CIS01: Draft St Leonards / Crows Nest Planning Study - Precincts 2 and 3

Report of Emma Booth, Strategic Planning Team Leader - Design

The Draft St Leonards/Crows Nest Planning Study - Precincts 2 and 3 (the ‘draft study’) provides a strategic planning framework for St Leonards / Crows Nest that aims to:

- Establish a liveable, high amenity mixed use centre;
- Support creative/innovative industries establish and grow;
- Improve urban design and street level amenity;
- Improve building design and residential amenity; and
- Increase investment in St Leonards.

Recent development interest in St Leonards across the three local government areas, in addition to earlier approvals by the Joint Regional Planning Panel, Planning and Assessment Commission, suggest a pressing need to re-evaluate the existing statutory planning framework, particularly Council’s height and non-residential floor space ratio controls.

The draft study is an opportunity to positively manage change in St Leonards and ensure significant public benefits are delivered that transform the precinct into an exemplar of a modern, mixed use centre.

Public benefits identified in this report will be costed and prioritised based on the submissions received during public exhibition of the draft study.

**Recommendings:**

1. THAT Council adopt the Draft St Leonards/Crows Nest Planning Study - Precincts 2 and 3; and
2. THAT Council places the Draft St Leonards/Crows Nest Planning Study - Precincts 2 and 3 on public exhibition for an extended period of two months, acknowledging the New Year / Christmas period.

The Motion was moved by Councillor Baker and seconded by Councillor Beregi.

Voting was as follows: For/Against 8/0

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**Resolved:**

1. THAT Council adopt the Draft St Leonards/Crows Nest Planning Study - Precincts 2 and 3; and
2. THAT Council places the Draft St Leonards/Crows Nest Planning Study - Precincts 2 and 3 on public exhibition for an extended period of two months, acknowledging the New Year / Christmas period.
3. THAT Council acknowledge and thank Council’s Strategic Planning staff for their excellent work on the Planning Study.
Report to General Manager

Attachments:
1. Draft St Leonards / Crows Nest Planning Study - Precincts 2 and 3

SUBJECT: Draft St Leonards / Crows Nest Planning Study - Precincts 2 and 3

AUTHOR: Emma Booth, Strategic Planning Team Leader - Design

ENDORSED BY: Joseph Hill, Director City Strategy

EXECUTIVE SUMMARY:

The Draft St Leonards/Crows Nest Planning Study - Precincts 2 and 3 (the ‘draft study’) provides a strategic planning framework for St Leonards / Crows Nest that aims to:

- Establish a liveable, high amenity mixed use centre;
- Support creative/innovative industries establish and grow;
- Improve urban design and street level amenity;
- Improve building design and residential amenity; and
- Increase investment in St Leonards.

Recent development interest in St Leonards across the three local government areas, in addition to earlier approvals by the Join Regional Planning Panel, Planning and Assessment Commission, suggest a pressing need to re-evaluate the existing statutory planning framework, particularly Council’s height and non-residential floor space ratio controls. The draft study is an opportunity to positively manage change in St Leonards and ensure significant public benefits are delivered that transform the precinct into an exemplar of a modern, mixed use centre.

FINANCIAL IMPLICATIONS:

Public benefits identified in this report will be costed and prioritised based on the submissions received during public exhibition of the draft study.

RECOMMENDATION:

1. THAT Council adopt the Draft St Leonards/Crows Nest Planning Study - Precincts 2 and 3; and
2. THAT Council places the Draft St Leonards/Crows Nest Planning Study - Precincts 2 and 3 on public exhibition for an extended period of two months, acknowledging the New Year / Christmas period.
LINK TO DELIVERY PROGRAM

The relationship with the Delivery Program is as follows:

Direction: 1. Our Living Environment
Outcome: 1.2 Quality urban greenspaces
1.5 Public open space, recreation facilities and services that meet community needs

Direction: 2. Our Built Environment
Outcome: 2.2 Improved mix of land use and quality development through design excellence
2.3 Vibrant, connected and well maintained streetscapes and villages that build a sense of community
2.5 Sustainable transport is encouraged

Direction: 3. Our Economic Vitality
Outcome: 3.1 Diverse, strong, sustainable and vibrant local economy

Direction: 4. Our Social Vitality
Outcome: 4.1 Community is connected
4.2 Community is diverse
4.3 Enhanced arts and cultural programs and facilities
4.8 Enhanced community facilities, information and services

BACKGROUND

In 2006 the St Leonards Strategy was prepared by Lane Cove Council, Willoughby Council, North Sydney Council and the Department of Planning & Environment. The strategy establishes a coordinated planning approach from the three councils, including how the economic role of the centre can be strengthened, and how future residential development will be managed and supported by much needed public domain improvements. Since that time, North Sydney Council has implemented the recommendations of the strategy through amendments to the North Sydney Local Environmental Plan 2013, and ongoing strategic planning for the area.

On 29 November 2010 Council resolved to undertake a planning study of a portion of St Leonards / Crows Nest with the following objectives:

- New open space in St Leonards/Crows Nest;
- Increased investment in St Leonards and decreased commercial vacancy rates, with particular focus on the rejuvenation of the Pacific Highway between St Leonards train station and the intersection of the Pacific Highway and Willoughby Road;
- Improved connectivity, particularly between St Leonards/Pacific Highway and Willoughby Road;
- Improved urban design and street level amenity particularly in St Leonards and along the Pacific Highway; and
- Improved building design and residential amenity in St Leonards.

The study area was split into 4 precincts (Figure 1). The area is over 21 hectares in size and stretches over 1 kilometre along the Pacific Highway. Undertaking the study at a precinct level ensures the above objectives can be better addressed.

On 5 December 2011 Council adopted the *St Leonards/Crows Nest Planning Study - Precinct 1*. The study focuses on the ‘redevelopment strip’ along the eastern side of the Pacific Highway.

On 22 October 2012 Council adopted the *St Leonards/Crows Nest Planning Study - Precinct 1 (addendum)*. The addendum includes an ‘Open Space and Pedestrian Masterplan’ and a ‘Built Form Masterplan’ that propose an expanded Hume Street Park, a pedestrian link to Willoughby Road, widened footpaths along the Pacific Highway and high amenity mixed use buildings on key sites. Work is now underway to implement the Precinct 1 masterplans.

This draft study covers precincts 2 and 3. Precinct 2 is the high density commercial and mixed use area immediately east of St Leonards Station. Precinct 3 is the low to medium density mixed use and residential area that extends east to Hume Lane, Crows Nest. The decision to undertake precinct 3 at the same time as precinct 2 is due to:
A $100,000 grant under the Department of Planning & Environment’s Planning Reform Fund - Round 8 (PRF) that funded studies covering both precincts (see section 2); and discussions with a landowner that has an interest in over 5,000m² of land in precinct 3 (see section 4).

The draft study has been informed by a detailed consultation process and three independent reports, the details of which are outlined in this report and discussed in more depth in the draft study.

**CONSULTATION REQUIREMENTS**

1. **External**

   To inform the study, Council conducted:
   
   - a community survey in 2013;
   - stakeholder discussions throughout 2013-14;
   - workshops that Willoughby City Council and Lane Cove Council attended; and
   - various meetings with the Department of Planning & Environment.

   Community engagement will be undertaken in accordance with Council’s Community Engagement Protocol. This requires the draft study be placed on public exhibition for a period of 28 days. Due to the expected interest in the draft study, the exhibition period will be extended over the Christmas and New Year period.

2. **Internal**

   Representatives of the following divisions of Council were invited to the series of workshops and comments were sought on the relevant background studies (see section 2):
   
   - City Strategy Division;
   - Community and Library Services Division;
   - Engineering and Property Services Division; and
   - Open Space and Environmental Services Division.

   A Councillor briefing was held on 18 August 2014.

**SUSTAINABILITY STATEMENT**

The sustainability implications were considered and reported on during the initiation phase of this project (29 November 2010).

**DETAIL**

1. **The need for the study**

   St Leonards/Crows Nest is currently experiencing strong development interest. Over the last two years, North Sydney Council has been approached by a number of landowners seeking a
review of the height controls near St Leonards Station, which currently limits development to a maximum of 16 storeys.

In addition, decisions by the Joint Regional Planning Panel, and Planning and Assessment Commission under the now repealed Part 3A, have undermined North Sydney’s planning framework by approving development that exceeds the building height control (545-553 Pacific Highway and 6-16 Atchison St). These approvals have been granted, often with significant impacts on the existing residents, but offering little to no public benefit in return.

This has created considerable uncertainty for the community. The cumulative impact of these proposals needs to be better understood and appropriately managed to ensure the future needs of the residential and working population are adequately met.

Had nothing been done, the Department of Planning & Environment would be more likely to get more involved either at a strategic level, by declaring St Leonards as ‘urban activation precinct’, or on a more site specific basis through the pre-gateway review process or further non-compliant approvals. Public benefits, in addition to standard developer contributions under the North Sydney Section 94 Contributions Plan, would be minimal.

Alternatively, the development interest in St Leonards can be viewed as an opportunity. The Department of Planning & Environment’s forecasts indicate more than 1.6 million additional people will be living in Sydney by 2031, requiring 664,000 more homes and 625,000 more jobs. This is unprecedented growth that is most sustainably accommodated near existing transport infrastructure across the metropolitan area, where jobs, retail and other services are located, vehicular traffic can be kept to a minimum and lower density suburbs can be retained.

In supporting additional density in the study area, Council has the opportunity to set clear design criteria that will manage the height, massing and density of new development in the centre and capture a portion of the financial uplift in development potential for much needed public domain upgrades and new community services.

Accordingly, as per the precinct 1 study, the Draft St Leonards/Crows Nest Planning Study - Precincts 2 and 3 establishes a process that ensures appropriate increases in development capacity on selected sites in the study area will be matched by commensurate public benefits. The aim is to transform St Leonards into an exemplar of modern, mixed use development.

It is worth noting that Lane Cove Council is currently considering proposals for mixed used towers ranging from 27 to 39 storeys in height along the Pacific Highway. Willoughby Council is considering preliminary proposals for mixed use towers ranging from 39 to 55 storeys to the north, along Chandos Street. Some of these buildings would significantly exceed the height of The Forum, which is currently the tallest building in St Leonards at 38 stories.

1 Department of Planning & Environment www.planning.nsw.gov.au
2. **Background reports**

In 2013 Council successfully applied for a grant under the Department of Planning & Environment’s *Planning Reform Fund - Round 8*. The funding application states the draft study will deliver an evidence-based strategy that supports state government’s strategic objectives to:

- Strengthen Sydney’s role as a globally competitive city;
- Locate at least 80% of all new homes within existing centres with good public transport; and
- Strengthen the state’s lead on best practice urban renewal for improved liveability.

Once the funding agreement was finalised in early 2014, Council commissioned:

- *Placemaking & Design Study* - to examine how to transform the study area into a vibrant and engaging place and assist the review of the built form controls;
- *Access Study* - to identify projects that encourage walking, public transport and cycle use and reduce traffic congestion; and
- *Market Feasibility Study* - to identify strategies that would strengthen the employment function of the area.

To inform the studies, workshops were held on 29 April, 28 May and 19 June 2014. Invitees from North Sydney, Lane Cove and Willoughby Council and the three consultancies attended one to all three workshops.

To ensure the background reports provide high quality, independent advice, Council sought the consultancies’ best ideas.

The draft study presents the key findings of the background reports and adopts the recommendations that are considered to have merit. Recommendations in the background reports that were considered inconsistent, unachievable or potentially downgrade the development capacity of land are not supported and have not been included in the draft study.

3. **Community survey**

In 2013 Council conducted a survey of the local community, seeking people’s opinion on the character of the study area, the quality of the public domain and desired services and activities. Throughout 2014, a smaller, on-line questionnaire has been running on Council’s website.

The recurrent theme from the surveys is that St Leonards has a distinct lack of community atmosphere and there is nothing to do. There is a strong desire to see additional or higher quality open spaces. Council also received many responses wanting new indoor activities including more retail, entertainment, restaurants and community space.

The draft study presents the relevant survey results at the start of each chapter.
4. Discussions with landowners and developers

To understand local aspirations for the area, the City Strategy Division has been holding regular meetings with local landowners and their advisors throughout 2013-14. Prior to the meetings, concept proposals for various sites in the study area were often submitted to Council for consideration.

What became apparent through these meetings is that delivering additional activities as part of a new development in St Leonards / Crows Nest is more economically feasible when undertaken with additional residential development above the podium. This is largely due, in the current market, to residential returns on investment being significantly higher than ‘non-residential’ development. The Market Feasibility Study confirms this.

The draft study provides further detail on the stakeholder discussions (pages 10-11).

In addition, a significant opportunity has emerged through these discussions for the area just west of Oxley Street (referred to in the draft study as ‘West Oxley’). An 8,000m² area in Precinct 3 is under the ownership of just three landowners - 5,000m² of which is under one ownership. Despite Council advice, that owner has lodged a planning proposal before this draft study was put to Council for consideration and made publicly available.

The draft study proposes that a master plan be prepared for that land, in consultation with Council and adjacent landowners (page 17).

5. Aims of the draft study

Based on the analysis, St Leonards is considered to have image and amenity problems, ageing commercial stock, limited public domain and attractions. There is also a pressing need for the study area to balance the long-term, strategic employment function of the area with current market interest in residential development. Accordingly, the draft study aims to:

- Establish a liveable, high amenity mixed use centre;
- Support creative/innovative industries establish and grow;
- Improve urban design and street level amenity;
- Improve building design and residential amenity; and
- Increase investment in St Leonards.

The draft study sets a vision for precincts 2 and 3 (pages 12-13); and provides a summary of the study’s objectives (pages 14-15).
6. **Recommendations of the draft study**

Key recommendations of the draft study fall under four themes. Public benefits to be negotiated with any increase in height limit are marked with an *asterisk. Other public domain upgrades are captured by the *North Sydney Section 94 Contributions Plan*.

**Placemaking** (pages 42-47)
- A suite of streetscape improvements under the Public Domain Style Guide;
- Upgrade Christie Street Reserve and Mitchell Street Plaza*;
- Create new, landscaped ‘linear parks’ down Mitchell St and Oxley Streets*;
- Provide a community centre and 40-place long childcare facility*; and
- Create new, upgraded laneways, install public art and develop an events program*.

**Access** (pages 54-57)
- Transform St Leonards into a transit oriented centre by downgrading the traffic role of Atchison, Mitchell and Oxley Streets and installing new bike paths and infrastructure;
- Install pedestrian crossings, and traffic lights over time, on key intersections;
- Investigate establishing a dedicated taxi rank near the station; and
- Promote innovative on-site parking arrangements that reduce the demand for parking.

**Employment** (pages 68-71)
- Increase the ‘non-residential’ floor space ratio of mixed use land to fill podium levels;
- Add ‘shoptop housing’ as an additional permitted use on sites with mixed use approvals in the B3 Commercial Core zone;
- Target small-medium businesses and creative industries;
- Provide affordable commercial space for start-up businesses*;
- Fix the planning controls that incentivize serviced apartments over employment space;
- Actively promote St Leonards as a place to do business.

**Built form** (pages 86-93)
- Increase podium height near the station to accommodate non-residential uses;
- New ground level, whole building and above podium setbacks to improve built form;
- Consider landowner-initiated planning proposals to increase height on identified sites;
- The height limit on four sites identified for ‘tall buildings’ to be determined on merit;
- Set design principles set to encourage tall, slender towers with good separation;
- Design to be considered upfront by referring schemes to the Design Excellence Panel;
- Provide affordable housing*.

7. **Next step**

It is recommended that the *draft St Leonards Crows Nest Planning Study - Precincts 2 and 3* be adopted by Council and placed on public exhibition for comment.