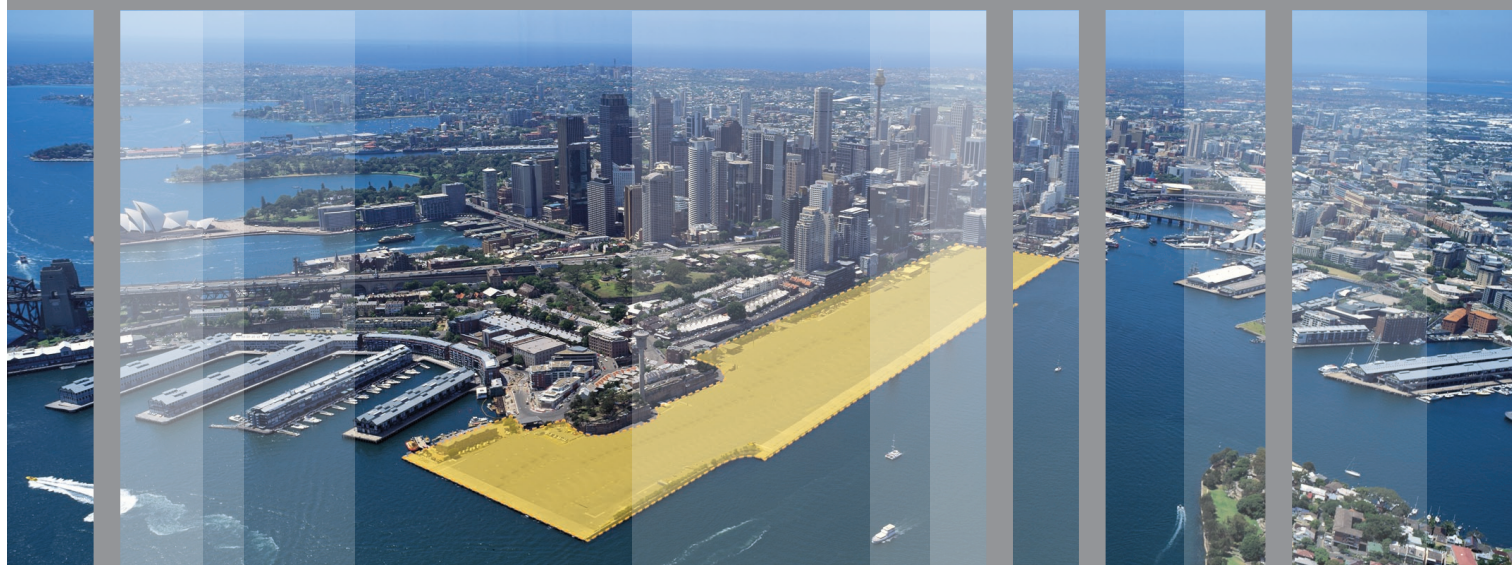


Barangaroo Part 3A Modification – Commercial FS



PREFERRED PROJECT REPORT — ADDENDUM



Harbour Foreshore Authority

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1. Scope of Addendum

This Addendum to the Preferred Project Report dated October 2008 follows a request by the Department of Planning for the submission of additional information specifically in relation to:

- Additional justification in support of the request for the additional 120,000m² of commercial floor space including economic / market demand justification; and
- Consideration of an alternate Option proposing an additional 50,000m² of commercial floor space to establish the indicative built form for the lower range of additional GFA as included in the PPR.

These matters are addressed in further detailed below and in specialist appendices to this Addendum.

In addition it has been noted that an error existed in the submitted PPR in relation to one of the proposed statements of commitments. Accordingly this error is proposed to be corrected as part of this Addendum.

2. Summary of Justification for Additional GFA

As requested by the Department of Planning the following is a broad summary of the justification for the proposed increase in commercial floor space. More detailed discussion can be found in the Barangaroo Part 3A Modification Report (June 2008), Barangaroo Part 3A Modification – Commercial Floor Space Preferred Project Report (October 2008) and relevant appendices to those reports.

The NSW Government's Metropolitan Strategy recognises the pre-eminent role of Central Sydney in Australia's global economic relationships and in turn Barangaroo's critical role in providing additional space for commercial development in the 'global economic corridor' (Macquarie Park - CBD – Airport).

In addition the Sydney City Draft Subregional Strategy, which sits within the framework of the Metropolitan Strategy, identifies several key locations for major brownfield renewal sites within the subregion including; Barangaroo, Redfern, Green Square, former Carlton United Brewery site and Pyrmont. The sites have been strategically selected to 'create substantial new high order commercial developments and opportunities for economic development.' (Sydney City Draft Subregional Strategy, p. 38).

While the City of Sydney's Floor Space and Employment Survey 2007 has indicated that there is the capacity for some 1.1 million additional square metres of commercial floorspace within the CBD (around 15 to 20 years worth of demand), it is generally acknowledged that much of this is 'notional' only as many sites are constrained. The Property Council of Australia has argued in its report, Priorities for a Sustainable Sydney 2030 Business Plan (June 2008) included as part of its submission on the Commercial Floorspace Modification, that the calculations in Council's capacity study are based on unrealistic assumptions and that in fact there is only around 12 years office space capacity in the CBD generally and only around 8 -10 years capacity for the area north of Market Street.

The constraint on office floorspace capacity in the CBD has significant implications for Sydney's ability to become an important global city as well as to achieve job growth.

Over recent years, much of the Central Sydney's strong employment performance has been driven by high end finance, legal and insurance sector growth, as well as growth in 'advanced business services'¹. SGS Economics and Planning has suggested, however, that Sydney's role in the finance sector is particularly fragile as it competes with Singapore and Hong Kong as a regional financial centre in the Asia Pacific.² Sydney's strength lies in its ability to attract the 'advanced business services'. A copy of the SGS report is provided at Appendix 1.

For Sydney to continue to grow as a global city and to attract 'advanced business services' and other high end commercial sectors, it needs to provide the right mix of uses and spaces in the CBD.

To understand how best to attract such sectors to Barangaroo, DEGW was commissioned by the Foreshore Authority to undertake a review of the Approved Concept Plan from a commercial tenant's perspective³ (provided at Appendix 2). This report argues that much of the commercial space available in our cities reflects outdated attitudes to work. Analysis of contemporary work patterns indicates that commercial tenants at Barangaroo are likely only to work about 30% of their week at their desk with the remainder spent elsewhere in their building, precinct or city, meeting and collaborating with colleagues. Workers are more mobile than ever before, requiring a broader range of settings within buildings and better connections to the rest of the world. These factors have led to the emergence of new types of commercial buildings and changes in workplace design and office floorplate configurations. The DEGW analysis indicates that:

The broader range of work settings provided in modern workplaces often requires deeper, larger floorplates to ensure

¹ Advanced business services include management services, legal, marketing, design, advertising and engineering activities

² *East Darling Harbour Economic Positioning Study, Final Report*, SGS Economics and Planning, August 2006.

³ *East Darling Harbour Masterplan: Review of Commercial Components*, DEGW, June 2006

groups have access to the full range of spaces they need. There is also a desire by many organisations to remove physical and perceptual barriers between parts of organisations, placing more people on each floor and providing links between floors. (p.46)

Further discussion on the evolving workplace and implications for office design is provided in the DEGW report at Appendix 2.

The DEGW research had significant implications for the 2007 Consolidated Concept Plan for Barangaroo. Specifically the research found that:

- The approved Concept Plan provides for buildings with relatively small and disconnected floorplates. These configurations do not meet commercial tenant demand for large contiguous spaces;
- Fundamental site and block dimensions limit the potential for large floorplate building configurations (i.e. limiting dimensions);
- Large floorplate buildings can still be achieved within the general parameters of the urban design principles set for the site; and
- Expansion of the southern cove can still be achieved with larger floorplate buildings and without breaking the building height limits.

The Consolidated Concept Plan provides for a range of floor plates from 700m² to 2,300m² however the majority of the floor plates are less than or around 1,000m². The current proposed increase in commercial GFA will facilitate a range of floor plates over 1,000m² providing the flexibility required for the modern workplace while also allowing an appropriate urban built form to be achieved. It should be noted that a floor plate of over 1,000m² is required to achieve an 'A' Grade rating from the Property Council of Australia.

Floor plates of less than 1,000m² are inappropriate for Barangaroo , not only because they do not respond appropriately to new workplace demands but also because there is sufficient capacity elsewhere in the CBD to meet demand for smaller floorplate offices. The unique nature of the Barangaroo site provides the opportunity to

cater for a new commercial floorspace product that cannot be accommodated elsewhere in the CBD and which will attract high end finance, legal and insurance sectors as well as 'advanced business services'.

In addition to providing opportunities for large floor plate buildings the development of Barangaroo provides a significant opportunity to add to the commercial offering of the Sydney CBD. The submission for additional commercial floor space 2 years after the preparation of the original Concept Plan has been based on the need to secure Sydney's economic and commercial future noting the constraints on the existing CBD. Barangaroo is the only site in the physically constrained northern CBD that can provide for future growth. In this regard it is considered that its development capacity should be optimised whilst at the same time achieving an appropriate high quality built form, significant public benefits and appropriate traffic and transport outcomes. It is considered following weighing of all relevant factors that approval of an additional 120,000m² of GFA on site will achieve this balance and will ensure the contribution provided by Barangaroo to Sydney's economy, urban fabric and community life is optimised.

3. Additional 50,000m² GFA Option

The Department of Planning has requested that in addition to the modelling of the three options put forward in the Preferred Project report (including CCP Indicative Building and two options that proposed an additional 120,000m² of GFA) an additional option be modelled which proposes an increase in GFA of 50,000m² representing the lower end of the scale of additional floor space sought.

Modified Option 3 has been prepared to address this request and is based on the proposed building form and configuration used for Option 3 as detailed in the Preferred Project Report. The alternate option caps the additional GFA to 50,000m² on Blocks 2, 3, 4 and 5 and has been arrived at by the removal of a number of floors from the towers proposed on each block as modelled for Option 3.

Consistent with the information submitted for the three options outlined in the Preferred Project Report an indicative section and 3D modelling has been prepared for Modified Option 3; these are included at Appendix 3 and 4 respectively. In addition an urban design assessment of the alternate option has been prepared by Conybeare Morrison (refer Appendix 5).

The urban design assessment notes that Modified Option 3 would reduce additional space for job creation by 58% compared with Options 2 and 3 with their additional 120,000m² GFA. The report notes that the main differences between the modified option and Option 3 are:

- that the towers are less appealing and less satisfactory as they “appear squat and heavy” due to their lower height;
- the lower level towers may lead to more sunshine reaching cross streets during certain times of the year however this effect would be minimal given that street wall heights will not change;
- the lower building heights in the modified option, at Blocks 3 and 4, do not result in such a strong edge to the city and will mean a more abrupt transition to buildings to the east of Hickson Road.

The effect of the towers appearing squat and heavy due to their lower height can be seen in the 3D views at Appendix 4 particularly with respect to distant views where the buildings are viewed in the context of the City backdrop with its significantly higher buildings.

The urban design assessment further notes that in terms of achieving the Design Principles (Built Form Principles) outlined in the Consolidated Concept Plan and Modification Report there are no major differences between Option 3 and Modified Option 3;

In relation to views although no formal view impact analysis has been prepared for modified Option 3, it can be assumed that views at higher levels will be improved as a result of this option given the reduced building height of the towers on Blocks 2 to 5. The positive impacts resulting from Modified Option 3 are however minimal and need to be weighed against the negative impacts resulting from this option.

In conclusion the urban design assessment notes the need to accommodate contemporary commercial office designs in the creation of a new western edge to the city and the need to create larger floorplates and additional GFA than illustrated in the Consolidated Concept Plan. It further notes that modified Option 3 will reduce potential job creation and whilst resulting in some minor improvements in terms of solar access to streets and high level views will result in an urban form which is less satisfactory than those illustrated for the other options. This is largely due to shorter buildings appearing squat and heavy.

Accordingly it is considered that the benefits / improvements that would result from the approval of an option which proposes an additional 50,000m² GFA (over and above the Consolidated Concept Plan scheme) are not significant and do not offset the loss of potential jobs and less satisfactory built form outcome.

4. Amended Statement of Commitment

It has been noted, subsequent to the submission of the Preferred Project Report that proposed Commitment 91A does not clearly reflect the intended role of the Performance Based Urban Design Controls contained in Table 1 to section 2.1.1 of the Preferred Project Report. By way of clarification these additional performance based urban design controls, prepared by Conybeare Morrison, have been put forward to further guide the ultimate built form on site and have been developed specifically having regard to Block 3. Accordingly whilst the standards may be relevant to other blocks compliance with the objectives is the primary intent of the controls. This is particularly relevant given that the Options modelled in the Preferred Project Report and in this Addendum are indicative only and will be subject to detailed design development prior to the submission of any project applications. Further the Performance Based Urban Design Controls were intended to be subservient to, but provide further guidance on, the Built Form Principles contained within the Consolidated Concept Plan (as amended in the Modification Report).

It was proposed in the Preferred Project Report that all future project applications would be assessed for compliance with the proposed Performance Based Urban Design Controls. The proposed standards listed in the controls are just one way of achieving the stated objective and flexibility should be provided to allow the objective to be achieved in other ways. Where a proposal does not comply with the standard, justification should be required on how the proposal complies with the objective.

In addition to there being a variety of ways the objectives can be met, there is also the potential for alternate schemes to be developed that are not strictly consistent with the objectives but which provide an appropriate built form having regard to the individual site opportunities and constraints and which provide for design excellence. Any such proposed should be consistent with the Built Form Principles embodied in the Consolidated Concept Plan as follows:

1. City's New Western Façade – *to create an integrated new western frontage to the city centre, the slender ends of buildings (above podium level) are to be oriented to the waterfront to define an open silhouette.*

2. Hickson Road as a Boulevard – *to promote the scale of Hickson Road as a grand boulevard, buildings are to provide a consistent street wall and form to Hickson Road and “Globe Street” and use a palette of consistent and natural materials that are complementary to the sandstone nature of the headland.*

3. Buildings to define streets – *to define the public space of the street, all building facades are to be set to the street alignment with respect to the differing characters, scales and activation of the streets.*

4. North south pedestrian connection (Proposed New Principle) – *to promote pedestrian connectivity and to encourage diversity in open space uses and to allow midday sun penetration within more dense blocks. On Blocks 2 to 5 a continuous mid block pedestrian connection at ground level which is not less than 20m wide and is a minimum of 7 storeys high (not less than 50% open to the sky).*

5. Tapering Built Form – *to continue a built form dialogue with the adjoining city, building heights across the site are to generally taper towards the north, with the highest forms concentrated in the block in front of Napoleon Street.*

6. Open Space Within Blocks - *to create hollow blocks permeated with open space, courtyards, walkways and gardens, the central band of the accessible roof valley interrelate with the ground plane and intermediate levels.*

7. View Sharing - *to promote the equitable access to views towards the harbour, the built form is to be arranged to define the street corridors and to allow view corridors from the existing private buildings to the east.*

8. Orientation of Buildings - *to provide optimum orientation and transparency across the site and to create a silhouette of slender towers to Globe Street and the waterfront – the long facades of tower forms are to be oriented to the north, However, on Hickson Road, to define the linear nature of this road, the long facades are to be generally orientated to the east*

Accordingly it is proposed to amend Commitment 91A to allow that where a proposed scheme does not comply with the Performance Based Urban Design Control objectives justification should be provided as to why the control was not applicable and what attributes of the design have been provided in lieu to ensure that the Built Form Principles of the Consolidated Concept Plan or design excellence will be achieved. The Commitment is therefore proposed to be amended as set out below.

Subject	Commitments	Timing
Built Form	91A. The built form of development Blocks 2 to 5 inclusive shall be consistent with the performance based urban design controls contained in Table 1 to Section 2.1.1 of the Barangaroo Part 3A Modification Report – Commercial Floor Space Preferred Project Report prepared by MG Planning dated October 2008. In cases where the design is not consistent with the control objectives, justification should be given as to why the control was not applicable and what attributes of the design have been provided in lieu to ensure that the Built Form Principles of the Consolidated Concept Plan or design excellence can be achieved.	To be demonstrated / assessed as part of any development application / project application for Blocks 2 – 5 inclusive.

Note: Proposed amendment shown bold

An amended version of the Statement of Commitments including Commitment 91A as above is at Appendix 6.

5. Conclusion

Having regard to the information submitted in the Barangaroo Part 3A Modification Report (June 2008), Barangaroo Part 3A Modification – Commercial Floor Space Preferred Project Report (October 2008) and this Addendum to the Preferred Project Report it is concluded that an additional 120,000m² of commercial floor space can be achieved without comprising the fundamental elements of the approved Concept Plan. The proposed increase in floor space can be accommodated within the existing block envelopes and will be commercial space only. The additional floor space will not affect the ability of future buildings on site to achieve design excellence; and appropriate urban design based controls have been incorporated into the Concept Plan to ensure this is the case.

The additional commercial floor space sought is to enhance the growth and availability of commercial floor space in the CBD and to satisfy the requirements of the modern workplace. Barangaroo has the potential to accommodate new commercial floor space unachievable within the existing CBD. Barangaroo's point of difference will be its ability to provide larger floor plates adaptable to the new commercial workplace.

Increasing the commercial floor space on site will provide significant economic impetus to Sydney as a trading city. It will strengthen Sydney's role as Australia's trade gateway and reinforce the regional strengths of the city as well as generate significant employment opportunities.

The option of increasing the permissible commercial floor space by a maximum of only 50,000m² would result in a significant loss of employment opportunities and would result in a built form less attractive than the 120,000m² options. While a 50,000m² option would result in some minor improvements in terms of views to the upper levels of buildings to the east and increased solar access to cross streets it is considered that these benefits do not outweigh the negative impacts of this option.

Accordingly it is considered that approval should be granted for an additional 120,000m² GFA as originally proposed in the Modification Report and Preferred Project Report.

APPENDIX 1

East Darling Harbour Economic Positioning Study

SGS

APPENDIX 2

East Darling Harbour Masterplan Review of Commercial Components

DEGW

APPENDIX 3

2D Plans and Elevations - Options

Arterra

APPENDIX 4

3D Images - Options

Arterra

APPENDIX 5

Barangaroo – Option 3 Modified – 50,000 GFA Review

Conybeare Morrison

APPENDIX 6

Revised Statement of Commitments