

ETHOS URBAN

8 February 2019

218865

Director, Sydney Central Urban Renewal
Department of Planning and Environment
GPO Box 39 Sydney, NSW 2001

[Att: Eva Klaic]

Dear Ms. Klaic,

RE: SUBMISSION TO ST LEONARDS AND CROWS NEST 2036 DRAFT PLAN PACIFIC HIGHWAY LANDS, ST LEONARDS

This submission has been prepared by Ethos Urban on behalf of a collective group of landowners along the Pacific Highway Corridor, west of the St Leonards Station, in relation to the *St Leonards and Crows Nest 2036 Draft Plan* (the Draft Plan).

Located on the southern side of the Pacific Highway, less than 400 metres from the St Leonards Train Station, the 'Subject Lands' (as defined in **Section 2.0**) comprise part of the Pacific Highway commercial 'strip' west of the train station as well as 5-9 Greenwich Road (corner of Pacific Highway). Together, the Subject Lands equate to an area of approximately 1.36 hectares.

This commercial strip has previously been identified in Lane Cove Council documents as being suitable for mixed use development, and then again in the St Leonards and Crows Nest Station Precinct Interim Statement (and supporting documents) released by the Department of Planning and Environment (the DPE) in August 2017.

This submission puts forward to the DPE that the Subject Lands should be considered as mixed-use redevelopment sites with commensurate height and density within the final Plan.

The landowners support the Draft Plan's broad vision and objectives to increase housing and employment opportunities close to high frequency public transport and services, as well as the investment and intensification in major health and knowledge and employment precincts, which will all be achieved through the proposal put forward in this submission.

1.0 Key Issues

This submission is based on the following issues.

1.1 Inconsistent policy formulation

The Draft Plan does not reflect the strategic planning and urban design work previously undertaken by the DPE and Lane Cove Council which identifies opportunities for mixed use development to stimulate commercial renewal along the Pacific Highway corridor. There is no clear justification is provided for this policy backflip.

The St Leonards South Masterplan (December 2014) identified the Subject Lands as having the potential to accommodate mixed use development comprising 3-4 storey podiums below slender towers up to an overall height of 12 storeys. This position was reiterated by the DPE in August 2017. However, despite concluding that the Masterplan provided a 'sound, tested, economically viable plan with identified benefits', Council revised the Masterplan boundary to exclude the Subject Lands along the Pacific Highway Corridor, and to extend the possibility of rezoning only to Park Road.

It is understood that, at the time, any rezoning would be the subject of a separate process to the St Leonards South process with the DPE, having regard to the importance of separating out the two distinct land use typologies relevant to State policies on employment lands planning.

The St Leonards and Crows Nest Station Precinct Interim Statement, supported by a Preliminary Urban Design Analysis, concluded that additional height and density along the Pacific Highway Corridor was reasonable due to its proximity to the St Leonards station and the opportunity to provide transit-orientated development (TOD) as well as the Pacific Highway being a key transit link.

Notwithstanding the above, the Draft Plan proposes to maintain the existing planning controls for the Subject Lands within the Pacific Highway Corridor. This is incongruous with the original vision.

The lack of planning certainty provided for the Subject Lands is concerning, particularly given the sites' location within the St Leonards Precinct and proximity to key health, education and employment generating land uses. The Draft Plan fails to realise the opportunities for holistic and strategic urban renewal and the potential future uplift by extending the Plan to include the Subjects Lands within this submission along the Pacific Highway Corridor.

1.2 Strategic benefits of the subject lands

The Draft Plan does not take proper advantage of the Pacific Highway Corridor's (and the Subject Lands') significant strategic location, proximity to:

- the St Leonards Train Station, extensive bus connectivity and the new Sydney Metro; and
- to the key health and knowledge infrastructure including the Royal North Shore Hospital (RNSH), North Shore Private Hospital (NSPH), TAFE NSW St Leonards (TAFE) and the announced St Leonards Education Precinct.

The Subject Lands, when renewed, could provide contemporary commercial floor space that is integrated with a mix of uses, including associated health, knowledge and infrastructure services, together with residential opportunities that could provide housing (including key worker housing) in close proximity to jobs and places of employment.

1.3 Missed opportunity to deliver new housing and jobs in a strategic location

The Draft Plan anticipates only mild growth projections for a 20-year vision document that neglects the overarching objectives of the Greater Sydney Commission's (GSC) Regional and District Plans that, ostensibly, seek the provision of new houses and jobs within a '30-minute city'.

The Subject Lands comprise underutilised and aging commercial building stock (for example, 100 Pacific Highway currently has a vacant ground floor that has not been commercially tenanted for 4 years) which presents an opportunity for a consolidated and planned renewal to facilitate the revitalisation and activation of the Pacific Highway Corridor west of the St Leonards centre. The introduction of residential uses has the potential to stimulate commercial floorspace renewal and expansion.

Further, the Subject Lands, due to their proximity to the health and knowledge precinct, are ideally positioned to provide a diverse range of housing including key worker housing. This housing typology could only be supported through the rezoning of the Subject Lands to mixed use.

We believe there is strategic merit, as anticipated in the Interim Release documents, to allow a mix of uses and increase the built form and density along the Pacific Highway Corridor consistent with previous studies and the Draft Plan's vision and objectives. This will enable the renewal of underutilised commercial office space and residential (noting 5-9 Greenwich Road is currently zoned R4) along the corridor, optimise its proximity to the St Leonards Station, and facilitate housing near transport and employment. This will in turn meet housing needs and create great places for the local community within the '30-minute city' – which is entirely consistent with the Draft Plan 2036.

2.0 The Subject Lands

This submission has been prepared by Ethos Urban on behalf of the landowners of the following properties:

- 100 Pacific Highway;
- 110 Pacific Highway;
- 120 Pacific Highway;
- 126 Pacific Highway;
- 130-134 Pacific Highway;
- 154 Pacific Highway; and
- 5-9 Greenwich Road.

The consolidated landowner sites are referred to as the 'Subject Lands' (refer to **Figure 1**). Letters of support are provided by each landowner and provided as **Attachment A**.

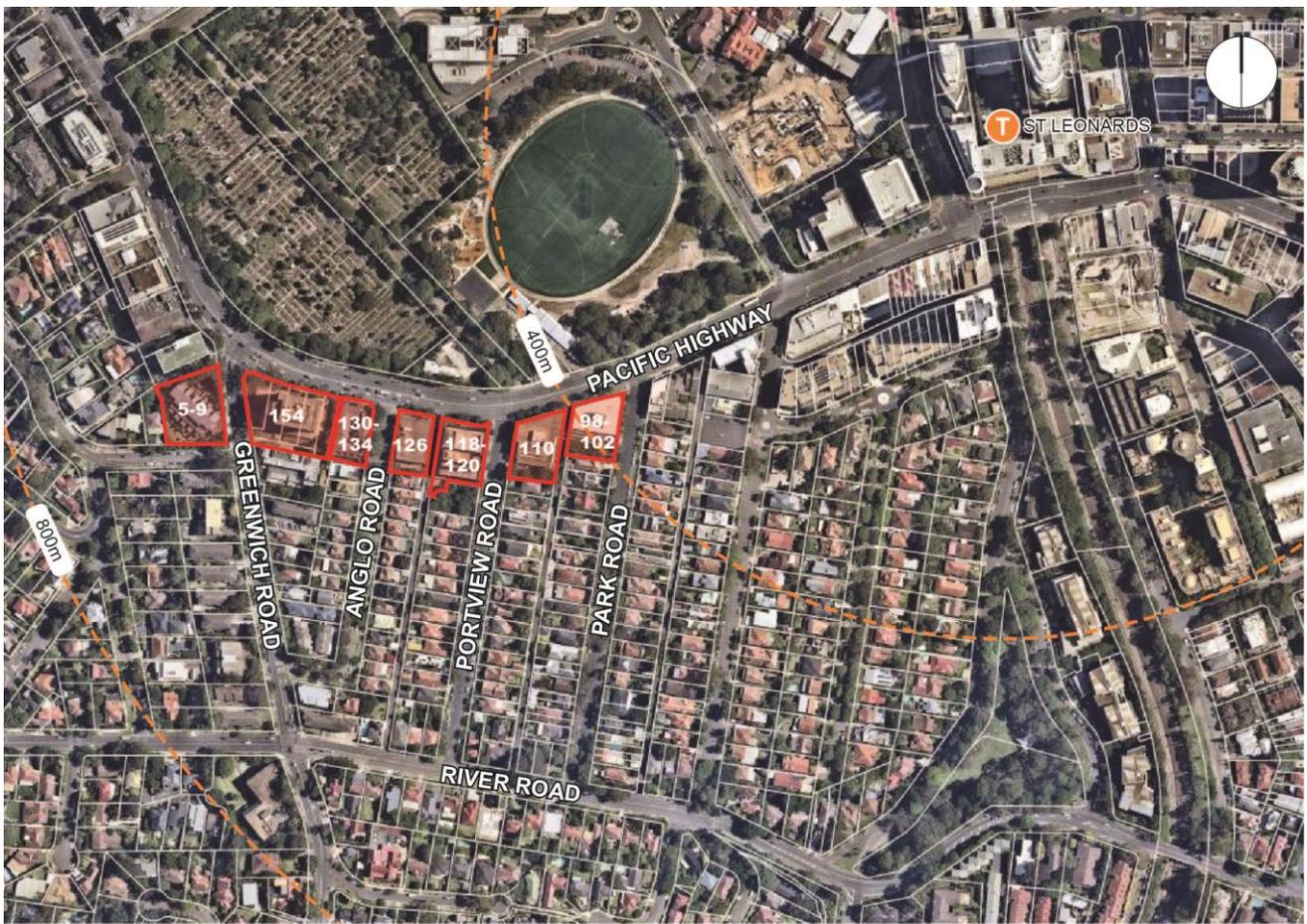


Figure 1 Aerial map of the Subject Lands

Source: NearMap / Ethos Urban

The Subject Lands are situated within the Lane Cove Local Government Area (LGA) on the southern side of the Pacific Highway. In total the Subject Lands comprise an area of approximately 1.36ha (not including roads).

The Subject Lands are strategically located, being:

- a short walk from:
 - St Leonards Station (approx. 400m; 5 minutes' walk);
 - Royal North Shore Hospital (RNSH) (approx. 400m; 5 minutes' walk);
 - North Shore Private Hospital (NSPH) (approx. 400m; 5 minutes' walk);
 - TAFE NSW St Leonards and the proposed St Leonards Education Precinct (approx. 300m; 4 minutes' walk); and
 - the future Crows Nest Metro Station (approx. 800m; 10 minutes' walk).
- under 30 minutes travel time on public transport to major existing and future employment centres in Sydney (Chatswood, Macquarie Park, North Sydney and the Sydney CBD, refer **Figure 2**).
- a 6-minute bus ride to the Greenwich Point ferry in to Circular Quay and the Sydney CBD.
- located on the Pacific Highway ridgeline immediately south of the Gore Hill Oval and Memorial Cemetery. Sites adjacent to the Pacific Highway receive direct and uninterrupted solar access throughout the year to the entire northern building façade, and have the potential to have uninterrupted iconic views south to Sydney Harbour and the CBD.
- the Pacific Highway commercial strip currently accommodates mid-rise office buildings.
- the St Leonards South Planning Proposal site (proposal for multiple high-density residential buildings of 8 – 19 storeys) is located immediately south-east.

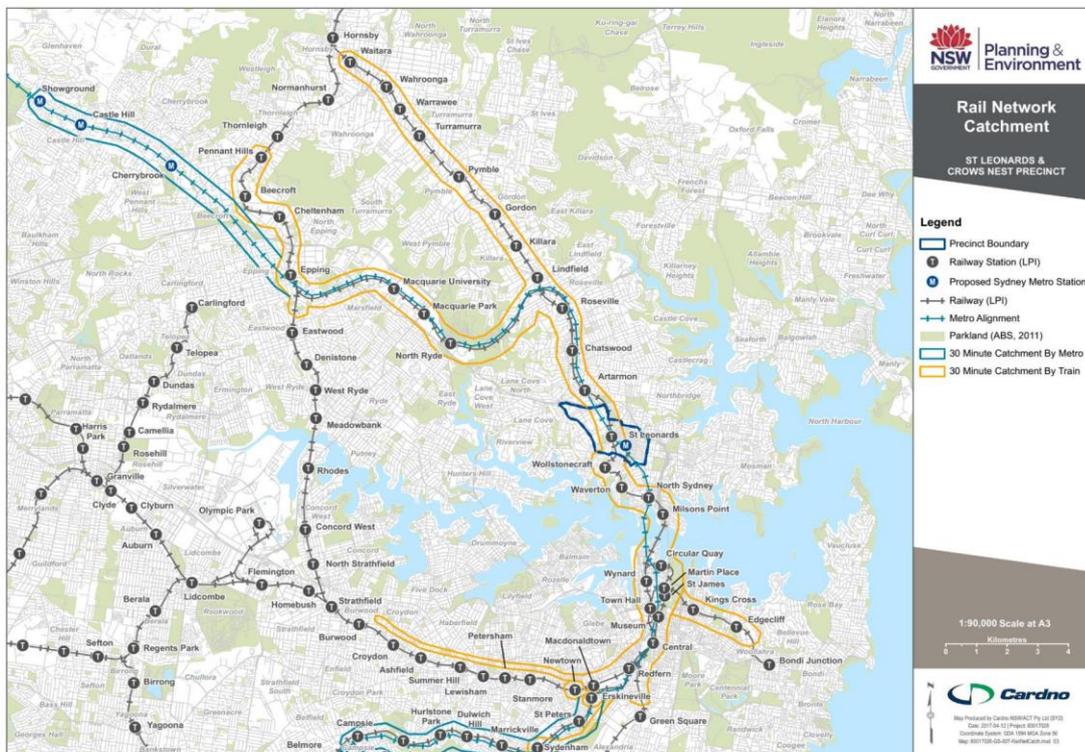


Figure 2 30 Minute Rail Network Catchment
 Source: Strategic Transport Study – St Leonards and Crows Nest Station Precinct (Cardno)

3.0 The Opportunity

The current planning process being undertaken by the Department provides an ideal opportunity to facilitate a land use and built form outcome for the Subject Lands that reflects its strategic significance and capitalises on its unique locational attributes – being some of the most accessible lands in Metropolitan Sydney.

There is strong strategic merit to support the identification of the Subject Lands for mixed-use development with commensurate height and density within the final Plan. This would facilitate future built form and density on the lands that is entirely consistent with the Draft Plan’s vision and objectives. It would also be consistent and in continuity with the 2014 Draft Masterplan and subsequent analyses.

A coalition of willing landowners of underutilised building stock presents the opportunity for a consolidated and planned renewal to facilitate the revitalisation and activation of the Pacific Highway Corridor west of the St Leonards centre.

Further, the typology of now outdated and under leased commercial office buildings along the corridor continues west of Greenwich Road. It would be best practice to consider sites and land uses based on their typology rather than the superficial boundary of Greenwich Road.

4.0 Policy Context

4.1 St Leonards South Masterplan

In 2014, Lane Cove Council resolved to undertake a master planning process in response to the State Government’s strategic planning principle of Transit Orientated Development (TOD) and locating growth close to railway stations. The study area included land bounded by the Pacific Highway to the north, the railway line to the east, River Road to the south and Greenwich Road to the west.

In summary, the Draft St Leonards South Masterplan (2014) prepared by Annand Associates Urban Design identified the potential for mixed use redevelopment along the Pacific Highway commercial corridor (i.e. rezone to B4 Mixed Use) to accommodate 3-4 storey podiums below slender towers up to an overall height of 12 storeys. 3-D modelling demonstrated such built form was appropriate and would maintain good solar access to existing low-density and future high density to the south and south-east. The Masterplan was informed by a rigorous design and engagement process, including community workshops and information sessions.

The preferred masterplan is reproduced at **Figure 3** below. The Subject Lands (with the exception of 5-9 Greenwich Road) are identified as achieving building heights of up to 12 storeys.

The Draft Masterplan was reported to Council at its Ordinary Meeting on 8 December 2014. It was subsequently endorsed subject to a number of recommendations, including:

Mixed use rezoning concepts may also be considered appropriate and are included for two commercial zones on Pacific Highway. Note: This proposal, however, would be the subject of a separate process with the Department, having regard to the importance of State policies on employment targets.

Despite concluding that the Masterplan provided a ‘sound, tested, economically viable plan with identified benefits’, Council did not progress to rezone the Pacific Highway Corridor as part of the St Leonards South Planning Proposal (or other Council led proposal). The Ordinary Council Meeting Report (8 December 2014) cited mixed use proposals along the Pacific Highway, “*would be subject to discussion having regard to its policy to date that this area remain solely commercial, however that the economic vitality of the area may in fact be improved by the revitalisation resulting from mixed use zoning*”. It is understood that this was in response to the DPE’s changing policy approach to the provision of employment floor space under the Metropolitan Strategy for Sydney.

As a result, the Draft St Leonards South Masterplan rezoning boundary was revised to exclude the Pacific Highway Corridor and to extend only to Park Road. The amended Draft St Leonards South Masterplan was adopted by Council on 13 July 2015. A Planning Proposal to rezone this land remains under assessment.

The lack of planning certainty provided for the Subject Lands within the Draft Plan is concerning, particularly given the conclusions of the Draft St Leonards South Masterplan (2014) and within the context of the site’s proximity to surrounding key health, knowledge and employment generating land uses. The Draft Masterplan highlighted the importance of TOD. Upon review, there is no reason why sensitive redevelopment of the Subject Lands could not meet the TOD principles established within the Draft Masterplan. The Draft Plan fails to realise the opportunities for holistic and strategic urban renewal and the potential future uplift along the Pacific Highway Corridor.

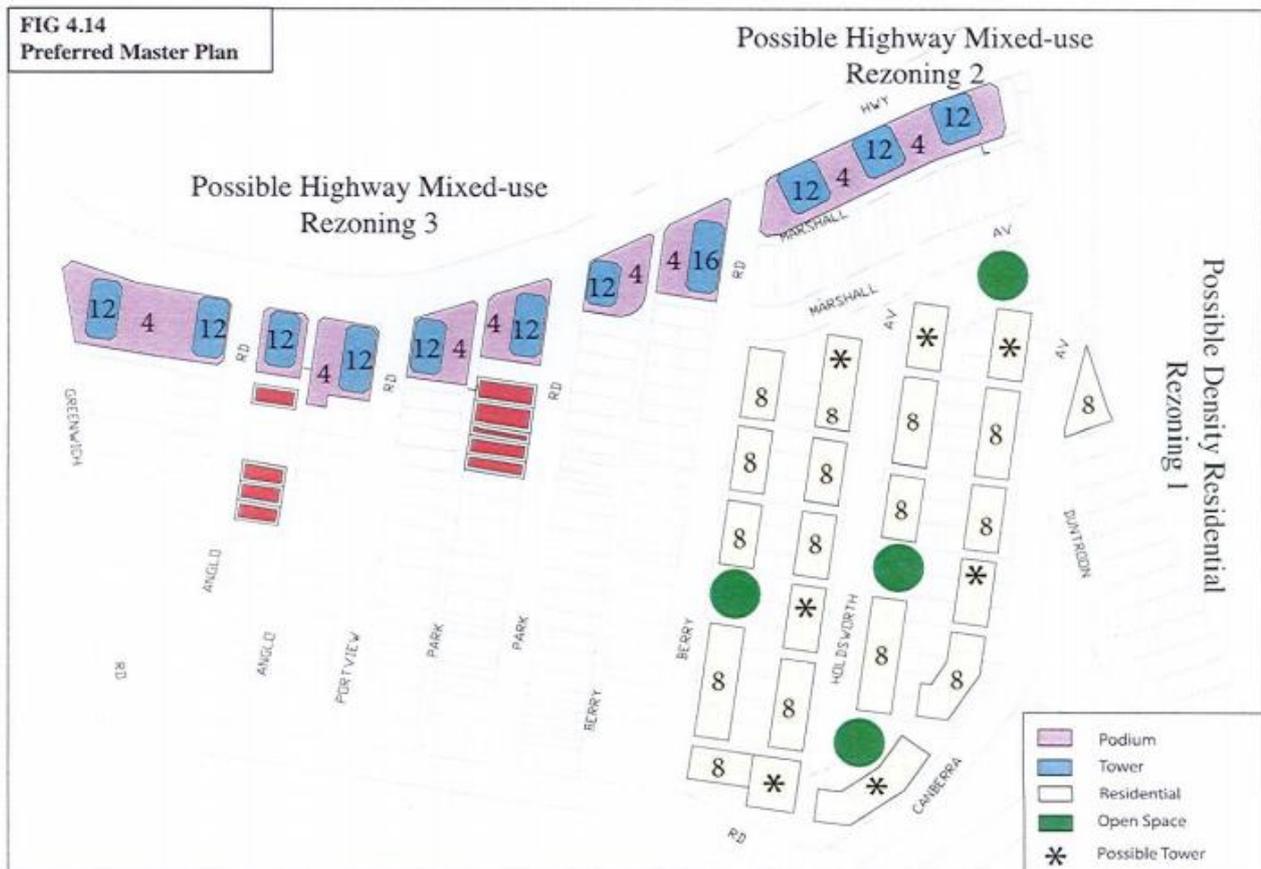


Figure 3 St Leonards South Draft Preferred Masterplan

Source: St Leonards South Draft - Masterplan Review (AAUD)

Note: the St Leonards South Masterplan residential rezoning boundary area now only extends to Park Road.

4.2 St Leonards and Crows Nest Station Precinct – Interim Statement

In July 2016, the Department announced the strategic planning investigation of the St Leonards and Crows Nest Station Precinct. In August 2017, the Department released an Interim Statement.

The Interim Statement included a number of draft objectives, including “incorporate opportunities for transit-orientated development including commercial and mixed-use development that takes advantage of existing and future transport”. This submission puts forward this very concept – TOD based mixed use redevelopment of ageing and outdated commercial building stock. Further, the Interim Statement identified 10-character areas. The Subject Lands (with the exception of 5-9 Greenwich Road) are located within the Pacific Highway Corridor character area.

The Interim Statement, supported by a Preliminary Urban Design Analysis, concluded that additional height and density along the Pacific Highway Corridor is reasonable for two reasons:

- it’s location within 400m of St Leonards Station represents an opportunity to provide transit-oriented development; and

- **the Pacific Highway is a key transit link and is suitable for additional height and density.**

The Interim Statement and supporting documents reinforce the assessment made by Lane Cove Council; i.e. given the locational attributes of the Subject Lands and the Pacific Highway Corridor more broadly, there is strategic merit to rezone the Pacific Highway Corridor to a mixed use zone with increased height and density.

These objectives and strategic directions from the Interim Statement have not translated into the Draft Plan, indicating a lack of recognition for the strategic importance of this precinct as one of the last remaining urban renewal opportunities within the entire study area.

4.3 St Leonards and Crows Nest 2036 Draft Plan

On 14 October 2018, the Department released the Draft Plan. The Draft Plan's vision for St Leonards and Crows Nest to 2036 is to create *'a major centre for workers, residents, students and visitors, offering a variety of homes, jobs and activities for the diverse local population'*.

Although the Draft Plan establishes principles for the whole precinct, it proposed to maintain the existing planning controls for the Subject Lands and its neighbours within the Pacific Highway Corridor and southern residential lands. This is incongruous with the original vision that identified the area as having strategic merit to accommodate higher density mixed use development that leveraged of the Subject Lands location within the wider Precinct and its proximity surrounding health and education campuses.

In this regard, the Draft Plan misses entirely the opportunity to bed down the previous strategic planning and design analysis undertaken by both the Department and the Council – without any justification for the considerable policy reversal. These lands are a lost opportunity should they remain in their current state.

It is our view that the Pacific Highway Corridor, including the Subject Lands, has similar strategic land use attributes as the B4 zoned along the Pacific Highway within Crows Nest. Any concerns about protecting employment floor space at the site can be mitigated by providing a minimum non-residential floor space control as proposed along the Pacific Highway in Crows Nest. Based on the urban design analysis undertaken to inform the various Plans, the Subject Lands, are capable of accommodating increased height and density.

Further, we recommend that 5-9 Greenwich Rd be added to the Draft Plan due to its unique aspect nestled between the commercial properties at 154 and 156 Pacific Hwy, and because it directly faces these commercial properties as well as the former Northside Clinic site. The Corridor should not end at the arbitrary boundary of Greenwich Road, rather there is the opportunity to support an appropriate transition west along the corridor including 5-9 Greenwich Road.

5.0 Key Considerations

5.1 Commercial market

The Pacific Highway Corridor to the west of St Leonards station, including the Subject Lands, is characterised by aging and in many cases underutilised commercial building stock.

The Draft Plan provides the opportunity to increase investment along the corridor and decrease commercial vacancy rates. However, the Economic Feasibility Report (October 2018) prepared to support the Draft Plan notes that *'pure commercial office developments are currently notionally unfeasible'* in most cases. The report identifies the *'use of residential demand / development as a stimulus for revitalising ageing employment floorspace in the Precinct (either through lower floor commercial floorspace podiums or in separate buildings on the one lot). This would in turn accelerate the process of replacing C and D grade office stock'*.

Further, the Report notes that there is emerging evidence *'that institutional investors may be open to the idea of providing mixed use building stock, so long as a minimum of 66% of the building's GFA is commercial floorspace and commercial and residential lobbies are separated'*. This can only be facilitated through development of larger sites with multiple access points i.e. the Subject Lands.

5.2 Housing diversity

There is significant and growing demand for affordable rental housing across NSW, where an increasingly expensive housing market has forced moderately paid key workers to move to the more affordable outer suburbs of the City. These key workers are essential to the productivity and effective functioning of cities. For key workers, the mismatch between their place of residence and workplace leads to increased commuting time, with associated social and financial costs. For inner metropolitan locations that rely on key workers, such as St Leonards, a lack of affordable and appropriate housing can mean that they struggle to attract and retain the workforce required.

Census data indicates that a high proportion of workers in Willoughby LGA are employed in the healthcare and social assistance industry, including many workers employed at a hospital. The health (and knowledge) precinct at St Leonards is a key driver for key worker needs in the area.

Delivering and expanding a diverse range of affordable, high quality dwellings to meet a spectrum of housing needs for the community has become a priority for all levels of government in NSW. The Draft Plan supports further investigation into the provision of affordable housing within the Precinct. The Subject Lands are ideally located to deliver affordable and / or key worker housing being located adjacent to RNSH, NSPH, TAFE and the proposed St Leonards Education Precinct. This housing typology could only be supported through the rezoning of the Subject Lands to mixed use.

5.3 Design and amenity

The scale of development currently enabled by the Draft Plan limits the redevelopment potential of the Subject Lands. Should the Subject Lands be identified within the Draft Plan for mixed use development with commensurate height and density, future built form would be capable of achieving a high quality of design and amenity. Specifically:

- Redevelopment of the Subject Lands presents the opportunity for renewal of the Pacific Highway streetscape and the provision of active frontages;
- The Subject Lands could accommodate a mixture of slender tower and buildings to avoid bulk and maximise connectivity, open space and public domain activation; Future redevelopment schemes will reduce adverse street wall impacts through activation of the Pacific Highway frontage and distribution of taller built form;
- Future redevelopment schemes will promote the transition of built form from the east-west and north-south from the Pacific Highway to provide an appropriate transition to surrounding built form;
- Future development schemes will promote a 'sustainable, walkable and liveable city' through good levels of solar access and natural ventilation, improved public domain and increased pedestrian connectivity; and
- Redevelopment of the Subject Lands would facilitate significant improvements to the public domain and local infrastructure.

6.0 Conclusion

The landowners are supportive of the DPE's strategic objective to plan a 'major centre' that encourages growth, stimulates economic development and collaboration in the St Leonards and Crows Nest Precinct.

However, the Draft Plan fails to realise the opportunity to deliver a strategic outcome that truly reflects the Subject Lands' strategic value to broader Metropolitan Sydney. If suitable densities (of both jobs and homes) are not delivered in such an infrastructure rich environment such as St Leonards – then where are these jobs and homes going to go? Further work and consideration is required to develop a planning framework for the Subject Lands that is reflective of its strategic importance and more deeply considers the opportunity to revitalise the Pacific Highway Corridor as part of the broader St Leonards Precinct.

This submission requests that the DPE amend the Draft Plan to identify the Subject Lands as mixed use development sites with commensurate height and density. This will allow the Subject Lands to more comprehensively realise the vision for the Precinct, optimise its proximity to St Leonards station, RNSH, St Leonards TAFE and Gore Hill Oval; and contribute to creating great places for the local community.

We thank the Department for the opportunity to provide a submission on the Draft Plan and welcome future opportunities to provide input into the planning process. Further, we would welcome the opportunity to meet and discuss the opportunity the Subject Lands bring to the realisation of the Precinct Vision.

Should you have any further questions or wish to discuss this submission in further detail, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tom Goode', followed by a period.

Tom Goode
Director
tgoode@ethosurban.com