



Lane Cove Council

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Ms Carolyn McNally
Secretary
NSW Department Planning and Environment
GPO Box 39
SYDNEY NSW 2001

Attention: Ms Paula Bizimis

Dear Ms McNally,

Re: Submission to Concept State Significant Development Application for the over station development above the Crows Nest Metro Station

Thank you for the opportunity to provide comment on the Concept State Significant Development Application for the Crows Nest Metro Station over station development.

It is important to note that Council previously made a submission to the draft Rezoning Proposal for this site, as a number of the issues overlap with this application. A copy of Council's previous submission is attached to this letter (**AT-1**).

Overview

As shown in the figure below, the site is broken into 3 blocks:



- Site A – is bound by Pacific Highway, Hume Street, Clarke Lane and Oxley Street;
- Site B – part of the block bounded by Pacific Highway, Hume Street, Clarke Lane; and
- Site C – part of the block bounded by Clarke Lane, Hume Street, Clarke Street and Oxley Street.

Based on the documents, it is understood that Sydney Metro has submitted a Concept State Significant Development Application. This does not approve any construction work but seeks consent for the broad concept for an Over Station Development above the Crows Nest Metro Station with:

- maximum building envelopes with building heights for:
 - Site A up to approximately 27-storeys
 - Site B up to approximately 17-storeys
 - Site C up to approximately 8-storeys
- a maximum Gross Floor Area of 55,400 m² for the over station development, including:
 - 37,500 m² for residential uses (Site A),
 - 15,200 m² for hotel or commercial uses (Site B) and
 - 2,700 m² of other commercial uses (Site C)
- social infrastructure (i.e. community facilities) on either Site A (potentially includes 2,700 m²) or Site C
- maximum of 150 car parking spaces
- indicative signage zones.

Issues

Council wishes to highlight the following issues in regard to this Concept State Significant Development Application that have been identified and require resolution as part of this process.

Pedestrian Connectivity

The plans and information released do not address pedestrian connectivity West to East and across Pacific Highway. In particular, Council has previously raised concern about the proposed pedestrian access arrangements from the Lane Cove portion of St Leonards to the Metro Site (at the Oxley Street/Pacific Highway interchange). It was requested that the possibility of an underground connection to the station, including crossings at Oxley Street be investigated together with provision of a soft wall in the station development which could future-proof such a connection. Nevertheless, it is acknowledged that there is no control over the property on the opposite side of Pacific Highway.

In response to Council's requests, the Draft Environmental Impact Statement states that:

“Underground connections to the Metro station from neighbouring sites are outside of the scope of this application” (page 126).

This is not considered appropriate, as current draft plans for this Metro site (from State Government) do not address how a potentially large number of people are to cross Pacific Highway (from the Lane Cove side) or Oxley Street in order to access the Metro Station. Underground or elevated pedestrian movements would minimise disruption to Pacific Highway traffic flow and should be actively considered.

Relying on signalised pedestrian signals should be discouraged due to the likely disruption to Pacific Highway traffic flow, and alternatives such as an underpass or over-bridge would more efficiently take and deliver a large number of pedestrians to the Metro Station and St Leonards CBD generally. This is particularly appropriate to this station as it will be located entirely underground.

Failure to do so would place unnecessary and potentially unacceptable demands on existing streets and the efficient movement of traffic, including on the Pacific Highway.

Recommendation

Given the large pedestrian volumes that will be generated by the Metro Station, it is considered critically important that in addition to the measures mentioned in the draft studies, that provision for an underground connection from Oxley Street to the underground Metro Station (on the other side) be incorporated into this design.

While it is acknowledged that there is no control over redevelopment of the property on Oxley Street this does not prevent the timely provision of a soft wall being incorporated for a future underground connection.

Transport Interchange

As stated in the *Strategic Transport Study* (part of the Draft 2036 planning package), Lane Cove Council is already proposing to deliver an over-rail plaza to the St Leonards train station with a bus interchange. This will be an opportunity to ameliorate the current bus drop off and pick up area on the southern side of Pacific Highway.

In terms of the Crows Nest Metro Site it is stated that improvements to be delivered include:

“consolidation of bus stops and consideration of pedestrian and bus customer conflict” (page 103).

As such, Table 5-2 contains a Transport infrastructure schedule which identifies that a *“suitable interchange is required between Pacific Highway bus services and Crows Nest Metro”* and further consolidation of bus stops on the other side of Pacific Highway. Any future plans therefore need to be made consistent with this approach.

Recommendation

The current application only addresses the above matter in a very general sense by stating that an Interchange Access Plan “will be developed” as part of the future detailed application – this is not considered acceptable planning.

The space requirements for any potential amelioration or interchange (particularly where a building is proposed) should be considered upfront, as this may impact building setbacks and, in turn, building envelopes.

Community Facilities

Page 100 of the Draft EIS states that:

“Ultimately, this concept SSD Application seeks approval for up to 2,700 m² of social infrastructure space, which will be delivered through a detailed SSD Application(s) with the intent to provide a social benefit to the local community, subject to further consultation. This will meet an identified need for such facilities in North Sydney Council’s Sydney Metro Planning Study 2016 and the 2036 Draft Plan” (page 100).

This indicative layout of the proposed social infrastructure is shown in Appendix F – Urban Design Report, and contains a ‘community centre, child care facility and a roof garden’ (see diagram below).

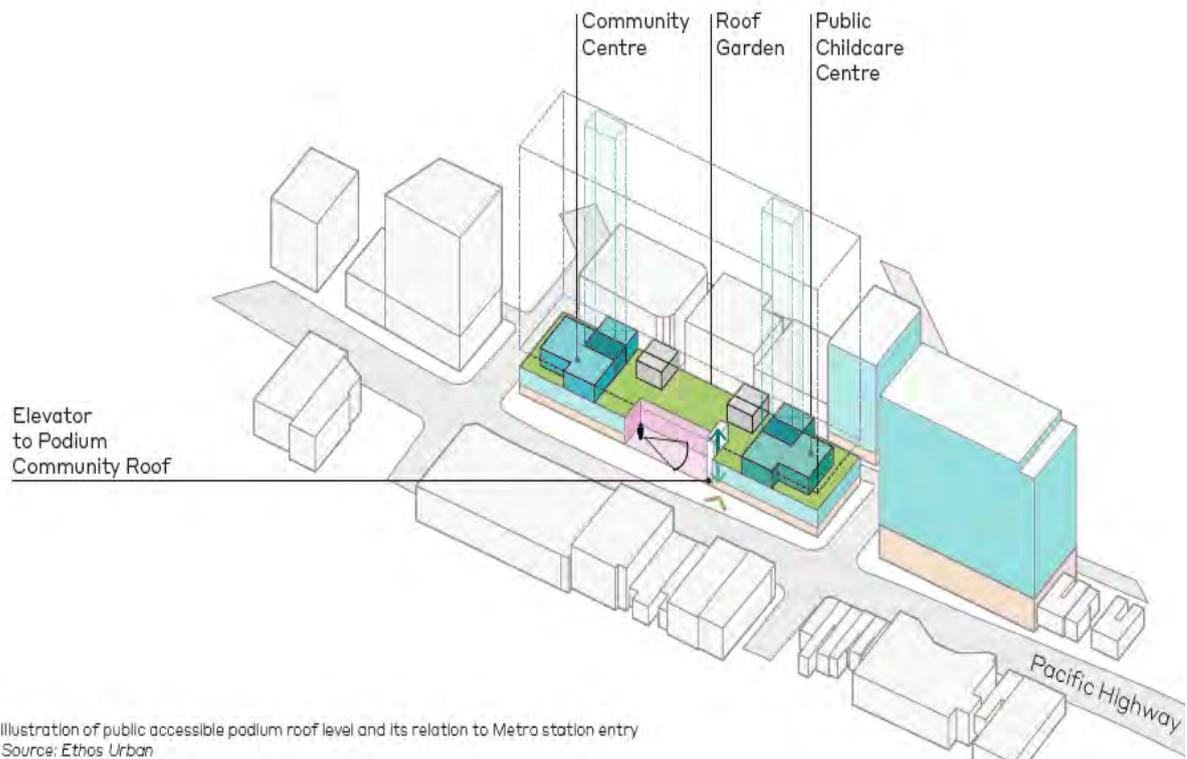


Illustration of public accessible podium roof level and its relation to Metro station entry
 Source: Ethos Urban

Source: Appendix F - Urban Design Report page 64.

In terms of the proposed land uses, Lane Cove Council supports additional social infrastructure within the precinct that services the needs of all 3 Councils (i.e. North Sydney, Lane Cove and Willoughby). The EIS also states that this land mix *“forms the basis for the assessment of the expected impacts of future development and is conceptual only. The final land use composition will be the subject of further detailed environmental assessment as part of the future detailed SSD Application”* (page 100 of EIS).

As part of the Draft 2036 Planning Package, the *Social Infrastructure and Open Space* study identified that there is a proposal to provide a new 1,000 m² branch library on the JQZ site at 88 Christie Street, (adjoining the St Leonards Plaza) – approved by the Sydney North Planning Panel on 4 December 2018 – which would service the needs of the local community.

However, it is also noted by the same study that with the additional population envisaged by the Draft 2036 plans and the role of St Leonards as a strategic centre, that there may be a need for additional community services i.e. a central or additional branch library elsewhere in the St Leonards and Crows Nest precinct. One of the recommendations in the *Social Infrastructure and Open Space* study is that it identifies the Metro site as potentially providing an additional central or branch library.

Recommendation

Given the draft findings of the *Social Infrastructure and Open Space* study, and the recent approval of a branch library as part of the JQZ development, it is recommended that the Crows Nest Metro site incorporate either an additional central or branch library into its application.

The Metro site would be an ideal location for a central or additional branch library as the larger commercial podiums (in Site A) will allow for a larger sized library to be delivered and accommodated, along with additional community facilities – thereby providing greater public benefit.

It would also have the added benefit of being close to a transport node and could potentially provide additional valuable community space.

Additional Commercial Space

While the draft plans show that there would be commercial podiums and a hotel as part of the development, it is understood that the final uses and mix will “*complement existing, planned and future development in the St Leonard’s area*” (page 126 of EIS). These are reflected in the diagram below.

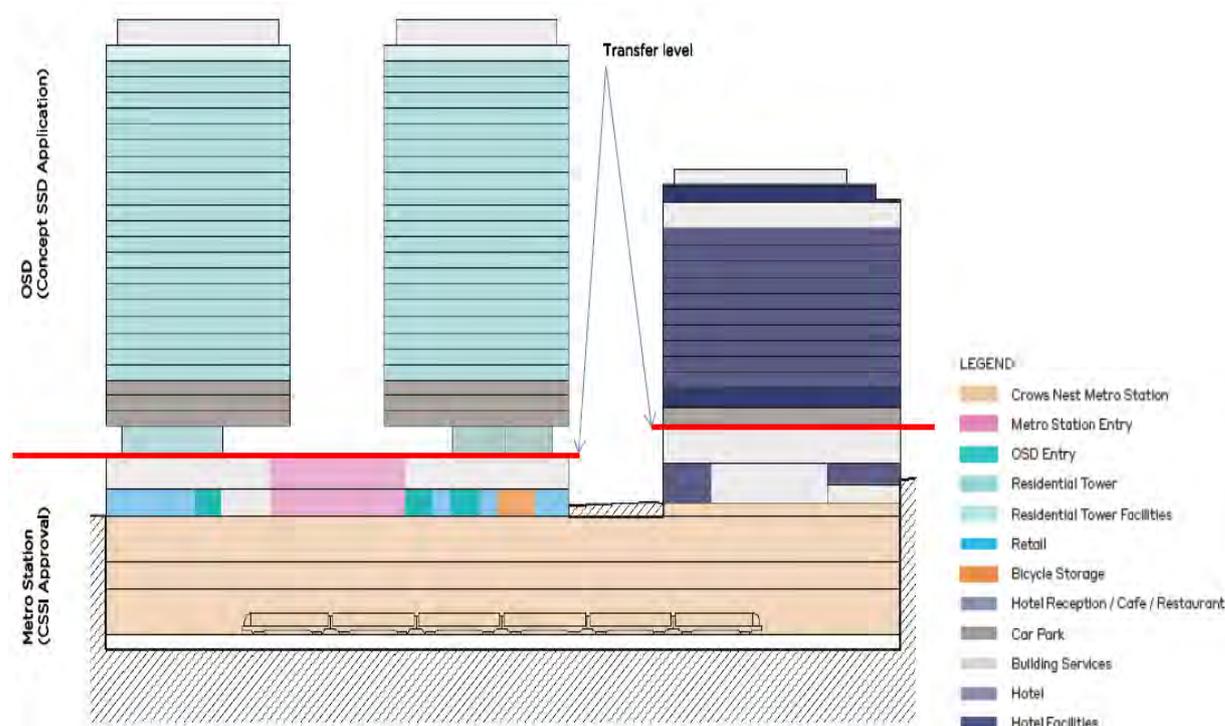


Figure 13 - Proposed uses of sites A and B

Source: Appendix O Design Guidelines page 19.

To justify its proposed land uses on the site, Appendix R – *Strategic Market Assessment Report* analyses the residential, commercial office, retail, hotel market and other land uses.

It points out that Sydney has been a strong performing hotel market and has a high occupancy rate due to international tourism. There is also an increasing demand for new rooms. However new supply is relatively constrained due to a lack of new development opportunities.

Conversely, in terms of the commercial office market it was noted that:

“Crows Nest/St Leonards is currently experiencing a supply deficit due to stock continuing to be withdrawn for residential conversions” (page 43 of Appendix R).

Despite this, Table 6 of the report notes that in the last 18 months that there has been a large number of notable leasing activity in the North Shore Office market – one of which includes a site in Lane Cove’s portion of St Leonards called 72 Christie Street, St Leonards (with MasterCard as a 10-year tenant). This is significant as it was established as a leading technology hub in April 2018 and is one of only five in the world.

During this same time it was also noted that the vacancy rate for the Crows Nest/St Leonards Office Market fell from 11.1% to 9.9% over the 6 months to July 2018.

It is also worth noting that with the recent approval of the JQZ development, this will add a further 19,000+ m² of A-Grade commercial office floor space and 10,000+ m² of new retail floor space (including a supermarket) to the local market pipeline.

Appendix R of the draft Environmental Impact Statement concludes that “*the North Shore commercial market will benefit significantly from the construction of the new Metro railway line, which will improve the accessibility and amenity of the region and elevate its employment status*” (page 44 of Appendix R).

Therefore, given the significant growth and demand for commercial office floor space in the North Shore including the local area, it is unclear how a hotel on this site can be justified.

Recommendation

In addition to the community facilities, mentioned above, it is clear that additional commercial office floor space should be incorporated into the Crows Nest Metro site in order to accommodate the commercial demand.

Recent leasing activity and development approvals have given a strong indication that there is demand for *additional* commercial office floor space in this area. If the high jobs target and actions specified in the North District Plan are to be achieved then more commercial floor space is needed on this site.

Design Excellence

A Design Excellence Strategy outlines a process for achieving design excellence in the future detailed design and delivery of the development. Design Quality Guidelines are also included which would guide the detailed design of the OSD through the future stages of the development.

Appendix CC simply outlines the Design Excellence strategy framework and the details of the Design Competition process and does not contain any provisions for transitional built form.

Appendix O of the EIS contains broad design quality guidance on Built Form – at Podium, Street Wall and above Podium levels, Public Domain and Place, Movement and Connectivity, Integration and Legacy and Benchmarks. Again while there is mention of podium and street wall heights there is no mention of transitional built form.

The scale proposed provides minimal transitions to the surrounding areas, and extends the height directly from the St Leonards Commercial centre into the Crows Nest Village precinct, previously stopping at Oxley Street, and while the current imagery demonstrates building envelopes, they do not resolve the transition.

Recommendation

Design Quality guidelines should be updated to include increased upper level setbacks for the proposed residential towers on Site A in order to achieve better transitional built form to the properties in Clarke Lane.

Furthermore, it will be important that the future Design Excellence Clause clearly states the principles to be used to ensure the best planning outcome and places greater emphases on resolving the transition issue.

Special Infrastructure Contributions

Council understands that the Draft *Environmental Impact Statement* for the concept development intends to seek an exemption from the Special Infrastructure Contribution for this area.

Page 244 of the Draft Environmental Impact Statement states:

“However, on the basis that the Sydney Metro project is a significant piece of State infrastructure, which will drive future development in the St Leonards and Crows Nest area and the associated value uplift which will be subject to the SIC, the OSD should be exempted from the SIC.

Further, the concept OSD proposes a significant contribution to the local community and is intended to offset the combined value of the s.94 contribution and the SIC. This will be addressed in the future VPA”.

This position is not supported and should not be considered grounds for an exemption.

As stated in Stage 1 Interim Statement for the area:

“In July 2016, the then Minister for Planning announced the strategic planning investigation of the St Leonards and Crows Nest Station Precinct”.

The same document also stated that a Special Infrastructure Contribution (SIC) plan for funding towards district level infrastructure would also be developed.

The Sydney Metro Project’s final route was determined through a Critical State Significant Infrastructure application and approved by the Minister for Planning on 9 January 2017.

Recommendation

Given that the application was originally approved as a Critical State Significant Infrastructure project, with subsequent DAs for each of the sites after the Minister announced this as a strategic investigation area where a SIC would apply – it should be subject to Special Infrastructure Contributions.

While the building may be delivering local infrastructure for public benefit through a Voluntary Planning Agreement, this does not and should not be considered as an offset to local contributions.

Of relevance, even though all of Lane Cove Council’s ‘pilot’ projects in St Leonards delivered local infrastructure (identified in its other planning documents) through a Voluntary Planning Agreement, they were required to pay Section 94 (now 7.11) contributions in addition. This approach is considered fair and reasonable given the amount of value uplift received as a result of rezoning.

Therefore, the same approach should be adopted for the Metro Site Over Station development.

Conclusion

While it is understood that this is a concept application, there are a number of issues that are required to be addressed beforehand.

The issue of promoting pedestrian crossing of the Pacific Highway to access the Metro Station site, from the Lane Cove side, is yet to be adequately addressed despite the projected growth for the St Leonards area. It is strongly recommended that an additional underpass (or overpass) site be identified and be provided at the Oxley Street/Pacific Highway intersection to ensure efficient pedestrian movements to and from the Metro station. Provision of a soft wall would potentially provide future-proofing for an underground connection.

Given the interchange between the Metro station and bus services, resolving the issue of pedestrian accessibility at the earliest opportunity is critical as space requirements may potentially affect the built form.

Delivery of additional social infrastructure is supported. The Draft 2036 Plans have recommended that the site could potentially accommodate a central or additional branch library. The larger floor plates would be able to accommodate such a use and provide additional needed community space. Please note that the recently approved JQZ site has been approved for a 1,000 m² library facility within the development site.

It is questioned what justification there is for a hotel on this strategically significant site in place of other types of commercial land uses. This is particularly relevant given the application's own market analysis proves there is a strong and growing demand for commercial office floor space and recent development approvals in the surrounding area. It is recommended that more commercial office floor space be incorporated into the application.

The proposed transitional built form of the Metro site fails to adequately consider or justify contextual change to the existing surrounding built form, and it is requested that both the Design Quality guidelines and Design Excellence clause place greater emphasis on considering, identifying and resolving this issue.

Council also does not support an exemption from the Special Infrastructure Contribution for this site. Given that the application was lodged after the Minister declared the area in July 2016 as being subject to both 'strategic investigation areas' and 'Special Infrastructure Contributions area' it should be subject to these contributions.

Furthermore, all of Council's 'pilot' projects in St Leonards delivered local infrastructure (identified in its other planning documents) through a Voluntary Planning Agreement. They were required to pay Section 94 (now 7.11) contributions in addition. This approach is considered fair and reasonable given the amount of value uplift received as a result of rezoning.

Overall it is important for any development at the Crows Nest Metro site to be made consistent with the existing (Greater Sydney Region Plan and North District Plan) and draft (2036 Planning package) strategic planning framework.

Council officers are available to expand or detail any of the above comments.

Yours sincerely



Michael Mason
Executive Manager - Environmental Services