

## 9.4. Crows Nest Transport Orientated Development (TOD) - proposed grant funding application

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<b>ATTACHMENTS</b>	<ol style="list-style-type: none"> <li>1. Infrastructure Opportunity Map - key project - 2404 [9.4.1 - 1 page]</li> <li>2. Draft TOD Delivery Program [9.4.2 - 2 pages]</li> <li>3. CONFIDENTIAL - Draft Costs Estimate Crows Nest TOD Grant Application [9.4.3 - 19 pages]</li> </ol>
<b>CSP LINK</b>	<p><b>Outcome 4 – A connected LGA where safe, active and sustainable travel is preferred</b></p> <p>T1. Deliver infrastructure and programs that support healthy and active travel</p> <p>T2. Promote sustainable transport options and make it easier for people to get around without a private car</p> <p>T3. Ensure a fair allocation of assets, parking and road space to promote sustainable travel options and prioritise access for those who need it most</p>

### PURPOSE:

This report seeks Council endorsement of a grant application to the NSW Government to support walking, cycling, and streetscape upgrades within the Crows Nest TOD precinct, consistent with Council’s Integrated Transport Strategy and Bike Plan.

### EXECUTIVE SUMMARY:

- The NSW Government has established the Transport Orientated Development Community Infrastructure grant program, with \$9.18 million available to deliver active transport infrastructure to support development for the Crows Nest TOD Precinct.
- It is proposed to submit a grant funding application to plan, design, and deliver walking, cycling, and streetscape upgrades to connect St Leonards railway station, Crows Nest Metro Station, and travel through the centre of the Crows Nest TOD development precinct.
- The proposed walking, cycling, and streetscape upgrades align with Council’s *Integrated Transport Strategy* and *Bike Plan* as well as the Crows Nest TOD Design Guide.
- Council staff have worked with external Programmers and Quantity Surveyors to assess the feasibility of delivering the proposed projects within the mandated timeframes and available budget envelopes to inform the grant application.

**RECOMMENDATION:**

**1. THAT** Council note and support the submission of a grant application for the development of walking, cycling, and streetscape upgrades along the following routes:

- Chandos Street, from Christie Street to Oxley Street (within Willoughby Council);
- Oxley Street, from Chandos Street to Clarke Street;
- Clarke Street, from Oxley Street to Willoughby Road;
- Hume Street, from Clarke Street to Nicholson Street;
- Nicholson Street, from Hume Street to Shirley Street;
- Nicholson Street, from Hume Street to Oxley Street; and
- Nicholson Street, from Oxley Street to Christie Street (within Lane Cove Council).

**2. THAT** Council seek written support from Willoughby Council and Lane Cove Council for the proposed grant application submission.

**3. THAT** Council provide delegation to the CEO to agree to amendments to the scope of the grant submission pending further development of scope, program, costs, and agreements with Willoughby and Lane Cove Councils.

**4. THAT** Council resolve that the document which forms Attachment 3 to this report be considered confidential, as per section 11(3) of the Local Government Act, due to its content being classified under section 10A(2)(d) as commercial information of a sensitive nature. Disclosure of this information could potentially harm the commercial interests of the contributing party, compromise the competitive process, and, by extension, affect the public interest by deterring future tender participation and undermining the Council's ability to secure economically advantageous agreements.

## **Background**

On 27 November 2024, the NSW State Government rezoned land surrounding the Sydney Metro Crows Nest Station to enable higher-density housing. This rezoning was undertaken as part of the State Government's Transport Oriented Development (TOD) Program, which identified Crows Nest as one of eight transport hubs for accelerated rezoning.

At its meeting on the 24 March 2025, Council resolved:

1. THAT Council note the contents and implications of the Crows Nest Transport Oriented Development (TOD).
2. THAT Council write to the NSW Department of Planning, Housing, and Infrastructure (DPHI) recommending amendments be made to the North Sydney Local Environmental Plan (LEP) 2013 and Crows Nest TOD Precinct Design Guide to provide greater solar access, improved landscape character, human scale, and walkability through incorporating adequate tower separation distances, setbacks, and lot sizes.
3. THAT Council call on the State Government to provide details of the Housing and Productivity Contribution for the Crows Nest Accelerated TOD Precinct to fund and deliver essential community infrastructure for the existing and additional planned population including open space, road upgrades, community facilities, and upgrades to essential services.
4. THAT Council continue to collaborate with the DPHI to investigate alternative options to deliver an optimal public open space outcome for the Lithgow Street block.

Consistent with part 3 of the above Resolution, the NSW Government has announced the TOD Community Infrastructure Program, a grant program to support the delivery of walking, cycling, and streetscape upgrades to enable the successful development of the Crows Nest TOD Precinct.

## **Report**

The Crows Nest TOD precinct boundary is based on, and modified from, the boundary identified in the St Leonards & Crowd Nest Plan 2036 Plan. The precinct extends between St Leonards Train Station and Crows Nest Metro Station, continuing further south along the Pacific Highway. To the southwest, the rezoning area extended into the residential neighbourhoods in Wollstonecraft that were not previously included in the 2036 Plan.

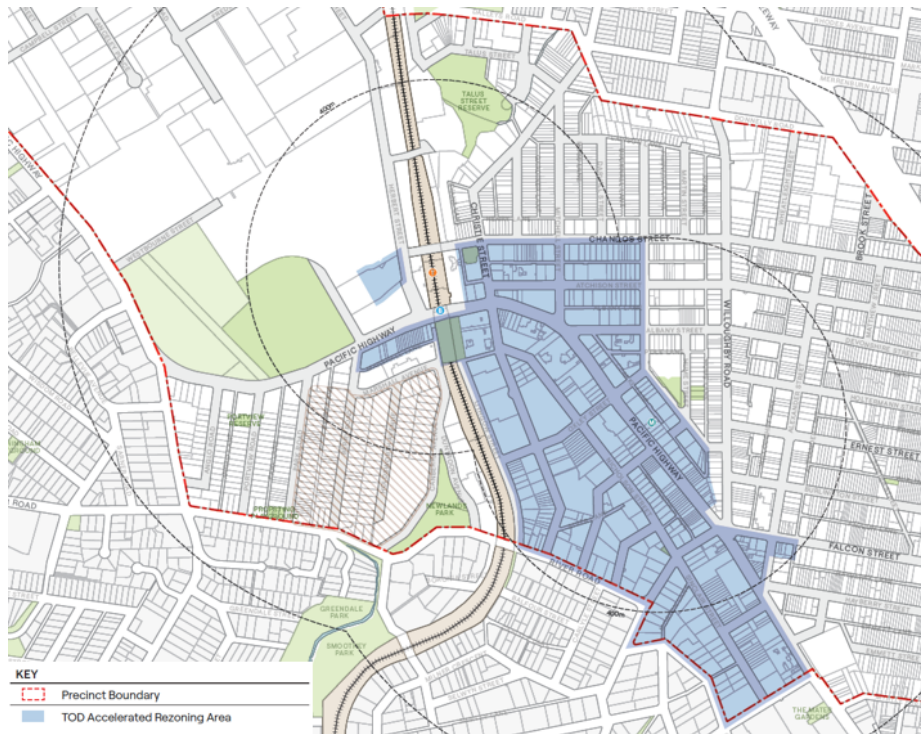


Figure 1: Crows Nest Transport Orientated Development Precinct Boundary

The accelerated rezoning focus area is predominantly located within the North Sydney Local Government Area (LGA), with smaller portions extending into the Lane Cove and Willoughby LGAs.

As outlined in the Crows Nest TOD Urban Design Report (November 2024), the rezoning enables an estimated total of 5,804 new dwellings. The projected distribution of dwellings across the affected LGAs is as follows:

- North Sydney LGA: 4,648 dwellings (80%)
- Lane Cove LGA: 708 dwellings (12%)
- Willoughby LGA: 448 dwellings (8%)

### Grant Program

The TOD Community Infrastructure Program is a non-competitive grant program awarding over \$220 million to deliver active transport infrastructure across the seven TOD accelerated Precincts.

The Program is proposed to be delivered in three rounds. In Round 1, \$90 million is available to the nine councils accommodating growth in the TOD Accelerated Precincts.

The Crows Nest TOD represents 10.2% of the total density associated with all TOD Precincts and is therefore eligible for 10.2% of the overall funding or \$9.18m. Submissions for the program close on 18 May 2026.

The Crows Nest TOD Precinct spans three Local Government Areas. As part of the application process, councils have been advised to agree on projects and the resulting distribution of funds before submitting any grant application under this Program.

The intent of this requirement is to jointly consider projects that deliver precinct-wide benefits, such as improved connectivity, enhanced safety, or broader amenity upgrades.

Funding is allocated to each precinct based on its proportional contribution to new housing supply. On this basis it is reasonable to assume that North Sydney Council would be entitled to receive 80% of the available funding or \$7.34m.

The Program allows councils to redistribute available funding according to each LGA's share of housing growth within the precinct or jointly prioritise projects that cross LGA boundaries and deliver precinct-wide benefits.

Councils within multi-LGA precincts are required to submit a letter confirming their support of each project and the agreed funding distribution. In developing the proposal, North Sydney Council officers have liaised with both Willoughby and Lane Cove Council equivalents.

## Criteria

### Eligibility

To be eligible for funding under the TOD Community Infrastructure Program, projects must be located either:

1. within the rezoning precinct of a TOD Accelerated Precinct, or
2. within 1.2 kilometres of the metro or railway station(s) in the TOD Accelerated Precinct.

Council's proposed projects are within the rezoning precincts and within 1.2 kilometres of the recently opened Sydney Metro stations.

### Objectives

The specific objectives of the TOD Community Infrastructure Program are to:

- ensure projects deliver value-for-money, particularly in terms of **economic and health benefits from increased active transport in the community;**
- **improve the liveability and amenity** of the TOD Accelerated Precincts to support increasing housing supply;
- **fund active transport infrastructure that is strategically aligned** with the planning priorities, transport needs, and open space for each TOD Accelerated Precinct;
- deliver well-planned infrastructure projects on time and on budget so new development is serviced within the National Housing Accord period; and
- maximise the extent to which the rezoned capacity for new homes within each TOD Accelerated Precinct **is serviced by active transport infrastructure.**

The objectives of the program noted above predominantly align with Council's *Integrated Transport Strategy* and the proposed projects.

## Funding Scope

Applications will be accepted for planning and design projects, and design and construction projects. An indicative cap of up to 30% will be applied to funding of planning and design projects in each precinct.

## Time frame

Planning and design-only projects are required to be completed within 18 months of receipt of funding, while projects involving both design and construction must be delivered by 30 June 2029. These timeframes present defined delivery risks that must be actively managed to ensure compliance with funding conditions.

Council staff have worked with an external programmer to assess the feasibility of delivering the proposed projects within these mandated timeframes, with the resulting program attached herein. While the program includes contingency allowances across key project stages, it has been developed based on currently available information and assumptions. As such, the program is subject to change as designs progress, statutory approvals are confirmed, and further site, cost and stakeholder information becomes available. Ongoing refinement of the program will be required to manage delivery risks and maintain alignment with funding requirements

## **Proposed Grant Application**

Grant funding is proposed to be sought for the planning and design of walking, cycling and streetscape upgrades along the following routes:

- Oxley Street, from Chandos Street to Clarke Street;
- Nicholson Street, from Hume Street to Shirley Street;
- Nicholson Street, from Hume Street to Oxley Street;
- Clarke Street, from Oxley Street to Willoughby Road;
- Hume Street, from Clarke Street to Nicholson Street;
- Chandos Street, from Christie Street to Oxley Street (within Willoughby Council);
- Nicholson Street, from Oxley Street to Christie Street (within Lane Cove Council).

## Strategic Alignment

The proposed routes align with Strategic Direction 1 of North Sydney Council's *Integrated Transport Strategy*, which seeks to "deliver infrastructure and programs that support healthy and active travel."

In particular, the proposal directly supports the following actions:

*1.7 Complete concept designs and undertake consultation on 5 per cent of cycling infrastructure identified in the North Sydney Bike Plan each year, to ensure projects are grant-ready.*

*1.8 Apply for grant funding and progressively deliver cycling infrastructure identified in the North Sydney Bike Plan.*

The proposed routes are specifically identified in Council's *Bike Action Plan 2025–2045* as Route R13 – Crows Nest Metro Cycleway and Route R6 – Sinclair Street Cycleway.

Having regard to available budgets and delivery timeframes, it is proposed that the grant application incorporate construction of selected sections that can be delivered with an acceptable level of risk. Prioritisation is based on addressing critical network gaps and constructing sections with the greatest potential to deliver a safe, connected cycle network.

The following sections would be proposed to be designed and constructed:

- Oxley Street, from Chandos Street to Clarke Street; (Stage 1)
- Nicholson Street, from Hume Street to Oxley Street; (Stage 4)
- Nicholson Street, from Hume Street to Shirley Street (Stage 5)

The following sections would be designed for future delivery and not constructed as part of this grant application:

- Clarke Street, from Oxley Street to Willoughby Road; (Stage 2)
- Hume Street, from Clarke Street to Nicholson Street; (Stage 3)
- Chandos Street, from Christie Street to Oxley Street; (Stage 6)
- Nicholson Street, St Leonards from Oxley Street to Christie Street (Stage 7).

A map showing the proposed routes is attached to this report.

### **Grant Alignment**

The proposed routes to be included in the application will result in significant streetscape upgrades including footpath widening, bike paths, and street trees along a corridor that connects areas of the three LGAs that make up the Crows Nest TOD precinct.

The funding will provide active transport and streetscape upgrades between St Leonards Railway Station and Crows Nest Metro Station, to support projected population growth by improving walkability and access to major public transport hubs.

The proposed Nicholson Road section establishes a critical green link serving the proposed residential growth in the Wollstonecraft area implemented as part of the Crows Nest TOD.

In addition, the corridor helps connect key open spaces within the precinct, including Hume Street Park, Christie Street Reserve, and Wadanggari Park. This corridor is identified as a 'Places for People and Cyclists' and an 'Active Transport Movement Network' route in the Crows Nest TOD Design Guide.

### **Proposed Governance**

The NSW Government Division of Local Government Capital Expenditure Guidelines 2010 provide that projects forecast to exceed 10 per cent of Council's annual ordinary rate revenue,

or \$10 million (GST exclusive), should undertake a Capital Expenditure Review and be submitted to the Office of Local Government.

While road and footpath projects are exempt from this requirement, it is proposed that an internal Capital Expenditure Review be undertaken prior to Council committing to any grant funding agreement, should the application be successful. This will support effective risk management by confirming project scope, affordability, delivery timeframes and compliance with funding and governance requirements, with the project managed in accordance with the Guidelines.

### **Financial/Resource Implications**

Given the defined timeline of the Program an initial project program has been developed in conjunction with an external Programmer and includes contingency. The draft program is attached herein.

Council officers have also worked with an external Quantity Surveyor to develop a draft budget for all proposed routes. The estimated cost to design and construct all routes exceeds the available funding envelope.

Accordingly, the grant application will seek funding to complete the design of all project stages (Stages 1–7), together with the detailed design and construction of Stages 1, 4 and 5.

The attached draft budget demonstrates that this scope can be delivered within the potential funding envelope of \$7.34 million (refer page 6)

### **Consultation requirements**

Community engagement is not required to support the grant application, as the proposed routes have previously been consulted through Council's Bike Plan.

Should the application be successful and Council elect to enter into a grant funding agreement, targeted local consultation would be undertaken in relation to any proposed infrastructure changes, in accordance with Council's community engagement and statutory requirements

