.3. State Environmental Planning Policy (SEPP 55)

SEPP 55 requires a consent authority to consider whether the land is contaminated and if it is suitable for its proposed use, after remediation has been completed if required. The site is not currently used (or proposed to be used) for any purpose which could give rise to site contamination.

There is a small amount of excavation proposed to facilitate the new lift core. A Contamination Assessment has been undertaken by Coffey. The report concludes the site is suitable for the continued land use as a restaurant/hotel, in accordance with SEPP55 – Remediation of Land, subject to the implementation of a:

- Waste Classification Assessment.
- Unexpected finds protocol; and
- HAZMAT survey.

Regarding Acid Sulfate Soils, the report concludes there is an extremely low probability of acid sulfate soils occurring at the site. Accordingly, the site is considered suitable for the proposed development and no further assessment against SEPP 55 is required.

5.2.4. State Environmental Planning Policy 64 – Advertising and Signage (SEPP 64)

Three small signs (0.3m x 0.175m) are proposed to be installed to note accessible entryways (two on the George Street façade and one on the northern façade). These signs would normally be exempt development but for the State Heritage status of the building. This signage will not impact upon the heritage significance of the building and meets the aims of SEPP 64.

It is proposed to restore 'The Mercantile Hotel' signage graphic on the southern elevation (building identification signage). There is historical precedent for this signage and the reinstatement of this feature would have a positive impact on the significance of the site. Otherwise, no advertising signage is proposed as part of the development.

Table 4 – SEPP 64 Assessment

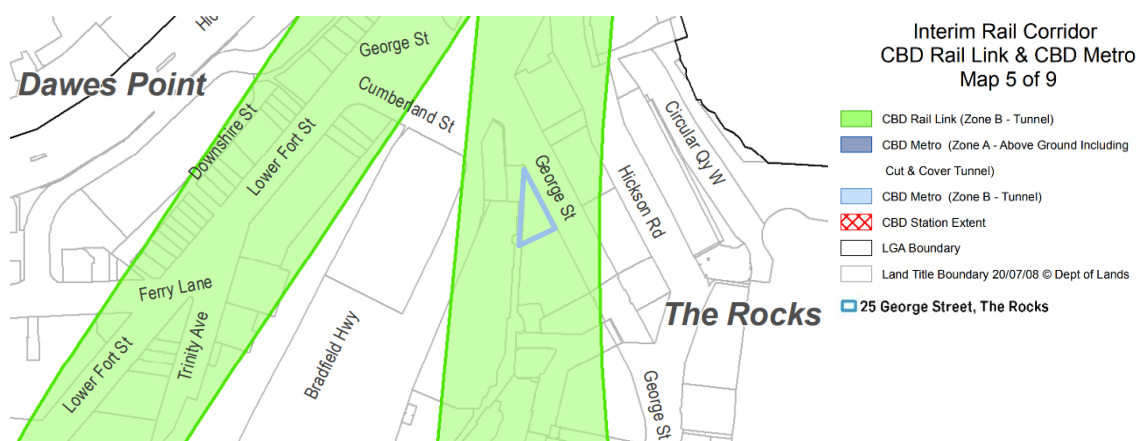
Criteria	Note	Complies
Character of the area	The scale and location of signage is consistent with the scale of the proposed development.	✓
Special areas	The accessible entryway signage is required for statutory (DDA) requirements. Its size and location is discrete and will not impact upon the heritage significance of	✓

Criteria	Note	Complies
	the building or locality. The reinstatement of The Mercantile Hotel signage on the southern elevation is considered to have a positive heritage impact.	
Views and vistas	N/A – does not impact on any view or vista.	N/A
Streetscape, setting or landscape	The signs are proposed at an appropriate height and location noting the size of the building and will not cause visual clutter.	✓
Site and building	The dimensions of the proposed signs are appropriate given the size, position and proportion noting the overall scale of the building.	✓
Associated devices and logos with advertisements and advertising structures	N/A – not advertising signage.	N/A
Illumination	N/A – proposed signage not illuminated.	N/A
Safety	The proposed sign will not encroach on the roadway or interfere with pedestrian or vehicular sight-lines or reduce safety for pedestrians or bicyclists.	✓

5.2.5. State Environmental Planning Policy (Infrastructure) 2007 (ISEPP)

The site is within the CBD Rail Link (Zone B – Tunnel) interim rail corridor per the SEPP (Infrastructure) mapping. As the works will have a capital investment value which exceeds \$200,000 the NSW DPE will give written notice of the application to the relevant rail authority. The proposal will have no impact upon the practicability and/or cost of carrying out rail expansion projects on the land in the future as the level of excavation proposed will be in the order of 1 metre.

Figure 5 – SEPP (Infrastructure) Interim Rail Corridor CBD Rail Link & CBD Metro Map 5 of 9



5.2.6. Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005

The site is within an area subject to the provisions of *Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005* (the “Harbour REP”). The Rocks is the ‘Foreshores and Waterways Area’. Development within the Foreshores and Waterways Area must consider the matters included in clause 21 to 27 of the Harbour REP. These matters include:

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

Calibre Consultants have concluded that the new roof garden is expected to intercept and contain some pollutants and reduce the overall stormwater pollutant load from the development. While the site is within the Sydney Opera House buffer zone, the height of the Metcalf Bond Store prevents the rooftop being visible from the Sydney Opera House. The proposal is therefore consistent with the aims and objectives of the Harbour REP.

6. ENVIRONMENTAL ASSESSMENT

6.1. HERITAGE

6.1.1. Heritage Impact Assessment

The Mercantile Hotel is a State listed heritage item under the Heritage Act (AHR01560). It is also located within the Rocks Conservation Area and is listed on the Sydney Harbour Foreshore Authority's Section 170 Heritage and Conservation Area. Accordingly, Urbis has prepared a Heritage Impact Statement in support of the application and conclude:

"The proposed works would provide for universal access to the site, and update the amenities in line with the expectations of contemporary patrons and guests to facilitate the long term ongoing historic use as a pub and hotel. The proposed works would facilitate this ongoing use through the upgraded back of house and amenities and ensuite bathrooms for accommodation rooms. The provision of a roof terrace bar provides a further utilisation of the existing space and allows public appreciation of exceptional historic views to the surrounding historic precinct which is a fabulous opportunity."

With specific regard to the heritage fabric of the building, the proposed modifications are supportable because:

- No modification is proposed on the primary elevation of the building.
- All exterior works are proposed on secondary elevations and are minor when viewed from the public domain.
- The proposed materials and finishes are discernible as contemporary and high standard.
- The works are largely concentrated in areas of low heritage significance.

Urbis Heritage provide the following recommendations and mitigation measures to address any potential impact of the proposed works:

- It is recommended that a Photographic Archival Recording (PAR) is undertaken where works are proposed, prior to any works being undertaken at the site.
- An Interpretation Plan should be developed to convey the development and significance of the site to the public and patrons of the site.
- All trades that are engaged to undertake the proposed works should have experience working on heritage buildings.
- Any fabric of significance that is removed (bricks) should be stored safely and securely on site; and
- An onsite heritage architect is engaged to monitor the proposed works.

For further information refer to the Heritage Impact Statement at Appendix E.

6.1.2. Indigenous Archaeology

Unearthed Archaeology & Heritage undertook an Aboriginal archaeological assessment of the proposed area for excavation in accordance with in accordance with the Office of Environment & Heritage's (OEH) *Guide to investigating, assessing and reporting on Aboriginal cultural heritage in NSW* and *Code of Practice of Archaeological Investigation of Aboriginal Objects in NSW*. The report concludes:

"No Aboriginal objects or sites were recorded during the site inspection. An AHIMS search dated 4th October 2017 indicated that no Aboriginal sites had previously been recorded within the study area."

"Any Aboriginal sites that may have existed within the study area have been destroyed or removed by the historic levelling and quarrying of the property. Therefore, it is not expected that any evidence of Aboriginal occupation or any Aboriginal objects exist within the study area."

Unearthed provide the following mitigation measures to ensure the protection of any potential archaeological finds:

- Inspection should be made of the ground surface underlying the existing slab/bitumen ground surfaces upon removal for the proposed development by a qualified archaeologist to confirm the historical disturbance within the areas of proposed works.
- If, during the proposed works, any Aboriginal objects or evidence of Aboriginal occupation is uncovered, all work must cease near the suspected Aboriginal objects or evidence of occupation, and further advice should be sought from a qualified archaeologist.

For further information, refer to the Indigenous Archaeological Assessment Appendix F.

6.1.3. Non-Indigenous Archaeology

Casey and Lowe were engaged to provide an assessment of non-Indigenous archaeology potential at the site due to the minor excavation works, who found:

“The examination of the nature of the site's land use indicates that the site has been cut down to build the current hotel and there is unlikely to be any artefactual or other remains in the area to be impacted by the proposed works. Any remains that are present are likely to be related to the provision of services and would not fulfil the criteria for heritage significance.”

Casey and Lowe provided the following mitigation measure to ensure the protection of any potential archaeological finds:

The SHR listing inventory sheet recommends monitoring of works. The lifting of the concrete ground slabs and tiling should be inspected by the archaeologist to check whether the findings for the site's archaeological potential are accurate.

For further information, refer to the Non-Indigenous Archaeological Assessment at Appendix G.

6.2. VISUAL AND VIEW IMPACTS

6.2.1. Visual Impact Assessment

A Visual Impact Assessment has been prepared by K.I. Studio which analyses nine views. The assessment is based on a visual envelope map that sets out the proposal's visual catchment (Figure 6). K.I. Studio consider that the proposal has a limited visual exposure due to vegetative screening, built form elements, topographical features and its limited scale.

To determine visual impact, sensitivity and visual magnitude values have been assigned to the viewpoints. When combined, these determine the visual impact for each viewpoint based on the matrix set out in Table 5). The findings of K.I. Studio are summarised in the pages below:

Table 5 – Visual Impacts Rating Table

		Magnitude			
		High	Moderate	Low	Negligible
Sensitivity	High	High impact	High-moderate	Moderate	Negligible
	Moderate	High-moderate	Moderate	Moderate-low	Negligible
	Low	Moderate	Moderate-low	Low	Negligible
	Negligible	Negligible	Negligible	Negligible	Negligible

Figure 6 – Visual Envelope Map



Figure 4.1 Visual envelope map



Source: KI Studio

Figure 7 – View from Gloucester Walk South (View 1)



EXISTING



PROPOSED

Visual Impact Assessment – Moderate

The visual character of the walkway would not dramatically change due to the limited intervention of the proposal.

Figure 8 – View from Sydney Harbour Bridge North-West (View 2)



EXISTING



PROPOSED

Visual Impact Assessment – Moderate

Limited impact to the overall view due to the limited scale of the proposal and its contrast to the existing situation.

Figure 9 – View from George Street South (View 3)



EXISTING



PROPOSED

Visual Impact Assessment – Negligible

The proposal would barely change the existing situation.

Figure 10 – View from George Street North (View 4)



EXISTING



PROPOSED

Visual Impact Assessment – Negligible

No highly noticeable effect identified. Filtered views towards the stair access possible.

Figure 11 – View from Sirius building courtyard (View 5)



EXISTING



PROPOSED

Visual Impact Assessment – Moderate to High

The proposal would introduce a contemporary structure within the existing historic built fabric, affecting the overall composition of the facade. The limited contrast of the proposal contributes to mitigate the overall impact.

Figure 12 – View from Gloucester Walk North (View 6)



EXISTING

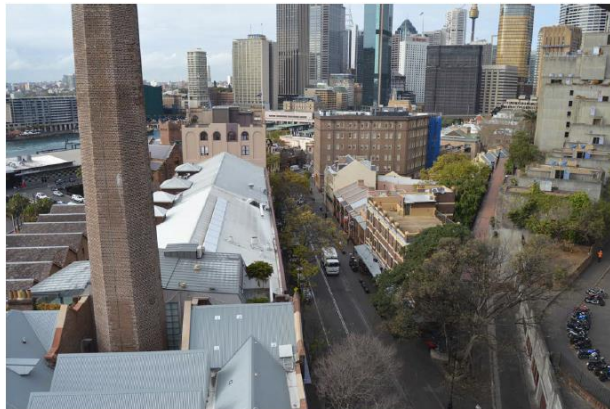


PROPOSED

Visual Impact Assessment – Low to Moderate

Limited impact to the viewer. Visual character and sense of place of the streetscape would be retained. The heritage fabric is the dominant feature.

Figure 13 – View from Sydney Harbour Bridge North-East (View 7)



EXISTING



PROPOSED

Visual Impact Assessment – Low to Moderate

Limited impact to the overall view due to the limited scale of the proposal and its contrast to the existing situation.

The VIA concludes:

The proposed design utilises materials to limit the overall visual impact of the proposed roof terrace, articulating its scale and introducing textures that are sympathetic to the historic fabric. The setbacks of the awnings make these elements less obtrusive through allowing the structure to be subordinate to the main building fabric.

From a landscape character point of view, the proposal would enhance the vibrancy to the area and provide a new perspective of the visual interface with the surrounding historic fabric. The proposal would also enhance the inter-connectivity with other historic elements such as the courtyard behind the Sergeant Major Row Terraces, expressing the sandstone cutting as part of the history of the site.

These factors are considered positive in the overall identity, functioning and sense of place of this historic pub, within the greater context of the Rocks. For further information, refer to the Visual Impact Assessment at Appendix J.

6.2.2. View Impact Assessment

Urbis have prepared the following view impact assessment per the requirements of Section 4.15 (1) of the EP&A Act. The immediately adjoining 'Sirius Building' has not been listed on the State Heritage register and is (at the time of writing) for sale, with the exhibited draft planning controls providing a commercial incentive to demolish the existing structure and rebuild. Accordingly, the precise built form outcome and land use mix is unknown and the (future) public or private views potentially obstructed by the proposal cannot be predicted.

Welsh + Major have undertaken careful analysis of the visual changes resulting from the proposal from key public domain areas and nearby residences per SEARs item 5. Modelled renders have been prepared showing the existing and proposed view. The methodology for the renders is:

- 3D modelling in Sketchup Pro of all existing and proposed external features within the site and surrounds.
- Selection of key views. Photographs were prepared for each of these determined viewpoints. The photos were taken from 1.5m above ground surface.
- Sketchup Pro cameras were set up at the chosen views through photo matching settings.
- V-Ray Rendering Software was used to create photorealistic material settings and light sources.
- The photomontages were overlaid onto the original existing photographs

The view sharing principles of the Land & Environment Court Planning Principle 'Tenacity' [*Tenacity Consulting v Warringah Council 2004 NSWLEC 140*] has been used for the view assessment. This Planning Principle assesses view loss as *negligible, minor, moderate, severe or devastating*. For the purposes of this assessment, we have adopted these measures and related them to the proposal.

- *Negligible* – barely perceptible.
- *Minor* – minor loss of sky, water or iconic view.
- *Moderate* – some loss of sky, water or iconic view.
- *Severe* – high impact on sky, water or iconic view.
- *Devastating* – total loss of view.

The viewpoints assessed are the same as for the visual impact assessment.

Assessment against the “Tenacity” Planning Principle

To decide whether view sharing is reasonable, the following four-step assessment process is applied:

Step 1 – The View Impacted

The first step is the assessment of views to be affected. Water views are valued more highly than land views. Iconic views (e.g. of the Opera House, the Harbour Bridge or North Head) are valued more highly than views without icons. Whole views are valued more highly than partial views, e.g. a water view in which the interface between land and water is visible is more valuable than one in which it is obscured.

Assessment: Due to the topography of the site, only one ‘iconic’ view is affected. This is from Gloucester Walk (View 1 / Figure 7). As the view is of the Sydney Harbour Bridge it is considered ‘iconic’ for the purposes of this test.

Step 2 – Location of Views

The second step is to consider from what part of the property the views are obtained. For example the protection of views across side boundaries is more difficult than the protection of views from front and rear boundaries. In addition, whether the view is enjoyed from a standing or sitting position may also be relevant. Sitting views are more difficult to protect than standing views. The expectation to retain side views and sitting views is often unrealistic.

Assessment: All viewpoints assessed as part of this application are public views (taken 1.5m from ground level), aside from the view from the Sirius courtyard. As above, we note that the Sirius building is for sale and likely to be demolished and rebuilt in due course. Accordingly, it is impossible to predict the future private view impacts from this site.

Step 3 – Extent of Impact

The third step is to assess the extent of the impact. This should be done for the whole of the property, not just for the view that is affected. The impact on views from living areas is more significant than from bedrooms or service areas (though views from kitchens are highly valued because people spend so much time in them). The impact may be assessed quantitatively, but in many cases this can be meaningless. For example, it is unhelpful to say that the view loss is 20% if it includes one of the sails of the Opera House. It is usually more useful to assess the view loss qualitatively as negligible, minor, moderate, severe or devastating.

Assessment: The only ‘moderate’ view impact arising from the proposal is from Gloucester Walk (View 1 / Figure 7) where the rooftop extensions will partially obscure the view of a Harbour Bridge pylon, and a portion of the Bridge itself. Impacts from all other viewpoints are negligible, as illustrated in the photomontages prepared by Welsh + Major.

Step 4 – Reasonableness of the Proposal

The fourth step is to assess the reasonableness of the proposal that is causing the impact. A development that complies with all planning controls would be considered more reasonable than one that breaches them. Where an impact on views arises as a result of non-compliance with one or more planning controls, even a moderate impact may be considered unreasonable.

With a complying proposal, the question should be asked whether a more skilful design could provide the applicant with the same development potential and amenity and reduce the impact on the views of neighbours. If the answer to that question is no, then the view impact of a complying development would probably be considered acceptable and the view sharing reasonable.

Assessment: The proposed rooftop additions are considered reasonable and appropriate for the following key reasons:

- While the proposal is technically ‘non-compliant’ in that it breaches the SCRAS envelope, we note this envelope is essentially a ‘shrink-wrap’ of the existing building and as such a protrusion of the envelope cannot be considered a ‘breach’ in the same way as an LEP floor space ratio or height control would be.
- From all but one key public domain viewpoint, the impacts are nil or negligible.

- The materials chosen for the rooftop are lightweight and the design solution (which has undergone extensive peer review) is 'open' in nature with glazed roofing and planting to avoid a 'boxy' or 'bulky' presentation.
- The proposal compliments the existing use of The Mercantile Hotel, and is permissible.
- More broadly, the proposal meets both local and regional planning objectives in reinforcing The Rocks as a key tourism destination, and celebrating the role of Sydney's heritage buildings through continued investment and refurbishment.

Conclusion

There is only one public viewpoint affected by the proposed rooftop terrace, which is unavoidable due to the steep rise in topography in the locality toward the south west. This viewpoint is of The Sydney Harbour Bridge, and the affected part is a Harbour Bridge pylon and a portion of the Bridge structure itself.

The impact of this viewpoint is 'moderate' for the purposes of the Tenacity test due to the 'iconic' nature of the view. On balance, the view impacts of the proposal (overall) are negligible as no other key public domain areas are affected. The public benefit of the proposal far outweighs the impact as the rooftop bar exhibits both strategic and site specific merit. In conclusion, the view impact is considered acceptable and the view sharing reasonable.

6.3. AMENITY

6.3.1. Sunlight

Shadow diagrams have been prepared by Welsh + Major which illustrate the extent of overshadowing and solar access:

- The additional overshadowing impacts overall (at 21 March, 21 June and 21 December) are negligible.
- During the afternoon (3pm) at 21 March and 21 June, the proposal will result in additional overshadowing of the existing Hotel (i.e. the site itself).
- At 12pm on 21 March and 21 June, the proposal will result in minor overshadowing to the existing roof structure of the adjoining terrace houses to the south. This impact is considered inconsequential.
- At 9am across the whole year (and at 10am on 21 June), the proposal will have a slight additional impact upon the eastern facade of the Sirius Building. However, as mentioned elsewhere in this EIS, this building is currently for sale and likely to be demolished. The future built envelopes and land uses are unknown at this stage and cannot be accurately predicted. At all other modelled times of the day, this building is free of additional shadow from the proposal.

The proposal does not have any significant adverse solar access or overshadowing impacts.

6.3.2. Wind

Windtech were engaged to prepared a Pedestrian Wind Environment Statement for the proposed development. Having regard to the wind climate of the Sydney Region and the effects of various wind intensities on people, Windtech provided the following conclusions:

"the ground level areas along George Street and Gloucester Walk are shielded from the dominant winds due to the neighbouring developments and vegetation. However, the proposed rooftop terrace space is exposed to the dominant north-easterly and southerly winds. These winds are expected to directly impact the open space and side-stream along the proposed built-form creating adverse wind conditions within the open space."

To ameliorate these adverse wind impacts, the following measures are proposed:

- Retention of proposed awning over the roof terrace on the eastern aspect.
- Extension of proposed vegetation along the north-eastern and south-eastern corners of the proposed rooftop terrace space. This also serves to screen the plant equipment and keep patrons away from the edge.

- Inclusion of planting along the eastern perimeter of the proposed rooftop terrace space where the impermeable balustrade is smaller than 1.2m.

These recommendations have been adopted by Welsh + Major in their design of the rooftop extension. For further information, refer to Appendix K.

6.3.3. CPTED

Existing security protocol at the Hotel (personnel, CCTV) will remain in place and be supplemented by two additional security guards patrolling the rooftop bar, and additional CCTV cameras as relevant (for further information about proposed management measures refer to Appendix H). The additional rooftop bar will add passive surveillance to Gloucester Walk and George Street and will not create any adverse impacts from a crime prevention perspective.

6.3.4. Light Spill

The impacts of light spill resulting from the proposed rooftop bar has been assessed by Calibre Consulting. Calibre used the latest Australian Standard *AS4282(1997) – Control of the obtrusive effects of outdoor lighting* as the basis for the test. The test was based on both Illuminance and Luminous Intensity, which focussed on the adjoining commercial building to the east and the Sirius building to the west. Calibre Consulting concluded:

Based on the artificial lighting schematic design indicated above, and the subsequent design assumptions at the date and time of this assessment, the requirements for the Control of the obtrusive effects of outdoor lighting in AS 4282 are met.

For further information, refer to the Intrusive Lighting Assessment at Appendix L.

6.4. TRAFFIC AND ACCESSIBILITY

6.4.1. Construction

GTA consultants have prepared a Preliminary Construction, Pedestrian and Traffic Management Plan (PCPTMP), refer to Appendix O. We provide the following summary of the PCPTMP:

Construction Program

The construction of the project is to be carried out over the course of up to 12 months in three stages, with an overview of proposed work as follows:

- Stage 1: Demolition and excavation.
- Stage 2: Construction of lift pit, in ground drainage and services, footings, ground floor slab and roof garden slab.
- Stage 3: Install crane, construct roof terrace, lift shaft and fire stairs.

The permitted hours of work are subject to consent by the Minister, however it is anticipated that construction works to be carried out between the following typical CBD hours:

- Monday to Friday: 7am to 5pm.
- Saturday: 7am to 3pm.
- No work will be carried out on Sundays and public holidays.

Vehicle Routes and Numbers

Based on a preliminary assessment, the number of construction vehicle movements associated with proposed works has been estimated and is summarised below:

- Demolition: three vehicles per day
- Construction: four to six vehicles per day.

Construction routes have been considered by GTA and are indicatively included within their report at pages 19-21 noting that directional distribution and assignment of traffic generated by the development will be influenced by the origin/destination of materials and the configuration of the arterial road network in the

Traffic Control

Various stages of construction will require occupation of either one or two of the three available traffic and parking lanes. In both instances, the existing parking lane is proposed to be removed. At some stages of construction, two-way traffic movement is to be maintained, and at other instances, only one traffic lane will be available, with a traffic controller in place to manage two-way traffic flow within the single lane.

Three Traffic Guidance Schemes (TGSs) have been drafted by GTA for consultation purposes, these are included at Appendix B of the PCPTMP prepared by GTA. Table 6 provides a summary of the traffic control requirements per stage of construction:

Table 6 – Traffic Control Requirements

Stage	Description of Works	TGS Requirement
Stage 1	Demolition and earthworks	Closure of one traffic lane and footpath
Stage 2a	Footing and lift pit	Closure of one traffic lane and footpath
Stage 2b	Roof slab	Closure of two traffic lanes and footpath
Stage 3a	New fire stairs	Closure of two traffic lanes and footpath
Stage 3b	Structural steel installation	Closure of one traffic lane but retain footpath access

Assessment of Cumulative Impacts

GTA Consultants have considered the following projects (and vehicle movements) in an assessment of cumulative impacts:

Table 7 – Assessment of Cumulative Vehicle Impacts

Project	Vehicle Movements
Walsh Bay Arts and Cultural Precinct	Seven vehicle trips per hour
Sydney Metro	Eight vehicle trips per hour (pending final decision on barge use)
CBD and South East Light Rail	One vehicle trip per hour
Barangaroo	50 to 80 vehicle trips per hour
Mercantile Hotel	12 vehicle trips per day

GTA concludes that the addition of up to six vehicle trips per day from the Mercantile Hotel site is a negligible increase in construction traffic and is unlikely to cause unacceptable levels of service.

Intersections

Given the modest number of traffic movements associated with the construction activities, it is expected that the construction vehicle volumes would add only a nominal number of additional vehicles to intersections. Such an increase would not be expected to compromise the safety or function of intersections for vehicles, pedestrians or cyclists.

During construction, pedestrian and cyclist movements should be maintained wherever possible. During the implantation of the TGS for Stage 1, 2a, 2b and 3a, pedestrians will need to be diverted to the opposite side

of the road. This is facilitated by two existing pedestrian crossings which will minimise changes to existing traffic conditions.

Access for Workers

There is not proposed to be any designated on-site car parking for workers due to site constraints. All staff would be encouraged to utilise public transport to access the site and would not impact resident and commercial parking near the site.

Mitigation Measures

GTA Consultants recommend the following mitigation measures to be included as a condition of consent:

- The principal contractor shall develop a detailed CPTMP in consultation with the Sydney Coordination Office, TfNSW, Roads and Maritime and the City of Sydney Council prior to construction commencing.
- This CPTMP will be prepared in accordance with the City of Sydney Council's standard requirements for a Construction Traffic Management Plan, which is included in Appendix A of the PCPTMP prepared by GTA.
- The detailed CPTMP would include confirmation of:
 - Hours of specific construction activities to minimise impact on the surrounding transport network, residents and tenants.
 - Agreement on specific haulage routes.
 - Sequence for implementing traffic management devices.
 - Induction requirements for construction, supervisory and management personnel.
 - Procedure for inspections and record keeping for maintaining traffic control measures.
 - Provisions for maintaining safe access for pedestrians and cyclists throughout construction.

For further information, refer to the PCPTMP prepared by GTA at Appendix O.

6.4.2. Operation

Access and Parking

There is limited on-street parking near the site, with no parking proposed as part of the development. This is consistent with the City of Sydney and Transport for NSW's objectives for the area in promoting sustainable travel options. The site is located within walking catchment of Circular Quay transport interchange and is serviced by the 311-bus route. It is expected that most patrons will utilise public transport services as part of their journey to the site.

Overall, it is estimated that the site generates a nominal number of vehicular journeys, primarily through point-to-point trips, with most these occurring outside of road network peak times (usually concentrated at closing times of around midnight).

Servicing

There is an existing loading zone on George Street (out the front of site), which is proposed to be retained. Due to the heritage nature of building, providing loading and waste collection within the development is not feasible nor practical. Retaining the existing loading arrangements is considered satisfactory by GTA.

Traffic Impacts

Given there is no increase in capacity and the site is well serviced by both public and point-to-point transport (i.e. taxis and ride sharing services), there is expected to be no additional impact.

6.5. NOISE

6.5.1. Construction

Acoustic Dynamics were commissioned to prepare a Construction Noise & Vibration Management Plan. Based on the calculations and modelling, Acoustic Dynamics advised that while high levels of noise are likely to be infrequent, the magnitude of the predicted noise exceedances above the construction noise goals may lead to complaint.

The following measures are required to minimise and manage noise emission and impact from the proposed excavation and construction works at the site.

- The use of noise generating equipment only be carried out during the following construction hours:
 - Monday to Friday – 7am to 5pm; and
 - Saturdays – 7am to 3pm.
- Any rock braking activity should only be carried out during the following hours:
 - 9am – 5pm (Monday to Friday) only.
- Noise and vibration induction of all site staff.
- Implementation of an appropriate community liaison procedure.
- Implementation of a noise and vibration monitoring and reporting programme (where necessary, should complaints arise).
- The use of temporary noise barriers around particularly noisy activities (where feasible and reasonable).
- Use of quietest available equipment and lowest vibration generating equipment for works (where feasible and reasonable).
- Where excavation of rock is required, an appropriate excavation methodology should be adopted.
- Where there is any risk of damage, a dilapidation survey of adjacent buildings and structures should be completed prior to the commencement of any excavation works.
- Implementation of periods of respite, where highly intensive activities produce loud noise (i.e. greater than 75 dB(A) at nearby residences) to minimise disturbance on nearby receivers; and
- Should trucks or other vehicles be required to be on site for longer than five minutes, Acoustic Dynamics advises that engines should be switched off for the duration.

For a full detail regarding noise logging, assumptions and mitigation measures, refer to Appendix R.

6.5.2. Operation

SLR have completed a noise assessment report for the operational noise impacts of the proposal. The assessment involved establishing project specific noise criteria. SLR have adopted the following noise policies and guidelines:

- NSW Liquor & Gaming Standard Conditions.
- NSW Industrial Noise Policy – application notes 2013 (EPA).
- Interim Construction Noise Guideline 2009 (DECC).
- Assessing Vibration: A Technical Guideline 2006 (DECC).

A noise model of the proposed rooftop area design and its surrounds was established to predict the maximum allowable compliant noise emissions, per Liquor and Gaming NSW criteria. The results of this model indicate that the rooftop area (pre-midnight) may accommodate up to 100 patrons in an outdoor terrace area and up to 70 patrons (but no more than 150 patrons in total).

The rooftop bar will be enclosed on the north, west and south sides and the roof, and have openable concertina-type doors facing east. SLR have advised that the following operational measures will need to be implemented (N.B. these are included in the Plan of Management at Appendix H).

- 7:00 am to 12:00 midnight:
 - No more than 150 patrons in the rooftop bar area in total.
 - No more than 100 patrons in the outdoor terrace area at any time.
 - No more than 70 patrons in the partially-enclosed area at any time.

- Speakers must be located within the partially enclosed area only.
- Music levels must not exceed the values shown in Table 8 and Table 9 of the SLR report.
- 12:00 midnight to 1:00 am:
 - The east-facing doors must be closed.
 - No patrons in the outdoor terrace area.
 - The patron numbers within the enclosed area must not exceed 70; and
 - No music is allowed.

Regarding mechanical plant, SLR estimate that a maximum combined sound emission (SWL) of 99 dBA Lw for all would result in compliance with the Industrial Noise Policy. For further information, refer to the Operational Noise Assessment prepared by SLR at Appendix Q.

6.6. BIODIVERSITY

Ecoplanning have prepared a Biodiversity Development Assessment Report in accordance with the *Biodiversity Conservation Act 2016* and the Biodiversity Assessment Methodology. The report whether native vegetation or threatened species is present on site. In undertaking the assessment, Ecoplanning conducted a site visit and a review of appropriate data sources. The report concludes:

The proposed refurbishment, including the addition of a rooftop bar, lies completely within the existing hotels envelope and will not cause impacts to vegetation within, or directly adjacent to, the subject site. Further, the proponent has committed to protecting all vegetation within and directly adjacent to the subject site. Therefore, all potential biodiversity impacts have been avoided for this proposal.

For further information on Biodiversity, refer to the Biodiversity Development Assessment Report prepared by Ecoplanning at Appendix X.

7. VARIATION TO SCRA SCHEME

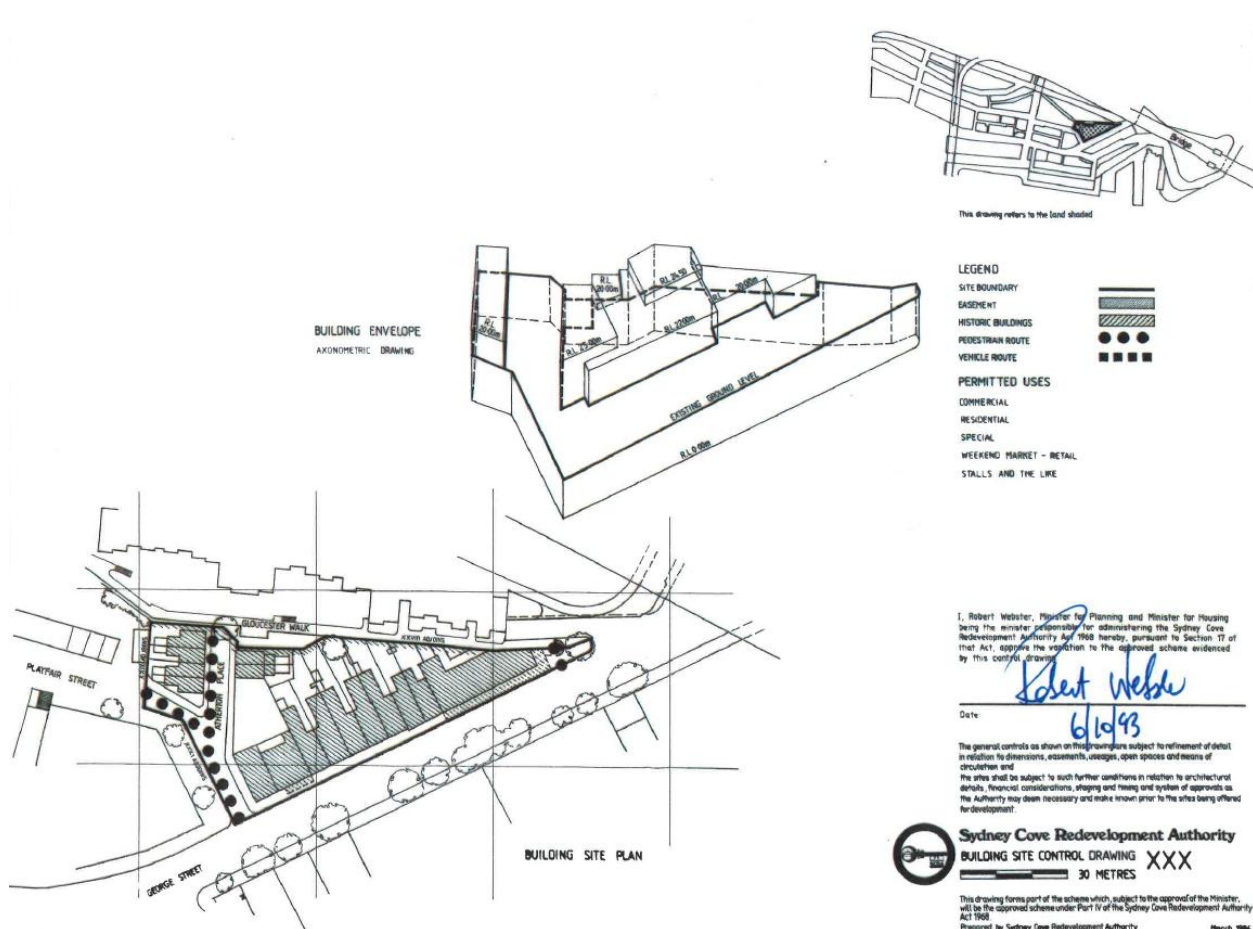
This application is made under Part 2 of Environmental Planning and Assessment (Sydney Cove) Savings and Transitional Regulation 1999. A variation is sought to the approved scheme to enable the Minister to grant development consent to the SSD application. This section of the report includes:

- A description of the way in which the proposed development does not comply with the relevant provisions contained within SCRA Scheme.
- Reasons for the variation to the current provisions of the SCRA Scheme.
- Assessment of the matters listed in Clause 9(2) of the Regulation.

7.1. DESCRIPTION OF THE PROPOSED SCRA VARIATION

The relevant Building Site Control Drawing is Drawing XXX endorsed by the Minister on 6 October 1993, and a copy is provided at Figure 16 below.

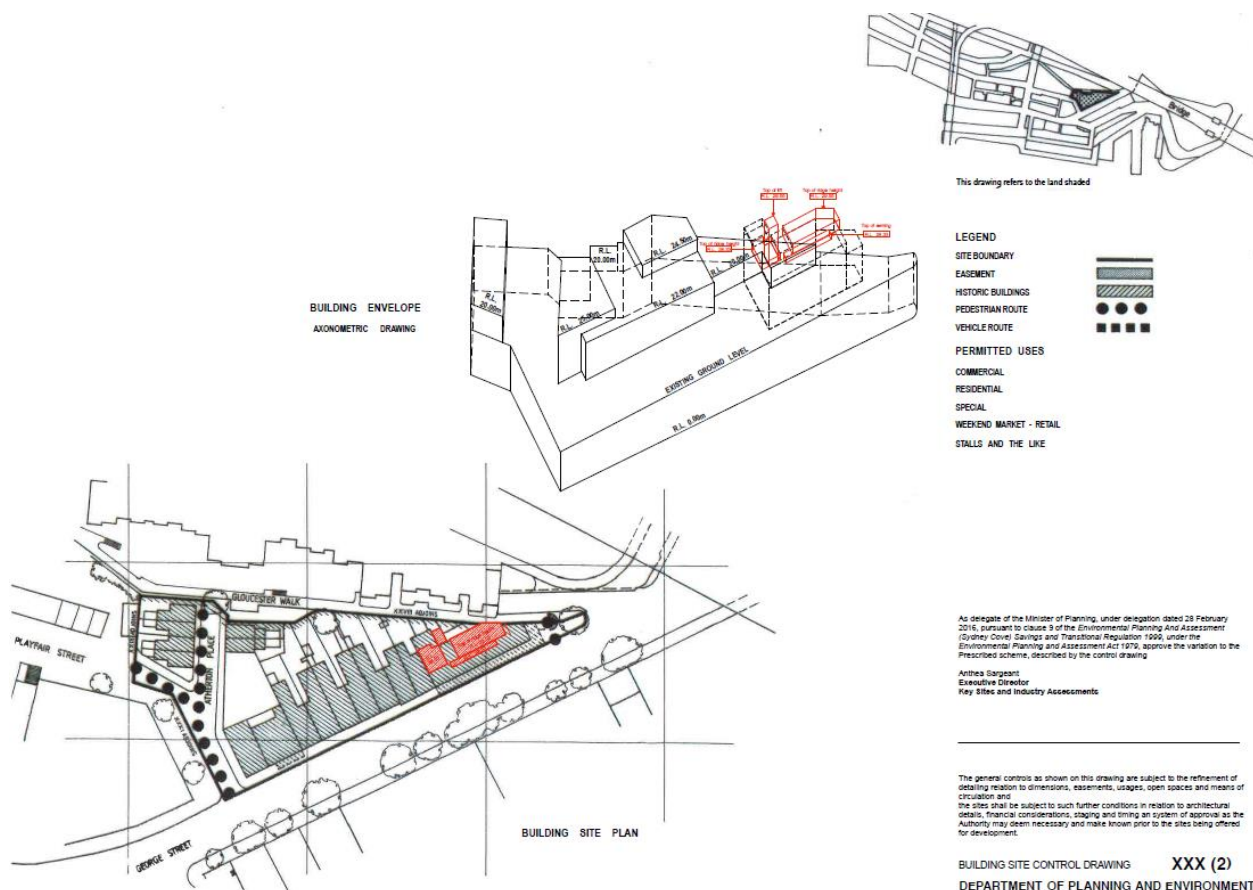
Figure 16 – SCRA Scheme Building Site Control Drawing XXX



The drawing specifies that the maximum permitted building height is RL 20 across the site, which will be protruded by the proposal.

A draft axonometric drawing has been prepared to replace the existing drawing that reflects the proposed development outlined in detail within the EIS. A reduced sized copy of the replacement drawing is provided as Figure 17 and at Appendix B.

Figure 17 – Proposed SCRA Building Envelope



The variation assists in delivering the following benefits:

- Greater user amenity, and allows greater functionality of the space.
- A contemporary refurbishment solution which relates to, and is consistent with the surrounding heritage context.
- Avoids detrimental visual impacts or view loss.
- Attenuates acoustic issues through a deliberate architectural response and the adoption of appropriate management practices to ensure compliance.

Additional detail regarding the design rationale for the proposed development is provided in the Architectural Design Report prepared by Welsh + Major at Appendix C. Justification for the proposed variation to the SCRA Scheme is provided in the following section of this report.

7.2. CLAUSE 9(2) ASSESSMENT

Clause 9 of the Environmental Planning and Assessment (Sydney Cove) Savings and Transitional Regulation 1999 provides an overview of the key statutory considerations the Minister must consider in determining to grant a variation to SCRA. The proposed variation to the approved scheme has been assessed in accordance with the provisions of Clause 9(2) as outlined below:

Table 8 – Clause 9(2) Assessment

Clause	Response
(a)(i) Will not permit development that will adversely affect	Streetscape and visual impacts: The proposal has been designed to provide a high design quality and response to the surrounding properties.

Clause	Response
development on adjoining land	<p>Views and vistas: The visual impact assessment prepared by K.I. Studio found the proposal has limited landscape and visual impacts. It is considered positive to the overall identity, functioning and sense of place of The Mercantile Hotel within the greater context of The Rocks.</p> <p>Solar access: The proposal has been sited and designed to minimise its potential solar access and overshadowing impact. There are no unreasonable shadow impacts on the surrounding properties.</p> <p>Acoustic: The proposal has been designed to achieve acoustic compliance (per advice from SLR). This includes providing an enclosed area with concertina-style doors.</p>
(a)(ii) heritage significance of buildings, structures or sites in the locality	<p>In response to the State Heritage listing of the site a Heritage Impact Statement has been prepared by Urbis. The proposed concept is supported on heritage grounds.</p> <p>The proponent has also undertaken extensive consultation with Place Management NSW's (the landowners) Heritage team to create an acceptable solution which meets functional, heritage, safety and BCA/DDA requirements.</p> <p>Overall, the proposed variation from the SCRA Scheme will not result in any significant adverse effects on the heritage significance of the area or the individual items of heritage significance.</p>
(a)(iii) quality of the public domain in the locality	<p>The proposed variation to the SCRA Scheme will improve the hotel's external amenity and general presentation to the public domain through a contemporary architectural solution which is supportable from both a heritage and visual impact perspective.</p>
(b) impact on the natural or built environment and social or economic impact in the locality	<p>The proposal is considered to have a direct social and economic benefit to the locality as it:</p> <ul style="list-style-type: none"> • Reinforces the existing use of the building. • Refurbishes and reinvests in the upkeep of an item of State Heritage. • Continues to promote The Rocks as a pre-eminent tourism destination; and <p>Successfully mitigates impacts upon the natural and built environment as described in Section 6 of this EIS.</p>
(c) general planning and design principles for the Sydney Cove Redevelopment Area	<p>As above, the proposal meets the objectives of the SCRA Scheme. It does not result in adverse environmental impacts and will provide a direct public benefit through reinvestment in an item of State heritage. The proposed variation is considered reasonable and will result in a positive outcome for the site.</p>

7.3. SUMMARY

It is recommended the Secretary prepare a draft variation to the SCRA Scheme in accordance with the information provided within this report (including the amended Building Site Control Drawing) and the relevant provisions of the Environmental Planning and Assessment (Sydney Cove) Savings and Transitional Regulation 1999.

8. RECOMMENDATIONS AND MITIGATION MEASURES

A range of mitigation measures are proposed to reduce any potential environmental and social impact of the proposal. Table 9 below provides a summary of the environmental management measures proposed.

Table 9 – Mitigation Measures

Item	Mitigation Measure
Contamination	<ul style="list-style-type: none"> Implement the following works to minimise the effects of potential site contamination: <ul style="list-style-type: none"> Waste Classification Assessment. Unexpected Finds Protocol. HAZMAT Survey.
Environmental, Construction and Site Management	<ul style="list-style-type: none"> The appointed contractor to prepare a detailed Construction Management Plan based on the parameters set out in the conditions of consent and the (Preliminary) CMP prepared by Redwood at Appendix W.
Heritage	<ul style="list-style-type: none"> It is recommended that a Photographic Archival Recording (PAR) is undertaken where works are proposed, prior to any works being undertaken at the site. An Interpretation Plan should be developed to convey the development and significance of the site to the public and patrons of the site. All trades that are engaged to undertake the proposed works should have experience working on heritage buildings. Any fabric of significance that is removed (bricks) should be stored safely and securely on site; and An onsite heritage architect is to be engaged to monitor the proposed works.
Indigenous Archaeology	<ul style="list-style-type: none"> Inspection should be made of the ground surface underlying the existing slab/bitumen ground surfaces upon removal for the proposed development by a qualified archaeologist to confirm the historical disturbance within the areas of proposed works. If, during the proposed works, any Aboriginal objects or evidence of Aboriginal occupation is uncovered, all work must cease near the suspected Aboriginal objects or evidence of occupation, and further advice should be sought from a qualified archaeologist.
Non-Indigenous Archaeology	<ul style="list-style-type: none"> The lifting of the concrete ground slabs and tiling should be inspected by the archaeologist to check whether the findings for the site's archaeological potential are accurate.
Noise and Vibration (Construction)	<ul style="list-style-type: none"> Implement the recommended mitigation measures outlined in Chapter 6 of the Construction Noise and Vibration Management Plan prepared by Acoustic Dynamics which are summarised in Section 6.5.1 of this EIS.

Item	Mitigation Measure
Noise and Vibration (Operational)	<ul style="list-style-type: none"> Implement the recommended mitigation measures outlined in the conclusion of the DA Noise Assessment prepared by SLR which is summarised in Section 6.4.2 of this EIS (and carried forward into the Plan of Management).
Traffic (Construction Phase)	<ul style="list-style-type: none"> The principal contractor shall develop a detailed CPTMP in consultation with the Sydney Coordination Office, TfNSW, Roads and Maritime and the City of Sydney Council prior to construction commencing. This CPTMP will be prepared in accordance with the City of Sydney Council's standard requirements for a CTMP. It will include confirmation of: <ul style="list-style-type: none"> Hours of specific construction activities to minimise impact on the surrounding transport network, residents and tenants. Agreement on specific haulage routes. Sequence for implementing traffic management devices. Induction requirements for construction, supervisory and management personnel. Procedure for inspections and record keeping for maintaining traffic control measures. Provisions for maintaining safe access for pedestrians and cyclists throughout construction.
Wind Impacts (to rooftop terrace)	<p>The following mitigation measures were suggested by Windtech and have been adopted in the architectural concept by Welsh + Major:</p> <ul style="list-style-type: none"> Retention of proposed awning over the roof terrace on the eastern aspect. Extension of proposed vegetation along the north-eastern and south-eastern corners of the proposed rooftop terrace space. This also serves to screen the plant equipment and keep patrons away from the edge. Inclusion of planting along the eastern perimeter of the proposed rooftop terrace space where the impermeable balustrade is smaller than 1.2m.

9. CONCLUSION

The proposal is appropriate for the site and the locality because:

- **The proposal is consistent with strategic planning objectives.** Specifically, the development will preserve an item of State Heritage significance and in turn promote The Rocks as a vibrant tourism and entertainment precinct.
- **The proposal satisfies the applicable local and state planning policies.** The proposed development is compliant with the applicable planning controls. Where variations are proposed, the objectives and intent of these provisions have been met.
- **The design responds positively to the site conditions and the surrounding environment.** The project has undergone extensive consultation with the landowners, Place Management NSW, who have provided rigorous independent review throughout the design process.
- **The proposal is suitable for the site.** The proposal represents a contemporary refurbishment solution which capitalises on the site's aspect/views toward Sydney Harbour while satisfying the commercial and heritage objectives of the brief.
- **Has limited environmental, social, economic impacts.** The proposed development will provide a positive social and economic contribution to The Rocks. There will be no adverse environmental, social, or economic impacts resulting from the proposed development.

For the reasons outlined in this EIS, the proposal is in the public interest and should be approved by the Minister.

DISCLAIMER

This report is dated 5 May 2018 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 HBMS NSW Pty Ltd (**Instructing Party**) for the purpose of Environmental Impact Statement (**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).

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