

LEP Amendment Request / Approval Process Justification Report

108-120 Pitt Street, Sydney

Submitted to
City of Sydney Council
On Behalf of Colonial First State (CFS)

May 2009 ■ 08568

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JBA Urban Planning Consultants
- B** Response to Reasons for Refusal in 26 June 2008 CSPC Report and Response to Section 2(ii) of 13 June 2008 Sydney City Council Design Panel Report
JBA Urban Planning Consultants
- C** Response to Sydney City Council Heritage Committee, Heritage and Urban Design Report of 21 May 2008
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- D** Tables of Compliance with Aims and Objectives of SLEP 2005 and City Centre Zone
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- F** Correspondence from the Heritage Council 30 April 2009
Heritage Council of NSW
- G** Proposed Draft LEP and DCP Amendments
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- I** Structural Adequacy Statement
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- Urban Design Report
JPW Architects
- Concept Architectural Drawings
JPW Architects
- Heritage Impact Statement and Heritage Design Details
Tanner Architects

Executive Summary

Purpose of the Report

This report has been prepared by JBA Urban Planning Consultants Pty Ltd (JBA) on behalf of Colonial First State (CFS). It is submitted to the Central Sydney Planning Committee (CSPC) and the Council of the City of Sydney (Council) to:

- seek minor amendments to the Sydney Local Environmental Plan 2005 (SLEP 2005) and the Central Sydney Development Control Plan 1996 (DCP 1996). The amendments would allow for additions to the building formerly known as the Commonwealth Bank Building at 108-120 Pitt Street (the site); and
- present the process undertaken to achieve design excellence and the proposed development approvals process which seeks the lodgement of a detailed Stage 2 Development Application (DA) soon after the lodgement of this Justification Report.

The report presents the Agreed Scheme for the site prepared by Johnson Pilton Walker Architects (JPW) and Tanner Architects. The Agreed Scheme arises from the preparation of a 'preferred concept' for the site developed in consultation with Council Officers and the site specific Heritage Committee (appointed by the CPSC) between June 2008 and March 2009.

This preferred concept was presented to the CPSC on 13 November 2008 which resolved that CFS would be open to lodge an LEP Amendment Request for the 'preferred concept' (now the 'Agreed Scheme') accompanied by a detailed Justification Report.

This report directly responds to the CSPC resolution of 13 November 2008, which outlined the matters for consideration to be detailed in an LEP Amendment Justification Report.

The Agreed Scheme

After extensive consultation with Council and the CSPC, including CFS developing and 'testing' a range of LEP conforming and non-conforming schemes on the site, it is considered that the Agreed Scheme is the optimum solution for the site. It is both inspired for the rejuvenation of the heritage values of the existing building and is commercially feasible. The concept design for the site comprises:

- retention, conservation and enhancement of the significant envelope, facade and heritage fabric of the 1916/1933 building known as the "The Money Box";
- demolition of the eastern part of 1933 addition, the 1968 Martin Place extension and the 1994 Rowe Street extension;
- construction of a high quality commercial extension to the 1916/1933 heritage components together with a commercial office extension in the southern part of the site which will rise 8 storeys above the roof of the existing heritage building and allow the demolition of the existing 3-storey high plant room fronting Martin Place, which has an adverse impact on the heritage values of the property;
- conservation and activation of the existing heritage building integrated with the new building works to provide a contemporary and functional commercial office building. Ground level retail uses and a through site link between Martin Place and Rowe Street will be provided; and
- attainment of a 5 star NABERS base-building Energy and minimum 4 star NABERS Water ratings as well as a minimum 5 star Green Star Office Base-Building Design rating.

The Agreed Scheme is guided by the Conservation Management Plan (CMP) (Issue C) prepared by Tanner Architects, which received endorsement from the Heritage Council on 30 April 2009.

SLEP 2005 Height Map Amendment

With a proposed height of 81 metres, the Agreed Scheme does not comply with the 55 metre height limit prescribed in SLEP 2005 over an area of approximately 20% of the site. It is therefore proposed to add a subclause to Clause 50 (Height of Buildings) of SLEP 2005 to account for this small variation.

It should be noted that the Agreed Scheme also removes the existing plant rooms along Martin Place which currently breach the 55m height limit.

The proposed commercial addition, including the portion in excess of 55 metres, meets all other planning controls in terms of views, sunlight access, internal amenity, ESD, heritage conservation and urban design.

DCP Amendments

It is proposed to amend DCP 1996 to include site specific built form controls to allow for the setback above street wall height to be a minimum of 13 metres to Pitt Street and to allow the scheme to be built to the MLC boundary. The proposed setback to Martin Place will remain generally compliant with the current DCP setback of 25m to Martin Place (only the minor intrusion of light boxes). It is also proposed to include controls to allow suitable light penetration into the rejuvenated/reinterpreted heritage light well.

The incorporation of site specific DCP controls will allow Council to constrain the proposed envelope to ensure the heritage and urban design objectives for the site are achieved.

Detailed Development Application (DA)

This report also seeks Council and the CSPC's formal acceptance to waive the requirement for a Development Plan/Stage 1 DA on the basis that:

- the proposal achieves design excellence through a considered design response developed from extensive consultation with Council, the CSPC Sub-Committee (chaired by Councillor McInerney and Mr Chris Johnson) and the CPSC appointed Heritage Committee;
- the design detail developed by JPW and Tanner Architects to 'test' that the commercial addition can be:
 - structurally accommodated; and
 - sympathetically integrated with the existing heritage fabric in compliance with the CMP,

far surpasses the level of detail presented in a Stage 1 DA and provides significant additional assurances to Council in excess of a Stage 1 DA;

- the proposed LEP amendment is accompanied by site specific DCP controls that establish the building envelope and height appropriate to the context of the site and in response to the Heritage Committee's recommendations; and
- the 2005 amendments to the Environmental Planning and Assessment Act 1979 (EP&A Act) give equal statutory weight to Staged DAs and DCPs. By engaging in the process to document, exhibit and adopt an amendment to DCP 1996 the requirement for a Development Plan/Stage 1 DA would be contrary to the legislative intent of the EP&A Act to require the submission of a Development Plan or Stage 1 DA.

Design Excellence Process

CFS also seeks to lodge a detailed Stage 2 Development Application soon after lodgement of the Justification Report. Pursuant to Clause 26(5) Design Excellence of SLEP 2005, where a Development Plan (alternatively Stage 1 DA) is not in place, the consent authority *may* have regard to whether the design of the altered building is the result of a design competition that is:

- is consistent with any relevant development control plan, and
- satisfies the requirements for design competitions in any relevant development control plan.

Pursuant to DCP 1996, the consent authority can accept an alternative process in exceptional circumstances.

In this instance a further design competition/competitive process is not required and Council may be satisfied that the proposal achieves design excellence due to:

- the significant 'design excellence work' undertaken by CFS to this point (through the testing of a number of schemes);
- the CPSC convening an independent Heritage Committee to identify specific principles to be adhered to in any possible development of the site; and
- the comprehensive and transparent process of including site specific built form controls into DCP 1996 to guide redevelopment of the site.

In addition, JPW Principal, Richard Johnson has the qualities and experience to deliver Design Excellence and has demonstrated this in the CBD in the past. Richard works both nationally and internationally and is aptly skilled in both successful modern architecture and providing inspired and sympathetic architectural responses to site's with high heritage values.

There are a number of key advantages in the Agreed Scheme proceeding to a detailed Stage 2 DA (without a design competition), including:

- Council will have the opportunity to consider the detailed DA for the site at the same time that the LEP/DCP amendments are being considered. Council will therefore be able to consider the proposed changes to their instruments and controls with the benefit of a detailed development proposal;
- JPW and Tanner Architects have undertaken comprehensive investigations into the existing building to determine if the Agreed Scheme will protect and enhance the heritage fabric of the building, which has taken extensive months to develop. JPW and Tanner Architects therefore have the best understanding and the best capacity to deliver design excellence and the required Stage 2 documentation to completion; and
- The detailed discussions undertaken between CFS, JPW, Tanner Architects and services/structural specialists to develop the concept for such a complex and important building cannot be addressed in any meaningful way through a normal competition process. Such a process could only propose a superficial design proposition that in the fullness of further detailed design may not be technically feasible, fundamentally possible or intrusive in detail from a heritage perspective.

The benefit of progression of the DA without a design competition was clearly acknowledged by the independent Heritage Committee convened by the CSPC which stated *"[G]iven the specific conditions of this site and the existing building, a design competition to find an appropriate 'design' may not yield as good results as would a competition to find an architect with intellect, sensitivity and a demonstrated (or reasonably surmised potential) ability to procure fine and lasting architecture in our city".*¹

¹ Heritage Committee, Heritage and Urban Design Report, 21 May 2008.

In summary, Council can ensure design excellence will be achieved by requiring:

- the lodgement of the Stage 2 DA based on the Agreed Scheme;
- the incorporation of site specific DCP controls in Section 2.12 of DCP 1996 (Design Guidelines for Significant Developments); and
- JPW being specified as the Project Architect for any development of the site in accordance with the Agreed Scheme until the time of construction completion, which Council may impose as a Condition of Consent on the Stage 2 DA.

Key Benefits and the Need for the Proposal

The Agreed Scheme provides a number of opportunities with respect to enhancing the existing heritage building, the public domain, the Martin Place Precinct, and improving the environmental sustainability of the building, including:

Heritage

Appropriate redevelopment of the site provides an opportunity to:

- provide an exemplar of sustainable design and rejuvenation within a heritage building;
- reinstate significant original heritage features of the building through the removal of subsequent intrusive works (including ceilings);
- remove intrusive elements on the streetscape (i.e. rooftop plant rooms);
- opening up the central light well and eastern light well which had been filled in by previous works on the building;
- provide an improved level of interpretation and respect for the heritage values of the original building; and
- provide a means to improve public access to and appreciation of a building that is a significant part of Australia's history.

Martin Place Precinct

Martin Place is a pivotal space within the CBD. The impending vacancy of the premises by Commonwealth Bank of Australia (CBA) from mid 2010 provides a significant opportunity for a 'new era' to reinstate the site as a building of significance in the Martin Place precinct and improve the urban design attributes of the building and Martin Place.

Ground Plane and Laneway Activation

The site has multiple frontages which offer an opportunity to activate the ground plane and make a real contribution to the public domain. The development provides the opportunity to enhance pedestrian amenity and activation of these frontages (in particular Rowe Street), expressly in accordance with Council's desire for the reactivation of lanes. The opportunity of activating the connection from Martin Place to Rowe Street is realised through the proposed through site link.

Sustainability and Internal Amenity

The Agreed Scheme presents an opportunity to demonstrate how existing buildings (especially those with a heritage component) can play a significant role in contributing to a sustainable city.

Objective 2.3 of the City of Sydney Strategic Plan for Sustainable Sydney 2030 recognises the critical requirement to encourage improvements in the environmental performance of existing buildings.

The renewal of the site has the potential to be a new benchmark and example for the sustainable adaptation and renewal of key heritage CBD buildings, contributing to ESD benefits for the CBD as a whole.

Avoidance of Building Redundancy

The existing tenant is vacating the building from mid 2010. The building is under current standards and is now classified as B or even C Grade commercial space with substandard energy efficiency performance. As such it is severely limited in attracting long term commercial tenants commensurate with the historic reputation of Martin Place as a centre of commercial activity within the Sydney CBD.

To avoid the building becoming redundant, a significant upgrade of services, indoor environment quality and base building amenity is required. A minor refurbishment would not provide the opportunity to partially restore the central atrium throughout the existing heritage building given the floor space this would eliminate. Also the opportunity to remove the existing 3 storey plant room on the roof of the 1968 building would not be provided.

The Agreed Scheme will bring the building back to premium office standards and its original function ('state of the art' office space) and therefore future-proof the building from commercial redundancy. The upgraded building and addition will (as conservatively estimated by CFS) inject \$150 million into the NSW economy.

The upgrade and extension of the building will ensure the social and associational heritage significance (to its traditional corporate tenancing) is retained by providing better access to natural light, clear floor spans and ESD performance demanded by modern day tenants.

Conclusion and Recommendations

The further development and lodgement of a detailed DA based on the Agreed Scheme prepared by JPW and Tanner Architects based on their intimate knowledge of site opportunities, constraints and heritage/urban design implications, provides the best avenue for achieving a sustainable long-term outcome for the site that achieves design excellence. In this regard, it is recommended that:

- a subclause is added to Clause 50 (Height of Buildings) of SLEP 2005 to account for the building being above the 55 metre height limit for a small portion of the site;
- site specific DCP controls depicting an amended setback to Pitt Street and diagrams representing the Agreed Scheme and the required light well light penetration clearance be included in DCP 1996; and
- the design process to date is endorsed by Council as achieving design excellence given the specific requirements of the site and the interactive design process undertaken with Council and heritage stakeholders.

1.0 Background

1.1 Introduction

This report has been prepared by JBA Urban Planning Consultants Pty Ltd (JBA) on behalf of Colonial First State (CFS). It is submitted to the Central Sydney Planning Committee (CSPC) and the Council of the City of Sydney (Council) to:

- seek minor amendments to the Sydney Local Environmental Plan 2005 (SLEP 2005) and the Central Sydney Development Control Plan 1996 (CSDCP 1996). The amendments would allow for additions to the building formerly known as the Commonwealth Bank Building at 108-120 Pitt Street (the site); and
- present the process undertaken to achieve design excellence and the proposed development approvals process which seeks the lodgement of a detailed Stage 2 Development Application (DA) soon after the lodgement of this Justification Report.

1.2 Purpose of the Report

The report presents the Agreed Scheme for the site prepared by Johnson Pilton Walker Architects (JPW) and Tanner Architects. The Agreed Scheme arises from the preparation of a 'preferred concept' for the site developed in consultation with Council Officers and the site specific Heritage Committee (appointed by the CPSC) between June 2008 and March 2009.

This preferred concept was presented to the CPSC on 13 November 2008, which resolved that CFS would be open to lodge an LEP Amendment Request for the 'preferred concept' accompanied by a detailed Justification Report.

This scheme is the preferred design and heritage solution for the site, and is presented as the 'Agreed Scheme' in this report. This scheme forms the concept design on which the proposed amendments to SLEP 2005 and DCP 1996 are required. Section 3 provides a detailed description of the Agreed Scheme.

This report directly responds to the CSPC resolution of 13 November 2008, which outlined the matters for consideration to be detailed in an LEP Amendment Justification Report. The matters for consideration outlined in the 13 November 2008 CSPC report are addressed either in the following sections of this report or in the appendices to this report. For clarity, **Table 1** below lists these matters and provides a cross-reference for where they are discussed.

Table 1 – Matters for consideration from the November 2008 CSPC report

Matter for Consideration	Reference
a) Address in detail evaluation criteria outlined in NSW Planning Circular PS 06-015 using pro forma from NSW Planning Circular 06-005	Appendix A
b) Address in detail each reason raised in the relevant recommendation for refusal contained in the 26 June 2008 CSPC report	Appendix B
c) Demonstrate compliance with all design principles outlined in the 21 May 2008 Sydney City Council Design Panel report	Appendix C
d) Respond to all matters raised in Section 2(ii) of the 13 June 2008 Sydney City Council Design Panel report	Appendix B
e) Provide an analysis of planning controls that apply to the site and justification for their variation	Section 2.8, Section 2.9 and Section 6.1
f) Demonstrate that the proposal is in the public interest	Section 6.12
g) Explain the implications of not proceeding with the LEP amendment at this time	Section 6.11

Matter for Consideration	Reference
h) Provide an analysis of how the proposal would comply with any relevant aims and objectives contained in SLEP 2005	Appendix D
i) Demonstrate that the proposal is consistent with the Sustainable Sydney 2030 Vision and the City of Sydney Subregional Strategy	Section 6.1.1 & Section 6.1.2 and Appendix E
j) Include site details, location plan, surrounding land uses etc.	Section 2
k) Identify the opportunities and constraints of the site	Section 2.8 and Section 2.9
l) Provide an urban design analysis	Section 3.2 (JPW Urban Design Report under separate cover)
m) Identify the potential impacts of the amendment and the subsequent development of the site on the surrounding environment in terms of: - amenity issues, such as privacy and overshadowing - demand for infrastructure and utility services - compatibility with surrounding zoning and land use patterns - traffic conditions and parking generation - heritage impacts - economic and retail impacts - environmental impacts	Section 6 Section 6.4 and Section 6.7 Section 6.8 Section 2.3 and Section 6.1.6 also Appendix D Section 6.6 Section 6.2 Section 6.11 Section 6.9
n) Include a set of concept plans, with supporting written information, that indicates the nature and scale of the proposal. This will include: - proposed land uses - density or floor space ratio - building envelopes, layout of building blocks and built form design - details of car parking, access and traffic arrangements - initiatives to improve energy efficiency and water conservation	Section 3 and JPW drawings provided under separate cover.

The specific amendments to SLEP 2005 and DCP 1996 are detailed in Section 4 of this report.

1.3 The Process to Date

CFS has embarked on a lengthy process of discussions with Council and the CPSC to achieve an outcome on the site that meets the expectations of internal amenity, technological innovation and environmental sustainability, whilst revitalising and enhancing the heritage values of the site.

The principal aim of these discussions has been to broker support for rejuvenation of the site in a manner that achieves a solution that is 'inspired', results in an optimum heritage outcome and is commercially feasible. A brief history of the discussions to date is provided in **Table 2**.

Prior to the most recent CSPC resolution, CFS commissioned the preparation of two development schemes to assess the development potential of the site. The first of these was a scheme within the height limit allowable under SLEP 2005. This was submitted as a Stage 1 Development Application (DA) in April 2008. Council and the CSPC considered the scheme to be unacceptable on urban design and heritage grounds. Following the development of the Agreed Scheme as outlined below, the Stage 1 DA was withdrawn on 19 November 2008.

During the assessment of the Stage 1 DA, the CSPC appointed an independent Heritage Committee to identify design principles for alterations and additions to the existing building at 108-120 Pitt Street. The Committee's report of 21 May 2008 outlines eleven key design principles to protect and highlight the heritage architectural and urban design characteristics of the building and the Martin Place precinct.

In response to that report and following further discussions with Council, CFS appointed JPW Architects who were considered to possess the qualities and experience to prepare an appropriate design solution to meet the Council's design requirements.

The brief to JPW required them to address the report of the Heritage Committee and develop an appropriate design solution for the building acknowledging the overall Martin Place Precinct requirements.

During the development of an appropriate solution for the site JPW has:

- incorporated the design principles documented by the Heritage Committee into the Agreed Scheme;
- met with and discussed opportunities for the building with members of the Heritage Committee and Council's Heritage and Urban Design Unit;
- presented to the sub-committee of the CSPC and incorporated their feedback; and
- consulted with Council's Heritage Department and the Heritage Council of NSW.

Table 2 – Chronology of Council, CSPC and Heritage Council Discussions

Date	Event
3 March 2007	Briefing from CFS to Council officers - site history, project team, owner's objectives.
27 March 2007	Workshop with Council officers.
26 April 2007	Presentation to CSPC by CFS giving site conditions, background, opportunities.
14 June 2007	Site Visit by CSPC and Council Officers to site.
14 June 2007	Presentation to CSPC by Council Officers outlining the CFS proposal for a LEP conforming and LEP non conforming Design Competition.
13 September 2007	Presentation to CSPC including DVD of four LEP non-compliant ideas to stimulate debate and response.
29 November 2007	CFS advised CSPC of intention to proceed with Stage 1 DA for an LEP Compliant Solution.
January 2008	CSPC Heritage Committee convened to consider the planning and development options for the site.
February 2008	Tanner Architects Conservation Management Plan (Issue A) submitted to the City of Sydney and the Heritage Council of NSW.
April 2008	Stage 1 DA lodged for an LEP compliant scheme.
May 2008	Heritage and Urban Design Report prepared by the Independent Heritage Committee.
June 2008	CSPC defers consideration of the Stage 1 DA requiring that the proponent consult further with the CSPC sub-committee, the Heritage Committee, the Design Advisory Panel, Council's Heritage and Urban Design Unit and relevant City of Sydney Council Officers.
June-November 2008	CFS appoints JPW to prepare the Agreed Scheme for the site, developed in consultation with the CSPC appointed Heritage Committee.
August 2008	Tanner Architects Conservation Management Plan (Issue B) submitted to the City of Sydney and the Heritage Council of NSW.
November 2008	CSPC resolved that a planning report should be prepared by CFS that justifies amendments to SLEP 2005 to allow the proposed development to be permissible.
December 2008	Meeting with City of Sydney heritage officers to discuss the JPW Agreed Scheme and LEP Amendment Justification Report.
February 2008	Meeting with heritage officers to discuss amendments to the CMP.

Date	Event
March 2009	Further meeting / workshop with Council Officers.
March 2009	Conservation Management Plan (Issue C) submitted to the City of Sydney and the Heritage Council of NSW for endorsement.
April 2009	JPW Presentation to the Heritage Council.
April 2009	Heritage Council endorsement of the Tanner Architects Conservation Management Plan (Issue C).
May 2009	Further consultation with Council Officers regarding the submission of the Justification Report.

2.0 Site and Physical Context

2.1 Location and Legal Description

The site is located on the south-east corner of Martin Place and Pitt Street (refer **Figure 1** below). Rowe Street forms the southern boundary of the site. Vehicular access to the site is from Rowe Street. Pedestrian access is available from Martin Place and Pitt Street, and access by rail is readily available from the Martin Place and Wynyard train stations.

The site is legally described as Lot 120 in Deposited Plan 882436 and is known as 108-120 Pitt Street, Sydney.

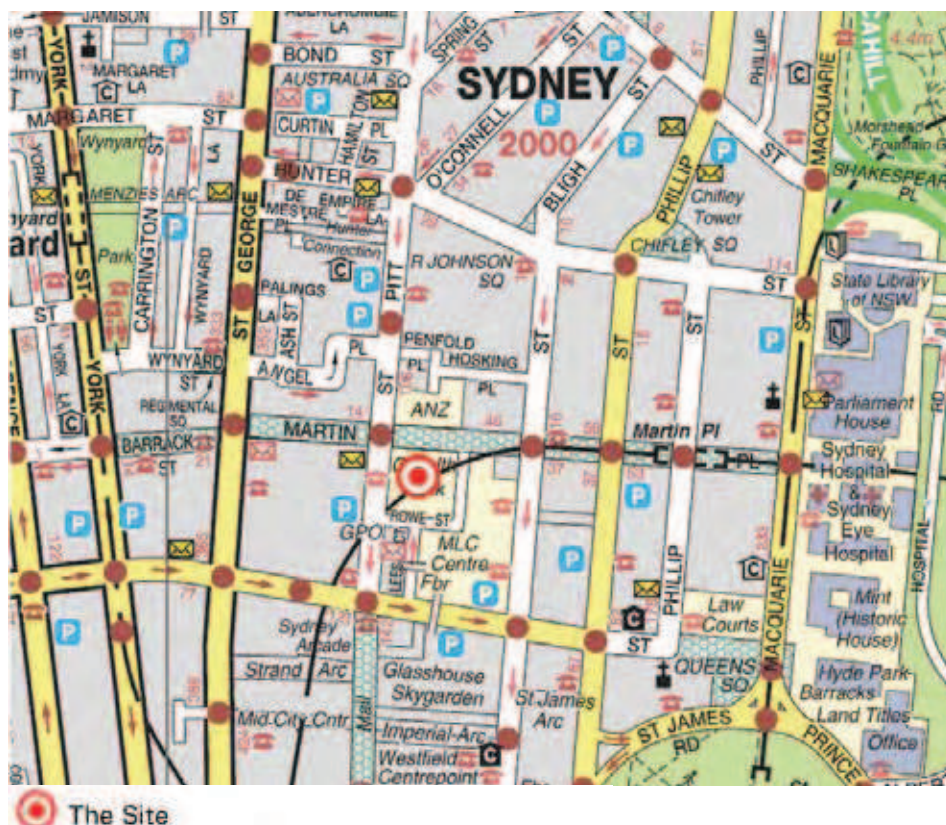


Figure 1 – Location Plan

2.2 Physical Description

The site has an area of 3,347m². It is generally rectangular with street frontages of approximately 56 metres along Pitt Street and 63 metres along Martin Place. Rowe Street is classified as a laneway under the Policy for the Management of Laneways in Central Sydney and therefore does not technically form a street frontage, although the building's length along this lane is approximately 51 metres.

The site slopes from its high point on the south east corner at RL 23.00 adjacent to the Rowe Street laneway, to the low point on the north western side at approximately RL 15.32 on the corner of Pitt Street and Martin Place. This represents a change in level of approximately 7.68 metres or approximately two storeys. The site has been substantially benched and modified to allow for the construction of the existing structures on site.

2.3 Adjoining Development and Site Context

Martin Place is a pedestrianised plaza running east-west through the centre of Sydney's CBD. It is recognised as one of Central Sydney's great public and commemorative spaces, as well as being a valued business location.

The site adjoins the MLC Centre building and forecourt to the east. The MLC building itself is significantly setback from Martin Place and offset from the 108-120 Pitt Street building. MLC represents a tower of impressive height in the Martin Place precinct. It is a State Heritage Registered item and on the Royal Australian Institute of Architects (RAIA) list of significant buildings of the 20th century. The MLC forecourt directly adjoins the site and provides one of the few areas of sunlit open space / seating within the Martin Place precinct, providing significant amenity benefits and interest in a streetscape dominated by built to boundary podium structures.

The GPO site is located to the west of the site on the opposite side of Pitt Street. This redeveloped heritage listed property is one of the best known examples of adaptive re-use and additions to a significant heritage building. The GPO makes a significant visual contribution to Martin Place. The property has been redeveloped and towers are located a minimum of 25m from the Martin Place frontage.

A number of significant banking buildings define the edges of Martin Place, although the presence of banking related uses has in recent years been in decline due to the demand for larger, better quality and environmentally sustainable floor space. The architecture varies considerably along Martin Place, particularly from Pitt Street towards the east where there is little uniformity in built form.

A number of significant heritage buildings are located in close proximity to the site. The context of the site is shown in **Figure 2** and **Figure 3**.



Figure 2 – Site context with the existing building on the site highlighted in red

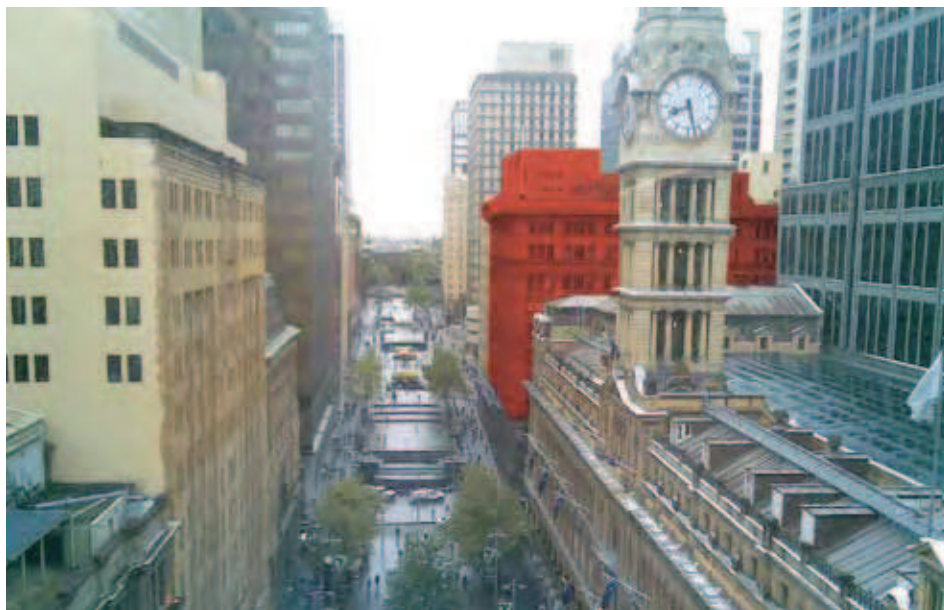


Figure 3 – Martin Place context looking east (building highlighted in red)

The current planning controls under SLEP 2005 and DCP 1996 seek to ensure that new development responds to the predominant character of Martin Place by way of height, massing, architecture and materials selection. Martin Place is predominantly characterised by lower scale older buildings of a robust masonry style built to the boundary. The majority of these buildings are also of heritage significance. The planning controls also emphasise the importance of protecting solar access to Martin Place and improving the amenity of the public domain.

There are, however, a number of existing tower buildings in Martin Place that do not comply with the current planning controls including for building heights, setback and street wall height (**Figure 4** and **Figure 5**). High rise towers to the north, west and east of the site along Martin Place include the MLC Centre at 228 metres, the Colonial Mutual Life Building at 88 metres, the ANZ Bank building at 85 metres, the GPO at 120 metres, the Westpac building at 119 metres, the Reserve Bank building at 82 metres and the Colonial State Bank building at 147 metres.



Figure 4 – Height context of surrounding buildings

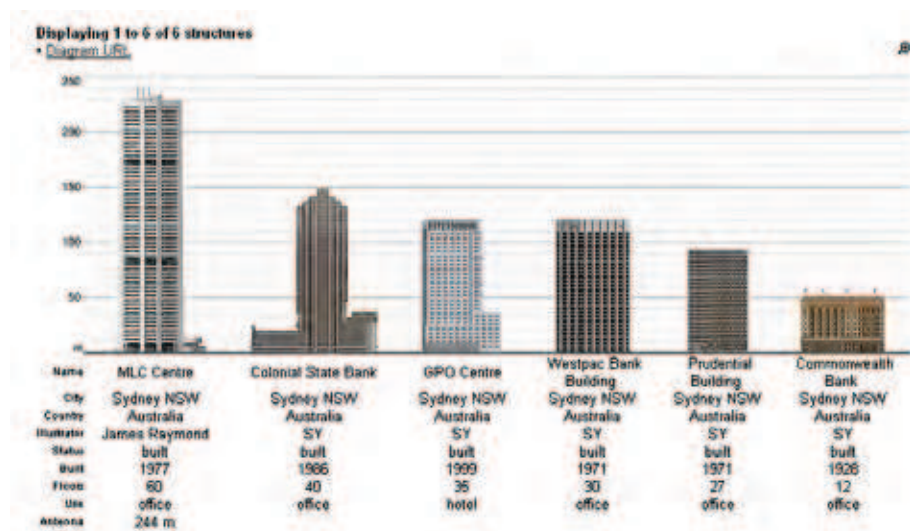


Figure 5 – Martin Place building typology
Source: skyscraperpage.com

2.4 Existing Building

Existing development on the site is shown in **Figures 6, 7 and 8**.

The site comprises the former head office of the Commonwealth Bank of Australia. There is a 10 storey building fronting Martin Place and Pitt Street (known as the 1913-1916 “Money Box”) with a 12 storey addition to the east of the original building and fronting Martin Place (known as the 1968 addition) (refer to the site context photographs – in particular **Figure 8**). The 12 storey component (including plant room fronting Martin Place) currently breaches the SLEP 2005 height limit from Martin Place and impacts views from Martin Place.

The building, used mainly for commercial office uses, is probably one of the most well known symbols of banking in Australia due to the active marketing of the building in the past as the Commonwealth Bank’s ‘Money Box’.

The building is a key element in the streetscape and spatial quality of the western portion of the Martin Place precinct and represents an excellent example of the Commercial Palazzo style executed in the Federation and Inter-war period. The building is listed as a heritage item within the SLEP 2005 and is also listed on the Register of the National Estate. The building is not listed on the State Heritage Register.

Existing pedestrian access arrangements on the site comprises a main entry off Pitt Street and a small entry off Martin Place. Vehicle access is off Rowe Street. The site currently contains 25 car parking spaces within Basement Level 1.

The existing building current has a Floor Space Area (FSA) of 27,180m², which represents a Floor Space Ratio (FSR) of FSR 8.1:1². The existing height of the Martin Place parapet of the heritage building is 47.2 metres (RL 64.2)³. Existing plant room space fronting Martin Place, currently exceeds this height (RL74.3 or 57.3 metres).

² Derived from Council file search of previous development applications on the site. The 1993 CBA Refurbishment Z92-00118 Section 102 Modification and 1999 CBA Refurbishment Combined DA/CC J199-00005 refer to an FSR of 8:1.

³ **Building height** within the meaning of SLEP 2005 for buildings with two street frontages (that forms a street corner), is the horizontal plane at the average of the heights of ground level at each end of the higher or highest street frontage of the building (i.e Martin Place).



Figure 6 – North-west corner, looking south along Pitt Street best showing the 1916-1933 component of the building and the 1968 extension

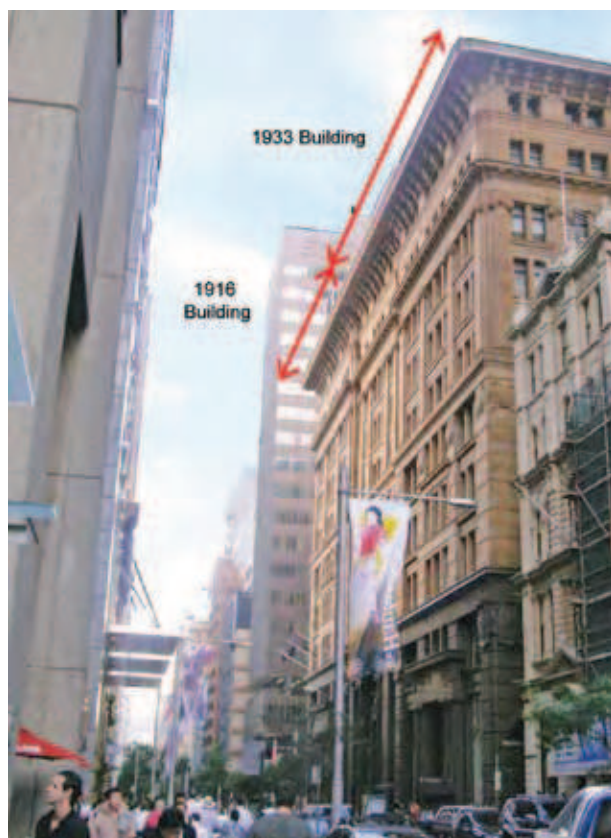


Figure 7 – South-west corner, looking north along Pitt Street (before Agreed Scheme)



Figure 8 – North-east alignment of the building illustrating the context of the buildings on the site and the 3 storey plant room fronting Martin Place

2.5 Heritage

The site is listed as a heritage item within Schedule 8 of SLEP 2005 (**Figure 9**). It also fronts the identified heritage streetscapes of Pitt Street, Martin Place and Rowe Street (**Figure 10**). Rowe Street is also listed as a heritage “townscape / landscape element” within Schedule 8 of SLEP 2005.

It is noted that a number of SLEP 2005 and Stage Heritage Register listed heritage buildings are located in close proximity to the site. Martin Place itself is classified as an Urban Conservation Area under the Register of the National Estate⁴.

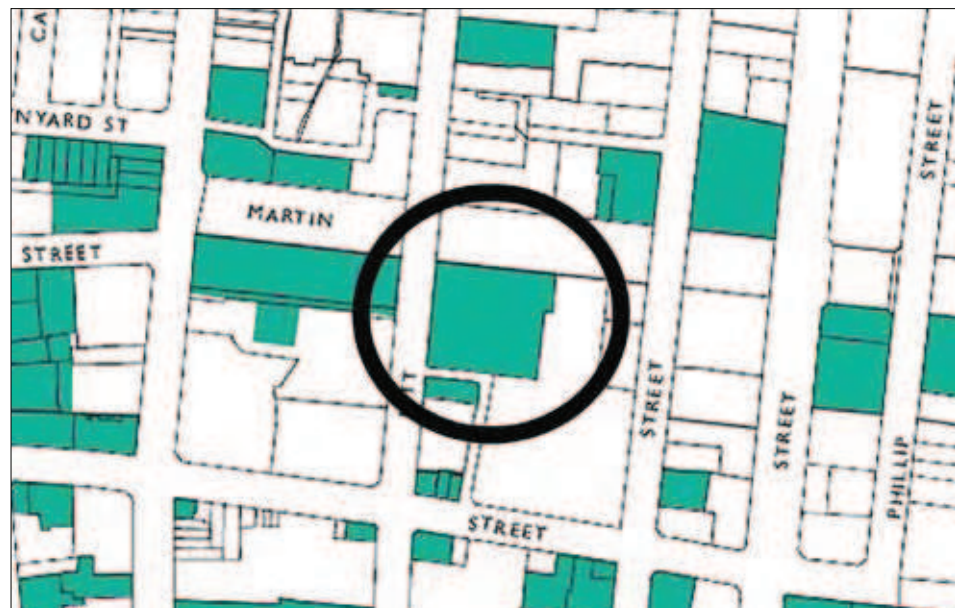


Figure 9 – Heritage Items (SLEP 2005)

⁴ Generally the whole of Martin Place and the buildings fronting it, together with buildings and streetscape in George and Macquarie Street at each end of Martin Place.



Figure 10 – Heritage Streetscapes (SLEP 2005)

2.6 CMP and Key Development History

The history of the building is outlined in detail in the latest version of the Conservation Management Plan (CMP) prepared by Tanner Architects and submitted to Council and the Heritage Office in March 2009. The CMP (Issue C):

- provides a comprehensive understanding of the cultural significance of the building and site;
- examines the heritage parameters to be considered for any future work to ensure the conservation of the significance of the building and the site; and
- formulates specific policies to guide the conservation of the significance of the building and the site into the future.

The Conservation Management Plan (CMP) received endorsement from the Heritage Council by correspondence dated 30 April 2009 (**Appendix F**).

The general configuration of the building, with the major phases of its development, is indicated in the diagram below (**Figure 11**).

In 1990 (Z89/00192) a DA was approved for the retention of the facades of the building, the complete reworking of interiors and the addition of a 34 storey tower above the existing building. This development was not commenced and consent has lapsed.

Conservation and restoration works have been carried out on the building during the 1980s and 1990s. This also included the infill of historical light wells within the building to increase floor space.

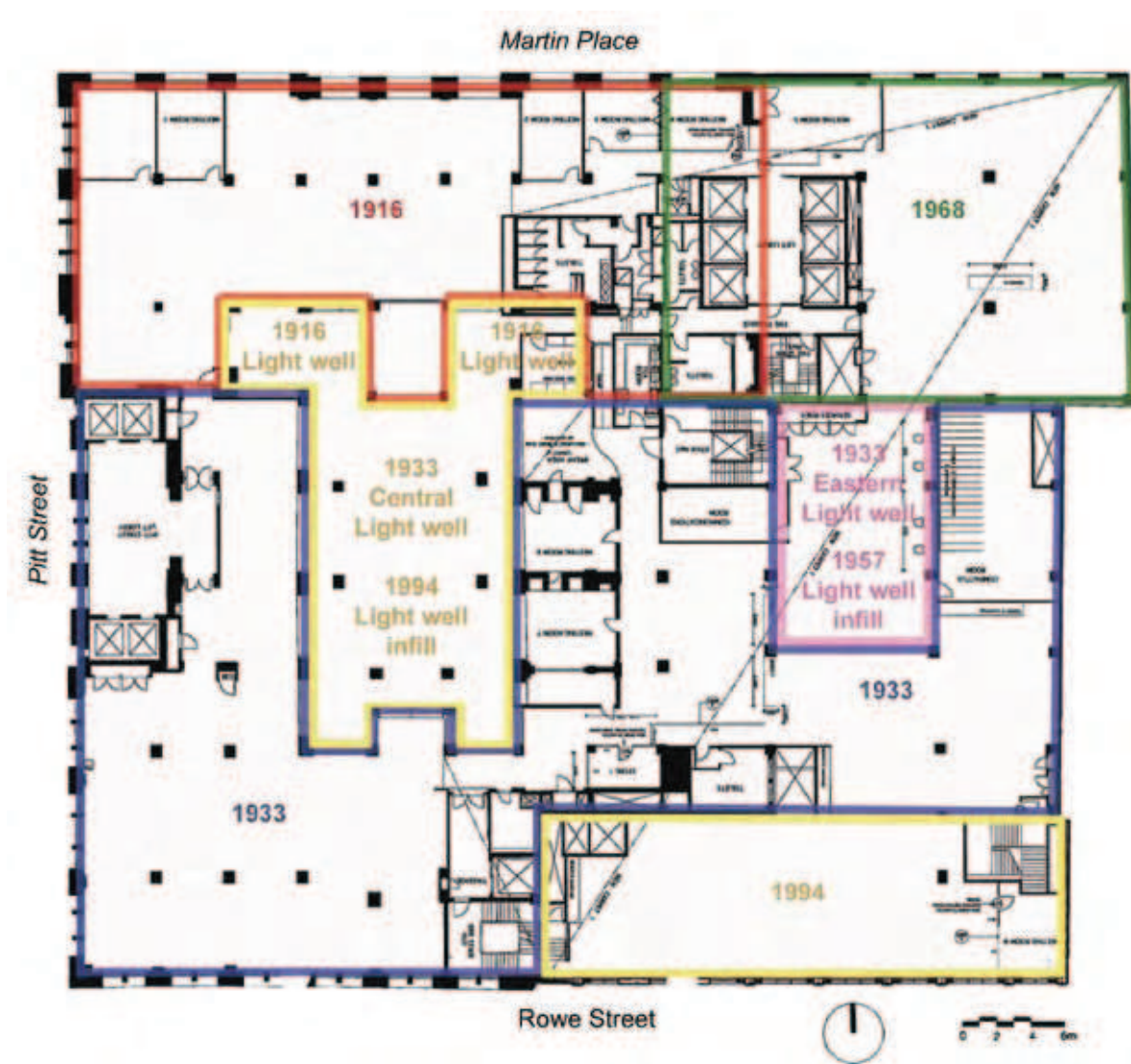


Figure 11 – First Floor Plan of the site showing the major phases of development
(Source: Tanner Architects 2008)

2.7 Current Building Use

The building is managed by CFS and is currently leased by the Commonwealth Bank of Australia (CBA) under two lease agreements. The CBA uses the building as a Banking Chamber on the Ground Floor, vaults in the Basements and offices on the upper floors. It conducts the full range of banking business from the building.

The leases within the building expire from mid 2010 to mid 2011. The CBA has advised CFS that renewal of its leases will not be sought because the office space within the building no longer provides the required quality and amenity, primarily because the functionality and environmental quality of the space does not meet the accommodation needs of their staff.

The building is the most important building managed by CFS in Sydney. However, it is a large building of unwieldy footprint with poor internal circulation, low ceilings and limited access to natural light. It will be vacant by 2011 and is unlikely to attract new leases unless its internal amenity is improved relative to other competing properties including new developments in the CBD.

Over time the building has become increasingly dysfunctional and marginal by contemporary office standards. The ongoing refurbishment and evolution of development on the site has resulted in a building:

- with poor circulation and inefficient floor plate, given the depth of the floor plate and the large distances to natural light;
- that lacks any form of current technological innovation or sustainability credentials, achieving a NABERS Energy and Water ratings of approximately 2.0;
- with a small entry to Martin Place and a neglected main entry on Pitt Street, resulting in the confusion of entry points to the building;
- a compromised natural light and outlook and low level of internal amenity, with no windows in the eastern façade and limited windows in the other facades, particularly to the south; and
- low and varying ceiling heights.

2.8 Key Planning Instruments and Controls

2.8.1 Sydney Local Environmental Plan (LEP) 2005 Controls

Building Height

The maximum height permitted on much of the site is 55m (approximately three quarters of the site), except for the south-east corner of the site, which is affected by the Hyde Park West Sun Access Plane (see **Figure 12**).

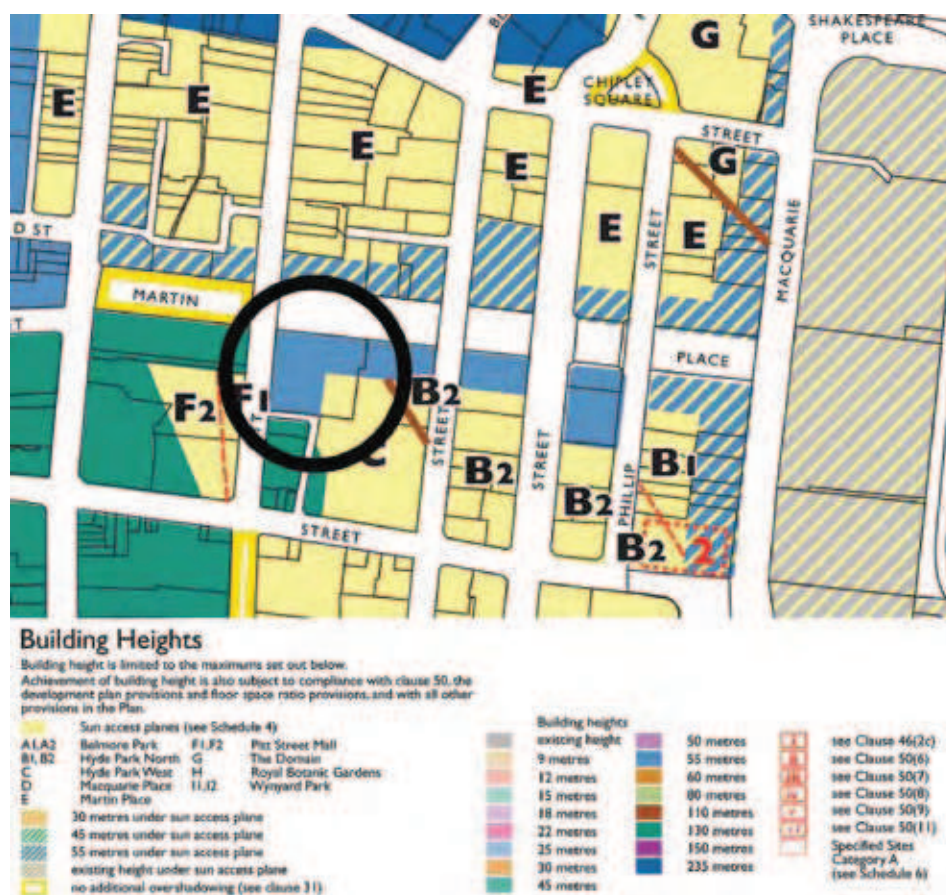


Figure 12 – Maximum height map (SLEP 2005)

Sun Access Plane

A portion of the site in the south eastern corner is affected by the Hyde Park West Sun Access Plane (**Figure 13**). This limits the height of buildings within this part of the site to a maximum height of between approximately 145m and 160m.



Figure 13 – Hyde Park West Sun Access Plane (Schedule 2, SLEP 2005)

Pitt Street Mall - No Additional Overshadowing

Development is prohibited if it results in a building that causes overshadowing of the Pitt Street Mall, in addition to that existing at 27 December 1996, between the nominated times and criteria in the table accompanying Clause 49 of SLEP 2005. From this table, no additional shading of Pitt Street Mall is permitted in addition to that existing at 27 December 1996 and beyond the shadow that would be cast by a 20 metre high street wall on the eastern and western alignments of the Mall between 10am and 2pm from 14 April to 31 August.

2.8.2 Central Sydney Development Control Plan 1006 (DCP 1996)

Setbacks

Above the maximum street wall height the building setback from Martin Place is to be a weighted average of 25m for a portion of the site's Martin Place frontage. For the remaining portion of the frontage the setback from Martin Place extends into the site all the way to the Rowe Street boundary (this can alternatively be read as providing an approximate setback from Pitt Street of 35m) (**Figure 14**).

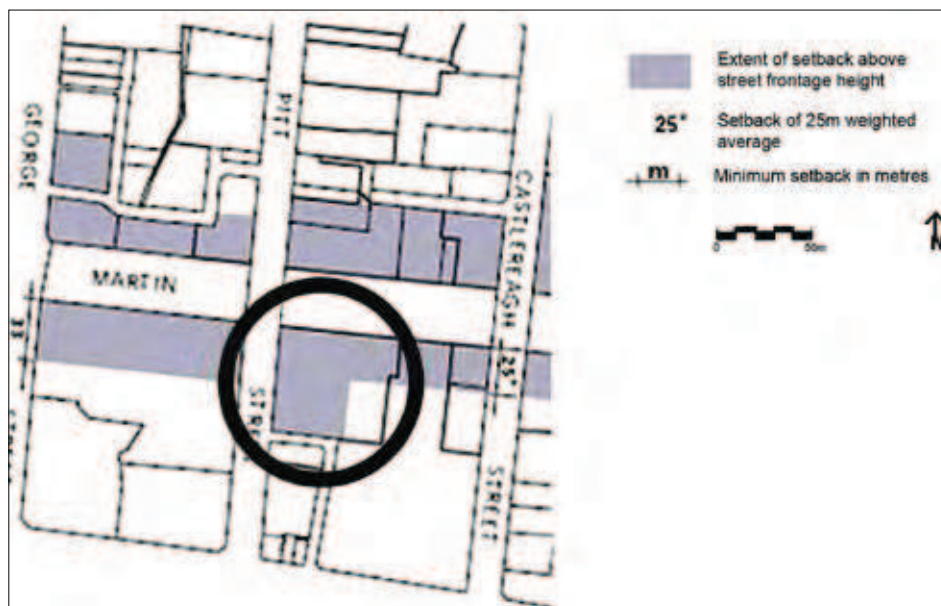


Figure 14 – DCP 1996 Setback controls

The controls for setback above the street wall height generally coincides with the boundary of the 55m height limit in the LEP.

2.8.3 Key Planning Controls Impacting Development

In essence, there are three key envelope controls that impact development of the site, being:

- the maximum height of 55m for the main portion (approximately 75%) of the site fronting Martin Place and Pitt Street (Figure 12);
- the Hyde Park Sun Access Plane affecting the south east corner of the site (Figure 13);
- the requirement for there to be no additional overshadowing on Pitt Street Mall within the times nominated above; and
- The DCP setbacks from Martin Place and Pitt Street, which control any development above street wall height and also apply / align with the area affected by the SLEP 2005, 55 metre height limit (Figure 14).

2.9 Summary of Site Constraints and Opportunities

The primary planning controls that apply to the site are those established by Sydney Local Environmental Plan 2005 (SLEP 2005) and Central Sydney Development Control Plan 1996 (DCP 1996). The controls contained within SLEP 2005 and DCP 1996 impose a number of significant constraints on the development in terms of building height and setbacks, above the street wall on Pitt Street and Martin Place.

At the same time, redevelopment of the site provides a number of opportunities with respect to enhancing the existing heritage building, the public domain, the Martin Place Precinct, and improving the environmental sustainability of the building. The main planning constraints and opportunities identified for the development are identified in the following sections.

2.9.1 Constraints Imposed by Existing Planning Controls

Whilst the site is affected by a solar access plane for Pitt Street Mall, the majority of the site (approximately 75%) is prescribed by the 55 metre height limit in SLEP 2005.

The 55 metre height limit is currently breached by the existing 3-storey high plant room at the north east corner of the site and prevents any vertical expansion to the extent that a contemporary and practicable commercial floor plate in any form of sympathetic addition is not viable.

The DCP 1996 setback above street wall height (25 metre weighted average for a portion of the Martin Place frontage and setback all the way to the Rowe Street boundary for the remaining portion of the Martin Place frontage) provide a significantly more onerous requirement on the site, preventing development of a sizeable portion of the site where SLEP 2005 allows extra height (to 55 metres).

2.9.2 Opportunities Facilitated by Redevelopment of the Site

The Agreed Scheme provides a number of opportunities with respect to enhancing the existing heritage building, the public domain, the Martin Place Precinct, and improving the environmental sustainability of the building, including:

Heritage

- provide an exemplar of sustainable design and rejuvenation within a heritage building;
- reinstate significant original heritage features of the building through the removal of subsequent intrusive works (including ceilings);
- remove intrusive elements on the streetscape (i.e. rooftop plant rooms);
- opening up the central lightwell and eastern lightwell;
- provide an improved level of interpretation and respect for the heritage values of the original building; and
- provide a means to improve public access to and appreciation of a building that is a significant part of Australia's history.

Martin Place Precinct

The CBD Local Action Plan identifies Martin Place as a pivotal space within the CBD and seeks to enhance its character and role within the life of the City of Sydney. The impending vacancy of the total premises by CBA from mid 2010 provides a significant opportunity for a 'new era' to reinstate the site as one of significance in the Martin Place Precinct and improve the urban design attributes of the building and Martin Place.

Ground Plane and Laneway Activation

The site has multiple frontages which offer an opportunity to activate the ground plane and make a real contribution to the public domain. The development provides the opportunity to enhance pedestrian amenity and activation of these frontages (in particular Rowe Street), expressly in accordance with Council's desire for the reactivation of lanes. The opportunity of activating the connection from Martin Place to Rowe Street is realised through the proposed through site link.

Sustainability and Internal Amenity

Through environmental stewardship and design innovation, the site presents an opportunity to demonstrate how existing buildings (especially those with a heritage component) can play a significant role in contributing to a sustainable city.

Objective 2.3 of the City of Sydney Strategic Plan for Sustainable Sydney 2030 recognises the critical requirement to encourage improvements in the environmental performance of existing buildings.

The Green Building Council of Australia has recognised the importance of applying sustainability initiatives to existing buildings and estimates that they account for approximately 95% of commercial office space. Whilst there are a number of examples of superior sustainability initiatives in new buildings within the CBD, they represent a minor proportion of CBD commercial stock. The opportunities to renew existing buildings will provide the real challenge to ensure the majority of commercial properties address both environmental challenges and market demand for “smarter” buildings.

The renewal of the site has the potential to be a new benchmark and example for the sustainable adaptation and renewal of a key heritage CBD building. Integral to its commercial sustainability, is the need to significantly improve the internal workplace amenity with better natural light, outlook and ventilation. It provides an opportunity to revitalise and renew a heritage building - leading to exemplar heritage and ESD benefits for the CBD as a whole.

Avoidance of Building Redundancy

The existing tenant is vacating the building from mid 2010. The building is under current standards and is now classified as B or even C Grade office space with substandard energy efficiency performance. As such it is severely limited in attracting long term commercial tenants commensurate with the historic reputation of Martin Place as a centre of commercial activity within the Sydney CBD. The building, if only undergoing a minor refurbishment would not assist in the rejuvenation of Martin Place as a long term central business precinct.

To avoid the building becoming redundant, a significant upgrade of services, indoor environment quality and base building amenity is required. A minor refurbishment would not provide the opportunity to partially restore the central atrium throughout the existing heritage building given the floor space this would eliminate. Also the opportunity to remove the existing 3 storey plant room on the roof of the 1968 building would not be provided by a minor refurbishment.

The Agreed Scheme will bring the building back to premium office standards and its original function ('state of the art' office space) and therefore future-proof the building from commercial redundancy. It will provide better access to natural light, clear floor spans and ESD performance demanded by modern day tenants.

To support the reuse of existing buildings the design of building upgrades needs to be comparable to newer developments in the CBD including current indoor environment and energy efficiency standards. Whilst the current economic climate is witnessing a slowdown in the demand for commercial space in the CBD, good strategic planning should not just work on short term economic cycles but recognise it is important to future-proof the building now. The market likely to emerge in the upturn will witness a demand for quality space to meet the needs of staff, and the continued trend for a shift of tenants to the CBD periphery (e.g. Barangaroo, Darling Walk) or towards suburban office parks.

Overall, this strategy seeks to avoid commercial redundancy of the building and market decline, which is within the social and economic interests of the City, whilst unlocking the heritage potential of the site.

3.0 The Agreed Scheme

3.1 Redevelopment Objectives

Commercial Objectives

In accordance with the preceding site opportunities and constraints, CFS has identified the need to revitalise and redevelop the building to:

- maintain the ongoing commercial relevance of this key heritage building and the wider Martin Place precinct;
- comply with the requirements of the Property Council of Australia (PCA) "A Grade" level;
- attract and retain quality tenants commensurate with CFS's overall asset portfolio and positioning as well as befits the status of the building and its location in the geographic heart of Sydney CBD;
- ensure commercial space responds to shifts in workplace needs brought about by technological and social change;
- satisfy current and future market needs and expectations for internal amenity, technological innovation and environmental sustainability;
- maximise the benefits of original heritage features of the building in improving indoor environment quality and occupant amenity;
- ensure base building and tenant outgoing are minimised through energy initiatives wherever possible, commensurate with CFS's environmental objectives and to reduce recurrent building costs for landlord and tenants; and
- ensure the building is sustainable both environmentally and commercially into the next phase of its lifecycle, enabling the building to be rented at commercially viable returns to ensure the asset's long term viability.

ESD Objectives

The ESD objectives are to:

- provide an example of the revitalisation of an existing heritage building to achieve current day environmental standards including energy efficiency and indoor environment quality;
- achieve a 5 star NABERS base-building Energy and minimum 4 star NABERS Water ratings;
- achieve a minimum 5 star Green Star Office Base-Building Design rating, in accordance with the Green Building Council of Australia's (GBCA) requirements; and
- incorporate design features into the overall concept to allow for the retrofitting of additional ESD design initiatives, so as not to prohibit the buildings environmental rating being further improved with associated reductions in the buildings carbon footprint over the long term in response to new technologies and changing tenant conditions.

3.2 Heritage and Urban Design Objectives

A detailed Urban Design Report prepared by JPW Architects and a Heritage Impact Statement (HIS) prepared by Tanner Architects are provided under separate cover. These documents address the requirements of the CSPC resolution of the 13 November 2008. In brief, JPW and Tanner's Heritage and Urban Design Objectives for the proposal are to:

- to ensure the development is guided by an understanding of and respect for the cultural significance of the building and is guided by the recommendations of the endorsed CMP (Tanner Architects Issue C);
- retain, conserve and enhance the significant envelope and significant components (facades and interiors) of the 1916-33 building;
- respect and enhance the relationship of the 1916-33 building with Martin Place, Pitt Street and Rowe Street;
- provide an activated street frontage and maintain the existing entries in the 1916-33 building as primary access to the building;
- enhance heritage values of the 1916-1933 building and regain the "lost" qualities of the interiors, including acknowledging the interpretation / reactivation of the central 1933 light-well;
- provision of sufficient setbacks to allow appreciation of the significant facades and envelope, ensuring that the building retains its sense of solidity and will not be an intrusive element on the heritage streetscape;
- remove those elements considered to be intrusive to the significance of its streetscape contribution to Martin Place and Rowe Street including:
 - blank wall to the 1933 and 1968 portions of the building facing MLC Centre;
 - lift motor rooms to 1968 extension;
 - 1994 Rowe Street extension; and
 - internal planning of 1968 extension and modified portions of 1933 extension.
- replace the modified eastern part of 1933 addition, the 1968 Martin Place extension and the 1994 Rowe Street extension with a new consolidated extension which:
 - retains, conserves, respects and enhances the 1916-33 façades to Martin Place, Pitt Street and Rowe Street as the primary envelope of the "Money Box";
 - complements the style, form, proportions, materials and colours of the 1916-33 facades of the building;
 - allows the significant spaces and elements of the 1916-33 building to regain their hierarchical relationship with the building;
 - reactivates the internal functioning and amenity of whole building;
 - provides adequate access to natural light and ventilation to the interiors of the building;
 - activates the connection with Pitt Street, Martin Place and Rowe Street;
 - responds to the SLEP 2005 objectives of the Martin Place Special Area;
 - responds to the City of Sydney's Laneway Management Policy for Rowe Street by providing architectural articulation and street frontage activation;
 - considers the potential of the adjacent MLC Centre Opportunity Site;
 - provides a suitable setting to the existing MLC Centre plaza; and

- maintains the datum established by the parapet of the existing 1916-1933 bank building by removing the existing intrusive 3 storey roof level plant rooms, which currently do not comply with the LEP height limit and provide a negative visual impact to Martin Place.
- extend the building above the parapet line with new construction which:
 - acknowledges the special significance of the original 1916 building form as the inspiration for the famous “Money Box” by setting the new building back from the original 1916 envelope ensuring that the “Money Box” form remains legible and dominant in all views;
 - continues the tradition set by John Kirkpatrick by upgrading the building to Australian Excellence in respect of Environmentally Sustainable Design standards;
 - has an appropriate height and sufficient setback so that the 1916-33 building retains its sense of solidity and to allow appreciation of the significant 1916-33 facades and form;
 - protects the views of the GPO clock tower from the public domain and does not compromise views of heritage buildings from the Cenotaph;
 - will not be visible from the immediate public domain adjacent to the building in Martin Place and Pitt Street;
 - conserves the existing steel structural system within the significant portions of the 1916-33 building;
 - does not require additional structural support through the significant spaces of the building.
 - does not adversely impact on the existing daylight access to MLC Forecourt; and
 - casts no additional shadow on Pitt Street Mall or Hyde Park West.
- facilitate the sustainable future of the existing building by generating sufficient financial resources for ongoing conservation works;
- accommodate a tenant of quality commensurate with the heritage status of the building;
- set a new benchmark for sustainable redevelopment of a significant heritage building;
- provide a network of safe, suitable universal access to the building and additional pedestrian links through the site;
- encourage public access to all of ground floor, basement vault areas and occasionally other significant public spaces such as the Ballroom;
- activate Rowe Street as a pedestrian space by encouraging retail and minimising intrusive elements such as the loading dock; and
- co-ordinate future planning with adjacent building owners to rationalise parking, deliveries and improve pedestrian circulation.

3.3 Description of the Concept and Heritage Works

The context and retention of the existing heritage components has framed how the building is planned. The concept design for site has been prepared by JPW and Tanner Architects and comprises:

- retention, conservation and enhancement of the significant envelope, facade and heritage fabric of the 1916-1933 building known as the “The Money Box”;
- demolition of the eastern part of 1933 addition, the 1968 Martin Place extension and the 1994 Rowe Street extension;
- construction of a high quality commercial extension to the 1916-1933 heritage components together with a commercial office extension in the southern part of the site which will rise 8 storeys above the roof of the existing heritage building and allow the demolition of the existing 3-storey high plant room fronting Martin Place, which has an adverse impact on the heritage values of the property;
- conservation and activation of the existing heritage building integrated with the new building works to provide a contemporary and functional commercial office building. Ground level retail uses and a through site link between Martin Place and Rowe Street will be provided.

3.3.1 Key Heritage Features of the Proposal

The Agreed Scheme aligns with the Conservation Management Plan (CMP) developed by Tanner Architects. Specific works consistent with the CMP include:

- retention of the entire 1916-1933 heritage façade in unaltered form;
- removal of elements considered to be intrusive to the significance of the building’s streetscape contribution to Martin Place and Rowe Street, e.g. blank wall to 1933 and 1968 portions of the building facing MLC Centre, lift motor rooms to 1968 extension, 1994 Rowe Street extension, internal planning of 1968 extension and modified portions of 1933 extension;
- replacement of the modified eastern part of 1933 addition, the 1968 Martin Place extension and the 1994 Rowe Street extension with a new consolidated extension which:
 - respects and enhances the 1916-33 façades to Martin Place, Pitt Street and Rowe Street as the primary envelope of the “Money Box”;
 - activates the connection with Pitt Street, Martin Place and Rowe Street; and
 - Allows the removal of the existing 3-storey high plant room which detracts from the properties heritage value.
- reactivation of the internal function and amenity of the 1916-33 building including conservation and upgrade of the heritage ballroom on Level 9, restoration of the Banking Chamber and conservation / continued use of the Safety Deposit Vault;
- re-establishment of the 1933 light-well in its entirety including highlighting this feature for heritage significance. The current concept also provides a major internal light-well within the rebuilt 1968 building. These lightwells also provide substantial ESD benefits in addition to the heritage recovery and highlighting;
- conservation of the existing steel structural system within the significant portions of the 1916-33 building and does not require additional structural support through the significant spaces of the building with the new building rising from the south-east corner and cantilevering over the 1933 building;

- rejuvenation of the interiors of the 1916-1933 building to their original form including the original raised ceilings, original levels of natural lighting and exposing heritage features currently covered by subsequent fit-outs; and
- ensuring that Martin Place view corridors are improved through removal of the plant room on Level 10 of the existing building and ensuring that the additional floor space is distinct in form from the heritage building and not within view corridors from primary locations within Martin Place.

Detailed Heritage Design details are provided as an attachment to the Heritage Impact Statement provided with the Justification Report.

3.3.2 Built Form

Building Envelope

The Agreed Scheme envelope is determined by:

- the envelope of the existing building which consists of the heritage 1916 building, the 1933 extension and the extent of the 1968 building on the eastern boundary;
- the Hyde Park West sun access plane and the requirement for no additional overshadowing of Pitt Street Mall as per clauses 48 and 49 of SLEP 2005; and
- the recommendations of the Heritage Committee (Stage 1 DA Advice (13 June 2008) that any extension of the building on the south-east corner should not be readily visible from the Public Domain save Rowe Street which is determined by both static (sections and perspectives) and dynamic (animations) sightline studies undertaken by JPW.

Figure 15 depicts the proposed envelope when viewed from Martin Place and includes a comparison with the permissible height limit allowable under the sun access plane and the existing building envelope comparison.

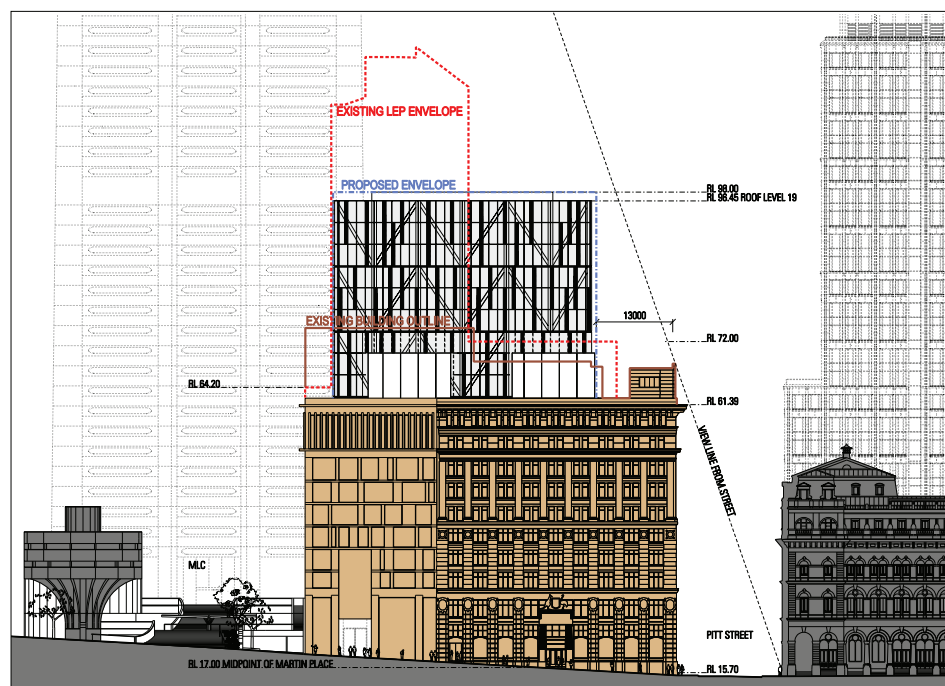


Figure 15 – Agreed Scheme envelope viewed from Martin Place (with existing building and LEP compliant comparison)

Height

The height of the Agreed Scheme is RL98 (81 metres). The maximum RL does not cause any additional overshadowing of Pitt Street Mall as per Clause 49 of SLEP 2005.

With a proposed height of approximately 81 metres, the Agreed Scheme does not comply with the 55 metre height limit prescribed in SLEP 2005 over an area of approximately 20% of the site.

Setbacks

The Agreed Scheme setbacks are:

- 25 metres from Martin Place to the main building line (except for minor intrusion of the glass skylights into this setback);
- 13 metres from Pitt Street; and
- Nil setback (with windows) on the eastern elevation (fronting the MLC forecourt); and
- Nil setback for the building addition to Rowe Street (southern elevation).

The setbacks from Martin Place and Pitt Street have been determined by sightline studies taken from the furthest possible extent / edge on Martin Place and Pitt Street respectively which would be along the edge of ANZ Bank (No.20 Martin Place) for the former and the edge of the GPO on the footpath for the latter.

One of the urban design objectives is to acknowledge the special significance of the original 1916 building form as the inspiration for the famous “Money Box” by setting the new building back from the original 1916 envelope ensuring that the “Money Box” form remains legible. **Figure 16** depicts the Agreed Scheme and shows how the envelope preserves the legibility of the 1916 building as inspiration for the “Money Box”.

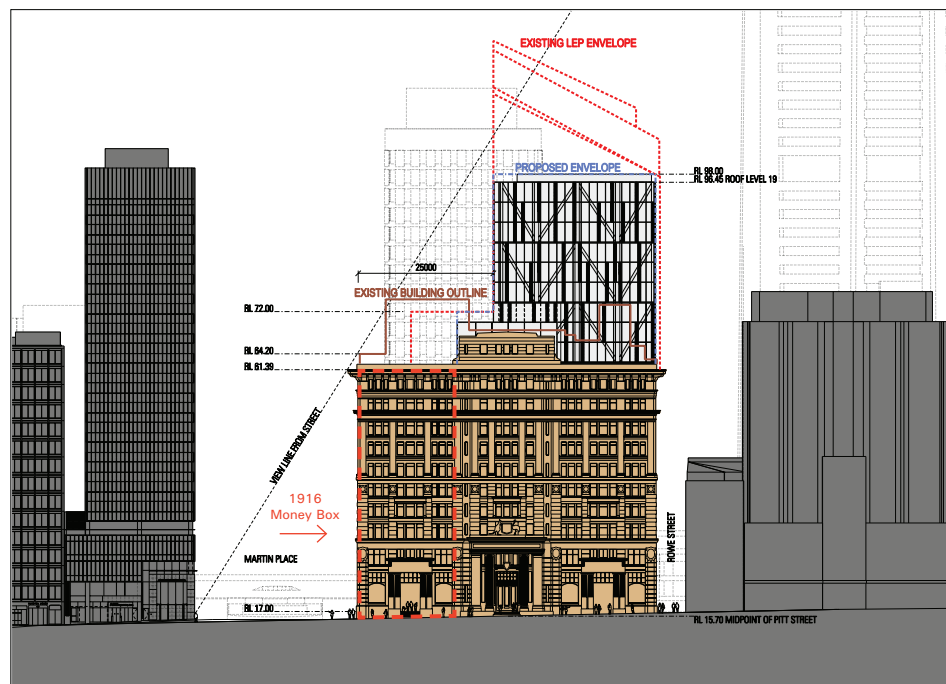


Figure 16 – Pitt Street (west elevation) showing the Agreed Scheme (with existing building and LEP compliant comparison)

Floor Space Ratio

The existing FSA of the existing building is 27,180m². The proposed FSA with the proposed additions is 38,992.55m², which represents an FSR of 11.65:1.

Clause 71 of SLEP 2005 specifies that the maximum floor space ratio (FSR) for a heritage building is the FSR of the item on the date that the LEP commenced. A higher FSR may be achieved subject to compliance with heritage provisions. It is considered that on the basis of the significant heritage benefits outlined in this report that such heritage provisions will be met. This aspect is further discussed at Section 6.2 (Heritage Conservation).

3.3.3 Ground Plane and Public Domain

The Agreed Scheme includes the following improvements to the public domain and ground plane (also shown in **Figure 17**):

- activation of the building frontages with retail uses and commercial lobbies on ground floor, including better access to the heritage spaces of the building by members of the public;
- provision of a public space in the form of a through site link including heritage interpretation space and potential gallery / public art space (**Figure 18**);
- providing a network of safe, suitable universal access to the building;
- potential of providing a sun lit cafe / meeting space on the north east corner to not only provide additional public amenity but also to draw public activity from MLC Plaza into the through-site link;
- retaining all existing Pitt Street and Martin Place entries to the Banking Chamber as access to retail. Also providing the opportunity for further retail frontage on Rowe Street and the through-site link to activate the streetscape particularly on Rowe Street; and
- providing architectural articulation and street frontage activation along Rowe Street, whilst minimising the visual presence of the loading dock.

The detailed design of the public domain improvements will form part of the future DA.

Public Art

A detailed strategy for Public Art will be developed as part of the DA process with the applicant to engage in an appropriate process for the removal and reinstatement of existing artwork and the selection, procurement and installation of new artwork.

Public Artwork will be provided to the entrance lobby and public areas as an integrated part of the design and will form an integral part of the public Historic Gallery space.

The Public Art design shall consider the inclusion of sculpture/s or other art of an Australian content with reference to the building's context and history.

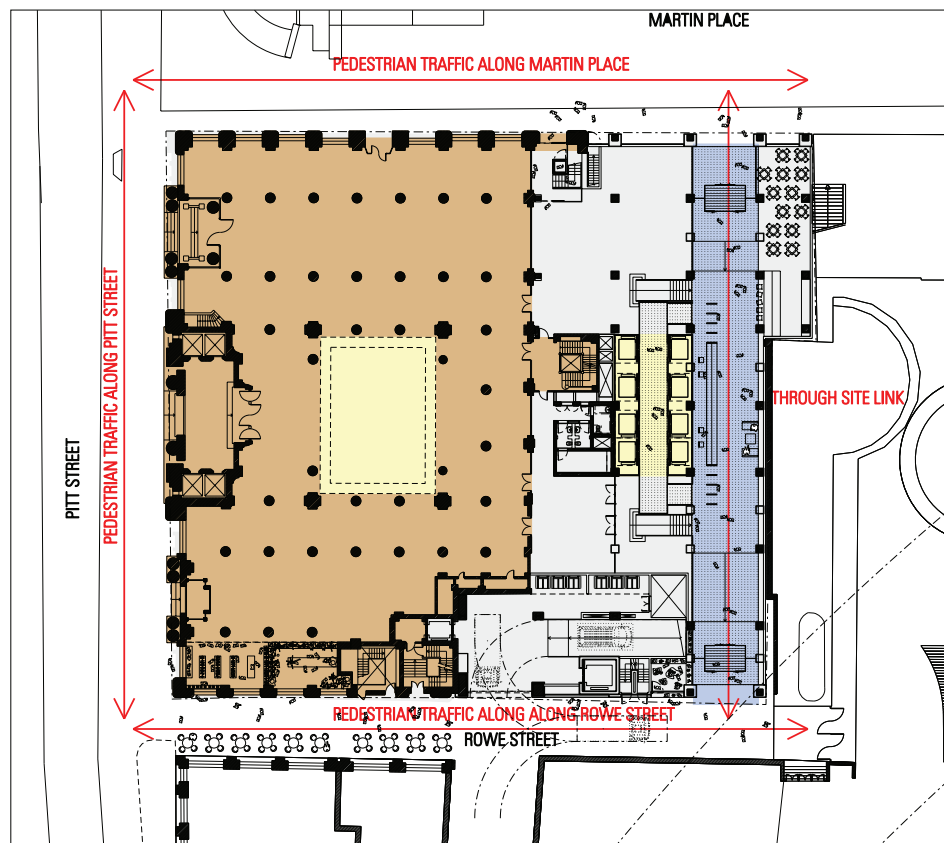


Figure 17 – Pedestrian flows through and around the site



Figure 18 – Artist's impression of office lobby and through site link to Rowe Street

3.3.4 Access and Parking

Pedestrian access to the building shall be from all surrounding streets and lanes particularly Martin Place and Pitt Street with additional access via Rowe Street.

Vehicle access for the site is proposed to be retained off Lees Court from King Street.

The loading dock is located directly off Rowe Street to facilitate delivery vehicles. It also provides a covered facility for council garbage trucks for the removal of both recycled and wet waste from the building. It is proposed that this loading dock is screened from Rowe Street by a retractable panel door which incorporates a store front display to facilitate an active street front appropriate to Rowe Street when the loading dock is not in use.

A ramp provides access for private and small delivery and service vehicles to the basement where the parking and the primary receiving dock and security control room is located, with the number of parking space no greater than existing.

3.4 Ecologically Sustainable Development

The existing base-building achieves an NABERS Energy Rating of 2.0, well below Council's standard minimum requirements.

Achievement of the ESD objectives (Section 3.1) is principally through:

- a significant services upgrade, including the refurbishment of the existing heritage building. This will be conducted with an aim of celebrating the original design intent of the building – through maximising the use of the thermal mass and incorporating the ability to naturally ventilate where possible;
- reintroduction of significant heritage elements such as the lightwell and increased ceiling heights to significantly improve the amount of daylight provided to the work environment and improve the overall ventilation characteristics of the building;
- providing between 3.2 and 3.7 metre ceiling heights on all office floors, maximising daylight levels and window views;
- providing multi-service chilled beam air-conditioning for improved indoor environment quality with increased fresh air supply rates and no recirculation;
- energy efficient lighting design linked to daylight levels and movement activated controls in commercial spaces;
- provision of bicycle racks and amenities;
- central waste recycling areas and loading dock facilities;
- high-efficiency facade to reduce solar transmission while maximising natural light level;
- air-quality activated ventilation systems to car park areas;
- installation and retrofit of water efficient fixtures and fittings, with the potential to retrofit water recycling into the building; and
- independent, seasonally verified commissioning of all systems in the building.

Current design work is investigating a 6 Green Star rating pending final design and feasibility review on further energy and water recycling initiatives. In any event it is proposed to provide a base-building design layout to facilitate the addition of further ESD initiatives.

4.0 Proposed Amendments to Planning Instruments

4.1 Amendment to SLEP 2005

Clause 50 of SLEP 2005 provides that the height of a building on any land is not to exceed the height shown for the land indicated on the Central Sydney Height Map (see previous **Figure 12**).

With a proposed height of 81 metres, the Agreed Scheme does not comply with the 55 metre height limit prescribed in SLEP 2005 over an area of approximately 20% of the site. It is therefore proposed to add a subclause to Clause 50 (Height of Buildings) of SLEP 2005 to account for this small variation.

This is consistent with other specific site specific amendments where a notation is marked on the Height Map as shown in **Figure 19** below.

It should be noted that the Agreed Scheme also removes the existing plant rooms along Martin Place (above the 1968 addition) which currently breach the 55m height limit.

Clause 49 (No additional overshadowing) of Pitt Street Mall, of SLEP 2005 will continue as a relevant control that the proposal must achieve, which will be read in conjunction with the maximum RL.

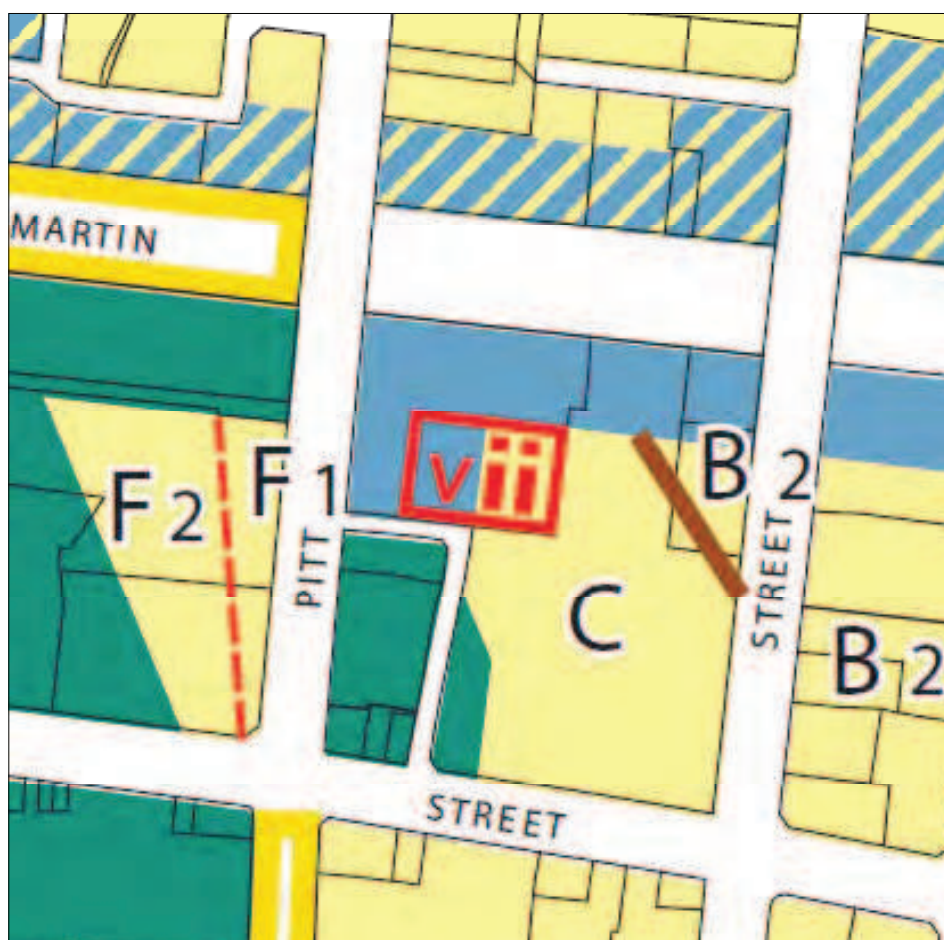


Figure 19 – The amended Central Sydney Height Map with notation for a subclause to Clause 50 of SLEP 2005

4.2 Amendment to DCP 1996

Setbacks

The Martin Place specific setbacks require that above the maximum street wall height, the building setback from Martin Place is to be a weighted average of 25m for a portion of the site's Martin Place frontage. For the remaining portion of the frontage the setback from Martin Place extends into the site all the way to the Rowe Street boundary (this can alternatively be read as providing an approximate setback from Pitt Street of 35m)(see previous **Figure 14**). Concurrently with the LEP Amendment there is a need to amend the Martin Place specific DCP controls to account for a variation to these setbacks.

Site Specific DCP Controls

It is proposed to amend the DCP 1996 to include site specific built form controls to allow for the setback above street wall height to be a minimum of 13 metres to Pitt Street and to allow the scheme to be built to the MLC (eastern) boundary (with windows). The proposed setback to Martin Place will remain compliant with the current DCP setback of 25m to Martin Place, except for the minor intrusion of skylight elements (this, however, improves the existing setback by removing the existing 3 storey plant rooms fronting Martin Place).

An axonometric diagram depicting the envelope derived from the Agreed Scheme would be therefore be relevant to insert into Section 2.12 (Design Guidelines for Significant Sites) within DCP 1996. The controls are represented in **Figure 20** and **Figure 21** below.

It is also proposed to provide a "Section" in the DCP that allows suitable clearances above the lightwell that allows natural light into the lightwell to the underside of the cantilevered building (**Figure 22** and **Figure 23**). The required clearance and light penetration will be achieved by ensuring that the building overhang does not cast a shadow on the laylight (glazed part) when the sun is at its highest altitude which is 79.4° (21st December 12 noon). A notation will also be stated on the DCP diagram that *"all quoted times are standard time and do not take account of daylight savings. Therefore taking account of daylight savings the highest altitude of the sun of 79.4° occur at 1pm in Sydney."*

The incorporation of site specific DCP controls will allow Council to constrain the development to the proposed envelope below, remove the non-complying existing plant room spaces fronting Martin Place which breach the current LEP height controls and ensure that design excellence is achieved. This alternative process to achieve design excellence is further outlined in Section 5.

The LEP and DCP diagrams are reproduced in full in **Appendix G**.

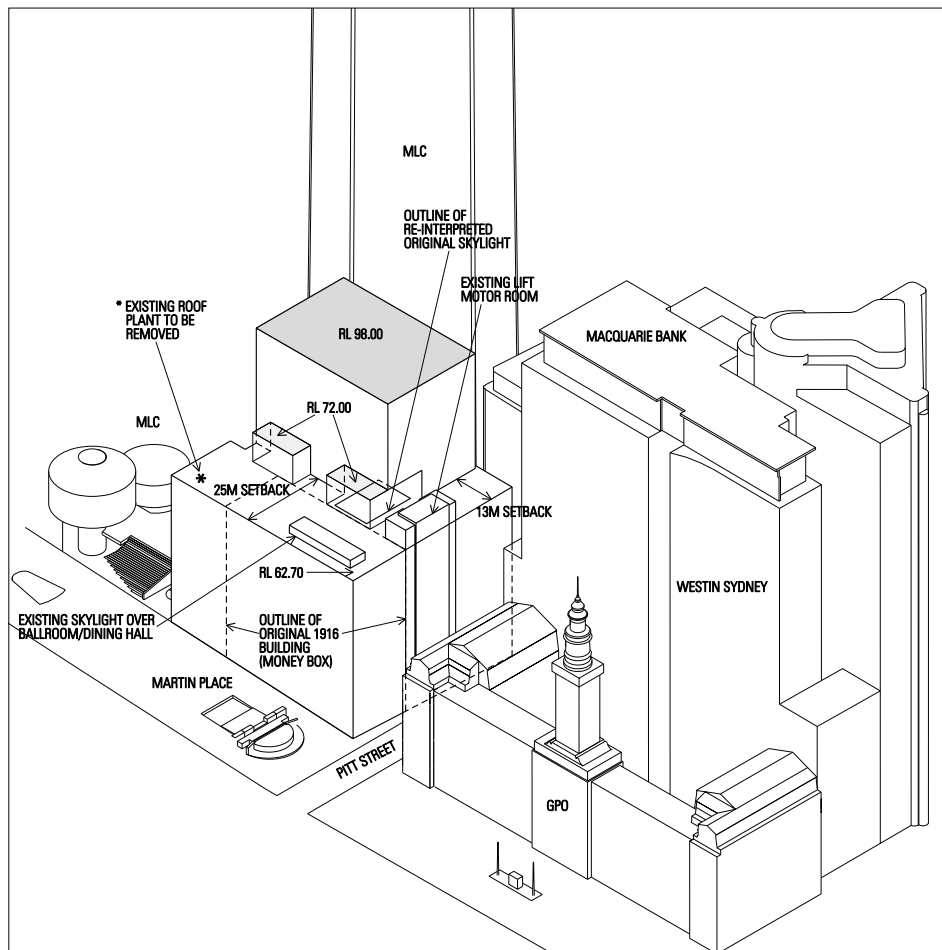


Figure 20 – Proposed site specific built form controls for inclusion within DCP 1996

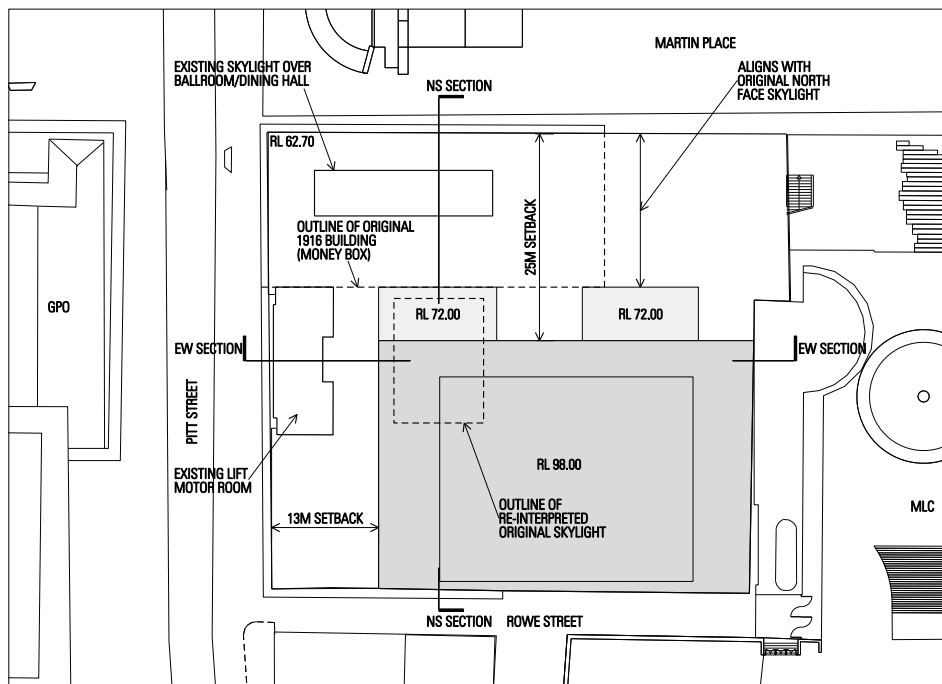


Figure 21 – Proposed site specific built form controls for inclusion within DCP 1996

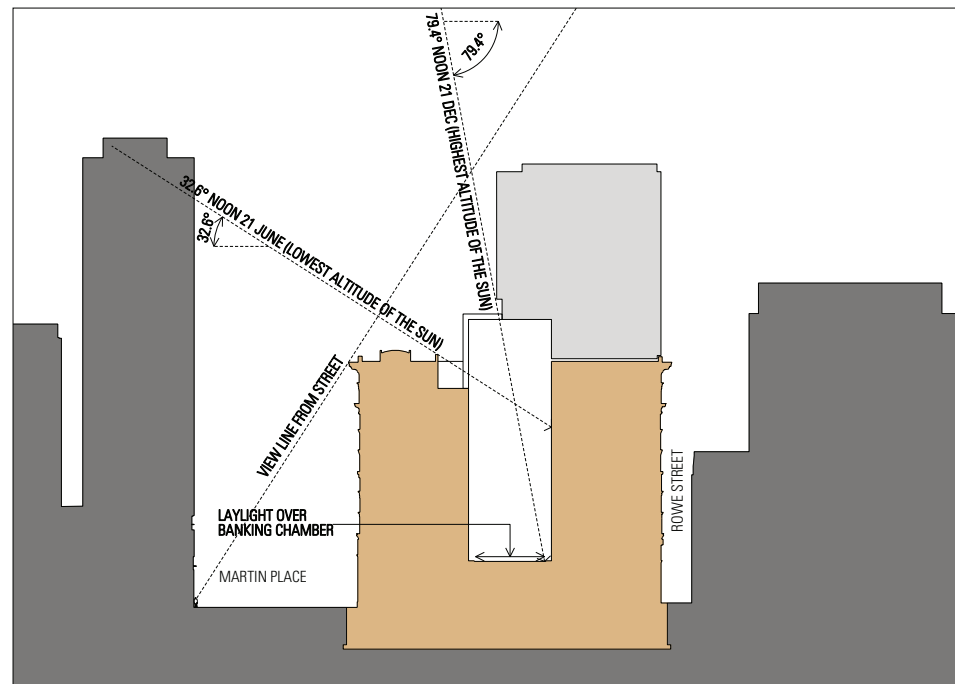


Figure 22 – Proposed lightwell light clearance for inclusion in the DCP 1996

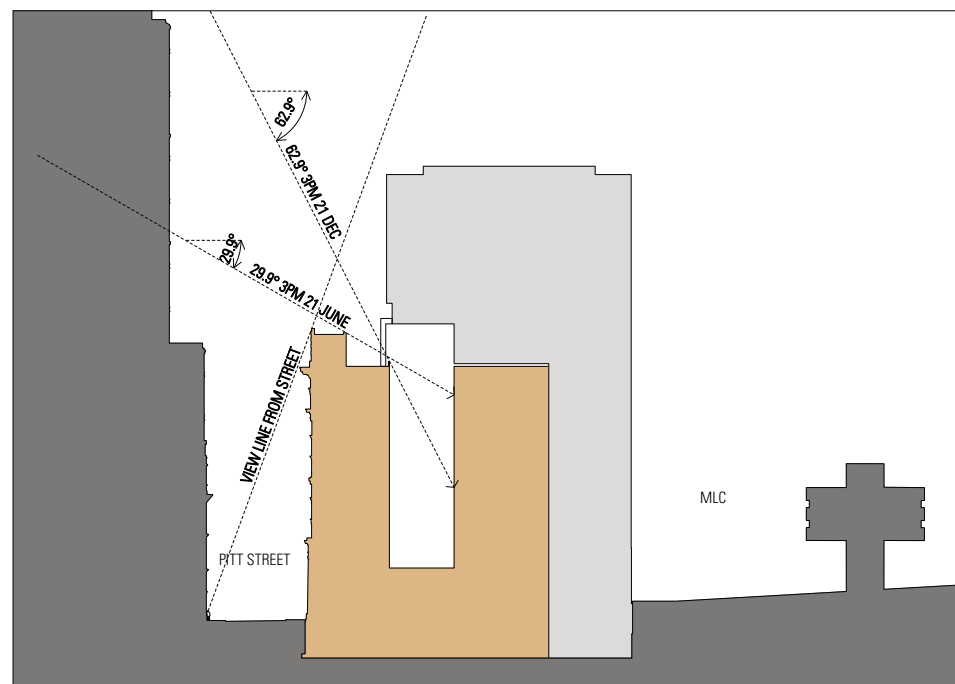


Figure 23 – Proposed lightwell light clearance for inclusion within DCP 1996

5.0 Design Excellence Delivery Process

5.1 Development Plan / Stage 1 DA

Sydney LEP 2005 (SLEP 2005) requires that any development on land exceeding 1500m² in area to be subject to a Development Plan⁵. The site has an area of 3,347m². Development plans are intended to establish a proposed building design envelope, floor space ratio and height appropriate for a site. The explanatory note accompanying SLEP 2005 states:

“The purpose of the development plan is to analyse the constraints and opportunities for a particular site and development at an early stage, and to produce an appropriate design response and rationale for the proposed development. The development plan may establish a building envelope, floor space ratio and height appropriate for the site and its context. It formalises the non-mandatory, pre-development application process, which most major developments already undertake”

Pursuant to Clause 23(4) of SLEP 2005, Council may waive the requirement for a Development Plan in the following circumstances:

- (a) *for any alterations or additions to an existing building that in the opinion of the consent authority, do not significantly increase the existing floor space ratio, height of the building, do not substantially impact upon adjoining buildings and are not visible from the street, and*
- (b) *for any change of use, extended hours of operation or temporary use for an existing building,*
- (c) *for the subdivision of an existing building,*
- (d) *for any development that in the opinion of the consent authority, is of a similar nature to development referred to in paragraph (a), (b), (c) or (d), and*
- (e) *for any other development for which consent authority considers there are sufficient reasons to waive compliance with those requirements.***

Council and the CSPC’s support to waive the requirement for a Development Plan / Stage 1 DA is sought on the basis that:

- the proposal achieves design excellence through a considered design response developed from extensive consultation with Council and the CPSC appointed Heritage Committee;
 - the design detail developed by JPW and Tanner Architects to ‘test’ that the commercial addition can be:
 - structurally accommodated; and
 - sympathetically integrated with the existing heritage fabric in compliance with the CMP,
- far surpasses the level of detail presented in a Stage 1 DA and provides significant additional assurances to Council in excess of a Stage 1 DA;
- the proposed LEP amendment is accompanied by site specific DCP controls that establish the building envelope and height appropriate to the context of the site and in response to the Heritage Committee’s recommendations; and
 - the 2005 amendments to the EP&A Act give equal statutory weight to Staged DAs and DCPs. By engaging in the process to document, exhibit and adopt an amendment to DCP 1996 the requirement for a Development Plan / Stage 1 DA would be contrary to the legislative intent of the EP&A Act to require the submission of a Development Plan or Stage 1 DA.

⁵ A Staged DA, lodged pursuant to section 80(4) of the Environmental Planning and Assessment Act 1979 may satisfy the requirement to prepare a Development Plan.

It is recommended that in accordance with Clause 24(e) of SLEP 2005, the requirement for a Development Plan / Stage 1 DA is waived as it would have limited utility in this instance.

5.2 Alternative Process to Achieve Design Excellence

Pursuant to Clause 26(5) Design Excellence of SLEP 2005, where a Development Plan (Stage 1 DA) is not in place, the consent authority *may* have regard to whether the design of the altered building is the result of a design competition that is:

- is consistent with any relevant development control plan, and
- satisfies the requirements for design competitions in any relevant development control plan.

Pursuant to the DCP 1996, the consent authority can accept an alternative process in exceptional circumstances if it is satisfied (Clause 12.1.6):

- the aims and objectives of the LEP have been achieved; and
- a feasible design option has been prepared for the development of the site; and
- the development will exhibit design excellence.

In this instance a further design competition / competitive process is not required and Council may be satisfied that the proposal achieves design excellence due to:

- the significant 'design excellence work' undertaken by CFS to this point (through the testing of a number of schemes);
- the CPSC convening an independent Heritage Committee to identify specific principles to be adhered to in any possible development of the site; and
- the comprehensive and transparent process of including site specific built form controls into DCP 1996 to guide redevelopment of the site.

Advantages of progressing to a detailed Stage 2 Design

There are a number of key advantages and practicalities in the Agreed Scheme proceeding to a detailed Stage 2 DA (without a design competition), including:

- Council will have the opportunity to consider the detailed DA for the site at the same time that the LEP / DCP amendments are being processed. Council will therefore be able to consider changes to their instruments and controls being well guided by the detailed development proposal for the site. Council will be able to therefore defer determination of the Stage 2 DA until the LEP amendment is gazetted. In this regard, the concurrent consideration of a JPW Stage 2 DA provides the best opportunity for Council to consider an integrated outcome for the site;
- Given the recent planning history of the site and the need to fully understand any impacts of the Agreed Scheme on the heritage fabric of the building, JPW and Tanner architects have undertaken comprehensive investigations into the existing building to determine if the Agreed Scheme will protect and enhance the heritage fabric of the building. This has resulted in significant and detailed analysis of the site's opportunities, constraints, urban design and key heritage features which has taken extensive months to develop. JPW and Tanner Architects therefore have the best understanding and the best capacity to deliver design excellence and the required Stage 2 documentation to completion; and

- The detailed discussions undertaken between CFS, JPW, Tanner Architects and services / structural specialists to develop the concept for such a complex and important building cannot be addressed in any meaningful way through a normal competition process. Such a process could only propose a superficial design proposition that in the fullness of further detailed design may not be technically feasible, fundamentally possible or intrusive in detail from a heritage perspective.

This position was supported by the independent Heritage Committee which commented that *"[G]iven the specific conditions of this site and the existing building, a design competition to find an appropriate 'design' may not yield as good results as would a competition to find an architect with intellect, sensitivity and a demonstrated (or reasonably surmised potential) ability to procure fine and lasting architecture in our city"*.

5.3 Significant Design Work to Date

One of the key reasons for requesting an alternate process is the long history and extensive 'testing' of various options on the site. In consultation with the City of Sydney Council Officers and the CPSC, the proponent has undertaken the following ongoing design process to arrive at the Agreed Scheme for the site:

- briefing from Colonial First State to Council officers on site history, project team and the owners objectives (3 March 2007);
- workshop with Council officers (27 March 2007);
- presentation from Colonial First State to Council officers on site conditions, background and opportunities (26 April 2007);
- site inspection and onsite discussions by CSPC and Council officers (14 June 2007);
- presentation to the CSPC by Council Officers outlining Colonial's intention to prepare LEP conforming and LEP non conforming proposals as part of a Design Competition (14 June 2007);
- CFS conducted an **'Urban Ideas'** competition on the site by inviting four prominent architectural firms to submit concepts for the site. Both conforming and non-conforming proposals were presented to the CSPC (13 September 2007);
- CPSC Heritage Committee convened to consider the planning and development options for the site (January 2008);
- preparation of a Stage 1 development application prepared by Lend Lease Design depicting an LEP compliant scheme;
- CSPC Heritage Committee identified design principles for alterations and additions to the existing building at 108-120 Pitt Street. The Committee's report of 21 May 2008 outlines eleven key design principles to protect and highlight the heritage architectural and urban design characteristics of the building and the Martin place precinct; and
- preparation of a revised Conservation Management Plan (CMP) by Tanner Architects to guide redevelopment of the site (latest version submitted to Council and the Heritage Office in March 2009 and endorsed by the Heritage Office on 30 April 2009).

In response to that report and following further discussions with Council, CFS appointed JPW Architects who were considered to possess the qualities and experience to prepare an appropriate design solution to meet the Council's design requirements.

The brief to JPW required them to address the report of the Heritage Committee and develop an appropriate design solution for the building acknowledging the overall Martin Place Precinct requirements.

During the development of an appropriate solution for the site JPW has:

- incorporated the design principles documented by the Heritage Committee into the Agreed Scheme;
- met with and discussed opportunities for the building with members of the Heritage Committee and Council's Heritage / Urban Design Unit;
- presented to the nominated sub-committee of the CSPC and incorporated their feedback; and
- consulted with Council's Heritage Department and the Heritage Council of NSW.

The work to date has provided significant additional heritage and urban design outcomes and provides design excellence through the extensive consultation and collaboration that has occurred between CFS, JPW, Council and the CSPC. Given the 'testing' of schemes on the site through the original urban ideas competition, LEP compliant Stage 1 DA and subsequent appointment of JPW to work in consultation with the CSPC Heritage Committee, it is considered that design excellence can be readily achieved through the appointment of JPW.

5.4 Designs Excellence and the Credentials of JPW

The best outcome for the site will be achieved through the retention of JPW in consultation with Tanner Architects. As previously stated, the extent of exploration of structural and heritage constraints on the site to 'test' that the JPW scheme can successfully integrate with the heritage fabric has ensured that JPW have the best intimate working knowledge of the site.

JPW Principal, Richard Johnson has the qualities and experience to deliver Design Excellence and has demonstrated this in the CBD in the past. Richard works both nationally and internationally and is aptly skilled in both successful modern architecture and providing inspired and sympathetic architectural responses to site's with high heritage values.

A brief outline of these credentials for both heritage and Sydney CBD works is provided below:

- 2008 RAI A Gold Medallist;
- 2008 National Trust Award of Excellence in the Built Environment;
- Professor of Architecture in the Faculty of the Built Environment (University of New South Wales);
- Appointed architectural advisor to the Sydney Opera House Trust (1998);
- 2007 RAI A NSW Architecture Award (Lloyd Award for Urban Design) for Westpac Place;
- 2006 RAI A National Award (Commercial Buildings) for Sydney Hilton;
- 2000 RAI A National Award for Commercial Architecture for 363 George Street, Sydney;
- 1995 RAI A NSW Chapter Lloyd Rees Award for Civic Design for First Government House Place;
- 1994 RAI A NSW Chapter Sir John Sulman Medal for Governor Phillip Tower, Sydney;
- 1994 RAI A National Commercial Architecture Award for Governor Phillip Tower, Sydney;
- Preparation of the Martin Place Masterplan and Development Control Plan, Sydney; and
- Australian Museum Masterplan and new Zoology Building.

In summary, Council can ensure design excellence will be achieved by requiring:

- the lodgement of the Stage 2 DA based on the Agreed Scheme;
- the incorporation of site specific DCP controls in Section 2.12 of DCP 1996 (Design Guidelines for Significant Developments); and
- JPW being specified as the Project Architect for any development of the site in accordance with the Agreed Scheme until the time of construction completion, which Council may impose as a Condition of Consent on the Stage 2 DA.

6.0 Planning and Urban Design Assessment

A detailed environmental assessment of the Agreed Scheme in accordance with the matters for consideration at Section 79C of the Act supported by relevant technical studies will occur as part of the Stage 2 DA. However, in accordance with the requirements of the CSPC resolution of the 13 November 2008, a preliminary assessment of the suitability of the proposed is outlined below.

6.1 Compliance with Planning Framework

6.1.1 Metropolitan Strategy and Sydney Subregional Strategy

The Agreed Scheme is consistent with the aims, objectives and provisions of the Metropolitan Strategy (as supported by the Draft Sydney Subregional Strategy) Of particular note is the consistency with the following key directions of the Sydney Subregional Strategy:

- reinforcing the global competitiveness of Sydney through the provision of high quality office accommodation that is appropriately integrated into a heritage icon;
- ensuring adequate capacity for new office developments is provided;
- providing for the sustainable renewal of an existing building; and
- improving the quality of the built environment while aiming to decrease Sydney's ecological footprint, by including a vertical expansion on an existing site in close proximity to public transport.

The concept is also consistent with the aims of the strategy for the economy and employment, and for the preservation of Sydney as a key centre, as it will facilitate the introduction of additional and premium grade commercial floor space to support new jobs, without damaging the attractiveness of the city (and Martin Place in particular) as a tourist destination.

6.1.2 Sustainable Sydney 2030 Vision

The Agreed Scheme is consistent with the Sustainable Sydney 2030 Vision as follows:

- the concept is 'green' in that it seeks to bring an existing building in line with contemporary ESD requirements;
- the concept is 'global' in that it will contribute to the continued expansion of the important role of Sydney by providing quality office accommodation within the heart of the city and maintaining the continued commercial relevance of the building; and
- the concept is 'connected' due to its central location within the city that has convenient access to various forms of public transport. Furthermore, the various improvements to the ground plane will improve the pedestrian connectivity of the area, including increasing public access to the Banking Chamber and the provision of a through site link to Rowe Street from Martin Place.

Objective 2.3 of Sustainable Sydney 2030 recognises the critical requirement to encourage improvements in the environmental performance of existing buildings. The site has the potential to become of benchmark for buildings meeting this objective.

An assessment of the Agreed Scheme against the detailed Objectives of Sydney 2030 is included at **Appendix E**.

6.1.3 SEPP (Infrastructure) 2007

The relevant matters for consideration within SEPP (Infrastructure) 2007 include the referral requirements for Development in Rail Corridors (Division 15 Subdivision 2) as well as the requirement to refer a Development Application to the RTA on the basis that the proposal contains more than 10,000m² of commercial floor space (Schedule 3), although it is noted that the site is optimally located with respect to placing additional commercial floor space in an location that allows car usage to be minimised. These referral requirements will be undertaken when the Stage 2 DA is lodged and do not directly impact on the consideration of the LEP amendment.

6.1.4 SEPP 55 – Remediation of Land

When carrying out planning functions under the Act (including undertaking LEP amendments), SEPP 55 requires that a planning authority must consider the possibility that a previous land use has caused contamination of the site as well as the potential risk to health or the environment from that contamination.

The history of approved uses on the site indicates that contamination is unlikely. Therefore, Council can be satisfied that the requirements of SEPP 55 can be suitably addressed.

6.1.5 SREP (Sydney Harbour Catchment)

The site falls within the boundaries of the Sydney Harbour Catchment, however, the site is not located in the Foreshores and Waterway area and is not zoned under the SREP where the majority of the plans aims / provisions apply.

Part 2 of the SREP requires a consent authority to consider general planning principles in the preparation of environmental planning instruments and development control plans under Part 3 of the Act. The proposed minor amendment to the LEP height limit is consistent with these principles in that:

- it will not impact the health of the catchment or alter any natural assets within the catchment;
- it will not alter the operation of any natural drainage systems;
- it will not alter the visual quality of the city as viewed from the harbour;
- it does not relate to the provision of accessible vantage points for viewing the harbour;
- suitable management of water quality and management of urban run-off will occur; and
- it does not relate to any watercourses, wetlands, riparian corridors, remnant native vegetation, ecological connectivity, urban salinity processes or acid sulfate soils.

6.1.6 Sydney LEP 2005

The Agreed Scheme complies with the planning controls in SLEP 2005 relating to:

- Zone objectives;
- Permissible land use;
- Floor space ratio (as outlined at Section 6.2 the floor space ratio of heritage buildings can be increased subject to meeting other heritage provisions);
- Sun access planes and overshadowing;
- Car parking; and
- Heritage provisions.

Previous Stage 1 DA Scheme

In April 2008, CFS lodged a Stage 1 DA for the addition of a commercial building element on the site. This Stage 1 DA:

- complied with the requirements of the maximum height permitted under the Hyde Park West Sun Access Plane and therefore included a commercial tower component in the south east corner of the site (refer to building envelope at **Figure 24**). The tower component rose 12 storeys above the extended heritage building podium;
- provided a four storey extension to the existing 1913-1916 heritage building that complied with the 55 metre height limit (plus 10%), allowable under SLEP 2005 controls; and
- sought to depart from the DCP 1996 site specific controls for setback above street wall height.

The proposal technically complied with the height limits allowable under SLEP 2005, however, was not considered satisfactory from Council and the CPSC's perspective. This LEP compliant scheme was therefore not considered to demonstrate the best outcome for the site.

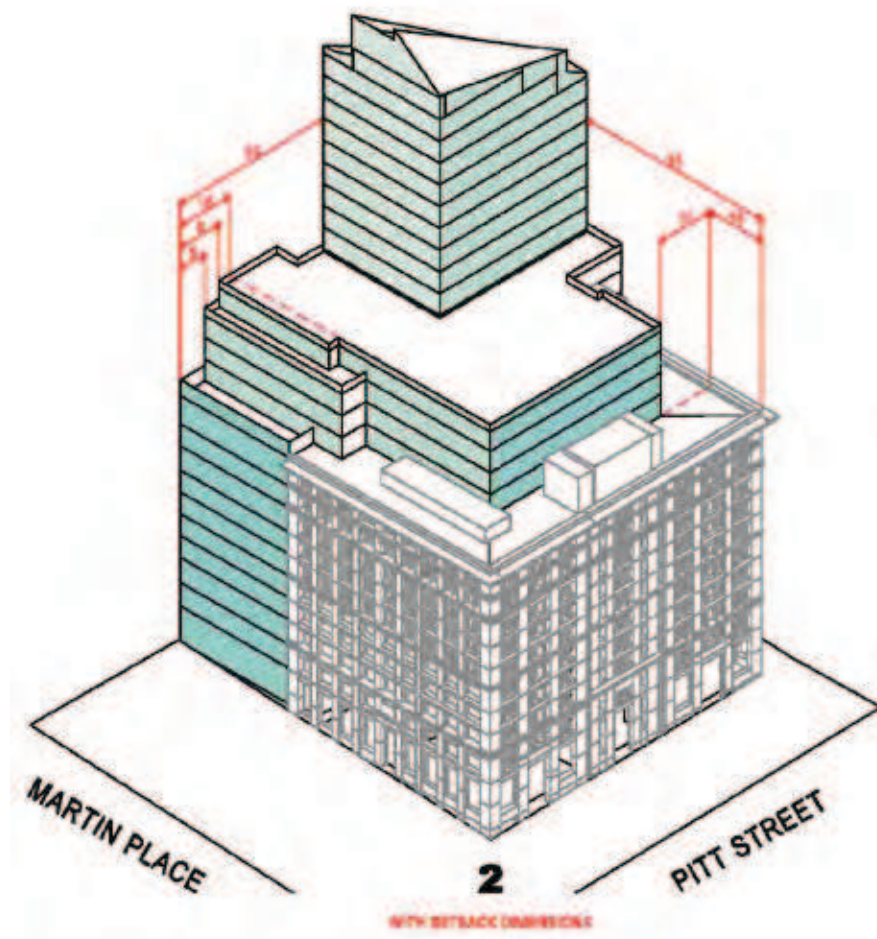


Figure 24 – Previous April 2008 Stage 1 DA Envelope

JPW has prepared a number of montages to demonstrate a comparison between the previous Stage 1 DA and the Agreed Scheme (refer to **Figure 25** and **Figure 26**). These diagrams clearly demonstrate the sympathetic and complementary addition of the Agreed Scheme compared to this previous scheme.



Figure 25 – Photomontages depicting Agreed Scheme and previous Stage 1 DA Scheme from Martin Place (west)



Figure 26 – Photomontages depicting Agreed Scheme and Previous Stage 1 DA Scheme from Martin Place (east)

The Agreed Scheme

The Agreed Scheme does not comply with the SLEP 2005 provision relating to building height for a small portion of the site, hence the requirement to amend SLEP 2005 to allow the Agreed Scheme to proceed.

The Agreed Scheme demonstrates an appropriate outcome for its context, is consistent with the intent of the planning objectives for the site, and represents a sympathetic addition to the Martin Place Precinct, thereby warranting amendment to the height control.

It is also considered that the location and context of the site warrants the additional height for the small portion of the site. Within the Martin Place precinct, the presence of banking related uses has in recent years been in decline, not least because of the demand for superior quality, environmentally sustainable floor space of sufficient size for the expanded banking sector. The CBA's decision to leave the site because of the quality of the existing space and its failure to meet worker expectations and operational needs is one such example.

Maximising the quantum of commercial floor space within this central CBD location in close proximity to public transport is an important planning objective of the LEP and the Sydney City Subregional Strategy. Through the provision of additional height, the Agreed Scheme enables a viable FSR of 11.65:1 to be achieved. The concept enhances and revitalises the heritage values of the site, provides a suitable balance of meeting the needs of world class tenants, maintaining the ongoing commercial relevance of the building and the wider Martin Place precinct.

Furthermore the proposed development includes a number of key improvements to the public domain, including activation of Rowe Street, unlocking the ground floor potential of the site through retail uses, opening up the public appreciation of the heritage item and by providing a through site link.

The opportunity to sympathetically conserve and enhance the significant heritage fabric of the site whilst unlocking the ground floor potential of the site, is capable of being realised only if the site is redeveloped at a commercially viable FSR and height. The significant benefits flowing from the Agreed Scheme, and in the absence of any adverse environmental impacts (as addressed in this section) therefore warrant the minor amendment to the SLEP 2005 height limit.

As discussed further in Section 6.1.7 the height and setback for the Agreed Scheme will ensure:

- no additional overshadowing of Pitt Street Mall and compliance with the Hyde Park West sun access plane;
- the additions are only partially visible from the immediate public domain and retain the integrity and prominence of the 1916-1933 building, ensuring it is prominent in all views;
- the important views from the Cenotaph, GPO Clock Tower or Martin Place public domain are not compromised;

As can be seen in **Table 3**, the concept is capable of meeting all the objectives of the building height standard, notwithstanding the need to amend the SLEP 2005 height control. In addition, Section 6 (overall) of this report demonstrates that the Agreed Scheme (and height) has no adverse impacts in terms of heritage values, overshadowing, visual impact and views, traffic generation, economic and retail impacts, privacy and the like.

For these reasons, the variation to height proposed is considered supportable and achieves design excellence for the reasons outlined in Section 5.

Table 3 – Clause 47 (SLEP 2005) Objectives for Building Height Controls

Objective	Agreed Scheme's consistency
(a) to allow sunlight access to key areas of the public domain by ensuring that: (i) further overshadowing of certain parks and community places is avoided or limited during nominated times, and (ii) existing overshadowing of certain parks and community places is reduced in the long term.	The Agreed Scheme complies with the Hyde Park West sun access plane and will result in no additional overshadowing of Pitt Street Mall in accordance with the relevant provisions of SLEP 2005. The Agreed Scheme is in fact well below the maximum height provisions allowed by the sun access plane.
(b) to provide a transition of building heights between localities and street blocks.	The Agreed Scheme, when viewed from the key vantage points within Martin Place, provides a suitable transition between the GPO building and the significant tower element of the MLC building. The proposal and height sensitively fits in and responds to the Martin Place precinct, whilst it: - retains, conserves and enhances the significant envelope and facades of the 1916-33 building (as detailed in the CMP Section 6.2); - respect and enhance the relationship of the 1916-33 building with Martin Place, Pitt Street and Rowe Street; - removes those elements considered to be intrusive to the significance of its streetscape contribution to Martin Place and Rowe Street, eg blank wall to 1933 and 1968 portions of the building facing MLC Centre, lift motor rooms to 1968 extension, 1994 Rowe Street extension, internal planning of 1968 extension and modified portions of 1933 extension; and - respects and enhances the 1916-33 façades to Martin Place, Pitt Street and Rowe Street as the primary envelope of the "Money Box".
(c) to provide high quality urban form for all buildings, while maintaining satisfactory sky exposure and daylight: (i) to the public areas of Central Sydney, including the parks, places, streets and lanes, and (ii) to existing buildings and to the sides and rear of tower forms.	The Agreed Scheme complies with the Hyde Park West sun access plane (is well below the maximum allowable under current LEP controls) and will result in no additional overshadowing of Pitt Street Mall, thereby maintaining reasonable daylight access to these key public places. The Agreed Scheme is appropriately separated from and will not affect reasonable daylight access to adjoining buildings. The removal of the plant rooms fronting Martin Place (currently in excess of the 55m height limit) will indeed improve daylight access to the MLC forecourt. Refer to Section 6.4 of the report for detailed discussion on overshadowing.
(d) to confine ground level wind speeds to velocities which ensure pedestrian comfort and amenity of the public domain.	The wind report prepared with the previous Stage 1 DA (April 2008) demonstrated how wind levels within the public domain were not adversely affected by an addition to the building. Based on the Agreed Scheme's design, lower than the previously submitted Stage 1 DA (prepared by Lend Lease Design) it is not anticipated that any unmanageable wind impacts will arise from the proposal, with further details to be provided with the detailed DA.
(e) to allow for and promote the ventilation of the City by the free movement of air around and between tower structures.	The Agreed Scheme envelope maintains suitable setbacks and separation from adjoining buildings to ensure there will be no effect on free movement of air in the City.
(f) to provide sun access to significant sandstone buildings in Special Areas in order to improve the ground level environmental quality of public spaces.	The Agreed Scheme, located on the southern side of Martin Place, will have no sun access impacts on any sandstone buildings within the Martin Place Special Area.

Objective	Agreed Scheme's consistency
(g) to ensure that tower development occurs on sites capable of providing appropriate urban form and amenity.	The proposed amendments and the Agreed Scheme has been prepared to respond to the particular context of the site and its constraints, in particular the retention of existing view lines, retention and respect for significant heritage values of the existing building and precinct, and respecting the height, scale and location of adjoining buildings. The Agreed Scheme provides an envelope well below the tower allowable under current LEP controls in the south east corner, but instead provides a built form more sympathetic to retaining and respecting the prominence of the 1916-1933 heritage building. The Agreed Scheme demonstrates that the site is capable of accommodating a commercial addition with superior design and no adverse impacts on the heritage setting of the site.
(h) to nominate heights that will provide a transition in built form and land use intensity between the City Centre zone and adjoining lower scale localities within and adjacent to Central Sydney.	The proposal is wholly within the City Centre zone and does not adjoin lower scale localities. Therefore this objective is not applicable.
(i) to provide for view sharing along the edges of Central Sydney.	This objective is not applicable as the proposal is located centrally within Central Sydney. Nonetheless, suitable protection of significant views is maintained as described in Section 6.5.
(j) to ensure an appropriate height transition between new buildings and heritage items or Special Areas.	The impact of the Agreed Scheme on the heritage significance of the adjoining heritage items is addressed in the Heritage Impact Statement prepared by Tanner Architects (and provided under separate cover), which concludes that the Agreed Scheme will have no adverse impacts on the nearby heritage items. The envelope provides a suitable transition between the GPO building and the significant tower element of the MLC building, whilst being effectively integrated with the 1916-1933 heritage building on the site to ensure its setting and prominence is retained and enhanced.

6.1.7 Central Sydney DCP 1996

The Agreed Scheme complies with the majority of provisions in DCP 1996, such as:

- Building form and character;
- Pedestrian amenity;
- Environmental management;
- On-site parking; and
- Heritage floor space.

It is proposed to seek site specific DCP controls which depart from some of the current DCP 1996 controls in order to realise the Agreed Scheme. The changes include:

- Variation to the DCP 1996 Martin Place setbacks which specify above street wall height setbacks. For this site, 25 metre weighted average for a portion of the Martin Place frontage and setback all the way to the Rowe Street boundary for the remaining portion of the Martin Place frontage (this can alternatively be read as providing an approximate setback from Pitt Street of 35m). The Agreed Scheme generally complies with the 25 metre setback from Martin Place (except for minor intrusion of the glass skylights into this setback). The setback proposed from Pitt Street is proposed as 13 metres; and

- Variation to the general DCP 1996 control which requires commercial buildings with windows to be setback 3 metres from side boundaries. The Agreed Scheme seeks a nil setback (with windows) to the eastern side (MLC) boundary.

These site specific changes are justified on the following grounds:

Setback to Martin Place

The minor intrusion of the skylight elements into the 25 metre setback to Martin Place is considered acceptable in that:

- the benefits of these design features far outweigh any minor intrusion into this setback. These features provide greater light penetration into the building and assist in the reinterpretation / reactivation of the heritage significant lightwell of the building;
- the skylight will not be visible from the immediate public domain adjacent to the building in Martin Place and Pitt Street; and
- the Agreed Scheme improves the existing setback and presentation to Martin Place. The Agreed Scheme removes the existing intrusive 3 storey roof level plant rooms, which currently do not comply with the LEP height limit and provide a negative visual impact to Martin Place.

Setback to Pitt Street

- as previously outlined, the Agreed Scheme has a setback of 13 metres to Pitt Street. This setback accords to the recommendations of the CMP, is only partially visible from Pitt Street and retains the integrity and prominence of the 1916-1933 building. The setback is still greater than the DCP 1996 general setback control of 10 metres for additions above a heritage item and has been carefully chosen to provide a suitable urban design response and heritage impact in this instance;
- the setbacks from Martin Place and Pitt Street have been determined by sightline studies taken from the furthest possible extent / edge on Martin Place and Pitt Street respectively which would be along the edge of ANZ Bank (No.20 Martin Place) for the former and the edge of the GPO on the footpath for the latter. These studies have derived a setback that allow appreciation of the significant facades and envelope of the heritage building, and does not compromise important views from the Cenotaph, GPO Clock Tower or Martin Place public domain;
- the proposed setback acknowledges the special significance of the original 1916 building form as the inspiration for the famous "Money Box" by setting the new building back from the original 1916 envelope ensuring that the "Money Box" form remains legible and dominant in all views; and
- the setback of the built form in this portion of the site continues to meet the SLEP 2005 requirement for no additional overshadowing of Pitt Street Mall.

Setback with windows to MLC forecourt

- whilst a nil setback (with windows) is proposed to the eastern side (MLC) boundary, the objective of the setback control to allow suitable separation is achieved for the current built form context. Currently, there is no adjoining built form along this eastern boundary above the raised forecourt level of the neighbouring MLC Centre. The MLC building itself is significantly setback from Martin Place and offset from the site. The proposed design response, better reconciles the currently very poor 'blank wall' and relationship between 120 Pitt Street, Martin Place and the MLC Forecourt;
- it is noted that SLEP 2005 earmarks the MLC Centre site as a potential "Opportunity Site". Such sites can allow the street frontage (in this case the MLC Centre forecourt) to be infilled to create a consistent street wall to 35-45 metres in height along Martin Place. It is questionable whether such a future urban design response is appropriate to the site and context of the MLC building, which itself is a State Heritage Registered item and on the Royal Australian Institute of Architects (RAIA) list of significant buildings of the 20th century. To infill the forecourt of this highly significant building would significantly impact the heritage values of the building, obscuring if not removing the public forecourt designed by Seidler as an integral element and setting for his impressive tower. In light of the unlikely and undesirable infill of this forecourt, than the proposed setback on the eastern boundary achieves the DCP objective of providing suitable separation; and
- the Heritage Impact Statement prepared by Tanner Architects addresses the design relationship of the eastern boundary with the MLC forecourt in the context of the Heritage Committee's Design Principle 8 *"The eastern wall of the 1968 building if built should be blank"*. The HIS concludes that the Agreed Scheme:
 - considers the potential of the MLC Centre Opportunity Site;
 - complements the height, style, form, proportions, materials and colours of the 1916-1933 facades of the building;
 - provides a suitable setting to the existing MLC Centre Plaza; and
 - provides adequate access to natural light and ventilation to the interiors of the building.

The statement concludes that *"the new eastern wall will read as a secondary facade to the Martin Place facade with complementary scale, proportions and materials with more restrained modelling."*

In light of this conclusion it is considered that the nil setback from the eastern boundary is well considered from a design perspective.

Setback to Rowe Street

The new addition to Rowe Street (southern boundary) has a nil setback. No setback is specified for commercial buildings fronting lanes in DCP 1996 (Clause 2.3.15). For the Rowe Street boundary of the development, which fronts a lane, the side boundary setbacks within DCP 1996 are therefore not be directly applicable. Notwithstanding this, it is considered that suitable separation is provided by Rowe Street and the intent of separation between commercial buildings is achieved by the Agreed Scheme.

Summary

Given the suitability of the setbacks described above, it is considered that an amendment to DCP 1996 to include a site specific envelope will result in the achievement of a superior urban design response within the constraints and context of the site and allow Council to ensure the site is developed to achieve design excellence.

6.1.8 City Plan 2009

The City Plan Review is the umbrella program for reviewing the existing City of Sydney planning controls and to deliver a new comprehensive Local Environmental Plan (LEP) and Development Control Plan (DCP) for the Sydney LGA. The Review involves a number of projects, studies and research which all inform the new City Plan.

As per the CSPC report on the site dated 13 November 2008, the proposed amendment to the LEP height limit will progress as a site specific LEP amendment (possibly through the LEP gateway process to be commenced as part of the NSW Planning Reforms) rather than incorporating the proposal into the City Plan review process.

6.2 Heritage Conservation

The overriding principle guiding the proposed concept envelope is to enhance the heritage values of the 1916-1933 building and regain the lost qualities of the interiors, whilst supporting a sympathetic modern addition. The endorsed Conservation Management Plan (CMP) (endorsement at **Appendix F**) recommends the establishment of site-specific planning controls which require the re-development of the site to be in accordance with the policies in this Conservation Management Plan.

A Heritage Impact Statement (HIS) prepared by Tanner Architects has also been prepared to accompany this Justification Report and assesses the suitability of the Agreed Scheme against a range of key documents, including:

- The NSW Heritage Office publication 'Statements of Heritage Impacts' - model questions;
- The Conservation Management Plan for 108-120 Pitt Street Issue C, March 2009;
- The Heritage Council of NSW Resolution, June 2008, relating specifically to the site;
- City of Sydney Urban Design and Heritage Committee Principles, May 2008;
- Sydney Local Environment Plan 2005 (SLEP 2005);
- City of Sydney DCP 1996 (DCP 1996); and
- City of Sydney Heritage Development Control Plan 2006.

The Heritage Impact Statement concludes that the heritage provisions in SLEP 2005 and the objectives of the City of Sydney Heritage DCP 2006 are satisfied by the Agreed Scheme.

The HIS also addresses the issue of Clause 71 of SLEP 2005 which specifies that the maximum floor space ratio (FSR) for a heritage building is the FSR of the item on the date that the LEP commenced. A higher FSR may be achieved subject to compliance with heritage provisions.

Specifically Section 4.6 of the HIS assesses the proposed FSR and building envelope against the requirements of Sydney LEP 2005, Part 6 (Heritage Provisions). This assessment concludes that the Agreed Scheme respects and enhances the appreciation of the heritage values of the existing building and is at least of equal design quality to the existing 'Money box' building. In addition, in accordance with the requirements of these clauses a specific Heritage Committee for the site has been convened to examine and advise on the merits of the proposal.

As such, a higher FSR may be achieved due to the compliance with these LEP heritage provisions. As this report principally relates to the LEP height limit amendment, further assessment against these clauses will be provided in the Stage 2 DA documentation.

Overall, the HIS concludes *“that the concept design has the potential to deliver positive heritage outcomes for 108-120 Pitt Street within its Martin Place context in accordance with the requirements of the Conservation Management Plan and the policies and objectives of the relevant provisions of the City of Sydney Planning Instruments despite its non compliance with the SLEP 2005 height limit and the CSDCP 1996 built form controls for the site.”*

6.3 Public Domain

The proposed redevelopment of the site allows the opportunity for the following improvements to the streetscape and public domain:

- improved activation of the building frontages with retail uses and commercial lobbies to better unlock the ground floor, which currently appears impenetrable. This will allow the opening up and appreciation of the significant heritage spaces of the building to be more accessible to the public.
- provision of a public space in the form of a through site link including heritage interpretation space and potential gallery / public art space;
- the new section of the building adds significantly to reconciling the relationship of the building with Martin Place, the MLC forecourt and Rowe Street;
- providing a network of safe, suitable universal access to the building;
- providing a sun lit cafe / meeting space on the north east corner to not only provide an additional public amenity but also to draw public activity from MLC Plaza into the through-site link;
- retaining all existing Pitt Street and Martin Place entries to the Banking Chamber as access to retail and the opportunity for further retail frontage on Rowe Street and the Through-site Link to activate the streetscape particularly on Rowe Street; and
- along Rowe Street providing architectural articulation and street frontage activation. The loading dock will also be screened from Rowe Street by a retractable panel door which incorporates a store front display to facilitate an active street front appropriate to Rowe Street when the loading dock is not in use.

It is apparent from the Policy for the Management of Laneways in Central Sydney that Council laments the significant loss of pedestrian amenity within Rowe Street over the years. Whilst there is limited activation of the laneway on the current use and lack of connectivity with the subject building, redevelopment of the site in accordance with the Agreed Scheme provides the opportunity to enhance pedestrian amenity in accordance with the express objectives of the policy.

Such improvements to the public domain are consistent with the recommendations in the report Public Spaces Public Life Study prepared by Gehl Architects recently commissioned by the City of Sydney.

6.4 Overshadowing

Shadow Analysis for the Agreed Scheme prepared by PSN Matters is included at **Appendix H**. The Agreed Scheme envelope was tested for shadow impact using a three dimensional CAD model developed from survey measurements defining existing buildings and improvements correct as at December 2006.

Pitt Street Mall

For the site the critical overshadowing measure is that there be no additional shading of Pitt Street Mall. To demonstrate this, shadow diagrams have been prepared in accordance with the requirements of clause 49 of SLEP 2005, and these show no additional overshadowing beyond the shadow that would be cast by a wall with a 20 metre street frontage height on the eastern and western alignments of the Mall.

The diagrams are produced for 10am and 11am only as these critical times show no new overshadowing at these times (demonstrating compliance with Clause 49), and the extent of shadow then further reduces across the day to 2pm (as the altitude of the sun gets higher), with further diagrams therefore not necessary to demonstrate compliance.

Hyde Park West

A portion of the site in the south eastern corner is affected by the Hyde Park West Sun Access Plane. This limits the height of buildings within this part of the site to a maximum height of between approximately 145m and 160m.

The concept envelope has a maximum height of RL 98 (81 metres above the midpoint of Martin Place) and is therefore well within the bounds of the Hyde Park West Sun Access Plane.

MLC Forecourt

Whilst not an LEP or DCP control we note that the removal of the plant rooms fronting Martin Place (in breach of the 55 metre height limit) will reduce overshadowing to the MLC forecourt.

6.5 Visual Impact

Views and Sightlines

DCP 1996 requires that no development is to encroach on significant views or silhouettes (Clause 2.8.1). Significant views identified in the Martin Place precinct include the GPO, the building on the western side of George Street (341 and 343 George Street) at the western terminus of Martin Place and the east and west panoramic views along Martin Place. Silhouettes of the towers of major heritage buildings should also continue to be seen from public places, and in this regard the proposal has considered how the proposed envelope interacts with the GPO Clock Tower at No. 1 Martin Place. The CMP also requires consideration of certain views including the GPO Clock Tower and the Cenotaph, which the Agreed Scheme does not compromise (refer **Figure 25** and **Figure 26** previously).

DCP 1996 also requires that views from the city centre towards the harbour are adequately protected. Pitt Street provides a notable example of this, with views along Pitt Street terminating with the iconic view of the Harbour Bridge. The subject site is 'framed' along this key view corridor and the proposal has considered this, being only partially glimpsed because of the 13 metre setback to Pitt Street and the low profile of the additions at this point, with uninterrupted views of the terminating view of the Harbour Bridge still readily available (**Figure 27**).



Figure 27 – View of Agreed Scheme from Pitt Street (looking north)

To account for the impact from distant viewpoints additional animation studies were undertaken for travel along Martin Place and Pitt Street in order to ascertain the visual impact of the new building in relation to:

- the existing heritage building; and
- the surrounding high rise towers and the overall city skyline.

Specific animations were also undertaken to ascertain the visual impact of the new extension in relation to the Cenotaph when walking up Martin Place from George Street along a path:

- directly south of the Cenotaph;
- directly north of the Cenotaph; and
- between the Cenotaph and the northern edge of Martin Place representing the typical pedestrian path.

These detailed animation studies are included in the JPW Urban Design Report (submitted under separate cover) and further demonstrate the suitability of the proposal.

6.6 Traffic, Access and Parking

A detailed Traffic Assessment will be lodged with the Stage 2 DA. The site is well located to take advantage of a wide range of high frequency and high capacity public transport modes. The site is within close proximity of trains services at Martin Place, Wynyard and Circular Quay, buses along Pitt Street, George Street, Elizabeth, Castlereagh and York Street, ferry services at Circular Quay, and taxis. The site's accessibility to public transport is expected to result in the proportion of workers and shoppers who travel by public transport or walk to be at least similar or greater than the City's enviable mode split of around 75% in favour of public transport. The proposal is consistent with State government planning policies of providing employment in locations accessible by public transport and reducing dependency on motor cars.

The existing vehicle access via Lees Court (entry / exit) will be retained with access to the basement via a ramp with the plans envisaging possible future connection from the MLC loading dock.

The concept will not increase parking spaces above existing (25 parking spaces) in compliance with the parking rate of 1 space per 50m² of site area for commercial development in SLEP 2005.

With the proposed on-site car parking to be largely the same as the existing provision and retained for the exclusive use of tenants, traffic movements to / from the car park will be similar to the existing level of activity, and therefore it is anticipated that there will be no significant change to the current level of traffic activity.

6.7 Privacy

The proposal, through appropriate building separation with adjoining development, attains appropriate levels of aural and visual privacy. Properties directly adjoining the site are commercial in nature and are considered sufficiently separated by Martin Place (to the north), Rowe Street (to the south), the MLC forecourt (to the east) and Pitt Street (to the west) to mitigate against any privacy impacts of the proposal. The Agreed Scheme has been significantly reduced in scale from the Stage 1 DA lodged in April 2008, thereby addressing any residual privacy concerns from residential / hotel uses located further in the vicinity of the site.

6.8 Utility Services

The full range of utility services – electricity, telecommunications, water supply, sewer, stormwater – are available to service the proposed development.

The Stage 2 DA will be accompanied by a Utility Services Strategy indicating that there is the ability to service the site (subject to extension and augmentation). We note, that a similar strategy was submitted with the April 2008 Stage 1 DA (subsequently withdrawn) to confirm the suitability of the above arrangements.

Water and energy use will be improved for the site. The strategy for the Agreed Scheme is for the overall development to be designed and specified with the aim of achieving 5 star NABERS Energy Base-Building and 4 star NABERS Water whole building rating and a minimum 5 star Green Star Office Design rating, in accordance with the Green Building Council of Australia's (GBCA) requirements for "Australian Excellence".

6.9 Environmental Management

Demolition and construction activities will be the subject of management plans that address potential environmental impacts guided by both JPW and Tanner Architects. The management plans will address the following matters:

- protection of heritage fabric;
- site access controls, safety and security;
- construction vehicle traffic management;
- pedestrian traffic;
- water management;
- dust suppression;
- noise and operating hours;
- vibration impacts;
- waste management; and
- notification to neighbours.

6.10 Structural Adequacy and Services Statement

Structural Adequacy

A Structural Statement has been prepared by Paul Davis Rajalingam Smart Structures and is provided at **Appendix I**.

Existing Buildings

As previously described, the existing building has been built in three main stages: the 1916 original structure, the 1933 addition and finally the 1960s additions. Buildings of this era were not generally built with an emphasis on lateral stabilising systems for support against wind and earthquake induced horizontal actions. The stair and lift core structures within the building are non load-bearing, and are therefore not stabilising elements as is the case with modern building methods.

Agreed Scheme

The Agreed Scheme presents two main structural challenges:

- Support of the new building in cantilever over the heritage building, without loading or impacting this existing building; and
- Lateral stabilisation of the heritage building after the removal of the main stabilizing elements built in the 1960's building.

Various modelling tools have been used to model the structural interaction between the new and heritage buildings. A summary of the proposed structure follows:

- For lateral stabilising support the heritage building will be fully connected to the new structure, which comprises a steel skeleton and two reinforced concrete cores. These act in composite, and are connected together by horizontal floor diaphragms. To support the building during construction works, the heritage building will require installation of temporary stabilisation structures.
- The new structure will not impose vertical loads on the heritage building. It will be supported by columns adjacent to the eastern side of the heritage structure and by cantilevering the new building over the heritage building.
- At foundation level, the new structure will cantilever the over the RailCorp tunnel in the south eastern corner of the site. The new structure will be isolated from the rock foundations here to avoid loading the tunnel structure with the new building and for vibration control.
- To minimise the mass of the structure over the heritage building, light-weight composite steel construction will be utilised. Conventional reinforced concrete flat slab construction and reinforced concrete columns will be used for the lower levels that are not required to cantilever.

In summary, the proposed structural concept of the building is not dependant on the heritage building for support and is able to be accommodated without any undue impacts on the heritage building. Furthermore the heritage structure, once connected into the new building structure, is considered adequately supported for vertical and horizontal loading effects.

Services Statement

A Services Statement has been prepared by Lincolne Scott and is provided at **Appendix J**. The statement demonstrates the significant work and liaison between Lincolne Scott and JPW to arrive at the Agreed Scheme. The statement concludes that the proposed re-development will provide a benchmark in environmental sustainability and workplace functionality. The designed solution minimises the impact to the existing building and complements the heritage listed nature of the structure.

Environmentally sustainable design initiatives include the possible future provision and establishment of a black water treatment plant and gas driven tri-generation facilities dependant on future tenant needs. The building also proposes the use of a chilled beam air conditioning system. It is proposed that the building be serviced from the basement to minimise the visual impact of services and to ensure the buildings internal and external envelopes are maintained.

The engineering solutions proposed in design will be critical in achieving a 'world class' building in the heritage heart of the Sydney's CBD.

6.11 Implications of Not Proceeding at this Time

All of the relevant environmental planning considerations have been and are capable of being addressed in this report and are capable of being addressed and in the detailed DA. All parties have engaged in a extensive planning process with goodwill and appropriate amendments to the LEP have been agreed to be lodged with the Council after the 'testing' of a number of schemes the CPSC did not accept. Any further delay would unnecessarily delay the strategic objectives linked to Sydney 2030 and weaken the opportunity to redevelop the site and enhance the heritage values of the site for viable economic and social benefit.

Avoidance of Building Redundancy

The existing tenant is vacating the building from mid 2010. The existing building is under current standards now classified as B or even C Grade office space with substandard energy efficiency performance. As such it is severely limited in attracting long term commercial tenants commensurate with the historic reputation of Martin Place as a centre of commercial activity within the Sydney CBD. The building, if only undergoing a minor refurbishment would not assist in the rejuvenation of Martin Place as a long term central business precinct.

To avoid the building becoming redundant, a significant upgrade of services, indoor environment quality and base building amenity is required. A minor refurbishment would not provide the opportunity to partially restore the central atrium throughout the existing heritage building given the floor space this would eliminate. Also the opportunity to remove the existing 3 storey plant room on the roof of the 1968 building would not be provided by a minor refurbishment.

This Agreed Scheme will bring the building back to premium office standards and its original function ('state of the art' office space) and therefore future-proof the building from commercial redundancy. It will provide better access to natural light, clear floor spans and ESD performance demanded by modern day tenants.

To support the reuse of existing buildings the design of building upgrades needs to be comparable to newer developments in the CBD including current indoor environment and energy efficiency standards. Whilst the current economic climate is witnessing a slowdown in the demand for commercial space in the CBD, good strategic planning should not just work on short term economic cycles but recognise it is important to future-proof the building now. The market likely to emerge in the upturn will witness a demand for quality space to meet the needs of staff, a trend for a shift of tenants to the CBD periphery (e.g. East Darling Harbour, Darling Walk) or shifts towards suburban office parks.

The upgrade and expansion of the site therefore has the potential to:

- support the City of Sydney's Sustainable Sydney 2030 Strategic Plan;
- significantly upgrade the environmental performance of the building including energy and water usage;
- maintain the ongoing commercial relevance of this key heritage building and the wider Martin Place precinct;
- attract and retain quality tenants as befits the geographic heart of a global financial centre;
- ensure commercial space responds to shifts in workplace needs brought about by technological and social change; and
- provide additional retail space including Rowe Street.

Economic and Retail Impacts

The economic impact of the development is described above, including the need to future proof the building from building redundancy even within the context of the current economic slowdown. In terms of retail impacts, it is considered that the small scale retail offering within the Agreed Scheme will provide extra trade and jobs which will enhance Martin Place as a varied, contemporary and dynamic space. The potential reactivation of Rowe Street also has benefits for improving the access and complementing the retail offerings in the MLC Centre.

Economic Role of the City of Sydney

The concept seeks to offer a significantly improved grade of commercial office building, including ESD (energy performance) and urban design that will contribute to the City of Sydney as a principal centre for business. This is consistent with the aims of SLEP 2005 and Sustainable Sydney 2030, and will contribute Sydney's ongoing relevance in the global commercial office market.

Employment Generation

The concept will provide office space to accommodate up to approximately 3,000 people in the building. The construction of the development will generate up to 450 construction jobs.

Amenity, Safety and Security in the Public Domain

The concept provides for active retail uses in conjunction with more legible commercial lobbies better unifying the building at ground level, with the potential to open up and activate the Martin Place, Pitt Street and Rowe Street frontages and provide 'universal access' to the building. The activation of these street frontages with a contemporary upgrade of the floor plate will improve the amenity and activity of these building frontages and thereby also increase safety and security in the surrounding public domain.

Revitalisation of Heritage Item

The proposed development will have positive social and economic impacts in that the refurbishment will revitalise the existing heritage item and contribute to a vibrant, multi use city centre. The activation and use of the ground floor for retail purposes as well as the provision of a through site link will allow greater use and appreciation of this key building in Australia's history by members of the public.

6.12 The Public Interest

The amendments to SLEP 2005 and DCP 1996 will allow the Agreed Scheme to proceed as permissible development, and this will allow an iconic heritage building in the heart of Sydney to be revitalised for public appreciation of its interiors. The concept seeks to further the public interest by recapturing the “lost qualities” of the interior and enhancing the heritage values of the site, whilst ensuring that the building is brought in line with contemporary ESD requirements.

It is in the public interest to appropriately intensify development on a site that is so well served by public transport. The concept will also assist in constraining Sydney’s development footprint by providing additional height over an existing building in an optimum location with respect to public transport.

The building, if only undergoing a minor refurbishment would not assist in the rejuvenation of Martin Place as a long term central business precinct and as conservatively estimated by CFS, the Agreed Scheme will inject \$150 million into the NSW economy. The proposal provides a milestone project to support the ongoing vitality and viability of the Martin Place precinct.

7.0 Conclusion

The purpose of the Planning Report is to present the Agreed Scheme for the site, justify and support proposed LEP / DCP Amendments required to realise this Agreed Scheme and provide a recommended Planning Approvals Process for the site. This is achieved by documenting and integrating the heritage and urban design analysis to date as well as outline the process of on-going negotiation with the City Council and CSPC. The report has documented and assessed the appropriateness of amending the LEP height limit and DCP controls and has examined the environmental, economic and social issues and impacts associated with the proposal

The LEP amendment seeks to amend the LEP height limit for a small portion of the site and seeks to introduce site specific DCP controls to constrain the proposed envelope to ensure heritage and urban design objectives in respect of built form are achieved.

The LEP / DCP amendments retain the essential strategic land use intent for the site, being commercial office space centrally located in this optimum business location, but do this in a way that respects and enhances the heritage values of the site, maintains the visual prominence of the “Money Box” building and will contribute to the overall vitality and the vibrancy of the Martin Place precinct.

The further development and lodgement of a detailed DA based on the Agreed Scheme prepared by JPW and Tanner Architects based on their intimate knowledge of site opportunities, constraints and heritage / urban design implications, provides the best avenue for achieving a sustainable long-term outcome for the site that achieves design excellence. In this regard, it is recommended that:

- a subclause is added to Clause 50 (Height of Buildings) of SLEP 2005 to account for the building being above the 55 metre height limit for a small portion of the site;
- site specific DCP controls depicting an amended setback to Pitt Street and diagrams representing the Agreed Scheme and the required lightwell light penetration clearance be included in DCP 1996; and
- the design process to date is endorsed by Council as achieving design excellence given the specific requirements of the site and the interactive design process undertaken with Council and heritage stakeholders.