

8th of February

Ms Carolyn McNally

Secretary

Department of Planning and Environment

320 Pitt Street

Sydney, NSW 2000

Dear Ms McNally,

Draft Plan for St Leonards and Crows Nest 2036

Submission: 46-52 Nicholson Street and 57-67 Christie Street, St Leonards (the Jemalong Site)

I am writing to you as the owner of the above properties. This submission has been prepared in response to the exhibition of the Draft Plan for St Leonards Crows Nest 2036 (the Draft 2036 Plan). We have also requested Ethos Urban prepare a submission on our behalf.

Executive Summary

Jemalong **object** to the Draft 2036 Plan. We have a number of concerns which are provided to the Department of Planning and Environment (DPE) for inclusion in the next phase of the Plan. In summary this submission:

- Seeks consistency with the previous advice given to Jemalong and the market by Lane Cove Council and DPE.
- Requests that the DPE seek to meet the objectives of Draft 2036 Plan and uses the Jemalong Site to leverage, not just the existing and new transport infrastructure (at considerable cost to NSW) but also the educational and health infrastructure that exists.
- Objects to the height and density controls which significantly underutilises the site's potential;
- Makes a request for re-zoning to B4 Mixed Use, as redevelopment under the existing commercial land use is unfeasible; and
- Makes a specific request for "**Significant Site**" designation.

Discussion

Jemalong consolidated the above site, commencing with its initial purchases of the Nature Care properties in May 2013 and culminating with the purchase of 67 Christie Street in October 2014. The site is located within a 200 m level walk of the St Leonards Railway Station, 300m from the new Crows Nest Metro Station and 400m from Royal North Shore Hospital.

The Jemalong Site has an area of 2,300 m² and consists of 13 titles and 8 individual properties. This consolidation was undertaken with the objective of creating a strategic development site in the heart of St Leonards and with the encouragement of Lane Cove Council (Refer Lane Cove 2012 draft LEP which specified that amalgamation of the sites was a prerequisite to a change of scale).

There are few other sites in the precinct as well located, in single ownership and immediately developable.

It is clear from the Department's own documentation that the Jemalong Site is strategically located at the heart of St Leonards, a point that has not been disputed by either the DPE or Lane Cove Council during our numerous discussions. Indeed, we feel we have been encouraged to maximise the development outcomes and our previous submissions have been consistent with that encouragement and the development outcomes achieved at neighbouring sites.

Since our consolidation, at no stage, has any party disagreed with the premise that a site of Jemalong's location, shape and size is **fundamentally undevelopable for exclusive commercial use**, regardless of height or density. The DPE's own report, SGS 'St Leonards and Crowsnest Economic Feasibility Review' (October 2018), confirms that the commercial circumstances do not exist to develop solely commercial developments and this has resulted in the current state of affairs with no material commercial redevelopments for many years.

That report specifically considers the Jemalong Site for feasibility testing (page 49). Noting that any "feasibility ratio" greater than 1 indicates the project is theoretically feasible. SGS conclude, under current controls the feasibility ratio is 0.35 (page 53), under the controls proposed in the Draft 2036 Plan the feasibility ratio for the site is worse at 0.33 (page 56), today. If the site were developed in 2026 the feasibility ratio is 0.50 and in 2036 the ratio is 0.68 (page 59). The conclusion being that under existing controls or the Draft 2036 Plan, the site is undevelopable.

I also refer you to the SJB Urban "St Leonards & Crows Nest Station Urban Design Study" Stage 02 (November 2017) and Council Workshop (October 2017 Version 1) (these documents supplied by Lane Cove Council in response to a Freedom of Information request and attached as Appendix – A and Appendix B) where it is clear that the SGS report's recommendations were accepted regarding the economic restraints and the study clearly recommends the Jemalong Site be zoned B4 Mixed Use, designated suitable for building height greater than 32 levels with commensurate FSR. (Pages 16 and 29)

Since consolidating the site, three neighbouring sites (These sites being 88 Christie Street, 472-486 Pacific Highway and 504-520 Pacific Highway) have been the subject of Planning Proposals resulting in zoning changes from B3 to B4 Mixed Use and significant uplift in height and density, supported by both Lane Cove Council and the Department of Planning. These approvals acknowledge that both the Lane Cove Council and the DPE are aware of the changing strategic context of the precinct. This is recorded in the notes prepared by Lane Cove Council for their meeting of the 27th of October 2014 (attached as Appendix C). In summary, Lane Cove Council argued:

- There is evidence of consistent long-term lack of tenant demand for commercial development in St Leonards;
- St Leonards is unable to compete with other, close, commercial centres such as North Sydney, Macquarie Park, Gore Hill, where purpose-built properties provide larger floorplates that meet tenant needs at lower rents than St Leonards;
- Sites with **small size** or **irregular** lots are unable to be feasibly redeveloped to provide comparable sized floorplate to what is offered in competitor markets; and
- Introduction of non-commercial (mixed use) to the St Leonards South area is appropriate to enable site revitalisation and economically essential in assuring development takes place.

Jemalong supported these rezoning's as they represented sound urban planning, given the DPE's and Lane Cove Council's premise that the development of solely commercial space on the Southern side of the Pacific Highway was neither feasible nor a priority. Indeed, if solely commercial development was to be carried out on the Southern side of the Pacific Highway then surely a Pacific Highway address would have been key to its viability, and yet both the Lane Cove Council and the DPE chose not to exercise this commercial option, indeed, favouring B4 Mixed Use zoning. It is inexplicable to us how the Jemalong Site can

therefore be proposed to be zoned commercial, when the DPE and Lane Cove Council have recognised that the prime commercial sites on the Pacific Highway cannot be developed as such. We expect the same principals to apply to the Jemalong site.

In June 2015, Jemalong submitted a Planning Proposal for the site to Lane Cove Council seeking to re-zone the site from B3 Commercial Core to B4 Mixed Use, and increasing density to 17:1 FSR, consistent with approvals granted at its surrounding sites, nominated above. In September 2015, Lane Cove Council recommended the proposal not be supported sighting the uncertainty surrounding the changing planning context of St Leonards, which included the Department's Planned Precinct process.

Jemalong was heartened when the NSW Government announced its strategic planning investigation into the St Leonards and Crows Nest Station Precinct, in July 2016. We agreed with its premise and stated objectives, including "Incorporate opportunities for transit-orientated development including commercial and mixed-use development that takes advantage of existing and future transport", the interim statement also stating the character of the area "is proposed to be a true high-density centre that will support a mix of commercial, retail, community, residential and public domain uses".

The Draft Plan fails to meet these objectives with the strategic principles espoused abandoned and replaced by an apparent arbitrary and prescriptive approach applied on a site by site basis with strategic considerations to be reserved for a few, arbitrarily, nominated sites within the precinct. Its conclusions are inconsistent with the reports and studies commissioned to inform it, particularly the Economic Development Reports.

In addition to the above Jemalong notes the Draft 2036 Plan:

- Fails to acknowledge the significant strategic importance of the Jemalong Site, we again refer to the SBJ Urban St Leonards & Crows Nest Station Urban Review Study (October 2017) (page 8) identifying the Jemalong Site as "Opportunity Site" as well as being located within the "Zone for tall buildings";
- Ignores fundamentals of commercial development including resultant floorplate shape and size, scale of the development and access;
- Fails to recognise that the site is isolated from the main commercial development core, located on the North side of the Pacific Highway and has a physical barrier being the Pacific Highway and the mixed-use developments approved on the South side of the Pacific Highway;
- Fails to meet its objective of leveraging the surrounding transport and other infrastructure; and
- Fails to recognise that the site is of significant size, strategically located, consolidated in single ownership and ready for immediate development if viable planning controls are applied.

Conclusion

The Draft Plan fails to meet its stated objectives, including the leveraging of the infrastructure spend of the people of NSW. It ignores the findings of the studies commissioned by the Department to inform it. It delivers, in the case of the Jemalong Site, an undevelopable and unusable outcome.

The Jemalong Site meets the Vision, Design Principles and Criteria of Significant Sites. The Jemalong Site should be designated a "Significant Site" for further assessment and consultation.

Designating site controls under the Draft 2036 Plan is premature given the inherent qualities of the site support alternative development outcomes than proposed. There is sufficient evidence and precedence from surrounding land owners that the Jemalong Site should be

rezoned B4 Mixed Use and identified as a “significant site” to allow further merit-based consideration of the site’s built form and development potential.

Jemalong would be pleased to work with the Department of Planning to discuss the considerable work undertaken to develop alternative design outcomes that can be achieved on the site and meet the plans strategic objectives and the identification of the Jemalong Site as a “significant site”.

Yours sincerely,



Ric Peterson

Appendix List

Appendix A - SJB Urban “St Leonards & Crows Nest Station Urban Design Study” Stage 02 (November 2017)

Appendix B - SJB Urban “St Leonards & Crows Nest Station Urban Design Study” Stage 02 – Council Workshop (October 2017 Version 1)

Appendix C – Lane Cove Council Notes – “Ordinary Council Meeting 27 October 2014, PLANNING PROPOSAL AND DRAFT DCP FOR 472-520 PACIFIC HIGHWAY, ST LEONARDS – POST EXHIBITION