

8 February 2019

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

Dear Sir/Madam

## **SUBMISSION ON THE ST LEONARDS AND CROWS NEST 2036 DRAFT PLAN 524 – 542 Pacific Highway, St Leonards (Telstra Exchange site)**

This submission is written on behalf of Grocon Pty Ltd (Grocon) in relation to the Telstra Exchange site at 524 – 542 Pacific Highway, St Leonards (The site). The site comprises several allotments that are all currently controlled by Grocon and is subject to a Planning Proposal that has been submitted to Lane Cove Council in late 2017. This submission is in response to the St Leonards and Crows Nest 2036 Draft Plan (Draft 2036 Plan) that is currently on public exhibition for community and stakeholder feedback.

Grocon generally supports the Draft 2036 Plan, its recognition of the site as a 'Significant Site' and the B4 Mixed Use zone assigned to the site. However, it wishes to use this opportunity to clarify some of the specifics around the implementation of the Draft 2036 Plan; in particular the application of the Draft 2036 Plan's area wide design principles and the Significant Sites criteria. The overall structure of this submission is set out as follows:

- The site and its locational context (refer to **Section 1.0**);
- Background (refer to **Section 2.0**); and
- Key matters for clarification in relation to the Draft 2036 Plan (refer to **Section 3.0**).

### **1.0 The Site**

The site falls within the Lane Cove Local Government Area (LGA), close to the boundary of both North Sydney and Willoughby LGAs. The locational context of the site is shown at **Figure 1** below.

The site is a prominent corner lot, bound by Pacific Highway (north) and Christie Street (west). The site is adjacent to the Australian Medical Association Building site at 69 Christie Street (south) and the New Hope development construction site at 500 Pacific Highway for a recently approved 44-storey mixed-use development (east). West of the site is the rezoned and DA approved 88 Christie, a mixed-use development comprising three towers between 14 storeys and 47 storeys.

Under the current planning controls, the site is zoned B3 Commercial Core with a maximum height of 72m and FSR of 17:1. Under the Draft 2036 Plan, the site is nominated as a 'Significant Site', earmarked for additional density (subject to testing) and a B4 Mixed Use zone.

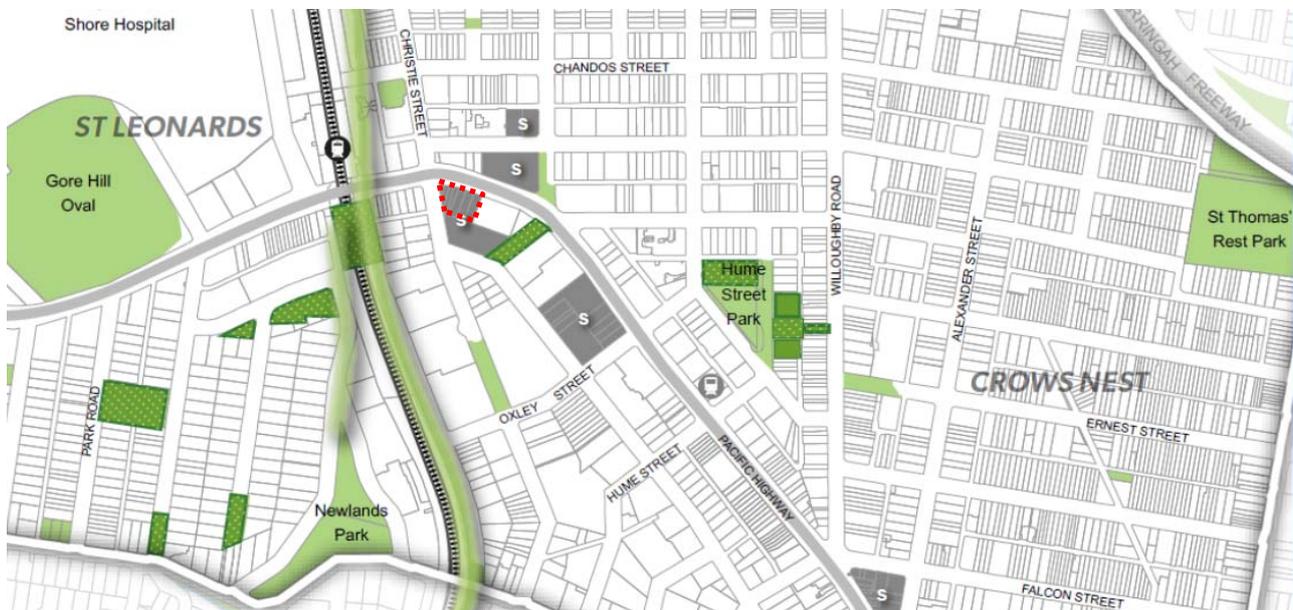
**Figure 2** identifies the location of the site on an extract of the Draft 2036 Plan's Significant Sites Map. No specific height or floor space control is afforded to the site under the Draft 2036 Plan on the basis that overall development potential of the Significant Site is to be determined by way of a design excellence process and subsequent rezoning process.



Subject site shown bound in red

**Figure 1 Locational Context**

Source: Base Map, nearmaps



Subject site shown bound in red

**Figure 2 Site Significant Map**

Source: Draft Plan 2036, DP&E website

## 2.0 Background

The site has been subject to extensive urban design testing and options analysis that commenced in early 2016 off the back of the Crows Nest Metro Station announcement and the nomination of St Leonards and Crows Nest area as a Priority Precinct. On December 2016, a Planning Proposal was prepared in relation to the site and submitted to Lane Cove Council. However, at the time, Council requested that the Planning Proposal be withdrawn pending the release of the Land Use Infrastructure Plan.

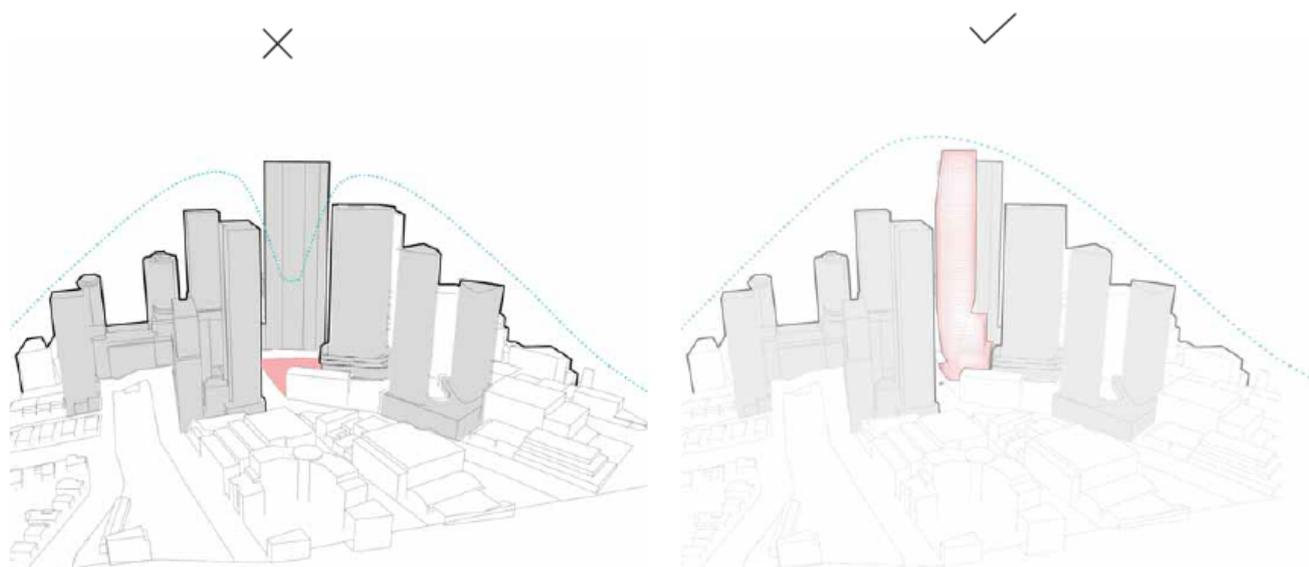
Following the release of the Draft 2036 Plan in October 2018, the Planning Proposal was refined, and an amended Planning Proposal submitted to Lane Cove Council on 28 November 2018.

The Planning Proposal proposes to rezone the site from B3 Commercial Core to B4 Mixed Use and amend height and FSR in line with the Draft 2036 Plan. The proposed height and FSR have been developed through extensive urban design testing and options analysis of the site, reflective of the its location and the Draft 2036 Plan’s design principles and specific Significant Site design criteria. On this basis, a slender mixed-use tower scheme is proposed, with a height of 58 storeys.

Renewal of the site will provide an overall improved urban design outcome for the site and its immediate surrounding. The existing phone exchange building and the surrounding shop top retail tenancies are evidently at the end of their economic life span and in need for regeneration. The Planning Proposal scheme will facilitate renewal despite the technical complexity and the physical constraints at the site, including the need for the Telstra exchange to operate uninterrupted as ‘critical infrastructure’.

The Planning Proposal also presents the opportunity to be among the first to deliver a ‘built to rent’ model in Sydney. To this end, the Planning Proposal will offer several advantages to tenants and the community and is considered to be a significant public benefit in its own right.

**Figure 3** demonstrates the consistency of the proposal with the Draft 2036 Plan’s overarching principles. A render of the proposed scheme is shown at **Figure 4**.



**Figure 3** Consistent with the principle of clustering height



**Figure 4** Render of the Planning Proposal Scheme

### 3.0 Key Matters for Clarification

#### 3.1 Significant Sites Criteria

Under the Draft 2036 Plan, significant sites are considered suitable for significant additional density. No FSR or height has been proposed for these sites in the Draft 2036 Plan. Instead, the preferred approach, as outlined under the Draft 2036 Plan, is for the appropriate density to be elucidated through the design process.

Grocon generally supports this approach, as it promotes high quality design and architectural outcomes, and site-specific design solutions over a prescriptive 'one size fits all' approach. This approach will also ensure the highest and best use of all nominated Significant Sites commensurate to their strategic location, the principles of the Transit Oriented Development and Draft 2036 Plan's principles.

On this basis, Grocon recommends that a similar, less prescriptive approach be adopted for the sun access planes criteria. It is understood that as part of the design criteria, all Significant Site developments are required to comply with the sun access planes. It is not clear if this criterion seeks to prohibit any additional overshadowing of the 8 public open space parks within the study area (in mid-winter, between 10:00am and 3:00pm).

Strict adherence with the sun access control is seen to be counter-intuitive to the overall site-specific design analysis approach nominated for Significant Sites. The weighting given to sun access planes should be assessed on a merit basis regarding the cumulative overshadowing, the quality and useability of the open space and the overall reduction of existing overshadowing as a result of a new envelope.

This approach is the same as was taken by SJB when determining heights for the remainder of the precinct. The Urban Design Study prepared by SJB states that "built form controls have considered overshadowing of critical open spaces... the degree of additional acceptable additional impact has been assessed according to the site-specific characteristics and existing performance quality of each space." This same approach should be taken when determining the degree of acceptable impact from Significant Sites.

In the case of the Grocon Planning Proposal, extensive testing revealed that the building will marginally overshadow Newlands Park located to the south west of the site, but the overshadowing moves extremely quickly (less than 30 minutes) in the morning hours (between 10:00 am and 10:45pm). Importantly, the extent of overshadowing is limited to the periphery of the park that is densely planted or wooded and as such already overshadowed. The proposal will not overshadow the more useable areas of the park that contain picnic tables and play equipment. These findings suggest that treating the sun access planes in the 2036 Plan as non-discretionary is likely to unnecessarily limit the development potential of many Significant Sites in St Leonards.

Alternatively, Grocon recommends that the Department reconsider the sun access plan criteria so that the solar access and overshadowing impacts are assessed qualitatively over a quantitative, or inflexible, prescriptive control. This will also ensure that the true potential of St Leonards and Crows Nest is realised, maximising return on significant public transport investment in the centre.

### **3.2 Design Excellence**

The Draft Plan 2036 requires that Significant Sites undergo a rigorous design excellence process. Clarity is sought on whether this would involve a design competition, or simply a design review process by the Government Architects office.

Grocon requests that the Department provide additional clarity on the intended process to reduce uncertainty and any likely delays at Planning Proposal stage.

### **3.3 Significant Site Identification: Assumed Amalgamation**

The Draft Plan 2036 identifies both the Grocon site and the adjoining Australian Medical Association (AMA) site to its south, as a 'single' Significant Site.

Grocon wish to clarify that the adjoining AMA site is under separate (commercial strata) ownership and no plans exist or are underway to facilitate amalgamation at this point and given the circumstances. Early discussions have been held, however there appears to be little interest from these owners to redevelop the site.

Further, amalgamation is not considered necessary. The site can accommodate a feasible and well-designed tower development without amalgamation. It is noteworthy that the Planning Proposal scheme demonstrates that the site can appropriately accommodate a slender tower development with sufficient ground level setbacks, a podium and a functional and feasible floor plate. Amalgamation is therefore not necessary on the basis that a coordinated design approach provides a functional envelope and well designed floor plate.

Grocon requests that the Significant Sites map be amended to clarify that the Telstra Exchange site and AMA site are separate sites.

### **3.4 Street wall height**

The Built Form Street Wall Height Directions map nominates a six-storey high street wall for the site. Urban design testing undertaken by PTW for Grocon has concluded that a five-storey podium height is preferred over a six-storey street wall for the site, particularly so in light of the recently approved New Hope development at 500 Pacific Highway St Leonards which sets a five-storey street wall height datum along its Pacific Highway frontage.

On this basis, Grocon requests that the proposed street wall height for the site be amended to five (5) storeys.

### **3.5 Affordable housing contribution**

The draft planning package issued by the Department alludes to an affordable housing contribution, but includes no clarity around the size or nature of this contribution. Grocon requests that affordable housing contribution rates associated with the St Leonards and Crows Nest Priority Precinct be identified at an early stage to increase certainty and clarity for developers.

### 3.6 Non-Residential Floorspace

The Draft 2036 Plan allocates a significantly high non-residential floor space (6:1) for the site. It should be noted that the site is already heavily constrained by the Telstra exchange, which limits the amount of non-residential GFA that can be provided within the podium as this facility is essential infrastructure and cannot be removed. The Telstra Exchange does not count as GFA, as it largely falls under the definition of “plant rooms, lift towers and other areas used exclusively for mechanical services or ducting”.

As such, the Telstra Exchange would utilise a large volume of space within any future building podium, without contributing any non-residential FSR. If the floor space in the Telstra exchange were counted within the FSR of the site, a non-residential FSR of 6:1 would be achieved and exceeded. It is therefore unreasonable that the Telstra Exchange site be required to provide non-residential FSR over and above the already significant spatial requirements of the Telstra Exchange itself.

Further, Grocon’s independent market analysis suggest that a non-residential floor space of 6:1 is high and unlikely to be viable. Independent economic advice identified that, based on the Draft 2036 Plan, St Leonards would exceed the commercial floor space targets by 2031 based on the estimated job growth potential identified for the centre under the North District Plan. Findings also suggest that occupancy rates of commercial offices within St Leonards are low relative to other suburban office markets such as Macquarie Park and Chatswood where tenants seek affordable rents and large floor plates.

On this basis, Grocon requests the minimum non-residential FSR be amended to be 4:1, rather than 6:1.

## 4.0 Conclusion

Grocon generally supports the Draft 2036 Plan, the B4 Mixed Use zoning assigned to the site and the recognition of the site as a ‘Significant Site’. However, having undertaken extensive detailed urban design testing and options analysis for the site, Grocon requests that the Draft 2036 Plan be amended as follows:

- Amend the overshadowing controls/sun access plane criterion to allow a qualitative assessment of overshadowing impacts over a prescriptive approach, factoring in cumulative impacts, overall reduction in shadows and the useability, quality and function of the open space;
- Amend the street wall height from a 6 storey street wall to a 5 storey podium height;
- Amend Significant Site mapping to identify Grocon’s site as independent of the AMA site to the south; and
- Amend the minimum non-residential floor space requirement for the site from 6:1 to 4:1.

Grocon also requests that all processes such as the design excellence process for Significant Sites and the affordable housing contribution rates be outlined in the final St Leonards and Crows Nest 2036 Plan so as to reduce uncertainty for all stakeholders involved and avoid any delays during the assessment stage.

Grocon thanks the Department for this opportunity to provide feedback on the Draft 2036 Plan. We welcome the opportunity for further discussion with regard to the site’s development potential. Should you wish to discuss this submission or arrange a meeting, please do not hesitate to contact me on 9956 6962 or [tgoode@ethosurban.com](mailto:tgoode@ethosurban.com).

Yours sincerely,



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