



MODIFICATION REQUEST:

**Concept Plan (MP 06_0171 MOD 8)
Project Application - Blocks 1 and 4 (MP 08_0253 MOD 4)**

**Central Park, Chippendale
(former Carlton & United Breweries site)**

Director-General's
Environmental Assessment Report
Section 75W of the
Environmental Planning and Assessment Act 1979

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EXECUTIVE SUMMARY

Frasers Broadway Pty Ltd (the proponent) seeks approval to modify the approved Concept Plan Application (MP 06_0171) and Project Application for Blocks 1 and 4 (MP 08_0253), relating to the mixed use redevelopment of the Central Park site, Chippendale (former Carlton & United Breweries site), pursuant to Section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

The subject site is located in the south-western part of the Sydney CBD within the City of Sydney Local Government Area (LGA).

The applications seek approval to modify the following:

- Concept Plan – modification to the gross floor area (GFA) distribution and land use mix across the site, with particular reference to Blocks 1 and 4 to enable a mix of residential and non-residential uses; modify the building envelope to separate Blocks 4 North (4N) and 4 South (4S) and modify the car parking requirements on the site; and
- Project Approval – modification to delete the building, now known as Block 4S, from the Project Approval; amendments to the floorplates and facades associated with the deletion of a pedestrian link between Blocks 4N and 4S; modification to the basement car parking area and provide an additional service access off Abercrombie Street.

This report should be read in conjunction with the Director-General's Environmental Assessment Report for SSD 5700 that seeks approval for the construction of a building (Block 4S) providing student accommodation.

The modification applications were publicly exhibited for 30 days between Wednesday 27 February 2013 and Friday 29 March 2013. A submission was received from City of Sydney Council objecting to the proposal. Council objects to the proposed land use mix and raises concern with the proposed built form along Broadway and Abercrombie Street and the suitability of the proposed childcare car parking spaces within the basement beneath Block 4N.

There were also a total of 36 public submissions objecting to the proposed modifications. The key issues raised in the public submissions included the departure from commercial uses on the site to student accommodation, amenity impacts upon adjoining residences, insufficient economic justification for the proposed change to the land use mix and the location of service access points with the potential for conflict with pedestrians.

The department considers that the key assessment issues relate to the proposed land use mix; the separation between buildings; use of the site for public parking and suitability of the built form.

The proposal to increase the residential land use component is considered to represent a reasonable adjustment given the change over time since the original approval which has seen supply of new commercial floorspace increase and demand weaken in the Sydney CBD. The department is satisfied that the modified land use mix retains an appropriate balance having regard to the role of the city centre both as a living city and a commercial centre.

The department is also supportive of the modified building forms however noting that a 14.5 metre separation distance between buildings 4N and 4S should be provided, instead of the 12.6 metre setback provided. Additional future assessment requirements are also recommended that require detailed resolution of future buildings.

Subject to conditions, the department recommends that the proposed modifications to the Concept Plan and Project Approval be approved. The Planning Assessment Commission is to determine the applications due to the number of submissions in objection and the objections from the City of Sydney Council.

1. BACKGROUND

The purpose of this report is to assess a request to modify the approved Concept Plan Application (MP 06_0171) and Project Application for Blocks 1 and 4 (MP 08_0253), relating to the mixed use redevelopment of the Central Park site, Chippendale (former Carlton & United Breweries site), pursuant to Section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

This report should be read in conjunction with the Director-General's Environmental Assessment Report for SSD 5700 that seeks approval for the construction of mixed use building providing student accommodation, non-residential uses at ground level and other facilities, including a theatre, gym, laundry and lounge areas and an external courtyard.

1.1. Site Description

The Central Park site has an area of 5.834ha, and is located in the south-western part of the Sydney CBD, within short walking distance to Central Railway Station and Railway Square Bus Terminal. The approved Concept Plan site area and location of Blocks 1 and 4 (now known as Blocks 1, 4N and 4S) within the site are shown in **Figure 1**.

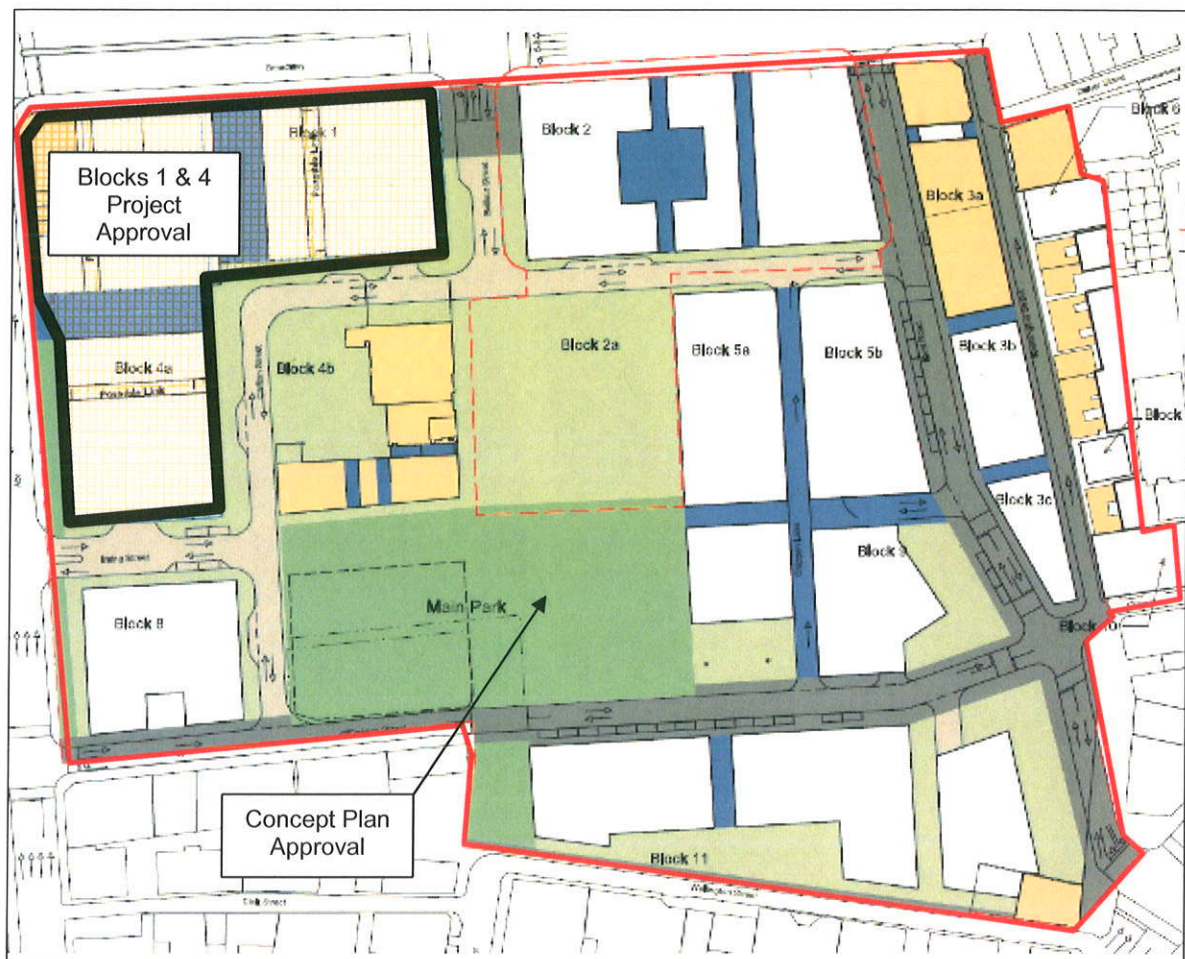


Figure 1: Approved Concept Plan (red line) and Blocks 1 and 4 Project (black line)

1.2. Concept Plan Application

On 9 February 2007, the then Minister for Planning approved a Concept Plan (MP 06_0171) for redevelopment of the site for a mix of residential, commercial, retail uses and public open space development. The Concept Plan was subsequently amended as follows:

- On 18 July 2007, **MOD 1** was approved by the then Minister for Planning to correct a typographical error in the approval notice and provide clarification on the future environmental assessment requirements in Part A, Schedule 2 of the Concept Plan;
- On 5 February 2009, **MOD 2** was approved by the then Minister for Planning for:
 - increased site area and GFA;
 - revised building envelopes for 11 development blocks;
 - reconfiguration of floor plates to development blocks and changes to internal roads;
 - revised residential and commercial land use mix splits;
 - reduced car parking spaces;
 - improved sustainable and energy efficiency measures; and
 - modification to the Voluntary Planning Agreement (VPA).
- On 16 May 2010, **MOD 3** was approved by the then Deputy Director-General, Development Assessment and Systems Performance to change the timing of the execution of the VPA;
- On 30 August 2011, **MOD 4** was approved by the Planning Assessment Commission (PAC) to modify the lapsing date of the approval;
- On 31 July 2012, **MOD 5** was approved by the then Deputy Director-General, Development Assessment and Systems Performance to modify Future Assessment Requirement B12 'ESD and Sustainable Design';
- On 24 July 2012, **MOD 6** was approved by the then Deputy Director-General, Development Assessment and Systems Performance to:
 - modify GFA to Blocks 3, 6 and 10;
 - correct the description of land to which approval applies; and
 - amendments to envelopes of Blocks 6 & 10.
- On 17 January 2013, **MOD 7** was approved by the then Deputy Director-General, Development Assessment and Systems Performance to amend the GFA distribution and land use mix within the Kensington Precinct (Blocks 3A, 3B and 7) and Block 11.

1.3. Blocks 1 and 4 Project Application

On 28 May 2010, the PAC granted approval for Major Project MP 08_0253 for the construction of a new 10-15 storey commercial building on Blocks 1 & 4 on the Central Park site, and included basement car parking, space for a tri-generation plant, retail floorspace, a child care centre and public domain works. The Project Approval was subsequently modified as follows:

- On 16 February 2012, **MOD 1** was approved by the then Deputy Director-General, Development Assessment and Systems Performance to modify the tri-generation basement shell; install a Central Thermal Plant within the basement levels; excavate and alter the basement of the Brewery Building; revise the design of the Brewery Yard and services; and install rises within the chimney stack and heritage buildings;
- On 31 July 2012, **MOD 2** was approved by the then Deputy Director-General, Development Assessment and Systems Performance to amend the timing of when the 'Green Star Rating' is to be provided; and
- On 10 May 2012, **MOD 3** was approved by the then Deputy Director-General, Development Assessment and Systems Performance to modify the approval to stage excavation and construction of a reduced basement component to install a single gas engine, being used in co-generation mode.

2. PROPOSED MODIFICATION

This application seeks approval to modify the following applications:

- 1) Concept Plan (MP 06_0171 MOD 8) is sought to be modified to enable an increase in residential use on the site and amend the approved building envelopes; and
- 2) Project Approval (MP 08_0253 MOD 4) is sought to be modified to delete Block 4S from the approved project area and undertake associated building amendments.

In addition, the following separate SSD application is being considered concurrently:

- 3) SSD 5700 which seeks approval for the construction of a building (Block 4S) providing student accommodation.

Essentially the aims of the applications are to allow additional residential development (mixture of student accommodation uses and residential apartments), instead of commercial development, in Blocks 1 and 4S.

2.1. Concept Plan Modification Description

The modification request seeks to amend the approved Concept Plan (MP 06_0171) by modifying:

- the GFA of the individual blocks within the site while maintaining the overall GFA of 255,500m²;
- the residential / non-residential land use split from 70 / 30 to 77 / 23%;
- the land use of the new Block 4S to enable residential uses (student accommodation) with ground floor non-residential uses;
- the land use of Block 1 to be used for residential and non-residential land uses;
- the land use of the Brewery Yard to include residential uses;
- the building envelopes by separating Blocks 1 and 4 to create Blocks 1, 4 North (4N) and 4 South (4S) and the Brewery Yard (4B); and
- the car parking requirements to enable the use of some future commercial office parking spaces as public parking afterhours.

Other modifications to the approved Concept Plan relate to the public domain, publicly accessible areas and driveway access points. Following a review of the submissions received, the proponent submitted a Response to Submissions for the modification providing additional justification for the proposed modification.

2.2. Project Approval Modification Description

The modification request seeks to amend the approved Blocks 1 and 4 Project Approval (MP 08_0253), as follows:

- deletion of the building, now known as Block 4S, from the Project Approval;
- revision of the southern façade of Block 4N in response to the removal of Block 4S and deletion of the link bridge between Blocks 4N and 4S;
- minor amendments to the existing floorplate in response to the removal of Block 4S;
- reduction of the approved basement to service Blocks 1 and 4N only and modifications to the approved access arrangements including a design that allows a future basement connection between Block 4N and 4S; and
- modified Statement of Commitments.

Following a review of the submissions received, the proponent submitted an amended application providing additional justification for the proposed modifications and two amendments to the project, being:

- relocation of a digital screen to the new building façade above the Abercrombie Hotel, in accordance with the requirements of Condition A10b; and
- indicative plan of subdivision following the removal of Block 4S from Block 1 and 4N (formal approval being sought at a later stage through Council).

Figure 2 below provides a comparison between the Project Approval and the proposed modified scheme following the deletion of Block 4S from the project.

2.3. Concurrent State Significant Development Application

A State Significant Development application (SSD 5700) has been submitted concurrently with the subject modifications. This application seeks approval to construct a part 15, part 16 storey building providing student accommodation for up to 826 students on Block 4S. The development is to have a total gross floor area of 24,132m² and includes non-residential uses at

ground floor level, resident facilities including a theatre, gym, laundry and lounge areas and an external courtyard.

The application should be considered concurrently with the Concept Plan and Blocks 1 and 4 modification applications.

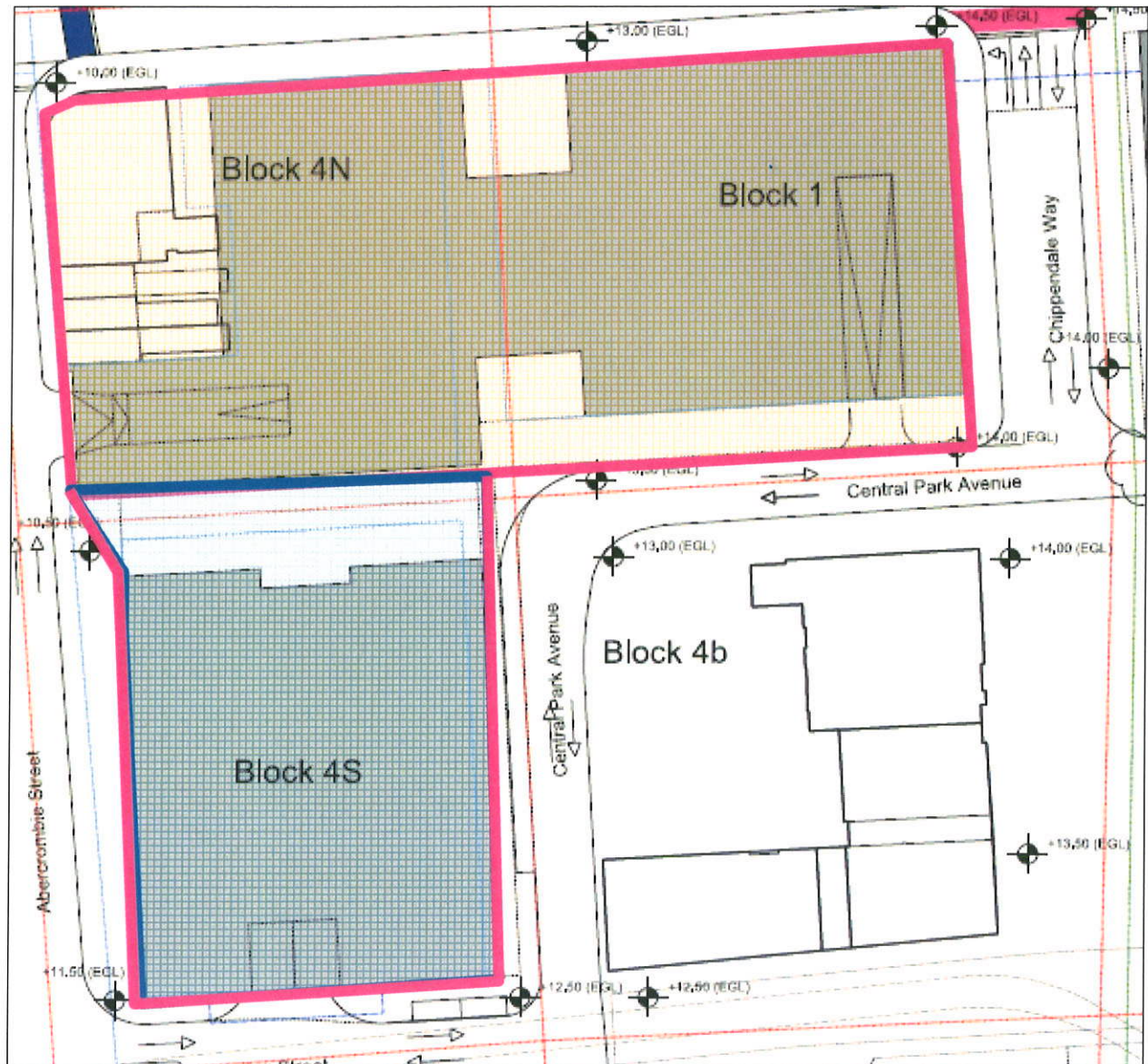


Figure 2: Original Project area (outlined in pink), which is to be amended to delete the building, now known as Block 4S (shown in blue), from the Project Approval

3. STATUTORY CONTEXT

3.1 Continuing Operation of Part 3A to Modify Approvals

In accordance with clause 3 of Schedule 6A of the EP&A Act, Section 75W of the EP&A Act as in force immediately before its repeal on 1 October 2011 and as modified by Schedule 6A, continues to apply to transitional Part 3A projects.

Consequently, this report has been prepared in accordance with the requirements of Part 3A and associated regulations, and the Minister (or his delegate) may approve or disapprove the modification of the projects under section 75W of the EP&A Act.

3.2 Modification of the Minister's Approval

The modification application has been lodged with the Director-General pursuant to Section 75W of the EP&A Act. Section 75W provides for the modification of a Minister's approval including *"revoking or varying a condition of the approval or imposing an additional condition of the approval."*

The Minister's approval for a modification is not required if the project as modified will be consistent with the existing approval. However, in this instance, the proposal seeks to modify requirements imposed on the Concept Plan and Project Application that are deemed to require detailed consideration. Therefore, an application to modify the Minister's approval is required.

3.3 Environmental Assessment Requirements

Section 75W(3) of the Act provides that the Director-General may notify the proponent of Director-General's Environmental Assessment Requirements (DGRs) with respect to the proposed modification that the proponent must comply with before the matter will be considered by the Minister.

No additional environmental assessment requirements were issued with respect to the proposed modifications, as sufficient information was provided to the department in order to consider the application and the issues raised remain consistent with the key assessment requirements addressed in the original DGRs.

3.4 Delegation

In accordance with the Minister's delegation dated 14 September 2011, the applications are referred to the PAC for determination as the City of Sydney Council has made submissions in the nature of an objection to the proposal and 36 public submissions have been received in the nature of objections.

4. CONSULTATION AND SUBMISSIONS

4.1. Exhibition

Under Section 75W of the EP&A Act, a request for a modification of an approval does not require public exhibition, however, under section 75X(2)(f) of the EP&A Act, the Director-General is required to make a modification request publicly available.

In this instance, the modification applications were publicly exhibited concurrently with the SSD application from Wednesday 27 February 2013 until Friday 29 March 2013 and were exhibited on the department's website; at the Department of Planning and Infrastructure's Information Centre and at City of Sydney Council. The department also advertised the public exhibition in the Sydney Morning Herald, Daily Telegraph and the Central Courier on Wednesday 27 February 2013; and notified landholders and relevant State and local government authorities in writing.

The department received 40 submissions during the exhibition of the modification application, including 4 submissions from public authorities and 36 submissions from the general public (it is noted however that some public submissions relate to both the Concept Plan and Project Approval modifications).

Following the submission of the Response to Submissions report on 30 May 2013, the department received one further submission from the public objecting to the proposal. Council also maintains its objection to the proposal.

A summary of the issues raised in submissions is provided below.

4.2. Public Authority Submissions

Four submissions were received from public authorities in response to the applications and a further submission from Council in response to the amended application. Key issues include:

City of Sydney Council	
<i>Section 75W Application</i>	<p>Council does not support the proposed modified land use mix and also raised the following associated concerns:</p> <ul style="list-style-type: none"> • whether adequate services and infrastructure are provided on the site to cater for the proposed change in land use mix; and • the likely increased vehicular and pedestrian traffic implications and amenity impacts within the site and onto the neighbouring locality. <p>Council states that a recent study by Council predicts significant demand for commercial floor space in the near future, which the site is well located to serve.</p> <p>Council also raised the following concerns to the modification of Blocks 1 and 4:</p> <ul style="list-style-type: none"> • the modification to enable flexibility for residential uses within Block 1 and 4B (Brewery Building) is not supported as providing flexibility makes it difficult to consider economic impacts associated with employment generation; • the proposal contains insufficient information to assess the implications of increasing the residential population and reducing the commercial land uses; • the proponent should address issues relating to built form, density, impact of residential development on the operation of commercial uses, residential amenity and traffic implications; and • any increase in residential use should provide additional childcare and community facilities.
<i>Amended Section 75W Application</i>	<p>Council maintains its objection to the proposed changes to the land use mix as it considers this would be inconsistent with relevant planning policies, including the Metropolitan Strategy for Sydney and jeopardise the intended future role of the area.</p> <p>Concerns are also raised with the built form along Broadway and Abercrombie Street (relating to the pedestrian link between Blocks 1 and 4N), the building separation between Blocks 4N and 4S, childcare centre parking location within the basement car park, and the use of spaces within the basement under Block 1 as a public car park.</p> <p>Council states that it recognises the demand for student accommodation and is of the opinion that student accommodation can be supported in Block 4S in principle, subject to the proposed residential uses in Blocks 1 and 4N and the Brewery Yard not being supported and the commercial use of these buildings being retained.</p> <p>Student accommodation use in Block 4S is to demonstrate suitability in terms of building amenity, environmental and its applicability for the National Rental Affordability Scheme.</p>
Roads and Maritime Services	
<i>Section 75W Application</i>	RMS raised no objection to the proposed modifications and considered that the proposal will not have a significant traffic impact on the classified road network.
Transport for NSW	
<i>Section 75W Application</i>	TfNSW raised concerns on the potential impacts from the construction of Blocks 1 and 4 on the future construction, operation and maintenance of Central Business District metro railway tunnels. TfNSW recommended a condition to address this concern.
Office of Environment and Heritage	
<i>Section 75W Application</i>	OEH raised no concerns with the proposal.

4.3. Public Submissions

A total of 36 submissions were received from the public across the two modifications, with all submissions objecting to the proposal. Key issues raised in public submissions objecting to the Concept Plan (**Table 1**) and Blocks 1 and 4 (**Table 2**) modifications are below.

Concept Plan MOD

Issue	Proportion of submissions (%)
Commercial to student housing is a significant departure from the Concept Plan	97%
Poor residential amenity of student accommodation use	97%
Economic justification for the proposed modification is not supported	81%
Scale and design of the Block 4S will dominate the street frontage	81%

Table 1: Summary of issues raised in public submissions to Concept Plan Modification

Other issues raised in public submissions objecting to the proposal included:

- impact of student housing and proposed licensed premises;
- public car park use;
- change in use of the Brewery Yard;
- lack of access to public accessible areas;
- insufficient parking on the site;
- design, layout and management of the building for student accommodation; and
- amenity impacts upon surrounding area.

Blocks 1 and 4 MOD

Issue	Proportion of submissions (%)
Location of service access point and conflict with pedestrians	80
Location of the childcare centre parking	40
Location of function centre on Block 1 and 4N	40
Loss of publicly accessible spaces	40

Table 2: Summary of issues raised in public submissions to Blocks 1 & 4 Modification

The department has considered the issues raised in submissions in its assessment of the application.

4.4. Proponent's Response to Submissions

The proponent provided a response to the key issues raised by the public submissions in response to the exhibition of the modification applications and amended applications. The proponent's full response to submissions is included at **Appendices A** and **C**. The department is satisfied that the issues raised in submissions have been comprehensively addressed, either through this report or by the proponent.

5. CONSIDERATION OF PROPOSED MODIFICATIONS

The department considers the key environmental assessment issues associated with the proposed modifications to be:

Concept Plan:

- redistribution of residential and non-residential floorspace;
- modifications to approved building envelopes; and
- public car park use.

Project Approval:

- access and parking provisions; and
- signage.

5.1 Modifications to the Concept Plan

5.1.1 Changes to allocation of floorspace

The proposed modification seeks to amend the allocation of GFA between the various Blocks within the Central Park site, while maintaining the overall maximum GFA of 255,500m² approved by the Concept Plan. The proponent proposes to utilise unrealised floorspace (the difference between the permitted GFA under the Concept Plan and the approved GFA under the Project Applications) and redistribute this GFA to other Blocks within the Central Park site.

Table 3 illustrates the approved Concept Plan GFA for each Block, the approved Project Application GFA and the proposed Concept Plan GFA. Notably, an additional 2,460m² is sought to be allocated to Blocks 1 and 4.

On the basis that the overall GFA of the Concept Plan does not increase, the department does not raise any concerns with this aspect of the modification.

Block	Concept Plan Approved GFA (m ²)	Project Approved GFA (m ²)	Concept Plan Proposed GFA (m ²)	Difference between Concept Plan Approved and Proposed GFA (m ²)
1 & 4	77,000	72,780	79,460	+2,460
2	68,000	67,626	67,626	-374
3	11,100	11,043	11,043	-57
5A	11,000	11,516	11,516	+516
5B	16,000	16,800	16,800	+800
6	2,000	2,000	2,000	N/A
7	1,100	1,000	1,000	-100
8	14,500	N/A	11,500	-3,000
9 (known as 5C)	27,000	26,598	26,598	-402
10	2,070	1,844	1,844	-226
11	25,730	N/A	26,113	+383
Total	255,500		255,500	0

Table 3: Approved and proposed GFA for Central Park (Source: Proponent's application)

5.1.2 Amendment to proportion of residential and non-residential uses

The approved Concept Plan provides for a maximum GFA across the site of 255,500m² and stipulates that:

- residential land uses shall not exceed 70% of the total GFA; and
- non-residential land uses shall not be less than 30% of the total GFA.

The proportionate allocation of residential and non-residential GFA within approved Project Applications across each Block is shown in **Appendix D**. This distribution identifies that the approved residential (51%) and non-residential (49%) uses are consistent with the Concept Plan approval requirements.

The proposed modification seeks to amend the above Concept Plan approval requirement to allow a proportionate land use allocation of:

- residential land uses to be 76.7% of the total GFA; and
- non-residential land uses to be 23.3% of the total GFA.

The proposed modification seeks to increase the residential floor space on the site at the expense of non-residential floorspace, as indicated in **Appendix E**. The increase of residential floor space is sought to allow residential uses within Blocks 1, 4S and the Brewery Yard (noting that the SSD being concurrently considered seeks to develop Block 4S for the purpose of student residential accommodation).

In support of the proposal, the proponent states that:

- the modification to the commercial component will have minimal impact on Sydney's commercial market aspirations;
- it is committed to delivering a commercial office building on the corner of Broadway and Abercrombie Street, and providing an alternative to the delivery of Blocks 1 and 4N will ensure the completion of the southern gateway to the City in a timely manner, representing a positive outcome for the broader community;
- combined with the other uses approved on the site, the proposal will ensure that the site will continue to provide a vibrant mix of uses; and
- demand for office space has weakened over the past 10 years (especially when considered in conjunction with other large scale developments underway at Barangaroo and Darling Harbour), demand for smaller commercial developments are more likely to be realised.

In addition, the proponent submitted an Economic Impact Assessment (EIA) which supports the proposed change to the land use mix away from commercial land uses to residential / student housing. A key point set out in the EIA relates to the subdued nature of commercial floorspace demand since 2006 as compared to relatively higher demand for residential dwellings. This is evidenced by the 7% per annum increase in residential rents as compared to the 4% per annum increase for premium office space over the same period. This historical demand analysis is complemented by reference to a recent forecast by Morgan Stanley that shows a weakness in demand for Sydney office space, with projected commercial rental growth (compounded) over 5 years to 2017 at just 0.3%. Further points provided in the EIA set out that the proposed change would:

- alleviate pressure in surrounding private rental markets through the provision of additional student accommodation within the site rather than students renting in surrounding suburbs, which is expected to provide additional rental opportunities to the inner Sydney market which currently has a rental vacancy rate of 1.8% in December 2012;
- reduce the student housing shortage apparent in the region that is deficient of approximately 19,772 beds (24,260 international students versus approximately 4,500 beds) to cater for the number of students in the locality;
- activate the Central Park precinct during ordinary business hours; and
- adhere to both Federal and State government policy objectives associated with the provision of new affordable dwellings.

Council comments

Council objects to the proposed modification to the land use mix on the basis that the proposal is inconsistent with relevant planning policies, including the Metropolitan Strategy for Sydney, and would jeopardise the intended future role of the area. It further questions the proponent's justification that providing additional residential floor space and further reducing commercial floor space is not an appropriate response to current market demand.

However, it generally supports the use of Block 4S for student accommodation, subject to the residential floorspace in Blocks 1 and the Brewery Yard not being supported. Retention of the approved commercial floorspace in Block 1, 4N and the Brewery Yard is considered crucial to ensuring the Central Park site has an appropriate balance of uses to meet the long term needs of the immediate community and the wider city.

Department's consideration

The department notes that the requirement for a minimum 30% provision of non-residential floor space was imposed as a result of recommendations from an independent Expert Advisory Panel (EAP) established by the then Minister for Planning to review the original Concept Plan application. The EAP recommendation sought to ensure an acceptable mix of uses was provided across the site, with commercial space being predominantly located along the Broadway frontage to create a buffer to the existing residential area located further to the south in Chippendale.

The department's assessment of the original Concept Plan noted that the design of the site required consideration of two particular aspects, these being that the site needs to:

- relieve pressure on the availability of commercial office space within the Sydney CBD; and
- ensure the distribution of land uses integrated with the rest of Chippendale.

In order to determine whether the proposed land use mix (in particular the reduction of non-residential land use) is appropriate, the department considers that the following are key assessment issues:

- strategic context; and
- vitality and vibrancy of the Central Park site.

Strategic Context

In considering the strategic context, the department has reviewed the framework provided by the Draft Metropolitan Strategy for Sydney. The Draft Strategy will guide the development of the Sydney Metropolitan area towards 2031 and beyond and aims to achieve the sustainable growth of Sydney, built around five key outcomes:

- balanced growth;
- a liveable city;
- productivity and prosperity;
- healthy and resilient environment; and
- accessibility and connectivity.

The Draft Strategy forecasts a population increase for Sydney of 1.3 million people by 2031, taking the total population to 5.6 million and sets a target of 545,000 additional dwellings by 2031.

The site is located within the Central Subregion. The housing targets for the Central Subregion are an additional 82,000 dwellings by 2021 and 138,000 by 2031. The employment targets for the Central Subregion are 135,000 additional jobs by 2021 and 230,000 additional jobs by 2031.

The department notes that the key outcomes set out by the Draft Strategy overall seek to provide a balanced approach to growth across Sydney. Noting Council's criticisms of the

proposed change in land use mix, the department considers that the key strategic assessment issue specifically for this site relates to whether the additional residential floorspace (at the expense of non-residential floorspace) is appropriate having regard to the site's CBD edge location and the role of the city centre both as a living city and a commercial centre.

The department acknowledges the considerations of the original Concept Plan through the provision of the land use mix requirements. At the time of the assessment (2006) this represented a reasonable mix of land uses having regard the strategic land use opportunities provided by the redevelopment of the site. It remains however that this should be able to be reviewed and adjusted over time as development pressures change and strategic objectives are reviewed.

The Draft Strategy's Balanced Growth objective seeks to strengthen and grow Sydney's centres by encouraging mixed use within centres including central commercial areas where there is market demand and complementary land uses. Having regard to this policy, the department notes that:

- the proponent's EIA provides clear evidence that commercial office floorspace demand has weakened whilst residential floorspace demand remains high; and
- the site is within walking distance to 4 key tertiary education establishments (UTS, University of Notre Dame, University of Sydney and TAFE) that are complementary to the student accommodation use.

Having regard to the above the department considers that the proposed change in land use mix provides a positive and appropriate response to the current strategic policy framework for providing balanced growth within central Sydney.

Further to the above, the department acknowledges Council's criticism of the proposed change in land use and does not dispute that this would affect employment generation opportunities on the site. However it is noted that:

- the supply of new commercial office floorspace for the Sydney CBD in the development pipeline remains high (with the proponent's EIA setting a figure of 863,000m² GFA);
- the proposed 7% shift in land use (17,900m²) is not of a scale that will have any material impact on the role of the wider Sydney CBD as a major commercial centre; and
- a different form of employment opportunities arise through the inclusion of student accommodation in Block 4S.

Having regard to the above the department considers that it is appropriate that adjustments such as that proposed should be considered over time (where practicable) having regard to changing land use and development pressures and contemporary strategic land use policy. Despite Council's criticisms the department considers that the proposal represents a reasonable adjustment and retains an appropriate balance for growth having regard to the role of the city centre both as a living city and a commercial centre.

Vitality / vibrancy of the Central Park site

A key component of the approved mixed use development on the Central Park site is that the approval provides for a mix of land uses to ensure that the site is suitably vibrant throughout the day or night. With the inclusion of additional residential uses, the development supports the adjoining land uses provided along an important corridor of Parramatta Road / Broadway.

The proposal to amend the mix of land uses on the Central Park site and include additional student accommodation is a result of the site's proximity to a number of universities (UTS, University of Notre Dame and University of Sydney are within 500 metres of the site) and lack of suitable student accommodation. The inclusion of student accommodation in Block 4S, will contribute to the previously approved student accommodation buildings in Blocks 3B, 3C and 10

on the eastern side of the site, and provide greater usage of the site throughout the day and through the night.

In addition to the student accommodation use, the potential for Block 1 and the Brewery Yard for residential use also provides opportunities to improve the vibrancy of these areas and provide greater opportunities to link with the eastern side of the site that contains Chippendale Green, the retail and restaurant uses within One Central Park and the future uses within the Kensington Precinct.

Conclusion

Overall, the department is of the view that the proposed modified GFA distribution is reasonable in the context of the sites city edge location and high concentration of educational facilities in the surrounding area. The minimum amount of non-residential floor space to be provided on the site, approximately 59,500m², is still considered to be sufficient to cater for expected demand for commercial and retail purposes and will still be able to meet the originally identified need to relieve pressure on the availability of commercial office space within the Sydney CBD. It will also continue to contribute toward a mix of residential and non-residential land uses on the site that retains a sense of vibrancy and vitality.

The proposed uses under this modification support the adjoining educational uses, which is a key economic driver of the southern part of the CBD and will enable the Central Park site to provide an active development, with close proximity to the Sydney CBD.

5.1.3 Changes to approved building envelopes

Abercrombie Street frontage

The proposal seeks to modify the approved building envelope of Blocks 1 and 4 (approved as an L shape) into two separate envelopes being Blocks 1 and 4N and Block 4S. To achieve the separation of Block 4S from the Blocks to the north, the approved high level link and associated canopies are sought to be deleted (refer to **Figure 3**). A reduced setback between Block 4N and 4S, from 14.5 metres to a minimum of 12.6 metres, is also proposed through extending Block 4S to the north by 1.9 metres.

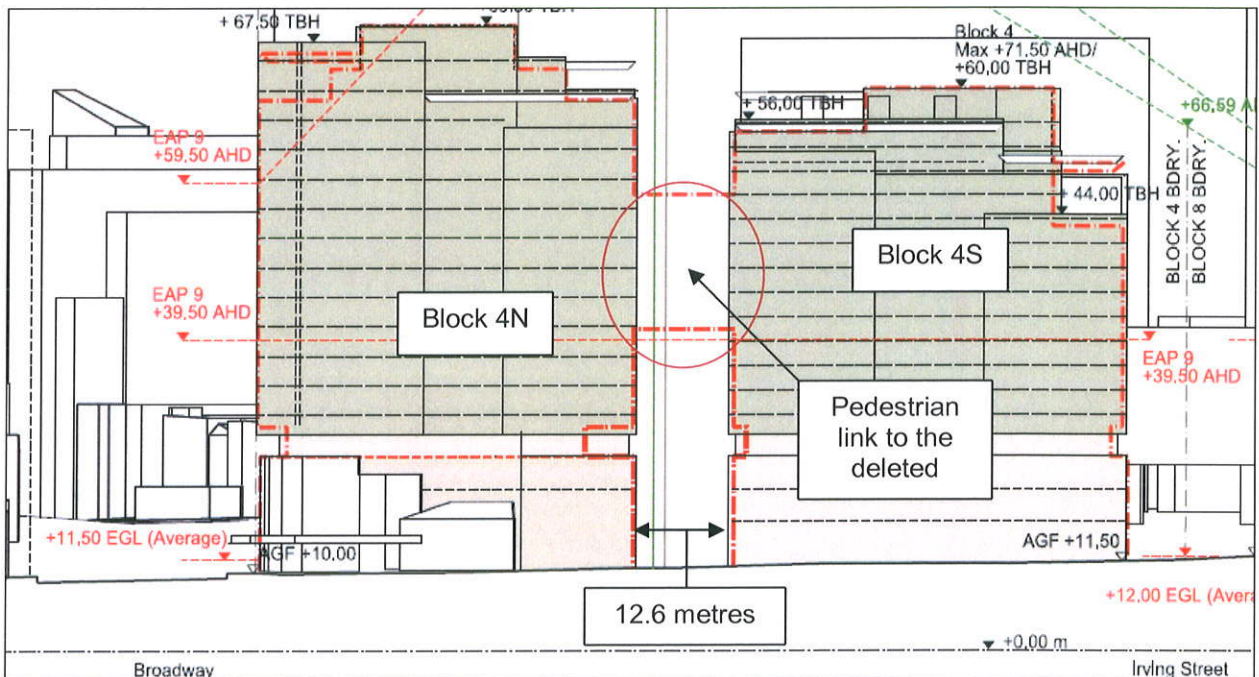


Figure 3: Proposed Abercrombie Street elevation looking east with the approved Concept Plan dotted red (Source: Proponent's application)

The department and Council have raised concerns with the reduction to the setback between Blocks 4N and 4S. An increase to the building separation was considered appropriate to improve the pedestrian link into the site from Abercrombie Street, encouraging pedestrian flow through the site and also assist in addressing amenity impacts of future occupants of Block 4S.

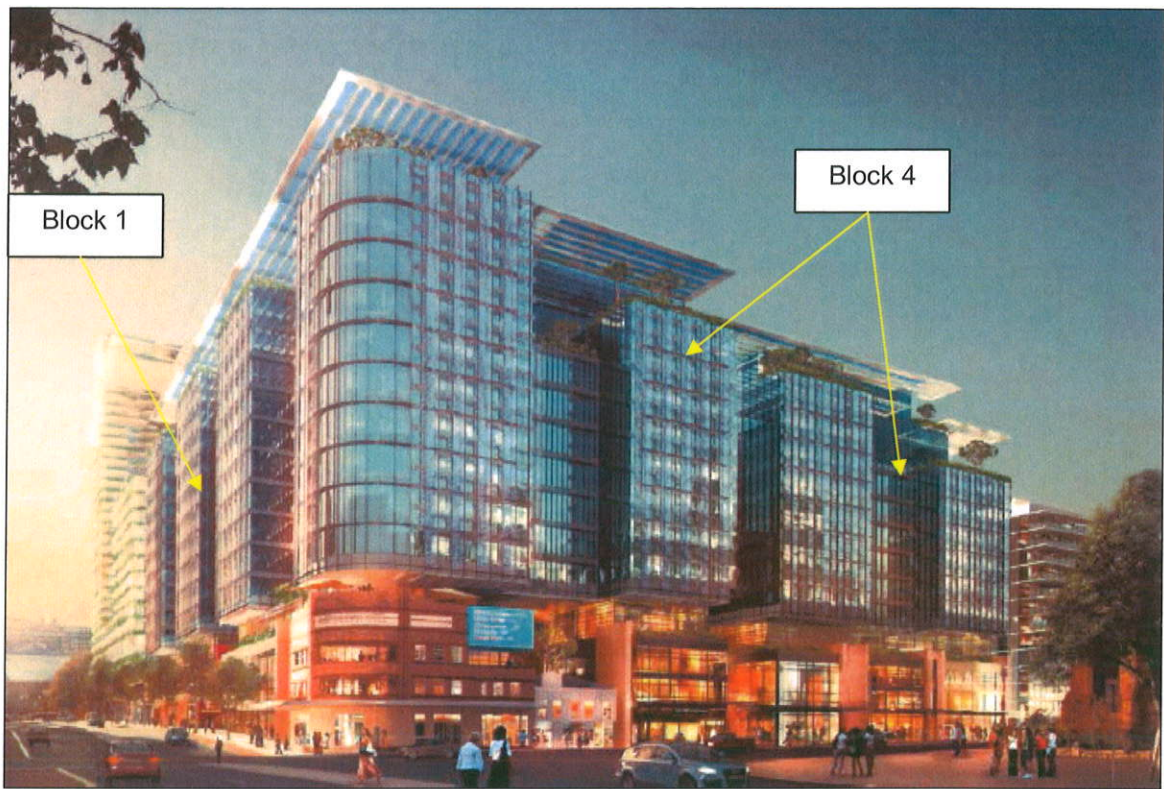


Figure 4: Photomontage of the approved Block 1 and 4 - corner of Abercrombie Street / Broadway looking east (Source: Proponent's additional information)



Figure 5: Photomontage of the proposed amended built form - corner of Abercrombie Street / Broadway looking east (Source: Proponent's additional information)

In response to the department's concerns, the proponent argues that the proposed 12.6 metre setback is adequate for the intended future occupants of Block 4S and the design of the building will be carefully considered to ensure acceptable levels of amenity and privacy are achieved for occupants. The majority of the units are proposed to be orientated east / west with some communal spaces facing towards the south.

Future Assessment Requirement B1 of the approved Concept Plan requires detailed resolution of the form and bulk of the commercial buildings along Abercrombie Street at future application stages to ensure compatibility with the scale of buildings in the area and to maintain visual links into and outside the site, particularly the heritage items.

Figures 4 and 5 provide a comparison of the built form when viewed east from the intersection of Broadway and Abercrombie Street. The design of the facade to Abercrombie Street presents as two separate portions, one being the 5 storey podium area provided at a similar height to the Australian Hotel and the other being the upper 11 storey student accommodation area.

The modified built form of Block 4S has responded to the proposed use for student accommodation and includes floor plates suitable for this use.

The proposed form and bulk of the building, with a reduced separation between Block 4S and 4N, is not considered to satisfy this requirement as it reduces opportunities to view the central parts of the site from external roadways. Also, through a reduced setback, the department is of the view that the building bulk of Block 4N and 4S will present to the street as a building wall and reduces the quality of the adjoining public domain areas.

The department recommends that the setback between Block 4N and 4S be increased to a minimum of 14.5 metres on the following grounds:

- the separation will reduce the building bulk presented at Abercrombie Street and reduce the visual perception of a consistent street wall of buildings;
- the separation will improve the pedestrian environment by providing an increased public domain area between the buildings and improve visual permeability into and out of the Central Park site; and
- the separation will provide improved amenity for future occupants of Block 4S.

Broadway frontage

The proponent seeks to modify the building envelope along the Broadway frontage (**Figure 6**) to enable greater opportunities in the future use of the buildings, through a modification to the approved pedestrian / through site link between Levels 7 and 10 and an extension to the corner elements of the envelopes. The envelope for the link is sought to be enlarged so that it may extend from the ground up to Level 13.

Depending on the use of Block 1 (either for non-residential as approved or as a mix of non-residential and residential uses), it is proposed that this area would be either a fully open area enabling access to entrance lobbies or as a glazed enclosed through site link providing access to centralised lobbies.

Council has raised concerns with the proposed enclosure of the through site link between Blocks 1 and 4N on the basis that despite the enclosure being comprised of glass, the appearance and perceived functionality of the space will be affected and not be as effective as originally approved. Council recommends that the proposed enclosure of the through-site link not be approved as it provides an important connection between Broadway and Central Park Avenue located to the south of Block 1.

The proponent has confirmed in the RtS that the enclosure of the link would only be provided if there was a combined commercial tenant for Blocks 1 and 4N. Should this occur, the building

footprint along the Broadway frontage has the potential to be approximately 115 metres in length.

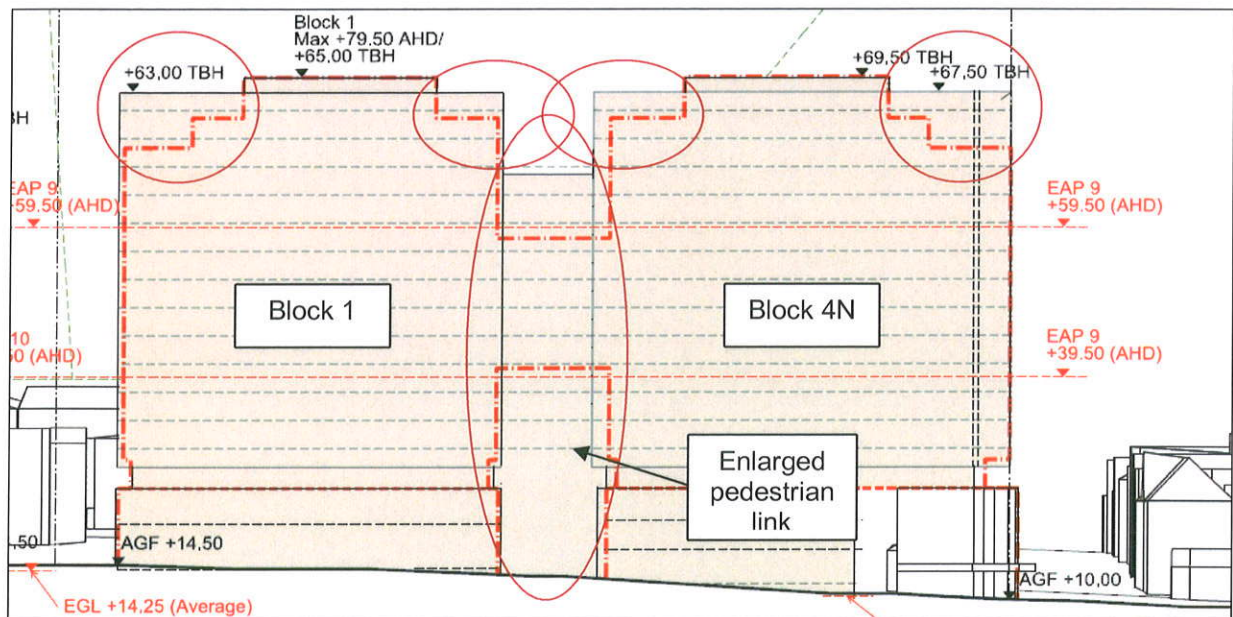


Figure 6: Proposed Broadway elevation looking south illustrating increased building envelope area compared to approved envelope dotted red (Source: Proponent's application)

While the department acknowledges the proponent's comment, the department also notes that the approved Concept Plan includes a Future Assessment Requirement requiring detailed resolution of all street sections to be determined as part of future project applications.

The proponent, in any application to modify the Block 1 and 4N Broadway frontage, would therefore need to demonstrate how the building would satisfy these requirements of the Concept Plan. The department recommends a Future Assessment Requirement to ensure that the Broadway frontage is appropriately modulated and articulated and that the built form of the building does not present a continuous façade length to Broadway.

Having regard to the functionality of the proposed through-site link, the department is of the view that suitable designs can be provided to maintain public access to this area should the proponent seek to enclose the space between Block 1 and 4N. Similar considerations were undertaken during the assessment of the publicly accessible space provided on the ground floor of Block 2, which maintains a link from Broadway to the area to the south of Block 2.

The other proposed additional building envelope areas along the top of the façade to Broadway (as shown by circles in **Figure 6**), are considered to have minimal impact upon the overall design of the buildings that will be considered during future Project Application modifications to the Block 1 and 4 approval. In addition, as the overall building height of the envelope is maintained, the additional building area is satisfactory.

Indicative Block 1 residential envelope

Under the currently approved Concept Plan and Project Application, Block 1 is approved for non-residential uses (retail uses on the ground floor and commercial uses above). Under the proposed modification to the Concept Plan (discussed in **Section 5.2**), Block 1 may be used for either a mixture of non-residential or residential purposes (above retail located on the ground floor). If the proponent were to pursue the residential use of the building, a further approval would be necessary as the current project approval currently allows non-residential use only.

If this was to occur, the department would require the proponent to demonstrate in detail how the minimum separation distances of State Environmental Planning Policy No. 65 – Design Quality of Residential Flat Development (SEPP 65) could be achieved. The accompanying Residential Flat Design Code provides building separation requirements in order to maximise visual privacy between residential flat buildings and adjoining residences. For buildings of 9 storeys and above, a separation distance of 24 metres is recommended between habitable rooms and balconies, 18 metres between habitable rooms/balconies and non-habitable rooms and 12 metres between non-habitable rooms.

In support of the Concept Plan modification, indicative plans have been provided by the proponent that demonstrate that the requirements of SEPP 65 and the RFDC can be achieved (**Figure 7**). To ensure that residential amenity is maximised, the department recommends the inclusion of a Future Assessment Requirement to ensure that building separations are provided in accordance with the requirements of SEPP 65 between Blocks 2 and 1 should Block 1 be used for residential purposes.

Whilst the indicative width and depth are beyond that suggested by the RFDC, the department notes that the future building has similar dimensions to the residential buildings in the approved and constructed One Central Park residential development. The future building would need to be similarly articulated and apartments would need to be well designed to ensure occupants are provided with a good level of internal amenity.

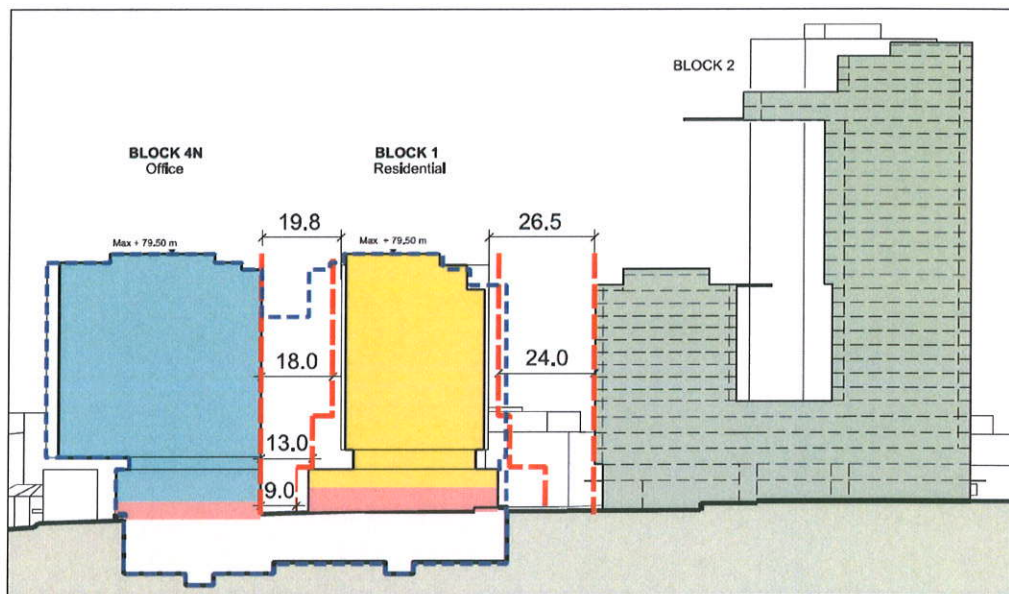


Figure 7: Setbacks to adjoining buildings should Block 1 be modified to residential and retail uses (Source: Proponent's amended application)

5.1.4 Public car park use

The proponent seeks to amend Modification A8 to enable the after hours use of up to 100 vacant commercial car spaces within Blocks 1 and 4 for public parking. The proponent has sought the modification on the basis that vacant commercial parking spaces could be utilised by the various retail tenancies or visitors (i.e. grandparents visiting residents of the site or students / lecturers of adjoining educational facilities) to the site when public transport service frequencies are decreased. In addition, providing afterhours parking on the site would also alleviate traffic and parking demands on local streets.

Modification A8 is therefore proposed to be modified as follows:

A8 Public Car Park

The Concept Plan is modified so that no approval is granted for public car parks. ~~and shall not be included in any subsequent future project applications or Development Application.~~

Council has raised concerns with the proposal on the basis that if the site is used as a public car park this will encourage private vehicle use by visitors to the site and increase traffic volumes on roads within the development and in the surrounding neighbourhood. Council also considers that as the site is well serviced by public transport, it is important to encourage workers, residents and visitors to use alternative transport options and minimise private vehicle use.

The department did not support public car park use on the site during the assessment of the original Concept Plan.

The department has also previously considered public car park use of the site after 5pm when commercial spaces were not being used (no specific detail was provided on the number of spaces or how the spaces would be managed as a car park plan of management was proposed as a commitment) in its assessment of MOD 2 to the Concept Plan. The department did not support the use on the basis that it had the potential to provide for high levels of car usage within walking distance of major bus services on Broadway and to a public transport hub of Railway Square and Central Station. Concerns were also expressed that this would also lead to an increase in traffic congestion on neighbouring streets, at peak and non peak times.

Overall, the department does not support the use of spaces after hours for public car parking and maintains its view and reasoning provided during the assessment of the earlier modification, which is still considered to be relevant. The Central Park site is considered to be ideally located to benefit from the public transport system within close proximity of the site and therefore the proposed modification to enable public car parking afterhours is not supported.

5.2 Changes to the Project Approval

5.2.1 Car parking and access arrangements

The proposal seeks to modify the approved car parking and access arrangements as follows:

- deletion of basement Level 5 beneath Blocks 1 and 4N (parking provided for Block 4S and Block 8 will be addressed through separate SSD applications) reducing the number of spaces from 553 to 251 spaces (total of 251 does not include 4 loading and 8 shared service spaces);
- provision of a service vehicle entry off Abercrombie Street to serve Blocks 1 and 4N providing access to the loading areas, service vehicle spaces for vans and utes and 4 childcare centre spaces;
- use of pick-up / drop-off spaces for childcare usage provided on Central Park Avenue; and
- modifications to parking along Central Park Avenue.

Council has raised concerns with the location of the proposed childcare centre spaces (noting that a childcare centre is approved on Level 3 to be provided within Block 4N) within the basement beneath Block 4N and the potential conflict between users of the basement area, including that between service vehicles, private vehicles and pedestrians (**Figure 8**). The future connection to the Block 4S car parking area was also raised as a concern.

The department supports on-site parking for childcare centres where appropriately located and where opportunities for conflict between vehicles and children are minimised. The department notes however the childcare centre users would need to walk across the area used to access

the service / loading dock space and is therefore concerned with the potential conflict between service vehicles and childcare users in the basement.

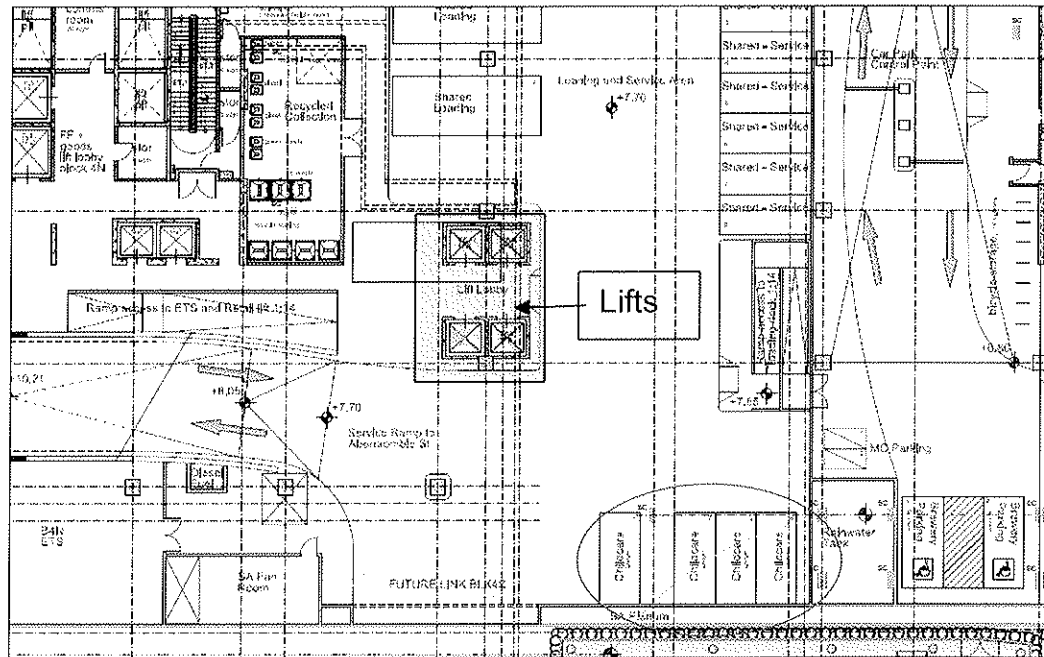


Figure 8: Location of childcare centre car parking spaces within the basement car parking accessed off Abercrombie Street (shown circled) and lifts to gain access to the childcare centre on Level 3 (Source: Proponent's application)

In addition, the department notes that the proponent has identified that there is likely to be a future connection between the basement of Blocks 4N and 4S, which in the future is to provide access to a loading / unloading area under Block 4S (temporary loading facilities are to be provided along the internal road network until the basement of Block 1 and 4N is constructed). This connection is located adjacent to the proposed childcare parking spaces that could exacerbate the likelihood of potential conflicts.

Despite access being limited to only 4 childcare centre spaces within this level of the basement, it is considered appropriate to reallocate these spaces to another location that does not have conflicts between trucks / vans and children. Alternative options for the location of these spaces could include at a lower level within the basement car parking area.

Additional car parking spaces to the east of Block 4S at the street level along Central Park Avenue are proposed, however Council has raised concerns with these spaces on the basis that the spaces are restricted to 1 hour ticketed parking. The proponent has indicated that this matter is to be dealt with under a separate modification to the project application for the site infrastructure works that considers the design and location of these spaces.

Noting the above concerns, a condition is recommended that will require the proponent to submit a final basement allocation plan to the Director-General for approval prior to the commencement of above ground works, which relocates the childcare centre parking from the basement level containing the service and loading / unloading area to a more acceptable location that provides reduced conflicts between pedestrian and vehicle movements.

Once this information is submitted, the department (following receipt of comments from Council) is of the view that issues regarding potential conflicts with users of the basement car parking can be satisfactorily resolved.

5.2.2 Signage

The exhibited modification to the Project Approval identified the retention of a digital screen to be provided on the Abercrombie Street frontage that was inconsistent with the requirements of the approval. Following the exhibition, the department requested that the proponent modify the exhibited plans to ensure compliance with Condition A10(b), which states:

(b) The proposed digital sign on the Australian Hotel is not approved as part of this application in its current location. Any relocation of the proposed sign is to be above the City Datum Line, and details are to be submitted to the Director of Metropolitan Projects (or their equivalent) for approval.

As a result of the department's request, the proponent provided modified architectural plans in the amended application, **Figure 9**, which illustrates that the proposed digital screen has now been located above the City Datum Line, which satisfies the requirements of Condition A10(b) and as such Condition A10(b) is recommended to be deleted.

Notwithstanding this, the Project Approval includes a requirement that the approval only consents to the signage zones but does not approve the structure, content, illumination or materials. Further applications will need to be submitted to Council for assessment under Part 4 of the EP&A Act.

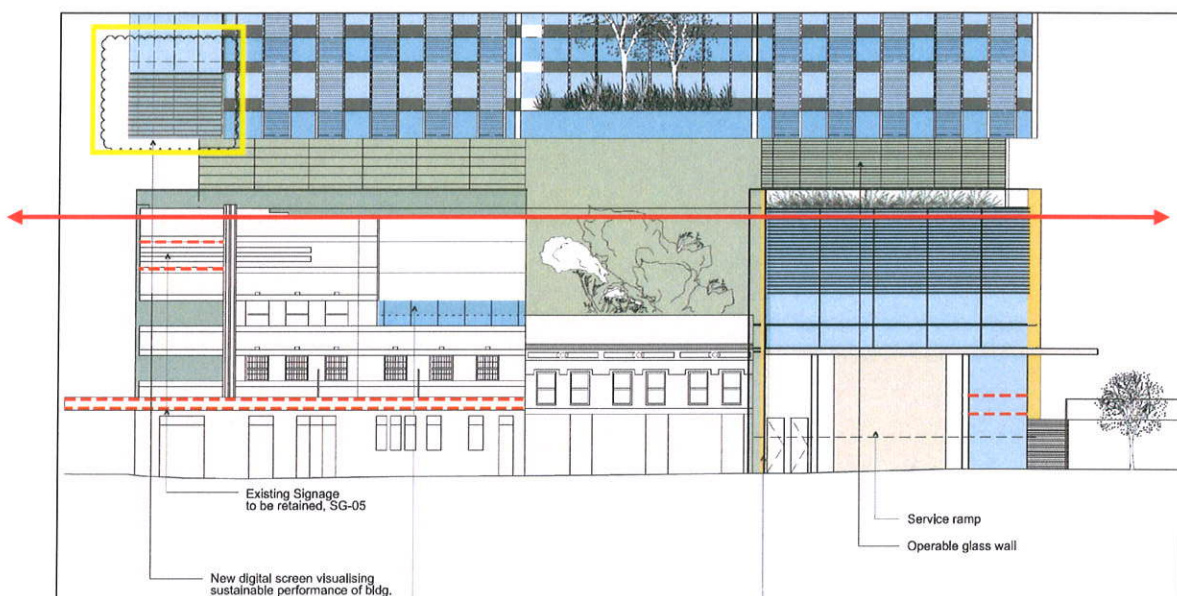


Figure 9: Proposed modified signage zone (yellow square) located above the City Datum Line (shown in red) (Source: Proponent's amended application)

6. CONCLUSION

The department has assessed the merits of the proposed modifications taking into consideration the submissions that have been received from Council and the public.

The key issues considered in the assessment of the modifications relate to:

- the proposed land use mix;
- the modifications to the building envelopes and separation between buildings;
- use of the site for public parking; and
- impacts of the built form.

The department is of the view that the proposed modifications to the approved land use mix are appropriate and will enable the redevelopment of the site to continue to cater for growth within this locality.

The department is also supportive of the proposed modified building forms however noting that a 14.5 metre separation distance between buildings 4N and 4S should be provided. Additional future assessment requirements are also recommended that require detailed resolution of future buildings.

The department does not support the proposal to use the site for public parking after hours and maintains that the Central Park site is considered to be ideally located to benefit from the public transport system within close proximity of the site.

In relation to the modifications to the Project Approval, the department is of the view that the deletion of Block 4S from the project does not result in any negative impacts and the redesign for Block 4S is being considered under a separate SSD application.

Subject to the recommendations provided in this report and subsequent conditions, the department considers that the proposed modifications be approved.

7. RECOMMENDATION

It is recommended that the Planning Assessment Commission:

- **consider** the findings and recommendations of this report;
- **approve** the modification, subject to modified terms of approval and conditions under Section 75W of the Environmental Planning and Assessment Act, 1979; and
- **sign** the attached Instrument of Modification for MP 06_0171 (MOD 8) and MP 08_0253 (MOD 4) (**Appendix F**).

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25.10.13

APPENDIX A MODIFICATION REQUEST

See the Department's website at:

MP 06_0171 MOD 8

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=5766

MP 08_0253 MOD 4

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=5768

APPENDIX B SUBMISSIONS

See the Department's website at:

MP 06_0171 MOD 8

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=5766

MP 08_0253 MOD 4

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=5768

APPENDIX C RESPONSE TO SUBMISSIONS

See the Department's website at:

MP 06_0171 MOD 8

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=5766

MP 08_0253 MOD 4

http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=5768

APPENDIX D LAND USE MIX

Block	Concept Plan Approved Land Use Mix			Approved Project Applications GFA			
	Residential GFA (m ²)	Non-residential uses GFA (m ²)	Total GFA (m ²)	Residential GFA (m ²)	Non-residential GFA (m ²)	Total GFA (m ²)	Variation to Concept Plan (m ²)
1 & 4 (N & S)	0	73,000	73,000	0	72,780	72,780	-220
Brewery Building	0	4,000	4,000	0	4,258	4,258	258
2	55,000	13,000	68,000	48,391	19,235	67,626	-374
3A, 3B & 3C	6,125	4,975	11,100	5,955	5,088	11,043	-57
5A & 5B	25,000	2,000	27,000	26,883	1,432	28,315	1,315
6		2,000	2,000	0	1,927	1,927	-73
7	0	1,100	1,100	0	1,070	1,070	-30
8	13,500	1,000	14,500			0	-14,500
9	27,000	0	27,000	26,407	191	26,598	-402
10	1,800	270	2,070	1,541	303	1,844	-226
11	23,530	2,200	25,730				-25,730
TOTAL	151,955	103,545	255,500	109,177	106,284	215,461	-40,039
%	60%	40%	100%	51%	49%	100%	

Note: This land use mix is reflective of the approval plans and is updated by the Concept Plan approval requirement for a maximum of 70% residential and a minimum of 30% non-residential GFA

APPENDIX E PROPOSED CONCEPT PLAN LAND USE MIX

Block	Proposed Residential GFA (m ²)	Proposed Non-Residential GFA (m ²)	Total GFA (m ²)
1 & 4N	25,000	25,702	50,702
4S	23,000	1,500	24,500
4B	2,000	2,258	4,258
2	48,391	19,235	67,626
3	5,955	5,088	11,043
5	26,884	1,432	28,316
6	-	2,000	2,000
7	-	1,000	1,000
8	11,000	500	11,500
9 (5C)	26,598	-	26,598
10	1,544	300	1,844
11	25,613	500	26,113
Total	195,985	59,515	255,500
%	76.7%	23.3%	100%

APPENDIX F RECOMMENDED MODIFYING INSTRUMENT
