

## St Leonards and Crows Nest Station Precinct – Interim Statement Review



Prepared by:



on behalf of Dexus

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Cover Image Source: SJB Architects – *St Leonards & Crows Nest Station Precinct Preliminary Urban Design Analysis*

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## Executive Summary

The Department of Planning and Environment (DPE) has been working with Lane Cove, North Sydney and Willoughby City councils to undertake a Strategic Investigation of the St Leonards and Crows Nest Station Precinct. The first stage of this investigation is now complete, and has culminated in the release of the *St Leonards and Crows Nest Station Precinct Interim Statement* (Interim Statement) and the supporting preliminary technical studies.

In summary, the Interim Statement:

- identifies the Precinct's key assets;
- provides an overview of the process and outcomes of the Strategic Investigation;
- identifies the high-level outcomes of the Department's Strategic Employment Review for the Precinct;
- identifies infrastructure, transport, and public domain issues that require further consideration in the second stage of the Strategic Investigation;
- outlines the draft vision, objectives and guiding principles for future development in the Precinct;
- divides the Precinct into 10 character areas, and identifies opportunities and key considerations for future renewal in each character area; and
- identifies 7 key actions that will be completed by the Department to assist renewal within the Precinct.

Dexus has reviewed the Interim Statement and the supporting technical studies and generally supports the findings and recommendations of the studies, and the draft vision for the Precinct.

Dexus is the owner of 12 Fredrick St, St Leonards, which is a, 2.4ha site strategically located immediately to the north of North Shore Hospital (refer to Figure 1). The southern end of 12 Frederick St is currently the subject of a planning proposal (PP) (and concurrent SSD) to facilitate the development of a private hospital. The proposal will complement the specialised health and related functions of the St Leonards strategic centre and will include indicative uses such as medical consulting rooms, operating and procedure rooms, accommodation for health care workers, patients and visitors and other associated uses such as conference rooms and a gymnasium.

Dexus' own research and the current planning proposal before Government supports the transition of 12 Frederick Street to health related activities. The research concludes that demand for these services will continue to increase in the future, a trend reinforced by a recent marketing campaign which resulted in an oversubscribed interest for Stage 1. This highlights the importance of the site to the precinct and reinforces Dexus' intention to redevelop further stages on 12 Frederick Street in support of the health and education super precinct.

Subsequently, in finalising the Statement it is suggested that the Department consider the following:

- to reinforce the currency of the interim Statement and the stages that will follow, reflect the outcomes of the PP and SSD applications for 12 Frederick Street in the Land Use and Infrastructure Implementation Plan and supporting technical studies, being prepared as part of the Stage 2 Strategic Investigation.;
- that market research undertaken by Dexus in relation to 12 Frederick Street, St Leonards, supports the transformation of this area into a health and education super precinct as identified in the Interim Statement subject to the introduction of a broader range of uses to ensure viability, vitality and the long term sustainability of the Precinct;
- the inclusion of support for health and education uses on 12 Frederick Street, St Leonards, reflecting the outcomes of the PP and SSD;
- the Stage 2 investigation identifying how the key recommendations of the Draft District Plan will be implemented;

- the Interim Statement being amended to identify the development constraints outlined in the supporting technical studies;
- the Department identifying a preferred planning pathway for future rezoning applications during Stage 2 of the Strategic Investigation;
- the Interim Statement being amended to identify which areas will be subject to minimum non-residential floor space requirements;
- all infrastructure and service upgrades required to support redevelopment within the Precinct being generally costed and included within a comprehensive infrastructure plan. Further, all contributions should be funded via a Special Infrastructure Contribution and/or each council's section 94 Plan;
- the draft objectives, guiding principles and character areas identified in the Interim Statement being updated to align with the draft strategies and directions of the *St Leonards and Crows Nest Strategic Employment Review* (Employment Review); and
- the *St Leonards and Crows Nest Station Precinct Preliminary Urban Design Analysis* should be refined during Stage 2 of the Strategic Investigation to provide greater alignment with the land use mix for the Artarmon employment area, as identified in the Employment Review.
- the constraints mapping be amended to reflect Dexus' site at 12 Frederick Street is a freehold lot.

## Format

Our review of the Interim Statement and supporting technical studies has been arranged consistent with the themes and concepts presented in the Statement, as follows:

- Draft North District Plan and Sydney Metro
- The Precinct's Key Assets
- Methodology
- Strategic Employment Review
- Transport
- Social Infrastructure and Open Space
- Draft Vision
- Draft Objectives
- Draft Guiding Principles
- Character Areas
- Next Steps

## Draft North District Plan and Sydney Metro

The Interim Statement notes:

- the St Leonards and Crows Nest Station Precinct is identified as a 'health and education super precinct' in the *Draft North District Plan* (draft District Plan), and
- future development within the Precinct should harness the transformative potential of the Sydney Metro Project to achieve sound and positive planning outcomes.

Dexus supports the transformation of the St Leonards and Crows Nest Station Precinct into a health and education super precinct. Further, it supports development uplift within the Precinct to capitalise on the benefits of the Sydney Metro project. However, Dexus is of the view that the health & education super precinct will require a broader range of uses to ensure viability and vitality. Market research undertaken on behalf of Dexus in relation to Royal North Shore Hospital Precinct highlights the need to allow for non healthcare uses that are complementary to reinforce the sustainability of the Precinct.

In addition, it is suggested that future stages of the Strategic Investigation identify how the key recommendations of the Draft District Plan will be implemented.

## The Precinct's Key Assets

The Interim Statement provides a comprehensive summary of the Precinct's key assets. Whilst this is valuable information, barriers or constraints for future development should also be identified. In this regard, Dexus notes the technical studies prepared to support the Interim Statement identify development constraints that will shape development outcomes within the Precinct. Consideration should be given to providing a summary of these key constraints within the Interim Statement.

## Methodology

The Interim Statement identifies a three-stage process for establishing a new planning framework for the Precinct. This process includes:

- a Stage 1 Strategic Review, culminating in the release of an Interim Statement;
- the preparation and exhibition of a Land Use and Infrastructure Implementation Plan and Special Infrastructure Contribution Plan (SIC) (Stage 2); and
- identification of a planning pathway to facilitate the rezoning of land, consistent with the Land Use and Infrastructure Implementation Plan (Stage 3).

Dexus notes several preliminary studies were prepared to inform the outcomes of the Stage 1 Strategic Review. Further, it is noted additional technical studies will be undertaken to support the preparation of the draft Land Use and Infrastructure Implementation Plan and SIC.

Dexus has reviewed the proposed methodology and agrees it will aid the development of a comprehensive planning framework for the Precinct. Further, Dexus supports the Department's initiative to lead investigations into the regional and local infrastructure upgrades required to support new development within the Precinct. This would ensure local contributions are addressed in a co-ordinated manner, and amendments can be made to the relevant section 94 plans concurrent to future rezoning applications within the Precinct.

However, to provide clarity for landowners and community members, Dexus recommends the Department identify a preferred planning pathway for future rezoning applications, concurrent to the release of the draft Land Use and Implementation Plan.

### **Strategic Employment Review**

The Interim Statement identifies four key employment areas across the Precinct based on existing industry specialisations. In addition, it notes the Precinct:

- benefits from access to a highly qualified local work force;
- will benefit from reduced travel times to the CBD, Barangaroo, North Sydney and the Macquarie Park centres as a result of the Sydney Metro Project, providing additional opportunities for employment growth and the revitalisation of commercial uses; and
- benefits from its proximity to the arterial road network, the variety of lot sizes and floor space configurations available to tenants, as well as its proximity to attractive residential areas.

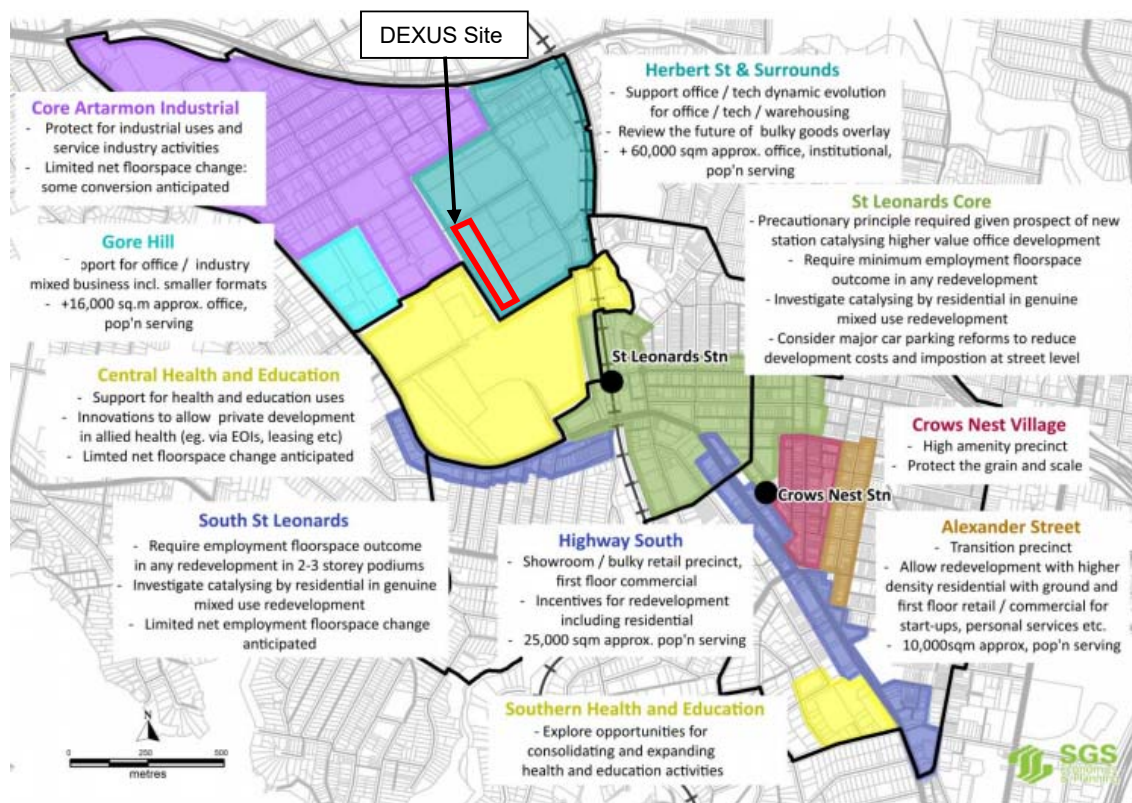
The Interim Statement concludes the combined impact of the Sydney Metro project and the health and education expansion identified in the draft District Plan will generate the need for at least 284,000 m<sup>2</sup> of additional employment floor space by 2036. To cater for this additional demand, the Interim Statement recommends minimum non-residential floor space requirements for certain parts of the Precinct. In addition, it recommends retaining the Artarmon employment area for employment and urban services uses, to provide a valuable alternative for 'non-centre' businesses that are critical to the Lower North Shore.

Dexus has reviewed the Interim Statement and notes it does not specify which parts of the Precinct will be subject to minimum non-residential floor space requirements. This information should be included within the Interim Statement to clarify the preferred land use mix across the Precinct.

In addition, Dexus notes the Interim Statement is based on the recommendations of the *St Leonards and Crows Nest Strategic Employment Review* (Employment Review), prepared by SGS Economics and Planning. The Employment Review modelled the floor space needs of the Precinct to 2036, and identified strategies and spatial initiatives to accommodate and maximise growth. The Employment Review recommends the Department implement the following strategies to accommodate additional employment floor space within the Precinct:

- develop the emerging economic ecosystem;
- provide varied opportunities for commercial office investment;
- harness the rapidly growing health sector;
- protect the industrial lands in Artarmon for service and high-tech industry; and
- refine the draft economic and planning directions for the Precinct during the Stage 2 investigation.

It also provides a Spatial Plan (see **Figure 1** below) identifying how the above strategies could be implemented. It is noted that the Spatial Plan will be further refined during the Stage 2 investigation.



**Figure 1:** Draft Economic Planning Directions (Source: *St Leonards and Crows Nest Strategic Employment Review*, SGS Economics & Planning, 2017)

Dexus has reviewed the draft economic planning directions recommended in the Economic Review, as they relate to its land within the Artarmon Precinct, and has concluded:

- market research prepared for Dexus highlights the need for a private tertiary hospital and additional floor space for primary and/or secondary health care professionals at St Leonards;
- to address this need, Dexus has lodged a Planning Proposal to permit a hospital use on the southern portion of its site at 12 Frederick Street, St Leonards. In addition, Dexus has lodged a State Significant Development Application (SSD 7543) seeking consent to construct a 6-storey hospital at 12 Frederick Street, and a Stage 1 Concept Proposal identifying a 9/10-story building envelope and indicative land uses for a new tower on the podium of the proposed hospital (SSD 8499);
- Dexus suggests the outcomes of the Planning Proposal and SSD applications be reflected in the Land Use and Infrastructure Implementation Plan and supporting technical studies, prepared as part of the Stage 2 investigation; and
- Dexus supports the proposed uplift identified for its site and 12 Frederick Street. In addition, it supports the relocation of bulky goods facilities to lands adjacent to the Pacific Highway, on the basis it would free up land for higher order uses (i.e. office) that reinforce the vitality and viability of developments within the adjoining Central Health and Education Precinct.

## Transport

The Interim Statement notes the significance of the Sydney Metro project, and the Precinct's proximity to key strategic transport corridors. It also identifies the need to consider the strategies outlined in *How We Plan for Transport* (2016), and highlights the importance of:

- improving connections to the regional bicycle network;
- improving pedestrian infrastructure; and

- the need to plan for car parking.

Dexus has reviewed the transport considerations outlined in the Interim Statement and the *Existing Transport Condition (Summary)*, prepared by Cardno, and supports the potential infrastructure and service upgrades nominated by Cardno. However, it is recommended that all infrastructure and service upgrades are included within a comprehensive infrastructure plan, are fully costed, and funded via SIC and/or section 94 contributions.

### **Social Infrastructure and Open Space**

The Interim Statement notes the existing facilities within the Precinct, and states the need for additional facilities will be considered during the Stage 2 investigations. Dexus is supportive of this initiative, and recommends all social infrastructure and public open space requirements are identified and costed as part of the Stage 2 investigation. Further, new social infrastructure and open space requirements should be funded via SIC and/or section 94 contributions.

### **Draft Vision**

The draft vision seeks to:

- strengthen and develop the existing qualities which attract people to live, work and relax in the St Leonards and Crows Nest Station Precinct;
- provide a diverse range of commercial and mixed uses focussed around and between the two stations;
- ensure new development is responsive to its context;
- ensure new development preserves and enhances the village atmosphere of Crows Nest and its surrounding heritage conservation areas;
- ensure the RNSH, North Shore Private Hospital, and the Northern Sydney TAFE continue to provide world class health and education facilities;
- retain and enhance employment opportunities in the industrial and urban services sectors; and
- provide a range of housing typologies with connections to local amenities and a high quality public domain.

Dexus is generally supportive of the proposed vision, however, it recommends the Department consider updating the vision to identify that new floor space within the Artarmon employment area should enhance the vitality of the Central Health and Education Precinct, and balance the existing and emerging needs of knowledge intensive and population servicing industries.

### **Draft Objectives**

The Interim Statement includes eight high-level draft objectives which generally seek to implement best practice development outcomes. Of relevance to Dexus are objectives 1, 3 and 4, which seek to ensure development:

- leverages off the strength of the world class health and education uses within the Precinct, as well as the transport upgrades associated with the Sydney Metro project to provide opportunities for growth; and
- strengthens and enhances opportunities in the Artarmon employment area to satisfy the urban services (population serving industries) needs of the wider North District.

Dexus has reviewed the draft objectives and supports the opportunities to enhance the Artarmon employment area. However, Dexus would suggest that the final objectives be revised to clarify:

- the Artarmon employment area is comprised of three distinct sub-precincts;
- the Herbert Street sub-precinct will accommodate a broad range of uses that complement the function of the Central Health and Education Precinct, whilst servicing the emerging needs of knowledge intensive and population servicing industries;
- the Gore Hill sub-precinct will accommodate office, industry and mixed business; and
- the Core Artarmon sub-precinct will accommodate general and population serving industries.

## Draft Guiding Principles

The Interim Statement identified five draft guiding principles which seek to ensure future developments are:

- responsive - respond to their context;
- integrated - link communities within a cohesive place;
- resilient - are sustainable in the context of social, economic and environmental changes;
- equitable - provide equitable access for all; and
- liveable - support and respond to patterns of living, and promote enjoyment, safety and prosperity.

In addition, the guiding principles set out a conceptual framework for establishing future built form controls.

Dexus notes the draft guiding principles are generally consistent with best-practice urban design and sustainability principles, and will ensure high quality and balanced development outcomes. Of particular interest to Dexus is the resilience principle which seeks to:

- ensure the aspirations of existing tenants are met whilst attracting employment generating land uses and innovation; and
- protect the Artarmon employment area to allow for urban services and a diversity of employment uses.

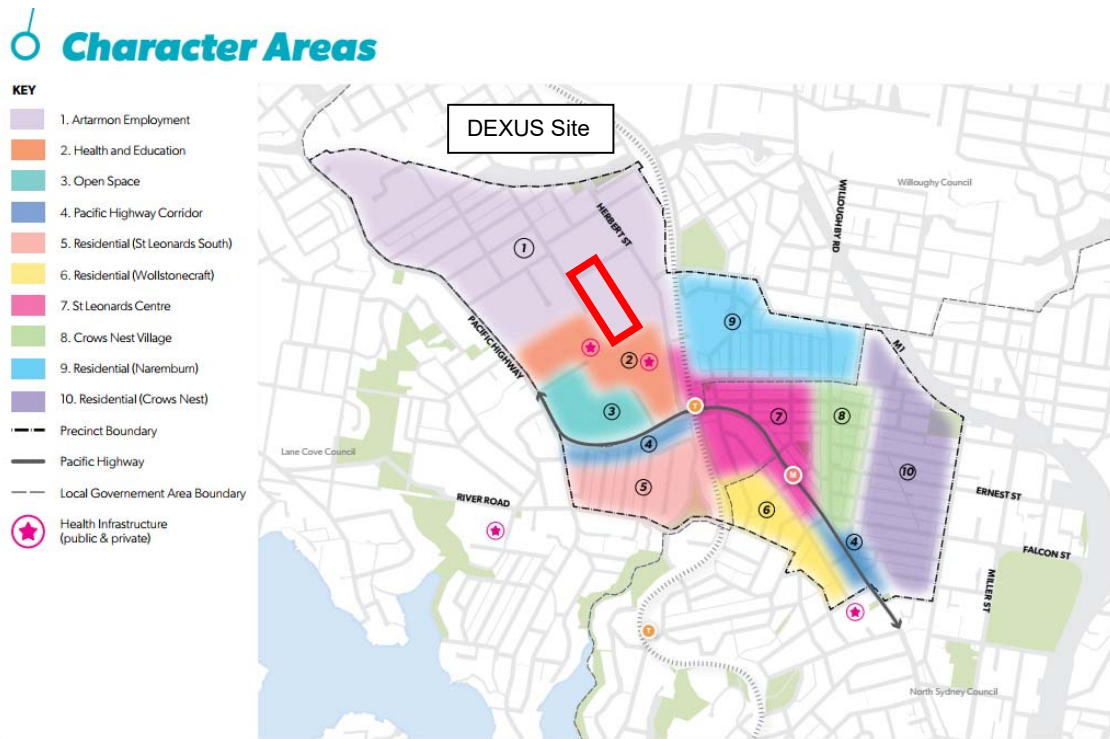
Dexus has reviewed this principle in the context of the findings of the Economic Review, and notes that whilst there will be significant additional demand for population serving land uses (urban services), additional floor space is also required to service knowledge intensive uses, such as IT.

To strike a suitable balance between the floor space needs of population servicing and knowledge intensive land uses, Dexus suggests the resilience principle should be amended to reflect the preferred land uses for the Artarmon employment area, as identified in the Employment Review (see the Spatial Plan provided at **Figure 1**).

## Character Areas

The Interim Statement identifies 10 character areas across the Precinct (see **Figure 2**), and outlines the opportunities and key considerations for future development in each character area.

Dexus has reviewed the key opportunities and considerations as they relate to its site at 12 Frederick Street and suggests that the Interim Statement should be updated to provide alignment with the preferred land uses for the Artarmon employment area, as identified in the Employment Review.



**Figure 2:** St Leonards and Crows Nest Station Precinct Character Areas (Source: *St Leonards and Crows Nest Station Precinct – Interim Statement*, DPE, 2017)

### Next Steps

The Interim Statement identifies 7 actions to be implemented by DPE to create a Land Use and Infrastructure Implementation Plan (Implementation Plan) and SIC for the Precinct. Dexus has reviewed these actions and is supportive of the Department's role in leading the preparation of the Implementation Plan and the SIC.

### St Leonards and Crows Nest Station Precinct Preliminary Urban Design Analysis, SJB

Dexus has reviewed the preliminary urban design analysis and has concluded Section 4 – Urban Analysis and Section 5- Preliminary Structure Plan should be refined during Stage 2 to align with the preferred land use mix for the Artarmon employment area, as identified in the Employment Review.

In addition, Dexus notes that Section 4.2 of the preliminary urban design analysis identifies 12 Frederick Street as a property with 8 + strata title units (see **Figure 3**). This land is owned by Dexus and is a freehold lot (Lot 1 DP591747). As such, Section 4.2 should be amended to reflect the site has redevelopment potential.

