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SYDNEY NSW 2000**

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15 September 2017

Ms Ann-Maree Carruthers
Director – Urban Renewal
Department of Planning and Environment
GPO Box 39
Sydney NSW 2001

Dear Ann-Maree,

ST LEONARDS/ CROWS NEST LANDOWNER SUBMISSION: 657 PACIFIC HIGHWAY, ST LEONARDS

We write on behalf of Lederer Group, who recently acquired the above property from Charter Hall Holdings, in response to the Department of Planning and Environment's (DPE) release of the St Leonards/Crows Nest Interim Statement as it relates to the subject site.

This letter submission has also been prepared to assist the DPE understand the recent planning history of the site as well as advise DPE of the landowners undertaking to work collaboratively with DPE, Council and adjoining landowners to enable the delivery of the desired outcome for the site.

1. PLANNING HISTORY

Prior to the current North Sydney LEP 2013, the subject site, along with nearby surrounding sites under the previous North Sydney LEP 2001 was zoned B4 Mixed Use, which permitted residential uses. As outlined below, several sites took advantage of this and secured DA approvals for residential uses under LEP 2001. The present B3 Commercial Core zone did not come into force until NSLEP 2013 was gazetted.

The sites included:

- 601 Pacific Highway (IBM tower)
- 619-621 Pacific Highway (*DA approval subsequently secured for 2 x residential developments*)
- 657 Pacific Highway (subject site)
- 655 Pacific Highway
- 100 Christie Street (*DA approval subsequently secured for residential adaptive re-use of tower*)
- 75-81 Christie Street
- 1 Chandos Street.

Council's meeting on 11 December 2006 resolved to support the rezoning of these identified sites to Commercial as it was held at the time that they were under-developed and lacked the required amenity to attract residential development. It is unquestionably evident in the 11 years since Council's resolution that the consideration of the strategic role of St Leonards has evolved and evidenced by the DPEs acknowledgement in its Interim Statement that the site sits within the Centre which is suitable for mixed uses.

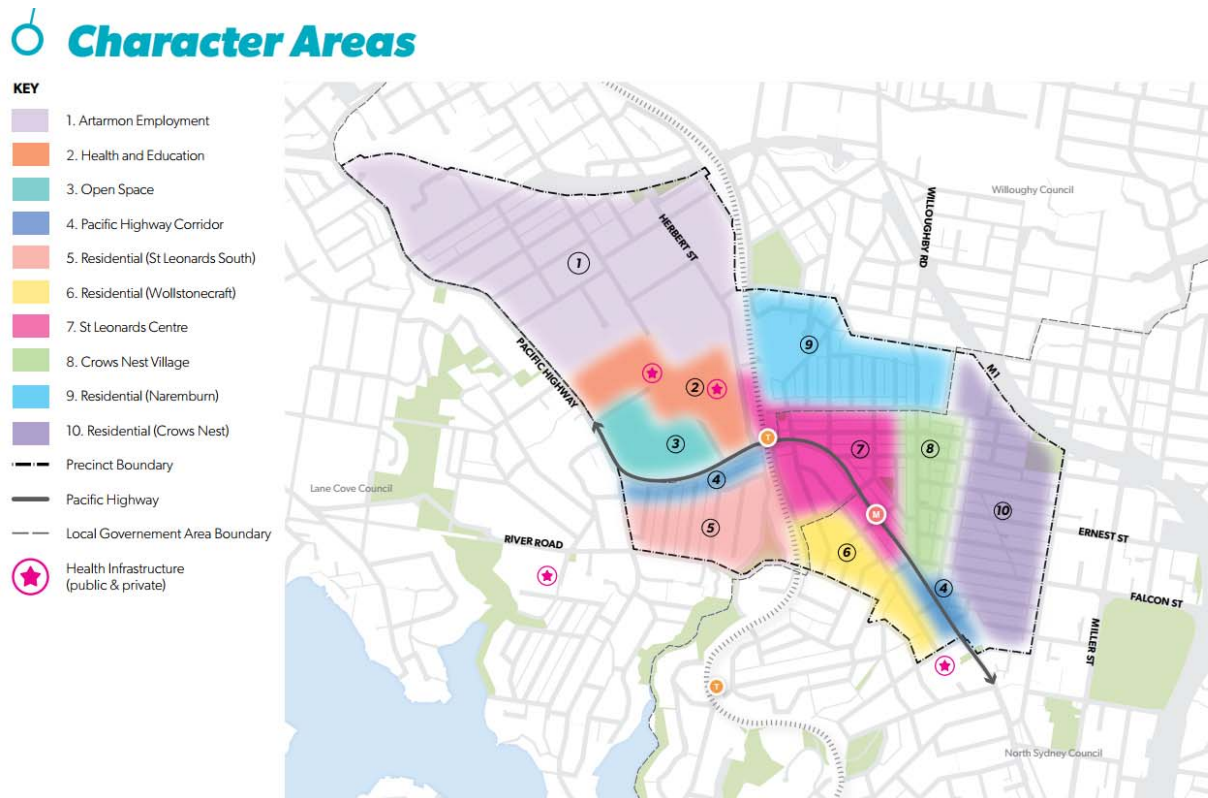
More recently, the site has been subject to detailed planning consideration by both North Sydney Council and the former land owner over the last two years. A summary of the key historical events are summarised below.

- **6 February 2015** – the former landowner prepared a submission to the draft St Leonards/Crows Nest Precincts 2 and 3 Planning Study by North Sydney Council, seeking consideration to include the site along with 655 Pacific Highway and 100 Christie Street as part of a wider Master Plan area, (later to be known as the Christie Street Master Plan).
- **May 2015** – The St Leonards/Crows Nest Precincts 2 and 3 Planning Study was endorsed by North Sydney Council. The Study was amended to identify the subject site together with the adjoining properties at 655 Pacific Highway and 100 Christie Street as part of a 'Master Plan', known as the Christie Street Master Plan.
- **May 2016** – Council endorses the Christie Street Master Plan Guidelines. The guidelines presented 2 options, the preferred Option 2 being the master planning of the 3 properties to accommodate a 50 storey building (9 storey commercial podium and 41 storey residential tower above) on the highway fronted properties and a smaller 5 storey commercial building fronting the park. Total FSR of 13:1 (excluding the reserve) comprising; residential FSR of 8:1 and non-residential FSR 5:1.
- **5 September 2016** – Landowner initiated Planning Proposal lodged with Council. It broadly comprised:
 - *B4 Rezoning and increased building height and FSR request for 655 and 657 Pacific Highway; and*
 - *Incentive clause to achieve Council's desired amalgamation with 100 Christie Street.*
- **15 May 2017** – Rezoning Review request lodged with DPE
- **19 July 2017** – Sydney North Planning Panel resolved not to support the increased height and change of zoning to B4 Mixed Use. The primary reason for the decision was:
 - ***The Panel was of the view that the proposal should not proceed to Gateway as it is premature and should be informed by site specific outcomes of the Priority Precinct work currently underway. The Panel was informed that the Priority Precinct work currently underway by the 3 council's, the DPE and the Greater Sydney Commission is expected to be made public within 6 months.***

2. RESPONSE TO INTERMIN STATEMENT

The Statement defines the site as located within the 'St Leonards Centre' Character Area. This area is designated for mixed use, as a high-density centre where employment capacity and diversity is maintained, together with improvements to the public domain.

Figure 1 – Interim Statement Extract – Character Areas



Source: Department of Planning and Environment

Our client is supportive of this designation of the land within the 'St Leonards Centre', Character Areas as its well suited to accommodate a wide mix of land uses, not only commercial. Based on historical record and the nature of future employment uses as outlined in the SGS Economic report (Commissioned by DPE), it is evident that market conditions will not support a sole commercial office redevelopment, as such any new commercial development in the centre must be part of a mixed-use development. The identification of the site in the St Leonards Centre should therefore ensure future redevelopment of the site as a mixed-use building.

In response to the Statement we provide the following justifications supporting the rezoning of the site to B4 Mixed Use as well as increased FSR and height controls. For each, the desired outcome for the Character Area is stated in **bold** and our response follows:

“A mix of commercial, retail, community, residential and public domain uses that complement St Leonards and Crows Nest.”

It is the objective of Lederer Group to deliver a genuine mixed-use outcome for this site which is shared by Council in identifying the Christie Street Masterplan. Ideally such an outcome would incorporate the adjoining properties at 655 Pacific Highway and 100 Christie Street. Such an outcome would incorporate a range of land uses including:

- **Retail** – located on the ground floor with active frontages to three streets, a ‘laneway’ style eat street between adjoining sites, and a central courtyard flanked by retailers.
- **Commercial** – comprising non-residential space in a podium / lower tower, which would include flexible office floor space, or other desired non-residential use.
- **Residential** – apartments within the tower form above.

In addition, the incentivisation of a redevelopment of the site, will create the potential to create substantial public domain improvements along the Sergeants Lane interface which is in need of change to improve amenity and safety for pedestrians accessing St Leonards train station.

“A true high density centre that ensures the Precinct strengthens its role as a major commercial centre in Sydney.”

The site is located adjacent to the Forum development that sits atop St Leonards train station. The Forum has long been the urban marker for St Leonards. Given the sites proximity to the station, it is highly desirable to optimise the development potential to maximise its strategic location.

There are already a number of significant projects either approved (472 Pacific Highway St Leonards), under DA assessment (500 Pacific Highway, St Leonards) or proposed (88 Christie Street and 617-621 Pacific Highway, St Leonards) in the immediate vicinity of the site that are well known to DPE and have been supported by the respective Councils. These projects are a step towards creating the desired high density centre with building heights between 40-50 storeys. As such, the subject site which sits centrally amongst these projects should equally be considered for a building height of at least 50 storeys which North Sydney Council has already supported.

The current B3 zoning restricts the achievement of the full potential of this site and spatially does not respond to the changing land use and building height context. There is no strategic planning logic to *not* afford the same land use flexibility and scale to that of surrounding sites.

Currently the site is restricted by a B3 Commercial Core zoning and a maximum height control of 49 metres. These provisions now no longer represent the desired future character or development potential for the site and thus are required to change to facilitate a high density mixed use building.

Without policy change there is the risk that the site will become an isolated commercial building set amongst predominantly residential, buildings, with no incentives to re-invest to maintain it over-time.

“Minimum employment floorspace controls will be required to ensure employment capacity and diversity will meet the job needs of future generations.”

The site is well-located to provide a more *market aligned* commercial floor space offering. Currently, the site only accommodates commercial uses which does not align with the current or projected market land use demand for St Leonards.

Lederer Group does not oppose the inclusion of minimum floor space controls within the St Leonards Centre so long as they are reasonable and do not preclude the use of this site for mixed-use incorporating residential.

It is imperative that any controls for minimum employment floor space are based on sound feasibility analysis to inform an acceptable balance of residential and non-residential uses that will facilitate the desired redevelopment of the centre.

“An improved public domain through varied building types, improved connections and a high-quality streetscape will be delivered.”

The existing built form does not respond to the strategic aims of Council to provide a more active frontage to Sergeants Lane as detailed in the St Leonards/Crows Nest Planning Study.

A redeveloped site will provide the opportunity to deliver the desired public domain and amenity outcomes for the centre through:

- Improved quality of the public domain through the rationalisation of vehicle access and potential street beautification works to improve the pedestrian experience and safety along Sergeants Lane.
- The potential to create high quality ground level retail spaces that will improve the character along Pacific Highway
- An improved interface with Christie Street Reserve that will enhance Council's vision for its upgrade.

Considered in context, this site provides a clear opportunity through the Department's investigation of St Leonards to achieve the following:

- A higher density building form that complements the evolving new character of the centre and delivers a tall tower on the site as desired by Council in its Planning Study.
- To avoid undesirable land use interface outcomes with an isolated commercial building set amongst predominantly residential buildings.
- Rectify the inequality of redevelopment opportunities.
- Incentivise investment and redevelopment of a strategically located site in the town centre capable of delivering the important desired public domain and streetscape outcomes required to support the needs of the new residential population in the centre.

The previous Planning Proposal contained detailed supporting information for a tall mixed use tower form on the site. It demonstrated that redevelopment (including the adjoining site at 655 Pacific Highway) can create a tower form that meets Council's tall building design principles to become a

complimentary tower in the new St Leonards skyline. This outcome or an outcome aligned with the Christie Street Masterplan in our view constitutes the desired outcome the DPE must facilitate through this study.

3. SUMMARY & RECOMMENDATION

Whilst the detailed outcomes of the DPEs strategic investigation of the St Leonards/Crows Nest Centre are not known, it's clear that the current direction is to consolidate density close to the station and along the Highway. In that regard, under any strategic location measure – the subject site is extremely valuable in delivering housing growth objectives for the centre locality as it meets these fundamental locational considerations.

We recommend the DPEs Strategy support and enable the rezoning of 657 Pacific Highway to B4 Mixed Use and in doing so, enable an increase to the height and FSR controls to facilitate the site's future redevelopment.


A Strategy that supports a B4 Mixed Use zone for the site would be consistent with the policy direction recently supported by the DPE for two significant sites on the opposite side of the Pacific Highway, which has facilitated the incorporation of residential development into taller mixed use towers within that part of St Leonards town centre that sits within Lane Cove LGA. A B4 zone would prevent the site from becoming an isolated commercial building surrounded by residential towers, and thus not becoming a land use anomaly, rendering the site un-developable in the future. That scenario in our opinion would represent a poor planning outcome and something that can be easily avoided by considering the proposal as an opportunity to unlock significant public benefits.

The application of new planning controls will:

- Unlock the site's potential to deliver the key public domain outcomes desired by Council.
- Allow for the creation of a more active streetscape incorporating street fronting retail uses.
- Establish a new non-residential development to support the surrounding businesses and neighbouring institutions (e.g. commercial office, medical suites or a hotel).
- Allow new housing opportunities on a key site in the centre, close to the existing and planned rail stations, with the ability to achieve high levels of resident amenity.

In conclusion, we request to engage with DPE directly as part of this strategy investigation to ensure the desired planning outcome for this part of the centre can be realised. If you have any questions, please do not hesitate to contact me on (02) 8233 9955 or via email on; swhite@urbis.com.au.

Yours sincerely,

A handwritten signature in black ink that reads "Stephen White".

Stephen White
Director